



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SEVENTH LEGISLATURE

Bill 99

**An Act to amend the Act respecting
the leasing of part of the water power
of the Shipshaw River**

Introduction

**Introduced by
Mr. Pierre Corbeil
Minister of Natural Resources and Wildlife**

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EXPLANATORY NOTES

This bill amends the Act respecting the leasing of part of the water power of the Shipshaw River.

The bill provides that the lessee must pay to the Minister of Natural Resources and Wildlife, for 2005 and subsequent years, in addition to the royalty equivalent to that determined under the policy entitled “New regime for granting and operating hydraulic forces in the domain of the state for hydro-electric power plants of 50 MW or less”, a royalty whose rate is to be determined by the Government. This rate may be reduced to take into account the jobs created and the developmental manufacturing investments made by the lessee, or to take into account any equivalent contribution. However, the rate thus reduced may be revised to take into account any changes in the conditions that led to its determination. The Government may also change the rate of the royalty in the light of any event that may affect the determination of the basic rate.

The rate of the additional royalty will be indexed annually according to the increase in the Consumer Price Index for Canada.

Bill 99

AN ACT TO AMEND THE ACT RESPECTING THE LEASING OF PART OF THE WATER POWER OF THE SHIPSHAW RIVER

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 1 of the Act respecting the leasing of part of the water power of the Shipshaw River (1999, chapter 18) is amended by replacing “The Minister of Natural Resources, Wildlife and Parks” in the first line by “The Minister of Natural Resources and Wildlife”.

2. Section 7 of the Act is replaced by the following sections:

“7. The lessee shall pay to the Minister, at the end of each year of the lease, a royalty equal to that determined under the policy entitled “New regime for granting and operating hydraulic forces in the domain of the state for hydro-electric power plants of 50 MW or less”.

“7.1. In addition, for 2005 and subsequent years, the lessee shall pay to the Minister, at the end of each of these years, an additional royalty whose rate shall be determined by the Government.

The rate of the additional royalty may, if applicable, be reduced to take into account the jobs created, and the developmental manufacturing investments made, by the lessee in the Saguenay—Lac-Saint-Jean administrative region, excluding investments made for the purposes of production or transportation of electricity and investments otherwise provided for in this Act, or to take into account any contribution considered equivalent by the Government. However, the rate thus reduced may subsequently be revised in the light of any changes in the conditions that led to its determination.

The Government may change the rate of the additional royalty to take into account any event that affects the determination of the basic rate.

“7.2. As of 1 January 2006, the rate of the additional royalty is adjusted on 1 January of each year according to the percentage of increase, in relation to the preceding year, in the Consumer Price Index for Canada, as published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19). For such purpose, the Consumer Price Index for a year is the average monthly index for the 12 months ending on 30 September of the preceding year.

If the annual average or the percentage computed under the first paragraph or the rate of the charge thus adjusted has more than two decimal places, only the first two decimal places are kept. The second decimal place is rounded up if the third decimal place is equal to or greater than 5.

“7.3. The charge provided for in section 68 of the Watercourses Act (R.S.Q., chapter R-13) remains payable for the term of the lease, under the conditions provided for in that section.”

3. The Act is amended by replacing “Minister of Natural Resources, Wildlife and Parks” in sections 4 to 6, 8 and 10 by “Minister”.

4. Even if they relate to a period preceding the coming into force of this Act, the royalties provided for in sections 7 and 7.1 of the Act respecting the leasing of part of the water power of the Shipshaw River are payable by the sole fact that water power is used.

5. This Act comes into force on the date to be set by the Government.