

## Draft Regulations

### Draft Regulation

Act to amend mainly the Environment Quality Act with respect to deposits and selective collection (2021, chapter 5)

#### **Certain transitional measures needed for the application of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection**

Notice is hereby given, in accordance with sections 10, 12 and 13 of the Regulations Act (chapter R-18.1), that the Regulation respecting certain transitional measures needed for the application of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection, appearing below, may be made by the Government on the expiry of 15 days following this publication.

The draft Regulation specifies that the Société québécoise de récupération et de recyclage must, not later than the date set in the Regulation, pay to the management body designated pursuant to the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers an amount equal to the amount that, on 31 March 2023, appeared as a provision for certain amounts payable in its financial statements for the 2022-2023 fiscal year.

The Société québécoise de récupération et de recyclage will have an obligation to send information to certain persons concerning the method used to calculate the amount it must pay to the designated management body and the details of the calculation.

The draft Regulation also specifies that on the expiry of the time limit set out in the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (chapter Q-2, r. 10) for the last payment of the compensation owed, on the date of revocation of that Regulation, to the municipalities and Aboriginal communities to which the Regulation applies, a body certified pursuant to the Environment Quality Act (chapter Q-2) that still holds amounts collected under that Regulation must remit them to the management body designated pursuant to the Regulation respecting a system of selective collection of certain residual materials (chapter Q-2, r. 46.01).

Last, the Société de récupération et de recyclage will have an obligation to repay the compensation it has received in trust, in particular when a municipality fails to send a declaration in accordance with the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (chapter Q-2, r. 10).

Study of the regulatory impact shows no impact on enterprises and in particular on small and medium-sized enterprises.

In accordance with section 12 of the Regulations Act, the draft Regulation may be made at the expiry of a shorter period than the period provided for in section 11 of that Act, because the Government is of the opinion that the urgency of the situation requires it as warranted by the following circumstances:

(1) the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers (chapter Q-2, r. 16.1) specifies that the deposit system it concerns must be implemented starting on 1 November 2023, and sets the same date for the end of the deposit system currently regulated by the Act respecting the sale and distribution of beer and soft drinks in non-returnable containers (chapter V-5.001) and the agreements made pursuant to that Act and the Regulation made under it;

(2) the Société québécoise de récupération et de recyclage is a party to those agreements and on 1 November 2023 it will hold amounts collected pursuant to the agreements that it must then remit to the persons who signed the agreements. As a result, it is important for the provisions of this draft Regulation authorizing the payment of such amounts to the management body designated to perform the obligations of the signing parties pursuant to the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers come into force as quickly as possible before that date to enable the financing of the new system;

(3) in addition, the amendments introduced by the draft Regulation to amend the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers, published in the *Gazette officielle du Québec* on the same date as this draft Regulation, must come into force before 7 September 2023, and some of them concern the termination of the

current deposit system. It is therefore important for this draft Regulation to come into force on the same date to ensure that the provisions of both Regulations are consistent.

Further information on the draft Regulation may be obtained by contacting Valérie Lephât, Direction adjointe du 3RV-E, Direction des matières résiduelles du ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, édifice Marie-Guyart, 9<sup>e</sup> étage, boîte 71, 675, boulevard René-Lévesque Est, Québec (Québec) G1R 5V7; email: infoconsigne-collecte@environnement.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 15-day period to Gitane Boivin, directrice, Direction des matières résiduelles du ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, édifice Marie-Guyart, 9<sup>e</sup> étage, boîte 71, 675, boulevard René-Lévesque Est, Québec (Québec) G1R 5V7; email: infoconsigne-collecte@environnement.gouv.qc.ca.

BENOIT CHARETTE

*Minister of the Environment, the Fight Against Climate Change, Wildlife and Parks*

## **Regulation respecting certain transitional measures needed for the application of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection**

Act to amend mainly the Environment Quality Act with respect to deposits and selective collection (2021, chapter 5, s. 22)

### **CHAPTER I PROVISIONS APPLICABLE WITH RESPECT TO DEPOSITS**

**1.** The purpose of this Regulation is to enact certain transitional measures needed for the application of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection (2021, chapter 5).

**2.** The Société québécoise de récupération et de recyclage, hereinafter the “Société”, must, not later than 15 December 2023, pay to the management body designated pursuant to the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers (chapter Q-2, r. 16.1) an amount equal to the amount that, on 31 March 2023, appeared as “Provision for amounts payable for

container deposits”, for the Beer component, under the heading “Liabilities” in its financial statements for the 2022-2023 fiscal year.

The amount is reduced by any part of the provision already paid to the designated management body by the Société before the date of coming into force of this Regulation.

