

FOURTH SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 74

**An Act to amend the Municipal Code and the Cities
and Towns Act in their applicability
to intermunicipal agreements**

First reading
Second reading
Third reading

M. GUY TARDIF
Ministre des affaires municipales

L'ÉDITEUR OFFICIEL DU QUÉBEC

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EXPLANATORY NOTES

This bill amends the Municipal Code and the Cities and Towns Act in order to broaden and clarify the powers which municipalities have to make agreements among themselves for the providing of goods, services or works.

Agreements between municipalities, which require approval by the Ministre des affaires municipales, will henceforth be operable in one of the following three forms: the supply of services; the delegation of jurisdiction, except by-law making jurisdiction; the establishment of a corporation, to be called an inter-municipal management board.

Any intermunicipal management board will be established by order of the Ministre des affaires municipales. It will have the powers of a corporation, and its object will be to implement the agreement. Its board of directors will consist of municipal councillors. Its spending power, as expressed in its power to adopt a budget and make loans, will be controlled by the municipal corporations that requested its establishment.

If the municipal corporations that are parties to an agreement disagree on its implementation, whatever form may have been chosen for that end, a conciliation procedure will be available. If it fails, an appeal will lie to the Commission municipale du Québec.

Bill 74

An Act to amend the Municipal Code and the Cities and Towns Act in their applicability to intermunicipal agreements

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1. Section XIXA of Chapter II of Title XV of the Municipal Code is replaced by the following section:

“DIVISION XIXA

“INTERMUNICIPAL AGREEMENTS

“§ 1.—*Agreement*

“**412a.** A local corporation may, by by-law, authorize the making of an agreement relating to goods, services or works, with any other municipal corporation, by whatever law governed, for purposes within their jurisdiction.

“**412b.** The agreement must be approved by the Ministre des affaires municipales.

When submitted for approval, the agreement must be accompanied with the by-laws by which it was authorized.

“**412c.** Any amendment to the agreement is subject to the formalities provided in articles 412a and 412b.

“**412d.** The agreement must include

- (1) a detailed description of its object;
- (2) the mode of operation, determined in accordance with article 412h;

(3) the mode of apportionment of the financial contributions among the municipal corporations that are parties to the agreement;

(4) an indication of the term of the agreement and, where such is the case, the terms and conditions of its renewal;

(5) where the agreement is contemplated in the second paragraph of article 412*f*, a palliative measure for the case where actual consumption exceeds maximum capacity of consumption;

(6) the apportionment of the assets and liabilities relating to the implementation of the agreement, when the agreement is terminated.

“412*e*. The financial contribution of each municipal corporation must include:

(1) the capital expenditures of an intermunicipal nature incurred before or after the agreement;

(2) the operating cost related to the object of the agreement.

“412*f*. The payment of capital expenditures is made in accordance with the mode of apportionment contained in the agreement.

However, where the object of the agreement is the supply of drinking water or the management of waste water, it must fix a maximum capacity of consumption for each corporation, taking into account the potential use of the goods and services contemplated. The payment of capital expenditures is then made in proportion to the maximum capacity of consumption of each corporation.

“412*g*. The operating cost must be apportioned according to the actual consumption of each corporation, which must not exceed, as the case may be, the maximum capacity of consumption determined in accordance with the second paragraph of article 412*f*.

Where the criterion of apportionment mentioned in the first paragraph is not applicable to the object of the agreement, the agreement must provide an alternate method for that purpose.

“412*h*. The agreement must provide one of the following modes of operation:

(1) the supply of services by one of the municipal corporations that are parties to the agreement;

(2) the delegation of a jurisdiction, except that of making by-laws or levying taxes, from one municipal corporation to another;

(3) intermunicipal management.

“412i. In the case of the supply of services or delegation of jurisdiction, the agreement may provide for the creation of a committee for the purposes of its implementation. In all cases, however, the expenditure of money may be authorized exclusively by the council of each corporation.

“412j. The corporation to which another corporation that is a party to the agreement has delegated its jurisdiction has all the powers necessary for the carrying out of the agreement, including the power to carry out work on the territory of the other corporation and to acquire and possess property in that territory.

The corporation to which the jurisdiction is delegated may be a county corporation, which may sign an agreement for that purpose. It is then vested, for the purposes of that delegation, with all the powers of a local corporation, except that of making by-laws or levying taxes, including the powers granted by this section, *mutatis mutandis*.

