BILL NO. 212

Government Bill

2nd Session, 60th General Assembly
Nova Scotia
57 Elizabeth II, 2008

An Act to Protect the Deposits of Purchasers of Newly Built Residential Units

CHAPTER 40
ACTS OF 2008

AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
NOVEMBER 25, 2008

The Honourable Jamie Muir
Minister of Service Nova Scotia and Municipal Relations

Halifax, Nova Scotia
Printed by Authority of the Speaker of the House of Assembly

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An Act to Protect the Deposits of Purchasers of Newly Built Residential Units

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the *Homeowner Protection Act*.

2 In this Act,

(a) "broker" means a person who holds a broker's licence under the *Real Estate Trading Act*;

(b) "residential unit" means a freehold residential property, a residential unit in a condominium or another unit as defined in the regulations.

3 All money received after the coming into force of this Act in respect of a purchase and sale agreement for a residential unit not yet ready for occupancy, and the title of which has not yet been transferred to the purchaser, must be placed in a real estate broker's or lawyer's trust account maintained by a financial institution in the Province.

4 **(1)** The money referred to in Section 3 must remain in trust until the purchaser takes title to the residential unit.

(**2)** Notwithstanding subsection (1), money referred to in Section 3 may be released in the circumstances prescribed in the regulations.

5 **(1)** Any person who fails to comply with this Act or the regulations is guilty of an offence and liable on summary conviction to a fine of not more than five thousand dollars.

(2) Where a corporation is convicted of an offence under subsection (1), the maximum penalty that may be imposed on the corporation is one hundred thousand dollars.

6 **(1)** The Governor in Council may make regulations

(a) prescribing the types and characteristics of residential units to which the requirement to place money in trust applies;

(b) prescribing what evidence must be provided that money received has been placed in trust;

(c) prescribing under what circumstances money may be released from trust;

(d) respecting statements, audits, reports and such other documents as the Governor in Council deems necessary;

(e) respecting inspections, investigations and access to records;

(f) defining any word or expression used but not defined in this Act;

(g) deemed necessary or advisable by the Governor in Council to carry out effectively the intent and purpose of this Act.

(2) The exercise by the Governor in Council of the authority contained in subsection (1) is regulations within the meaning of the *Regulations Act*.

7 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.