

Proposed Act to Amend *The Life Leases Act*, C.C.S.M. c. L130, and Consequential Amendments to *The Residential Tenancies Act*, C.C.S.M. c. R119.

Background:

The Manitoba *Life Leases Act* (LLA) was given assent on June 29, 1998, and came into force by proclamation on **December 1, 1999**.

The 1998 legislation included consequential amendments to *The Real Property Act* and *The Residential Tenancies Act*, C.C.S.M. c. R119, which include significant provisions for the administration of life leases.

The LLA has been amended in 2005, 2009, 2010 and 2013. The 2005 amendments were most significant, providing for greater landlord accountability to tenants.

However, there has been no major review and update of the operation of the LLA and related legislation during the past 15 years – until now.

The Manitoba Life Lease Occupants’ Association represents the residents of 24 of the many life lease residential complexes in Manitoba. More than three years ago the Residential Tenancies Branch responded to requests from the MLLOA to establish a Life Lease Working Group, consisting of representatives of the Branch, the MLLOA, and selected tenants and property managers (but didn’t include any landlord board members). The Group met every month or two, for the purpose of defining and recommending amendments to the legislation and regulations applicable to Manitoba life leases, including possible amendments to *The Life Leases Act* and Regulations, and consequential amendments to *The Residential Tenancies Act* and Regulations.

Past President Garry Brickman and current Vice-President David Sanders attended the Work Group meetings regularly, and were accompanied occasionally by current President Dave Kennedy.

In July, 2014, a set of proposed changes to The Life Leases Act was finally prepared by the RTB, together with a summary of areas of consensus and areas of continuing concern, for submission to the Minister. The Life Lease Working Group is no longer meeting.

The MLLOA Executive has continued to review the various proposals for legislative change, and has now produced this **updated and expanded set of proposed amendments**, which we recommend that the Provincial Government approve and

present to the Legislative Assembly for debate and passage at this session, in 2015.

A. Proposed amendments to *The Life Leases Act*

Part 1 – Interpretation and Application

The following is added after section 2(5) as part of Part 1:

Conflict with non-profit landlord's by-laws

2(6) If there is a conflict between a provision of a non-profit landlord corporation's articles of incorporation or by-laws and a provision of this Act, the provision of this Act prevails.

The following is added after section 4 as part of Part 1:

Duty of board of directors of non-profit landlord

4.1(1) A board of directors of a non-profit corporation which is the landlord of a residential complex subject to this Act is responsible for performing the duties and exercising the powers of the non-profit corporation in accordance with the corporation's mandate, duties and powers under this Act and the corporation's articles of incorporation and by-laws.

Duty of directors and officers of non-profit landlord

4.1(2) In performing the duties of the non-profit landlord and exercising its powers, each director and officer of the board must

- (a) act honestly and in good faith with a view to the best interests of both the non-profit landlord and the tenants; and
- (b) exercise the care, diligence and skill that a reasonable and prudent person should exercise in comparable circumstances.

Tenants may be directors

4.1(3) A tenant of a residential complex may be a director of the non-profit landlord's board, and shall not be deemed to have a conflict of interest if the director's interest exists only because the director is a tenant of the complex.

Vacancy results in loss of quorum

4.1(4) If a vacancy arises on the non-profit landlord's board and there are not enough directors remaining in office to constitute a quorum, the remaining directors must, within 15 days after losing quorum, call a general meeting of the tenants to fill all vacancies as soon as practicable, and the by-laws of the non-profit landlord

corporation shall be deemed to have been amended to permit the tenants to elect the directors of the board from that time forward.

Part 2 – Payments and Disclosure

Section 11(1) is amended to permit the assignment of all life leases, despite any prohibitions which may be contained in existing life leases.

The Act is also amended to facilitate the equitable conversion of leases for the life of the tenant to leases for a fixed term of not less than 50 years, which are assignable for consideration (at market value). A new section 11.1 is added:

ASSIGNMENT OF LIFE LEASES

Permitted assignment

11(1) A tenant may assign a life lease.

Amendment of existing life lease terms

11.1(1) A landlord and a tenant may amend an existing lease for the life of the tenant to a lease for a fixed term of not less than 50 years, which is assignable for consideration.

Conversion of life lease terms following termination

11.1(2) If a lease for the life of a tenant is terminated, and the rental unit is not leased for the life of a new tenant, a landlord may lease the rental unit for a fixed term of not less than 50 years, which is assignable for consideration, and the proceeds of the new life lease shall be used solely for the benefit of the residential complex.

