

Annual gross income	Income replacement indemnities (90% of weighted net income for 2003)				
	Worker with non-dependent spouse				
	Number of dependents				
	0	1	2	3	4 or more
51,700	31,589.73	32,070.33	32,514.03	32,957.73	33,401.43
51,800	31,645.20	32,125.80	32,569.50	33,013.20	33,456.90
51,900	31,700.67	32,181.27	32,624.97	33,068.67	33,512.37
52,000	31,756.13	32,236.73	32,680.43	33,124.13	33,567.83
52,100	31,811.60	32,292.20	32,735.90	33,179.60	33,623.30
52,200	31,867.07	32,347.67	32,791.37	33,235.07	33,678.77
52,300	31,922.54	32,403.14	32,846.84	33,290.54	33,734.24
52,400	31,978.00	32,458.60	32,902.30	33,346.00	33,789.70
52,500	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
52,600	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
52,700	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
52,800	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
52,900	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,000	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,100	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,200	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,300	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,400	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17
53,500	32,033.47	32,514.07	32,957.77	33,401.47	33,845.17

5114

Draft Regulation

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

Equalization scheme

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the equalization scheme, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The purpose of the draft Regulation is to substitute this Regulation respecting the equalization scheme for the former one.

The new Regulation establishes the equalization scheme, prescribes eligibility requirements for local municipalities under the scheme and defines for that purpose the concepts of “standardized property value per inhabitant” and “average value of dwellings”. It determines the rules of computation for the equalization amount to which an eligible municipality is entitled. It also provides for the case in which a municipality ceases

to be entitled to the equalization amount. In addition to the methods of payment of such an amount, it prescribes the adjustments that apply when an amalgamation or total annexation occurs.

The permanent provisions of this proposed Regulation grant a special status, in respect of the eligibility and computation of the equalization amount, to certain northern municipalities. As a transition measure, all the municipalities that were entitled to an equalization amount in 2001 will continue to receive the amount for the years 2002 to 2004 on certain terms and conditions. Furthermore, for the years 2002 to 2009, special rules of computation are prescribed for any municipality whose budget for 2002 is the first budget it adopts after an amalgamation that constitutes the municipality or after a total annexation it effected.

To date, study of the matter has shown no direct impact on the public and businesses.

Further information may be obtained by contacting Mtre. André Carrier, 10, rue Pierre-Olivier-Chauveau, 3^e étage, Québec (Québec) G1R 4J3, by telephone at (418) 691-2030 or by fax at (418) 644-6725.

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to the Minister of State for Municipal Affairs and Greater Montréal, the Environment and Water and Minister of Municipal Affairs and Greater Montréal, 10, rue Pierre-Olivier-Chauveau, 4^e étage, Québec (Québec) G1R 4J3.

ANDRÉ BOISCLAIR,
Minister of State for Municipal Affairs and Greater Montréal,
the Environment and Water and Minister of Municipal Affairs and Greater Montréal

Regulation respecting the equalization scheme

An Act respecting municipal taxation
(R.S.Q., c. F-2.1, s. 262, par. 7; 2001, c. 25, s. 134)

DIVISION I GENERAL AND INTERPRETATION

1. An equalization scheme is hereby established under which the Government shall pay a sum which is computed in accordance with Division III to any local municipality whose eligibility under the scheme is determined in accordance with Division II.

2. For the purposes of this Regulation,

(1) “current fiscal year” means the fiscal year for which it is determined whether or not a local municipality is eligible under the scheme and, where applicable, for which the equalization amount payable is computed;

(2) “year of reference” means the fiscal year for which data are used to determine whether or not a local municipality is eligible under the scheme or to compute, where applicable, the equalization amount payable;

(3) “Act” means the Act respecting municipal taxation (R.S.Q., c. F-2.1), except in the name of an act;

(4) “neutrality amount” means the amount that a local municipality is entitled to receive during a fiscal year that makes the financial consequences of an amalgamation or annexation neutral, under the government program, as related to the application of this Regulation;

(5) “equalization amount” means the amount that a local municipality is entitled to receive for a fiscal year under this Regulation;

(6) “local municipality” means any local municipality to which the Act applies, including a regional county municipality as provided in section 8 of the Act respecting municipal territorial organization (R.S.Q., c. O-9); and

(7) “summary of the municipality for the year of reference” means the form that, according to the Regulation made under paragraph 1 of section 263 of the Act, is filled out with the information included in the summary, relating to the property assessment roll of a local municipality, the production of which is prescribed by that Regulation during the last semester preceding the year of reference.

3. Unless otherwise indicated, where a computation provided for in this Regulation results in a decimal number, the decimal part of the number shall be dropped and the whole number shall be increased by 1 if the first decimal is greater than 4.

Where this Regulation prescribes that the result of a computation must be reduced to a specific number of decimals, the last of those decimals shall be increased by 1 if the following decimal is greater than 4.

DIVISION II
ELIGIBILITY UNDER THE SCHEME**§1. Conditions of eligibility**

4. Any local municipality in respect of which the following conditions are met for the first fiscal year that precedes the current fiscal year is eligible under the scheme:

(1) its standardized property value per inhabitant established in accordance with Subdivision 2, in the aggregate constituted of the standardized property values per inhabitant that are taken into consideration under Subdivision 4, is less than 90% of the median; and

(2) the average value of the dwellings situated in its territory established in accordance with Subdivision 3, in the aggregate constituted of the average values of the dwellings that are taken into consideration under Subdivision 4, is less than the median.

A municipality in respect of which the dividend or divisor is nil in the division performed to establish the value referred to in the first paragraph is not eligible. No datum related to that municipality shall be taken into consideration to establish a median referred to in that paragraph.

5. A municipality is not eligible, even if the conditions provided for in section 4 are met in its respect, if the Minister of Municipal Affairs and Greater Montréal does not receive, before 1 May of the current fiscal year, the summary of the municipality for the year of reference.

A municipality that, for the first fiscal year preceding the year of reference, had revenues from the application of section 222 of the Act, is not eligible, even if the conditions provided for in section 4 are met in its respect, if the Minister does not receive, before 1 May of the current fiscal year, the financial report of the municipality for that preceding fiscal year.

For the purposes of this Regulation, such a summary or report is deemed not to have been received if it does not comply with the legislative and regulatory provisions that govern the municipality in that matter.

6. Notwithstanding sections 4 and 5, Ville de Chapais, Ville de Matagami and Ville de Schefferville are eligible.

§2. *Standardized property value per inhabitant*

A. **General**

7. The standardized property value per inhabitant of a local municipality for the year of reference is the quotient obtained by dividing the municipality's standardized property value established for the fiscal year in accordance with section 8 by the population of the municipality for that fiscal year.

The population as it exists on 1 January of the year of reference shall be taken into consideration, with the alterations that take effect on that date or before that date and that are made before 1 May of the current fiscal year.

8. The standardized property value of a local municipality for the year of reference shall be the standardized property value established, considering the second paragraph and subject to section 9, in accordance with Division I of Chapter XVIII.1 of the Act.

