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Tuesday 31 August 2010

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Mardi 31 août 2010

**Standing Committee on
Social Policy**

Not-for-Profit
Corporations Act, 2010

**Comité permanent de
la politique sociale**

Loi de 2010 sur les organisations
sans but lucratif

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
SOCIAL POLICY**

**COMITÉ PERMANENT DE
LA POLITIQUE SOCIALE**

Tuesday 31 August 2010

Mardi 31 août 2010

The committee met at 0906 in room 151.

**NOT-FOR-PROFIT
CORPORATIONS ACT, 2010
LOI DE 2010 SUR LES ORGANISATIONS
SANS BUT LUCRATIF**

Consideration of Bill 65, An Act to revise the law in respect of not-for-profit corporations / Projet de loi 65, Loi modifiant des lois en ce qui concerne les organisations sans but lucratif.

The Chair (Mr. Shafiq Qaadri): Good morning, and welcome to clause-by-clause on Bill 65, An Act to revise the law in respect of not-for-profit corporations.

Mr. Peter Kormos: At 9:05 a.m.

The Chair (Mr. Shafiq Qaadri): We have a number of resolutions and motions, and if there is any general commentary of any kind, I'd entertain that, except for Mr. Kormos—but go ahead. Are there any general comments? Seeing none, we'll proceed—

Mr. Peter Kormos: Chair, yes, there are. Mr. Fenson isn't here this morning, but I want to thank him for the material he prepared for us; it was useful. I appreciate the people who participated. It was more interesting, I think, than any of us suspected that it would be at the end of the day.

I do indicate that New Democrats will be supporting this legislation. We're not entirely happy that all of the issues haven't been addressed, but we understand that some of the issues that were raised can't be addressed within the context of Bill 65, and that's fair enough. The community bond issue, which is an issue that was raised, to be fair, is not one that is likely to be addressed by Bill 65, within the context of this legislation. I hope the government pays attention to that, however.

We're looking forward to seeing this bill progress through committee during today's process.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Kormos, for your now-substantive remarks. If there are any further remarks, I'd invite them. From the government side?

Mr. Khalil Ramal: [Inaudible] patiently to listen to your voice—

Mr. Peter Kormos: From your own, Chair. From your own.

Mr. Khalil Ramal: —and to go through this procedure.

The Chair (Mr. Shafiq Qaadri): Thank you.

From the Conservative side? If not, I'll invite the presentation of government motion 1, I presume. Mr. Johnson.

Mr. Rick Johnson: I move that the definition of "charitable corporation" in section 1 of the bill be struck out and the following substituted:

"'charitable corporation' means a corporation incorporated for the relief of poverty, the advancement of education, the advancement of religion or other charitable purpose, and 'non-charitable corporation' means a corporation that is not a charitable corporation; ('organisation caritative', 'organisation non caritative')."

My French is lacking.

The Chair (Mr. Shafiq Qaadri): Pas de problème, Monsieur Johnson. Are there any comments?

Mr. Peter Kormos: Chair, please, some brief explanation.

Mr. Rick Johnson: This is a technical amendment. This definition has been narrowed to reflect the common law definition of charity and provides greater legal certainty as to whether or not corporations are charitable.

The Chair (Mr. Shafiq Qaadri): Thank you. Ms. Munro?

Mrs. Julia Munro: I understand the explanation. I'm just a little bit concerned about the fact that it identifies very specific purposes. Perhaps in the future this might become difficult for people to be looking at as a definition. I just wondered if the government had any comments on that.

Mr. Rick Johnson: I would ask staff to come forward and provide a further definition.

The Chair (Mr. Shafiq Qaadri): Welcome. Please be seated. You know the drill. Please identify yourself and proceed.

Mr. Peter Kormos: We're sorry we were late starting. We appreciate you waiting for us.

Mr. Allen Doppelt: My name is Allen Doppelt, and I am senior counsel with the legal services branch of the Ministry of Consumer Services.

To answer the specific question, the revised definition has a basket clause. In addition to the three main categories, which relate to relief of poverty, education and religion, it contains the words "or other charitable purpose." Over the years, the courts have expanded the category of types of activities that are considered charitable. For example, many years ago, environmental

activities would not have been considered charitable, and they are now. So it's flexible enough to accommodate future judicial decisions as to what constitutes a charitable activity or not.

Mrs. Julia Munro: Okay, thank you. I just felt it was important that people appreciate the breadth of what the "other charitable purpose" might also include.

The Chair (Mr. Shafiq Qaadri): If there are no further considerations, we'll proceed to the vote. Those in favour of government motion 1? Those opposed? Motion 1 carried.

Government motion 2: Mr. Johnson.

Mr. Rick Johnson: I move that section 1 of the bill be amended by adding the following subsection:

"Deeming re public benefit corporation

"(2) Despite the definition of 'public benefit corporation' in subsection (1), if a non-charitable corporation that is not a public benefit corporation at the beginning of a financial year receives donations, gifts, grants or similar financial assistance as described in that definition in that financial year,

"(a) the non-charitable corporation is deemed to not be a public benefit corporation in that financial year; and

"(b) the non-charitable corporation is deemed to be a public benefit corporation in the next financial year, as of the date of the first annual meeting of members in that next financial year."

The Chair (Mr. Shafiq Qaadri): Further comments? Mr. Kormos.

Mr. Peter Kormos: This is wacky. It has these corporations jumping in and out of the structure of Bill 65, depending upon whether or not they receive that government funding in a particular fiscal year. It just seems so strange, because one law will apply one year; another law will apply another year. Can you help with that, please?

Mr. Rick Johnson: It clarifies that a non-charitable corporation becomes a public benefit corporation only at the first annual members' meeting after the financial year in which the corporation exceeds the minimum threshold for financial contributions from non-members. The corporation will continue to be a public benefit corporation for each financial year in which it exceeds the minimum threshold. This will enable the members to approve the necessary changes to the articles and bylaws and pass any required resolutions in a timely way to meet the bill's requirements for public benefit corporations.

Mr. Peter Kormos: Mr. Ramal understands that.

The Chair (Mr. Shafiq Qaadri): Are you posing a formal question, Mr. Kormos, to Mr. Ramal?

Mr. Peter Kormos: No, thank you, Chair.

The Chair (Mr. Shafiq Qaadri): All right; fair enough. If there are no further considerations, we'll proceed to the vote. Those in favour of government motion 2? Those opposed? Motion 2 carried.

Shall section 1, as amended, carry? Carried.

We've received no motions, so far as I understand, with reference to section 2, so I'll proceed to the vote, unless there are comments. Shall section 2 carry? Carried.

Section 3, government motion 3: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 3(4) of the bill be struck out and the following substituted:

"Control"—

Mr. Peter Kormos: Point of order, Mr. Chair. Section 1, as amended: We dealt with that?

The Chair (Mr. Shafiq Qaadri): Yes, and we've actually dealt with section 2 as well. We're now on section 3.

Mr. Peter Kormos: Yes, quite right.

The Chair (Mr. Shafiq Qaadri): Government motion 3: Proceed.

Mr. Rick Johnson: "(4) For the purposes of this act, a body corporate is deemed to be controlled by another person or by two or more bodies corporate if, but only if,

"(a) shares or memberships of the first-mentioned body corporate to which are attached more than 50% of the votes that may be cast to elect directors of that body corporate are held, other than by way of security only, by or for the benefit of such other person or by or for the benefit of such other bodies corporate; and

"(b) the votes attached to those shares or memberships are sufficient, if exercised, to elect a majority of the board of directors of the first-mentioned body corporate."

The Chair (Mr. Shafiq Qaadri): Comments, questions, queries? Seeing none, we'll proceed to the vote. Those in favour of government motion 3? Those opposed? Government motion 3 carried.

Shall section 3, as amended, carry? Carried.

With the indulgence of committee, we have received no motions to date for sections 4 to 7, inclusive. So, with your permission, I will entertain block consideration of the sections. Shall sections 4 to 7, inclusive, carry? Carried.

I will now proceed to section 8, PC motion 4: Ms. Munro.

Mrs. Julia Munro: I move that subsection 8(2) of the bill be amended by striking out "Subject to any restrictions in the regulations" and substituting "Subject to subsection (3.1) and any restrictions in the regulations."

This has to do with the complexity that was revealed to us in the proceedings last week with regard to making clear when a not-for-profit corporation is involved in profit-making ventures. Sometimes the line is a bit fuzzy. This looks at this particular issue in a way to make it very clear to everybody.

The Chair (Mr. Shafiq Qaadri): Further comments? Mr. Johnson.

Mr. Rick Johnson: We won't be supporting this amendment. The proposed amendment makes the purpose of the corporation subject to the restriction that the main purpose of a corporation must be non-commercial, as set out in the proposed amendment to subsection 8(3.1). This cross-reference to propose subsection (3.1) is unnecessary because current subsection 8(3) already includes this restriction.

The Chair (Mr. Shafiq Qaadri): Further comments? Seeing none, we'll proceed to the vote. Those in favour

of PC motion 4? Those opposed? I declare PC motion 4 to have been defeated.

PC motion 5: Ms. Munro.

Mrs. Julia Munro: I move that subsection 8(3) of the bill be struck out and the following substituted:

“Same

“(3) If any of the purposes of a corporation are of a commercial nature, the articles must state the following:

“1. The commercial purpose of the corporation must be limited to those business activities that are incidental and ancillary to its objects.

“2. The commercial purpose of the corporation must be subject to a revenue cap of not greater than \$500,000 per year.

“3. The commercial purpose is intended only to advance or support one or more of the non-profit purposes of the corporation.”

Obviously, this amendment falls within the general scope of the concerns raised last week with regard to the manner in which not-for-profit corporations can proceed. Clearly, what this attempts to do is make sure that there is a level playing field.

The Chair (Mr. Shafiq Qaadri): Further comments, queries? Mr. Johnson.

Mr. Rick Johnson: Just that we won't be supporting this amendment. This proposed amendment would add two additional restrictions to the articles concerning any commercial purposes. The first condition restates the existing restriction in current subsection 8(3) using different language and is therefore unnecessary. The second condition would impose a severe limitation on the ability of non-profit corporations to engage in commercial activity that is necessary to support or achieve their non-profit purposes.

The Chair (Mr. Shafiq Qaadri): Further comments? Ms. Munro.

Mrs. Julia Munro: I would just want to, for the record, indicate that while the government is correct in terms of setting a cap, the intention here is to be able to create a level playing field. Not-for-profit corporations have a particular set of rules that obviously the private sector or the for-profits—they have to contend with fees and things like that. This is an attempt to make sure that there is a level playing field.

The Chair (Mr. Shafiq Qaadri): If there is no further consideration, we'll proceed to consider PC motion 5. Those in favour of PC motion 5? Those opposed? I declare PC motion 5 to have been defeated.

PC motion 6: Ms. Munro.

Mrs. Julia Munro: I move that section 8 of the bill be amended by adding the following subsection:

“Dominant purpose

“(3.1) The dominant purpose of a corporation must be of a non-commercial nature.”

Again, this falls within that whole concern about, first of all, making very clear what is the purpose of each kind of corporation, clarifying that it must be of a non-commercial nature; and secondly, that the reason for that is simply to make sure that there is a level playing field.

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The Chair (Mr. Shafiq Qaadri): Further comments? Mr. Johnson.

Mr. Rick Johnson: This amendment will require that the corporation's dominant purpose be one that is non-commercial in nature. This restates the existing restriction in current subsection 8(3) using different language and is therefore unnecessary.

The Chair (Mr. Shafiq Qaadri): Thank you. No further comments? We'll proceed, then, to the vote. Those in favour of PC motion 6? Those opposed? I declare PC motion 6 to have been defeated.

