



VILLE D'HUDSON

TOWN OF HUDSON

In case of discrepancy, the French version shall prevail.

TEMPORARY ADMINISTRATIVE CONSOLIDATION

**BY-LAW 619.2-2023 AMENDING BY-LAW 619 COMMERCIAL
DEVELOPMENT CORPORATION (SDC)**

This temporary consolidation has not been officially adopted by the Town of Hudson. This version of the consolidated By-law has the only purpose of facilitating the reading of the draft by-law.

The original by-law and its amendments should be consulted for all purposes of the law.

CODIFICATION ADMINISTRATIVE TEMPORAIRE

BY-LAW 619.2-2023 AMENDING BY-LAW 619 COMMERCIAL DEVELOPMENT CORPORATION (SDC)

WHEREAS it is necessary to promote the creation of a Commercial Development Corporation (SDC);

WHEREAS it is necessary to foresee the procedures to follow in order to request the creation of a SDC, its formation, the respective responsibilities of the general meeting of the members and Board of Directors as well as all matters relative to its organisation, operation and dissolution;

WHEREAS a notice of motion was duly given at the Council meeting held on August 6th, 2012;

WHEREAS the requirements of Article 356 of the Cities and Towns Act have been met and that all council members declare having read By-Law N° 619 and relinquish its reading;

THEREFORE, it is **moved** by Councillor Diane Piacente, **seconded** by Councillor Tim Snow and resolved that By-Law 619, be hereby adopted and decreed as follows:

Section I Interpretation

1. Definitions :

In this by-law:

“Commercial District” means the centre of town including commercial zone C-27 and the two sites immediately to its west side (544 and 548 Main) as well as the location immediately to its north side (10 Yacht Club), which includes more than 50% of the zone’s businesses and not less than 50 businesses, subject to the provisions of this by-law concerning the modification of the boundaries of the commercial district; (*article 458.1 CTA*)¹

~~“Member” or “Corporation Member” means a taxpayer who operates a business in the said district;~~

Member” or “Corporate Member” means a business operator who maintains a place of business in the commercial district;

“Guest member”: Voluntary membership of a business operator who has a place of business outside the business district. The guest member has the same rights and obligations as a member located within the commercial district. (*art. 458.39 LCV*)¹.

“Business place” means any establishment or premises where an economic or financial administrative activity, a business, industry or service, occupation, art, profession or any other activity constituting a means of profit, gain or livelihood is held, except for employment or public office;

“SDC” means a *Société de développement commerciale*;

“Corporation” means a SDC

“Term” means the period between two annual general meetings;

“Commercial Zone” means a territory delimited as such by regulation.

2. Enforcement:

~~2.1. For the purpose of enforcing this by-law, any society or corporation operating a place of business in a commercial district defined in this by-law is a taxpayer.~~

2.1. For the purposes of this By-Law, any company or corporation holding a place of business in a commercial district defined in this By-Law is a taxpayer. It has only one voting right per establishment. (art. 458.22 LCV)²

2.2. In this by-law, when it is question of signing a request for the creation of a SDC or the register opposing it or the ballot prior to the formation of such corporation or at the time of the corporation’s meetings, it is understood that a taxpayer has the right to a signature and a vote per place of business in the concerned commercial district, for which he owes a business tax. He may exercise his right by being represented by proxy, which he authorises in writing. However, no one may represent more than one taxpayer.