The property assessment roll shall be taken into consideration as it exists on the date on which it is reproduced in the summary of the municipality for the year of reference.

B. **Standardized aggregate taxation rate of a municipality referred to in section 222 of the Act**

9. For the first fiscal year preceding the year of reference and for a municipality that had revenues from the application of section 222 of the Act, the standardized aggregate taxation rate of the municipality established for that preceding fiscal year in accordance with sections 10 and 12 shall be used to determine the capitalization provided for in paragraph 8 of section 261.1 of the Act, on the basis of the certified data in accordance with section 13 rather than the basis of the budgetary data referred to in section 261.4 of the Act.

10. The municipality's standardized aggregate taxation rate for the first fiscal year preceding the year of reference is the quotient obtained by dividing the total of its revenues for the preceding fiscal year, as considered under section 11, by the result of the standardization of the taxable values entered on the property assessment roll of the municipality for that preceding fiscal year.

The quotient obtained shall comprise six decimals.

The standardization of a value entered on the property assessment roll consists in multiplying that value by the factor established in respect of the roll, under section 264 of the Act, for the preceding fiscal year referred to in the first paragraph.

The property assessment roll shall be taken into consideration as it exists on 1 January of that preceding fiscal year, considering the alterations that take effect on that date or before that date and of which the municipality advises the Minister of Municipal Affairs and Greater Montréal, in accordance with section 13, before 1 May of the current fiscal year.

11. For the purposes of establishing the standardized aggregate taxation rate, revenues that are revenues of the municipality for the fiscal year preceding the year of reference and that are derived from the following shall be taken into consideration :

(1) municipal property taxes imposed for that preceding fiscal year ; and

(2) non-property taxes, compensations and modes of tariffing that the municipality imposes on any person, for that preceding fiscal year, because such person is the owner, lessee or occupant of an immovable.

Notwithstanding the foregoing, the part of such revenues that is subject to a credit other than the discount granted for early payment shall not be taken into consideration.

Revenues from the following sources shall likewise not be taken into consideration :

(1) the business tax ;

(2) any property tax payable under the first paragraph of section 208 of the Act ;

(3) any non-property tax, compensation or mode of tariffing payable under the first paragraph of section 257 of the Act ;

(4) any non-property tax, compensation or mode of tariffing for providing a municipal service in respect of an immovable belonging to the Crown in right of Canada or one of its mandataries ;

(5) the compensation payable under section 205 of the Act ; and

(6) the surtax or tax on non-residential immovables.

The part of the revenues from the general property tax established in accordance with section 12, where the municipality has set, under section 244.29 of the Act, for the preceding fiscal year referred to in the first paragraph, a rate specific to the category provided for in section 244.33 of the Act, shall not be taken into consideration.

12. The part of the revenues from the general property tax not taken into consideration for the purposes of establishing the standardized aggregate taxation rate, as referred to in the fourth paragraph of section 11, is the difference obtained by subtracting the second of the following amounts from the first:

(1) the first amount is the total revenues derived from the imposition of the tax on units of assessment belonging to any category provided for in sections 244.33 and 244.34 of the Act; and

(2) the amount to be subtracted is the total revenues derived from the imposition of the tax on the units of assessment referred to in subparagraph 1 of the first paragraph if the basic rate provided for in section 244.38 of the Act were applied, or, where the municipality has set a rate specific to the category provided for in section 244.35 of the Act, the average rate computed in accordance with the second paragraph.

The average rate is obtained by dividing the first of the following amounts by the second:

(1) the dividend is the total revenues that meet the following conditions:

(a) they are derived from the imposition of the tax on units of assessment in respect of which all or part of the basic rate provided for in section 244.38 of the Act or the rate specific to the category provided for in section 244.35 of the Act is used to compute the amount of the tax; and

(b) they result from the application of all or part of a rate referred to in clause a; and

(2) the divisor is the total taxable values of the units of assessment referred to in clause a of subparagraph 1 of the second paragraph, as determined by taking into account, for a unit in respect of which only a percentage of a rate referred to in that clause is applied, solely the percentage corresponding to its taxable value.

The second and fourth paragraphs of section 10 apply for the purposes of computing the average rate.

13. The clerk of the municipality that, for the first fiscal year preceding the year of reference, had revenues from the application of section 222 of the Act shall certify, in a certificate included in the financial report drawn up for the preceding fiscal year, the value resulting from the capitalization determined under section 9, considering the alterations to the property assessment roll that take effect on 1 January of that preceding fiscal year or before and that are made before the certificate is issued.

Where an alteration taking effect on 1 January of that preceding fiscal year or before is made after the certificate is issued and before 1 May of the current fiscal year and an alteration of the certified value results therefrom, the clerk shall certify the altered value in an altering certificate. The municipality shall send the certificate to the Minister of Municipal Affairs and Greater Montréal before 1 May of the current fiscal year.

If the average rate computed in accordance with the second paragraph of section 12 was used to establish the certified value, the certificate shall also certify the divisor provided for in subparagraph 2 of that paragraph.

§3. Average value of dwellings

14. The average value of the dwellings situated in the territory of a local municipality for the year of reference is the quotient obtained by dividing the second of the following amounts by the first:

(1) the divisor is the total dwellings included in the units of assessment taken into consideration under section 15, according to the property assessment roll of the municipality that applies for that fiscal year; and

(2) the dividend is the result of the standardization of the total values determined in accordance with section 16, on the basis of the roll referred to in subparagraph 1 of the first paragraph.

The roll shall be taken into consideration as it exists on the date on which it is reproduced in the summary of the municipality for the year of reference.

The standardization provided for in subparagraph 2 of the first paragraph consists in multiplying the total provided for in that paragraph by the factor established in respect of the property assessment roll of the municipality, under section 264 of the Act, for the year of reference.

15. Units of assessment taken into consideration in the establishment of the average value of the dwellings are those that include at least one dwelling, that are not part of any of classes 9 and 10 provided for in section 244.32 of the Act and that are listed under any of the following headings prescribed by the manual to which the Regulation made under paragraph 1 of section 263 of the Act refers:

(1) “10—Dwellings” and “1211 Mobile home”;

(2) “17—Trailer parks and mobile homes”, “2-3—MANUFACTURING INDUSTRIES”, “4—TRANSPORT, COMMUNICATIONS, PUBLIC SERVICES”, “5—COMMERCIAL” and “6—SERVICES”;

(3) “7— CULTURAL AND RECREATIONAL”, “81—Agriculture”, “831—Commercial forest production” and “9220 Forests not in operation that are not reserves”.

However,

(1) a unit of assessment listed under a heading referred to in subparagraph 3 of the first paragraph shall be taken into consideration only if no building included in the unit is classified according to a use different from the use pertaining to the heading under which the unit is listed or, in other cases, if at least one building included in the unit is classified according to the use pertaining to any of the headings referred to in subparagraph 1 of the first paragraph; and

(2) no unit of assessment in respect of which it is impossible to determine a value in accordance with section 16 shall be taken into consideration.