“§ 2.—*Intermunicipal management board*

“412k. Where the agreement provides for the establishment of an intermunicipal management board, in addition to the particulars mentioned in article 412d, the agreement must contain:

(1) the intended name of the management board;

(2) the place of its head office, which must be situated in the territory of one of the corporations that are parties to the agreement;

(3) the number of votes granted to each member of the board of directors.

“412l. Where an agreement mentioned in article 412k is submitted to the *Ministre des affaires municipales*, he may approve the agreement and order the establishment of the intermunicipal management board. Before deciding, the Minister consults the urban community, regional community, county corporation or regional county corporation, as the case may be, in whose territory the corporations that are parties to the agreement are situated.

The order must indicate the object of the agreement and set forth such other provisions of the agreement as the Minister considers necessary. It must also indicate the date and place of the first meeting of the board of directors of the management board.

The Minister may amend the order he has issued if the agreement submitted to his approval is amended.

The order, or any amendment to it, comes into force when a notice of its issuance is published in the *Gazette officielle du Québec*.

“412m. The management board is a corporation within the meaning of the Civil Code; it is vested with the general powers of such a corporation and the special powers conferred on it by this code.

It is composed of the members of the board of directors.

“412n. The function of the management board is to carry out the object of the agreement.

“412o. All the revenues of the management board must be used for the performance of its obligations and the carrying out of the object of the agreement.

“412p. The board has jurisdiction in the territory of the corporations that are parties to the agreement.

“412q. The affairs of the management board are administered by a board of directors composed of delegates from the corporations in whose territory the management board has jurisdiction.

The number of delegates from each corporation must be fixed in the agreement and set forth in the order of the Minister establishing the management board.

The corporation must select each delegate from among the members of its council.

“412r. At the first meeting, held within sixty days of the coming into force of the order establishing the management board, the board of directors must appoint a chairman from among its members.

The term of office of the chairman is one year and it may be renewed.

The chairman presides the meetings of the board of directors and directs the discussions. He maintains order and decorum.

Meetings of the board of directors are public.

“412s. At the first meeting, the board of directors must also appoint the secretary and the treasurer of the management board.

It may appoint a secretary treasurer to discharge both offices.

“412t. A majority of the members of the board of directors is a quorum thereof.

“412u. Decisions of the board of directors are taken by a majority of the members present.

“412v. Each member is entitled to the number of votes fixed in the agreement and is bound to vote. The chairman is not bound to vote.

In case of a tie-vote, the decision is deemed to be negative.

“412w. No member may vote on a question in which he has a personal interest. In case of contestation, the other members of the board of directors must decide whether a member has a personal interest in the matter.

“412x. A member of the board of directors ceases to form part of it if he ceases to be a member of the municipal council for which he was appointed.

However, a member of the board does not cease to hold office as such at the end of his term as member of the municipal council if he is a candidate at the ensuing election; he continues to hold office until he is re-elected or until his successor enters into office on the municipal council.

“412y. The resignation of a member of the board of directors is effective from the remittance of a writing to that effect to the secretary, who remits it to the board of directors at the next meeting.

“412z. Any vacancy on the board of directors must be filled within thirty days.

“412aa. The members of the board of directors receive no salary but may be reimbursed for expenses actually incurred by them for the management board provided these expenses had been authorized previously by the board of directors. The payment of a reimbursement is approved by the board of directors on presentation of a statement accompanied with vouchers.

However, the board of directors may also, by by-law, establish a tariff applicable to expenses occasioned by an act or a category of acts performed in Québec, the purpose of which is not travel outside Québec. The tariff is in lieu of the prior authorization referred to in the first paragraph. The payment of the expenses is approved by the council on presentation of the vouchers prescribed by by-law.

“412ab. In the month of December, the board of directors appoints an auditor, to audit its books and accounts for the following fiscal period.

It also appoints, whenever it deems it advisable, any officer or employee it considers necessary for the operation of the management board.

“412ac. The board of directors has its meetings at such time as it may determine by resolution.

It also meets at the written request of the chairman, or of one-third of its members, addressed to the secretary.

The notice of meeting addressed by the secretary to the members of the board of directors must be drawn up and served in the manner prescribed by a resolution of the board of directors.

“412ad. The board of directors may make by-laws for its internal management.