Comprehensive plan

11.1(3) Either the landlord or the lessees of at least a majority of the rental units in a residential complex may submit an application to the Director of the Residential Tenancies Branch for an order approving the adoption of a comprehensive plan for the amendment of existing and future leases of rental units, to leases assignable for consideration.

Comprehensive plan procedures prescribed by regulation

11.1(4) Subject to the prescribed procedures for preparing a proposed comprehensive plan, notifying all interested parties, receiving and considering any

submissions, and making an order under subsection (3), the director may consider any matter the director considers relevant, including:

- (a) the tenants' rights of tenure under the existing leases;
- (b) the financial interests of the tenants under the existing leases;
- (c) the financial interests and obligations of the landlord;
- (d) the physical condition of the residential complex;
- (e) the current reserve fund study for the residential complex; and
- (f) the current status of the reserve fund and entrance fee refund fund.

CHANGE IN LANDLORD

Change in ownership

15(1) Subject to subsection (2), a person who acquires a landlord's interest in a residential complex or a rental unit is deemed to be the landlord under each subsisting life lease.

The following sections 15(2) and 15(3) are repealed:

Exception

15(2) Where the landlord's interest in a residential complex or a rental unit is acquired by a person on a mortgage sale, a tax sale or a foreclosure under *The Real Property Act*, unless the person otherwise agrees,

- (a) each subsisting life lease is terminated; and
- (b) the person is not bound by an obligation to repay all or part of an entrance fee paid under a life lease.

Right to continue in occupancy

15(3) Each tenant whose life lease is terminated under clause (2)(a) has a right

- (a) to remain in occupancy of his or her rental unit at least until the end of the month in which the life lease is terminated; and
- (b) at the end of that month, to continue in occupancy of his or her rental unit under a deemed tenancy agreement for successive rental payment periods, as described in section 23 of *The Residential Tenancies Act*, subject to a rent increase that complies with the applicable provisions of Part 9 of that Act.

And are replaced with the following new sections 15(2) and 15(3):

Change of landlord

15(2) Subject to this Act and Part 4 of *The Residential Tenancies Act*, when there is a change of landlord, all benefits and obligations arising under this Act or *The*

Residential Tenancies Act, and any additional benefits and obligations arising under a written tenancy agreement, bind the new landlord.

Change of tenant

15(3) Subject to this Act and Part 4 of *The Residential Tenancies Act*, when there is an assignment or subletting of a tenancy agreement by a tenant, all benefits and obligations arising under this Act or *The Residential Tenancies Act*, and any additional benefits and obligations arising under a written tenancy agreement, bind the new tenant or sub-tenant.

The following is added after the new Section 15(3):

Termination on demolition, renovation or change of use

15.1(1) A landlord who wishes to terminate a life lease for a reason described in subsection 99(1) of *The Residential Tenancies Act* shall apply under subsection 152(1.1) of that Act to the director for an order authorizing the termination.

Termination for any other reason

15.1(2) A landlord who wishes to terminate a life lease for any other reason, shall apply under section 152 of *The Residential Tenancies Act* to the director for an order authorizing the termination.

Notification of mortgagees and encumbrancers

15.1(3) Before authorizing the termination of a life lease in accordance with this section, the director shall provide 30 days' notice to all persons who have registered mortgages, encumbrances or other interests with respect to that lease on the title of the residential complex, and inform them of the application for termination and their right to object to it.

Part 3 – Reserve Funds, Insurance and Annual Reporting

Section 16 is amended by replacing it with the following:

Reserve fund for non-profit landlord

16(1) A non-profit landlord of a residential complex shall, at all times after the occupancy date of the complex, establish and maintain a reserve fund to provide a sufficient amount that may reasonably be expected to fund the landlord's obligations to maintain, repair, and replace the assets of the residential complex, including, without

limitation, all common areas, roofs, exteriors, buildings, roads, sidewalks, sewers, utility service connections, heating, air conditioning, electrical and plumbing systems, elevators, and laundry, recreational, storage and parking facilities.