16. The value that is determined in respect of a unit of assessment taken into consideration in the establishment of the average value of dwellings is the taxable value of the unit or, where it is part of any of classes 1A to 8 provided for in section 244.32 of the Act, the result obtained by multiplying the taxable value of the unit by the percentage provided for in section 244.53 of the Act, considering the basic rate, in respect of that class.

However, the expression “taxable value of the unit”, in the first paragraph, means

(1) the taxable value of a building or aggregate of buildings included in a unit of assessment, increased by 20%, where the unit does not include any parcel of land and is listed under the heading “1211 Mobile home” or “17—Trailer parks and mobile homes”; or

(2) the taxable value of a building or aggregate of buildings included in a unit of assessment, increased by 20% up to the taxable value of the unit, where that unit includes a parcel of land and is listed

(a) under the headings “17—Trailer parks and mobile homes”, “831—Commercial forest production” or “9220 Forests not in operation that are not reserves”; or

(b) under the heading “81—Agriculture”, where the unit does not include any agricultural operation registered in accordance with a regulation made under section 36.15 of the Act respecting the Ministère de l’Agriculture, des Pêcheries et de l’Alimentation (R.S.Q., c. M-14).

Notwithstanding the first two paragraphs, for a unit of assessment that includes an operation referred to in

clause b of subparagraph 2 of the second paragraph and that is not listed under the heading “9220 Forests not in operation that are not reserves”, the value that is determined in respect of the unit is the difference obtained by subtracting the taxable value of the operation from the value that would be otherwise determined under the first paragraph.

Notwithstanding the first three paragraphs, for a unit of assessment consisting in particular of a part where the activities referred to in section 244.52 of the Act are performed and another part whose use or purpose pertains to any of the categories referred to in sections 244.35 and 244.37 of the Act, the value that is determined in respect of the unit is the taxable value of the second part.

§4. Median

17. For the purposes of establishing the median, only the standardized property values per inhabitant and the average values of the dwellings established for the year of reference of local municipalities whose summary for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 November of that fiscal year shall be taken into consideration.

18. For a municipality that had revenues from the application of section 222 of the Act for the first fiscal year preceding the year of reference, its standardized property value per inhabitant shall be taken into consideration for the purposes of establishing the median, notwithstanding section 17, only if its financial report for that preceding fiscal year and its summary for the reference year are received by the Minister of Municipal Affairs and Greater Montréal before 1 November of the reference year.

For those purposes only, that date replaces 1 May of the current fiscal year that is referred to in the second paragraph of section 7 and in the fourth paragraph of section 10. The median established is not changed even if, because of an alteration referred to in any of those paragraphs of which the Minister is seized after 31 October of the year of reference and before 1 May of the current fiscal year, any of the values taken into consideration is altered subsequently.

DIVISION III EQUALIZATION AMOUNT

§1. Basic aliquot share

19. For the purposes of computing the equalization amount, a sum to be apportioned shall be established for the current fiscal year in accordance with section 20 and an aliquot share of that sum shall be computed in respect of each municipality eligible for that fiscal year.

The aliquot share shall be computed by multiplying the sum to be apportioned by the ratio computed in respect of the municipality in accordance with section 21 for the year of reference.

For the purposes of this Subdivision, a municipality referred to in section 6 whose summary for the year of reference is not received by the Minister of Municipal Affairs and Greater Montréal before 1 May of the current fiscal year shall not be taken into consideration.

20. The sum to be apportioned for the current fiscal year is the difference obtained by subtracting from \$36 000 000 the total of the neutrality amounts that must be paid during that fiscal year according to the data available on 1 May of that fiscal year.

21. The ratio that is used to compute the aliquot share of a municipality for the current fiscal year is the quotient obtained by dividing the deficiency of the municipality by the total deficiencies of the eligible municipalities established for the year of reference in accordance with section 22.

The quotient obtained shall comprise 11 decimals.

22. The deficiency of a municipality for the year of reference is the product obtained by multiplying, by the population of that municipality considered under the second paragraph of section 7, the difference obtained by subtracting the second of the following amounts from the first:

(1) the first amount is the amount that represents 90% of the median of the standardized property values per inhabitant established for the year of reference in accordance with Subdivision 4 of Division II; and

(2) the amount to be subtracted is the amount that constitutes the standardized property value per inhabitant of the municipality established for the year of reference in accordance with Subdivision 2 of Division II.

If the difference obtained is zero or a negative number, the municipality has no deficiency, no ratio may be computed in its respect in accordance with section 21 and its aliquot share provided for in section 19 is equal to zero.

§2. Computation of the equalization amount

A. Equalization amount of certain northern municipalities

23. Any municipality referred to in section 6 is entitled to receive an equalization amount equal to the higher of the equalization amount to which it was entitled for the 2001 fiscal year and the aliquot share that is computed in its respect, in accordance with Subdivision 1, for the current fiscal year.

If the municipality was not taken into consideration for the purposes of Subdivision 1, the equalization amount shall be equal to the amount to which the municipality was entitled for the 2001 fiscal year.

For the purposes of the first two paragraphs, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 May of the current fiscal year, the equalization amount to which the municipality was entitled for the 2001 fiscal year shall be equal to zero.

Any eligible municipality, from among the group formed by Municipalité de Baie-James, Ville de Chibougamau, Ville de Fermont and Ville de Lebel-sur-Quévillon, is entitled to receive an equalization amount equal to the aliquot share that is computed in its respect for the current fiscal year in accordance with Subdivision 1.

B. Equalization amount of a municipality not referred to in section 23

24. The equalization amount of an eligible municipality that is not referred to in section 23 shall be the result of the adjustment provided for in section 25 that is made to the aliquot share computed in respect of the municipality, in accordance with Subdivision 1, for the current fiscal year.

25. The adjustment of the aliquot share consists in multiplying the aliquot share by the factor determined by the following consecutive operations:

(1) the total formed by the equalization amounts computed in accordance with section 23 and by the neutrality amounts that must be paid during the current fiscal year according to the data available on 1 May of the current fiscal year shall be subtracted from \$36 000 000; and

(2) the difference resulting from the subtraction provided for in subparagraph 1 shall be divided by the total of the aliquot shares that are subject to the adjustment.

The quotient resulting from that division and constituting the adjustment factor shall comprise 11 decimals.

DIVISION IV LOSS OF ENTITLEMENT TO THE EQUALIZATION AMOUNT

26. Any eligible municipality that, on 1 May of the current fiscal year, is referred to in the list drawn up for the current fiscal year under section 14 or 14.1 of the Act to amend the Act respecting municipal territorial organization and other legislative provisions (2000, c. 27) loses its entitlement to receive the equalization amount computed in its respect for that fiscal year.

27. Where the territory of a municipality referred to in section 26 is amalgamated or totally annexed before 1 May of the current fiscal year without the list referred to in that section being amended accordingly before that date, the loss provided for in that section does not apply and the municipality resulting from the amalgamation or that effected the annexation shall receive the equalization amount.

