



HOUSE USE ONLY

CHAIR:

WITH / WITHOUT

1st SESSION, 67th GENERAL ASSEMBLY
Province of Prince Edward Island
3 CHARLES III, 2024

(Bill No. 122)

Rental Property Conversion Act

Gordon McNeilly
MLA

PRIVATE MEMBER'S BILL

Andrea MacRae
Acting King's Printer
Charlottetown, Prince Edward Island



RENTAL PROPERTY CONVERSION ACT

BILL NO. 122

2024

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. Definitions

In this Act

- (a) “**Director**” means the Director of Residential Tenancy appointed pursuant to the *Residential Tenancy Act* R.S.P.E.I. 1988, Cap. R-13.11;
- (b) “**property**” means any building, mobile home, mobile-home park, mobile-home space or other place, or part thereof, that is occupied or may be occupied by an individual as a residence or that part of any such place that is or may be occupied by an individual as a residence;
- (c) “**property other than rental property**” includes rental property where the tenant is required to hold membership in a corporation owning, directly or indirectly, the rental property;
- (d) “**rental property**” means property which is rented, is available for rent or was rented when last occupied;
- (e) “**rental unit**” means a unit of rental property.

2. Application of Act

This Act applies only to rental property in which there are three or more rental units in one building or on one lot and that is in either case owned by the same person.

3. Restriction on conversion of rental property

- (1) No person shall convert rental property to property other than rental property unless and until
 - (a) notice of the proposed conversion is given to the Director by statutory declaration in the form prescribed in the regulations; and
 - (b) at least three months written notice of the proposed conversion is personally served or served by registered mail upon each tenant occupying the rental property at the time the notice is given.

Contents of notice

- (2) The notice referred to in clause (1)(b) shall
 - (a) give the date of the proposed conversion;

- (b) offer the tenant an extension of the tenancy for 12 calendar months beyond the date of the proposed conversion set out in the notice where the tenancy would otherwise terminate before the end of the 12th month after the date of the proposed conversion; and
- (c) offer to the tenant an option exercisable within 30 days immediately following the date of the proposed conversion
 - (i) where the conversion is to a condominium, to enter into an agreement to purchase the condominium, or
 - (ii) in any other case, to enter into an agreement to purchase the right to occupy the rental unit which the tenant occupies,
 upon terms and conditions not less favourable than the terms offered or to be offered to the public.

Cases where option not applicable

- (3) Clause (2)(c) does not apply where
 - (a) the rental unit or right to occupy the unit is not being offered for sale; or
 - (b) the tenant vacates the rental unit the tenant occupies.

Exception

- (4) Where a tenant vacates the rental unit and a new tenant occupies the rental unit prior to the date of the proposed conversion, clause (2)(c) shall apply to the new tenant, subject to subsection (3).

4. No eviction for purpose of circumventing Act

No person shall evict a tenant for the purpose of circumventing any provision of this Act.

5. Offence and penalty

- (1) Every person who violates or fails to comply with any provision of this Act or the regulations is guilty of an offence and liable on summary conviction to a penalty of not more than \$5,000.

Penalty for corporation

- (2) Where a corporation is convicted of an offence under subsection (1) it is liable to a penalty of not more than \$25,000.

6. Certificate as *prima facie* proof

A certificate under the hand of the Director stating that a statutory declaration has not been filed with the Director is without proof of the office or signature of the Director admissible in evidence as *prima facie* proof of the facts stated in the certificate for all purposes in any court.

7. Affidavit as proof in respect of title

An affidavit of the person converting rental property

- (a) verifying that the notices required by this Act have been served in accordance with this Act, accompanied by a certificate of the Director that a statutory declaration relating to the rental property has been filed with the Director; and
- (b) registered in the registry of deeds for the county in which the rental property is located,

is and is deemed to be in respect of title sufficient proof that all the requirements of this Act have been met.

8. Regulations

- (1) Notwithstanding anything contained in this Act, the Lieutenant Governor in Council may, where the Lieutenant Governor in Council considers it to be in the best interest of the province because of the degree of availability of rental property in the province or because of such circumstances as the Lieutenant Governor in Council considers relevant, make regulations
- (a) prescribing conditions prerequisite to; or
 - (b) prohibiting,
- the conversion of rental property to property other than rental property.

Form of statutory declaration

- (2) The Lieutenant Governor in Council may make regulations prescribing a form of statutory declaration for the purpose of clause 3(1)(a).

Scope of regulations

- (3) Regulations made by the Lieutenant Governor in Council pursuant to subsection (1) may be general or specific, apply to the whole of the province or one or more areas thereof or apply to one or more classes of rental property.

9. Appropriation required

The moneys required for the purpose of this Act shall be paid out of moneys appropriated for that purpose by the Legislature.

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<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	
<i>2nd Reading:</i>	
<i>To Committee:</i>	
<i>Reported:</i>	
<i>3rd Reading and Pass:</i>	
<i>Assent:</i>	

SIGNATURES:

Honourable Dr. Wassim Salamoun, Lieutenant Governor

Honourable Darlene Compton, Speaker

Joseph Jeffrey, Clerk

Gordon McNeilly
MLA

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