

chapter Q-2, r. 10

Regulation respecting compensation for municipal services provided to recover and reclaim residual materials

Environment Quality Act
(chapter Q-2, ss. 53.31.2 à 53.31.6, 53.31.12, 53.31.12.1 and 53.31.17).

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DIVISION I

PURPOSE

1. This Regulation determines certain parameters of the compensation regime under subdivision 4.1 of Division VII of Chapter IV of Title I of the Environment Quality Act (chapter Q-2) whose purpose, together with other legislative measures ensuring residual materials management, is to prevent and reduce the impact of residual materials on the environment.

More specifically, this Regulation designates the materials or classes of materials to which the compensation regime applies and determines the calculation method and the performance and efficiency criteria used to determine the annual compensation.

The Regulation also provides a minimum framework for the schedule of contributions that must be established pursuant to section 53.31.14 of the Act by establishing exemptions for certain persons in respect of certain materials and by targeting the persons that alone may be required to pay contributions in respect of certain materials.

The Regulation also determines the indemnity payable to the Société québécoise de récupération et de recyclage by the persons to whom the compensation regime applies, and related payment terms and conditions.

O.C. 1049-2004, s. 1; S.Q. 2011, c. 14, s. 15; I.N. 2019-12-01.

DIVISION II

CLASSES OF MATERIALS SUBJECT TO A CONTRIBUTION

2. The compensation regime under subdivision 4.1 of Division VII of Chapter IV of Title I of the Environment Quality Act (chapter Q-2) applies to the following classes of materials:

(1) containers and packaging: this class includes all flexible or rigid material, for example paper, carton, plastic, glass or metal, and any combination of such materials that

(a) is used to contain, protect, wrap or present products at any stage in the movement of the product from the producer to the ultimate user or consumer; or

(b) is intended for a single or short-term use and designed to contain, protect or wrap products, such as storage bags, wrapping paper and paper or styrofoam cups.

However, this class excludes pallets designed to facilitate the handling and transportation of a number of sales units or grouped packagings, and containers and packaging that are included in other classes of materials;

(2) newspapers: this class includes paper and other cellulosic fibres used as a medium for written current affairs periodicals published on newsprint, particularly dailies and weeklies.

This class also includes containers and packaging used to deliver newspapers directly to the ultimate consumer or recipient;

(3) printed matter: this class includes paper and other cellulosic fibres, whether or not they are used as a medium for text or images, except books and materials in the newspapers class of materials.

This class also includes containers or packaging used to deliver printed matter directly to the ultimate consumer or recipient.

O.C. 1049-2004, s. 2; S.Q. 2011, c. 14, s. 15; O.C. 1302-2013, s. 1; I.N. 2019-12-01.

DIVISION III

RULES REGARDING THE PAYMENT OF CONTRIBUTIONS

§ 1. — *Containers and packaging class*

3. The owner or, as the case may be, user of a name or trademark that has a domicile or establishment in Québec may be required to pay a contribution pursuant to a schedule of contributions established under section 53.31.14 of the Act in respect of

(1) containers and packaging used in the commercialization, marketing or any other type of distribution in Québec of a product or a service under that name or trademark; and

(2) containers and packaging identified by that name or trademark.

The requirement provided for in the first paragraph is incumbent on a person that has a domicile or establishment in Québec and that acts as the first supplier, other than the manufacturer of a product or containers and packaging of which the person that is the owner or user of the name of trademark has no domicile or establishment in Québec.

Where the first supplier in Québec is the operator of an establishment supplied or operated as a franchise or a chain, under a banner name, or as part of another similar form of affiliation or group of businesses or establishments, the payment is required from the franchisor or owner of the chain, banner or group concerned having a domicile or establishment in Québec. If the franchisor or owner has no domicile or establishment in Québec, the person having a domicile or establishment in Québec who acts as the first supplier in Québec of the products or of the containers and packaging, other than the manufacturer, is required to pay the contributions.

For the purposes of this section,

“trademark” means a sign or combination of signs used by a person for the purpose of distinguishing or so as to distinguish products manufactured, sold, leased or hired, or services hired or performed, by the person from those manufactured, sold, leased or hired, or those hired or performed, by others, but does not include a certification mark within the meaning of section 2 of the Trademarks Act (R.S.C. 1985, c. T-13);

“name” means the name under which any business is carried on, whether or not it is the name of a legal person, a partnership or an individual.