“412ae. The minutes of the meetings drawn up by the secretary and approved by the board of directors, and the copies and extracts certified true by the secretary, make proof of their content.

“412af. The registers and documents in the possession of the secretary and forming part of the records of the management board and the account books of the treasurer may be examined by any person during office hours.

“412ag. In the pursuit of its objects, the management board may

(1) have a seal;

(2) acquire moveable or immovable property by agreement or expropriation, purchase, gift, legacy or other means, and dispose of it by onerous title by auction or public tender or in any other manner approved by the Commission municipale du Québec;

(3) where the object of the agreement is the supply of drinking water, the management of waste water or the development or operation of an airport, acquire, by agreement or expropriation, immoveables within a radius of fifty kilometres outside the territory in which it has jurisdiction and dispose of it in the manner provided in subparagraph 2 of the first paragraph;

(4) enter into contracts, transact business, bind itself and bind others to itself, within its powers;

(5) issue, endorse, transfer, accept or receive notes, bills of exchange, cheques, bonds, debentures or other securities;

(6) sue and be sued.

Notwithstanding subparagraph 2 of the first paragraph, it may dispose by onerous title, without formality or special authorization, of any moveable property of a value of less than \$1 000.

“412ah. The fiscal period of the management board begins on 1 January and terminates on 31 December.

The expenses of the management board are charged to the municipal corporations in whose territory it has jurisdiction. The expenses are apportioned in the manner prescribed in articles 412e to 412g.

However, the management board must reduce the contribution collected from the municipal corporations by the amounts received as a subsidy, gift or legacy.

“412ai. Every year, the management board must prepare a budget for the next fiscal period and submit it for adoption, before 1 October, to each corporation whose territory is under its jurisdiction.

It must at the same time indicate to each corporation an estimate of its financial contribution for the next fiscal period.

The budget must be adopted by by-law by not less than two-thirds of the corporations. If the budget is thus adopted before 1 January, it comes into force on that date. If it has not been adopted by that date, it comes into force fifteen days after its adoption by not less than two-thirds of the corporations.

Where the budget has not come into force on 1 January, one of the corporations may apply for conciliation on that point and article 412ba applies, *mutatis mutandis*. The recourse provided by article 412bb cannot be exercised in that case.

“412aj. If the budget comes into force after 1 January, this section applies, until that coming into force, as if, at the

beginning of each three month period of the fiscal period, one quarter of the budget of the preceding year was adopted.

“412ak. The management board may, during a fiscal period, draw up any such supplementary budget as it deems necessary. It must submit it for adoption within fifteen days to each corporation whose territory is subject to its jurisdiction.

“412al. The management board may, by by-law approved by the Ministre des affaires municipales, the Commission municipale du Québec and the corporations in whose territory it has jurisdiction, contract loans for purposes within its jurisdiction by notes or bonds.

“412am. Within fifteen days of the passing of the by-law, the secretary of the management board must send a copy of it to each corporation whose territory is subject to the jurisdiction of the management board.

The council of each corporation must, within thirty days of receiving the copy, approve or reject the by-law by resolution; the secretary-treasurer sends a copy of the resolution to the secretary of the management board.

“412an. If all the corporations have approved the by-law, the secretary of the management board, in a notice addressed to all the taxpayers of the corporations and published in a newspaper circulated in their territory, publishes the by-law and informs the taxpayers that they may oppose the approval of the by-law by the Ministre des affaires municipales and the Commission municipale du Québec, by sending their written objections to the Commission within the thirty days following the publication of the notice.

After that period has expired, the secretary of the management board sends the by-law to the Commission together with all the necessary documents attesting that the prescribed formalities have been complied with. The Commission then inquires into the merits of the by-law and, where it has received objections, it must give the persons who oppose the by-law the opportunity to be heard.

“412ao. The corporations whose territory is subject to the jurisdiction of the board are jointly and severally liable towards the holders of bonds or of notes issued by the board for the repayment of such securities, in capital and interest.

“412ap. The bonds or notes issued by the management board must be signed by the chairman and the secretary of the management board.

“**412aq.** A bond or a note is considered validly signed if it bears the signatures of the chairman and of the secretary in office on the date appearing on the security or at the time it was signed.

“**412ar.** Cheques issued by the management board must be signed by the chairman and the treasurer.

