



May 19, 2017

The Honourable Tracey MacCharles
Ministry of Consumer and Government Services
6th Floor, Mowat Block
900 Bay Street
Toronto, ON M7A 1L2

RE: Urgent call to expedite proclamation of the Ontario Not-for-Profit Corporations Act

Dear Minister MacCharles,

The Ontario Nonprofit Network (ONN) respectfully requests the Government of Ontario to urgently expedite proclamation of the *Ontario Not-for-Profit Corporations Act, 2010 (ONCA)*.

As you know, this legislation passed third reading in 2010. Now in 2017 - seven years later - the nonprofit sector's 60,000+ organizations in Ontario still do not have an up-to-date legislative framework in which to operate.

In March 2014 when you were also serving as Minister of Consumer Services, we communicated with you about the urgency of this legislation. Three years later, as you return to this portfolio, the nonprofit sector still does not have the enabling legislation organizations require to serve their missions.

The current legislation governing the sector is now more than 60 years old and is wholly inadequate to serve the needs of community-focused nonprofits in Ontario. The Ontario Corporations Act is so significantly out of date, for example, that it does not even contemplate the use of electronic communications and records by organizations. Moreover, the Act's complicated language makes it difficult for nonprofit leaders and their legal counsel to understand its application in the context of modern governance challenges.

New legislation is urgently needed to support Ontario's nonprofit and charitable organizations to build healthy, inclusive and vibrant communities across the province. Just as any other sector would require, the nonprofit sector needs to be able to do its work under modern corporate governance legislation.

This protracted delay in proclaiming ONCA means that nonprofit and charitable organizations across Ontario that have invested considerable time and money in preparing for the new legislation- from changing their bylaws and membership structures, to updating their policies, and putting new practices in place- are now potentially in legal limbo. Given this legal uncertainty, new nonprofits are postponing their incorporation or are incorporating in other jurisdictions.

This ongoing delay has created harmful uncertainty and anxiety in the sector. This sector of 60,000 nonprofit and charitable organizations does not understand the reasons for this protracted delay and questions why the important work it does in communities does not have the enabling legislation it deserves.



ONN respectfully requests the Government of Ontario immediately introduce and expediently pass the technical amendments bill that is required to proclaim the ONCA, inclusive of the amendments agreed upon with key stakeholders, including ONN.

ONN looks forward to receiving your assurance that the technical amendments bill will be introduced in this current legislative session without further delay to facilitate the proclamation of this critically important legislation. If you and/or your colleagues have any questions or comments, please contact me at 416-642-5786 or cathy@theonnc.ca.

Thank you for your leadership on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Taylor", is positioned below the word "Sincerely,".

Cathy Taylor
Executive Director
Ontario Nonprofit Network

cc: The Honourable Kathleen Wynne, Premier of Ontario
cc. the Honourable Yasir Naqvi, Government House Leader & Attorney General

Background

The Ontario Not-for-Profit Corporations Act (ONCA) passed third reading in 2010 with unanimous support of all political parties and members of the Legislature after five years of development. All parties recognized the importance of updating the sector's 60-year corporate legislation to ensure that not-for-profit corporations could operate under modern governance.

Originally scheduled to be proclaimed in January 2013, ONN called for a delay in proclamation of the ONCA until transition supports were put in place to help the sector's 55,000 nonprofit organizations transition from 60-year-old legislation to modern corporate legislation. ONN also wanted a commitment to monitoring and evaluating the legislation in order to ensure a timely, evidence-based approach to amendments in the future. ONN worked with the Ministry of Consumer Services (now MGCS) to have these support mechanisms prepared, including:

- A commitment to ensuring a full three year implementation period for the sector to comply with the ONCA;
- A joint sector-government Implementation Steering Committee that includes sector leaders and government leaders across multiple ministries, co-chaired by ONN and the Ministry of Consumer Services, that would monitor and recommend amendments to the legislation as needed;
- Funding for a "Get Ready for the ONCA" project, delivered by Community Legal Education Ontario to provide education, tools, and expertise to the sector.

With these commitments in place, ONN actively supported proclamation to happen in 2014. However, Bill 85 was not passed as a result of the 2014 election and has yet to be re-introduced.