

2024 Bill 12

First Session, 31st Legislature, 2 Charles III

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 12

CONSUMER PROTECTION (LIFE LEASES) AMENDMENT ACT, 2024

THE MINISTER OF SERVICE ALBERTA AND RED TAPE REDUCTION

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 12

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CONSUMER PROTECTION (LIFE LEASES) AMENDMENT ACT, 2024

(Assented to _____, 2024)

HIS MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Amends RSA 2000 cC-26.3

1 The *Consumer Protection Act* is amended by this Act.

**2 Section 1(1)(k) is amended by adding the following after
subclause (ii):**

(ii.1) under a life lease as defined in Part 3.1, the exclusive right
to occupy a residential dwelling and, if applicable, use areas
intended for the common use of occupants of a building,

3 The following is added after section 41:

Part 3.1 Life Leases

Definitions

41.1 In this Part,

Explanatory Notes

1 Amends chapter C-26.3 of the Revised Statutes of Alberta 2000.

2 Section 1(1)(k) presently reads in part:

1(1) In this Act,

(k) “services” means, subject to the regulations under subsection (2), any service offered or provided primarily for personal, family or household purposes, including

(ii) a membership in any club or organization if the club or organization is a business formed to make a profit for its owners,

(iii) the right to use property under a time share contract, and

3 Part 3.1 Life Leases.

- (a) “entrance fee” means an amount, other than occupancy fees, payable under a life lease to a lease operator or a trustee;
- (b) “lease operator” means a person who, under a life lease, grants to a leaseholder the exclusive right to occupy a residential dwelling and, if applicable, the right to use areas intended for the common use of occupants of a building;
- (c) “leaseholder” means an individual who, under a life lease, is granted the exclusive right to occupy a residential dwelling and, if applicable, the right to use areas intended for the common use of occupants of a building, or the estate of a deceased leaseholder;
- (d) “life lease” means a written agreement pursuant to or with respect to which
 - (i) an entrance fee has been paid or is payable with respect to a residential dwelling, and
 - (ii) the leaseholder is granted the exclusive right to occupy the residential dwelling and, if applicable, the right to use areas intended for the common use of occupants of a building for life or until the life lease is terminated by the lease operator or the leaseholder;
- (e) “occupancy fees” means any amount the lease operator requires the leaseholder to pay on a monthly or other basis for operations, maintenance and services or to secure the upkeep and cleanliness of the residential dwelling;
- (f) “pre-lease payment” means a payment that may be used as a deposit to hold a residential dwelling for an individual who has not formally entered into a life lease;
- (g) “trustee” means a person or entity appointed by the lease operator to receive, manage and disburse funds on behalf of the lease operator.

Application

41.2 Subject to section 41.4(3), this Part applies to life leases entered into on or after this Part comes into force.

Life lease requirements

41.3(1) Subject to section 41.5 and the regulations, a life lease must include provisions respecting

- (a) the collection and use of entrance fees,
- (b) the return of entrance fees, including the timing of and conditions for a return,
- (c) cancellation rights respecting the life lease, including
 - (i) a minimum 10-day cancellation period for a leaseholder after the leaseholder has signed a life lease,
 - (ii) notice requirements for cancellation, and
 - (iii) conditions respecting cancellation,
- (d) termination rights respecting the life lease, including
 - (i) notice requirements for termination, and
 - (ii) conditions respecting termination,
- (e) occupancy fees, including
 - (i) conditions for the increase of those fees,
 - (ii) notice requirements for the increase of those fees, and
 - (iii) the allowable frequency of increases,
- (f) lease operator obligations,
- (g) leaseholder obligations, and
- (h) any other provisions required under section 41.5 or by the regulations.

(2) A lease operator shall use a form of life lease that complies with subsection (1), section 41.5 and the regulations.

Return of entrance fee

41.4(1) A lease operator shall return the leaseholder's entrance fee within 180 days of termination of a life lease.

