



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-THIRD LEGISLATURE

Bill 40

An Act to amend the Act respecting municipal taxation

Introduction

**Introduced by
Mr André Bourbeau
Minister of Municipal Affairs**

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EXPLANATORY NOTES

This bill amends the Act respecting municipal taxation.

The bill provides that the activities enumerated in the Act under the heading “Business tax” need not be carried on for lucrative purposes to render the person exercising such activities subject to the tax.

The bill provides that a taxpayer whose land ceases to be subject to the surtax on vacant land in the course of a fiscal year is entitled to a refund.

The bill allows the Government to exempt the immovables belonging to international bodies from municipal and school taxes and pay a compensation to municipalities and school boards.

The bill also provides that, henceforth, the immovables exempt from real estate or business taxes that belong to the Crown, to the Société immobilière du Québec or to an establishment of the social affairs or education sector will be subject to payment of a compensation to stand in lieu of taxes, regardless of the use of the immovables.

Finally, the bill amends the special rules governing the assessment of a golf course and the land forming the road bed of a railway. The limit for the assessment of a golf course is subject to an annual indexation formula and the formula for computing the average value of the lands used for the assessment of the road bed of a railway is revised.

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THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 11 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is replaced by the following section:

“11. Failing an agreement, the expenditures contemplated in section 10 shall be apportioned among the municipal corporations in proportion to their fiscal potential.

For the purposes of the first paragraph, the fiscal potential of a municipal corporation whose territory forms part of that of a regional county municipality is the standardized assessment of the taxable immovables of its territory, within the meaning of the Act respecting land use planning and development. The fiscal potential of a municipal corporation whose territory forms part of that of a Community is its fiscal potential within the meaning of the constituting Act of the Community.”

2. Section 47 of the said Act is amended by replacing the words and figures “sections 48 to 54” in the third line of the first paragraph by the word and figure “section 48”.

3. Sections 48 to 54 of the said Act are replaced by the following section:

“48. The value entered on the roll of any land contemplated in section 47 is established by multiplying the area of the land by the rate obtained by dividing the total assessment of the parcels of land entered

on the roll on the date of deposit of the roll by the total area of the territory of the municipal corporation on that date.”

4. The said Act is amended by inserting, after section 131, the following section:

“131.1 The complaint submitted by the Minister under section 126 must be filed before the expiry of sixty days from the receipt of an application for compensation where the application is received after the last day of February and where the Minister has not, before 1 March, received a notice of assessment concerning the immovable in respect of which the compensation is claimed.”

5. The said Act is amended by inserting, after section 138, the following section:

“138.1 The board shall inform the Minister of every complaint which, in the event of a favourable decision, would have the effect of requiring the Government to pay an amount contemplated in section 254 or 259 in respect of the property concerned in the complaint.

The Minister may intervene in the dispute.”

6. Section 147 of the said Act is amended by replacing the word and figure “to 54” by the word and figure “and 48” in the seventh line of the first paragraph.

7. Section 174 of the said Act, amended by section 90 of chapter 27 of the statutes of 1985, is again amended by inserting the words “, or upon the revocation of such recognition” after the figure “208.1” in the second line of paragraph 17.

8. Section 177 of the said Act, amended by section 91 of chapter 27 of the statutes of 1985, is again amended by replacing the second and third lines of paragraph 7 by the following: “from the date fixed in the recognition granted by the Commission pursuant to paragraph 10 of section 204 or pursuant to section 208.1 or in the revocation of such recognition”.

9. Section 203 of the said Act is amended by replacing the figure “54” in the second line by the figure “48”.

10. Section 204 of the said Act is amended

(1) by striking out the words “unless it is administered or managed by a corporation that is a mandatary of the Crown in right of Québec” in the second and third lines of paragraph 1;

(2) by striking out the words “, used for the purposes provided by that act” in the fourth line of paragraph 14 and in the seventh and eighth lines of that paragraph;

(3) by striking out the words “, and used for that education” in the fourth line of paragraph 15;

(4) by striking out the words “, and used for that education” in the third and fourth lines of paragraph 16.

11. Section 204.2 of the said Act, enacted by section 93 of chapter 27 of the statutes of 1985, is replaced by the following section:

“204.2 Where the Commission consults a municipal corporation pursuant to paragraph 10 of section 204, section 208.1 or section 209, the latter shall give its opinion within ninety days of the Commission’s request, failing which it is deemed to have agreed to the recognition or revocation of recognition forming the subject of the consultation.”

12. Section 208 of the said Act is amended by inserting the words “or a corporation that is a mandatory of the Crown in right of Québec” after the word “section” in the third line of the first paragraph.

