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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-FIFTH LEGISLATURE

## Bill 173

(1997, chapter 92)

### **An Act to establish the special local activities financing fund and to amend the Act respecting municipal taxation**

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**Introduced 12 November 1997**  
**Passage in principle 28 November 1997**  
**Passage 19 December 1997**  
**Assented to 19 December 1997**

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**EXPLANATORY NOTES**

*This bill establishes a special local activities financing fund at the Ministère des Affaires municipales.*

*The fund is to be made up mainly of contributions to be paid, for each of the years 1998 and 1999, by the local municipalities and sums taken out of the revenues from the special tax imposed on telecommunication, gas and electricity distribution systems.*

*The bill provides that the Government may make those amounts payable for the year 2000.*

*Lastly, the bill provides that the activities of the fund will begin on 1 January 1998.*

**LEGISLATION AMENDED BY THIS BILL :**

- Act respecting municipal taxation (R.S.Q., chapter F-2.1).

## Bill 173

### AN ACT TO ESTABLISH THE SPECIAL LOCAL ACTIVITIES FINANCING FUND AND TO AMEND THE ACT RESPECTING MUNICIPAL TAXATION

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

**1.** A special local activities financing fund is hereby established at the Ministère des Affaires municipales.

The fund provides financing for government expenditures relating to activities of a local nature.

**2.** The activities of the fund shall begin on 1 January 1998. The Government shall determine the assets and liabilities of the fund, the nature of the activities to be financed and the costs chargeable to the fund.

**3.** The fund shall be made up of the following sums :

(1) the sums paid into it by the local municipalities pursuant to sections 4 to 6;

(2) the sums paid into it by the Minister of Revenue pursuant to section 7;

(3) the sums paid into it by a minister out of the appropriations allocated for that purpose by Parliament;

(4) the sums paid into it by the Minister of Finance pursuant to sections 10 and 11;

(5) any interest and any amount referred to in section 14 and in the second paragraph of section 15, respectively;

(6) interest earned on the sums referred to in paragraphs 1, 2 and 5.

**4.** Ville de Montréal, Ville de Québec, Ville de Hull, Ville de Sherbrooke, Ville de Chicoutimi and Ville de Trois-Rivières shall pay, for each of the years 1998 and 1999, the amounts appearing in Division I of the schedule.

**5.** Every local municipality, other than those referred to in section 4, shall pay, for each of the years 1998 and 1999, an amount corresponding to 5.78% of the expenditures, excluding those related to the costs of financing, appearing

in its budget for the fiscal year 1997 as adjusted by the Minister of Municipal Affairs, as the case may be, before 23 October 1997.

The expenditures of the municipalities mentioned in Division II of the schedule that relate to the supply and to the production of electricity do not form part of the expenditures on which the calculation of the amount payable under the first paragraph is based.

The obligation provided for in the first paragraph does not apply to northern, Cree or Naskapi villages, Paroisse de Notre-Dame-des-Anges, Municipalité de Saint-Benoît-du-Lac or Paroisse de Saint-Louis-de-Gonzague-du-Cap-Tourmente.

**6.** The Government may make the contribution fixed under sections 4 and 5 applicable for the year 2000.

**7.** The Minister of Revenue shall pay into the fund, for each of the years 1998 and 1999, as well as for the year 2000 if the Government makes the contribution fixed under sections 4 and 5 applicable for that year, out of the revenues under section 230 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) collected by the Minister in the 12-month period before 1 July, hereinafter called the “reference period for the year”, a sum that is the total obtained by adding \$16,100,000 and the amount by which the revenues collected in the reference period for the year 1998 exceed the revenues collected during the reference period for the year 1997.

For the purpose of establishing the gross amount to be apportioned for a municipal fiscal year, within the meaning of the Regulation respecting the apportionment of revenues from the tax paid by operators of certain systems (R.R.Q., 1981, chapter F-2.1, r.12.1), the sum to be paid by the Minister of Revenue into the fund for the year corresponding to the fiscal year shall be subtracted, as in the case of the sums withheld under the second paragraph of section 230 of the Act respecting municipal taxation, from the revenues collected during the reference period for the year.

**8.** The Minister of Municipal Affairs shall send to each local municipality referred to in section 5 a request for payment that specifies the amount to be paid by the local municipality.

**9.** The payment provided for in section 4 or in section 5 shall be made to the Minister of Municipal Affairs in two instalments during the year in respect of which it is due.

The first instalment shall be sent to the Minister before 31 March and be equal, for the municipalities referred to in section 5, to one third of the amount and, for the municipalities referred to in section 4, to the amount shown in Division III of the schedule.

**10.** The Minister of Finance may, with the authorization of the Government and subject to the conditions it determines, advance to the fund sums taken out of the consolidated revenue fund.

