



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-THIRD LEGISLATURE

Bill 695

Parliamentary Budget Officer Act

Introduction

**Introduced by
Mr. Monsef Derraji
Member for Nelligan**

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EXPLANATORY NOTES

This bill provides for the appointment of a Parliamentary Budget Officer by the National Assembly to facilitate, in particular, parliamentary scrutiny of public finances and of the Government's budget estimates.

For that purpose, the Parliamentary Budget Officer is entrusted with analyzing, in a non-partisan manner, the Government's fiscal and budgetary policies and trends in the economy. More specifically, the bill provides that the Parliamentary Budget Officer prepares various reports, including a report providing an objective portrait of the state of public finances and of the budget estimates, an annual report on the Government's economic and financial forecasts, and a report on intergenerational equity. The bill also provides that the Parliamentary Budget Officer may conduct research or studies and provide analysis on his or her own initiative or at the request of the National Assembly, a Member of the National Assembly or a parliamentary committee.

With respect to the pre-election audit of public finances, the bill transfers to the Parliamentary Budget Officer the responsibility of preparing an assurance report on the pre-election report on public finances published by the Minister of Finance.

The bill also provides that a function of the Parliamentary Budget Officer is to assess, at a Member's request, the financial impact for the Government of projected expenditures and the financial cost of proposed measures.

Lastly, the bill provides for powers and immunities, and contains financial and administrative provisions, consequential amendments and miscellaneous and final provisions.

LEGISLATION AMENDED BY THIS BILL:

- Tax Administration Act (chapter A-6.002);
- Act respecting the Ministère des Finances (chapter M-24.01);
- Auditor General Act (chapter V-5.01).

Bill 695

PARLIAMENTARY BUDGET OFFICER ACT

AS transparency, responsibility and accountability are the cornerstones of efficient democratic governance;

AS it is necessary to ensure rigorous, transparent, evidence-based budgetary and fiscal management to guarantee the population's economic and social well-being;

AS there is a need to strengthen the mechanisms for the scrutiny and assessment of fiscal and budgetary policies to promote informed, fair governance;

AS it is important to preserve the independence of institutions mandated to oversee fiscal policies to ensure they can provide objective, non-partisan assessments based on rigorous principles;

AS independent fiscal institutions play a leading role in promoting the transparency and integrity of fiscal and budgetary policies;

AS it is in Québec's interest, in keeping with good governance, to establish robust institutional mechanisms for assessing and improving its public policies;

AS it is essential that an independent person assist the Members in analyzing the state of public finances, the Government's budget estimates and trends in Québec's economy;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

APPOINTMENT

1. On the joint motion of the Prime Minister and the Leader of the Official Opposition, after consulting with the leaders of the other authorized parties represented in the National Assembly and with the approval of two-thirds of the Members from at least two represented authorized parties, the Assembly appoints a Parliamentary Budget Officer, whose remuneration, employee benefits and other conditions of employment it determines, in the same manner.

The person proposed must have expertise related to public finances and the economy.

- 2.** The Parliamentary Budget Officer must, before taking office, take the oath set out in Schedule I before the President of the National Assembly.
- 3.** The Parliamentary Budget Officer is appointed for a non-renewable seven-year term. At the expiry of the term, he or she remains in office until replaced.
- 4.** The Parliamentary Budget Officer performs the duties of office exclusively and on a full-time basis.
- 5.** The Parliamentary Budget Officer may resign at any time by giving written notice to the President of the National Assembly. The Parliamentary Budget Officer may be dismissed only on the joint motion of the Prime Minister and the Leader of the Official Opposition moved after consulting with the leaders of the other authorized parties represented in the National Assembly and approved by two-thirds of its Members, and only for cause.
- 6.** If the Parliamentary Budget Officer is absent or unable to act or the position of Parliamentary Budget Officer is vacant, the Government may, after consulting with the leaders of the authorized parties represented in the National Assembly, designate a person to act, subject to the same conditions of employment, as Parliamentary Budget Officer for the interim. Where the position is vacant, the acting period must not exceed six months.
- 7.** The Parliamentary Budget Officer must not place himself or herself in a situation involving any direct or indirect conflict between his or her private interests and his or her duties of office.