O.C. 1049-2004, s. 3; O.C. 699-2018, s. 1; O.C. 646-2020, s. 1; O.C. 770-2022, s. 1; O.C. 1368-2023, s. 1.

3.1. For containers and packaging used in the commercialization, marketing or any other type of distribution in Québec of a product or a service that does not have a trademark or name, and for containers and packaging that are not identified by a trademark or name, person having a domicile or establishment in Québec who acts as the first supplier in Québec of that product or service, or those containers and packaging, other than the manufacturer, is required to pay a contribution pursuant to a schedule of contributions established under section 53.31.14 of the Act.

Where the first supplier in Québec is the operator of an establishment supplied or operated as a franchise or a chain, under a banner name, or as part of another similar form of affiliation or group of businesses or establishments, the payment is required from the franchisor or the owner of the chain, banner or group concerned having a domicile or establishment in Québec. If the franchisor or owner has no domicile or establishment in Québec, the first supplier in Québec of the products or of the containers and packaging, other than the manufacturer, is required to pay the contributions, whether or not that supplier is the importer.

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For the purposes of this section, “trademark” and “name” have the meanings assigned to those terms by section 3, with the necessary modifications.

O.C. 646-2020, s. 2; O.C. 770-2022, s. 2; O.C. 1368-2023, s. 2.

3.2. Where a product is acquired outside Québec, as part of a sale governed by the laws of Québec, by a person domiciled or having an establishment in Québec, by a municipality or by a public body within the meaning of section 4 of the Act respecting contracts by public bodies (chapter C-65.1), for its own use, the contributions payable pursuant to a schedule of contributions established under section 53.31.14 of the Environment Quality Act (chapter Q-2) for containers and packaging used in the commercialization, marketing or distribution of any other kind in Québec of the product is required from

(1) the person operating the transactional website used to acquire the product that allows a person having no domicile or establishment in Québec to commercialize, market or distribute the product;

(2) the person from which the product was acquired, whether or not that person has a domicile or establishment in Québec, in other cases.

The same applies, with the necessary modifications, with respect to containers and packaging acquired outside Québec as part of a sale governed by the laws of Québec by a person domiciled or having an establishment in Québec, by a municipality or by a public body within the meaning of section 4 of the Act respecting contracts by public bodies, for its own use.

O.C. 770-2022, s. 3.

4. Despite sections 3 and 3.1, the following provisions apply to containers and packaging added at a retail outlet:

(1) where a retail outlet is supplied or operated as a franchise or chain, under a banner name or as part of another similar form of affiliation or group of businesses or establishments, the contributions for the containers or packaging added at the point of sale is payable by the franchisor or the owner of the chain, banner or group concerned having a domicile or establishment in Québec. If the franchisor or owner has no domicile or establishment in Québec, the contributions are payable by the person who added the containers or packaging at the retail outlet;

(2) where a retail outlet having a total area equal to or greater than 929 m² is not operated as a franchise or chain, under a banner name or as part of another similar form of affiliation or group of businesses or establishments, the contributions for the containers and packaging added at the point of sale is payable by the person who added the containers or packaging at the retail outlet;

(3) where a retail outlet having an area of less than 929 m² is not operated as a franchise or chain, under a banner name or as part of another similar form of affiliation or group of businesses or establishments, no contribution is payable for the containers and packaging added at the point of sale.

O.C. 1049-2004, s. 4; O.C. 699-2018, s. 2; O.C. 646-2020, s. 3; O.C. 770-2022, s. 4.

5. The following are exempt from paying a contribution in respect of the containers and packaging in relation to which they are already required to take recovery or reclamation measures:

(1) persons who are already required under a regulation made under the Environment Quality Act (chapter Q-2) to take measures or contribute financially towards measures to recover or reclaim containers or packaging;

(2) persons already required under a consignment system recognized under Québec law to take measures or contribute financially towards measures to recover or reclaim containers or packaging, such as beer and soft drink non-refillable containers; and

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(3) persons who are able to establish that they participate directly or contribute financially towards another system to recover and reclaim containers or packaging that operates on an established and regular basis in Québec, such as the program for the recovery of refillable beer bottles existing on 24 November 2004.

