

NATIONAL ASSEMBLY
Thirty-third Legislature, first session

1987, chapter 42
**AN ACT RESPECTING
VARIOUS FINANCIAL MEASURES
CONCERNING MUNICIPALITIES**

Bill 16

Introduced by Mr André Bourbeau, Minister of Municipal Affairs

Introduced 13 May 1987

Passage in principle 11 June 1987

Passage 23 June 1987

Assented to 23 June 1987

Coming into force: 23 June 1987

Acts amended:

Cities and Towns Act (R.S.Q., chapter C-19)

Municipal Code of Québec (R.S.Q., chapter C-27.1)

Act respecting municipal and school debts and loans (R.S.Q., chapter D-7)

James Bay Region Development Act (R.S.Q., chapter D-8)

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

Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1)

Charter of the city of Québec (1929, chapter 95)





CHAPTER 42

An Act respecting various financial measures concerning municipalities

[Assented to 23 June 1987]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CITIES AND TOWNS ACT

c. C-19,
s. 413, am. **1.** Section 413 of the Cities and Towns Act (R.S.Q., chapter C-19) is amended

(1) by inserting, after the word “compensation” in the third line of paragraph 11.1, the words “, which may vary for each class of users,”;

(2) by inserting, after the word “compensation” in the first line of subparagraph *b* of paragraph 22, the words “which may vary for each class of users or which may be established”.

c. C-19,
s. 432, am. **2.** Section 432 of the said Act is amended by inserting, after the word “water” in the first line of paragraph 4, the words “which may vary for each class of users”.

c. C-19,
s. 449, am. **3.** Section 449 of the said Act is amended by inserting, after the word “compensation” in the second line of subparagraph *a* of paragraph 1, the words “, which may vary for each class of users,”.

c. C-19,
s. 464, am. **4.** Section 464 of the said Act is amended

(1) by striking out the words “and that of the Commission municipale du Québec” in the third line of the fourth paragraph of paragraph 8;

(2) by striking out the words “by the Commission municipale du Québec and” in the second and third lines of the fifth paragraph of paragraph 8.

MUNICIPAL CODE OF QUÉBEC

c. C-27.1,
a. 550, am.

5. Article 550 of the Municipal Code of Québec (R.S.Q., chapter C-27.1) is amended by inserting, after the word “compensation” in the fourth line, the words “, which may vary for each class of users,”.

c. C-27.1,
a. 557, am.

6. Article 557 of the said Code is amended by inserting, after the word “compensation” in the third line of subparagraph *a* of paragraph 3, the words “which may vary for each class of users or that may be established”.

c. C-27.1,
a. 706, am.

7. Article 706 of the said Code is amended

(1) by striking out the words “and that of the Commission municipale du Québec” in the third and fourth lines of the first paragraph;

(2) by striking out the words “by the Commission municipale du Québec and” in the second and third lines of the second paragraph.

c. C-27.1,
a. 710, am.

8. Article 710 of the said Code is amended

(1) by striking out the words “and the Commission municipale du Québec” in the third line of the first paragraph;

(2) by striking out the words “, to the Commission municipale du Québec” in the third and fourth lines of the fifth paragraph.

ACT RESPECTING MUNICIPAL AND SCHOOL
DEBTS AND LOANS

c. D-7, s. 2,
am.

9. Section 2 of the Act respecting municipal and school debts and loans (R.S.Q., chapter D-7) is amended by inserting, after the third paragraph, the following paragraph:

Provision
for payment
of bonds

“Where it is necessary to provide for the payment, before maturity, of bonds, notes or other securities authorized by a loan by-law, a municipality may, within seven days preceding the maturity date of such negotiable instruments, borrow, by way of a new issue of bonds, notes or other securities made pursuant to the same loan by-law, the sums necessary for the payment less the sums already paid for that purpose into a sinking-fund. The reimbursement period applicable to

the anticipated loan shall be extended by the number of unexpired days in the reimbursement period applicable to the previous loan.”