Where such an amalgamation or annexation comes into force after 30 April of the current fiscal year, the loss provided for in section 26 has no effect on the computation of the neutrality amount to which the municipality resulting from the amalgamation or that effected the annexation may be entitled.

28. The sum representing the total equalization amounts to which municipalities lose their entitlement following the application of section 26 shall be apportioned between the other eligible municipalities for the current fiscal year in proportion to the equalization amounts computed in respect of those municipalities for that fiscal year.

DIVISION V PAYMENT

29. The Minister of Municipal Affairs and Greater Montréal shall pay the equalization amount no later than 30 June of the current fiscal year.

The same applies for the aliquot share of the sum provided for in section 28.

DIVISION VI AMALGAMATION AND TOTAL ANNEXATION

30. The provisions of Divisions I to V apply in respect of a local municipality resulting from an amalgamation or that effected a total annexation, considering the adaptations provided for in this Division, if applicable, for the fiscal year during which the amalgamation or annexation comes into force or for any of the next two fiscal years.

For the purposes of this Division,

(1) “former municipality” means the local municipality that, immediately before the coming into force of the amalgamation or annexation, had jurisdiction over an amalgamated or annexed territory or over the territory to which the annexed territory was added; and

(2) “new municipality” means the municipality resulting from an amalgamation or that effected the annexation.

Any reference to a provision that is subject to an adaptation applies to that provision as it reads with that adaptation, even if it is not specified.

31. For the purposes of determining if a new municipality is eligible for the fiscal year during which the amalgamation or annexation comes into force and, where applicable, of computing the equalization amount to which it is entitled for that fiscal year, the adaptations provided for in sections 32 to 34 apply.

Notwithstanding the foregoing, they do not apply where the amalgamation or annexation comes into force after 30 April of that fiscal year, in which case the determination of eligibility and, where applicable, the computation of the equalization amount for that fiscal year continue to apply to the former municipalities.

The applicable adaptations shall not be taken into consideration for the purposes of establishing, for the year of reference, the median of the standardized property values per inhabitant or the average values of dwellings.

32. As for the new municipality, the summary referred to in the first paragraph of section 5 shall be constituted by the aggregate of the summaries, referred to in that paragraph, of the former municipalities.

Where only one of the former municipalities had revenues from the application of section 222 of the Act for the first fiscal year preceding the year of reference, the report of the former municipality referred to in the second paragraph of section 5 shall constitute the report of the new municipality. Where several of the former municipalities had such revenues for that fiscal year, the report of the new municipality referred to in that paragraph shall consist of the aggregate of revenues of those former municipalities.

33. The standardized property value per inhabitant of the new municipality for the year of reference shall be the quotient obtained by dividing the first of the following amounts by the second:

(1) the dividend is the total of the standardized property values of the former municipalities that are established for the year of reference in accordance with section 8 and, where applicable, with sections 9 to 13; and

(2) the divisor is the total populations of the former municipalities that are taken into consideration for the year of reference under the second paragraph of section 7.

The total provided for in subparagraph 2 of the first paragraph shall also constitute the population of the new municipality for the purposes of section 22.

34. The average value of the dwellings situated in the territory of the new municipality for the year of reference shall be the quotient obtained by dividing, by the total of the divisors provided for in subparagraph 1 of the first paragraph of section 14, the total of the dividends provided for in subparagraph 2 of that paragraph, as they were established for that fiscal year in respect of the former municipalities.

35. The adaptations provided for in sections 32 to 34 also apply for the purposes of determining if the new municipality is eligible for the first fiscal year that follows the fiscal year during which the amalgamation or annexation comes into force and, if eligible, of computing the equalization amount to which it is entitled for the next fiscal year.

However,

(1) the adaptations provided for in the first paragraph of section 32 and in section 34 do not apply where the summary of the new municipality for the year of reference is drawn up, in anticipation of the amalgamation or annexation, instead of or in addition to the summaries of the former municipalities for that fiscal year;

(2) in the circumstance referred to in subparagraph 1, the adaptations provided for in subparagraph 1 of the first paragraph of section 33, except where applicable for the part of the standardized property value that is established in accordance with sections 9 to 13, do not apply; and

(3) the adaptations provided for in subparagraph 2 of the first paragraph of section 33 and in the second paragraph of that section do not apply where the amalgamation or annexation comes into force on 1 January of the year of reference.

Where the amalgamation or annexation comes into force on 1 November of the year of reference, the applicable adaptations shall be taken into consideration for the purposes of establishing, for that fiscal

year, the median of the standardized property values per inhabitant or the average values of dwellings. In such case, the summary and report referred to in section 32, insofar as they contain the data used for the purposes of the applicable adaptations, are also those referred to in sections 17 and 18.

36. Where the amalgamation or annexation comes into force after the date on which the property assessment roll must be reproduced in the summary of the municipality for the year of reference, the adaptations provided for in the first paragraph of section 32, in subparagraph 1 of the first paragraph of section 33 and in section 34 also apply for the purposes of determining if the new municipality is eligible for the second fiscal year that follows the fiscal year during which the amalgamation or annexation comes into force and, if eligible, of computing the equalization amount to which it is entitled for that subsequent fiscal year.

Notwithstanding the foregoing, they do not apply where the summary of the new municipality for the year of reference is drawn up, in anticipation of the amalgamation or annexation, instead of or in addition to the summaries of the former municipalities for that fiscal year.

The applicable adaptations shall be taken into consideration for the purposes of establishing, for the year of reference, the median of the standardized property values per inhabitant or the average values of dwellings. The summary referred to in the first paragraph of section 32 is also the summary referred to in section 17.

Where one of the former municipalities had revenues from the application of section 222 of the Act for the first fiscal year preceding the year of reference, the value that results from the capitalization determined under section 9 shall, for the purposes of subparagraph 1 of the first paragraph of section 33, be included in the standardized property value of that former municipality even if that capitalization is determined on the basis of the data attributed to the new municipality in the first financial report of that municipality.

DIVISION VII TRANSITIONAL AND FINAL

§1. Interpretation

37. For the purposes of this Division, “previous Regulation” means the Regulation replaced by section 71.

38. Any reference to a provision that is subject to an adaptation provided for in any of Subdivisions 2 to 5 refers to that provision as it reads with the adaptation, even if it is not specified.

§2. Adaptations applicable in 2002

39. The adaptations provided for in this Subdivision apply for the purposes of determining if a local municipality is eligible for the 2002 fiscal year and, if eligible, of computing and paying the equalization amount to which it is entitled for that fiscal year.

40. The following sections are provisionally substituted for sections 4 and 5 :

“**4.** Any local municipality in respect of which the following conditions are met is eligible under the scheme :

(1) its standardized property value per inhabitant established in accordance with Subdivision 2 for the 2000 fiscal year, in the aggregate constituted by the standardized property values that are taken into consideration under Subdivision 4, is less than 90% of the median; and

(2) the average value of the dwellings situated in its territory established in accordance with Subdivision 3 for the 2002 fiscal year, in the aggregate constituted by the average values of dwellings taken into consideration under Subdivision 4, is less than the median.