O.C. 1049-2004, s. 5.

§ 2. — *Newspapers and printed matter classes*

O.C. 1049-2004, sd. 2; S.Q. 2011, c. 14, s. 16.

6. The owner or, as the case may be, user of a name or trademark identifying material included in the newspapers or printed matter class of materials that has a domicile or establishment in Québec may be required to pay a contribution pursuant to a schedule of contributions established under section 53.31.14 of the Act in respect of that material.

The requirement provided for in the first paragraph is incumbent on a person that has a domicile or establishment in Québec and that acts as the first supplier, other than the manufacturer, of the materials concerned, where the person that is the owner or user of the name of trademark identifying the materials has no domicile or establishment in Québec.

Where the first supplier in Québec is the operator of an establishment supplied or operated as a franchise or a chain, under a banner name, or as part of another similar form of affiliation or group of businesses or establishments, the payment is required from the franchisor or owner of the chain, banner or group concerned having a domicile or establishment in Québec. If the franchisor or owner has no domicile or establishment in Québec, the first supplier in Québec of the newspaper or printed matter class of materials is required to pay the contributions.

For the purposes of this section, “trademark” and “name” have the meaning assigned to those terms by section 3, with the necessary modifications.

O.C. 1049-2004, s. 6; S.Q. 2011, c. 14, s. 17; O.C. 699-2018, s. 3; O.C. 646-2020, s. 4; O.C. 770-2022, s. 5; O.C. 1368-2023, s. 3.

6.1. The first supplier in Québec of a newspaper or printed matter that is not identified by a trademark or name is required to pay a contribution pursuant to a schedule of contributions established under section 53.31.14 of the Act in respect of that material.

Where the first supplier in Québec is the operator of an establishment supplied or operated as a franchise or a chain, under a banner name, or as part of another similar form of affiliation or group of businesses or establishments, the payment is required from the franchisor or owner of the chain, banner or group concerned having a domicile or establishment in Québec. If the franchisor or owner has no domicile or establishment in Québec, the first supplier in Québec of the newspaper or printed matter class of materials is required to pay the contributions.

For the purposes of this section, “trademark” and “name” have the meanings assigned to those terms by section 3, with the necessary modifications.

O.C. 646-2020, s. 5; O.C. 770-2022, s. 6; O.C. 1368-2023, s. 4.

DIVISION III.1

DECLARATION BY MUNICIPALITIES

O.C. 770-2022, s. 7.

6.2. Every municipality is required to send to the Société québécoise de récupération et de recyclage, not later than 30 June each year, a declaration stating, for the year preceding the year for which the compensation is owed, the quantity of materials subject to compensation that was recovered and reclaimed in its territory and the net cost of the services it provided for the collection, transportation, sorting and conditioning of those materials.

The net cost referred to in the first paragraph corresponds to the expenses incurred by the municipality the year preceding the year for which the compensation is owed to provide services to collect, transport, sort and condition the materials or classes of materials subject to compensation that were sorted at source, from which is deducted any income, rebate or other gain related to the materials and received by the municipality.

Expenses incurred by a municipality for the purchase of containers, for information, awareness and educational activities or for the granting of service contracts and the follow-up on payments owed under such contracts are not included in the net costs mentioned in the second paragraph.

The declaration must be signed by the municipality's external auditor, who must state whether, in the external auditor's opinion, the information included meets the requirements of this section.

O.C. 770-2022, s. 7.

6.3. Where a municipality enters into, after 24 September 2020, a contract referred to in section 18 of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection (2021, chapter 5) and taking effect after 31 December 2022, the municipality must, in order for the supplementary cost generated by that contract to be considered for the purpose of calculating its annual compensation, include in its declaration provided for in section 6.2 the following documents:

(1) a copy of any contract referred to in section 18 of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection and taking effect after 31 December 2022;

(2) a copy of any contract entered into by the municipality to provide, in whole or in part, for the year 2022, the same types of services for the collection, transportation, sorting and conditioning of materials or classes of materials subject to compensation as those provided for in the contracts referred to in subparagraph 1;

(3) a document establishing the expected cost of each of the contracts referred to in subparagraphs 1 and 2 for the collection, transportation, sorting and conditioning of materials or classes of materials subject to compensation, as well as the type of those services.