“**412as.** A signature may be printed, engraved or otherwise reproduced on a bond, note or cheque.

“**412at.** Any deficit in a fiscal period must be entered under expenditures in the budget of the following fiscal period.

Any surplus may

(1) be entered under revenue in the budget of the following fiscal period, or

(2) be paid to the municipal corporations in whose territory the management board has jurisdiction, in the proportion determined under article 412f.

“**412au.** The payment of the contribution of each corporation may be made in one or several instalments in such manner and at such time as may be fixed by by-law of the management board approved by all the corporations whose territory is subject to its jurisdiction. If there is no by-law, the demand for payment is made at the beginning of every three month period and the amount due is exigible within thirty days of the mailing of the demand by registered or certified mail. At the expiry of that time it bears interest at the rate determined under section 50 of the Act respecting municipal and school debts and loans (R.S.Q., c. D-7).

“**412av.** When the agreement is terminated and if, within three months, the corporations that were parties thereto do not make a new agreement, the management board can no longer undertake any work. It must, however, continue to administer its day to day business until it is dissolved by the Ministre des affaires municipales.

“**412aw.** The management board must apply for its dissolution to the Ministre des affaires municipales within six months of the termination of the agreement. Notice of the application must be published in the *Gazette Officielle du Québec* not less than thirty days before being presented to the Minister.

The dissolution is declared by an order of the Minister, and he apportions the assets and liabilities of the management board.

However, if an interested person shows that, for exceptional reasons, the interest of the taxpayers would be better served if the management board were maintained, the Minister may order it continued and the agreement prolonged for a period not exceeding that of the original agreement.

Notice of the dissolution or continuance of the management board is published by the Minister in the *Gazette officielle du Québec*.

“412ar. The management board is a municipal corporation within the meaning of article 981o of the Civil Code.

“412ay. Sections 25, 26 and 27 of the the Act respecting the Commission municipale (R.S.Q., c. C-35), sections 1, 2, 4 to 8, 12 to 44, 50 and 51 of the Act respecting municipal and school debts and loans, sections 71, 72 and 91, paragraphs 8 and 10 of section 464 and section 473 of the Cities and Towns Act (R.S.Q., c. C-19), sections 481a, subsections 1 to 8 of section 610 and sections 610a to 610c of that act, enacted or amended by sections 21 and 22 of chapter 52 of the statutes of 1977 and by sections 86, 92 93 and 94 of chapter 36 of the statutes of 1979, apply to the management board, *mutatis mutandis*.

“412az. The management board may make with a municipal corporation, by whatever law governed, an agreement contemplated by paragraph 1 or paragraph 2 of article 412h to provide services or to receive a delegation of jurisdiction. Articles 412a to 412j apply to the agreement, *mutatis mutandis*.

The agreement is valid only for the unexpired period of the agreement under which the management board was established.

“§ 3.—*Miscellaneous provisions*

“412ba. Where corporations are in disagreement as to the implementation of the agreement signed by them, one of them may apply to the Ministre des affaires municipales and have him designate a conciliator to assist them in achieving an agreement.

Notice of that application must be given to the other party and the intermunicipal management board, if any.

Upon receiving the application, the Minister appoints a conciliator.

The conciliator must make a report of his conciliation to the Minister within the time prescribed by him.

“412bb. Where the conciliator fails to bring the corporations to an agreement, the Commission municipale du Québec, at

the request of one of them, notice of which is given to the other party and to the intermunicipal management board, if any, may render the decision it considers equitable after hearing the corporations concerned and the management board and examining the report of the conciliator remitted to it by the Minister.”

2. Article 412*b* of the said code, enacted by section 8 of chapter 81 of the statutes of 1974, is renumbered 412*bc*.

3. Subdivision 23 of division XI of the Cities and Towns Act (R.S.Q, c. C-19) is replaced by the following subdivision:

“§ 23.—*Intermunicipal agreements*

“(a) *Agreement*

“**468.** The council of any city or town corporation, even if it is not contemplated in section 1 may, by by-law, authorize the making of an agreement relating to goods, services or work with any other municipal corporation by whatever law governed for purposes within their jurisdiction.

“**468.1** The agreement must be approved by the Ministre des affaires municipales.

When submitted for approval, the agreement must be accompanied with the by-laws by which it was authorized.

“**468.2** Any amendment to the agreement is subject to the formalities provided in sections 468 and 468.1.