Use of reserve fund

16(2) In addition to being used for the purposes set out in subsection (1), funds set aside under that subsection may be used only

- (a) to cover any unforeseen cost of the residential complex or shortfall in the revenue of the complex for a temporary period not exceeding two years, after which the reserve fund must be replenished forthwith; or
- (b) as required by an order made under section 140.1 (application for rent review) of *The Residential Tenancies Act*.

Reserve fund study required

16(3) Before entering into the first life lease agreement for any unit in a residential complex, the landlord must ensure that a reserve fund study has been conducted and, if required, updated in accordance with the regulations.

Reserve fund study updated every five years

16(4) A landlord must ensure a reserve fund study is updated, in accordance with the regulations, by the end of the fifth year covered by the study or latest update.

(N.B. - New Life Lease regulations will be required, similar to those detailed regulations covering the preparation of reserve fund studies for *The Condominium Act*. See proposed amendment to M.R. 143/99 below.)

Section 18.1(1) is amended to read:

Tenant representation at board meetings

18.1(1) The tenants of a non-profit landlord may elect two tenants to be directors, or a greater number if provided for in their life leases or the landlord's by-laws, and alternates, to represent them at meetings of the landlord's board of directors.

Section 18.1(2) is amended to read:

Notice of board meeting

18.1(2) The landlord shall give each tenant representative selected under subsection (1)

- (a) a copy of the landlord's by-laws;
- (b) notice of the time and place of each board meeting, with the agenda for the meeting, at the same time and by the same method that notices and agendas are given to the other directors: and
- (c) copies of all supporting documents and financial reports provided to the other directors, subject to Section 18.1(4).

Section 18.1(3) is amended to read:

Right to attend and be heard

18.1(3) A tenant representative, or his or her alternate, is entitled to place matters on the agenda for a board meeting and to attend, speak and vote at the meeting, subject to Section 18.1(4).

Section 18.1(5) is amended to read:

Board minutes

18.1(5) After each board meeting, the landlord must give each tenant representative a copy of the minutes of the meeting, not including any part of the minutes that contains personal information about a tenant or about personnel of the landlord. But this personal information may be provided to a tenant representative if the person the information is about consents.

Sections 18.2(6) and 18.2(7) are added as follows:

18.2(6) Any audited financial statements for the residential complex shall be prepared as required by this section, in accordance with generally accepted accounting principles for such non-profit corporations, as prescribed in the regulations.

18.2(7) The annual audited financial statements for the residential complex prepared under subsection (6) shall include independent advice regarding the status of the title to the property, including any mortgages and encumbrances and any changes thereto, as prescribed in the regulations.

(N.B. – See proposed amendment to M.R. 143/99 below re GAAP – generally accepted accounting principles.)

Part 5 – General Provisions

Section 34 is amended as follows:

Non-profit landlord limited to one residential complex

34(1) No non-profit landlord of a residential complex shall become a landlord of another residential complex after December 1, 1999, or a landlord in relation to a proposed residential complex, as defined in subsection 1(1) of this Act.

Exception for property managers

34(2) Nothing in subsection (1) prevents a non-profit corporation from acting as the property manager for more than one residential complex, provided that the additional residential complex or complexes are not “affiliated corporations” as defined in *The Corporations Act*, C.C.S.M. c. 225.

Section 38(7) is added as follows:

Administrative penalties

38(7) The director under *The Residential Tenancies Act* may also impose administrative penalties for contravention of the provisions of *The Residential Tenancies Act* or *The Life Leases Act*, in accordance with Part 12.1 of *The Residential Tenancies Act*.

Sections 44 to 51 in Part 6 (Application to Matters Arising Before the Coming into Force of this Act) are repealed.

N.B. – The repeal of Part 6 should come into force on a day set by proclamation, to allow time for pre-1999 life lease residential complexes to review and adjust their particular arrangements as necessary to comply with all parts of the amended LLA going forward. *The Interpretation Act*, C.C.S.M. c. C180, provides that such pre-1999 arrangements will remain valid for the period prior to the proclamation of the repeal of Part 6.

B. Proposed Amendments to the Life Leases Regulation,

M.R. 143/99:

Section 4(2) of M.R. 143/99 is repealed.

Application of subsection (1)

4(2) Subsection (1) does not apply to a landlord of a residential complex who, before the coming into force of the Act, has entered into a life lease in respect of the complex.