The fourth paragraph of section 6.2 applies, with the necessary modifications, to the documents referred to in the first paragraph.

Where a contract referred to in the first paragraph replaces a contract that has expired and is intended to provide services in addition to or different from those covered by the expired contract, or is intended to provide the same type of services to more persons than under the expired contract, the costs generated in either situation are not considered to be supplementary costs for the purpose of calculating the compensation owed to the municipality that has entered into the new contract.

O.C. 770-2022, s. 7; O.C. 1368-2023, s. 5.

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6.4. Any correction to a declaration sent by a municipality before 1 September of the year for which compensation is owed to the municipality must be received by the Société québécoise de récupération et de recyclage not later than 30 June of the following year.

The corrected declaration is subject to the conditions provided for in the fourth paragraph of section 6.2.

Adjustments resulting from a correction to a declaration are applied to the compensation owed to the municipality the following year.

O.C. 770-2022, s. 7.

6.4.1. Despite section 6.4, for 2025 and any subsequent year, any correction to a declaration sent by a municipality before 1 September of the year for which compensation is owed to it must be received by the Société québécoise de récupération et de recyclage not later than 31 December of the same year.

The conditions provided for in the fourth paragraph of section 6.2 apply to the corrected declaration.

Adjustments arising from a correction made to a declaration referred to in the first paragraph are applied to the amount of the compensation owed to the municipality for the year during which the declaration is sent, in accordance with the terms and conditions in subparagraph 2 of the third paragraph of section 8.10.

O.C. 1368-2023, s. 6.

DIVISION IV

METHOD OF CALCULATION, PAYMENT AND DISTRIBUTION OF COMPENSATION

O.C. 1049-2004, Div. 6; S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 2; O.C. 770-2022, s. 8.

§ 1. — *Calculation of compensation owed for the years 2022 and 2023*

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 9.

6.5. This subdivision applies to the calculation of the annual compensation owed to municipalities for the years 2022 and 2023.

O.C. 770-2022, s. 10.

7. The calculation of the cost of the services provided by a municipality that is eligible for compensation must be based by the Société québécoise de récupération et de recyclage on the net cost of the services provided during the year preceding the year for which the compensation is owed, as determined pursuant to the second paragraph of section 6.2. An amount equivalent to 6.45% of the net cost is also subtracted to take into account materials or classes of materials that, even if not referred to in section 2, are nonetheless recovered and treated during the collection, transportation, sorting and conditioning of the classes of materials designated in section 2.

O.C. 1049-2004, s. 7; S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 3; O.C. 1138-2015, s. 1; O.C. 646-2020, s. 6; O.C. 770-2022, s. 11.

8. For the purpose of calculating the cost of the services they provide that is eligible for compensation, the municipalities are divided into 6 groups:

(1) municipalities serving fewer than 3,000 inhabitants, situated less than 100 km from the cities of Montréal or Québec;

(2) municipalities serving 3,000 to 25,000 inhabitants, situated less than 100 km from the cities of Montréal or Québec;

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(3) municipalities serving more than 25,000 inhabitants, situated less than 100 km from the cities of Montréal or Québec, including those 2 cities;

(4) municipalities serving fewer than 3,000 inhabitants, situated 100 km or more from the cities of Montréal or Québec;

(5) municipalities serving 3,000 to 25,000 inhabitants, situated 100 km or more from the cities of Montréal or Québec; and

(6) municipalities serving more than 25,000 inhabitants, situated 100 km or more from the cities of Montréal or Québec.

O.C. 1049-2004, s. 8; S.Q. 2011, c. 14, s. 18.

8.1. The Société québécoise de récupération et de recyclage determines, for each municipality, the cost of the services that is eligible for compensation by comparing the performance and efficiency of a municipality with the performance and efficiency of the other municipalities of the same group, using the factors established under sections 8.2 and 8.3.

S.Q. 2011, c. 14, s. 18.

8.2. The performance and efficiency factor for each municipality is determined by applying the following formula:

$$PE = \frac{\text{(cost/tonnes)}}{\text{(kg/inhab.)}}$$

“PE” is the performance and efficiency factor of the municipality for the year concerned;

“cost” is the net cost declared by the municipality for the services it provided during the year, from which is subtracted 6.45% of that cost;

“tonnes” is the quantity, in metric tonnes, of materials subject to compensation that was recovered or reclaimed during the year, as declared by the municipality, from which is subtracted 6.45% of that quantity;

“kg” is the value of “tonnes”, converted into kilograms; and

“inhab” is the number of inhabitants in the municipality, as determined in the Order in Council made under section 29 of the Act respecting municipal territorial organization (chapter O-9).