¹ *Cities and Towns Act (R.S.Q., chapter C-19)*

Section II Creation of a SDC

3. The goal of creating a *SDC* is to promote the economic development of the commercial district within the jurisdiction of this corporation. *(article 458.1 CTA)*²
4. Twenty (20) taxpayers operating a place of business in the district may ask for the creation of a *SDC* in a commercial zone by forwarding a request for that purpose to the municipal Council. *(article 458.3 2^o CTA)*²
5. The request submitted to Council in view of the creation of a *SDC* must be signed by all applicants and mention the following: *(article 458.3 CTA)*²
 - 5.1. Names of applicants
 - 5.2. Address of the place of business of each applicant
 - 5.3. The limits of the commercial district for which the corporation will be responsible
 - 5.4. Proposed name of the society
 - 5.5. Proposed address of the corporation's headquarters.
6. This request must be accompanied of: *(article 458.3 CTA)*²
 - 6.1. List of the names and addresses of taxpayers who operate a place of business in the district indicated in the request. (Annex A)
 - 6.2. A sketch of the commercial district. (Annex B)
7. Within 45 days of receipt of this request, Council asks the Town Clerk to send a notice by registered or certified mail or serve notice to all taxpayers who hold a place of business in the district informing them that a register will be made available at a set date and location, for those who wish to oppose the creation of the corporation. *(article 458.4 CTA)*²
8. The register is open from 9 am to 7 pm to receive signatures, at the date and location indicated in the notice sent by the Town Clerk. *(article 536 ARERM)*³
9. The taxpayer or his duly authorised proxy must present satisfactory identification to the Town Clerk and submit the notice the latter has sent for opposition purposes and, in the case of a proxy, the document authorising him to sign. *(article 545 ARERM)*³
10. There can only be one signature per place of business; *(article 458.11 CTA)*²
11. The Town Clerk informs Council of the results of the registration day; *(article 556 ARERM)*³
12. If less than 23 *(article 553 2^o ARERM)*³ of these persons sign the register, Council can, by resolution, authorise the creation of the corporation.
13. If at least 23 of these persons sign the register, the Town Clerk sends a notice by registered or certified mail or serves notice to all taxpayers who hold a place of business in the district, informing them that a poll will be held within 90 days of the deposit of the request; the rules for the holding of a register apply, by adapting them to the holding of a poll.
14. In the case where the holding of a poll is necessary, the Town Clerk prepares the wording of the question to find out if we are in favour or against the creation of a *SDC*.
15. The Town Clerk monitors the poll and informs Council of the results. *(article 578 ARERM)*⁴
16. If more than 50% of taxpayers have vote favourably, Council can authorise, by resolution, the creation of the corporation; otherwise, the request is rejected and a new request cannot be submitted before a twenty-four-month period has expired. *(article 458.13 CTA)*⁵
17. The resolution authorising the creation of the corporation indicates the name of the corporation as well as the boundaries of the commercial district in which it will have jurisdiction. *(article 458.14 CTA)*⁵
18. The resolution authorising the creation of the corporation is forwarded by the Town Clerk to the *Ministère des Institutions financières et coopératives*, for registration.
19. From the date of registration, the corporation is recognised as such by the Civil Code. *(article 458.17 CTA)*⁵

Section III Board of Directors

- ~~20. The *SDC* is managed by a Board of Directors which consists of six persons are elected by the general meeting from among the members of the association; one person is designated by the municipal~~

² *Cities and Towns Act (R.S.Q., chapter C-19)*

³ *Act respecting Elections and Referendums in Municipalities (R.S.Q., chapter E-2.2)*

⁴ *Act respecting Elections and Referendums in Municipalities (R.S.Q., chapter E-2.2)*

⁵ *Cities and Towns Act (R.S.Q., chapter C-19)*

~~council from among its members or from among the officers or employees of the municipality; and two persons are designated by the elected members of the board of directors. (article 458.24 CTA)⁶~~

~~The Board of Directors elects among the elected administrators, a president, vice-president, secretary, treasurer, who are directors. One of these directors can also be Secretary-Treasurer.~~

20. The SDC is managed by a Board of Directors which consists of nine persons. Six persons are elected by the general meeting from among company members; one person is designated by the Municipal Council from among its members or from among the officers or employees of the municipality; and two persons are designated by the elected members of the board of directors.