Shall this section, section 8, carry? Carried.

Again, block consideration, if—

Mr. Peter Kormos: One moment, Chair.

The Chair (Mr. Shafiq Qaadri): Yes, Mr. Kormos.

Mr. Peter Kormos: Up to and including section 10, please, because I want to speak to section 11.

The Chair (Mr. Shafiq Qaadri): Fair enough; accepted. Shall section 9 carry? Carried.

Section 10: If there are comments on section 10—

Mr. Peter Kormos: I said up to and including section 10.

The Chair (Mr. Shafiq Qaadri): Ah, fair enough. Shall section 10 carry? Carried.

Section 11: Mr. Kormos.

Mr. Peter Kormos: I spoke to this on second reading, and it's a very peculiar restriction. What it does is it says that the corporation's name shall be in English only or French only. It seems to me that we're more mature than that. It does, further on, say that the name shall be in Roman alphabet letters; I perhaps understand that. But what this says is that—again, I talked about the Croatian home in Welland last week, that the Croatian home cannot call itself *Hrvatski dom*, which is Croatian for “Croatian home.” The Italian home, similarly, can't call itself, quite frankly, *Casa Dante*—the “*Casa Dante*” would probably be illegal in terms of the restriction here. “*Casa Dante*” is not English, nor is it French; it's “*Home Dante*.”

I just find it troubling that we couldn't be more mature as a province and recognize that we have this incredible ethnic and cultural mix. I understand the restriction to Roman lettering, because for some of us, it would be very difficult to read any number of other letterings, be it Cyrillic or Asian or what have you. But if we have Roman lettering, why can't we allow people to incorporate their corporate body in a language that is endemic to that particular community?

I raise this, which is why I'm going to vote against section 11. I understand the English and French, of course, but why can't we allow the Croatian home to call itself *Hrvatski dom*—in Roman letters, because Croats use Roman letters, as compared to Ukrainians, who use Cyrillic. But even the Ukrainian home, or the Ukrainian hall in my community, would be more than prepared to use Roman letters, rather than Cyrillic—or, for that matter, any number of temples and mosques and centres

and corporate bodies of any number of ethnic communities.

I don't know whether the acting PA wants to comment on that or not. I would love to see him commit the government to a model of inclusivity, rather than exclusivity.

Mr. Rick Johnson: I would pass that to ministry staff.

Mr. Allen Doppelt: Yes, if I may respond to that question, it's addressed in subsection (6) of section 11. It says, "Subject to this act and the regulations, a corporation may use its name in the form and language permitted by its articles." In other words, although in the first part of the articles of incorporation you set out the name in English and in French, you can have an exact translation into any language in the special provisions, and you can use that form of language. In fact, that reflects the current provision in the Corporations Act.

Mr. Peter Kormos: Chair, quite frankly, that's the "carrying on business as." It creates a duality, with respect. I understand that subsection. But the dominant section is the section that says English or French, and then it says, "Oh, but we'll condescend and let you call yourself by your ethnic name." But your proper name—in other words, it's Harry Brown carrying on business as Brown Jewellers. Is that unfair, or am I wrong? Tell me.

Mr. Allen Doppelt: In fact, for all legal purposes, you can use the name in the other language in terms of contracts and advertising for all purposes. So it doesn't really impose any restriction in terms of the practical activity of the corporation.

Mr. Peter Kormos: But then why do we have subsection (2): "a name that is ... English only ... French only"? Please help me.

Mr. Allen Doppelt: I think that reflects the existing practice, but what I'm saying is, in practice, the use of the corporate name in any other language can be done without any restriction whatsoever. It would be seamless to anyone dealing with the corporation.

Mr. Peter Kormos: "Subject to this act"—and the preceding subsection, subsection (2), are very explicit about what language. But okay, I hear you. I respect your commentary on that. I'm voting against it as I think we should be explicit in terms of deleting the "English or French only." I can live with using Roman lettering, because that's a language that's a communication issue. But I'm going to vote against it because, if what you say is correct, you wouldn't need subsection (2), which says "English only" or "French only."

Fair enough. Let's not get engaged in a protracted debate. This will give me an hour for third reading. Lord knows, it will be tough enough to get an hour out of this, but I'll manage.

The Chair (Mr. Shafiq Qaadri): Thank you. We'll proceed, then, to the vote. Those in favour of section 11?

Mr. Peter Kormos: Recorded vote, please.

Ayes

Johnson, Leal, McNeely, Naqvi, Ramal.

Nays

Kormos.

The Chair (Mr. Shafiq Qaadri): Section 11 has been carried.

Sections 12 to 15: with the indulgence of the committee, block consideration. Shall they carry? Carried.

We will now proceed to section 16, government motion 7: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 16(2) of the bill be amended by striking out "in a manner".

This is a technical amendment.

The Chair (Mr. Shafiq Qaadri): Any comments?

Mr. Peter Kormos: One moment, Chair, please.

What happened here, acting PA?

Mr. Rick Johnson: Removal of the deleted word clarifies the intent of this provision. The words "in a manner" have been deleted because they appear to unduly narrow the scope of this provision. A corporation will not be permitted to carry on its activities or exercise any power contrary to its articles.

Mr. Peter Kormos: That heartfelt comment by Mr. Johnson has persuaded me that the amendment is—

Interjections.

Mr. Rick Johnson: I'm glad I'm sweating you today.

The Chair (Mr. Shafiq Qaadri): I could sense the emotional commitment as well, so thank you, Mr. Kormos, for your endorsement.

We'll now move to consider government motion 7. Those in favour? Those opposed? Government motion 7 carried.

Shall section 16, as amended, carry? Carried.

Section 17, government motion 8: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 17(1) of the bill be amended by striking out "except in respect of matters referred to in subsection 102(1)" at the end and substituting "except in respect of a matter referred to in clause 102(1)(g), (j) or (l)".

A technical amendment, once again, to narrow the application of the rule only to appropriate clauses of subsection 102(1). The bylaw-making powers in this provision have been revised to exclude only those clauses of subsection 102(1) that can be the subject matter of a bylaw. Section 102 deals with the amendments to articles.

The Chair (Mr. Shafiq Qaadri): Further comments? Any comments? We'll proceed, then, to the vote. Those in favour of government motion 8? Those opposed? Government motion 8 carries.

Shall section 17, as amended, carry? Carried.

Once again, with the indulgence of committee, block consideration, if allowed, of sections 18 to 22, inclusive: Those in favour? Those opposed? Sections 18 to 22 carry.

I now proceed to section 23, government motion 9: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 23(3) of the bill be struck out.

This was requested by the Ontario Nonprofit Network. The requirement that at least two thirds of the directors must be members is being deleted. In light of the enhanced accountability provisions for directors, it does not appear necessary that a cap be placed on the number of directors who are not members.

Mr. Peter Kormos: This seems to be another major and significant McGuinty flip-flop. We'll support it.

The Chair (Mr. Shafiq Qaadri): Thank you. If there are no further comments, we'll proceed to the vote. Those in favour of government motion 9? Those opposed? Government motion 9 carries.

Government motion 10: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 23(4) of the bill be struck out and the following substituted:

“Restriction re public benefit corporation

“(4) Not more than one third of the directors of a public benefit corporation may be employees of the corporation or of any of its affiliates.”

0930

The Chair (Mr. Shafiq Qaadri): Further comments? Seeing none, we'll proceed to the vote. Those in favour of government motion 10? Those opposed? Motion 10 carries.

Shall section 23, as amended, carry? Carried.

Section 24, government motion 11: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 24(1) of the bill be amended by striking out “the third annual meeting of the members” and substituting “the fourth annual meeting of the members.”

The Chair (Mr. Shafiq Qaadri): Further comments? Ms. Munro.

Mrs. Julia Munro: I just wondered if we could have an explanation for the change.

Mr. Rick Johnson: Yes, the maximum term for directors is being extended from three years to four years. Consequently, the election of directors must occur at least once every four years. It will provide more flexibility for not-for-profit corporations to determine the appropriate term of office for its board of directors.

Mrs. Julia Munro: So does this mean that it could be in their bylaws—that it could be any different from every four years?

Mr. Rick Johnson: I'm going to pass this over.

Mr. Allen Doppelt: The term of office for directors would have to be set out in the bylaws in whole years: another one every year or every second or every third year, and if this amendment is approved, it would be every four years. In practice, if directors are elected for more than one year, it's usually because there's a rotating board—for example, if you had nine directors elected over a three-year term, and each would have a three-year term or a four-year term.

Mrs. Julia Munro: And, in this case, a four-year term.

Mr. Allen Doppelt: Yes. It might happen if you had a large board of sixteen, and four were elected each year for a four-year term.

The Chair (Mr. Shafiq Qaadri): Thank you. If there are no further comments, we'll proceed to consider government motion 11. Those in favour? Those opposed? Motion 11 carries.

Government motion 12: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 24(7) of the bill be amended by striking out “if the articles of the corporation so provide”.

The Chair (Mr. Shafiq Qaadri): Comments? We'll proceed to the vote. Those in favour of government motion 12? Opposed? Motion 12 carries.

Government motion 13: Mr. Johnson.

Mr. Rick Johnson: I move that section 24 of the bill be amended by adding the following subsections:

“Later consent

“(9) Despite subsection (8), if an individual elected or appointed consents in writing after the period mentioned in that subsection, the election or appointment is valid.

“Exception

“(10) Subsection (8) does not apply to a director who is re-elected or reappointed where there is no break in his or her term of office.”

The Chair (Mr. Shafiq Qaadri): Comments? Ms. Munro.

Mrs. Julia Munro: Yes, I just wanted to ask a question. In this proposed amendment, it says, “consents in writing after the period.” In the original, it has “within 10 days.” I just wondered, why the change, and how long is “after the period”?

Mr. Rick Johnson: I'll take a stab. These two subsections are substantially the same as subsections 119(10) and (11) of the Ontario Business Corporations Act. New subsection 24(9) is a saving provision that preserves the validity of a director's election or appointment, even if the director's consent is signed more than 10 days after the election or the appointment. Does that answer it?

Mrs. Julia Munro: Well, just that it just says, “after the period.” I'm just surprised that, where there had been originally a specific time frame set out, this one appears not to.

Mr. Rick Johnson: I'll pass to staff.

Mr. Allen Doppelt: I guess the reason the saving provision is in there is because, technically, without this provision being added, if the written consent was given, say, 15 days after instead of within the 10 days, then it may well be that the person's election as director would be invalid because they didn't give the consent within that short time period. The whole purpose of the consent provision is so that persons shouldn't be shown as directors, with all the associate liability, unless they have actually consented to do so.

Mrs. Julia Munro: My issue is not with that so much as the fact that it seems to be open-ended, in terms of it just saying “after the period.” It doesn't give any indication. So 15 days, 25 days—it doesn't matter?

Mr. Allen Doppelt: No, it doesn't. As long as they've signed the consent, that protects them, because that shows that they've agreed formally to assume the duties and liabilities of a director.

The Chair (Mr. Shafiq Qaadri): Thank you. Are there any further comments on government motion 13? If not, those in favour of government motion 13? Those opposed? Motion 13 carried.

Shall section 24, as amended, carry? Carried.

We'll proceed directly, unless there are comments: Shall section 25 carry? Carried.

Section 26, government motion 14: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 26(1) of the bill be struck out and the following substituted:

"Removal of directors

"(1) The members of a corporation may, by ordinary resolution at a special meeting, remove from office any director or directors, except persons who are directors by virtue of their office."

The Chair (Mr. Shafiq Qaadri): Comments? If there are no comments, we'll proceed to the vote. Those in favour of government motion 14? Those opposed? Carried.

Shall section 26, as amended, carry? Carried.

