



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-THIRD LEGISLATURE

Bill 395

**An Act to amend the Act respecting
the Société de l'assurance automobile
du Québec and other legislative
provisions concerning rights granted
on a vehicle**

Introduction

**Introduced by
Mr. Monsef Derraji
Member for Nelligan**

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EXPLANATORY NOTES

This bill amends the Highway Safety Code to require the transferor of a passenger vehicle, under penalty of a fine, to warrant the new owner that the vehicle is free of all rights by providing a verification notice obtained from the Société de l'assurance automobile du Québec.

To that end, the bill amends the Act respecting the Société de l'assurance automobile du Québec to add, among the functions of the Société when processing a request for a verification notice, the obligation to check, in the register of personal and movable real rights, whether any rights on a passenger vehicle that is being transferred have been granted between parties who are not dealers in such vehicles. The bill also introduces a compensation scheme for new owners who suffer damage resulting from the exercise of duly published rights, the existence of which was omitted from the verification notice.

Lastly, the bill amends the Consumer Protection Act to require the dealer to indicate, on the label that must be affixed to each used automobile, the result of the verification carried out in the register of personal and movable real rights to determine whether any rights on the automobile in question have been granted.

LEGISLATION AMENDED BY THIS BILL:

- Highway Safety Code (chapter C-24.2);
- Consumer Protection Act (chapter P-40.1);
- Act respecting the Société de l'assurance automobile du Québec (chapter S-11.011).

Bill 395

AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ DE L'ASSURANCE AUTOMOBILE DU QUÉBEC AND OTHER LEGISLATIVE PROVISIONS CONCERNING RIGHTS GRANTED ON A VEHICLE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

HIGHWAY SAFETY CODE

1. Section 40 of the Highway Safety Code (chapter C-24.2) is amended by adding the following paragraphs after the first paragraph:

“The transferor of a passenger vehicle is bound to warrant the new owner that the vehicle is free of all rights, except those he has declared at the time of the sale. To that end, the transferor shall provide the new owner, prior to the conclusion of the contract of sale, with the verification notice referred to in paragraph *c.1* of subsection 1 of section 2 of the Act respecting the Société de l'assurance automobile du Québec (chapter S-11.011).

The transferor is bound to discharge the property of all hypothecs, even declared or registered, unless the new owner has assumed the debt so secured.”

2. Section 51 of the Code is amended by replacing “any of sections 11.1, 28 or 40 to 46” by “the first paragraph of section 40 or any of sections 11.1, 28 or 41 to 46”.

3. The Code is amended by inserting the following section after section 55:

“55.1. The transferor of a passenger vehicle who contravenes the second paragraph of section 40 commits an offence and is liable to a fine of \$200 to \$300.”

CONSUMER PROTECTION ACT

4. Section 156 of the Consumer Protection Act (chapter P-40.1) is amended by inserting the following subparagraph after subparagraph *d.1* of the first paragraph:

“(d.2) the result of the verification carried out by the merchant in the register of personal and movable real rights concerning the rights granted in respect of the used automobile;”.

ACT RESPECTING THE SOCIÉTÉ DE L'ASSURANCE
AUTOMOBILE DU QUÉBEC

5. Section 2 of the Act respecting the Société de l'assurance automobile du Québec (chapter S-11.011) is amended

(1) by inserting the following paragraph after paragraph *c* of subsection 1:

“(c.1) to check, when processing a request for a verification notice, in the context of a transfer of ownership of a passenger vehicle between parties who are not dealers in such vehicles, whether any rights on the vehicle have been granted, in the register of personal and movable real rights;”;

(2) by inserting the following paragraph after paragraph *c* of subsection 2:

“(c.1) to compensate the new owner referred to in section 40 of the Highway Safety Code (chapter C-24.2) for any damage resulting from the exercise of duly published rights, the existence of which was omitted from the notice referred to in paragraph *c.1* of subsection 1;”.

FINAL PROVISION

6. This Act comes into force on (*insert the date of assent to this Act*).