

April 2, 2025

## CONSULTATION DRAFT

# AN ACT TO AMEND THE PRINCE EDWARD ISLAND LANDS PROTECTION ACT

BILL NO.

2025

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

1. (1) **Subsection 1(1) of the *Prince Edward Island Lands Protection Act* R.S.P.E.I. 1988, Cap. L-5, is amended by the addition of the following after clause (h):**
    - (h.1) **“municipal property”** means real property comprising one acre or less that is situated within the boundaries of a municipality with an official plan approved by the Minister under the *Planning Act*, but does not include an interest in a municipal property acquired by
      - (i) a bank, trust company or other financial institution in the ordinary course of its business by way of security for a debt, credit or other obligation,
      - (ii) a lessee, in respect of a municipal property subject to a lease, or
      - (iii) a person who acquired the interest by gift, devise or inheritance from a spouse, sibling, direct descendant or ancestor;
  - (2) **Clause 1(1.01)(b) of the Act is amended by the addition of the words “or municipal property, as the case may be” after the words “date of acquisition of a land holding”.**
  - (3) **Subsection 1(4) of the Act is amended by the addition of the words “in the case of a non-discretionary trust, and in the possession of the trustee in the case of a discretionary trust” after the words “both the trustee and the beneficiary”.**
2. **Section 1.1 of the Act is amended**
    - (a) **in the words before clause (a), by the addition of the words “or municipal property, as the case may be,” after the words “amount of land”;**
    - (b) **in clause (b), by the deletion of the word “and”;**
    - (c) **in clause (c), by the deletion of the period and the substitution of the words “; and”; and**
    - (d) **by the addition of the following after clause (c):**
      - (d) the effect of speculative housing activities on the availability and affordability of housing options for the inhabitants of Prince Edward Island where they live and work.

3. (1) **Section 4 of the Act is amended by renumbering it as subsection 4(1).**

(2) **Section 4 of the Act is amended by the addition of the following after subsection (1):**

**Acquisition of municipal property**

(2) A person who is not a resident person shall not own or acquire an interest in a municipal property unless the person first receives permission to do so from the Lieutenant Governor in Council.

**Definition – “interest”**

(3) For the purposes of subsection (2), “**interest**” means any interest conferring a legal or beneficial right to the use, possession or occupation of a municipal property, and includes any interest acquired through the holding or ownership of shares of a corporation.

**Municipal property held in trust**

(4) For the purposes of this section, a municipal property held in trust is deemed to be in the possession of both the trustee and the beneficiary in the case of a non-discretionary trust, and in the possession of the trustee in the case of a discretionary trust.

**Transitional**

(5) Where an interest in a municipal property has been lawfully acquired by a non-resident person prior to the coming into force of subsection (2) in accordance with the law in force at the time of acquisition, it is deemed to be held by that person in compliance with this Act as if a permit for it had been granted under subsection (2).

4. **Subsection 8(2) of the Act is amended**

(a) **in clause (a), by the addition of the words “or municipal property, as the case may be,” after the words “use of the land”; and**

(b) **in clause (b), by the deletion of the words “the best land use” and the substitution of the words “the best use for the land or municipal property, as the case may be”.**

5. **Section 8.1 of the Act is amended by the addition of the words “or municipal property, as the case may be,” after the words “use of land”.**

6. (1) **Clause 13(1)(a) of the Act is amended by the deletion of the word “property” and substitution of the word “land”.**

(2) **Clauses 13(3)(a), (b) and (e) of the Act are amended by the addition of the words “or a municipal property, as the case may be,” after the words “land holding”.**

- 7. Subsection 15(2) of the Act is amended by the addition of the words “or the municipal property, as the case may be,” after the words “amount of land”.**
- 8. Clause 17(1)(b) of the Act is repealed and the following substituted:**
  - (b) exempting persons, corporations or classes of corporations, or land holdings or municipal property or classes of them, from this Act or any provision of it and attaching conditions to the exemption;
- 9. Section 20 of the Act is amended**
  - (a) **in the words before clause (a), by the addition of the words “or municipal property, as the case may be,” after the words “land holdings”; and**
  - (b) **in clause (b), by the addition of the words “or municipal property” after the words “land holdings”.**
- 10. The following provisions of the Act are amended by the deletion of the words “section 4” and the substitution of the words “subsection 4(1)”:**
  - (a) **subsection 1(3.11);**
  - (b) **subsection 1(5.1);**
  - (c) **subsection 1(7);**
  - (d) **section 5.1;**
  - (e) **section 5.2;**
  - (f) **subsection 5.3(1) and clause 5.3(1)(a);**
  - (g) **section 6;**
  - (h) **subsection 9(1).**
- 11. This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council.**

## EXPLANATORY NOTES

**SECTION 1** amends section 1 of the *Prince Edward Island Lands Protection Act* R.S.P.E.I. 1988, Cap. L-5, to add a new definition of the term “municipal property” as clause 1(1)(h.1), and to incorporate that term in the qualifications that apply to a resident person in clause 1(1.01)(b). The section also amends subsection 1(4) of the Act to clarify, for the purposes of calculating aggregate land holdings, the possession of land that is held in trust.

**SECTION 2** amends section 1.1 of the Act to add a reference to “municipal property” and also to add a new clause 1.1(d) as an additional purpose of the Act.

**SECTION 3** amends the Act by renumbering section 4 as subsection 4(1), and adding new subsections (2) to (5). Subsection 4(2) prohibits a person who is not a resident person from owning or acquiring an interest in a municipal property except with the permission of the Lieutenant Governor in Council. Subsection 4(3) defines the term “interest”. Subsection 4(4) clarifies the status of municipal property that is held in trust. Subsection 4(5) provides that an interest in a municipal property acquired by a non-resident person prior to the coming into force of subsection (2) is deemed to be held by the person in compliance with the Act as if a permit under subsection (2) had been granted for its acquisition.

**SECTION 4** amends clauses 8(2)(a) and (b) of the Act to add references to “municipal property”.

**SECTION 5** amends section 8.1 of the Act to add a reference to “municipal property”.

**SECTION 6** amends clause 13(1)(a) of the Act to change a reference to “property” to refer to “land”, for consistency with the Act in general. Clauses 13(3)(a), (b) and (e) are amended to add references to “a municipal property”.

**SECTION 7** amends subsection 15(2) of the Act to add a reference to “municipal property”.

**SECTION 8** amends clause 17(1)(b) of the Act to add a reference to “municipal property”.

**SECTION 9** amends section 20 of the Act to add references to “municipal property”.

**SECTION 10** makes amendments to the specified sections of the Act to change the words “section 4” to the words “subsection 4(1)”, for consistency with the amendments made by section 3 above.

**SECTION 11** provides for the commencement of the Act.