



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-FIFTH LEGISLATURE

Bill 85

(1995, chapter 64)

**An Act to amend the Act
respecting the Ministère de
l'Agriculture, des Pêcheries et
de l'Alimentation and the Act
respecting municipal taxation**

Introduced 11 May 1995**Passage in principle 19 June 1995****Passage 14 December 1995****Assented to 15 December 1995**

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EXPLANATORY NOTES

This bill amends the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation for the purpose, in particular, of revising the terms and conditions applicable to the partial refunding of property taxes by the Minister. To that end, the bill establishes new rules for the calculation of refunds.

The bill abolishes the Minister's power to exclude certain immovables from a refund of property taxes. The immovables that will not be included in the immovables of an agricultural operation will be determined by regulation of the Government. The bill also abolishes advance payments on refunds, repayments of refunded taxes to the Minister for unproductive areas and repayments to the Minister of certain sums where an authorization has been granted by the Commission de protection du territoire agricole du Québec.

Under the bill, the owners of registered agricultural operations that have not generated the required gross revenue because of a new animal production at the developmental phase or because production is temporarily limited due to exceptional natural causes will become entitled to a refund.

In addition, the bill extends the period for registration of an agricultural operation for reimbursement purposes until 31 March of the year following the expiry of the fiscal year for which an application for reimbursement is made.

Moreover, the bill provides that an agricultural operation will have to generate a minimum gross revenue to qualify for a tax reimbursement. To that end, the Government is authorized to make regulations determining registration conditions, fixing the minimum gross revenue giving rise to a reimbursement and, where expedient, providing for exemptions.

Lastly, a period of forty-five days is allotted for the filing of an appeal from certain decisions of the Minister to the Régie des marchés agricoles et alimentaires du Québec. The bill also contains the necessary consequential amendments and transitional provisions.

Bill 85

An Act to amend the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation and the Act respecting municipal taxation

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 36.2 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation (R.S.Q., chapter M-14) is amended

(1) by striking out the words “and that was so registered at any time during the fiscal year for which an application for reimbursement is made” in the second, third and fourth lines of subparagraph 1 of the first paragraph;

(2) by replacing the words “or where” in the fifth line of subparagraph 3 of the first paragraph by the word “, where” and by adding, at the end of subparagraph 3 of the first paragraph, the words “, where new animal production, at the developmental phase and intended to produce such revenue, is involved or where production is limited temporarily by reason of exceptional natural causes”;

(3) by adding, after subparagraph 3 of the first paragraph, the following subparagraph:

“(4) that produced gross revenue equal to or greater than the amount prescribed by regulation, unless the agricultural operation benefits from an exemption determined by regulation.”;

(4) by inserting the words “and sent” after the word “writing” in the first line of the second paragraph;

(5) by inserting the words “and sent” after the word “writing” in the second line of the third paragraph and by adding, at the end of that paragraph, the words “or, if more advantageous to the person applying for a reimbursement, one year after the demand for payment of the tax supplement was sent”;

(6) by adding, after the third paragraph, the following paragraph:

“The person applying for a reimbursement must have paid the annual assessment exigible under Division VIII of the Farm Producers Act (R.S.Q., chapter P-28).”

2. Section 36.3 of the said Act is amended by striking out the third paragraph.

3. Section 36.4 of the said Act is replaced by the following section:

“36.4 The amount reimbursed by the Minister is determined in the following manner:

(1) where the amount of real estate taxes and compensations qualified for reimbursement is equal to or less than \$300, the Minister shall reimburse that amount;

(2) where the amount of real estate taxes and compensations qualified for reimbursement is greater than \$300 and the value per hectare of the land situated in the agricultural zone and forming part of the agricultural operation is equal to or less than the amount per hectare determined by regulation, the Minister shall reimburse an amount corresponding to the result obtained by adding the following amounts:

(a) \$300;

(b) 70% of the amount of the real estate taxes and compensations qualified for reimbursement that exceeds \$300; and