(There is no other definition of “non-profit landlord” in Manitoba law. The Corporations Act refers only to Part XXII Corporations Without Share Capital, and Revenue Canada defines registered charities. Not all corporations without share capital are required to meet the provisions of Section 4(1) of M.R. 143/99, as set out below. So Section 4(1) should continue to prescribe what a non-profit landlord is, for all life lease residential complexes.)

Non-profit landlord

4(1) For the purpose of clause (b) of the definition "non-profit landlord" in subsection 1(1) of the Act, the articles of incorporation of the corporation must provide that

(a) the corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the corporation shall be used in promoting its objects;

(b) no part of the income of the corporation may be payable to or otherwise available for the personal benefit of any member of the corporation;

(c) the directors shall serve as directors and officers without remuneration, and no director shall directly or indirectly receive any profit from a position as director or officer; provided that a director may be paid reasonable expenses incurred in the performance of duties; and

(d) upon the dissolution of the corporation and after the payment of all debts and liabilities, its remaining property shall be distributed or disposed of to charitable organizations which carry on their work solely in Canada or non-profit organizations having similar objectives and being bound by similar restrictions.

Section 6.1 is added to M.R. 143/99 to ensure that tenants who did not pay the full entrance fee initially, and who were therefore required to make additional payments of principal and interest to the landlord to finance the difference, do receive a refund of at least 95% of the principal paid as of the date of termination.

Refund of principal paid by tenants

6.1 If a tenant did not pay the full entrance fee initially, and was therefore required to make additional payments of principal and interest to the landlord to finance the difference, that tenant shall receive a refund of the initial entrance fee paid plus the amount of additional principal paid as of the date of termination.

The amended Section 16 of the LLA requires that detailed regulations be passed covering the preparation of reserve fund studies, similar to those now required under *The Condominium Act*. M.R. 164/2014 Part 6.

Section 7.1 is added to M.R. 143/99, as follows:

Reserve fund study requirements

7.1(1) A reserve fund study must be dated and must consist of

(a) the residential complex's component inventory described in section 7.1(4);

(b) a physical analysis described in section 7.1(7);

(c) a financial analysis described in section 7.1(9);

(d) a summary of the study described in section 7.1(13); and

(e) the information about the person who conducted the study set out in subsection 7.1(18).

7.1(2) A reserve fund study may also contain further information and analysis that the person conducting the study or the board considers appropriate.

7.1(3) The board must determine the period that the reserve fund study is to cover, which must be at least 30 years.

Component inventory

7.1(4) For the purpose of a reserve fund study, a component inventory means a detailed list of the common elements, the common assets and, if applicable, any other item or items for which the landlord is responsible — either listed individually or grouped together as a collection of items of the same type — that meet both of the following criteria:

1. An item or group of items of the same type that requires or is expected to require major repair or replacement and in respect of which the cost of the repair or replacement is a common expense.
2. An item or group of items of the same type for which
 - (a) the major repair or replacement cost is \$1,000 or more; or
 - (b) the major repair or replacement cost is less than \$1,000 and the cost is not normally covered by the landlord's budget as an operating expense.

7.1(5) Despite **paragraph 2 of subsection 7.1(4)**, a group of items of the same type for which the total cost of major repair or replacement is \$1,000 or more may be excluded from the component inventory if (a) the repair or replacement cost of each individual item is less than \$500; and (b) the cost is normally covered by the landlord's budget as an operating expense.

Requirements for person conducting the reserve fund study

7.1(6) The person conducting a reserve fund study must

- (a) physically attend at the property to visually assess, to the extent practicable, the items or types of items in the component inventory;
- (b) interview those directors, officers, employees and agents of the landlord, and any other provider of a service or services to the landlord or its employees or agents, whom the person conducting the study considers appropriate;
- (c) include a statement in the study that the person meets the requirements in this regulation for conducting a reserve fund study; and
- (e) sign the reserve fund study.

Physical analysis

7.1(7) A physical analysis must consist of an assessment of each item or type of item in the component inventory and a statement in the reserve fund study of

- (a) its current age;

(b) its useful life span; and

(c) the remaining years in the item or type of item's useful life span as of the date of the reserve fund study.

7.1(8) In determining an item's remaining useful life span, the assessment must take into account the item's current condition, previous known maintenance on the item, and any anticipated future maintenance required for the item.