A municipality in respect of which the dividend or divisor is nil in the division performed to establish the value referred to in the first paragraph is not eligible. No datum related to that municipality shall be taken into consideration to establish a median referred to in that paragraph.

5. A municipality is not eligible, even if the conditions provided for in section 4 are met in its respect, if the Minister of Municipal Affairs and Greater Montréal does not receive, before 1 September 2002, the financial report of the municipality for the 2000 fiscal year and the summary of that municipality for the 2002 fiscal year.

For the purposes of this Regulation, such a report or summary is deemed not to have been received if it does not comply with the legislative and regulatory provisions that govern the municipality in that matter.”

41. Subdivision 1 of Division II is provisionally amended by inserting the following after section 6 :

“**6.1.** Notwithstanding sections 4 and 5, any local municipality that, under the previous Regulation, was eligible for the 2001 fiscal year and whose budget for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002 is also eligible.

For the purposes of this Division, such a budget is deemed not to have been received if it does not comply with the legislative and regulatory provisions that govern the municipality in that matter.”

42. The following is provisionally substituted for section 7 :

“**7.** The standardized property value per inhabitant of a local municipality for the 2000 fiscal year is the quotient obtained by dividing, by the population of the municipality for that fiscal year, the standardized property value of that municipality that is established for the fiscal year in accordance with the previous Regulation.

To that end, the population shall be taken into consideration as it existed on 1 January 2000, by taking into account the alterations that take effect on that date or before that date and that are made before 1 September 2002.

For the purposes of establishing the standardized property value, the alterations to the property assessment roll that are made after the financial report has been submitted for the 2000 fiscal year and that take effect on 1 January 2000 or before shall be taken into consideration, in addition to those that were to be made under the previous Regulation, if they are brought to the knowledge of the Minister of Municipal Affairs and Greater Montréal, in the manner provided for in the fourth paragraph, before 1 September 2002.

Where an alteration referred to in the third paragraph alters a value that is part of the standardized property value, the clerk shall attest the altered value in an altering certificate. The municipality shall send that certificate to the Minister.”

43. Sections 8 to 13 are provisionally inoperative.

44. The following is provisionally substituted for section 17 :

“**17.** For the purposes of establishing the median, only the standardized property values per inhabitant established for the 2000 fiscal year of local municipalities whose financial report for that fiscal year was received by the Minister of Municipal Affairs and Greater Montréal before 20 November 2001 shall be taken into consideration. That date replaces 1 September 2002, for the sole purposes of establishing the median, which is referred to in the second and third paragraphs of section 7. The median established shall not be changed even if one of the values taken into consideration is subsequently altered because of an alteration referred to in any paragraph of which the Minister is seized after 19 November 2001 and before 1 September 2002.

For the purposes of establishing the median, only the average values of the dwellings established for the 2002 fiscal year of local municipalities whose summary for that fiscal year was received by the Minister before 20 November 2001 shall be taken into consideration. However, that date shall be replaced by 1 September 2002 if using that date as the deadline by which the summary must be received results in a higher median of the average values of the dwellings than the median established using 20 November 2001.”.

45. Section 18 is provisionally inoperative.

46. The following is provisionally substituted for the third paragraph of section 19:

“For the purposes of this Subdivision, a municipality referred to in section 6 whose financial report for the 2000 fiscal year or summary for the 2002 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002 shall not be taken into consideration.”.

47. Section 20 is provisionally amended by substituting the word “September” for the word “May”.

48. The following is provisionally substituted for Subdivision 2 of Division III:

“§2. Computation of the equalization amount

A. Equalization amount of certain northern municipalities

23. Any municipality referred to in section 6 is entitled to receive an equalization amount equal to the higher of the equalization amount to which the municipality was entitled for the 2001 fiscal year and the aliquot share that is computed in its respect for the 2002 fiscal year in accordance with Subdivision 1.

If the municipality was not taken into consideration for the purposes of Subdivision 1, the equalization amount shall be equal to the amount to which the municipality was entitled for the 2001 fiscal year.

For the purposes of the first two paragraphs, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002, the equalization amount to which the municipality would have been entitled if the revenues referred to in the second paragraph of section 16 of the previous Regulation had been those that were provided in the budget of that fiscal year shall be taken into account instead of the equalization amount to which the municipality was entitled for the 2001 fiscal year.

Any eligible municipality, from among the group formed by Municipalité de Baie-James, Ville de Chibougamau, Ville de Fermont and Ville de Lebel-sur-Quévillon, is entitled to receive an equalization amount equal to the aliquot share that is computed in its respect for the 2002 fiscal year in accordance with Subdivision 1.

B. Equalization amount of a municipality not referred to in section 23

i. Rule

24. The equalization amount of an eligible municipality that is not referred to in section 23 shall be the result of the adjustment provided for in section 25 that is made to the sum computed in accordance with section 24.3 or 24.6.

ii. Adjustment computed in respect of a new municipality

24.1. Sections 24.2 and 24.3 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that meets the following conditions:

(1) it is a new municipality within the meaning of section 30; and

(2) the budget it adopts for the 2002 fiscal year is its first budget, if it results from an amalgamation, or its first budget that takes into account the annexation, if it effected a total annexation.

24.2. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1, considering the second paragraph.

The sum to be apportioned shall be the difference obtained by subtracting from \$36 000 000 the total of the neutrality amounts that must be paid during the 2002 fiscal year according to the data available on 1 September 2002.

24.3. The sum subject to the adjustment shall be the result of multiplying by 25% the difference obtained by subtracting the neutrality amount that must be paid to the municipality during the 2002 fiscal year according to the data available on 1 September 2002 from the aliquot share computed in respect of the municipality in accordance with section 24.2.

The sum shall be equal to zero where the aliquot share is equal to or less than the neutrality amount or where the municipality, under section 4 or 5, would not have

been eligible and therefore the aliquot share shall be equal to zero.

iii. Adjustment computed in respect of another municipality

24.4. Sections 24.5 and 24.6 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that is not referred to in section 23 or 24.1.

24.5. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1, considering the second paragraph.

The sum to be apportioned shall be the difference obtained by subtracting from \$36 000 000 the total of the neutrality amounts that must be paid during the 2002 fiscal year according to the data available on 1 September 2002.

24.6. The sum subject to the adjustment shall be the sum that results from adding the amounts corresponding to

(1) 75% of the equalization amount to which the municipality was entitled for the 2001 fiscal year; and

(2) 25% of the aliquot share computed in respect of the municipality in accordance with section 24.5.

The amount provided for in subparagraph 2 of the first paragraph shall be equal to zero where the municipality, under section 4 or 5, would not have been eligible and therefore the aliquot share shall be equal to zero.

