

FOURTH SESSION  
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

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**Bill 19**

**An Act to amend the Cooperative Associations Act**

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First reading . . . . .  
Second reading . . . . .  
Third reading . . . . .

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MADAME LISE PAYETTE

Ministre des consommateurs, coopératives  
et institutions financières

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L'ÉDITEUR OFFICIEL DU QUÉBEC

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## EXPLANATORY NOTES

*The object of this bill is to enable cooperative associations to fix the rate of the rebates of the annual surplus earnings according to the nature of the produce or services they have dealt in, in addition to the other factors already listed in the act.*

*The bill also enables the Minister to order the dissolution of a cooperative association where it has not held its organization meeting within one year after publication of the notice of approval of its formation, and determines the procedure to be followed in such a case.*

*Further, with respect to consumers' cooperative associations, the bill enables*

*(a) associations that are members of the Fédération des Magasins Co-op to be no longer bound to pay rebates in the form of common or preferred shares;*

*(b) such associations, for the formation of the board of directors, to order the division of their members into groups, the division of the territory where the association operates into sectors, or both at the same time, and to allocate a certain number of directors to each group and, where that is the case, each sector, and determine how each of such directors is nominated and elected.*

*Finally, the bill enables a cooperative agricultural association the portion of whose sales made in pursuit of the objects mentioned in the Cooperative Agricultural Associations Act represents less than one-third of all its sales, to become a cooperative association governed by the Cooperative Associations Act, provided that it pursues purposes permitted by that act.*

Sec. 1. *The object of the proposed amendment is to enable a cooperative association to fix the rate of the rebates of its annual surplus earnings according to the nature of the produce and services it has dealt in.*

Sec. 2. *The object of the proposed amendment is to order the dissolution of a cooperative association which has not held its organization meeting within one year after publication of the notice of its formation.*

Sec. 3. *The proposed amendment provides concordance with section 2 of the bill.*

Sec. 4. *The object of the proposed amendment is to strike out from the act the prohibition, for a consumers' cooperative association that is a member of the Fédération des Magasins Co-op, from paying rebates otherwise than in the form of common or preferred shares.*

## Bill 19

### An Act to amend the Cooperative Associations Act

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

R.S.,  
c. 292,  
s. 84, re-  
placed.

**1.** Section 84 of the Cooperative Associations Act (Revised Statutes, 1964, chapter 292) is replaced by the following section:

Rate of  
rebates.

**“84.** The rate of the rebates may vary with the nature, quantity, quality or value of the merchandise, produce or services dealt in.”

R.S.,  
c. 292,  
s. 101*a*,  
am.

**2.** Section 101*a* of the said act, enacted by section 27 of chapter 58 of the statutes of 1970, is amended by adding after paragraph *a*, the following paragraph:

“(a<sup>1</sup>) if the organization meeting is not held within one year after publication of the notice provided for in section 8;”.

R.S.,  
c. 292,  
s. 101*b*,  
am.

**3.** Section 101*b* of the said act, enacted by section 27 of chapter 58 of the statutes of 1970, is amended by inserting after the first paragraph, the following paragraph:

Notice to  
provisional  
secretary.

“In the case contemplated in paragraph *a*<sup>1</sup> of section 101*a*, the notice provided for in the preceding paragraph shall be sent to the last address of the provisional secretary indicated in the records of the Ministère des consommateurs, coopératives et institutions financières.”

R.S.,  
c. 292,  
s. 106,  
am.

**4.** Section 106 of the said act, amended by section 4 of chapter 75 of the statutes of 1968, is again amended by striking out paragraph *e*.

Sec. 5. *The object of the proposed amendment is to broaden the present legislation to enable a consumers' cooperative association to order the division of its members into groups and allocate a certain number of directors to each group for the formation of the board of directors of the association.*

Sec. 6. *The proposed amendment is entirely new legislation and enables certain cooperative agricultural associations to become governed by the Cooperative Associations Act, provided they fulfil the conditions provided for in the act.*

R.S.,  
c. 292,  
s. 106a,  
added.

**5.** The said act is amended by inserting after section 106 the following section:

Board of  
directors.

**"106a.** In the case of a cooperative association referred to in section 106, the by-laws, for the setting up of the board of directors, may

(a) order that the members be divided into groups, that the territory where the association operates be divided into sectors, or both at the same time; and

(b) allocate a certain number of directors to each group and, where that is the case, each sector, and determine how each of such directors is nominated and elected.

Composi-  
tion of a  
group.

For the purposes of this section, a group may consist of a cooperative or federation of cooperatives established under an act of Québec."

R.S.,  
c. 292,  
s. 123a,  
added.

**6.** The said act is amended by inserting after section 123 the following section:

Conditions  
to be  
governed  
by this  
act.

**"123a.** If a cooperative agricultural association governed by the Cooperative Agricultural Associations Act (Revised Statutes, 1964, chapter 124) establishes to the satisfaction of the Minister that the portion of the sales made in the pursuit of the objects mentioned in section 2 of the said act represents less than one-third of all its sales, and it pursues purposes permitted by section 3 of this act, it may become an association governed by this act.

Applica-  
tion.

For that purpose it shall send to the Minister an application, in duplicate, in conformity with form 5; the Minister shall accept, in support of the application, and hold in trust, every necessary affidavit, whether under oath or solemn affirmation.

Approval  
by the  
Minister.

If, after consultation with the Conseil de la coopération, the Minister approves the application, he shall indicate it by signing each copy.

Notice.

Notice that approval has been granted shall be published in the *Gazette officielle du Québec* at the expense of the cooperative agricultural association and, from that publication, this association becomes a cooperative association governed by this act.

Filing of  
copy of ap-  
plication.

After the publication of the notice, one copy of the application shall be filed in the records of the Ministère des consommateurs, coopératives et institutions financières and the other copy shall be returned to the association.»

Sec. 7. *The proposed amendment provides concordance with section 6 of the bill.*



R.S.,  
c. 292,  
Sched. I,  
am.

**7.** Schedule I to the said act, amended by sections 35 and 36 of chapter 58 of the statutes of 1970, is again amended by inserting, at the end, the following form:

**"Form 5 (section 123a)**

*Application by a cooperative agricultural association  
to be governed by the Cooperative Associations Act*

The cooperative agricultural association designated by the name of .....  
the corporate seat of which is at .....  
....., applies to be  
no longer governed by the Cooperative Agricultural Associations Act and to become a .....

*(insert here, if necessary, the word "fishermen's",*

*"consumers" or "housing")* cooperative association governed by the

Cooperative Associations Act for the pursuit of the following purposes:

.....  
.....  
.....  
.....  
.....

under the following name: .....  
*(name must conform to sections 13 and 106*

*of the Cooperative Associations Act)*

Dated at ....., this ....., 19....

.....  
*(name of the association)*

.....  
*(president)*

.....  
*(secretary-treasurer)*

N.B. A certified copy of the resolution passed by the board of directors of the association and ratified by the general meeting of its members, authorizing this application and the signing thereof by the president and the secretary, must be annexed to this form."

Coming  
into force.

**8.** This act comes into force on the day of its sanction.