“**468.3** The agreement must include

- (1) a detailed description of its object;
- (2) the mode of operation, determined in accordance with section 468.7;
- (3) the mode of apportionment of the financial contributions among the municipal corporations that are parties to the agreement;
- (4) an indication of the term of the agreement and, where such is the case, the terms and conditions of its renewal;
- (5) where the agreement is contemplated in the second paragraph of section 468.5, a palliative measure for the case where actual consumption exceeds maximum capacity of consumption;
- (6) the apportionment of the assets and liabilities relating to the implementation of the agreement, when the agreement is terminated.

“468.4 The financial contribution of each municipal corporation must include:

- (1) the capital expenditures of an intermunicipal nature incurred before or after the agreement;
- (2) the operating cost related to the object of the agreement.

“468.5 The payment of capital expenditures is made in accordance with the mode of apportionment contained in the agreement.

However, where the object of the agreement is the supply of drinking water or the management of waste water, it must fix a maximum capacity of consumption for each corporation, taking into account the potential use of the goods and services contemplated. The payment of capital expenditures is then made in proportion to the maximum capacity of consumption of each corporation.

“468.6 The operating cost must be apportioned according to the actual consumption of each corporation, which must not exceed, as the case may be, the maximum capacity of consumption determined in accordance with the second paragraph of section 468.5.

Where the criterion of apportionment mentioned in the first paragraph is not applicable to the object of the agreement, the agreement must provide an alternate method for that purpose.

“468.7 The agreement must provide one of the following modes of operation:

- (1) the supply of services by one of the municipal corporations that are parties to the agreement;
- (2) the delegation of a jurisdiction, except that of making by-laws or levying taxes, from one municipal corporation to another;
- (3) intermunicipal management.

“468.8 In the case of the supply of services or delegation of jurisdiction, the agreement may provide for the creation of an intermunicipal committee for the purposes of its implementation. In all cases, however, the expenditure of money may be authorized exclusively by the council of each corporation.

“468.9 The corporation to which another corporation that is a party to the agreement has delegated its jurisdiction has all the powers necessary for the carrying out of the agreement, including the power to carry out work on the territory of the other corporation and to acquire and possess property in that territory.

“(b) *Intermunicipal management board*”

“**468.10** Where the agreement provides for the establishment of an intermunicipal management board, in addition to the particulars mentioned in section 468.3, the agreement must contain:

- (1) the intended name of the management board;
- (2) the place of its head office, which must be situated in the territory of one of the corporations that are parties to the agreement;
- (3) the number of votes granted to each member of the board of directors.

“**468.11** Where an agreement mentioned in section 468.10 is submitted to the *Ministre des affaires municipales*, he may approve the agreement and order the establishment of the intermunicipal management board. Before deciding, the Minister shall consult the urban community, regional community, county corporation or regional county corporation, as the case may be, in whose territory the corporations that are parties to the agreement are situated.

The order must indicate the object of the agreement and set forth such other provisions of the agreement as the Minister considers necessary. It must also indicate the date and place of the first meeting of the board of directors of the management board.

The Minister may amend the order he has issued if the agreement submitted to his approval is amended.

The order, or any amendment to it, comes into force when a notice of its issuance is published in the *Gazette officielle du Québec*.

“**468.12** The management board is a corporation within the meaning of the Civil Code; it is vested with the general powers of such a corporation and the special powers conferred on it by this act.

It is composed of the members of the board of directors.

“**468.13** The function of the management board is to carry out the object of the agreement.

“**468.14** All the revenues of the management board must be used for the performance of its obligations and the carrying out of the object of the agreement.

“468.15 The management board shall have jurisdiction in the territory of the corporations that are parties to the agreement.

“468.16 The affairs of the management board are administered by a board of directors composed of delegates from the corporations in whose territory the management board has jurisdiction.

The number of delegates from each corporation must be fixed in the agreement and set forth in the order of the Minister establishing the management board.

The corporation must select each delegate from among the members of its council.

“468.17 At the first meeting, held within sixty days of the coming into force of the order establishing the management board, the board of directors must appoint a chairman from among its members.

The term of office of the chairman is one year and it may be renewed.

The chairman presides the meetings of the board of directors and directs the discussions. He maintains order and decorum.

Meetings of the board of directors are public.