CHAPTER II

DUTIES

DIVISION I

GENERAL PROVISION

8. The function of the Parliamentary Budget Officer is to facilitate parliamentary scrutiny of public finances and of the Government's budget estimates. For that purpose, the Parliamentary Budget Officer assists the Members by analyzing, in a non-partisan manner, the Government's fiscal and budgetary policies and bringing trends in the economy to the Members' attention.

A further function of the Officer is to assess the financial impact for the Government of projected expenditures and the financial cost of measures proposed by Members.

DIVISION II

AUDIT OF PUBLIC FINANCES

9. The Parliamentary Budget Officer prepares an annual report presenting an objective portrait of the Government's economic and financial forecasts.

In the report, the Officer also presents an assessment of the long-term viability of the Government's finances. The purpose of the assessment is to determine if policy changes are required, based on the budgetary consequences of trends in the economy and government spending programs, in order to ensure a sustainable public debt.

The Officer may include any comments he or she considers appropriate in connection with his or her work.

10. The Parliamentary Budget Officer prepares, independently, a report that provides an objective portrait of the state of public finances and of the budget estimates of the Government, government departments and public bodies at least twice a year.

For the purposes of this Act, a public body is a body to which the National Assembly, the Government or a minister appoints the majority of the members, a body to which, by law, the personnel is appointed in accordance with the Public Service Act (chapter F-3.1.1) or a body whose capital forms part of the domain of the State.

11. Every three years, the Parliamentary Budget Officer prepares a report on intergenerational equity that assesses the long-term sustainability of government policies over a 40-year period. The report includes forecasts on how trends and changes, in particular with respect to demographics, technology and climate, could impact the economy and the budget.

12. At the request of the National Assembly, of a Member of the National Assembly, or of a parliamentary committee, the Parliamentary Budget Officer conducts independent research and studies and provides independent analysis on the financial and economic impact of a measure proposed by the Government, one of its departments or a public body.

13. The Parliamentary Budget Officer may, on his or her own initiative, conduct independent research or studies and provide independent analysis to the National Assembly on the state of public finances, the Government's expenditure budget and trends in Québec's economy relative to the global financial and economic situation.

14. The Parliamentary Budget Officer submits the reports and the findings of any research, study or analysis referred to in this division to the President of the National Assembly.

The President tables the document in the National Assembly within three days after the submission or, if the Assembly is not sitting, within three days of resumption.

DIVISION III

PRE-ELECTION AUDIT OF PUBLIC FINANCES

15. The Parliamentary Budget Officer prepares an assurance report presenting his or her conclusions on the plausibility of the forecasts and assumptions contained in the pre-election report published by the Minister of Finance under section 23.1 of the Act respecting the Ministère des Finances (chapter M-24.01). The Officer may include in the report any comments he or she considers appropriate arising from the work on the pre-election report.

The Parliamentary Budget Officer also indicates in the report whether, for the preparation of the report, he or she received all the information and documents requested.

16. The assurance report covers at least the first three fiscal years reported on in the pre-election report.

However, with regard to the forecasts presented in a pre-election report published in February, the assurance report covers at least the three fiscal years following the fiscal year that includes the date of publication of the pre-election report.

17. The assurance report is submitted to the Minister of Finance not later than the Monday preceding the date of publication of the pre-election report required under section 23.1 of the Act respecting the Ministère des Finances.

18. The Parliamentary Budget Officer may, if he or she considers it appropriate, prepare a report detailing the assurance work on the pre-election report.

On or before the date of publication of the pre-election report, the detailed report must be sent to the President of the National Assembly, who tables it before the National Assembly along with the pre-election report.

The detailed report is published by the Parliamentary Budget Officer by any means he or she considers appropriate, without waiting for the President of the National Assembly to table it, following the publication of the pre-election report by the Minister of Finance.

DIVISION IV

AUDIT OF THE FINANCIAL IMPACT OF A MEMBER'S PROPOSAL

19. At the request of any Member of the National Assembly, the Parliamentary Budget Officer prepares and provides, in a confidential manner, an assessment of the financial impact for the Government of projected expenditures or of the cost of proposed measures.

20. A request for assessment of a projected expenditure or of the cost of a proposed measure must

- (1) be addressed to the Parliamentary Budget Officer in writing;
- (2) fully outline the projected expenditure or proposed measure;
- (3) state the purpose and intention of the projected expenditure or proposed measure;
- (4) state the cost of the initiative;
- (5) identify the known sources of financing of the initiative; and
- (6) be accompanied by any other information that is relevant or requested by the Parliamentary Budget Officer.