We have block consideration of sections 27 to 35, inclusive: Shall those sections so named carry? Carried.

Section 36, government motion 15: Mr. Johnson.

Mr. Rick Johnson: I move that paragraph 2 of subsection 36(2) of the bill be struck out and the following substituted:

"2. To fill a vacancy among the directors or in the position of auditor or of a person appointed to conduct a review engagement of the corporation."

The Chair (Mr. Shafiq Qaadri): Thank you. Comments?

We'll proceed to the vote. Those in favour of government motion 15? Opposed? Motion 15 carried.

Shall section 36, as amended, carry? Carried.

Block consideration of sections 37 to 40: Those in favour? Carried.

Section 41, government motion 16: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 41(7) of the bill be struck out and the following substituted:

"Members' approval

"(7) If all of the directors are required to make disclosure under subsection (1), the contract or transaction may be approved only by the members unless the contract or transaction is one described in clause (5)(a), (b) or (c)."

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Seeing none, we'll proceed to the vote. Those in favour of government motion 16? Those opposed? Motion 16 carried.

Shall section 41, as amended, carry? Carried.

Block consideration, sections 42 to 51, inclusive: Shall they carry? Carried.

Section 52, government motion 17: Mr. Johnson.

Mr. Rick Johnson: I move that clause 52(1)(a) of the bill be amended by striking out "12 months" and substituting "18 months".

The Chair (Mr. Shafiq Qaadri): Comments? Mr. Kormos.

Mr. Peter Kormos: Some explanation, please.

Mr. Rick Johnson: This would provide greater consistency with the Ontario Business Corporations Act and the Canada Not-for-profit Corporations Act. The time for calling the first annual meeting of members will be extended from 12 to 18 months. In practical terms, if a corporation incorporates on January 1, with a December 31 financial year-end, it would be impossible for it to comply with the current 12-month rule for holding the first annual meeting.

Mr. Peter Kormos: Thank you, Chair.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Kormos.

Those in favour of government motion 17? Those opposed? Motion 17 carried.

Government motion 18: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 52(2) of the bill be struck out.

The Chair (Mr. Shafiq Qaadri): Comments?

Mr. Peter Kormos: Even more interesting.

Mr. Rick Johnson: The removal of this section results in greater consistency with the Ontario Business Corporations Act, which does not have an equivalent provision. A court order to extend the time for holding an annual meeting of members appears unnecessary and will create additional expense for the corporation.

Mr. Peter Kormos: The interesting point about that is that this was supposed to be a reform; we were moving away from the traditional, antiquarian model. Many people out there saw these as enlightened reforms, and also the use—mind you, it has been criticized from time to time by some of the presenters, but the access to the courts for review of various activities.

So I hear you, and of course I believe you, because you're an honourable person, notwithstanding your political bent, but I just find it strange that you have an opportunity to use the courts to grant some licence, the judicial discretion, and you're taking it away to maintain consistency with the Business Corporations Act. This was all about creating a totally new model. You understand why that leaves me a little bewildered. Perhaps a normal state for myself, but it leaves me a little bewildered.

Let's hear from the policy people, if we may, Chair.

Mr. Allen Doppelt: I think the reason that we took this out is because most non-profit corporations couldn't afford the cost of such a court application, but there may be extraordinary circumstances in which it may be necessary to extend the time for holding the annual meeting. It would be done only on an exceptional basis, and to require a court order would mean, effectively, that they wouldn't be able to extend the time for holding the annual meeting due to the cost, even though there may be extenuating circumstances that require such a delay.

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Mr. Peter Kormos: Okay. Fair enough.

The Chair (Mr. Shafiq Qaadri): Thank you, Mr. Kormos. Those in favour of government motion 18? Those opposed? Motion 18 carries.

Shall section 52, as amended, carry? Carried.

Block consideration of sections 53 and 54: Carry? Carried.

Section 55, government motion 19: Mr. Johnson.

Mr. Rick Johnson: I move that clause 55(1)(c) of the bill be struck out and the following substituted:

“(c) the auditor of the corporation or the person appointed to conduct a review engagement of the corporation.”

The Chair (Mr. Shafiq Qaadri): Comments? Those in favour of government motion 19? Those opposed? Motion 19 carries.

Government motion 20, Mr. Johnson.

Mr. Rick Johnson: I move that subsection 55(7) of the bill be struck out and the following substituted:

“Special business

“(7) All business transacted at a special meeting of the members and all business transacted at an annual meeting of the members is special business except for the following:

“1. Consideration of the financial statements.

“2. Consideration of the audit or review engagement report, if any.

“3. An extraordinary resolution to have a review engagement instead of an audit or to not have an audit or a review engagement.

“4. Election of directors.

“5. Reappointment of the incumbent auditor or person appointed to conduct a review engagement.”

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Those in favour of government motion 20? Opposed? Motion 20 carries.

Shall section 55, as amended, carry? Carried.

Block consideration of sections 56 and 57: carry? Carried.

Section 58, government motion 21: Mr. Johnson.

Mr. Rick Johnson: I move that subsections 58(3) and (4) of the bill be struck out.

The Chair (Mr. Shafiq Qaadri): Thank you. Ms. Munro and then Mr. Kormos.

Mrs. Julia Munro: I just wondered if we could have an explanation of why.

Mr. Rick Johnson: It was requested by the Ontario not-for-profit network, an amendment to provide greater flexibility to allow for more modern means of voting rather than requiring use of proxies authorizing another person in attendance to vote on a member's behalf.

In the interests of greater transparency, the basic rules for voting by telephonic or electronic means, i.e., the Internet, will be set out in new section 66.1 instead of the regulations. Accordingly, these two subsections are no longer needed because they deal with the same subject as section 66.1

The Chair (Mr. Shafiq Qaadri): Thank you. Any comments, Ms. Munro? Mr. Kormos.

Mr. Peter Kormos: A very capable explanation.

The Chair (Mr. Shafiq Qaadri): Thank you for your endorsement as always, Mr. Kormos.

Are there any further comments? If not, we'll proceed to the vote. Those in favour of government motion 21? Those opposed? Motion 21 carries.

Shall section 58, as amended, carry? Carried.

Block consideration of sections 69 to 66, inclusive: Shall they carry? Carried.

Section 66.1, government motion 22.

Mr. Rick Johnson: I move that part VI of the bill be amended by adding the following section:

“Voting by mail or by telephonic or electronic means

“66.1(1) A corporation may provide in its bylaws for voting by mail or by telephonic or electronic means, in addition to or instead of voting by proxy.

“Same

“(2) Voting by mail or by telephonic or electronic means may be used only if,

“(a) the votes may be verified as having been made by members entitled to vote; and

“(b) the corporation is not able to identify how each member voted.”

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Government motion 22: Shall it carry? Carried.

Section 67: Having received no motions to date, shall section 67 carry? Carried.

Section 68, government motion 23: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 68(1) of the bill be struck out and the following substituted:

“Qualifications

“(1) In order to be an auditor of a corporation or to conduct a review engagement of a corporation, a person must be permitted to conduct an audit or review engagement of the corporation under the Public Accounting Act, 2004 and be independent of the corporation, any of its affiliates, and the directors and officers of the corporation and its affiliates.”

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Seeing none, I'll now proceed to the vote. Those in favour of government motion 23? Those opposed? Motion 23 carries.

Government motion 24: Mr. Johnson.

Mr. Rick Johnson: I move that subclause 68(2)(b)(iii) of the bill be amended by striking out “within two years before the person's proposed appointment as auditor of the corporation” at the end and substituting “within two years before the person is proposed to be appointed as auditor of the corporation or to conduct a review engagement of the corporation”.

The Chair (Mr. Shafiq Qaadri): Comments? Mr. Kormos?

Mr. Peter Kormos: An explanation, please.

Mr. Rick Johnson: It's an amendment to expand provisions to apply to persons conducting review engagements in addition to auditors. This subclause, which defines classes of persons who are deemed not to be

independent of the corporation, has been expanded to cover persons who are proposed to conduct a review engagement. They will be disqualified from doing so if they have had a role in the insolvency proceedings related to the corporation within the previous two years.

Mr. Peter Kormos: Thank you.

The Chair (Mr. Shafiq Qaadri): Thank you. Mr. Leal?

Mr. Jeff Leal: Just a quick question for Allen: What's the difference between an audit and a review engagement? My background is in the area, but "audit" has always been the traditional term. I'm not familiar with "review engagement." How do they differ?

Mr. Allen Doppelt: A review engagement is a review of the financial statements, but it's a less rigorous and comprehensive type of review. The public accountant who does that and carries out the review engagement does not provide the clear opinion that you find in an audit. It does give the members of the corporation some assurance that the financial statements have been properly prepared, but not to the high level of an audit. We've been advised by the institute of chartered accountants that a review engagement costs approximately 50% to 60% of the cost of an audit.

Mr. Jeff Leal: So when the review engagement is completed, there would be certain notes on the statement, and those notes would—

Mr. Allen Doppelt: Yes, there would be a report. Just as when an auditor completes an audit there's an auditor's report that's provided to the members at the annual meeting, together with the financial statements, the person conducting the review engagement would prepare a report for consideration by the members and the board.

Mr. Jeff Leal: In terms of disclosure, the notes would say, if the review engagement was conducted, that we looked at the following things—

Mr. Allen Doppelt: Yes, definitely.

Mr. Jeff Leal: —but not in the sense of the detail that the formal audit would look at.

Mr. Allen Doppelt: Right, and you wouldn't have the opinion that you have in the formal audit report.

Mr. Jeff Leal: I'm just thinking of the people who sit on the board of directors, with their fiduciary responsibility, so they know exactly what they're getting when the term "review engagement" is used.

Mr. Allen Doppelt: Right. And there cannot be a review engagement under this bill, if it's passed, unless you fit within the scope of section 75 of the bill—in other words, within the dollar limits—and it has been approved by at least 80% of the members present and voting at the meeting. There are all these qualifications. It's an exception to having the full audit.

Mr. Jeff Leal: Thank you.

The Chair (Mr. Shafiq Qaadri): Mr. Ramal?

Mr. Khalil Ramal: I want the qualifications of the reviewers, like designations. I know with auditors there are certain designations. For the person who conducts the review, what are the qualifications they have to have?

Mr. Allen Doppelt: Well, in the normal circumstance, it would be a public accountant—the same people who conduct audits.

Mr. Khalil Ramal: Okay.

Mr. Allen Doppelt: Because of one of the other amendments, there is a regulation under the Public Accounting Act, 2004, that allows other accountants to carry out an audit review engagement if they receive no compensation for doing so. But in the normal course, it would usually be a fully qualified auditor that would also conduct the review engagement.

The Chair (Mr. Shafiq Qaadri): We'll proceed to the vote unless there are comments. Those in favour of government motion 24? Those opposed? Motion 24 carries.

Government motion 25: Mr. Johnson.

Mr. Rick Johnson: I move that subsections 68(4) and (5) of the bill be struck out and the following substituted:

"Duty to resign

"(4) An auditor or person appointed to conduct a review engagement who is disqualified under this section shall resign immediately after becoming aware of the disqualification.

"Disqualification order

"(5) On the application of an interested person, the court may make an order declaring a person to be disqualified under this section and the position of auditor or of a person appointed to conduct a review engagement to be vacant."

The Chair (Mr. Shafiq Qaadri): Comments?

Mr. Peter Kormos: Again, you've got a subsequent motion dealing with 69. We're not sure how relevant that is. What's your explanation for deleting these?

Mr. Rick Johnson: The amendment to 68(4) would expand provisions to apply to persons conducting review engagements, in addition to auditors. The subsection would be expanded to cover persons conducting a review engagement. They must resign immediately if they've been disqualified under this section.

