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Adoption of Bylaw Dealing with Transportation Dues Regarding the REM

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The Minister of Transport, Sustainable Mobility and Transport Electrification adopted on April 4, 2018, the *By-law respecting transportation dues regarding the Réseau express métropolitain* (Bylaw) and Ministerial Order number 2018-03 (Order) concerning the zones under the jurisdiction of the Autorité régionale de transport métropolitain that lend themselves to coordination of urbanization and shared transportation services.

The Bylaw and Order establish the method for calculating the dues payable by property owners regarding the Réseau express métropolitain (REM) in the Montréal metropolitan area.

Work Subject to Payment of the Dues

In accordance with the Bylaw, the dues regarding the REM will be collected for work that satisfies all of the following conditions:

- Its value exceeds \$750,000 (indexed annually, as explained below).
- It covers a floor area of more than 186 square metres (approximately 2,002 square feet).
- It is performed with respect to a building located in whole or in part within a zone covered under the Bylaw – namely, within a radius of 1 kilometre from the location of a future REM station (except for the Édouard-Montpetit, Centrale and McGill stations, where the radius is 500 metres).
- The work deals with the following:
 - the erection of a building, regardless of its use
 - the rebuilding of a building (excluding the floor area of a reconstruction following a fire that occurred in the preceding 24 months)
 - the increase in the floor area of a building
 - the redevelopment of a building in connection with a change in use, even partial (i.e., consisting in a change from one of the eight classes of use provided in the Bylaw to another)

The dues will be payable by the owner (including an emphyteutic lessee or a syndicate of co-owners) of the immovable concerned.

Value of the Work

The value of the work will be established by the municipality at the time the construction permit is issued.

This value will include the total of the fees for supplying and installing all material and equipment integrated into the building (architecture, structure, mechanics, electricity, etc.) as well as excavation and backfilling fees, in all cases excluding taxes. The fees for supplying and installing devices used in connection with an industrial process or industrial production will be excluded.

Targeted Zones

The Order contains a set of plans indicating the zones within which the work contemplated in the Bylaw will be subject to the payment of dues (radius of 1 kilometre from the location of future REM stations, except for the Édouard-Montpetit, Centrale and McGill stations, where the radius is 500 metres).

The outline and the REM stations appear in the [plan](#) published in the Order.

Floor Area

The floor area of work subject to payment of the dues will be equal to the sum of each floor area covered by the work, including mezzanine and basement work. Floor area is to be measured from the outside surface of the external walls.

Calculation and Collection of the Dues

The amount of the dues will initially be \$107.64 per square metre (approximately \$10 per square foot) of the floor area of work subject to payment of the dues. This amount, as well as the aforementioned \$750,000 threshold for the work, will be indexed on January 1 of each year based on the variation in the overall average Québec consumer price index without alcoholic beverages and tobacco products.

The dues will be imposed progressively, as follows: 50% of the applicable rate until December 31, 2018; 65% until December 31, 2019; and 80% until December 31, 2020.

The entire amount of the dues will be payable at the time the construction permit is issued.

Municipalities will have to require that a permit be obtained before work subject to the payment of the dues is carried out, even if under municipal bylaws the work could have been performed without a construction permit. If work subject to payment of dues is carried out without a permit, the dues will be payable by the sole fact that the work is work subject to such payment.

Key Dates

The Bylaw and the Order will come into force on May 1, 2018. The Bylaw will cease to apply on the earlier of the date on which the REM financing target is reached and 50 years after the coming into force of the Bylaw.

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