Of the six members elected by the General Meeting, one position is reserved for the "Restaurant owner" membership category, one position is reserved for the "Retail trade" membership category and one position is reserved for the "Offices" membership category.

In the event that no members from these three categories stand for election, then these positions may be filled by a member regardless of membership category.

The Board of Directors elects among the elected administrators, a president, vice-president, secretary, treasurer, who are directors. One of these directors can also be Secretary-Treasurer.

21. The election of directors must be done annually after the annual general meeting.

22. After the first mandate, the term of which is set at articles 28 and 29, the administrators' mandate is of 2 terms.

23. The administrator's position becomes vacant in the following cases:

- 23.1. Resignation
- 23.2. Dismissal
- 23.3. Loss of a member's status

For the purpose of this article, is deemed to have resigned, the administrator who:

- 23.4. Has tendered his resignation in writing to the Board of Directors, or
- 23.5. Was absent without reason at three consecutive board of administration meetings

24. The Board of Directors can replace, by resolution, an elected administrator whose position becomes vacant; the replacement remains in office until the end of the mandate of the administrator who he is replacing.

Council fills the vacancy left by an administrator it has appointed and the appointed replacement administrator shall remain in office until the end of the mandate of the administrator he is replacing.

25. An administrator can be re-elected or reappointed as the case may be.

26. Dismissal of an elected administrator is done by the affirmative vote of at least two thirds of voting members present at the general meeting, after a notice of motion given to this effect has been sent to the members at least 30 days before the holding of that meeting.

Council may, at any time, dismiss an administrator it has appointed.

27. At the end of his mandate, a designated administrator remains in office until Council has replaced or reappointed him.

This replacement or new appointment must be done, at the latest, thirty days after the annual general meeting, which indicates the end of the designated administrator's mandate.

~~**28.** In addition to carrying out current SDC management matters, the Board of Directors will, particularly, The Board of Directors will, particularly,~~

28.1 As soon as it is constituted, the Board of Directors must proceed with the hiring of a Director General and delegate to him or her part of its powers with regards to the management of the SDC's day-to-day business, as well as the implementation of its action plan. This person will report directly to the Board of Directors.

- 28.2 Forward a certified copy of its regulation to Council for approval (article 458.20 CTA)⁶
- 28.3 Control of records
- 28.4 Make and control investments
- 28.5 Demand a security bond from anyone administering or being in charge of SDC funds
- 28.6 At the annual meeting, report on his mandate and submit his annual report to members
- 28.7 Submit a certified copy of financial statements to Council within three months of the end of fiscal year,
- 28.8 Facilitate the auditor's work

⁶ Cities and Towns Act (R.S.Q., chapter C-19)

- 28.9 Maintain good relations with other *SDC* representatives in order to create profitable exchanges.
29. The Board of Directors can, subject to internal management regulation,
- 29.1 Adopt the official seal of the *SDC*.
 - 29.2 Create committees in charge of fulfilling *SDC* activities
 - 29.3 Incur expenses in accordance with the budget, within the limits determined by the general assembly
30. Quorum for the board of directors is of five administrators.
31. Board of Directors' decisions are taken by majority.
The president has a casting vote in case of a tie.