“468.18 At the first meeting, the board of directors must also appoint the secretary and the treasurer of the management board.

It may appoint a secretary treasurer to discharge both offices.

“468.19 A majority of the members of the board of directors is a quorum thereof.

“468.20 Decisions of the board of directors are taken by a majority of the members present.

“468.21 Each member is entitled to the number of votes fixed in the agreement and is bound to vote. The chairman is not bound to vote.

In case of a tie-vote, the decision is deemed to be negative.

“468.22 No member may vote on a question in which he has a personal interest. In case of contestation, the other members of the board of directors must decide whether a member has a personal interest in the matter.

“468.23 A member of the board of directors ceases to form part of it if he ceases to be a member of the municipal council for which he was appointed.

However, a member of the board does not cease to hold office as such at the end of his term as member of the municipal council if he is a candidate at the ensuing election; he continues to hold office until he is re-elected or until his successor enters into office on the municipal council.

“468.24 The resignation of a member of the board of directors is effective from the remittance of a writing to that effect to the secretary, who shall remit it to the board of directors at the next meeting.

“468.25 Any vacancy on the board of directors must be filled within thirty days.

“468.26 The members of the board of directors receive no salary but may be reimbursed for expenses actually incurred by them for the management board provided these expenses had been authorized previously by the board of directors. The payment of a reimbursement is approved by the board of directors on presentation of a statement accompanied with vouchers.

However, the board of directors may also, by by-law, establish a tariff applicable to expenses occasioned by an act or a category of acts performed in Québec, the purpose of which is not travel outside Québec. The tariff is in lieu of the prior authorization referred to in the first paragraph. The payment of the expenses is approved by the council on presentation of the vouchers prescribed by by-law.

“468.27 In the month of December, the board of directors shall appoint an auditor, to audit its books and accounts for the following fiscal period.

It shall also appoint, whenever it deems it advisable, any officer or employee it considers necessary for the operation of the management board.

“468.28 The board of directors has its meetings at such time as it may determine by resolution.

It shall also meet at the written request of the chairman, or of one-third of its members, addressed to the secretary.

The notice of meeting addressed by the secretary to the members of the board of directors must be drawn up and served in the manner prescribed by a resolution of the board of directors.

“468.29 The board of directors may make by-laws for its internal management.

“468.30 The minutes of the meetings drawn up by the secretary and approved by the board of directors, and the copies and extracts certified true by the secretary, make proof of their content.

“468.31 The registers and documents in the possession of the secretary and forming part of the records of the management board and the account books of the treasurer may be examined by any person during office hours.

“468.32 In the pursuit of its objects, the management board may

(1) have a seal;

(2) acquire moveable or immoveable property by agreement or expropriation, purchase, gift, legacy or other means, and dispose of it by onerous title by auction or public tender or in any other manner approved by the Commission municipale du Québec;

(3) where the object of the agreement is the supply of drinking water, the management of waste water or the development or operation of an airport, acquire, by agreement or expropriation, immoveables within a radius of fifty kilometres outside the territory in which it has jurisdiction and dispose of it in the manner provided in subparagraph 2 of the first paragraph;

(4) enter into contracts, transact business, bind itself and bind others to itself, within its powers;

(5) issue, endorse, transfer, accept or receive notes, bills of exchange, cheques, bonds, debentures or other securities;

(6) sue and be sued.

Notwithstanding subparagraph 2 of the first paragraph, it may dispose by onerous title, without formality or special authorization, of any moveable property of a value of less than \$1 000.

“468.33 The fiscal period of the management board begins on 1 January and terminates on 31 December.

The expenses of the management board are charged to the municipal corporations in the territory of which it has jurisdiction. The expenses are apportioned in the manner prescribed in sections 468.4 to 468.6.

However, the management board must reduce the contribution collected from the municipal corporations by the amounts received as a subsidy, gift or legacy.

“468.34 Every year, the management board must prepare a budget for the next fiscal period and submit it for adoption, before 1 October, to each corporation whose territory is under its jurisdiction.

It must at the same time indicate to each corporation an estimate of its financial contribution for the next fiscal period.

The budget must be adopted by by-law by not less than two-thirds of the corporations. If the budget is thus adopted before 1 January, it comes into force on that date. If it has not been adopted by that date, it comes into force fifteen days after its adoption by not less than two-thirds of the corporations.