For the purposes of subparagraph 1 of the first paragraph, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002, the equalization amount to which the municipality would have been entitled if the revenues referred to in the second paragraph of section 16 of the previous Regulation had been those that were provided in the budget of that fiscal year shall be taken into account instead of the equalization amount to which the municipality was entitled for the 2001 fiscal year.

iv. Adjustment

25. The adjustment of the sum computed in accordance with section 24.3 or 24.6 consists in multiplying that sum by the factor determined by the following consecutive operations:

(1) by subtracting from \$36 000 000 the total formed by the equalization amounts computed in accordance with section 23 and by the neutrality amounts that must be paid during the 2002 fiscal year according to the data available on 1 September 2002; and

(2) by dividing the difference that results from the subtraction provided for in subparagraph 1 by the total of the sums computed in accordance with sections 24.3 and 24.6.

The quotient resulting from that division and constituting the adjustment factor shall comprise 11 decimals.”

49. Division IV is provisionally inoperative.

50. Section 29 is provisionally amended by substituting “31 October” for “30 June” in the first paragraph.

51. The following sections are provisionally substituted for sections 31 to 36:

“**31.** Where the amalgamation or annexation comes into force during the 2002 fiscal year, the adaptations provided for in sections 32 to 34.1 apply for the purposes of determining if the new municipality is eligible for that fiscal year and, if eligible, of computing the equalization amount to which it is entitled for that fiscal year.

Notwithstanding the foregoing, the adaptations do not apply where the amalgamation or annexation comes into force after 31 August 2002, in which case the determination of eligibility and, if eligible, the computation of the equalization amount continue to apply to the former municipalities.

32. The financial report for the 2000 fiscal year referred to in the first paragraph of section 5 shall be, in respect of the new municipality, constituted by the aggregate of the financial reports of the former municipalities for that fiscal year.

The summary for the 2002 fiscal year referred to in that paragraph shall be, in respect of the new municipality, constituted by the aggregate of the summaries of the former municipalities for that fiscal year.

Notwithstanding the foregoing, the adaptation provided for in the second paragraph does not apply where the summary of the new municipality for the 2002 fiscal year was drawn up, in anticipation of an amalgamation or annexation, instead of or in addition to the summaries of the former municipalities for that fiscal year.

32.1. For the purposes of section 6.1, the new municipality is deemed to have been eligible for the 2001 fiscal year where one of the former municipalities was eligible and where the budget of that municipality for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002.

33. The standardized property value per inhabitant of the new municipality for the 2000 fiscal year is the quotient obtained by dividing the first of the following amounts by the second:

(1) the dividend is the total of the standardized property values of the former municipalities that are established for that fiscal year in accordance with the previous Regulation, considering the third and fourth paragraphs of section 7; and

(2) the divisor is the total of the populations of the former municipalities that are taken into consideration for that fiscal year under the second paragraph of section 7.

The total provided for in subparagraph 2 of the first paragraph also constitutes the population of the new municipality for the purposes of section 22.

The adaptations provided for in the first two paragraphs shall not be taken into consideration for the purposes of establishing, in accordance with the first paragraph of section 17, the median of the standardized property values per inhabitant established for the 2000 fiscal year.

34. The average value of the dwellings situated in the territory of the new municipality for the 2002 fiscal year is the quotient obtained by dividing the total of the dividends provided for in subparagraph 2 of that paragraph by the total of the divisors provided for in subparagraph 1 of the first paragraph of section 14, as they were established for that fiscal year in respect of the former municipalities.

Notwithstanding the foregoing, the adaptation does not apply where the summary of the new municipality for the 2002 fiscal year was drawn up, in anticipation of an amalgamation or annexation, instead of or in addition to the summaries of the former municipalities for that fiscal year.

The applicable adaptation shall not be taken into consideration for the purposes of establishing, in accordance with the second paragraph of section 17, the median of the average values of dwellings established for the 2002 fiscal year, where 20 November 2001 consti-

tutes the date applicable under that paragraph. Where that date is 1 September 2002, the adaptation shall be taken into consideration for those purposes; in that case, the summary to which the second paragraph of section 32 refers is also referred to in the second paragraph of section 17.

34.1. For the purposes of subparagraph 1 of the first paragraph of section 24.6, a new municipality is deemed to have been entitled, for the 2001 fiscal year, to an equalization amount equal to the amount

(1) to which any former municipality was entitled for that fiscal year if its financial report for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 September 2002; or

(2) to which any former municipality would have been entitled if its budget for that fiscal year but not the financial report is received by the Minister before 1 September 2002 and if the revenues referred to in the second paragraph of section 16 of the previous Regulation had been those that were provided in the budget.

If several former municipalities are referred to in the first paragraph, the total of the amounts referred to in subparagraphs 1 and 2 of that paragraph shall be taken into consideration.

35. Where the amalgamation or annexation came into force during the 2001 fiscal year, the adaptations provided for in the first paragraph of section 32 and in the first two paragraphs of section 33 apply for the purposes of determining if the new municipality is eligible for the 2002 fiscal year and, if eligible, of computing the equalization amount to which it is entitled for that fiscal year.

The adaptations provided for in the second paragraph of section 32 and in the first paragraph of section 34 apply for the same purposes where the amalgamation or annexation came into force after the date on which the property assessment roll were to be reproduced in the summary of the new municipality for the 2002 fiscal year and the summary was not drawn up in anticipation of the amalgamation or annexation, instead of or in addition to the summaries of the former municipalities for that fiscal year.

The adaptations provided for in sections 32.1 and 34.1 apply for the same purposes where the date of coming into force of the amalgamation or annexation was such that, under section 30 of the previous Regulation, examination of the eligibility for the 2001 fiscal year applied to the former municipalities rather than the new municipality.

The adaptations provided for in the first two paragraphs of section 33 shall be taken into consideration for the purposes of establishing, in accordance with the first paragraph of section 17, the median of the standardized property values per inhabitant established for the 2000 fiscal year, where the amalgamation or annexation came into force before 20 November 2001. In that case, the report referred to in the first paragraph of section 32 is also the report referred to in the first paragraph of section 17.

The adaptation provided for in the first paragraph of section 34, insofar as it is applicable, shall be taken into consideration for the purposes of establishing, in accordance with the second paragraph of section 17, the median of the average values of dwellings established for the 2002 fiscal year, where 1 September 2002 constitutes the date applicable under that paragraph. Where that date is 20 November 2001, the adaptation shall be taken into consideration only if the amalgamation or annexation came into force before that date. In both cases, the summary to which refers the second paragraph of section 32 is also the summary referred to in the second paragraph of section 17.

36. Where the amalgamation or annexation came into force during the 2000 fiscal year, the adaptations provided for in subparagraph 2 of the first paragraph of section 33 and in the second paragraph of that section apply for the purposes of determining if the new municipality is eligible for the 2002 fiscal year and, if eligible, of computing the equalization amount to which the municipality is entitled for that fiscal year.

Notwithstanding the foregoing, the adaptations do not apply where the amalgamation or annexation came into force on 1 January 2000.