Section IV Annual general meeting

32. A first general meeting of the members, known as organisation general meeting, must be held within 60 days following the registration date of the Council resolution authorising its creation by the Ministère des Institutions financières et coopératives.
33. For this meeting, those who have signed the request for the creation of the corporation will give with acknowledgement of receipt or send by registered mail, at least 10 days before the meeting, a notice convening all members and which shall specify the days, times and places of the meeting and to which will be attached the meeting's agenda.
34. The following subjects must be on the organising meeting's agenda:
- 34.1. Election of the chairperson and the meeting's secretary;
 - 34.2. Reading of the resolution authorising the creation of the *SDC* and the registration certificate submitted by the *Ministre des Institutions financières et coopératives*
 - 34.3. Study and adoption of in-house regulation
 - 34.4. Election of a returning officer, a deputy returning officer and of at least two poll clerks
 - ~~34.5. Election of seven administrators~~
 - 34.5. Election of six administrators.**
 - 34.6. Administrators' remuneration
 - 34.7. ~~Choice of an auditor.~~
- 34.7. Choice of an external auditor regarding the financial statements, if the Town of Hudson's grants are at least \$100,000.00 (art. 107.9 LCV)³.**
35. The vote must be held at the meeting and according to the following rules:
- 35.1. For the election of administrators, the vote is by secret ballot
 - 35.2. In all other cases, the vote will be by show of hands unless, at a member's request, those present decide on a vote by secret ballot.
 - 35.3. "A member may not be elected as administrator, nor exercise his right to vote at a general meeting, unless he has paid his dues, or the part of his dues that has become due, before the day of the meeting."**
36. Members who attend the meeting must register at the door of the premises where the meeting is held.
37. Nomination is done on site, proposed by a member and seconded by two other members.
38. The deposit of the ballots is done by call according to the list of members present.
- ~~39. The mandate of the three first administrators elected by those present expires at the first general annual meeting and the mandate of the four other administrators expires at the second annual general meeting.~~
- 39. At the Organisational General Meeting, the mandate of the first three administrators elected by the meeting expires in March 2024, and the term of office of three others elected directors expires in March 2025. At the first Annual General Meeting, the first three elected directors will be replaced for a two-year term, and at the second Annual General Meeting, the 3 other elected directors will be replaced for a two-year term.**
- ~~40. Within thirty days following the corporation's general meeting and after having consulted with the elected administrators at the said meeting, Council chooses, within the two administrators it designated, a first administrator whose mandate shall expire at the first annual general meeting and a second administrator whose mandate shall expire at the second annual general meeting.~~
- 40. "Within thirty days of the General Meeting of Organisation, the Board of Directors made up of the 6 elected directors must meet and choose 2 persons to fill the positions of "appointed" directors. One will have a one-term mandate and the other a two-term mandate. Thereafter, the 2 "designated" directors will have a two-term mandate." (art. 458.24 LCV)⁴**

41. A general meeting of members, said annual general meeting, must be held each year, before March 31st, except for the year of creation of the society.

Despite the first paragraph, when the budget of a corporation spreads over more than 12 months, this corporation can not hold an annual general meeting before March 31st of the year that follows its creation.

42. The following subjects must be on the annual general meeting's agenda :

42.1. Board of directors report

~~42.2. Presentation of the certified financial statement and auditor's report~~

42.2. Presentation of financial statements, which must be audited by an external auditor if the grants from the Town of Hudson are at least \$100,000.00" (art. 107.9 LCV)⁵.

42.3. Election of administrators whose mandates have ended.

42.4. Choice of an external auditor for the current fiscal year, if the Town of Hudson's grants are at least \$100,000.00" (art. 107.9 LCV)⁶.

Section V General meeting for presentation of the budget

43. Each year, the board of directors must convene a general meeting of members, said general meeting for the presentation of the budget that must be held at the latest on September 30th of each year. (*article 458.25 CTA*)⁷

At this meeting, the board of directors presents to the members, for adoption, the budget of operations for the subsequent fiscal year and projects involving capital expenditures for which financing can be made by a loan authorised by the Town. (*article 458.25.1 CTA*)⁸

Despite first paragraph, the first general meeting for presentation of the budget may be held after September 30th.

44. The notice of convocation for the meeting must be accompanied of a copy of the documents relative to the budget and capital expenditures projects.

45. The budget approved by the members must be deposited to the Town Clerk at the latest on November 1st of each year.

Despite the first paragraph, the first *SDC* budget can be deposited after November 1st. This first budget may cover the period beginning with the date of registration of the resolution that authorises the creation until December 31st of the year that follows the year of the said registration.

46. The *SDC*'s fiscal year covers the period of January 1st to December 31st of each year, subject to the provisions of this by-law concerning the first fiscal year.

