



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 92

**An Act to amend the Act respecting
municipal taxation and other
legislative provisions**

Introduction

**Introduced by
Mr Claude Ryan
Minister of Municipal Affairs**

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EXPLANATORY NOTES

This bill amends the Act respecting municipal taxation, the Cities and Towns Act and the Municipal Code of Québec with regard to various aspects of municipal taxation involving railway companies.

First, the bill defines retroactively the scope of certain existing provisions and confirms that the rule excluding railway tracks from entry on real estate assessment rolls extends to tracks situated in a yard or station and that the road bed of railway tracks is not subject to the surtax on vacant land. Secondly, the bill clarifies the rule determining the real estate value of the road bed of railway tracks on the basis of the median value per square metre of other land in the local municipality and confirms that the rule does not apply to the road bed of tracks situated in a railway yard or station. The bill settles the question of whether the site of a level crossing is to be taxed as the road bed of railway tracks or as the bed of a public road by opting for the second alternative. It introduces provisions to reflect recent jurisprudence by providing that the road bed of railway tracks situated outside yards and stations is not a place of business, thus dispensing railway companies from paying a business tax in its respect.

In addition to adding precision to existing provisions, the bill proposes new rules concerning railway companies which will come into effect in 1993 within the territory of the Montréal urban community and in 1994 in other areas. While exempting the road bed of railway tracks situated outside yards or stations from the surtax on non-residential immovables, the bill provides that the amount of business tax or surtax payable in respect of the road bed of a railway track situated in a yard will be calculated at 40 % of the rate of the tax or surtax imposed by the municipality.

The bill also amends the Act respecting municipal taxation with respect to the determination of the median proportion of an assessment roll. In addition to dealing with certain procedural aspects, the bill provides that the proportion established for the

assessment roll of a municipality will automatically become the proportion for the roll of rental values of that municipality for the same fiscal year, and that where the rules in the ministerial regulation cannot be applied to establish the median proportion, it will be established by the assessor by other means approved by the Minister.

ACTS AMENDED BY THIS BILL:

- Cities and Towns Act (R.S.Q., chapter C-19);
- Municipal Code of Québec (R.S.Q., chapter C-27.1);
- Act respecting municipal taxation (R.S.Q., chapter F-2.1).

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THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 14.1 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1), amended by section 1 of chapter 53 of the statutes of 1992, is again amended by striking out the fifth paragraph.

2. Section 47 of the said Act is amended by inserting the words “, except the road bed of a railway situated in a yard or building,” after the word “company” in the second line of the first paragraph.

3. Section 57.1 of the said Act is amended by inserting the words “indicate that the unit is subject to the third paragraph of section 244.13 or” after the word “shall” in the fourth line of the first paragraph.

4. Section 64 of the said Act is amended by adding, at the end, the following paragraph:

“Where land constitutes both the road bed of the railway of a railway company and the bed of a public road or of works forming part thereof that is under the administration or management of a public body, the land is considered to be the latter and is deemed to be neither occupied nor used by the railway company. Section 47 does not apply to such land.”

5. Section 65 of the said Act is amended by inserting the words “, including a railway situated in a yard or building” after the word “railway” in the first line of paragraph 6.

6. Section 69.2 of the said Act is amended by adding, at the end, the following paragraph:

“A unit made up solely of the road bed of a railway to which section 47 applies is not a place of business. Notwithstanding section 2, this paragraph applies only to a whole unit.”

7. The said Act is amended by inserting, after section 69.7, the following section:

“69.7.1 The roll of rental values shall indicate, where applicable, that a place of business is subject to the third paragraph of section 232.”

8. Section 174 of the said Act, amended by section 6 of chapter 53 of the statutes of 1992 and by section 584 of chapter 57 of the statutes of 1992, is again amended by replacing the words “that a unit subject to section 57.1 changes category under that section, or with respect to that section” in the second, third and fourth lines of paragraph 13.1 by the words “to take account of the fact that a unit subject to section 57.1 also becomes or ceases to be subject to the third paragraph of section 244.13, changes category under the first paragraph of section 57.1 or ceases to be included in such a category, or, with respect to the said section 57.1”.

