



NATIONAL ASSEMBLY

FIRST SESSION

FORTIETH LEGISLATURE

Bill 63

**An Act respecting the financing of
certain school boards for the 2014-2015
and 2015-2016 fiscal years**

Introduction

**Introduced by
Madam Marie Malavoy
Minister of Education, Recreation and Sports**

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EXPLANATORY NOTES

This bill establishes rules to limit the yield of the school tax and to govern the determination of the rate of the school tax that may be levied by certain school boards for the 2014-2015 and 2015-2016 fiscal years.

LEGISLATION AMENDED BY THIS BILL:

- Education Act (chapter I-13.3).

Bill 63

AN ACT RESPECTING THE FINANCING OF CERTAIN SCHOOL BOARDS FOR THE 2014-2015 AND 2015-2016 FISCAL YEARS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Education Act (chapter I-13.3) is amended by inserting the following sections after section 723.4:

“723.4.1. The yield of the school tax that may be levied for the 2014-2015 and 2015-2016 fiscal years, established at the time a school board referred to in section 723.2 adopts its budget, cannot exceed the amount determined by the formula

$$A - B - \frac{1}{2} (C - D) - E.$$

In the formula in the first paragraph,

(1) A is the maximum yield of the tax, computed under section 308 for the fiscal year concerned;

(2) B is the subsidy provided for in section 723.2 for the fiscal year concerned;

(3) C is one half of the subsidy granted in accordance with section 723.2 for the 2013-2014 fiscal year;

(4) D is the amount corresponding to the amount of the expenditure reduction effort made for the 2013-2014 fiscal year by the school board; this amount is obtained by subtracting the following amounts from the maximum yield of the tax, computed under section 308 for the 2013-2014 fiscal year:

(a) the subsidy provided for in section 723.2 for the 2013-2014 fiscal year;

(b) the yield of the school tax established at the time the school board adopted its budget for the 2013-2014 fiscal year;

(5) E is one half of the amount corresponding to the reduction in the subsidy provided for in section 723.2 between the fiscal year concerned and the preceding fiscal year; and

(6) where the result of the subtraction of the amounts represented by the letters C – D is less than zero, the result of that subtraction is deemed to be equal to zero.

“723.4.2. The yield of the school tax that may be levied for the 2014-2015 and 2015-2016 fiscal years, established at the time a school board referred to in section 723.3 adopts its budget, cannot exceed the amount determined by the formula

$$A - (B + E) - \frac{1}{2} (C - D).$$

In the formula in the first paragraph,

(1) A is the maximum yield of the tax, computed under section 308 for the fiscal year concerned;

(2) B is the subsidy provided for in section 723.3 for the fiscal year concerned;

(3) C is one half of the subsidy granted in accordance with section 723.3 for the 2013-2014 fiscal year;

(4) D is the amount corresponding to the amount of the expenditure reduction effort made for the 2013-2014 fiscal year by the school board; this amount is obtained by subtracting the following amounts from the maximum yield of the tax, computed under section 308 for the 2013-2014 fiscal year:

(a) the subsidy provided for in section 723.3 for the 2013-2014 fiscal year;

(b) the yield of the school tax established at the time the school board adopted its budget for the 2013-2014 fiscal year;

(c) the equalization grant provided for in section 475 or 475.1 for the 2013-2014 fiscal year;

(5) E is the amount of the equalization grant provided for in section 475 or 475.1 for the fiscal year concerned; and

(6) where the result of the subtraction of the amounts represented by the letters C – D is less than zero, the result of the subtraction is deemed to be equal to zero.

However, a school board whose fiscal resources cease to be insufficient, within the meaning of section 475 or 475.1, in the 2014-2015 fiscal year must apply the formula in section 723.4.1 for the 2015-2016 fiscal year.

“723.4.3. For the 2014-2015 and 2015-2016 fiscal years, a school board that must apply the formula in section 723.4.2 and that standardized its taxation rate among the various municipalities present in its territory in the 2013-2014

fiscal year may not, despite that section, set a higher taxation rate than that set for that fiscal year.

The first paragraph does not apply to a school board in respect of which the amount represented by the letter D of the formula in section 723.4.2 is greater than zero.”

2. Section 723.5 of the Act is amended

(1) by replacing “A school board” in the first paragraph by “Except for the 2014-2015 and 2015-2016 fiscal years, a school board”;

(2) by replacing “its revenues from the school tax added to the equalization grant and the subsidy paid under those sections are not higher” in the first paragraph by “the yield of the school tax added to the equalization grant and the subsidy paid under those sections is not higher”;

(3) by inserting the following paragraph after the first paragraph:

“For the 2014-2015 and 2015-2016 fiscal years, such a school board must adjust its taxation rate so that the yield of the school tax does not exceed the amount obtained under section 723.4.1 or 723.4.2; however, a higher yield of the school tax may be approved by referendum. Sections 345 to 353 apply, with the necessary modifications, to such a referendum.”;

(4) by adding the following sentence at the end: “In addition, a school board that availed itself of that option in the 2013-2014 fiscal year or in a subsequent fiscal year must continue to do so for a maximum period of three fiscal years or, in exceptional cases, for a longer period determined in the budgetary rules.”

3. For the 2014-2015 and 2015-2016 fiscal years, a tax account must mention the rate obtained under section 308 of the Education Act. It must also contain the following information:

(1) the reduction, in dollars, resulting from the government subsidies paid under sections 723.2 to 723.4;

(2) the reduction, in dollars, resulting from the computation set out in section 723.4.1 or 723.4.2; and

(3) the amount of tax payable and the actual rate the amount corresponds to given the tax base of the school tax applicable under section 310.

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