21. The Parliamentary Budget Officer's conclusions pursuant to the Member's assessment request are made public by the Officer upon written request from the Member.

22. An assessment request may be withdrawn at any time upon written notice from the Member who made the request.

23. When a legislature ends, the Parliamentary Budget Officer ceases work on all unfinished assessment requests.

CHAPTER III

POWERS AND IMMUNITIES

24. For the purpose of performing his or her duties, the Parliamentary Budget Officer may assign his or her employees or an expert he or she mandates to a government department or public body.

A government department or public body must provide the premises and equipment the Officer considers necessary.

25. The Parliamentary Budget Officer defines the powers and duties of his or her personnel and directs their work. He or she may delegate, in writing,

the performance of any of the duties of his or her office other than his or her main duties.

26. Government departments and public bodies must allow the Parliamentary Budget Officer to, on request, have access to and make copies of studies, research, analyses, reports, documents or data, in whatever form, relating to his or her work under the law and must provide him or her with any related information or explanation.

This section applies despite the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

This section prevails over any contrary provision of a subsequent general or special Act unless that Act expressly states that it applies despite this section.

27. The Parliamentary Budget Officer and persons acting on behalf of him or her or under his or her direction are bound to secrecy with respect to the financial or economic data that come to their knowledge in the performance of their duties. However, they may disclose such data if the disclosure is essential for the performance of their mandate and the data concerned are not confidential within the meaning of sections 53 to 62 of the Act respecting Access to documents held by public bodies and the Protection of personal information.

28. Neither the Parliamentary Budget Officer nor the persons acting on behalf of him or her or under his or her direction may be prosecuted for an act or omission in good faith in the performance of their duties.

29. Neither the Parliamentary Budget Officer nor the persons acting on behalf of him or her or under his or her direction may be compelled to give testimony relating to information obtained in the performance of their duties or to produce any document containing such information.

30. Except on a question of jurisdiction, no application for judicial review under the Code of Civil Procedure (chapter C-25.01) may be exercised, nor any injunction granted, nor any other provisional remedy taken against the Parliamentary Budget Officer or the persons acting on behalf of him or her or under his or her direction, in the performance of their duties.

A judge of the Court of Appeal may, on an application, summarily annul a decision, order or injunction made or granted contrary to this section.

CHAPTER IV

FINANCIAL AND ADMINISTRATIVE PROVISIONS

31. The Parliamentary Budget Officer prepares annual budget estimates and submits them to the Office of the National Assembly, which approves them with or without modification.

If, during a fiscal year, the Parliamentary Budget Officer foresees that the budget estimates approved by the Office of the National Assembly will be exceeded, he or she prepares supplementary budget estimates and submits them to the Office of the National Assembly, which approves them with or without modification.

32. The provisions of the Financial Administration Act (chapter A-6.001) applicable to budget-funded bodies, except sections 30 and 31, apply to the management of the financial resources of the Parliamentary Budget Officer.

33. The Public Administration Act (chapter A-6.01), except subparagraph 6 of the first paragraph and the second paragraph of section 9, sections 10 to 23, subparagraph 3 of the second paragraph and the third paragraph of section 24, sections 25 to 28, section 44, the fourth paragraph of section 45, sections 46, 48, 49, 50 and 53, the third paragraph of section 57 and sections 74 to 75 and 78, applies to the Parliamentary Budget Officer. The report referred to in section 24 of that Act is included in the Parliamentary Budget Officer's activity report.

The President of the National Assembly tables, in the National Assembly, the strategic plan adopted by the Parliamentary Budget Officer under section 8 of the Public Administration Act.

34. Subject to this Act, the Parliamentary Budget Officer's resources are managed in accordance with the Acts, regulations and rules applicable to him or her.

However, the Office of the National Assembly may, by regulation, authorize the Parliamentary Budget Officer to make an exception to any provision of a regulation made or approved by the Government or by the Conseil du trésor, or of a policy, directive or decision of the Government, a government department, the Conseil du trésor or a government agency if, in the opinion of the Parliamentary Budget Officer, the provision constitutes a hindrance to the performance of the duties of office.

The regulation must specify the provision concerned and the provision to be substituted for it.

The President of the National Assembly tables the regulation in the National Assembly within 15 days after its adoption or, if the Assembly is not sitting, within 15 days of resumption.