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 12.

8.3. The performance and efficiency factor for each group of municipalities constituted under section 8 is determined by carrying out the following operations in the following order:

(1) once the performance and efficiency factor for each municipality in a group has been determined under section 8.2, the 2 subsets formed by the factors situated, respectively, in the lowest 12.5% and the highest 12.5% are excluded, and the arithmetic mean of the factors remaining between those 2 subsets is then calculated;

(2) the standard deviation is calculated, that is, the mean difference between the remaining factors mentioned in paragraph 1 and the arithmetic mean established under that paragraph; and

(3) the results obtained in paragraphs 1 and 2 are added together.

S.Q. 2011, c. 14, s. 18; .

8.4. If the performance and efficiency factor determined for a municipality is equal to or lower than that established for the group of municipalities to which it belongs, the cost of the services provided by the

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municipality that is eligible for compensation corresponds to the net cost declared by the municipality under section 6.2, from which is subtracted 6.45% of that cost pursuant to section 7.

If the performance and efficiency factor determined for a municipality is higher than that of the group of municipalities to which it belongs, the cost of the services provided by the municipality that is eligible for compensation corresponds to the amount obtained by applying the following formula:

$$EC = [PE_G \times (\text{kg/inhab.})] \times \text{tonnes}$$

“EC” is the cost of the services provided by the municipality that is eligible for compensation;

“PE_G” is the performance and efficiency factor determined for the group of municipalities to which the municipality belongs;

“kg” is the value of “tonnes”, converted into kilograms;

“inhab” is the number of inhabitants in the municipality, as determined in the Order in Council made under section 29 of the Act respecting municipal territorial organization (chapter O-9); and

“tonnes” is the quantity, in metric tonnes, of materials subject to compensation that was recovered or reclaimed during the year, as declared by the municipality, from which is subtracted 6.45% of that quantity.

Despite the foregoing, the costs eligible for compensation for the services provided by a municipality may in no case be lower than 70% of the net costs declared by the municipality under section 6.2 if the territory of that municipality is located 400 km or more from the territory of Ville de Montréal or Ville de Québec.

S.Q. 2011, c. 14, s. 18; O.C. 699-2018, s. 4; O.C. 770-2022, s. 13.

8.4.1. *(Revoked).*

O.C. 1138-2015, s. 2; O.C. 646-2020, s. 7.

8.5. To indemnify the municipalities both for the management costs related to the services they provide for the recovery and reclamation of materials or classes of materials subject to compensation, and for the purchase of the containers required to collect them, an amount equivalent to 8.55% of the eligible cost determined under section 8.4 must be added to that cost to determine the annual compensation owed to each municipality.

S.Q. 2011, c. 14, s. 18.

8.6. *(Revoked).*

S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 4; O.C. 1138-2015, s. 3; O.C. 646-2020, s. 8; O.C. 770-2022, s. 14.

8.7. In accordance with section 53.31.4 of the Environment Quality Act (chapter Q-2), for the years 2022 and 2023, the compensation owed to a municipality that fails to send a declaration complying with the prescriptions of section 6.2 to the Société québécoise de récupération et de recyclage within the time set in that section is reduced by 10% as a penalty, unless the Société deems that the failure results from special circumstances beyond the municipality’s control.

If a municipality fails to file the declaration by 1 September of one of the said years, the cost eligible for compensation is calculated by applying the formula provided in the second paragraph of section 8.4, with the following modifications:

(1) the performance and efficiency factor “PE_G” is replaced by the smallest performance and efficiency factor calculated for a municipality that belongs to that same group and used for the calculation under paragraph 1 of section 8.3;

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(2) the quantity of materials subject to compensation that was recovered or reclaimed during the year in the territory of the municipality in default is estimated by the Société on the basis of the most recent data it has on other municipalities in that same group; and

(3) the amount obtained is reduced by 15%.

