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Act Respecting the Réseau Électrique Métropolitain Now Passed

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Québec's National Assembly has passed Bill 137, titled *An Act respecting the Réseau électrique métropolitain* (Act).

The purpose of the Act, passed on September 27, 2017, is to facilitate the construction and operation of a new shared transportation infrastructure that was publicly announced as the "Réseau électrique métropolitain" (REM).

Transportation Dues

The highlight of the Act is the power it grants to the Autorité régionale de transport métropolitain (Authority) to impose transportation dues to finance the REM as well as the shared transportation services offered by a public transit authority.

For each set of transportation dues, the Authority must adopt a bylaw indicating the zones within which the dues will apply, the rate of the dues and the method for calculating the dues (Bylaw).

The Bylaw relating specifically to dues for the REM must be adopted by the Authority no later than November 26, 2017 – that is, 60 days after the Act was passed. If the Authority fails to adopt such a Bylaw, the Minister of Transport will be entitled to do so.

Work Covered by the Dues

The Authority may impose transportation dues for work that satisfies the following conditions:

- its value exceeds \$750,000 (indexed annually);
- the work involves construction of a building, modifications to a building or a change in use of a building; and
- the work is carried out in the zones designated by Bylaw.

The specific categories of work and buildings in question must be established by Bylaw.

The issuance of a building permit for the work covered by transportation dues will be conditional upon the prior payment of those dues.

Zones Affected by Transportation Dues

The Authority must identify, in a Bylaw, the zones within which transportation dues will apply.

For the dues relating to the REM, the zones within which dues can apply must be situated within a maximum radius of one kilometre from a REM station.

A given zone cannot be subject to more than one set of transportation dues. The Bylaw that was first adopted to impose dues will take precedence.

Key Dates

Dues relating to the REM may be imposed as soon as a Bylaw to that effect has been adopted, which must be no later than November 26, 2017. These dues will apply progressively, as follows: 50% of the applicable rate until December 31, 2018; 65% until December 31, 2019; and 80% until December 31, 2020. We can assume that 100% of the dues will apply as of January 1, 2021, although the Act does not expressly state so.

Dues for other shared transportation services may be imposed as of January 1, 2021.

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