35. At the Parliamentary Budget Officer's request, the Office of the National Assembly may determine the human, physical, financial and information management resource services to be provided by the National Assembly at no charge to him or her.

36. Parliamentary Budget Officer personnel members are appointed in accordance with the Public Service Act.

37. The Parliamentary Budget Officer may, by regulation, determine the conditions governing the contracts he or she may enter into.

A regulation under this section comes into force on the date the regulation is approved by the Office of the National Assembly, and is published in the *Gazette officielle du Québec*.

38. On or before 30 September each year, the Parliamentary Budget Officer must submit financial statements for the preceding fiscal year to the President of the National Assembly, together with a report on the Parliamentary Budget Officer's activities which

(1) presents the Parliamentary Budget Officer's activities;

(2) lists the requests received and the studies, research, analyses, reports, documents or data provided in the performance of the duties of office;

(3) provides a summary of the research and studies conducted and analysis provided by the Parliamentary Budget Officer as regards public finances, assessment of the Government's revenues and expenditures, the Government's budget estimates and trends in Québec's economy relative to the global financial and economic situation; and

(4) indicates whether the Parliamentary Budget Officer received all the information, explanations and reports requested in the performance of the duties of office.

The report may also include a financial and economic analysis on any other subject of interest that the Parliamentary Budget Officer has come across in the performance of the duties of office and that relates to the Government, government departments or public bodies.

The President of the National Assembly tables the financial statements and the report in the National Assembly within 15 days following their submission or, if the Assembly is not sitting, within 15 days of resumption.

CHAPTER V

AMENDING PROVISIONS

TAX ADMINISTRATION ACT

39. Section 69.1 of the Tax Administration Act (chapter A-6.002) is amended by adding the following paragraph at the end of second paragraph:

“(z.12) the Parliamentary Budget Officer, in respect of information necessary for the performance of the Parliamentary Budget Officer's duties under the Parliamentary Budget Officer Act (*insert the year and chapter number of this Act*).”

40. Section 69.6 of the Act is amended by replacing “s or x” in the first paragraph by “s, x or z.12”.

ACT RESPECTING THE MINISTÈRE DES FINANCES

41. Section 23.1 of the Act respecting the Ministère des Finances (chapter M-24.01) is amended by replacing the third paragraph by the following paragraph:

“The assurance report prepared in accordance with section 15 of the Parliamentary Budget Officer Act (*insert the year and chapter number of this Act*) must be attached to the pre-election report. It contains the Parliamentary Budget Officer’s conclusion on the plausibility, as at the last working day of the sixth week preceding the date of publication of the pre-election report, or as at a later date if the Parliamentary Budget Officer considers it appropriate, of the forecasts, projections, estimates and assumptions referred to in sections 23.2 and 23.3.”

42. Section 23.4 of the Act is replaced by the following section:

“23.4. The Minister shall send the draft pre-election report to the Parliamentary Budget Officer not later than the first working day of the ninth week preceding its date of publication to enable the Parliamentary Budget Officer to prepare the assurance report required under section 15 of the Parliamentary Budget Officer Act (*insert the year and chapter number of this Act*).”

43. Section 23.4.2 of the Act is amended by replacing all occurrences of “Auditor General” by “Parliamentary Budget Officer”.

44. Section 23.5 of the Act is amended by replacing “Auditor General” in the first paragraph by “Parliamentary Budget Officer”.

AUDITOR GENERAL ACT

45. Subdivision 2.1 of Division III of the Auditor General Act (chapter V-5.01), comprising sections 40.1 to 40.4, is repealed.

CHAPTER VI

MISCELLANEOUS AND FINAL PROVISIONS

46. Not later than (*insert the date that is five years after the date of coming into force of this Act*) and every five years after that, the Parliamentary Budget Officer reports on the implementation of this Act and the advisability of amending it.

The report is submitted to the President of the National Assembly, who tables it in the National Assembly within 15 days of receiving it or, if the National

Assembly is not sitting, within 15 days of resumption. The competent committee of the National Assembly then examines the report.

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

SCHEDULE I
(Section 2)

OATH

I declare under oath that I will fulfil the duties of my office with honesty, impartiality and justice and that I will not accept any sum of money or other consideration for what I do in the performance of my duties apart from what is allowed to me by law.

I further declare under oath that I will not reveal, unless duly authorized, any information I have obtained in the performance of my duties.