The amendment to 68(5) would expand provisions to apply to persons conducting review engagements, in addition to auditors. The court's power to make a disqualification order is expanded to cover the position of a person who is appointed to conduct a review engagement.

Mr. Peter Kormos: Thank you, Chair.

The Chair (Mr. Shafiq Qaadri): We'll proceed to the vote. Those in favour of government motion 25? Those opposed? Government motion 25 carries.

Shall section 68, as amended, carry? Carried.

Section 69, government motion 26: Mr. Johnson.

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Mr. Rick Johnson: I move that section 69 of the bill be struck out and the following substituted:

"Auditor, person conducting review engagement ceasing to hold position

"69(1) An auditor of a corporation or a person appointed to conduct a review engagement of a corporation ceases to hold that position when the auditor or person,

“(a) dies or resigns;
 “(b) is declared disqualified under subsection 68(5); or
 “(c) is removed under section 70.

“Effective date of resignation

“(2) A resignation of an auditor or person appointed to conduct a review engagement becomes effective at the time the resignation is given to the corporation or at the time specified in the resignation, whichever is later.”

The Chair (Mr. Shafiq Qaadri): Mr. Kormos.

Mr. Peter Kormos: Just a simple question: Isn't “dies” a little redundant?

Mr. Rick Johnson: There's probably a legal reason it has to be in there.

Mr. Peter Kormos: The person's dead.

Mr. Rick Johnson: This is true.

I'll pass this one off: Is “dies” redundant?

Mr. Allen Doppelt: Well, this is a comprehensive provision—

Mr. Peter Kormos: And well drafted. I like the duality of the “dies or resigns”—from a literary, stylistic perspective, it's attractive—but “dies”? Please.

Mr. Yasir Naqvi: It takes away any ambiguity.

Laughter.

Mr. Peter Kormos: No, please, sir.

Mr. Allen Doppelt: I understand what you're saying, but we actually adopted—we have the same wording in the new federal Not-for-profit Corporations Act—

Mr. Peter Kormos: Look, I'm not going to commend them either.

Mr. Yasir Naqvi: They're wiler than us.

Mr. Peter Kormos: Okay. Thank you, Chair. I guess the acting PA will have to live with this one.

The Chair (Mr. Shafiq Qaadri): Thank you. Those in favour of government motion 26? Those opposed? Motion 26 carries.

Shall section 69, as amended, carry? Carried.

Government motion 27 on section 70: Mr. Johnson.

Mr. Rick Johnson: I move that section 70 of the bill be struck out and the following substituted:

“Removal of auditor, person appointed to conduct re-
 view engagement

“70(1) The members of a corporation may remove an auditor, other than an auditor appointed by a court under section 72, or a person appointed to conduct a review engagement from their position by ordinary resolution at a special meeting.

“Vacancy

“(2) A vacancy created by the removal of an auditor or person appointed to conduct a review engagement may be filled at the meeting at which the auditor or person is removed or, if not so filled, may be filled under section 71.”

The Chair (Mr. Shafiq Qaadri): Comments? We'll proceed, then, to the vote. Those in favour of government motion 27? Opposed? Motion 27 carries.

Shall section 70, as amended, carry? Carried.

We'll proceed to section 71, government motion 28.

Mr. Rick Johnson: I move that section 71 of the bill be struck out and the following substituted:

“Filling vacancy

“By directors

“71(1) Subject to subsection (3), the directors shall immediately fill a vacancy in the position of auditor or of a person appointed to conduct a review engagement.

“By members

“(2) If there is not a quorum of directors, the directors then in office shall, within 30 days after the vacancy occurs, call a special meeting of the members to fill the vacancy and, if they fail to call a meeting or if there are no directors, any member may call the meeting.

“Same

“(3) The articles of a corporation may provide that a vacancy in the position of auditor or of a person appointed to conduct a review engagement shall only be filled by vote of the members.

“Unexpired term

“(4) An auditor or other person appointed to fill a vacancy may act for the unexpired term of the auditor's or other person's predecessor.”

The Chair (Mr. Shafiq Qaadri): Comments? Seeing none, we'll proceed to the vote. Those in favour of government motion 28? Opposed? Motion 28 carries.

Shall section 71, as amended, carry? Carried.

Block consideration of sections 72 to 74: Shall they carry? Carried.

Section 75, government motion 29: Mr. Johnson.

Mr. Rick Johnson: I'll pass this to Mr. McNeely.

Mr. Phil McNeely: I move that the French version of clauses 75(2)(a) and (b) of the bill be amended by striking out “vérification” wherever it appears and substituting in each case “mission de vérification”.

Le Président (M. Shafiq Qaadri): Merci, Monsieur McNeely. Des débats, des questions? Monsieur Kormos.

Mr. Peter Kormos: Take a look and help me—I'm probably wrong again—but we have “mission de vérification.” You're going to strike out “vérification” and replace it with “mission de vérification,” which means “mission de mission de vérification.” Is that what's intended?

Mr. Phil McNeely: Correct.

Mr. Peter Kormos: But help me with that, in terms of what that means.

Mr. Phil McNeely: Okay. The French word for “audit” is corrected in the two clauses.

Mr. Peter Kormos: But it's going to read “mission de mission de vérification.”

Mr. Phil McNeely: Correct.

Mr. Peter Kormos: Help me. You help me, Chair, please. You have better command of French than I ever will.

The Chair (Mr. Shafiq Qaadri): Are there any comments you'd like to add?

Mr. Allen Doppelt: The only comment I would add is that this correction, the French translation, was proposed by the French translators at legislative counsel's office to correct the French word for audit. That was their professional opinion.

Mr. Peter Kormos: But you understand what I'm saying, that if this amendment applies literally, it will replace "vérification" with "mission de vérification," so it will read "mission de mission de vérification." And that's—

Interjection.

Mr. Peter Kormos: And you speak French. But do you understand what I'm saying?

Mr. Khalil Ramal: With a translator, possibly.

Mr. Peter Kormos: Well, no. I'm not sure it's been well thought out.

Mr. Khalil Ramal: No, because this would add the "mission" that—

Mr. Peter Kormos: But it would be "mission de mission de vérification."

Le Président (M. Shafiq Qaadri): Nous avons des commentaires de legislative counsel ici.

Ms. Susan Klein: In English?

Mr. Peter Kormos: Yes.

Ms. Susan Klein: Okay. That would happen if we were amending 75(1)(a) and (b), but we're amending 75(2)(a) and (b), where it only says "vérification," and so we're taking that out. See?

Mr. Peter Kormos: Okay; you're making it consistent with 75(1)(a).

Ms. Susan Klein: Yes.

Mr. Peter Kormos: Thank you. Subsection (2) was not accurate, because it had omitted it, and it wasn't parallel with subsection (1). There, good. But it was an interesting observation, wasn't it? Thank you, ma'am.

The Chair (Mr. Shafiq Qaadri): Government motion 29: Those in favour? Opposed? Motion 29 carried.

Shall section 75, as amended, carry? Carried.

Block consideration, sections 76 to 78: Shall they carry? Carried.

Section 79, government motion 30: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 79(1) of the bill be struck out and the following substituted:

"Audit committee

"(1) A corporation may have an audit committee and, if it does, the majority of the committee must not be officers or employees of the corporation or of any of its affiliates."

The Chair (Mr. Shafiq Qaadri): Comments in either language? Seeing none, we'll proceed to the vote. Those in favour of government motion 30? Those opposed? Motion 30 carries.

Shall section 79 carry, as amended? Carried.

Block consideration, sections 80 to 82: Shall they carry? Carried.

Section 83, government motion 31—

Interjection.

The Chair (Mr. Shafiq Qaadri): Sorry, PC motion 31. Ms. Munro.

Mrs. Julia Munro: I move that section 83 of the bill be amended by adding the following subsections:

"Copies available to public

"(3) At the same time that the documents referred to in subsection (1) are given to members under subsection

(2), the corporation shall make the documents available to the public and deposit a copy with the director.

"Same

"(4) The director shall maintain a publicly accessible repository of the documents deposited with the director under subsection (3)."

The purpose of this is simply to maintain that level of transparency and accountability that is the intent in this bill overall by making it available to the public, and certainly with modern technology this is something that can be done with great ease.

The Chair (Mr. Shafiq Qaadri): Any further comments on PC motion 31? Mr. Johnson and then Mr. Kormos.

Mr. Rick Johnson: We will not be supporting this because these amendments would require that the annual financial statements and any related audit or review engagement report of every non-profit corporation be filed with the director under the act and be made publicly available by the director. The purpose of financial statements under corporate law is to enable the members of the corporation to hold the directors accountable for their financial management of the corporation. These proposed amendments would impose significant administrative burden on non-profit corporations. If the financial statements are required for a regulatory purpose, other legislation, such as the Income Tax Act, will require that they be disclosed. On a voluntary basis, corporations can choose to make their financial statements available to non-members.

The Chair (Mr. Shafiq Qaadri): Mr. Kormos.
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Mr. Peter Kormos: Chair, with respect, but in response to the acting PA: horse feathers. It's not a huge administrative burden; it's a very simple process. Using the Internet, for instance, it has marginal cost, if any. It seems to me that when we're talking about these types of corporations that rely upon either public funds by virtue of transfer payments—federal, provincial or municipal—or by donations from the public, it seems to me that there is a strong public interest in ensuring that the public has access to this type of financial data.

The New Democrats support Ms. Munro and the Conservatives in this proposition, and I'll be asking for a recorded vote, please.

The Chair (Mr. Shafiq Qaadri): Unless there are further comments, we'll proceed. Ms. Munro?

Mrs. Julia Munro: Yes, I would just want to underscore the idea that there isn't a significant cost when we look at modern technology, and as Mr. Kormos has said, obviously it is public money or it's donated money. I think that this would go a long way to making the public more confident about the way in which their charitable dollars are spent. Certainly, in some quarters, there's some hesitancy. There have been experiences that people have had where they don't feel their money was spent in the manner in which it was being promoted.

I think that while we're looking at 50 years, as I believe the government has said, since much has been

done on this file, bringing it into the 21st century in terms of accountability and transparency would be consistent with the goals of the legislation in general.

The Chair (Mr. Shafiq Qaadri): Any further comments on PC motion 31?

Mr. Peter Kormos: Yes, please, Chair.

The Chair (Mr. Shafiq Qaadri): Mr. Kormos.

Mr. Peter Kormos: I tell you, if the minister from Hamilton Mountain still had carriage of this bill, she'd be asking her caucus colleagues to be supporting Ms. Munro's amendment. Sophia is a woman of common sense.

The Chair (Mr. Shafiq Qaadri): Thank you. Any further comments?

Interjection: Recorded vote.

The Chair (Mr. Shafiq Qaadri): We'll proceed, then, to the vote.

Ayes

Kormos, Munro.

Nays

Johnson, Leal, McNeely, Naqvi, Ramal.

The Chair (Mr. Shafiq Qaadri): PC motion 31 defeated.

Shall section 83 carry? Carried.

Block consideration of sections 84 to 90: Shall they carry? Carried.

PC motion 32: Ms. Munro.

Mrs. Julia Munro: I move that part IX of the bill be amended by adding the following section:

"Treatment of revenue above cap

"90.1 The revenue of a corporation that is generated from a commercial purpose that is greater than the revenue cap shall be liable to tax in the same manner as if it were revenue of a corporation incorporated under the Business Corporations Act."

The Chair (Mr. Shafiq Qaadri): Before I allow you to proceed, Ms. Munro, with respect, I am informed that that particular motion is out of order as it imposes a new charge or tax. Of course, you're welcome to seek further counsel if necessary, but it is officially out of order.