**3.** The amount referred to in the first paragraph of section 2 cannot be used for any purpose other than the development and implementation of a deposit-refund system for certain containers to which the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers (chapter Q-2, r. 16.1) applies.

**4.** The Société must, not later than 15 December 2023, send to the Minister, the designated management body and each party having signed an agreement entered into in accordance with the Beer and Soft Drinks Distributors’ Permits Regulation (chapter V-5.001, r. 1) covering redeemable containers in which beer is sold that is in force on 31 October 2023, the amount of the provision referred to in the first paragraph of section 2, the method used to calculate the amount of the provision, and the elements taken into account to perform the calculation, including:

(1) an estimate by the Société of the number of days, on average, that elapses before a redeemable container is returned for a refund of the deposit pursuant to that agreement;

(2) the daily average of deposits referred to in paragraph 1 that are refunded, including the encouragement bonus, for each deposit amount covered by the agreement;

(3) the amount of the provision, including the encouragement bonus, for redeemable containers in which beer is sold, for each deposit amount covered by the agreement.

### **CHAPTER II PROVISIONS APPLICABLE TO COMPENSATION**

**5.** On the expiry of the time limit set out in the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (chapter Q-2, r. 10) for the last payment of the compensation owed for the year 2025 to the municipalities to which the Regulation applies, a body certified pursuant to subdivision 4.1 of Division VII of Chapter IV of Title I of the Environment Quality Act (chapter Q-2) that has paid all the amounts of compensation it had to pay pursuant to that subdivision must, if it still holds amounts collected under that subdivision, remit them not later than the thirtieth day following the last payment of compensation owed for the

year 2025 to the management body designated pursuant to the Regulation respecting a system of selective collection of certain residual materials (chapter Q-2, r. 46.01).

Despite the first paragraph, the certified body is not required to pay to the designated management body the amounts collected pursuant to section 53.31.13 of the Environment Quality Act to indemnify it for the management and other costs referred to in that section.

**6.** If a municipality has failed to send its declaration to the Société québécoise de récupération et de recyclage before the time limit set out in the third paragraph of section 8.8.6 of the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (chapter Q-2, r. 10), the Société must, within one month, repay to the certified body that collected contributions pursuant to the first paragraph of section 53.31.13 of the Environment Quality Act (chapter Q-2) and paid them to the Société pursuant to the first paragraph of section 53.31.12 of that Act, the compensation that the latter was bound to pay on or before that date.

### CHAPTER III MISCELLANEOUS AND FINAL PROVISIONS

**7.** Every amount owed pursuant to this Regulation bears interest, from the 31<sup>st</sup> day following the date on which a notice of claim is served, at the rate provided for in the first paragraph of section 28 of the Tax Administration Act (chapter A-6.002).

**8.** This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

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## Draft Regulation

Environment Quality Act  
(chapter Q-2)

### Compensation for municipal services provided to recover and reclaim residual materials — Amendment

Notice is hereby given, in accordance with sections 10, 12 and 13 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials, appearing below, may be made by the Government on the expiry of 15 days following this publication.

The draft Regulation makes changes to the provisions concerning the persons required to comply with the obligations of the Regulation in force.

Several other provisions are amended to harmonize the compensation rules in the Regulation with the end date of 31 December 2024.

The draft Regulation specifies the types of services that may be eligible for compensation for supplementary costs for the purpose of calculating the annual compensation owed to a municipality in certain circumstances.

The method used to establish, in certain specific cases, the rate of compensation for a municipality for the year 2023 is specified.

The draft Regulation will have no impact on enterprises.

In accordance with section 12 of the Regulations Act, the draft Regulation may be made at the expiry of a shorter period than the period provided for in section 11 of that Act, because the Government is of the opinion that the urgency of the situation requires it as warranted by the following circumstances:

(1) the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers (chapter Q-2, r. 16.1) provides that some of the obligations it imposes are applicable from 1 November 2023, and the persons required to comply are the same as those covered by the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (chapter Q-2, r. 10); taken as a whole, the obligations imposed by both regulations are, although distinct, complementary and the persons to which they apply need to be designated in the same way, which is not presently the case;

(2) the amendments introduced by the draft Regulation to amend the Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers, published on the same date as this draft Regulation, must come into force before 1 November 2023 and some of them include provisions similar to those amended by this Regulation;

(3) in addition, the Regulation respecting a system of selective collection of certain residual materials (chapter Q-2, r. 46.01) specifies obligations for the same persons as those to whom the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials applies. The amendments introduced by the draft Regulation to amend the Regulation respecting a system of selective collection of certain residual materials, also published on the same date as this