Insofar as the adaptations apply, they shall be taken into consideration for the purposes of establishing the median of the standardized property values per inhabitant established for the 2000 fiscal year in accordance with the first paragraph of section 17.”.

§3. Adaptations applicable in 2003

52. The adaptations provided for in this Subdivision apply for the purposes of determining if a local municipality is eligible for the 2003 fiscal year and, if eligible, of computing the equalization amount to which the municipality is entitled for that fiscal year.

53. Subdivision 1 of Division II is provisionally amended by inserting the following after section 6:

“**6.1.** Notwithstanding sections 4 and 5, any local municipality that was eligible for the 2001 fiscal year

under the previous Regulation and whose financial report for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2003 is also eligible.”.

54. The following is provisionally substituted for Subdivision 2 of Division III:

“§2. Computation of the equalization amount

A. Equalization amount of certain northern municipalities

23. Any municipality referred to in section 6 is entitled to receive an equalization amount equal to the higher of the amount to which the municipality was entitled for the 2001 fiscal year and the aliquot share that is computed in its respect for the 2003 fiscal year in accordance with Subdivision 1.

If the municipality was not taken into consideration for the purposes of Subdivision 1, the equalization amount shall be equal to the amount to which the municipality was entitled for the 2001 fiscal year.

For the purposes of the first two paragraphs, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2003, the equalization amount to which the municipality was entitled for the 2001 fiscal year shall be equal to zero.

Any eligible municipality, from among the group formed by Municipalité de Baie-James, Ville de Chibougamau, Ville de Fermont and Ville de Lebel-sur-Quévillon, is entitled to receive an equalization amount equal to the aliquot share that is computed in its respect for the 2003 fiscal year in accordance with Subdivision 1.

B. Equalization amount of a municipality not referred to in section 23

i. Rule

24. The equalization amount of an eligible municipality that is not referred to in section 23 shall be the result of the adjustment provided for in section 25 that is made to the sum computed in accordance with any of sections 24.3 and 24.6.

ii. Adjustment computed in respect of a new municipality

24.1. Sections 24.2 and 24.3 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that meets the following conditions:

(1) it is a new municipality within the meaning of section 30; and

(2) the budget it adopted for the 2002 fiscal year was its first budget, if the municipality results from an amalgamation, or its first budget takes into account the annexation, if it effected a total annexation.

24.2. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1.

24.3. The sum subject to the adjustment shall be the result of multiplying by 50% the difference obtained by subtracting the neutrality amount that must be paid to the municipality during the 2003 fiscal year according to the data available on 1 May 2003 from the aliquot share computed in respect of the municipality in accordance with section 24.2.

The sum shall be equal to zero where the aliquot share is equal to or less than the neutrality amount or where the municipality, under section 4 or 5, would not have been eligible and therefore the aliquot share shall be equal to zero.

iii. Adjustment computed in respect of another municipality

24.4. Sections 24.5 and 24.6 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that is not referred to in any of sections 23 and 24.1.

24.5. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1.

24.6. The sum subject to the adjustment shall be the sum that results from adding the amounts corresponding to

(1) 50% of the equalization amount to which the municipality was entitled for the 2001 fiscal year; and

(2) 50% of the aliquot share computed in respect of the municipality in accordance with section 24.5.

The amount provided for in subparagraph 2 of the first paragraph shall be equal to zero where the municipality, under section 4 or 5, would not have been eligible and therefore the aliquot share shall be equal to zero.

iv. Adjustment

25. The adjustment of the sum computed in accordance with sections 24.3 or 24.6 consists in multiplying that sum by the factor determined by the following consecutive operations:

(1) by subtracting from \$36 000 000 the total formed by the equalization amounts computed in accordance with section 23 and by the neutrality amounts that must be paid during the 2003 fiscal year according to the data available on 1 May 2003; and

(2) by dividing the difference that results from the subtraction provided for in subparagraph 1 by the total of the sums computed in accordance with sections 24.3 and 24.6.

The quotient resulting from that division and constituting the adjustment factor shall comprise 11 decimals.”.

55. Section 28 is provisionally inoperative.

56. Section 31 is provisionally amended by substituting “34.1” for “34” in the first paragraph.

57. Division VI is provisionally amended by inserting the following after section 32:

“**32.1.** For the purposes of section 6.1, the new municipality is deemed to have been eligible for the 2001 fiscal year where one of the municipalities was eligible and where the financial report of that municipality for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2003.”.

58. Division VI is provisionally amended by inserting the following after section 34:

“**34.1.** For the purposes of subparagraph 1 of the first paragraph of section 24.6, the new municipality is deemed to have been entitled, for the 2001 fiscal year, to an equalization amount equal to the amount to which any former municipality whose financial report for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2003 was entitled for that fiscal year.

If several municipalities are referred to in the first paragraph, the total of the equalization amounts to which they were entitled for the 2001 fiscal year shall be taken into consideration.”.

59. Section 35 is provisionally amended by substituting “34.1” for “34” in the first paragraph.

60. Section 36 is provisionally amended by adding the following after the fourth paragraph:

“The adaptations provided for in sections 32.1 and 34.1 apply for the purposes referred to in the first paragraph where the date of coming into force of the amalgamation or annexation was such that, under section 30 of the previous Regulation, examination of the eligibility for the 2001 fiscal year applied to the former municipalities rather than the new municipality.”.

§4. Adaptations applicable in 2004

61. The adaptations provided for in this Subdivision apply for the purposes of determining if a local municipality is eligible for the 2004 fiscal year and, where applicable, of computing the equalization amount to which the municipality is entitled for that fiscal year.

62. Subdivision 1 of Division II is provisionally amended by inserting the following after section 6:

“**6.1.** Notwithstanding sections 4 and 5, any local municipality that, under the previous Regulation, was eligible for the 2001 fiscal year and whose financial report for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2004 is also eligible.”.

63. The following is provisionally substituted for Subdivision 2 of Division III:

“§2. Computation of the equalization amount

A. Equalization amount of certain northern municipalities

23. Any municipality referred to in section 6 is entitled to receive an equalization amount equal to the higher of the amount to which the municipality was entitled for the 2001 fiscal year and the aliquot share that is computed in its respect for the 2004 fiscal year, in accordance with Subdivision 1.

If the municipality was not taken into consideration for the purposes of Subdivision 1, the equalization amount shall be equal to the amount to which the municipality was entitled for the 2001 fiscal year.

For the purposes of the first two paragraphs, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal

Affairs and Greater Montréal before 1 May 2004, the equalization amount to which the municipality was entitled for that fiscal year shall be equal to zero.

Any eligible municipality, from among the group formed by Municipalité de Baie-James, Ville de Chibougamau, Ville de Fermont and Ville de Lebel-sur-Quévillon, is entitled to receive an equalization amount equal to the aliquot share that is computed in its respect for the 2004 fiscal year in accordance with Subdivision 1.