(3) where the amount of real estate taxes and compensations qualified for reimbursement is greater than \$300 and the value per hectare of the land referred to in the previous subparagraph is greater than the amount per hectare determined by regulation, the Minister shall reimburse an amount corresponding to the result obtained by adding the following amounts:

(a) 70% of the amount of school real estate taxes, municipal real estate taxes attributable to buildings and compensations qualified for reimbursement;

(b) 70% of the amount obtained by multiplying the amount of municipal real estate taxes qualified for reimbursement that are attributable to the land by the quotient obtained by dividing the amount per hectare determined by regulation by the value per hectare of the land; and

(c) 100% of the amount obtained by multiplying the amount of municipal real estate taxes qualified for reimbursement that are attributable to the land by the quotient obtained by dividing the value per hectare of the land exceeding the amount per hectare determined by regulation by the value per hectare of the land.

However, the amount reimbursed by the Minister shall not exceed the amount representing 30% of the gross revenue produced in the agricultural zone by the agricultural operation during the calendar year that ended before the beginning of the fiscal year for which an application for reimbursement is made, unless the agricultural operation is exempted from producing the average gross revenue per hectare or the minimum gross revenue.”

4. Sections 36.5 and 36.6 of the said Act are repealed.

5. Section 36.7 of the said Act is replaced by the following section:

“36.7 The Minister shall reimburse the amount established pursuant to section 36.4 within 60 days after the day on which the application for reimbursement is received.”

6. Section 36.8 of the said Act is amended

(1) by striking out the words “or where it gives its authorization for the use of all or part of an agricultural operation for residential, commercial or industrial development purposes,” in the third, fourth and fifth lines of the first paragraph;

(2) by striking out the words “or authorization” in the first line of the second paragraph;

(3) by striking out the third paragraph;

(4) by striking out the words “or from the registered agricultural operation” in the second line of the fourth paragraph;

(5) by replacing the word “fourth” in the first line of the fifth paragraph by the word “third”.

7. Section 36.9 of the said Act is amended by replacing the word “fourth” in the fourth line by the word “third”.

8. Section 36.12 of the said Act is amended

(1) by striking out the words “and of the application for an advance” in the second line of paragraph 1 and the words “and the application for an advance” in the second line of paragraph 2;

(2) by adding, after paragraph 3, the following paragraphs:

“(4) determine the minimum gross revenue that must be produced by a registered agricultural operation to qualify for a reimbursement of real estate taxes and compensations;

“(5) exempt, on the conditions and for the period it determines, an agricultural operation from the requirement to produce the minimum gross revenue to qualify for a reimbursement of real estate taxes and compensations;

“(6) determine, for the purposes of subparagraphs 2 and 3 of the first paragraph of section 36.4, the amount per hectare of the land situated in the agricultural zone and forming part of the agricultural operation.”

9. Section 36.13 of the said Act is amended by replacing the words “ of the first paragraph of section 36.2 is not fulfilled, makes an exclusion under the third paragraph of section 36.3, or makes a reduction under section 36.5,” in the third and fourth lines by the words “or 4 of the first paragraph of section 36.2 is not fulfilled”.

10. Section 36.14 of the said Act is amended by adding, at the end of the first paragraph, the words “within forty-five days after the day on which a copy of the decision is sent”.

11. Section 36.15 of the said Act is amended

(1) by replacing the words “and “agricultural product”” in the second line of paragraph 1 by the words “, “agricultural product” and “gross revenue””;

(2) by inserting, after paragraph 1, the following paragraph :

“(1.1) determine the conditions for the registration of an agricultural operation;”;

(3) by striking out the word “annual” in the second line of paragraph 4;

(4) by striking out the word “annual” in the first line of paragraph 5;

(5) by striking out paragraph 8.

12. Section 131.1 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is amended

(1) by striking out the words “an advance out of” in the third line of the second paragraph;

(2) by replacing the words “section 36.6” in the fifth line of the second paragraph by the words “the second paragraph of section 36.2”;

(3) by striking out the words “, or receives an application for the reimbursement of such taxes and compensations under the second paragraph of section 36.2 of that Act” in the seventh, eighth and ninth lines of the second paragraph.

