



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

April 22, 2015

Honourable Mike de Jong
Minister of Finance
Room 153
Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister:

Re: Bill 24: *Societies Act*

On behalf of the British Columbia Real Estate Association (BCREA) and its 11 member real estate boards, thank you for introducing Bill 24: *Societies Act*. The modernized legislation will better serve the wide variety of societies in this province.

BCREA also thanks you and your staff for the diligence and responsiveness with which advance consultation was undertaken. While the white paper released in 2014 was an excellent foundation, Bill 24 demonstrates that many concerns were taken seriously and addressed.

With the bill at second reading, there is an opportunity to provide additional clarity. We ask that you consider the following amendments:

Threshold for special resolutions

Section 11 introduces a new provision with subsection 4; that is, the ability to increase the threshold for special resolutions above the statutory 2/3, by bylaw. We understand that this new provision is a compromise for those societies that wanted to keep unalterable provisions. It will allow the society to set its own threshold for special resolutions, up to and including unanimous approval, thereby effecting nearly-unalterable provisions.

However, the section as drafted means that, if a society has bylaws that state a 3/4 approval is required (as a reflection of the current Act), that requirement will remain in place after transition, unless subsequently amended by the society (using the 3/4 threshold). This may be less than desirable for many societies, which may prefer an automatic lowering of the special resolution threshold.

1420 – 701 Georgia Street W, PO Box 10123, Pacific Centre, Vancouver, BC V7Y 1C6

President Scott Russell | President-Elect Deanna Horn | bcrea@bcrea.bc.ca | 604.683.7702 (tel)
Past President Jake Moldowan | Chief Executive Officer Robert Laing | www.bcrea.bc.ca | 604.683.8601 (fax)



Therefore, rather than allowing a society to increase the special resolution threshold, Bill 24 could allow a society, by bylaw, to establish a separate voting threshold above special resolution for certain matters, in effect creating a possible third kind of resolution, rather than allowing the adjustment upward of special resolutions.

Member access to member registry

Section 25, which lists the purposes for which a member may use information obtained from the register of members, has been altered to include “an effort to influence the voting of members.” BCREA sees this as a positive change, as it limits the use to more specific purposes than was previously the case.

On the other hand, these restrictions on use appear only to apply where the inspection happens under this section. Therefore, if access to the member registry is not restricted in the first place, there appear to be no limitations on how the information is used.

Because there seems to be no reasonable policy basis to allow member information to be used for other purposes, even where it is not expressly restricted by the board/society, BCREA submits that this may simply be an oversight that can be corrected.

Limitations on liability

We see that section 60 no longer applies to senior managers, though it is not clear why there would no longer be a due diligence defense for senior managers. Is the rationale that indemnification is sufficient? We would appreciate clarification on that point.

Disclosure of director’s interest

BCREA does not oppose the expanded conflict of interest rules for directors. However, we point out that not all contracts or transactions that may be “material” to a director are approved (or, in many cases, even known about) by the board of directors. Under the proposed language, a director could incur liability for a transaction of which he had no knowledge and no authority or opportunity to approve.

BCREA continues to request that section 56 be revised to limit application to transactions and contracts that come before the consideration of the directors.

BCREA appreciates your consideration of the matters raised above. If you have any questions or comments, feel free to contact me directly at rlaing@bcrea.bc.ca or 604.742.2787.

Hon. Mike de Jong

Page 3

April 22, 2015

BCREA is the professional association for more than 18,500 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

Yours sincerely,

A handwritten signature in black ink that reads "Robert Laing". The signature is written in a cursive, flowing style.

Robert Laing
Chief Executive Officer

Copies: Carole James, MLA – Victoria-Beacon Hill
 Leonard Krog, MLA – Nanaimo
 Jill Sinkwich, Director, Corporate and Real Estate, Financial and Corporate Sector
 Policy Branch, Ministry of Finance
 Tona Hetherington, Director, Corporate and Commercial, Financial and
 Corporate Sector Policy Branch, Ministry of Finance