Financial analysis

7.1(9) A financial analysis must consist of

(a) a statement of the current reserve fund balance;

(b) a statement of the assumed annual inflation rate and the assumed annual interest rate;

(c) a projected repair and replacement schedule showing for each year covered by the reserve fund study the current cost of each major repair or replacement for an item or type of item;

(d) a schedule setting out for each year covered by the reserve fund study

(i) the projected reserve fund balance, assuming annual contributions at the rate specified in the budget for the year in which the study is done, and the estimated interest at the assumed annual interest rate,

(ii) the total current cost of the major repairs and replacements to be done that year, and

(iii) the reserve fund surplus or deficit after the total cost under subclause (ii) is deducted from the projected reserve fund balance under subclause (i); and

(e) a statement of the reserve fund's ideal balance for each year covered by the reserve fund study.

7.1(10) To calculate the ideal balance for a reserve fund for each year covered by a reserve fund study, the person conducting the reserve fund study must

(a) apply the formula in subsection 7.1(11) to each item or type of item in the component inventory; and

(b) add together each amount calculated under clause (a).

7.1(11) The following formula applies for the purpose of subsection (2): (current age ÷ useful life span) × current cost

7.1(12) As part of the financial analysis, the person conducting the reserve fund study must review the following records and documents if they are in the custody or under the control of the landlord:

(a) existing warranties, guarantees and service contracts for each item in the component inventory;

- (b) architectural, structural, engineering, mechanical, electrical and plumbing plans for the buildings and structures on the property;
- (c) plans and specifications for the buildings and structures on the property;
- (d) plans and specifications for roads, sidewalks and surface parking areas;
- (e) plans and specifications for underground site services, site grading, drainage and landscaping, and television, radio or other communications services for the property;
- (f) repair and maintenance records and schedules;
- (g) any other records of the landlord that the person conducting the study requires to conduct the analysis.

Reserve fund study summary

7.1(13) A reserve fund study summary must include (a) the balance in the reserve fund as of the date of the study; (b) for each year covered by the reserve fund study, (i) the ideal balance of the reserve fund, (ii) the total current cost under subclause 7.1(9)(d)(ii) for major repairs and replacements anticipated during that year; and (c) the opinion of the person conducting the reserve fund study as to whether the current rate of funding of the reserve fund will be adequate to fund the anticipated expenditures for the major repair or replacement of the items or types of items in the component inventory.

7.1(14) In addition to the information mentioned in section 7.1(13), a reserve fund summary must include the following statements:

Caution: The ideal balance of the reserve fund is the amount recommended for each year of the reserve fund study to pay for major repairs and replacements. It is based on estimates of when the work will be needed. If there is not enough money in the reserve fund to pay for major repairs and replacements, the unit owners may have to pay for those costs through a special assessment. When comparing the actual balance with the ideal balance, be aware that some work may be done earlier or later than expected, or may be paid for from an account other than the reserve fund. When this happens, the comparison may no longer show whether the amount of money in the reserve fund is adequate.

Who may conduct a reserve fund study

7.1(15) Subject to sections 7.1(16) and 7.1(17), only the following persons may conduct a reserve fund study:

- (a) a person who holds a valid registration under The Architects Act to practise as an architect in Manitoba;
- (b) a person who holds a valid registration under The Engineering and Geoscientific Professions Act to practise as a professional engineer in Manitoba;

(c) a person who holds a valid certificate as a certified applied science technologist or certified engineering technologist under The Certified Applied Science Technologists Act;

(d) a member of the Appraisal Institute of Canada who holds a valid designation as an Accredited Appraiser Canadian Institute;

(e) a member of the Real Estate Institute of Canada who holds a valid designation as a Certified Reserve Planner.

7.1(16) A person who conducts a reserve fund study may not be

(a) a director, officer or employee of the landlord corporation;

(b) a manager under a property management agreement with the landlord corporation;

(c) a partner, employer or employee of a person referred to in clause (a) or (b);

(d) the spouse, common-law partner, son or daughter of a director or officer of the landlord corporation or the son or daughter of the spouse or common-law partner of a director or officer of the landlord corporation; or

(e) a tenant or occupant of a unit in the property.

7.1(17) Despite sections 7.1(15) and 7.1(16), a person may conduct a reserve fund study if

(a) the property that is the subject of the reserve fund study meets each of the following criteria:

(i) it includes fewer than 10 units,

(ii) it does not include any building that is more than two storeys above ground,

(iii) it does not contain an elevator,

(iv) it does not include underground parking facilities; and

(b) the person is knowledgeable — in the board's opinion and based on reasonable and objective criteria — about the items or types of items included in the component inventory, their operation or maintenance and their repair or replacement cost.