Where the budget has not come into force on 1 January, one of the corporations may apply for conciliation on that point and section 468.52 applies, *mutatis mutandis*. The recourse provided by section 469 cannot be exercised in that case.

“468.35 If the budget comes into force after 1 January, this section applies, until that coming into force, as if, at the beginning of each three-month period of the fiscal period, one quarter of the budget of the preceding year was adopted.

“468.36 The management board may, during a fiscal period, draw up any such supplementary budget as it deems necessary. It must submit it for adoption within fifteen days to each corporation whose territory is subject to its jurisdiction.

“468.37 The management board may, by by-law approved by the *Ministre des affaires municipales*, the *Commission municipale du Québec* and the corporations in whose territory it has jurisdiction, contract loans for purposes within its jurisdiction by notes or by bonds.

“468.38 Within fifteen days of the passing of the by-law, the secretary of the management board must send a copy of it to each corporation whose territory is subject to the jurisdiction of the management board.

The council of each corporation must, within thirty days of receiving the copy, approve or reject the by-law by resolution; the clerk sends a copy of the resolution to the secretary of the management board.

“468.39 If all the corporations have approved the by-law, the secretary of the board of management, in a notice addressed to all the taxpayers of the corporations and published in a newspaper circulated in their territory, publishes the by-law and informs the taxpayers that they may oppose the approval of the

by-law by the Ministre des affaires municipales and the Commission municipale du Québec, by sending their written objections to the Commission within the thirty days following the publication of the notice.

After that period has expired, the secretary of the management board sends the by-law to the Commission together with all the necessary documents attesting that the prescribed formalities have been complied with. The Commission then inquires into the merits of the by-law and, where it has received objections, it must give the persons who oppose the by-law the opportunity to be heard.

“468.40 The corporations whose territory is subject to the jurisdiction of the board are jointly and severally liable towards the holders of bonds or of notes issued by the board for the repayment of such securities, in capital and interest.

“468.41 The bonds or notes issued by the management board must be signed by the chairman and the secretary of the management board.

“468.42 A bond or a note is considered validly signed if it bears the signatures of the chairman and of the secretary in office on the date appearing on the security or at the time it was signed.

“468.43 Cheques issued by the management board must be signed by the chairman and the treasurer.

“468.44 A signature may be printed, engraved or otherwise reproduced on a bond, note or cheque.

“468.45 Any deficit in a fiscal period must be entered under expenditures in the budget of the following fiscal period.

Any surplus may

(1) be entered under revenue in the budget of the following fiscal period, or

(2) be paid to the municipal corporations in whose territory the management board has jurisdiction, in the proportion determined under section 468.6.

“468.46 The payment of the contribution of each corporation may be made in one or several instalments in such manner and at such time as may be fixed by by-law of the management board approved by all the corporations whose territory is subject to its jurisdiction. If there is no by-law, the demand for payment is made at the beginning of every three month period and the

amount due is exigible within thirty days of the mailing of the demand by registered or certified mail. At the expiry of that time it bears interest at the rate determined under section 50 of the Act respecting municipal and school debts and loans (R.S.Q., c. D-7).

“468.47 When the agreement is terminated and if, within three months, the corporations that were parties thereto do not make a new agreement, the management board can no longer undertake any work. It must, however, continue to administer its day to day business until it is dissolved by the *Ministre des affaires municipales*.

“468.48 The management board must apply for its dissolution to the *Ministre des affaires municipales* within six months of the termination of the agreement. Notice of the application must be published in the *Gazette officielle du Québec* not less than thirty days before being presented to the Minister.

The dissolution is declared by an order of the Minister, and he apportions the assets and liabilities of the management board.

However, if an interested person shows that, for exceptional reasons, the interest of the taxpayers would be better served if the management board were maintained, the Minister may order it continued and the agreement prolonged for a period not exceeding that of the original agreement.

Notice of the dissolution or continuance of the management board is published by the Minister in the *Gazette officielle du Québec*.

“468.49 The management board is a municipal corporation within the meaning of article 981^o of the Civil Code.

