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ONTARIO REGULATION

to be made under the

TRAVEL INDUSTRY ACT, 2002 - A CONSULTATION DRAFT

Amending O. Reg. 26/05

(GENERAL)

1. (1) Paragraph 5 of subsection 2 (2) of Ontario Regulation 26/05 is revoked and the following substituted:

5. A person who sells one-day tours.

(2) Section 2 of the Regulation is amended by adding the following subsection:

(3) In subsection (2),

“one-day tour” means a tour,

- (a) that commences at a departure point and concludes at the same point within a 24-hour period, and
- (b) that includes travel services, except for accommodation.

2. Section 14 of the Regulation is revoked.

3. Subsection 22 (8) of the Regulation is revoked and the following substituted:

(8) If the registrar has reason to believe that a registrant is in financial difficulty, the registrar may require that the registrant provide to the registrar,

- (a) a written statement of the registrant’s current net working capital, if the registrant is not a person described in subsection 24 (4); or

- (b) a written statement that the registrant is a person described in subsection 24 (4), if the registrant is such a person.

(8.1) The registrant shall comply with subsection (8) within the time that the registrar specifies.

4. Section 23 of the Regulation is revoked.

5. Section 24 of the Regulation is amended by adding the following subsection:

(4) A registrant is exempt from this section if the following conditions are satisfied:

1. The registrant is a not-for-profit corporation without share capital.
2. The registrant has entered into a transfer payment agreement or other funding agreement with the Crown in right of Ontario or a municipality.
3. The term of the agreement,
 - i. is contained in the agreement,
 - ii. is for a period of not less than one year, and
 - iii. has not expired.
4. The agreement requires the registrant to promote tourism in any geographic area of Ontario.
5. If the registrar requires the registrant to provide the registrar with a copy of the agreement, the registrant provides the copy to the registrar within the time and in the manner that the registrar specifies.
6. The registrant provides written notice to the registrar of any amendments to the agreement within a reasonable time following an amendment.

6. (1) Subsection 25 (2) of the Regulation is revoked and the following substituted:

(2) When a registrant who has provided security under subsection (1) or (5) has filed two consecutive annual financial statements under section 22,

- (a) if the registrar has no concerns about the registrant's compliance with this Regulation or with the Act, the registrar shall return the security to the registrant within a reasonable time; or

- (b) if the registrar has concerns about the registrant's compliance with this Regulation or with the Act, the registrar shall return the security to the registrant only when the registrar's concerns have been resolved.

(2) Section 25 of the Regulation is amended by adding the following subsections:

(4) A registrant is exempt from this section if the following conditions are satisfied:

1. The registrant is a not-for-profit corporation without share capital.
2. The registrant has entered into a transfer payment agreement or other funding agreement with the Crown in right of Ontario or a municipality.
3. The term of the agreement,
 - i. is contained in the agreement,
 - ii. is for a period of not less than one year, and
 - iii. has not expired.
4. The agreement requires the registrant to promote tourism in any geographic area of Ontario.
5. If the registrar requires the registrant to provide the registrar with a copy of the agreement, the registrant provides the copy to the registrar within the time and in the manner that the registrar specifies.
6. The registrant provides written notice to the registrar of any amendments to the agreement within a reasonable time following an amendment.
7. If the registrant has entered into a transfer payment agreement or other funding agreement with a municipality,
 - i. the municipality has entered into a financial arrangement, financial commitment, guarantee, indemnity or similar transaction with the administrative authority that provides that the municipality has a contingent liability to the administrative authority for the amount of any deduction that would be required under subsection (3) if the registrant were not exempt from this section, and
 - ii. the registrar has provided confirmation in writing to the registrant that the condition described in subparagraph i has been satisfied.

(5) If a registrant who is exempt from this section ceases to be exempt before the registrant has filed two consecutive annual financial statements under section 22, the registrant shall provide \$10,000 in security to the administrative authority as soon as practicable after the registrant ceases to be exempt.

(6) If a registrant who is exempt from this section ceases to be exempt after the registrant has filed two consecutive annual financial statements under section 22, the registrant shall provide written notice to the registrar as soon as practicable after the registrant ceases to be exempt.

(7) When a registrant has provided the registrar with the written notice referred to in subsection (6), the registrar shall give the registrant written notice of the following within a reasonable time:

1. If the registrar has no concerns about the registrant's compliance with this Regulation or with the Act, a statement of that fact.
2. If the registrar has concerns about the registrant's compliance with this Regulation or with the Act, a specification of the time within which the registrant shall provide \$10,000 in security to the administrative authority.
3. If there are any claims paid or anticipated to be paid to customers of the registrant from the Fund because of the registrant's bankruptcy, insolvency or ceasing to carry on business, a specification of,
 - i. the amount that the registrant shall pay to the administrative authority for any such claims, which amount shall not exceed \$10,000, and
 - ii. the time within which the registrant shall provide the amount to the administrative authority and the manner in which the amount is to be provided.

(8) A registrant who has been provided with the notice described in paragraph 2 of subsection (7) shall, as soon as practicable, provide \$10,000 in security to the administrative authority within the time and in the manner specified in the notice.

(9) When a registrant has provided security under subsection (8) the registrar shall return the security to the registrant only when the registrar's concerns referred to in paragraph 2 of subsection (7) have been resolved.

(10) When the registrar returns the security under subsection (9), an amount shall be deducted for any claims paid or anticipated to be paid to customers of the registrant from the Fund because of the registrant's bankruptcy, insolvency or ceasing to carry on business.

(11) A registrant who has been provided with the notice described in paragraph 3 of subsection (7) shall, as soon as practicable, provide the amount specified in the notice, which shall not exceed \$10,000, to the administrative authority within the time and in the manner specified in the notice.

(12) Subsections (5) to (11) do not apply to a registrant if the registrar has provided confirmation in writing to the registrant that the condition described in subparagraph 7 i of subsection (4) has been satisfied.

7. Subsections 33 (2) and (3) of the Regulation are revoked and the following substituted:

(2) The representation shall set out the total amount that the customer will be required to pay for the travel services, including all fees, levies, service charges, surcharges, taxes and other charges, subject to the requirements of any Act or regulation under it in respect of taxes.

8. Clause 60 (1) (b) of the Regulation is amended by striking out “three months” at the beginning and substituting “six months”.

[Commencement]

9. (1) [Commencement]

(2) [Commencement]