(2) If a lease operator does not return the leaseholder's entrance fee or any portion of it within the time specified in subsection (1), interest at the prescribed rate will accrue on any unreturned amount.

(3) Notwithstanding any provision respecting the matters in subsections (1) and (2) in leases substantially similar to a life lease, those subsections apply with respect to substantially similar leases that are

- (a) subsisting on the coming into force of this Part, and
- (b) terminated after the coming into force of this Part.

Standard content of agreements, forms, other documents

41.5(1) The Minister may establish standard content for agreements, forms and other documents used by lease operators, including, but not limited to, life leases, cancellation forms and receipts.

(2) If the Minister establishes standard content for a document, a lease operator shall use that standard content.

Regulations

41.6(1) The Lieutenant Governor in Council may make regulations

- (a) respecting life lease requirements, including specifying requirements in addition to any set out in section 41.3 or under section 41.5;
- (b) respecting pre-lease payment disclosure and refund requirements;
- (c) respecting entrance fees, including
 - (i) the maximum allowable fees,
 - (ii) the percentage that is returnable,
 - (iii) receipt requirements, and
 - (iv) interest or other payments to be paid by a lease operator to a leaseholder with respect to unreturned entrance fees, including the rate of interest under section 41.4(2);

- (d) requiring lease operators or trustees who receive entrance fees or pre-lease payments to deposit those fees or payments into a trust account;
- (e) respecting the trust account referred to in clause (d), including
 - (i) where the trust account may be established and maintained and when the fees or payments must be deposited,
 - (ii) the qualifications and appointment of trustees,
 - (iii) the powers, duties and functions of trustees and the disbursement of funds from the trust account, and
 - (iv) the records to be kept respecting the trust account, the period of time that those records are to be maintained and any audit of the trust account;
- (f) respecting any restrictions on the use by a lease operator of entrance fees or pre-lease payments not held in trust;
- (g) requiring lease operators to provide or submit a security;
- (h) respecting the provision or submission of a security referred to in clause (g), including
 - (i) the circumstances in which a lease operator is required to provide or submit a security,
 - (ii) the person to whom a lease operator must provide or submit a security, and the powers, duties and functions of that person,
 - (iii) the person from whom a security may be obtained if issued by a third party at the request of a lease operator,
 - (iv) the type, form, amount and terms and conditions of a security,
 - (v) the terms and conditions under which a security is forfeited, the persons who are entitled to the proceeds under the security and the procedures to be followed for claiming on a security,

- (vi) a system of resolving disputes involving claims against a security that claimants and lease operators are required to participate in and providing that decisions under the system are binding,
- (vii) any notification, reporting or disclosure requirements related to the security, and
- (viii) the records to be kept respecting a security and the period of time for which those records are to be maintained;
- (i) respecting establishment of a fund for ongoing building maintenance and requirements for a study to assess the condition of a building;
- (j) respecting financial audit and disclosure requirements with respect to leaseholders;
- (k) respecting governance requirements, including annual meeting requirements for leaseholders and lease operators;
- (l) respecting notice periods and restrictions respecting increases in fees applicable to leaseholders;
- (m) respecting insurance requirements and disclosure of insurance coverage to leaseholders;
- (n) defining any term used but not defined in this Part;
- (o) prescribing anything required to be prescribed under this Part or that this Part refers to as prescribed;
- (p) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.

(2) Without limiting the generality of subsection (1)(n), the Lieutenant Governor in Council may make regulations that restrict or broaden the definition of any term defined in or under this Part, and the restricting or broadening of the definition may apply to one or more provisions of this Part and to one or more provisions of the regulations under this Part.

4 Section 161 is amended by adding the following after clause (b):

(b.1) in Part 3.1, sections 41.3(2), 41.4(1), 41.5(2);

4 Section 161 presently reads in part:

161 Any person who contravenes any of the following provisions is guilty of an offence:

(b) in Part 3, sections 31(2), 39(1);

RECORD OF DEBATE

Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To