9. Section 174.2 of the said Act is amended by replacing the words “come or ceased to be subject to section 69.7” in the first and second lines of paragraph 5 by the words “become or ceased to be subject to section 69.7 or 69.7.1”.

10. Section 232 of the said Act is amended by inserting, after the second paragraph, the following paragraph:

“However, in the case of a place of business that includes the road bed of a railway situated in the yard of a railway company, the amount of the tax shall be calculated at 40 % of the rate. Notwithstanding section 2, this paragraph applies only to a whole place of business.”

11. Section 244.11 of the said Act is amended by adding the words “, nor if it is solely the road bed of a railway to which section 47 applies” at the end of the third paragraph.

12. Section 244.13 of the said Act is amended by adding, at the end, the following paragraph:

“In the case of a unit that includes the road bed of a railway situated in the yard of a railway company, the amount of the surtax

shall be calculated at 40 % of the rate. Notwithstanding section 2, this paragraph applies only to a whole unit.”

13. Section 263 of the said Act is amended

(1) by striking out the words “or of the actual rental value of places of business” in the second and third lines of paragraph 5;

(2) by striking out the word “, respectively,” in the fourth line of paragraph 5;

(3) by striking out the words “or roll of rental values” in the fourth line of paragraph 5;

(4) by striking out the words “or of leases, as the case may be,” in the eighth line of paragraph 5;

(5) by striking out the words “or leases” in the twelfth line of paragraph 5;

(6) by adding, at the end of paragraph 5, the following: “prescribe any other report that the assessor must make to the Minister within the same time limit concerning the determination of the median proportion;”.

14. Section 264 of the said Act is amended

(1) by replacing the first sentence of the first paragraph by the following sentence: “For each fiscal year for which the real estate assessment roll applies, the assessor shall establish the median proportion of the actual real estate value of the units of assessment to which the values entered on the roll correspond.”;

(2) by replacing the word “The” in the first line of the second paragraph by the words “Within the time limit fixed by the regulation made under paragraph 5 of section 263, the”;

(3) by replacing the words and figure “by 1 November” in the first line of the fifth paragraph by the words “upon the expiry of the time limit fixed by the regulation made under paragraph 5 of section 263”;

(4) by adding, at the end of the sixth paragraph, the following: “If the rules prescribed in the regulation cannot be applied, the median proportion shall be established in the manner proposed by the assessor and approved by the Minister.”;

(5) by adding, at the end of the seventh paragraph, the following: “The proportion and the factor of the real estate assessment roll of the municipality for a fiscal year shall constitute the proportion and factor of the roll of rental values of the municipality for the same year.”

15. Section 486 of the Cities and Towns Act (R.S.Q., chapter C-19) is amended by inserting the words “, including a railway track situated in a yard or building” after the word “track” in the second line of paragraph *c* of subsection 2.

16. Article 990 of the Municipal Code of Québec (R.S.Q., chapter C-27.1) is amended by inserting the words “, including a railway track situated in a yard or building” after the word “track” in the second line of paragraph *c* of subarticle 2.

17. Sections 1 and 14 have effect for the purposes of every municipal fiscal year from the 1994 fiscal year.

Any regulation relating to the determination of the median proportion of a roll of rental values made under paragraph 5 of section 263 of the Act respecting municipal taxation that is in force on (*insert here the date of the day preceding the day of coming into force of this Act*) is inoperative.

18. Sections 2, 4 and 5 have effect from 21 December 1979, section 6 has effect from 20 June 1991, and sections 15 and 16 have effect from 15 December 1977.

However, they shall not have the effect of rendering compulsory an amendment to a real estate assessment roll or roll of rental values for a municipal fiscal year before the 1994 fiscal year, or of rendering compulsory the reimbursement or imposition of supplementary municipal or school taxes for a municipal or school fiscal year before the fiscal year beginning in 1994.

The first and second paragraphs shall not affect cases pending on (*insert here the date of introduction of this Act*).

19. Sections 3 and 7 to 12 shall have effect for the purposes of every municipal fiscal year from the 1994 fiscal year.

However, within the territory of the Communauté urbaine de Montréal, they shall have effect for the purposes of every municipal fiscal year from the 1993 fiscal year.

20. This Act comes into force on (*insert here the date of assent to this Act*).