7.1(18) A person who conducts a reserve fund study must include in the study

(a) a statement of the person's credentials for conducting the study, including any relevant knowledge, experience and professional qualifications and whether he or she meets a requirement under section 7.1(15);

(b) a statement disclosing any direct or indirect interest in any agreement or transaction to which the landlord corporation is a party; and

(c) in the case of a person referred to in clause 7.1(17)(b), a statement disclosing whether he or she is also a person described in 7.1(16).

Landlord to notify tenants reserve fund study is available

7.1(19) A landlord must notify the tenants that a reserve study or update or a summary of it has been done and make copies of it available to them as soon as practicable after it is conducted.

Information — insurance coverage

7.1(20) A person who conducts a reserve fund study must provide to the landlord, at its request, (a) details about the person's insurance coverage, including the type and amount of the coverage and any deductible; and (b) a copy of the insurance policy certificate, if any.

7.1(21) A person who conducts a reserve fund study shall be insured under a policy of liability insurance that includes,

- (a) coverage for liability for errors, omissions and negligent acts arising out of conducting or not conducting a reserve fund study, subject to the exclusions, conditions and terms that are consistent with normal insurance industry practice;
- (b) a policy limit for each single claim of not less than \$1 million per occurrence;
- (c) an aggregate policy limit in the amount of not less than \$2 million per year for all claims in the year or an automatic policy reinstatement feature; and
- (d) a maximum deductible amount of \$3,500 per occurrence.

7.1(22) A person who conducts a reserve fund study shall ensure that the policy of liability insurance is valid at the time the reserve fund study is completed and is kept valid for a period of at least three years after that time.

Updates

7.1(23) Sections 7.1(1) to 7.1(22) apply to updates to reserve fund studies, with the necessary changes.

The new Section 18.2(6) of the LLA will require that M.R. 143/99 be amended to prescribe the manner in which audited financial statements should be prepared. At this time, the **Canadian generally accepted accounting principles** would be found in the CPA of Canada Handbook – Accounting – Part III – Accounting standards for not-for-profit organizations, as now promulgated by the Accounting Standards Board of Canada and the Chartered Professional Accountants of Canada.

Section 11(7)(a) of the LLA requires that an assignee be given certain information prescribed by regulation, respecting the lease and the residential complex. M.R. 143/99 is amended to **require that each assignee receive a copy of the Notice of Life Lease (Schedule M)** filed against the title for the land per Section 36(1) of the LLA.

Section 11(1) of M.R. 143/99 is amended as follows:

Further disclosure by landlord

11(1) Before receiving a life lease or offer to lease signed by a tenant and before receiving or permitting a trustee to receive an entrance fee from a tenant, the landlord must

(a) in the case of a non-profit landlord, complete the form set out in Schedule F and give it to the tenant; ~~and~~

(b) in any other case, complete the form set out in Schedule G and give it to the tenant; and

(c) give a copy of Schedule M to the tenant.

Disclosure to assignee

12 Before consenting to an assignment of a life lease, the landlord must ensure that the assignee is given the information that the landlord would, if the landlord were receiving a life lease or offer to lease signed by the assignee at the time of receiving the assignment agreement, have been required by section 11 to give to him or her.

Section 13.1 is added to M.R. 143/99 as follows:

Generally accepted accounting principles

13.1 The annual audited financial statements required by section 18.2 of the Act shall be prepared in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations.

N.B. - Many of the proposed amendments above are intended to strengthen various measures to protect life lease tenants' interests.

C. Proposed Amendment to The Residential Tenancies Act, to Enable Enforcement of Life Lease legislation by the RTB:

It is of critical importance to authorize the Director of the Residential Tenancies Branch to enforce the law and regulations governing life lease residential complexes, and to impose administrative penalties when necessary. At present, the Director's authority is restricted in the case of life leases. This leaves individual tenants with the necessity of going to court at considerable personal expense, only to face the landlord's legal counsel appearing at the expense of all of the tenants of the property.

Section 152(3.1) of The Residential Tenancies Act must be repealed.

Authority re section 38 of *The Life Leases Act*

152(3.1) The director's authority with respect to *The Life Leases Act* referred to in subsection (1) or (2) does not extend to section 38 (offences and penalties) of that Act.