JAMES BAY REGION DEVELOPMENT ACT

c. D-8,
s. 10, am.

10. Section 10 of the James Bay Region Development Act (R.S.Q., chapter D-8) is amended by replacing the words “Gouvernement who shall fix the fees, allowances, salaries or additional salaries” in the third and fourth lines by the words “ Government and are entitled to the expense allowance or, as the case may be, the remuneration fixed under section 11”.

c. D-8,
s. 11,
replaced

11. Section 11 of the said Act is replaced by the following section:

No remuneration

“**11.** The members of the board of directors shall not be remunerated except in the cases, on the conditions and to the extent determined by the Government. They may, however, be entitled to the reimbursement of the expenses incurred by them in the performance of their duties on the conditions and to the extent determined by the Government.”

ACT RESPECTING MUNICIPAL TAXATION

c. F-2.1,
s. 236,
replaced

12. Section 236 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is replaced by the following sections:

Exemptions

“**236.** No business tax may be imposed with respect to

(1) an activity carried on by the Crown in right of Québec or the Crown in right of Canada, a mandatary of the Crown in right of Canada, the Société immobilière du Québec, the Corporation d’hébergement du Québec, the Régie des installations olympiques, the Société de la Place des Arts de Montréal, a municipal corporation, a community, a county corporation, a mandatary of a municipal corporation, community or county corporation, a transit commission whose budget is submitted, by law, to an elected municipal body, a school board, a general and vocational college, a university establishment within the meaning of the University Investments Act, a public establishment within the meaning of the Act respecting health services and social services, including a reception centre contemplated in section 12 of that Act, a non-profit corporation or a cooperative holding a day care centre permit, a nursery school permit, a stop-over centre permit or a home day care agency permit under the Act respecting child day care, a non-profit corporation holding a permit for general education, vocational education or education for handicapped children under the Act respecting private education, or a private educational institution declared to be of public interest or recognized for purposes of grants under the Act respecting private education;

(2) an activity carried on by a public body or any person contemplated in section 204 for the purpose of allowing the use of a public road or works forming part of it, or the use of works used for the protection of wildlife or of the forest and situated in a territory contemplated in section 8;

(3) an activity carried on by an episcopal corporation, a *fabrique*, a religious institution or an incorporated Church as part of the exercise of public worship;

(4) an activity carried on without pecuniary gain by a religious institution or a *fabrique* in the immediate pursuit of the religious or charitable objects for which it was established;

(5) an activity carried on without pecuniary gain, in an immovable used by the public, mainly for cultural, scientific, ecological, recreational, charitable, social or animal protection purposes;

(6) a management activity related to the pursuit of an activity carried on, in accordance with paragraph 5, for cultural, scientific, ecological, recreational, charitable or animal protection purposes even if the management activity is carried on in a separate immovable that is or is not used by the public;

(7) a management activity related to an activity carried on without pecuniary gain mainly for the purpose of defending the interests or rights of a group of persons formed on the basis of language, ethnic or national origin, age or a handicap, of fighting a form of illegal discrimination or of helping socially or economically underprivileged or oppressed persons;

(8) an activity carried on by a charity that is a registered charity for the purposes of the Taxation Act;

(9) the operation of a cemetery without pecuniary gain;

(10) an activity carried on for agricultural or horticultural exhibition purposes by an agricultural or horticultural society or by any person contemplated in section 204;

(11) the operation of a farm.

Recognition
by Commis-
sion

“**236.1** Subject to section 236.2, an activity carried on in a place of business must be recognized by the Commission, after consultation with the municipal corporation, to be exempt from the business tax pursuant to paragraphs 5 to 7 of section 236.

Applicable provisions Sections 204.2, 209 and 209.1, adapted as required, apply to a recognition under the first paragraph.