Despite the foregoing, no compensation is owed to a municipality that, on 30 June of the year that follows the year for which compensation is owed, did not send its declaration to the Société.

However, the provisions of the second and third paragraphs do not apply if the Société deems, in accordance with the third paragraph of section 53.31.4 of the Environment Quality Act, that special circumstances beyond the municipality's control prevented the municipality from respecting the prescribed conditions when sending in its declaration. In such a case, the cost of the services provided by the municipality that is eligible for compensation for that year is calculated by the Société by applying the formula provided in the second paragraph of section 8.4. The quantity of materials subject to compensation is estimated by the Société in accordance with subparagraph 2 of the second paragraph of this section.

Even if compensation is paid to a municipality covered by the fourth paragraph, the municipality must file its declaration with the Société as soon as possible.

S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 5; O.C. 770-2022, s. 15.

8.7.1. *(Revoked).*

O.C. 1302-2013, s. 6; O.C. 770-2022, s. 16.

§ 2. — *Calculation of the compensation owed for the years 2024 and following*

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 17.

8.8. *(Replaced).*

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 17.

8.8.1. This subdivision applies to the calculation of the annual compensation owed to municipalities for the years 2024 and following.

O.C. 770-2022, s. 17.

8.8.2. The amount of the annual compensation owed to each municipality for the years 2024 and following is obtained by applying the following formula:

$$\text{Comp.} = \text{DNC} \times \text{CR2023} + \text{S}$$

In the formula in the first paragraph,

“Comp.” is the annual compensation owed to the municipality for a given year;

“DNC” is the net cost declared by the municipality pursuant to section 6.2 for the services provided by it during the preceding year;

“CR2023” is the compensation rate of the municipality for the year 2023, as established pursuant to section 8.8.3;

“S” is the annual supplementary cost generated, where applicable, by the contracts referred to in section 18 of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection

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(2021, chapter 5) that are entered into by the municipality after 24 September 2020 and take effect after 31 December 2022. The supplementary cost is established pursuant to section 8.8.4.

O.C. 770-2022, s. 17.

8.8.3. The compensation rate of a municipality for the year 2023 referred to in the second paragraph of section 8.8.2 is obtained by applying the following formula:

$$CR2023 = \text{Comp2023} \div (\text{ENC2023})$$

In the formula in the first paragraph:

“CR2023” is the compensation rate of the municipality for the year 2023;

“Comp2023” is the amount of the annual compensation owed to the municipality for the year 2023;

“ENC2023” is the net cost of the services provided by the municipality that are eligible for the annual compensation for the year 2023, as established pursuant to section 7.

O.C. 770-2022, s. 17.

8.8.3.1. Despite section 8.8.3, when the compensation rate of a municipality for the year 2023 referred to in the second paragraph of section 8.8.2 is zero, the rate used for each of the following years is the average rate for the municipalities of the group to which the municipality belongs pursuant to section 8, for each of those years.

O.C. 1368-2023, s. 8.

8.8.3.2. For the purpose of calculating the compensation rate of a municipality for 2023 referred to in the second paragraph of section 8.8.2, section 8.7 does not apply.

O.C. 1368-2023, s. 8.

8.8.4. For the purpose of calculating the annual compensation owed to a municipality, provided for in section 8.8.2, the supplementary cost, if any, generated by the contracts referred to in section 18 of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection (2021, chapter 5) that are entered into by the municipality after 24 September 2020 and take effect after 31 December 2022 must be considered. The amount of the supplementary cost, for a given year, is obtained by applying the following formula:

$$S = ((\text{ENC}) - (\text{ENC} \times \text{CR2023})) - (\text{ENC2023} - \text{Comp2023})$$

In the formula in the first paragraph,

“S” is the annual supplementary cost generated, where applicable, by the contracts referred to in section 18 of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection entered into by the municipality after 24 September 2020 that take effect after 31 December 2022;

“ENC” is the net cost of the services provided by the municipality that are eligible for the annual compensation for the year concerned, as established pursuant to section 7. Only the types of services that were already provided by the municipality before 1 January 2023 are taken into consideration;

“CR2023” is the compensation rate of the municipality for the year 2023, as established pursuant to section 8.8.3;

“ENC2023” is the net cost of the services provided by the municipality that are eligible for the annual compensation for the year 2023, as established pursuant to section 7.