Mrs. Julia Munro: I would just say that it also deals with issues around transparency and accountability.

The Chair (Mr. Shafiq Qaadri): As it is out of order, it is deleted from consideration and we'll now proceed to the next section.

Sections 91 to 109 inclusive: I'm going to entertain block consideration unless there are any issues anyone has with that. If not, we'll proceed. Shall sections 91 to 109 carry? Carried.

We'll proceed to section 110, government motion 33: Mr. Johnson.

Mr. Rick Johnson: I move that the English version of subsection 110(5) of the bill be amended by striking out "resolutions" at the end and substituting "resolution."

The Chair (Mr. Shafiq Qaadri): Any comments? We'll proceed, then, to the vote. Government motion 33: Those in favour? Those opposed? Motion 33 carried.

Shall section 110, as amended, carry? Carried.

Sections 111 to 112: block consideration. Shall they carry? Carried.

Government motion 34, subsection 113(2): Mr. Johnson.

Mr. Rick Johnson: I move that subsection 113(2) of the bill be struck out and the following substituted:

"Amendments in articles of continuance

"(2) A body corporate that applies for a certificate under subsection (1) may effect by its articles of continuance any amendment to its act of incorporation, articles, letters patent or memorandum or articles of association that a corporation incorporated under this act may make to its articles."

The Chair (Mr. Shafiq Qaadri): Comments? We proceed, then, to the vote. Government motion 34: Those in favour? Those opposed? Motion 34 carries.

Shall section 113, as amended, carry? Carried.

Shall section 114 carry? Carried.

Section 115, government motion 35: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 115(1) of the bill be amended by striking out "Subject to subsection (9)" at the beginning and substituting "Subject to subsection (10)".

The Chair (Mr. Shafiq Qaadri): Comments? If there are no comments, government motion 35, those in favour? Opposed? Carried.

Government motion 36: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 115(10) of the bill be amended by striking out the portion before clause (a) and substituting the following:

"Limitation—rights preserved

"(10) A corporation shall not apply under subsection (1) to be continued as a body corporate under the laws of another jurisdiction unless those laws provide in effect that,"

The Chair (Mr. Shafiq Qaadri): Comments? Shall motion 36 carry? Carried.

Shall section 115, as amended, carry? Carried.

Government motion 37, section 116: Mr. Johnson.

Mr. Rick Johnson: I move that section 116 of the bill be amended by adding the following subsections:

"Director's authorization

"(2.1) Upon receipt of the application, together with any prescribed documents and information and the required fee, the director may endorse an authorization on the application in accordance with the regulations. The endorsed application constitutes the director's authorization of the application for continuance.

"Time limit to director's authorization

"(2.2) The director's authorization of an application for continuance expires six months after the date of endorsement of the application unless, within the six-month period, the corporation is continued under the Co-operative Corporations Act.

"Termination of application

“(4) The directors of the corporation may, if authorized by the members at the time of approving an application for continuance, abandon the application without further approval of the members.”

The Chair (Mr. Shafiq Qaadri): Are there any further comments on government motion 37? Seeing none, we’ll proceed to the vote. Those in favour of government motion 37? Opposed? Motion 37 carried.

Shall section 116, as amended, carry? Carried.

Section 117, shall it carry? Carried.

Government motion 38, section 118: Mr. Johnson.

Mr. Rick Johnson: I move that section 118 of the bill be amended by adding the following subsection:

“No dissent

“(6) A member is not entitled to dissent under section 186 if an amendment to the articles is effected under this section.”

The Chair (Mr. Shafiq Qaadri): Any further comments? Seeing none, we’ll proceed to the vote. Those in favour of government motion 38? Opposed? Motion 38 carried.

Shall section 118, as amended, carry? Carried.

Section 119, government motion 39: Mr. Johnson.

Mr. Rick Johnson: I move that clause (d) of the definition of “arrangement” in subsection 119(1) of the bill be struck out.

The Chair (Mr. Shafiq Qaadri): Comments? Shall motion 39 carry? Carried.

Motion 40: Mr. Johnson.

Mr. Rick Johnson: I move that the definition of “arrangement” in subsection 119(1) of the bill be amended by striking out “and” at the end of clause (g) and by adding the following clause:

“(g.1) any other reorganization or scheme involving the affairs of the corporation that is, at law, an arrangement, and”

The Chair (Mr. Shafiq Qaadri): Comments? We’ll proceed to the vote. Those in favour of government motion 40? Opposed? Motion 40 carries.

Government motion 41: Mr. Johnson.

Mr. Rick Johnson: I move that clause (h) of the definition of “arrangement” in subsection 119(1) of the bill be amended by striking out “clauses (a) to (g)” at the end and substituting “clauses (a) to (g.1)”.

The Chair (Mr. Shafiq Qaadri): Comments? Shall motion 41 carry? Carried.

Government motion 42: Mr. Johnson.

Mr. Rick Johnson: I move that subsection 119(4) of the bill be struck out and the following substituted:

“Application to court for approval of arrangement

“(4) A corporation, if authorized by special resolution of the members, or of each applicable class or group of members, may apply to the court for an order approving an arrangement proposed by the corporation.”

The Chair (Mr. Shafiq Qaadri): Shall motion 42 carry? Carried.

Shall section 119, as amended, carry? Carried.

Again, with the indulgence of the committee, block consideration of sections 120 to 148, inclusive, if there are no objections. Shall they carry? Carried.

We proceed now to government motion 43, section 149: Mr. Johnson.

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Mr. Rick Johnson: I move that clause 149(1)(a) of the bill be struck out and the following substituted:

“(a) the liquidator shall apply the property of the corporation in satisfaction of all its debts, obligations and liabilities;

“(a.1) after satisfying the interests of the corporation’s creditors in all its debts, obligations and liabilities, if any, the liquidator shall distribute the remaining property,

“(i) if the corporation is a public benefit corporation,

“(A) if it is a charitable corporation, to a charitable corporation with similar purposes to its own or to a government or government agency,

“(B) if it is a non-charitable corporation, to another public benefit corporation with similar purposes to its own or to a government or government agency, or

“(ii) if the corporation is not a public benefit corporation,

“(A) in accordance with its articles, or

“(B) if there is no provision in its articles for distribution of property, rateably to its members according to their rights and interests in the corporation;”

The Chair (Mr. Shafiq Qaadri): Comments? We’ll proceed, then, to the vote on government motion 43. Those in favour? Opposed? Motion 43 carries.

Shall section 149, as amended, carry? Carried.

Block consideration of sections 150 to 160: Shall they carry? Carried.

Section 161, government motion 44: Mr. McNeely.

Mr. Phil McNeely: I move that the French version of section 161 of the bill be amended by striking out “Sur requête d’un membre, créancier ou contribuable” at the beginning and substituting “Sur requête d’un membre, d’un créancier ou d’un contribuable”.

This is a correction of the French translation proposed by legislative counsel. The current French wording in this section is being replaced because it’s non-idiomatic and potentially confusing.

The Chair (Mr. Shafiq Qaadri): Are there any further questions on government motion 44? Seeing none, we’ll proceed to the vote. Those in favour of government motion 44? Opposed? Carried.

Shall section 161, as amended, carry? Carried.

Block consideration now of sections 162 to 165: Carried.

Section 166, government motion 45.

Mr. Rick Johnson: I move that subclause 166(1)(d)(ii) of the bill be struck out and the following substituted:

“(ii) if it is not a public benefit corporation, it has no property to distribute among its members or it has distributed its remaining property,

“(A) in accordance with its articles, or

“(B) if there is no provision in its articles for distribution of property, rateably to its members according to their rights and interests in the corporation; and”

The Chair (Mr. Shafiq Qaadri): Are there any further comments on government motion 45? If not, we’ll proceed to the vote. Those in favour? Opposed? Carried.

Government motion 46.

Mr. Phil McNeely: I move that the French version of clause 166(1)(e) of the bill be amended by adding “le fait” at the beginning.

It’s a correction to the French translation proposed by legislative counsel. The words “le fait” have been added to be consistent with the wording of other clauses in this subsection.

The Chair (Mr. Shafiq Qaadri): Mr. Kormos.

Mr. Peter Kormos: Just out of curiosity, to help me—I’m reading clause (e). In terms of literal interpretation, what does “le fait” add to it? This is personal interest; I’m not challenging you at all.

Mr. Phil McNeely: I would go to legal for this because I don’t understand that difference either, but it’s from someone who does—

Mr. Peter Kormos: I’m not challenging you; I just want to know now.

Interjection.

Mr. Peter Kormos: “Qu’il n’y a aucune instance”—okay, I understand that. But “le fait qu’il n’y a”—

Mr. Allen Doppelt: I’m not familiar enough with French to say. I would simply point out that in this subsection, clauses (b), (c) and (d) begin with the words “le fait.”

Mr. Peter Kormos: I see that, but linguistically, what does it mean?

Mr. Allen Doppelt: I’m sorry. I don’t know French well enough to—

Mr. Khalil Ramal: It means, “I could see it happening.” It’s le fait; it’s like you’re doing something.

Interjection: To do.

Mr. Khalil Ramal: To do. But this one here, I think it’s the explanation said in the suggestion for—

Mr. Peter Kormos: The people who know are sitting up there behind the glass, smiling at us.

Mr. Khalil Ramal: They’re talking about consistency with the rest of the clause, which you have to—

Mr. Peter Kormos: No, I understand that. I understand the need: You want parallelism, okay, fair enough—and sort of stylistically. But what does “le fait” mean in that sentence?

Mr. Khalil Ramal: To do.

Mr. Phil McNeely: “The fact” is a literal translation, but I believe le fait is “the act.”

Mr. Peter Kormos: I’m going to ask my friends from French-language translation after we’re finished.

Mr. Khalil Ramal: You can hear it, I guess, on that. You can hear it.

Mr. Peter Kormos: No, no, but I have to understand why, because if I use that sentence, I want to be able to be sure that I’m saying it right. That’s how we learn things.

Mr. Khalil Ramal: Yes, 100%.

Mr. Phil McNeely: It means “the fact that,” and the other clauses all include “the fact that.” It’s the fact that there is “aucune instance en cours” against the organization. So it’s consistency, but “the fact that”—that’s what it means, “le fait.”

Mr. Peter Kormos: Perhaps my francophone friends will give me a more expansive explanation and help me. Thank you.

The Chair (Mr. Shafiq Qaadri): Now that it’s a fait accompli, we’ll proceed now to the vote on government motion 46. Those in favour? Opposed? Motion 46 carried.

Shall section 166, as amended, carry? Carried.

Shall section 167 carry? Carried.

Section 168, government motion 47: Mr. McNeely.

Mr. Phil McNeely: I move that the French version of subsection 168(1) of the bill be amended by striking out “et malgré” in the portion before clause (a) and substituting “malgré”.

A correction to the French translation proposed by legislative counsel. The current French wording in this section is being replaced because it is non-idiomatic and potentially confusing.

Interjection: En français?

Mr. Peter Kormos: That part I understood.

The Chair (Mr. Shafiq Qaadri): Thank you. Motion 47: Those in favour? Opposed? Carried.

Motion 48?

Mr. Rick Johnson: I move that subsection 168(2) of the bill be struck out.

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Mr. Kormos?

Mr. Peter Kormos: I request some explanation.

Mr. Rick Johnson: This amendment will give the director more flexibility in determining what is sufficient cause for cancellation in the public interest. A specific reason for cancelling a certificate of incorporation has been deleted.

The Chair (Mr. Shafiq Qaadri): Thank you. Are there any further comments?

Mr. Peter Kormos: Chair?

The Chair (Mr. Shafiq Qaadri): Yes, Mr. Kormos.