Section VI Special general meetings (*article 458.43 CTA*)⁸

47. The *SDC*'s board of directors, its president or, in his absence, its vice-president, can convene a special general meeting at anytime they judge it necessary. However, when at least a third of members request it, the board of directors must convene such a meeting.

When the special general meeting has been convened at the members' request, and that it is not held within 21 days of the date of the deposit of the request at the corporation's headquarters, the meeting may be convened by three of the signatories of the request.

When a special general meeting is convened by members, for a specific subject, a second meeting pertaining to the same subject cannot be held before the end of the fiscal year during which it is held, except with the consent of the board of directors.

Section VII Provisions concerning the holding of meeting

Section VII General Meeting Provisions (Annual, Budget, Special)

48. At a general meeting, Articles 33, 35, 36, 37, 38, 39 and 40 apply, by adapting them with regards to the convocation notice, voting methods, member registration, candidate nomination, control of ballots and election of administrators.

- ~~49. At a general meeting decisions are made by the vote of the absolute majority of the voting members present, except, in the cases provided in articles 26 and 54 of this by-law, as well as in the cases where applicable provisions of the *Loi sur les compagnies* stipulates~~

⁷ *Cities and Towns Act (R.S.Q., chapter C-19)*

⁸ *Cities and Towns Act (R.S.Q., chapter C-19)*

49. At a General Meeting decisions are made by the vote of the absolute majority (50%+1) of the voting members present, except, in the cases provided in articles 26 and 54 of this by-law, as well as in the cases where applicable provisions of the «*Loi sur les compagnies*» stipulates.

50. ~~The quorum for meetings is set by corporation regulation, but cannot be less than 25% of the total number of members.~~

50. The quorum for Meetings is set by corporation regulation, but may not be less than 12 members.

Section VIII Taxation, collection, and remittance of cost sharing

~~51. The rental value of the premises of a place of business is the value indicated on the roll of rental values for the purpose of the business tax but, it is deemed not to exceed 10% of the total rental values of the concerned commercial district. (article 458.28 CTA)⁹~~

51. The surface area of a business premises is the value used to calculate membership dues. This area is equal to the area of any premises it occupies in the same building, plus or minus 5%. An assessment decreed under this By-Law is deemed to be a special business tax.

52. When such cost sharing is decreed, the Town collects it and renders it to the corporation, net of collection costs, as follows :

- 52.1. Amounts received by the due date of the tax bill are rendered no later than 30 days from that date
- 52.2. Subsequently, the amounts collected during a month are rendered no later than the last day of the month.

Section IX Changes to a district's boundaries

53. The procedures at Article 13, 14 and 15 of this by-law regarding an election, must be followed when a SDC deposits a request to modify the district boundaries of this corporation.

Section X Dissolution (article 458.17.1 CTA)⁹

54. Dissolution on a SDC is decided by absolute majority of members during a special general meeting convened for this purpose, after a notice of motion to this effect has been sent to each member of the SDC, at least 30 days prior to the meeting. (article 458.33 CTA)⁹

The balance from the liquidation of the corporation is allotted to the members in proportion to their contribution to the special tax at the time of the last taxation.

55. The commercial zone within which a single commercial district may be formed and within which the S.D.C may act, is delimited as follows :

- Zone C-27 (downtown) and
- The two sites on its immediate west side (544 and 548 Main) and
- The site on its immediate north side (10 Yacht Club)

56. This by-law requires the approval from the *Ministre des Institutions financières et coopératives* and comes into force on the date of its approval.

56. Any by-law or part of a by-law contrary or irreconcilable with the provisions of the current by-law is hereby repealed.

57. This by-law will come into force according to the law.

⁹ *Cities and Towns Act (R.S.Q., chapter C-19)*

**By-Law No 619
Annex A**

REPEALED

**By-Law No 619
Annex B**

REPEALED