The Minister may conversely advance to the consolidated revenue fund, on a short-term basis and subject to the conditions determined by the Minister, any part of the sums paid into the fund that is not required for its operation.

Any advance paid into a fund shall be repayable out of that fund.

**11.** The Minister of Municipal Affairs may, as the manager of the fund, borrow from the Minister of Finance sums taken out of the financing fund of the Ministère des Finances.

**12.** The management of the sums paid into the fund shall be entrusted to the Minister of Finance. Such sums shall be paid to the order of the Minister of Finance and deposited with the financial institutions designated by the Minister.

Notwithstanding section 13 of the Financial Administration Act (R.S.Q., chapter A-6), the Minister of Municipal Affairs shall keep the books of account for and record the financial commitments chargeable to the fund. The Minister of Municipal Affairs shall also certify that such commitments and the payments arising therefrom do not exceed and are consistent with the available balances. However, the Government may, on the conditions it determines, entrust another minister with those functions to the extent required to enable the latter to manage activities coming under that minister's responsibility.

**13.** No local municipality may refuse to make a payment required under section 5 on the ground of a contestation on its part of the amount specified in the request for payment.

**14.** Any amount due and outstanding is subject to interest, from its due date, at the rate determined pursuant to the first paragraph of section 28 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31). The interest collected shall be paid into the fund.

**15.** Notwithstanding any provision of an Act or statutory instrument but subject to the Act respecting subsidies for the payment in capital and interest of loans of public or municipal bodies (R.S.Q., chapter S-37.01), the Government may, without further formality, fix or revise the amount or date of payment of any sum paid by the Government or of any sum paid by a minister or by a body that is a mandatary of the Government to a local municipality to set off all or part of an instalment not paid by the municipality pursuant to this Act.

The sum corresponding to the amount of the set-off shall be paid into the fund.

**16.** Sections 22 to 27, 33, 35, 45 to 49, 49.2, 49.6, 51, 56, 57 and 70 to 72 of the Financial Administration Act (R.S.Q., chapter A-6), adapted as required, apply to the fund.

**17.** The fiscal year of the fund ends on 31 March.

**18.** Notwithstanding any provision to the contrary, the Minister of Finance shall, in the event of a deficiency in the consolidated revenue fund, pay out of the financing fund the sums required for the execution of a judgment against the Crown that has become *res judicata*.

**19.** Any expenditure relating to an activity or cost referred to in section 2 and incurred from 1 April 1997 may be charged to the fund.

**20.** Section 67 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is amended by replacing the words “or radio” in the second line of the first paragraph by the words “, radio or wireless telecommunication”.

**21.** Section 20 has effect for the purposes of any municipal fiscal year from the fiscal year 1997.

**22.** The revenues from the tax provided for in section 221 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) paid by a person who operates or has operated a wireless telecommunication system do not form part of the revenues referred to in section 230 and in paragraph 4 of section 262 of that Act.

The Minister of Revenue shall send the revenues to the Minister of Municipal Affairs according to the terms and conditions agreed upon by them. The Minister of Municipal Affairs shall distribute the revenues, as determined by the Government, to local municipalities.

**23.** Sections 1 to 19 and 24 of this Act shall cease to have effect on the date determined by the Government.

Any surplus in the fund on the date on which the sections mentioned in the first paragraph cease to have effect shall be paid into the consolidated revenue fund.

**24.** Notwithstanding the first paragraph of section 556 of the Cities and Towns Act (R.S.Q., chapter C-19) and the second paragraph of article 1061 of the Municipal Code of Québec (R.S.Q., chapter C-27.1), a loan by-law the sole object of which is the payment of sums to employees who leave their employment under a retirement program requires only the approval of the Minister of Municipal Affairs.

The first paragraph ceases to apply on 1 January 2001.

**25.** The Minister of Municipal Affairs is responsible for the administration of this Act.

**26.** This Act comes into force on 19 December 1997.

## SCHEDULE

DIVISION I (*section 4*)

Ville de Montréal	\$46,832,347
Ville de Québec	\$ 8,602,136
Ville de Sherbrooke	\$ 2,891,576
Ville de Hull	\$ 2,776,643
Ville de Chicoutimi	\$ 1,280,860
Ville de Trois-Rivières	\$ 1,313,854

DIVISION II (*section 5*)

Ville d'Alma; Ville d'Amos; Ville de Baie-Comeau; Ville de Coaticook;  
Ville de Joliette; Ville de Jonquière; Ville de Magog; Ville de Westmount.

DIVISION III (*section 9*)

Ville de Montréal	\$29,658,933
Ville de Québec	\$ 4,830,153
Ville de Sherbrooke	\$ 1,559,386
Ville de Hull	\$ 1,623,622
Ville de Chicoutimi	\$ 983,579
Ville de Trois-Rivières	\$ 823,843