

Draft Regulation

Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1)

Act to amend the Act respecting municipal taxation and other legislative provisions (2023, chapter 33)

Apportionment between the municipalities of the amount representing the increase in a portion of the Québec sales tax

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting the apportionment between the municipalities of the amount representing the increase in a portion of the Québec sales tax, appearing below, may be made by the Minister of Municipal Affairs on the expiry of 45 days following this publication.

The main purpose of the draft Regulation is to provide the terms for the apportionment between the municipalities of the amount established for the sharing of the increase in a portion of the Québec sales tax. According to these terms, the apportionment of the amount is carried out in two parts. The first part takes into account in particular the population and the economic health index of eligible municipalities and the second part adds to those criteria the index of remoteness of municipalities.

Further information on the draft Regulation may be obtained by contacting Véronique Brisson Duchesne, Director, Direction de la politique fiscale et des revenus municipaux, Ministère des Affaires municipales et de l'Habitation, 10, rue Pierre-Olivier-Chauveau, 2^e étage, Québec (Québec) G1R 4J3; telephone: 418 691-2015, extension 83834; email: veronique.brissonduchesne@mamh.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit their comments within the 45-day period to Véronique Brisson Duchesne using the information above.

ANDRÉE LAFOREST
Minister of Municipal Affairs

Regulation respecting the apportionment among municipalities of the amount representing the increase in a portion of the Québec sales tax

Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1, s. 21.27).

Act to amend the Act respecting municipal taxation and other legislative provisions (2023, chapter 33, s. 79).

CHAPTER I PURPOSE

1. This Regulation establishes the terms for the apportionment among municipalities of the amount determined under section 21.26 of the Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1), hereinafter referred to as “amount established under the Act”.

CHAPTER II ELIGIBLE MUNICIPALITIES

2. The following municipalities are eligible for the apportionment of the amount established under the Act:

(1) local municipalities, except those constituted under The Cree Villages and the Naskapi Village Act (chapter V-5.1), the Paroisse de Notre-Dame-des-Anges, the Municipalité de Saint-Benoît-du-Lac and the Paroisse de Saint-Louis-de-Gonzague-du-Cap-Tourmente; and

(2) regional county municipalities, in respect of the unorganized territory included in their territory if this territory is inhabited.

CHAPTER III DEFINITIONS

3. For the purpose of calculating the apportionment of the amount established under the Act for a particular fiscal year,

(1) the population of a municipality corresponds,

(a) except in the cases referred to in subparagraphs *b* and *c*, to the population determined for the fiscal year that precedes the particular fiscal year in an order of the Government made pursuant to section 29 of the Act respecting municipal territorial organization (chapter O-9) or section 3 of the Act respecting Northern villages and the Kativik Regional Government (chapter V-6.1), as the case may be;

(b) if the municipality is a regional county municipality, to the population determined by such an order for the unorganized territory included in its territory for the fiscal year that precedes the particular fiscal year;

(c) if the municipality is the result of an amalgamation that came into force after the publication of such an order for the fiscal year that precedes the particular fiscal year, to the sum of the populations established in the order for the former municipalities whose territories were amalgamated;

(2) the economic health index of a municipality corresponds,

(a) except in the cases referred to in subparagraphs *b* and *c*, to the economic health index in the latest list published by the Institut de la statistique du Québec for that index on 1 September of the fiscal year that precedes the particular fiscal year;

(b) if the municipality is a regional county municipality and an economic health index is established in that list for all or part of the unorganized territory included in its territory, to the lowest of those indexes;

(c) if the municipality is the result of an amalgamation that came into force after the publication of that list and an economic health index is established in the list for all or part of the former municipalities whose territories were amalgamated, to the lowest of those indexes;

(3) the index of remoteness of a municipality corresponds,

(a) except in the cases referred to in subparagraph *b*, to the index established in the latest list published by Statistics Canada for that index on 1 September of the fiscal year that precedes the particular fiscal year;

(b) if the list contains no index for a municipality,

i. if the municipality is a regional county municipality and an index of remoteness is established in that list for all or part of the unorganized territory included in its territory, to the highest of those indexes;

ii. if the municipality is the result of an amalgamation that came into force after the publication of that list and an index of remoteness is established in the list for all or part of the former municipalities whose territories were amalgamated, to the highest of those indexes;

iii. in all other cases, to the average of the indexes established in that list for the municipalities that are part of the same administrative region, as described in Schedule I of the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1).

CHAPTER IV

APPORTIONMENT OF THE AMOUNT ESTABLISHED UNDER THE ACT

DIVISION I

CALCULATION OF THE AMOUNT ATTRIBUTED TO EACH ELIGIBLE MUNICIPALITY

4. The amount attributed to each eligible municipality for a particular fiscal year corresponds, except in the case referred to in section 5, to the sum of the amounts that are attributed to the municipality under the first and second parts.