“Comp2023” is the amount of the annual compensation owed to the municipality for the year 2023.

O.C. 770-2022, s. 17; O.C. 1368-2023, s. 9.

8.8.5. Where municipalities form a group for the supply of services for the collection, transportation, sorting and conditioning of materials or classes of materials subject to compensation, the compensation rate for such a new group for the year 2023, referred to in the second paragraph of section 8.8.2, is the highest compensation rate for the year 2023 among the compensation rates for the municipalities in the group.

O.C. 770-2022, s. 17.

8.8.6. In accordance with section 53.31.4 of the Environment Quality Act (chapter Q-2), for the years 2024 and following, the compensation owed to a municipality that fails to send a declaration complying with the prescriptions of section 6.2 to the Société québécoise de récupération et de recyclage within the time set in that section is reduced by 10% as a penalty, unless the Société deems that the failure results from special circumstances beyond the municipality's control.

If a municipality fails to file the declaration by 1 September of a given year, the compensation owed to the municipality is the same as the compensation owed to it for the previous year, reduced by 20% as a penalty. The 20% penalty is not payable if the Société deems that the failure results from special circumstances beyond the municipality's control.

Despite the first and second paragraphs, no compensation is owed to a municipality that, on 31 December 2025 for compensation owed for the year 2025 or 31 December of each following year to the compensation owed for each of those years, has not sent its declaration to the Société, unless the Société deems that the failure results from special circumstances beyond the municipality's control.

O.C. 770-2022, s. 17; O.C. 1368-2023, s. 10.

8.9. *(Replaced).*

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 17.

§ 2.1. —

(Replaced)

O.C. 1302-2013, s. 7; O.C. 770-2022, s. 17.

8.9.1. *(Replaced).*

O.C. 1302-2013, s. 7; O.C. 1138-2015, s. 4; O.C. 699-2018, s. 5; O.C. 646-2020, s. 9; O.C. 770-2022, s. 17.

§ 3. — *Proposed schedule of contributions and payment of contributions*

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 18.

8.9.2. A certified body must send to the Société québécoise de récupération et de recyclage, not later than 31 December of the year in which the current schedule expires, the proposed schedule referred to in section 53.31.15 of the Environment Quality Act (chapter Q-2).

O.C. 770-2022, s. 19; I.N. 2022-06-01.

8.10. Not later than 31 October each year, a certified body must pay to the Société québécoise de récupération et de recyclage, an amount equivalent to at least 80% of the annual compensation owed to the municipalities for the year concerned. The balance of the compensation must be paid not later than 31 December of the same year.

However, if the schedule of contributions referred to in section 53.31.15 of the Environment Quality Act (chapter Q-2) is published in the *Gazette officielle du Québec* after 31 May, the dates on which the payments

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provided for in the first paragraph are deferred to the end of the fifth and seventh months, respectively, following the publication of the schedule.

Despite the first and second paragraphs, the amount of the compensation owed to the municipalities for the years 2024 and following must be paid to the Société by the certified body in the following manner:

(1) for the year 2024:

(a) at least 40% of the amount due before the end of the fifth month following the publication in the *Gazette officielle du Québec* of the schedule referred to in section 53.31.15 of the Environment Quality Act;

(b) at least 80% of the amount due before the end of the seventh month following the publication in the *Gazette officielle du Québec* of the said schedule;

(c) the balance before the end of the thirteenth month following the publication in the *Gazette officielle du Québec* of the said schedule;

(2) for the year 2025 and subsequent years:

(a) at least 30% of the amount due before the end of the fifth month following the publication in the *Gazette officielle du Québec* of the schedule referred to in section 53.31.15 of the Environment Quality Act;

(b) at least 60% of the amount due before the end of the seventh month following the publication in the *Gazette officielle du Québec* of the said schedule;

(c) the balance before the end of the eighteenth month following the publication in the *Gazette officielle du Québec* of the said schedule.

S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 8; O.C. 1138-2015, s. 5; O.C. 770-2022, s. 20.

8.11. Any sum not yet paid to the Société québécoise de récupération et de recyclage by a certified body as of the expiry dates set out in section 8.10 bears interest at the rate determined under the first paragraph of section 28 of the Tax Administration Act (chapter A-6.002).

S.Q. 2011, c. 14, s. 18.