13. Section 209.1 of the said Act, replaced by section 96 of chapter 27 of the statutes of 1985, is amended by replacing the first paragraph by the following paragraph:

“209.1 The Commission may order that the recognition granted or the revocation of recognition pronounced by it has effect from a date not prior to the beginning of the fiscal year in which the application for recognition or revocation is made or, where the Commission is acting on its own initiative, the fiscal year in which the revocation is pronounced.”

14. Section 210 of the said Act is replaced by the following section:

“210. The Government may, to the extent and on the conditions it determines, exempt any immovable of a foreign government or of an international body from municipal or school real estate taxes or exempt the owner or occupant of such an immovable from any personal tax or municipal compensation.

The Government may also, to the extent and on the conditions it determines, undertake to pay to the municipal corporation or school board an amount to stand in lieu of any tax or compensation from which the immovable or person is thus exempted.”

15. Section 211 of the said Act is amended by replacing the first paragraph by the following paragraphs:

“211. The taxable value of land used as a golf course having an area of twenty hectares or more and open to the public cannot exceed an amount per hectare computed in accordance with the second paragraph.

The amount is equal to the amount that was applicable for the previous fiscal period, increased or decreased by a percentage corresponding to that of the increase or decrease of the average value of the lands entered on the roll at the time of its deposit in relation to the average value of the lands entered on the roll of the previous fiscal period at the time of its deposit.

The council of the municipal corporation shall officialize the amount and percentage referred to in the second paragraph at the same time it passes the by-law respecting the imposition of the general real estate tax.”

16. Section 232 of the said Act is amended by inserting, after the word “livelihood” in the sixth line of the first paragraph, the words “whether or not the activity is carried on for lucrative purposes,”.

17. Section 236 of the said Act is amended by striking out the word “ordinary” in the first line of paragraph 1.1.

18. The said Act is amended by inserting, after section 245, the following section:

“245.1 Where an alteration to the roll indicates that an immovable ceases to meet the conditions of liability to the surtax on vacant land, the municipal corporation shall repay to the person from whom the surtax was exigible that proportion of the surtax that corresponds to that portion of the municipal fiscal period remaining unexpired at the time the alteration takes effect.

For the purposes of this section, an alteration taking effect after the first day of a month is deemed to take effect on the first day of the following month.”

19. Section 255 of the said Act is amended

(1) by striking out the word “ordinary” in the fourth line of the first paragraph;

(2) by inserting, after the word “estate” in the sixth line of the first paragraph, the words “and business”;

(3) by replacing the words “used by a person contemplated in paragraph 1, 13 or 14 of section 204 and in respect of an immovable contemplated in paragraph 15 or 16 of that section used for elementary or secondary education purposes” in the first, second, third and fourth lines of the fourth paragraph by the words “and in respect of an immovable contemplated in paragraph 15 or 16 of section 204 whose owner is competent in matters of elementary or secondary education”.

20. Section 262 of the said Act is amended

(1) by striking out the words “or woodlots” in the second, sixth and eighth lines of paragraph 5;

(2) by inserting, after the word “Québec” in the third line of paragraph 7, the words “and determine the minimum number of corporations whose the data are to be considered for the purposes of computing the average fiscal potential”.

21. Section 505.1 of the said Act is amended by replacing the year “1986” in the fourth line of the first paragraph by the year “1988”.

22. Section 507 of the said Act, amended by section 105 of chapter 27 of the statutes of 1985, is again amended by replacing the word and figure “to 54” by the word and figure “and 48” in the sixth line of the second paragraph.

23. Section 578 of the said Act is amended by striking out the words “or woodlot” in the fourth line of paragraph 2 of the second paragraph.

24. Section 584 of the said Act, amended by section 106 of chapter 27 of the statutes of 1985, is again amended by replacing the year “1987” in the fourth line of the first paragraph by the year “1988”.

25. Sections 1 to 3, 6, 9, 10, 12, 15, 17, paragraphs 1 and 3 of section 19 and section 22 have effect, in respect of any municipal fiscal period, from that of 1987.

26. Orders made by the Government under section 210 of the Act respecting municipal taxation, enacted by section 14 of this Act, may have effect from 1 January 1986.

27. Section 16 is declaratory but it does not apply to judgments rendered before (*insert here the date of introduction of this bill*) nor to cases pending on that date.

Notwithstanding the foregoing, the declaratory effect provided for in the first paragraph shall extend to any pending case in which the Government or any of its departments or bodies, including a government corporation, is the plaintiff, applicant or claimant in first instance.

28. Paragraph 2 of section 19 has effect from 14 March 1984.

29. Section 21 has effect from 15 September 1985.

30. This Act comes into force on 1 September 1986.