Mr. Peter Kormos: We’re not finished yet, Mr. Johnson, because sufficient cause—the definition isn’t exhaustive, includes—so help me with this. Although to be fair, the non-exhaustive definition does provide some parameters, right?

Mr. Allen Doppelt: Yes. I can tell—

Mr. Peter Kormos: Do we not want to provide some parameters?

Mr. Allen Doppelt: Well, I can tell you based on my own experience—because I’ve held, under delegative authority from the director, a number of these cancellation hearings—in the last 21 years in which I’ve been counsel to the ministry, there’s only been one case in which we’ve ever cancelled a corporation because of its criminal activity, and that was a business corporation. It’s never happened, I believe, with a not-for-profit cor-

poration. The most common reason for cancelling documents, letters patent or supplementary letters patent is their invalidity. But there may be other circumstances, for example, if the members don't pass the authorizing resolution or file the articles. That's a common reason.

Mr. Peter Kormos: But why are we not prepared to codify, as you do—help me if I've got the wrong section, but “sufficient cause”...includes conviction...for an offence under the Criminal Code...the Provincial Offences Act.” Hmm. Seems to me those are pretty clear instances where you would want to codify that that's sufficient cause, aren't they, Mr. Johnson?

Mr. Allen Doppelt: They certainly would constitute sufficient cause, but it may be a bit misleading to only list that and we can't be non-exhaustive in listing all the circumstances. I mean, the process that's followed is that it's considered carefully and, if requested by the corporation, there is a full right to a hearing. Then written reasons are provided with respect to whether or not there is sufficient cause to cancel. There's also a right of appeal.

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Mr. Peter Kormos: Okay. Chair, I hear the explanation.

Mr. Johnson, 20 years from now, when you and I are but shadows on those marble walls, with our names succeeded by hundreds of others, some bright young lawyer is going to reflect back on this committee hearing and say the fact that the government itself deleted 168(2) provides an argument to defend a corporation against sufficient cause if that corporation violated the Criminal Code of Canada. Do you hear what I'm saying?

Mr. Rick Johnson: I hear you.

Mr. Peter Kormos: Do you want to be responsible for that?

Mr. Rick Johnson: Me, personally?

Mr. Peter Kormos: Your name will attach to it; you know that, don't you?

Mr. Rick Johnson: We're aware.

Mr. Peter Kormos: I'm just trying to be helpful, sir.

Mr. Rick Johnson: Thank you.

The Chair (Mr. Shafiq Qadri): Thank you. We'll proceed to the vote, then. Those in favour—

Mr. Peter Kormos: Recorded vote.

Ayes

Johnson, Leal, McNeely, Naqvi, Ramal.

Nays

Kormos, Munro.

The Chair (Mr. Shafiq Qadri): Government motion 48 carries.

Shall section 168, as amended, carry? Carried.

Section 169: government motion 49.

Mr. Phil McNeely: I move that the French version of subsection 169(5) of the bill be amended by striking out

“les statuts de reconstitution” at the end and substituting “le certificat de reconstitution”.

This is a correction of the French translation proposed by legislative counsel. The amendment corrects an error in the French version of this subsection. It should refer to the certificate and not the articles.

The Chair (Mr. Shafiq Qadri): Thank you. Any further questions? Comments? Seeing none, we'll proceed to the vote. Those in favour of government motion 49? Those opposed? Motion 49 carries.

Shall section 169, as amended, carry? Carried.

Block consideration of sections 170 to 180: Carry? Carried.

Government motion 50, section 181.

Mr. Phil McNeely: I move that the French version of section 181 of the bill be amended by adding “suivantes” after “personnes” in the portion before paragraph 1.

It's a correction of the French translation proposed by legislative counsel. An amendment has been made to the French version of this section to add a word that was inadvertently deleted.

The Chair (Mr. Shafiq Qadri): Merci, Monsieur McNeely. Des questions, débats? We'll proceed to the vote. Those in favour of government motion 50? Opposed? Motion 50 carried.

Shall section 181, as amended, carry?

Block consideration of sections 182 to 185. Shall they carry? Carried.

Section 186, government motion 51.

Mr. Rick Johnson: I move that subsection 186(1) of the bill be amended by striking out “or” at the end of clause (c) and by adding the following clause:

“(c.1) be continued under the Co-operative Corporations Act or”

The Chair (Mr. Shafiq Qadri): Thank you. Comments? We'll proceed to the vote. Those in favour of government motion 51? Opposed? Carried.

Motion 52.

Mr. Phil McNeely: I move that the French version of clause 186(1)(b) of the bill be amended by striking out “son intérêt” and substituting “leur intérêt”.

This is a correction to the French translation proposed by the legislative counsel. The French version of this clause has been corrected because some words were mistakenly put in the singular when they should be worded in the plural like the rest of the subsection.

The Chair (Mr. Shafiq Qadri): Thank you, Mr. McNeely. Any further comments? Those in favour of government motion 52? Opposed? Carried.

Shall section 186, as amended, carry? Carried.

Block consideration of 187 to 188. Carried? Carried.

Section 189: government motion 53(a) and (b).

Mr. Rick Johnson: I move that section 189 of the bill be struck out and the following substituted:

“Appeal from director's decision

“189(1) A person aggrieved by any of the following decisions of the director may appeal the decision to the Divisional Court by notice of appeal:

“1. To refuse to issue a certificate by endorsing any articles or other document required by this act to be filed with the director.

“2. To issue, or to refuse to issue, a certificate of amendment under section 12.

“3. To refuse to endorse an authorization under section 115 or 116.

“4. To issue an order under section 168.

“Notice to director

“(2) The aggrieved person shall also give the notice of appeal to the director within 30 days after the date of the director’s decision.

“Certificate of director

“(3) The director shall certify to the Divisional Court,

“(a) the decision of the director together with a statement of the reasons for the decision;

“(b) the record of any hearing; and

“(c) all written submissions to the director or other material that is relevant to the appeal.

“Representation

“(4) The director is entitled to be heard, by counsel or otherwise, upon the argument of an appeal under this section.

“Court order

“(5) Where an appeal is taken under this section, the Divisional Court may by its order direct the director to make such decision or to do such other act as the director is authorized and empowered to do under this act and as the court thinks proper, having regard to the material and submissions before it and to this act, and the director shall make such decision or do such act accordingly.

“Director may make further decision

“(6) Despite an order of the Divisional Court under subsection (5), the director has power to make any further decision upon new material or where there is a material change in the circumstances, and every such decision is subject to this section.”

This provides greater consistency under the Ontario Business Corporations Act.

The Chair (Mr. Shafiq Qaadri): Thank you. Comments on government motion 53? Seeing none, we’ll proceed to the vote. Those in favour of government motion 53? Opposed? Carried.

Shall section 189, as amended, carry? Carried.

Block consideration, sections 190 to 194: Carried? Carried.

Section 195, government motion 54: Mr. McNeely.

Mr. Phil McNeely: I move that the French version of clause 195(1)(b) of the bill be struck out and the following substituted:

“(b) aux administrateurs, à leur dernière adresse figurant dans les dossiers de l’organisation ou dans la dernière déclaration ou le dernier avis déposé en application de la Loi sur les renseignements exigés des personnes morales, selon le document le plus récent.”

Again, this is a correction to the French translation proposed by the legislative counsel. The French version of this clause has been revised by adding an additional

clause to the end to be consistent with the wording of the rest of the bill.

The Chair (Mr. Shafiq Qaadri): Thank you. Comments on motion 54? Those in favour? Opposed? Carried.

Shall section 195, as amended, carry? Carried.

Block consideration, sections 196 to 201: Carried? Carried.

Section 202, government motion 55.

Mr. Rick Johnson: I move that subsection 202(1) of the bill be amended by striking out “in electronic form or in photographic film form” and substituting “in paper form, in electronic form or in photographic film form”.

The Chair (Mr. Shafiq Qaadri): Thank you. Comments? Mr. Kormos.

Mr. Peter Kormos: Hmph.

Mr. Rick Johnson: This amendment reflects the fact that some corporate records are still kept in some paper form—

The Chair (Mr. Shafiq Qaadri): I’m not sure Hansard can quite record that. Would you care to rephrase, Mr. Kormos?

Mr. Peter Kormos: Hmph: h-m-p-h.

This is interesting. First, I want you to help me to make sure that the French language—because I’m reading the French section—is the parallel of “in paper form.” This is a permissive section, right? It reflects the reality of our new technology. Is this just an abundance of caution, to say “in paper form”? And help me with the French-language portion of it. I’m sure it’s there, because I’m reading “peuvent être conservés sous forme électronique ou sous forme de films”—is there “paper form” in the French version? I know what the words are. Show me here.

Interjection: What section?

Mr. Peter Kormos: Subsection 202(1).

The Chair (Mr. Shafiq Qaadri): Legislative counsel?

Mr. Peter Kormos: We’re going to wrap this up soon. I mean, I’m ragging the puck a little bit, but—

Ms. Susan Klein: I can give a quick answer. It won’t be in the French version of the current section, but there will be a French motion equivalent to the English motion that adds the same thing on the French version.

Mr. Peter Kormos: But I’m looking at the amendment. We’re already at section 202(1), and then the next amendment is 207. I don’t see a French—maybe you have it in your package.

Ms. Susan Klein: No, what we do is—you know how, at the top of the motion, it says that you can get the version from the clerk. I have the French versions of the motions that you have all in English. We have—

Interjections.

Mr. Peter Kormos: Wait a minute. Is that kosher, Clerk? Because we’re specifically amending French versions here. We’ve had motions that have amended specifically the French versions and corrected them. We’re amending English versions and correcting those. I presume, of course, there’s some logical—I assume once

you amend the English version, a corresponding amendment applies. But how do we—yeah, this is interesting. We've had a number of errors here in the French-language parts of the bill.

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Mr. Khalil Ramal: Because it occurred; you correct whatever occurred in the past. But this one here is an idiomatic translation to the French version when everything is finished, which is no confusion in terms of grammar.

Mr. Peter Kormos: Okay, you're right, but I'm still interested in why we had to put "paper form" on there. Or is that just an abundance of caution?

Mr. Rick Johnson: Since the director's records for non-profit corporations dissolved before 1971 are still kept in paper form, this provision has been amended to recognize that such paper records continue to be needed.

Mr. Peter Kormos: Very good. You reflected on that a while before you put that forward.

Mr. Rick Johnson: I did.

Mr. Peter Kormos: So it's a thoughtful contribution.

The Chair (Mr. Shafiq Qadri): If there are no further comments, we'll proceed to the vote. Those in favour of government motion 55? Carried.

Shall section 202, as amended, carry? Carried.

Block consideration, sections 203 to 206: Carry? Carried.

Section 207, government motion 56: Mr. Johnson.

Mr. Rick Johnson: I move that paragraph 4 of section 207 of the bill be struck out and the following substituted:

"4. governing corporations' names, including prescribing rules and requirements respecting their form and language, prescribing permitted words, expressions, punctuation and other marks and prescribing prohibited words, expressions, punctuation and other marks;"

This amendment provides maximum flexibility to give name rules for corporations. This power to make regulations concerning names of corporations has been broadened.

Mr. Peter Kormos: Could you highlight that for us, sir, please?

The Chair (Mr. Shafiq Qadri): Mr. Kormos is asking a question, so we'll direct it to—

Mr. Allen Doppelt: In the third line of the clause, it talks about permitting punctuation and other marks, in the current first-reading version, and that's been changed to say "prescribing permitted words, expressions, punctuation and other marks." The last part of this clause, "prescribing words and expressions," has been expanded to also allow the power to make regulations concerning prohibited punctuation and other marks, so small technical changes to broaden the scope of the name rules that can be made by regulation.