8.11.1. Any sum paid by a certified body to the Société québécoise de récupération et de recyclage in excess of the amount of the compensation owed to municipalities for a year is credited to the payment of the compensation owed for the following year.

O.C. 1302-2013, s. 9.

8.12. The amount of the annual compensation owed to the municipalities that is allotted to the newspapers class may be paid through a contribution in goods or services, representing up to 15% of that amount.

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 21.

8.12.1. The annual compensation may be paid through a contribution in goods or services, to the extent provided in section 8.12, provided the certified body proposed a schedule of contributions to the Société québécoise de récupération et de recyclage, in accordance with sections 53.31.14 and 53.31.15 of the Environment Quality Act (chapter Q-2), determining the contributions payable and the manner in which payment may be made.

The proposed schedule must provide for the Québec-wide, regional and local dissemination of the environmental information, awareness and educational messages prescribed by the second paragraph of section 53.31.12.1 of that Act, and determine the sanctions and other penalties applicable in the event of non-compliance with that section.

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Where the contribution in goods or services consists of disseminating a message referred to in the second paragraph, the dissemination must be carried out not later than 18th months following the dissemination of the schedule in the *Gazette officielle du Québec*.

S.Q. 2011, c. 14, s. 18; O.C. 1368-2023, s. 11.

8.12.2. The certified body must report to the Société québécoise de récupération et de recyclage on the implementation of the schedule determining a contribution in goods or services within 30 days following the end of each calendar year covered by the schedule.

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 22.

§ 4. — - *Distribution of compensation to the municipalities*

S.Q. 2011, c. 14, s. 18.

8.13. The Société québécoise de récupération et de recyclage must distribute the compensation owed to the municipalities for the years 2022 and 2023 not later than 30 days after it receives from the certified body, for a material or class of materials subject to compensation, the last payment on the total amount owed for the year concerned.

The amount of the compensation owed to the municipalities for the years 2024 and following must be distributed not later than 30 days after a payment is received from the certified body pursuant to section 8.10.

The Société must distribute to the municipalities any interest or penalties collected.

Despite the first and second paragraphs, the Société is not required to distribute the amount of the compensation owed to a municipality until that municipality has sent its declaration provided for in section 6.2 for the year concerned.

S.Q. 2011, c. 14, s. 18; O.C. 770-2022, s. 23.

DIVISION IV.1

INDEMNITY PAYABLE TO SOCIÉTÉ QUÉBÉCOISE DE RÉCUPÉRATION ET DE RECYCLAGE

S.Q. 2011, c. 14, s. 18.

8.14. The amount payable annually to the Société québécoise de récupération et de recyclage to indemnify it for its management costs and other expenses mentioned in section 53.31.18 of the Environment Quality Act (chapter Q-2) is equal to 2% of the annual compensation owed to the municipalities under Division IV.

Despite the first paragraph, the indemnity payable to the Société may in no case be greater than \$3,000,000.

If there is more than one certified body, the amount of the indemnity is divided among them in proportion to the compensation owed that is paid to them under the schedule of contributions referred to in section 53.31.15 of the Environment Quality Act.

S.Q. 2011, c. 14, s. 18; O.C. 1302-2013, s. 10; O.C. 770-2022, s. 24.

8.15. A certified body must pay to the Société québécoise de récupération et de recyclage the amount due under section 8.14 not later than the due date for the first payment of the annual compensation provided for in section 8.10. Any sum not yet paid to the Société as of the expiry date bears interest at the rate determined under section 8.11.

S.Q. 2011, c. 14, s. 18; O.C. 1138-2015, s. 6; O.C. 770-2022, s. 25.

DIVISION V

FINAL

9. *(Omitted).*

O.C. 1049-2004, s. 9.

UPDATES

O.C. 1049-2004, 2004 G.O. 2, 3153

S.Q. 2011, c. 14, ss. 14 to 18

O.C. 1302-2013, 2013 G.O. 2, 3597A

O.C. 1138-2015, 2015 G.O. 2, 3445

O.C. 699-2018, 2018 G.O. 2, 2457

O.C. 646-2020, 2020 G.O. 2, 1799

O.C. 770-2022, 2022 G.O. 2, 1389

O.C. 1368-2023, 2023 G.O. 2, 2109