Presumption **"236.2** An activity contemplated in paragraph 5 of section 236 is deemed to be recognized for the purposes of section 236.1, in respect of the place of business where it is carried on, if it is recognized pursuant to paragraph 10 of section 204 or section 208.1 in respect of the immovable corresponding to the place of business."

c. F-2.1,
s. 495.1,
added **13.** The said Act is amended by inserting, after section 495, the following section:

Race track **"495.1** Nothing in section 65 of the Licenses Act (R.S.Q., chapter L-3) shall prevent a municipal corporation from imposing and levying a business tax in accordance with section 232 for the operating of a race track or the holding of a race meeting."

c. F-2.1,
s. 584, am. **14.** Section 584 of the said Act is amended by replacing the year "1988" in the fourth line of the first paragraph by the year "1989".

ACT RESPECTING NORTHERN VILLAGES
AND THE KATIVIK REGIONAL GOVERNMENT

c. V-6.1,
s. 166.1,
added **15.** The Act respecting Northern villages and the Kativik Regional Government (R.S.Q., chapter V-6.1) is amended by inserting, after section 166, the following section:

Apportioned payment **"166.1** Every by-law imposing a compensation pursuant to paragraph 11 of section 174, paragraph 4 of section 179 or section 218.1 or a tax pursuant to section 178 or 191 may provide that the payment of the compensation or tax be apportioned between the owner and the tenant or occupant of the immovable in the proportion determined in the by-law, which may vary according to the categories of immovables established therein.

Liability The owner of an unoccupied immovable subject to a compensation or tax the payment of which is apportioned is liable to the full amount of the compensation or tax only for that part of the expired portion of the fiscal year during which the immovable was unoccupied."

c. V-6.1,
s. 174, am. **16.** Section 174 of the said Act is amended by replacing paragraph 11 by the following paragraph:

"(11) (a) to prohibit the dumping of waste or garbage;

(b) to provide for the collection, treatment and disposal of garbage or waste or waste water;

(c) to impose an annual compensation in respect of every construction, house or building for the supply of the services referred to in subparagraph b; the amount or rate of the compensation may vary according to the categories of immovables determined by the by-law;".

c. V-6.1,
s. 178, am.

17. Section 178 of the said Act is amended by striking out the words "on all owners or occupants of immoveables in the municipality," in the fourth and fifth lines.

c. V-6.1,
s. 179, am.

18. Section 179 of the said Act is amended by replacing paragraph 4 by the following paragraph:

"(4) (a) to impose an annual compensation in respect of every construction, house or building for the supply of water distribution services; the amount or rate of the compensation may vary according to the categories of immovables determined by the by-law;

(b) to supply the meters placed in the constructions, houses or buildings for measuring the quantity of water used therein and fix the amount to be paid for the rental of meters;".

c. V-6.1,
s. 191, am.

19. Section 191 of the said Act is amended by striking out the words "on all owners or occupants of immoveable property in the municipality" in the third and fourth lines.

c. V-6.1,
s. 218.1,
replaced

20. Section 218.1 of the said Act is replaced by the following sections:

Temporary
compensa-
tion

"218.1 Until it imposes a real estate tax, the council may, by by-law, impose an annual compensation in respect of a construction, house or building for the general administration of the corporation and for all municipal services on which a specific tax or compensation is not imposed.

Amount

The amount or rate of the compensation may vary according to the categories of immovables determined by the council.

Exemptions

"218.2 The following immovables are exempt from the compensation contemplated in section 218.1:

(1) an immovable which belongs to an episcopal corporation, a *fabrique*, a religious institution or an incorporated Church and used mainly as a place of public worship or as a bishop's palace or as a rectory,

at the rate of one per church, as well as the immediate appurtenances thereof that are used for the same purposes;

(2) an immovable which belongs to a religious institution or a *fabrique* and used by it or used, free of charge, by another religious institution or *fabrique*, not to derive income but in the immediate pursuit of its constitutive religious or charitable objects, as well as the immediate appurtenances thereof that are used for the same purposes.”

CHARTER OF THE CITY OF QUÉBEC

1929, c. 95,
s. 162b, am.