5. The amount attributed to a municipality that is the result of an amalgamation that came into force after 1 September of the fiscal year that preceded the particular fiscal year corresponds to the sum of the amounts that would have been attributed under section 4 to the former municipalities whose territories have been amalgamated.

DIVISION II

FIRST PART

§1. Amount attributed under the first part

6. The amount attributed for a particular fiscal year to eligible municipalities under the first part corresponds to 90% of the amount established under the Act.

§2. Calculation of the amounts attributed to eligible municipalities that do not have an economic health index

7. The amount attributed for a particular fiscal year to each of the eligible municipalities that do not have an economic health index is determined according to the following formula:

$$(A / B) \times 39.$$

In the formula referred to in the first paragraph,

(1) the letter A represents the amount established under the Act; and

(2) the letter B represents the population of all eligible municipalities.

The result of the calculation is rounded to the nearest multiple of 10.

§3. *Multiplication factor*

8. For the purpose of subdivision 4, the multiplication factor attributed to each eligible municipality that has an economic health index corresponds to

- (1) 1.30, if its economic health index is below - 15;
- (2) 1.15, if its economic health index is equal to or above - 15 and below - 10;
- (3) 1.10, if its economic health index is equal to or above - 10 and below - 5;
- (4) 1.05, if its economic health index is equal to or above - 5 and below 0;
- (5) 1, if its economic health index is equal to or above 0.

§4. *Calculation of the amounts attributed to eligible municipalities that have an economic health index*

9. The amount attributed for a particular fiscal year to each of the eligible municipalities that are not referred to in section 7 is determined according to the following formula:

$$(A - B) \times [(C \times D) / E].$$

In the formula provided in the first paragraph,

- (1) the letter A represents the amount attributed to eligible municipalities under the first part;
- (2) the letter B represents the total of the amounts attributed under section 7;
- (3) the letter C represents the population of the municipality;
- (4) the letter D represents the multiplication factor for the municipality;
- (5) the letter E represents the sum of the values obtained by multiplying the letters C and D for all municipalities referred to in this section.

The result of the calculation is rounded to the nearest whole number.

DIVISION III SECOND PART

§1. *Amount attributed under the second part*

10. The amount attributed for a particular fiscal year to eligible municipalities under the second part corresponds to 10% of the amount established under the Act.

§2. *Multiplication factor*

11. For the purpose of subdivision 3, the multiplication factor attributed to each of the eligible municipalities corresponds to the sum of the factors attributed to the municipality under sections 12 and 13.

12. Each eligible municipality is attributed a factor, which is

- (1) 5, if its economic health index is below - 15;
- (2) 4, if its economic health index is equal to or above - 15 and below - 10;
- (3) 3, if its economic health index is equal to or above - 10 and below - 5;
- (4) 2, if its economic health index is equal to or above - 5 and below 0;
- (5) 0, if its economic health index is equal to or above 0.

13. Each eligible municipality is attributed a factor, which is

- (1) 6.5 if its index of remoteness is above 0.5;
- (2) 5, if its index of remoteness is above 0.4 and equal to or below 0.5;
- (3) 3.5, if its index of remoteness is above 0.3 and equal to or below 0.4;
- (4) 2, if its index of remoteness is above 0.2 and equal to or above 0.3;
- (5) 0, if its index of remoteness is equal to or below 0.2.

§3. *Calculation of the amounts attributed under the second part*

14. An amount is attributed to each of the eligible municipalities whose multiplication factor is above 0.

15. The amount attributed for a particular fiscal year to each of the municipalities referred to in section 14 is determined according to the following formula :

$$A \times [(B \times C) / D].$$

In the formula provided in the first paragraph,

- (1) the letter A represents the amount attributed to eligible municipalities under the second part;
- (2) the letter B represents the population of the municipality;
- (3) the letter C represents the multiplication factor for the municipality;

(4) the letter D represents the sum of the values obtained from multiplying the letters B and C for all municipalities referred to in this section.

The result of the calculation is rounded to the nearest whole number.

CHAPTER V TRANSITIONAL

16. For the purposes of sections 6 and 10, the amounts attributed under the first and second parts correspond,

(1) for the fiscal year 2025, respectively, to 97.5% and 2.5% of the amount established under the Act;

(2) for the fiscal year 2026, respectively, to 95.5% and 4.5% of the amount established under the Act;

(3) for the fiscal year 2027, respectively, to 93.5% and 6.5% of the amount established under the Act;

(4) for the fiscal year 2028, respectively, to 92% and 8% of the amount established under the Act;

(5) for the fiscal year 2029, respectively, to 91% and 9% of the amount established under the Act.

17. During the 2028 fiscal year, the Minister must assess the impact of the apportionment among municipalities of the amount representing the increase in a portion of the Québec sales tax, in particular with regard to tax fairness among municipalities and the level of services they provide.

CHAPTER VI FINAL

18. This Regulation comes into force on 1 January 2025.

107019