Mr. Peter Kormos: I couldn't begin to think what a prohibited mark would be.

Mr. Allen Doppelt: Some of them might be marks—the computer system may not be able to handle certain marks; for example, the umlaut in German. It all depends

on how the computer system works. That would probably be the only reason that a mark would be prohibited.

The Chair (Mr. Shafiq Qadri): We'll proceed to the vote. Those in favour of government motion 56? Carried.

Government motion 57.

Mr. Rick Johnson: I move that the English version of paragraph 9 of section 207 of the bill be amended by striking out "the methods of giving notice and giving or filing other documents to the director" and substituting "the methods of giving notice and giving or filing other documents to or with the director".

A small grammatical improvement has been made to this regulation-making power concerning giving notice or giving or filing documents with the director.

The Chair (Mr. Shafiq Qadri): Those in favour of government motion 57? Opposed? Motion 57 carries.

Motion 58, Mr. Johnson.

Mr. Rick Johnson: I move that paragraph 11 of section 207 of the bill be struck out.

The Chair (Mr. Shafiq Qadri): Comments?

Mr. Rick Johnson: A technical amendment to remove provisions no longer necessary because new section 66.1 of the bill specifies such rules. The power to make regulations setting out rules for voting by telephonic or electronic means at meetings of members is being deleted.

The Chair (Mr. Shafiq Qadri): Shall motion 58 carry? Carried.

Motion 59.

Mr. Rick Johnson: I move that paragraph 16 of section 207 of the bill be amended by striking out "section 1" and substituting "subsection 1(1)".

The Chair (Mr. Shafiq Qadri): Comments? Seeing none, we'll proceed to the vote. Those in favour of government motion 59? Carried.

Shall section 207, as amended, carry? Carried.

We have block consideration of 208 and 209. Shall they carry? Carried.

Section 210, government motion 60: Mr. McNeely.

Mr. Phil McNeely: I move that the French version of clause 2(1)(c) of the Corporations Act, as set out in subsection 210(1) of the bill, be struck out and the following substituted:

"c) à l'assureur, au sens de la Loi sur les assurances, qui fait souscrire des contrats d'assurance en Ontario et qui a été constitué en vertu de la présente loi;"

The Chair (Mr. Shafiq Qadri): Comments?

Mr. Phil McNeely: This correction to the French translation is provided by legislative counsel. Consistency with the rest of the subsection requires the singular in this clause when referring to insurers.

The Chair (Mr. Shafiq Qadri): Thank you. Those in favour of government motion 60? Those opposed? Motion 60 carried.

Motion 61.

Mr. Phil McNeely: I move that the French version of clause 2.1(1)(a) of the Corporations Act, as set out in subsection 210(3) of the bill, be amended by striking out

“de société sans-capital actions” and substituting “de personne morale sans capital-actions”.

The Chair (Mr. Shafiq Qaadri): Thank you. Those in favour of government motion 61? Carried.

Shall section 210, as amended, carry? Carried.

Shall section 211 carry? Carried.

We have government motion 62.

Mr. Rick Johnson: I move that part XVII—which would be 17—of the bill be amended by adding the following section:

“211.1(1) Subsection 7(1) of the Architects Act is amended by adding the following paragraph:

“27. prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the association;”

“(2) Section 54 of the act is repealed and the following substituted:

“Not-for-Profit Corporations Act, 2010

“54. The Not-for-Profit Corporations Act, 2010 does not apply to the association, except as may be prescribed by regulation.”

The Chair (Mr. Shafiq Qaadri): Mr. Johnson, before you proceed, I inform you that this motion is out of order as the particular statute is not open for the committee. However, I’m also told by legislative counsel that the committee can entertain this motion and others subsequent to it if it receives unanimous consent of the committee.

Mr. Peter Kormos: Chair?

The Chair (Mr. Shafiq Qaadri): Yes, Mr. Kormos.

Mr. Peter Kormos: If I may, you’ll recall last week that’s the very issue the opposition parties raised, and I see there are a number of amendments that purport to respond to the concerns by a number of regulatory bodies. So let’s have that discussion right now, if we may. I’ve gone through the various motions. Have you addressed the concerns of all of the regulatory bodies that came here in these amendments? Was anybody omitted from the lineup?

Mr. Rick Johnson: I believe that everyone who presented has been addressed.

Mr. Allen Doppelt: Yes, they all have.

Mr. Peter Kormos: Is there anybody left?

Mr. Allen Doppelt: Not of the ones that appeared at the public hearing before the—

Mr. Peter Kormos: Fair enough. So can the government commit to ensuring that should there be anybody omitted or any body omitted that it will use expeditious process to amend this act once it becomes law to include those regulatory bodies?

Mr. Rick Johnson: We have two years before this becomes—I believe it’s two years—law, but I will pass over to the staff.

Mr. Peter Kormos: All I’m saying is, are you prepared for that? The prospect of there having been, again, an oversight—people were very generous with the government about these omissions last week when they were here. Is the bureaucracy prepared to deal with, from its perspective at least, anybody who was left out of the lineup of exceptions? Is that an unfair question?

Mr. Rick Johnson: No.

Mr. Allen Doppelt: Yes, we are. There have been discussions with just about every ministry in the Ontario government about working together to do a comprehensive review of all the statutes that contain cross-references to the current Corporations Act. When I did my initial review, prior to first reading, I discovered there are more than 180 such statutes, and we didn’t want to delay introduction of the bill for a year or more, but certainly there is a plan, in a coordinated way, to finish. Each ministry will review its own statutes and regulations that contain such cross-references and consult with appropriate stakeholders with a view to recommending that all these changes be made prior to proclamation of the bill, which, as the parliamentary assistant mentioned, will take approximately two years.

Mr. Peter Kormos: Because I can commit, Chair, on behalf of Andrea Horwath, should she be the province’s next Premier, that the New Democrats will accommodate any regulatory bodies that were left out of the lineup.

The Chair (Mr. Shafiq Qaadri): Thank you—

Mr. Peter Kormos: And Ms. Munro wants to add to that, I’m sure.

The Chair (Mr. Shafiq Qaadri): Thank you. Ms. Munro.

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Mrs. Julia Munro: I wonder if, for the sake of Hansard, you could give us an idea about the format that would be required for any of those who are not listed today but who would otherwise be considered for inclusion. You’ve made reference to the fact that you’ve included everyone who came. Well, obviously, that’s only those people who knew to come. What I want to know is some kind of assurance in terms of the process that they would have, given that we’re in the process here of doing clause-by-clause and passing a bill back to the Legislature for third reading. I understand that royal assent is being put off for two years, but I want to know what process those others will have available to them to be included under this umbrella.

Mr. Allen Doppelt: Well, as I mentioned, I can only refer to the internal process within the government. There will be recommendations to the government to go forward with these amendments and to find an appropriate legislative vehicle. Perhaps this might occur in the form of an omnibus bill. That would probably be the best way to do it rather than piecemeal.

As you can see from these proposed amendments, they give certain flexibility. For regulatory bodies, the feedback we’ve received so far is that they want to have the flexibility to determine whether or not any particular provision would apply. They don’t want to simply have a provision that excludes this new legislation completely, and the format of this amendment does accommodate that by allowing a regulation to be made after consultation with the regulatory body to determine which appropriate provisions.

I can't speak on behalf of the government in terms of commitment; all I can say is that we will have this internal process and will be making a recommendation.

The Chair (Mr. Shafiq Qaadri): Mr. Leal.

Mr. Jeff Leal: Just a question to counsel: Over the next two-year period this could be amended through regulation, right? If there were a number of organizations that came forward during this two-year period, before the formal enactment of the legislation, it could be changed through regulation and being appropriately gazetted, right?

Mr. Allen Doppelt: For the amendments that we're dealing with today, yes. But not for the ones that are still subject—it will not be possible to change other statutes by regulation.

Certainly, as I said, the proposed amendments here do allow for regulations to be made providing for specific provisions of Bill 65 to apply to that regulatory body if it's considered appropriate to do so.

Mr. Jeff Leal: Having said that, over this two-year period, if indeed a number of organizations came forward and felt that they should be recognized under this umbrella, then the government, not necessarily in an omnibus bill but a specific bill to amend this bill to add them in—it could happen.

Mr. Allen Doppelt: Yes, definitely. I mentioned the internal review that we're going to do and the consultation with stakeholders; the end product of that may well be a form of omnibus bill that deals comprehensively with it.

Mr. Jeff Leal: Okay.

The Chair (Mr. Shafiq Qaadri): Mrs. Munro.

Mrs. Julia Munro: I guess I have some concern about the fact that we're here to deal with a specific piece of legislation, but it looks like it has no finality in terms of a public process because, as you point out, the regulations are not a public process. It would seem to me that this is, then, a best effort at this point and we're going to have two years in which to respond to people who might be affected in a way that they would seek to be included under this umbrella.

I'm just concerned, obviously, with the fact that the other suggestion you're making is that it would ultimately be an omnibus bill. So, in fact, this is only chapter one, and we would be looking at the government coming forward at a later date with something more fulsome to cover off these organizations that may not have been captured by this piece of legislation.

The Chair (Mr. Shafiq Qaadri): Mr. Kormos.

Mr. Peter Kormos: I'm sorry. I wanted to be put on the speakers' list, but perhaps there was a response.

The Chair (Mr. Shafiq Qaadri): Go ahead.

Mr. Allen Doppelt: Well, as I said, I can't speak on behalf of the government. I was referring to the internal process we might follow.

Let me put it this way: The basic rule in the statute is that it applies to all not-for-profit, non-share capital corporations. In many cases, the complementary amendments do not relate at all to regulatory bodies. There's

legislation in which certain provisions are made applicable to non-share capital corporations, so those references to the current Corporations Act will need to be updated to refer to this new piece of legislation. I think the regulatory bodies part is actually a small part of the overall total amendments that will be needed.

As I say, all we can do is initiate this process, which I am assuming will start shortly after this bill receives royal assent, if it does so, with a view to completing this well before the legislation will be proclaimed in force.

The Chair (Mr. Shafiq Qaadri): Thank you. Mr. Kormos?

Mr. Peter Kormos: Yes, Chair. As you'll recall, I, with some concern, anticipated this problem last week. I don't criticize anybody, but it would have been nice for the government to have contacted the two opposition parties about this need for unanimous consent and to let us know—well, the amendments were tabled, of course, but to let us know that they'd be seeking that. We are going to grant it; we're not going to deny unanimous consent.

This is one of the worst possible ways, though, to make legislation. Here we are, and the argument is, "Well, this bill hasn't been visited for 50 years, and it's unlikely to be revisited for another 50 years, quite frankly"—and a very important sector in our community, the not-for-profit sector.

You'll recall that the time allocation motion that forced this bill into committee was done when the government House leader was particularly miffed because she was the subject matter of a point of privilege in the House accusing her of contempt of Parliament. She had locked horns with the Conservative opposition over an opposition day, and the government House leader, miffed as she was—

Interjection.

Mr. Peter Kormos: Oh, she was spitting bullets, for Pete's sake, Jeff. You should have seen her. You wouldn't have wanted to get in her way. She threw the gauntlet down and she passed a time allocation motion. This bill was supposed to go to Kitchener, Kingston and Sudbury.

I approached the government House leader and said, "Why are you being so restrictive in your time allocation motion, because what if there's no response in any of those communities?" Again, she was fit to be tied; she was really upset about other things—and I understand why she was upset. If I had been in her shoes, I probably would have been angry too, but Lord knows I've been around here long enough that I probably wouldn't have been in her shoes. She was hell bent—

Mr. Jeff Leal: That's a true comment.

Mr. Peter Kormos: I'm sorry, Mr. Leal? Fair comment?