13. Section 174 of the said Act is amended by adding, after paragraph 19, the following paragraph:

“(20) to add, strike out or alter, according to the circumstances, a particular required by the regulation made under paragraph 1 of section 263, to add a particular that commences to be required thereby or to strike out a particular that has ceased to be so required.”

14. Section 177 of the said Act is amended by replacing the words “, 18 and 19” in the first line of paragraph 5 by the words “and 18 to 20”.

15. For the purposes of Division VII.1 of the Act respecting the Ministère de l’Agriculture, des Pêcheries et de l’Alimentation and of any legislative or regulatory provision that is applicable to an agricultural operation registered in accordance with a regulation under section 36.15 of the said Act, until such time as the definition of “agricultural operation” in that regulation is amended, any

immovable used primarily or intended for residential, industrial, commercial, leisure, recreation or sports purposes does not form part of an agricultural operation.

Such exception does not apply to an immovable used primarily or intended either for the processing of an agricultural product of the agricultural operation or for the packaging or marketing of such a product in a raw state or after being processed on the premises of the agricultural operation.

16. The certificate of alteration of the real estate assessment roll issued to take account of section 15 must contain a valuation establishing, respectively, the value of the land situated in the agricultural zone and forming part of the agricultural operation and the value of all the buildings situated in that zone and forming part of that operation.

17. The proportional computation referred to in the second paragraph of section 36.3 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation shall be established, for the 1995-96 school fiscal year and for the 1996 municipal fiscal year, on the basis of the real estate assessment roll, as altered to take account of section 15, where such alteration is made after the drawing up of the notice of assessment.

18. The copy of the notice which is to be sent to the Minister of Agriculture, Fisheries and Food in accordance with section 180 of the Act respecting municipal taxation, following the alteration referred to in section 16, must be received not later than 15 March 1996.

19. For the 1996 municipal fiscal year, the Minister of Agriculture, Fisheries and Food shall remit, to every municipal body responsible for assessment which applies therefor, the sum of \$15 for each certificate of alteration of the real estate assessment roll issued by its assessor to take account of section 15.

20. For the purposes of Division VII.1 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, until such time as the definition of "gross revenue" is defined by regulation, that definition means, for a year, the revenue produced by the sale of an agricultural product and received from crop insurance indemnities and farm income stabilization indemnities.

21. Until such time as the conditions for registration of an agricultural operation are amended by regulation, to be entitled to

register, an agricultural operation must produce gross revenue of a value equal to or greater than the value determined under subparagraph iv of paragraph *j* of section 1 of the Farm Producers Act.

However, in the case of an operation having started up less than six months before the date of its application for registration, the gross revenue is presumed to be equal to the value referred to in the first paragraph, provided that value is attained not later than two calendar years following the year of its first registration.

Such presumption also applies to an agricultural operation if any exemption mentioned in subparagraph 3 of the first paragraph of section 36.2 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation is applicable.

22. For the purposes of Division VII.1 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, until such time as the minimum gross revenue which must be produced by a registered agricultural operation to qualify for a reimbursement of real estate taxes and compensations is determined by regulation, the minimum gross revenue is \$10 000.

However, an operation having started up less than six months before the date of its application for registration is exempted from the requirement to produce a minimum gross revenue of \$10 000 provided it attains that amount not later than two calendar years following the year of its first registration.

A registered agricultural operation is also exempted if any exemption mentioned in subparagraph 3 of the first paragraph of section 36.2 is applicable.

23. For the purposes of subparagraphs 2 and 3 of the first paragraph of section 36.4 of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, until such time as the amount per hectare of the land situated in the agricultural zone that forms part of the agricultural operation is determined by regulation, that amount is \$800.

24. This Act has effect for the purposes of any school fiscal year from the 1995-96 school fiscal year and for the purposes of any municipal fiscal year from the 1996 municipal fiscal year.

25. This Act comes into force on 15 December 1995.