21. Section 162b of the Charter of the city of Québec (1929, chapter 95), replaced by section 5 of chapter 80 of the statutes of 1973 and section 7 of chapter 116 of the statutes of 1986, is amended by replacing the first paragraph by the following paragraph:

Applicable
provisions

“**162b.** Every by-law passed under section 162a shall be subject to the Act respecting supplemental pension plans (R.S.Q., chapter R-17). Notwithstanding the said Act, the actuarial deficiency existing on 31 December 1986 must be made up before 31 December 2045 in the manner set out below.”

TRANSITIONAL AND FINAL PROVISIONS

Validity of
tax

22. No tax or compensation imposed and levied by a municipality pursuant to paragraph 11.1 or 22 of section 413, paragraph 4 of section 432 or paragraph 1 of section 449 of the Cities and Towns Act before 23 June 1987 may be declared invalid on the ground that it provides for amounts which vary according to classes of users.

Cases pending

The first paragraph shall not affect cases pending on 13 May 1987 or judgments rendered before that date.

Validity of
compensation

23. No compensation imposed and levied by a municipal corporation pursuant to article 550 or paragraph 3 of article 557 of the Municipal Code of Québec before 23 June 1987 may be declared invalid on the ground that it provides for amounts which vary according to categories of users.

Cases pending

The first paragraph shall not affect cases pending on 13 May 1987 or judgments rendered before that date.

Applicability
of exemption

24. Any business tax exemption granted under paragraph 1 of section 236 of the Act respecting municipal taxation, enacted by section 12, with respect to an activity carried on by the holder of a home day care agency permit or stop-over centre permit applies from the beginning of the fiscal period 1987.

Applicability
of exemp-
tion

25. Any business tax exemption granted under paragraph 8 of section 236 of the Act respecting municipal taxation, enacted by section 12, with respect to an activity carried on by a charity that is a registered charity for the purposes of the Taxation Act applies from the beginning of the fiscal period 1987.

Application
for recogni-
tion

26. Any application for recognition under section 236.1 of the Act respecting municipal taxation, enacted by section 12, must, for the purposes of the fiscal period 1987, be filed on or before 23 June 1988 and the Commission municipale du Québec may order that the recognition granted by it has effect from any date not earlier than the beginning of the fiscal period 1987.

Applicability
of provision

27. Section 236.2 of the Act respecting municipal taxation, enacted by section 12, applies to an activity carried on during the fiscal period 1987 and the exemption from the business tax for that year has effect from the date on which the exemption recognized under paragraph 10 of section 204 or section 208.1 of the said Act begins for the purposes of that period.

Effect of
s. 13

28. Section 13 has effect from 1 January 1980 but its scope does not extend to judgments rendered before 13 May 1987 or to cases pending on that date.

Legality of
subsidy

29. No illegality may be invoked against a subsidy granted by a municipality pursuant to subsection 2 of section 28 of the Cities and Towns Act, article 8 of the Municipal Code of Québec, section 303 of the Charter of the city of Québec or paragraph 6 of article 528 of the Charter of the city of Montréal (1959-60, chapter 102) on the grounds that the subsidy was granted to allow the recipient to recover all or part of the amount of the business tax to which he or it was subject in the fiscal period 1985 or 1986.

Supplemen-
tary budget

30. The Corporation of the Northern Village of Kuujjuaq may adopt, in the course of the fiscal period 1987, any supplementary budget it considers necessary.

Transmis-
sion

The supplementary budget must be transmitted to the Minister and to the Kativik Regional Government within 30 days after its adoption.

Tax credit

31. The Corporation of the Northern Village of Kuujjuaq shall use that portion of its funds for the fiscal period 1987 which derives from the taxes and compensations imposed on tenants or occupants of immovables under section 166.1 of the Act respecting Northern

villages and the Kativik Regional Government, enacted by section 15, to grant to the owners of immovables subject to the tax or compensation imposed under section 166.1 a credit, apportioned between them, in proportion to the amount of tax or compensation paid for the fiscal period 1987 in respect of each immovable.

Coming into
force

32. This Act comes into force on 23 June 1987.