B. Equalization amount of a municipality not referred to in section 23

i. Rule

24. The equalization amount of an eligible municipality that is not referred to in section 23 shall be the result of the adjustment provided for in section 25 that is made to the sum computed in accordance with any of sections 24.3 and 24.6.

ii. Adjustment computed in respect of a new municipality

24.1. Sections 24.2 and 24.3 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that meets the following conditions:

(1) it is a new municipality within the meaning of section 30; and

(2) the budget it adopted for the 2002 fiscal year was its first budget, if the municipality results from an amalgamation, or its first budget takes into account the annexation, if it effected a total annexation.

24.2. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1.

24.3. The sum subject to the adjustment shall be the result of multiplying by 75% the difference obtained by subtracting the neutrality amount that must be paid to the municipality during the 2004 fiscal year according to the data available on 1 May 2004 from the aliquot share computed in respect of the municipality in accordance with section 24.2.

The sum shall be equal to zero where the aliquot share is equal to or less than the neutrality amount or where the municipality, under section 4 or 5, would not have been eligible and therefore the aliquot share shall be equal to zero.

iii. Adjustment computed in respect of another municipality

24.4. Sections 24.5 and 24.6 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that is not referred to in any of sections 23 and 24.1.

24.5. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1.

24.6. The sum subject to the adjustment shall be the sum that results from adding the amounts corresponding to

(1) 25% of the equalization amount to which the municipality was entitled for the 2001 fiscal year; and

(2) 75% of the aliquot share computed in respect of the municipality in accordance with section 24.5.

The amount provided for in subparagraph 2 of the first paragraph shall be equal to zero where the municipality, under section 4 or 5, would not have been eligible and therefore the aliquot share shall be equal to zero.

iv. Adjustment

25. The adjustment of the sum computed in accordance with section 24.3 or 24.6 consists in multiplying that sum by the factor determined by the following consecutive operations:

(1) by subtracting from \$36 000 000 the total formed by the equalization amounts computed in accordance with section 23 and by the neutrality amounts that must be paid during the 2004 fiscal year according to the data available on 1 May 2004; and

(2) by dividing the difference that results from the subtraction provided for in subparagraph 1 by the total of the sums computed in accordance with sections 24.3 and 24.6.

The quotient resulting from that division and constituting the adjustment factor shall comprise 11 decimals.”

64. Section 31 is provisionally amended by substituting “34.1” for “34” in the first paragraph.

65. Division VI is provisionally amended by inserting the following after section 32:

“**32.1.** For the purposes of section 6.1, the new municipality is deemed to have been eligible for the 2001 fiscal year where one of the municipalities was eligible and where the financial report of that municipality for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2004.”

66. Division VI is provisionally amended by inserting the following after section 34:

“**34.1.** For the purposes of subparagraph 1 of the first paragraph of section 24.6, the new municipality is deemed to have been entitled, for the 2001 fiscal year, to an equalization amount equal to the amount to which any former municipality whose financial report for that fiscal year is received by the Minister of Municipal Affairs and Greater Montréal before 1 May 2004 was entitled for that fiscal year.

If several former municipalities are referred to in the first paragraph, the total of the equalization amounts to which they were entitled for the 2001 fiscal year shall be taken into consideration.”

67. Section 35 is provisionally amended by substituting “34.1” for “34” in the first paragraph.

68. Section 36 is provisionally amended by adding the following after the fourth paragraph:

“The adaptations provided for in sections 32.1 and 34.1 apply for the purposes referred to in the first paragraph.”

§5. *Adaptations applicable from 2005 to 2009*

69. The adaptations provided for in this Subdivision apply for the purposes of computing the equalization amount, for each fiscal year from 2005 to 2009, to which an eligible municipality is entitled for such a fiscal year.

70. The following is provisionally substituted for Subdivision 2 of Division III:

“§2. *Computation of the equalization amount*

A. Equalization amount of certain northern municipalities

23. Any municipality referred to in section 6 is entitled to receive an equalization amount equal to the higher of the amount to which the municipality was entitled for the 2001 fiscal year and the aliquot share that is computed in its respect for the current fiscal year in accordance with Subdivision 1.

If the municipality was not taken into consideration for the purposes of Subdivision 1, the equalization amount shall be equal to the amount to which the municipality was entitled for the 2001 fiscal year.

For the purposes of the first two paragraphs, where the financial report of the municipality for the 2001 fiscal year is not received by the Minister of Municipal Affairs and Greater Montréal before 1 May of the current fiscal year, the equalization amount to which the municipality was entitled for the 2001 fiscal year shall be equal to zero.

Any eligible municipality, from among the group formed by Municipalité de Baie-James, Ville de Chibougamau, Ville de Fermont and Ville de Lebel-sur-Quévillon, is entitled to receive an equalization amount equal to the aliquot share that is computed in its respect for the current fiscal year in accordance with Subdivision 1.

B. Equalization amount of a municipality not referred to in section 23

i. Rule

24. The equalization amount of an eligible municipality that is not referred to in section 23 shall be the result of the adjustment provided for in section 25 that is made to the sum computed in accordance with any of sections 24.3 and 24.4.

ii. Adjustment computed in respect of a new municipality

24.1. Sections 24.2 and 24.3 apply for the purposes of computing the sum subject to the adjustment provided for in section 25 in respect of any eligible municipality that meets the following conditions:

(1) it is a new municipality within the meaning of section 30; and

(2) the budget it adopted for the 2002 fiscal year was its first budget, if the municipality results from an amalgamation, or its first budget that takes into account the annexation, if it effected a total annexation.

24.2. For the purposes of computing the sum subject to the adjustment, an aliquot share shall first be computed in respect of the municipality by applying Subdivision 1.

24.3. The sum subject to the adjustment shall be the difference obtained by subtracting the neutrality amount that must be paid to the municipality during the fiscal year according to the data available on 1 May of the current fiscal year from the aliquot share computed in respect of the municipality in accordance with section 24.2.

The sum shall be equal to zero where the aliquot share is equal to or less than the neutrality amount.

iii. Adjustment computed in respect of another municipality

24.4. For any eligible municipality that is not referred to in any of sections 23 and 24.1, the sum subject to the adjustment provided for in section 25 shall be the aliquot share computed in its respect by applying Subdivision 1.

iv. Adjustment

25. The adjustment of the sum computed in accordance with section 24.3 or 24.4 consists in multiplying that sum by the factor determined by the following consecutive operations:

(1) by subtracting from \$36 000 000 the total formed by the equalization amounts computed in accordance with section 23 and by the neutrality amounts that must be paid during the current fiscal year according to the data available on 1 May of the current fiscal year; and

(2) by dividing the difference that results from the subtraction provided for in subparagraph 1 by the total of the sums computed in accordance with sections 24.3 and 24.4.

The quotient resulting from that division and constituting the adjustment factor shall comprise 11 decimals.”.

§6. Final

71. This Regulation replaces the Regulation respecting the equalization scheme made by Order in Council 1087-92 dated 22 July 1992.

72. This Regulation applies for the purposes of any fiscal year as of the 2002 fiscal year.

73. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.