Mr. Jeff Leal: Oh, no. I said "true comment."

Mr. Peter Kormos: "True comment," he said. Yes. He's on record now.

It happened in a moment of pique. People were angry. The government was angry. The government House

leader was angry. We didn't go to Kitchener because there were only a handful of people who wanted to participate in Kitchener. We didn't go to Sudbury for the same reason. In Kingston, I think there was nobody.

Part of the problem is that it was in the heat of the summer. It was in the dog days. It was August, when you're unlikely to get interested people. I thought there would be a whole lot more participation, quite frankly, from the public than there was. But these are mostly volunteer board agencies with modest staffs. So I got a feeling that there's a whole lot of people who might have had things to say about this. Thank goodness for the Ontario Nonprofit Network, because they seemed to consolidate the arguments into one package and to have gotten some uniformity. But good grief. The committee should not have had its hands tied by a time allocation motion to start with. We should have had committee hearings into September, after these various boards got back to meeting after the Labour Day weekend.

So here we are. I'm not criticizing the staff, because I have every confidence in the staff. Their political leadership is a different story, but—

Mr. Khalil Ramal: Good leadership.

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Mr. Peter Kormos: Look, I'm going to have a word with Sophie; you know? She's my dear friend. She was born in Welland, as I was. But she's got some explaining to do about how this thing got to where it was without being properly supervised.

So as I say, I'm going to give consent. I trust what the staff tell us. But I also want to make it clear that the record should indicate very, very clearly that everybody's in agreement that anybody omitted should be dealt with quickly and promptly.

I hear you say "omnibus bill." I know what you mean by "omnibus bill," sir, but when I see "omnibus bill," I see a whole bunch of really crappy government stuff with some good things buried in it—or some bad things buried in it, more likely, that they greased up and tried to slide through in the dark of the night.

But then again, in a year's time, probably it will be another government. I hope Mr. Johnson's still here. Quite frankly, I think all these people would be good opposition members. I look forward to seeing them in the next Parliament. You, too, Chair; you'd make a very good opposition member.

The Chair (Mr. Shafiq Qadri): I look forward to joining you, Mr. Kormos. I accept your good wishes.

Mr. Peter Kormos: Whoa. Don't be presumptuous. Who's to say I'll still be in opposition?

Let's move ahead with these, with the understanding—I think everybody agrees—that we're going to accommodate groups that might have been overlooked.

The Chair (Mr. Shafiq Qadri): Fine. So I'll take it as unanimous consent to open all these particular motions. We'll then proceed to the vote on government motion 62, section 211.1. Those in favour of government motion 62, which has already been read? Those opposed? Motion 62, carried.

Government motion 63.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

"211.2(1) Section 3 of the Certified General Accountants Act, 2010 is amended by adding the following subsection:

"Application of Not-for-Profit Corporations Act, 2010

"(5) The Not-for-Profit Corporations Act, 2010 does not apply to the association, except as may be prescribed by regulation."

"(2) The act is amended by adding the following section:

"Regulations

"63.1 The Lieutenant Governor in Council may make regulations prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the association."

The Chair (Mr. Shafiq Qadri): Thank you. Comments? We'll proceed to the vote. Those in favour of government motion 63? Carried.

Motion 64, Mr. Johnson.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

"211.3(1) Section 3 of the Certified Management Accountants Act, 2010 is amended by adding the following subsection:

"Application of Not-for-Profit Corporations Act, 2010

"(5) The Not-for-Profit Corporations Act, 2010 does not apply to the corporation, except as may be prescribed by regulation."

"(2) The act is amended by adding the following section:

"Regulations

"66.1 The Lieutenant Governor in Council may make regulations prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the corporation."

The Chair (Mr. Shafiq Qadri): Thank you. Comments? Those in favour of government motion 64? Carried.

Motion 65.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

"211.4(1) Section 3 of the Chartered Accountants Act, 2010 is amended by adding the following subsection:

"Application of Not-for-Profit Corporations Act, 2010

"(5) The Not-for-Profit Corporations Act, 2010 does not apply to the institute, except as may be prescribed by regulation."

"(2) The act is amended by adding the following section:

"Regulations

"61.1 The Lieutenant Governor in Council may make regulations prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the institute."

The Chair (Mr. Shafiq Qadri): Thank you. Those in favour of government motion 65? Those opposed? Motion 65 carried.

Block consideration of 212 and 213: Shall they carry? Carried.

Now, I understand, on 214, what's labelled as government motion 66 is not a motion, so we don't actually need it to be read. Is that agreeable? Agreeable.

We now proceed to—

Interjection.

The Chair (Mr. Shafiq Qadri): Pardon me?

Mr. Peter Kormos: On section 214—

Mr. Rick Johnson: The act being amended has been repealed and the amendment is no longer required.

Mr. Peter Kormos: So 214 is dealt with where and how? In these previous motions?

Mr. Rick Johnson: I'll get an explanation.

The Chair (Mr. Shafiq Qadri): We'll now actually proceed to the vote on section 214.

Mr. Peter Kormos: No, but we're debating it.

The Chair (Mr. Shafiq Qadri): Yes.

Mr. Peter Kormos: Quite right. Help me. It was dealt with in these previous amendments?

Mr. Allen Doppelt: No, no. What happened is we discovered after first reading that this particular provision, clause 6(1)(m) of the Commitment to the Future of Medicare Act, 2004, was repealed on June 8 by section 18(1) of an act called the Excellent Care for All Act, 2010. So you don't need an amendment anymore because it has been repealed.

Mr. Peter Kormos: It's not there. Fair enough. But to be fair, had this been overlooked and become part of the bill, we've passed legislation, haven't we, here at Queen's Park, that would permit these sort of expired sections to be expunged? Do we have that capacity?

Ms. Susan Klein: Under the Legislation Act, 2006, I don't think we would repeal it. It might be marked obsolete, but I think you'd still have to repeal it.

We might have that power. We haven't exercised that kind of a power yet, if we do have it. I don't know.

Mr. Peter Kormos: So we're not sure whether there is a power to expunge?

Ms. Susan Klein: No, I'm not sure there's a power to actually repeal it. We certainly don't do it; we would just mark it as obsolete.

Mr. Peter Kormos: Thank you kindly. More trivia, folks.

The Chair (Mr. Shafiq Qadri): May we proceed, then, to the vote on section 214? Shall section 214 carry? Carried.

Interjection.

The Chair (Mr. Shafiq Qadri): I'm sorry, it's lost. Fair enough.

Mr. Peter Kormos: They put it in writing. You're supposed to vote against it.

Now, shall we do that again—on consent, Chair? We'll expunge that last foolish vote.

The Chair (Mr. Shafiq Qadri): On consent. Section 214: Those in favour? Those opposed? Defeated. Thank you, Mr. Kormos, for your clarifications.

Block consideration of sections 215 to 225: Shall they carry? Carried.

Government motion 67, section 225.1: Mr. Johnson.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

“225.1(1) Section 6 of the Law Society Act is repealed and the following substituted:

“Application of Not-for-Profit Corporations Act, 2010

“6. The Not-for-Profit Corporations Act, 2010 does not apply to the society, except as may be prescribed by regulation.’

“(2) Subsection 53(2) of the act is repealed and the following substituted:

“Application of Not-for-Profit Corporations Act, 2010

“(2) The Not-for-Profit Corporations Act, 2010 does not apply to the foundation, except as may be prescribed by regulation.’

“(3) Section 59 of the act is amended by adding the following clause:

“(d) prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the foundation.’

“(4) Subsection 63(1) of the act is amended by adding the following paragraph:

“1. prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the society;”

The Chair (Mr. Shafiq Qadri): Comments on government motion 67? Seeing none, we'll proceed to the vote. Those in favour of government motion 67? Opposed? The motion is carried.

Block consideration of sections 226 to 232: Shall they carry? Carried.

Section 232.1, government motion 68: Mr. Johnson.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

“232.1(1) Subsection 7(1) of the Professional Engineers Act is amended by adding the following paragraph:

“34. prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the association.’

“(2) Section 49 of the act is repealed and the following substituted:

“Application of Not-for-Profit Corporations Act, 2010

“49. The Not-for-Profit Corporations Act, 2010 does not apply in respect of the association except as may be prescribed by regulation.”

The Chair (Mr. Shafiq Qadri): Further comments, considerations on government motion 68? Seeing none, we'll proceed to the vote. Those in favour of government motion 68? Opposed? Motion carried.

Government motion 69. Mr. Johnson.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

“232.2(1) Section 18 of the Public Accounting Act, 2004 is amended by adding the following subsection:

“Application of the Not-for-Profit Corporations Act, 2010

“(5) The Not-for-Profit Corporations Act, 2010 does not apply to the council, except as may be prescribed.’

“(2) Subsection 42(1) of the act is amended by adding the following clause:

“(g) prescribing provisions of the Not-for-Profit Corporations Act, 2010 that apply to the council.”

The Chair (Mr. Shafiq Qaadri): Comments? Those in favour of government motion 69? Opposed? Motion 69, carried.

Block consideration: Shall sections 233 to 239 carry? Carried.

Government motion 70; section 239.1.

Mr. Rick Johnson: I move that part XVII of the bill be amended by adding the following section:

“239.1(1) Section 6 of the Veterinarians Act is amended by adding the following subsection:

“Minister’s regulations

“(2) The minister may by regulation prescribe provisions of the Not-for-Profit Corporations Act, 2010 that apply to the college.”

“(2) Subsections 47(1) and (2) of the act are repealed and the following substituted:

“Application of acts

“Not-for-Profit Corporations Act, 2010

“(1) The Not-for-Profit Corporations Act, 2010 does not apply in respect of the college except as may be prescribed by a minister’s regulation made under subsection 6(2).

“Interpretation

“(2) For the purposes of subsection (1), a member of the council shall be deemed to be a director.”

The Chair (Mr. Shafiq Qaadri): Thank you. Those in favour of government motion 70? Carried.

Block consideration, sections 240 to 242: Carried? Carried.

Title of the bill, carried? Carried.

Bill 65, as amended, carried? Carried.

Report the bill to the—yes, Mr. Kormos?

Mr. Peter Kormos: I simply want to thank the staff who assisted us with research and these wonderful

binders, which are very useful when we get into these committee processes.

I want people to know that Mr. Johnson, who did most of the heavy lifting for the government on this bill even though he’s not the parliamentary assistant, did an exemplary job. My saying that probably doesn’t enhance his cabinet aspirations, but I feel compelled to say it in any event. It was a pleasure working with Mr. Johnson. Of course, he’s the only person here today who was here during the hearings last week, right? His four colleagues are filling in as the voting machines that they’re expected to be; I understand that. But Mr. Johnson was a pleasure to work with and was helpful and co-operative and made this process run more smoothly than it might have, were it not for his collegial, capable and competent stewardship of the bill. For the life of me, I don’t know why he wasn’t put into cabinet last week.

Mr. Rick Johnson: I’ll just thank Mr. Kormos for his comments. I would especially like to thank Mr. McNeely for handling all the French translation corrections because, failing that, we’d still be on clause 29. I just want to thank you for that.

I appreciate your comments. Thank you.

The Chair (Mr. Shafiq Qaadri): I think, Mr. Kormos, many members of the government caucus are also in the same position: We do like Mr. Johnson, but we’re not really sure why. In any case—

Mr. Peter Kormos: You’re not sure why he’s not in cabinet, either.

The Chair (Mr. Shafiq Qaadri): —shall I report the bill, as amended, to the House?

Interjection.

The Chair (Mr. Shafiq Qaadri): I’ll take that as a yes.

If there are no further comments, committee is adjourned.

The committee adjourned at 1102.

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