“468.50 Sections 25, 26 and 27 of the Act respecting the Commission municipale (R.S.Q., c. C-35), sections 1, 2, 4 to 8, 12 to 44, 50 and 51 of the Act respecting municipal and school debts and loans, sections 71, 72 and 91, paragraphs 8 and 10 of section 464 and section 473 of the Cities and Towns Act (R.S.Q., c. C-19), sections 481^a, subsections 1 to 8 of section 610 and sections 610^a to 610^c of that act, enacted or amended by sections 21 and 22 of chapter 52 of the statutes of 1977 and by sections 86, 92, 93 and 94 of chapter 36 of the statutes of 1979, apply to the management board, *mutatis mutandis*.

“468.51 The management board may make with a municipal corporation, by whatever law governed, an agreement contemplated by paragraph 1 or paragraph 2 of section 468.8 to

provide services or to receive a delegation of jurisdiction. Sections 468 to 468.9 apply to the agreement, *mutatis mutandis*.

The agreement is valid only for the unexpired period of the agreement under which the management board was established.

“(c) *Miscellaneous provisions*

“468.52 Where corporations are in disagreement as to the implementation of the agreement signed by them, one of them may apply to the Ministre des affaires municipales and have him designate a conciliator to assist them in achieving an agreement.

Notice of that application must be given to the other party and the intermunicipal management board, if any.

Upon receiving the application, the Minister appoints a conciliator.

The conciliator must make a report of his conciliation to the Minister within the time prescribed by him.

“469. Where the conciliator fails to bring the corporations to an agreement, the Commission municipale du Québec, at the request of one of them, notice of which is given to the other party and to the intermunicipal management board, if any, may render the decision it considers equitable after hearing the corporations concerned and the management board and examining the report of the conciliator remitted to it by the Minister.”

4. Section 67 of the Act respecting municipal and intermunicipal transit corporations (R.S.Q., c. C-70) is amended by replacing the third paragraph by the following paragraph:

“Any dispute that may arise from the carrying out of the agreement contemplated in the preceding paragraph is governed *mutatis mutandis* by sections 468.52 and 469 of the Cities and Towns Act (R.S.Q., c. C-19).”

5. The said act is amended by inserting, after section 77, the following section:

“77.1 This chapter applies notwithstanding any general law or special act.”

6. Section 24 of the Act respecting the Commission municipale (R.S.Q., c. C-35) is repealed.

7. Section 73 of the Police Act (R.S.Q., c. P-13) is replaced by the following section:

“73. The council of a municipality contemplated in section 64 may make an agreement, in accordance with the act governing it, with another such municipality for the setting up or for the use of a place of detention or the services of a police force. The agreement must provide, as the case may be, that the territory of a municipality that is a party to the agreement is subject to the jurisdiction of a police force that is not the force of that municipality.

The agreement is made for a period of not more than five years; failing a written notice of six months by one of the parties, the agreement is renewed for the period provided for initially or for any other period agreed upon by the parties.

The agreement must be approved by the Commission.”

8. Section 1 of the Environment Quality Act (R.S.Q., c. Q-2) is amended by replacing paragraph 10 by the following paragraph:

“(10) “municipality”: any municipal corporation constituted by or under an act of the Legislature, the Communauté urbaine de Montréal, the Communauté urbaine de Québec, the Communauté régionale de l’Outaouais, as well as an intermunicipal management board;”.

9. Section 34 of the said act, amended by section 13 of chapter 64 of the statutes of 1978, is again amended by adding at the end, the following paragraph:

“The Commission, when exercising a power conferred by this section with regard to an agreement between two municipalities, is bound to comply with the rules of cost apportionment enacted by articles 412*e* to 412*g* of the Municipal Code and sections 468.5 to 468.7 of the Cities and Towns Act (R.S.Q., c. C-19).”

10. Section 36 of the said act, amended by section 14 of chapter 64 of the statutes of 1978, is replaced by the following section:

“36. Every municipality may make an agreement in accordance with the act governing it, with one or more other municipalities, for the carrying out of construction work and the operation of waterworks, sewers or water treatment plants.

The agreement must be approved by the Minister.

The approval of the Minister is not required in the case of an agreement between municipalities dealing mainly with the sale of water or with rates for the disposal or treatment of waste water.”

11. Section 62 of the said act is replaced by the following section:

“62. Every intermunicipal agreement concerning any of the matters contemplated in this division must, before coming into force, be approved by the Minister.

Such an agreement, once approved, shall not be amended or repealed unless authorized by the Minister.”

12. Any agreement entered into under a provision replaced by this act shall not be renewed unless in conformity with this act.

13. This act comes into force on the day of its sanction.