Québec

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chapter E-12.00001

BALANCED BUDGET ACT

Replaced, 2023, c. 30, s. 29; see chapter E-12.00002.

Note *This Act was formerly entitled: "An Act respecting the elimination of the deficit and a balanced budget". The title of the Act was replaced by section 10 of chapter 56 of the statutes of 2001.*

2001, c. 56, s. 10.

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REPEAL SCHEDULE

1. *The purpose of this Act is to balance the budget of the Government.*

1996, c. 55, s. 1; 2001, c. 56, s. 11.

2. *The budget balance for a fiscal year is the difference between the revenue and the expenditure established in accordance with the Government's accounting policies.*

It does not include

(*1*) *the revenue or the expenditure recorded in the Generations Fund established by the Act to reduce the debt and establish the Generations Fund (chapter R-2.2.0.1);*

(*2*) *the amounts relating to the application by a government enterprise of a new CPA Canada standard during a period prior to the changeover date proposed by CPA Canada.*

1996, c. 55, s. 2; 2001, c. 56, s. 12; 2006, c. 24, s. 14; 2009, c. 38, s. 1; I.N. 2016-09-01.

2.1. *The budget balance for a fiscal year is determined taking into account the accounting entries made directly in the accumulated deficit figures appearing in the Government's financial statements, if they are a consequence of the retroactive effect, from a date subsequent to 31 March 2006, of the correction of an error or change made during that fiscal year to the accounting policies of the Government or one of its enterprises.*

However, the budget balance does not include the accounting entries made directly in the accumulated deficit figures because of

(*1*) *the retroactive effect of a new CPA Canada standard, for the years preceding the changeover year proposed by CPA Canada; or*

(*2*) *the accounting changes resulting from the 2006-2007 accounting reform and appearing in the public accounts.*

2009, c. 38, s. 1; I.N. 2016-09-01.

2.2. *For the fiscal year 2012-2013, the budget balance is determined by excluding the result, shown in Hydro-Québec's annual consolidated financial statements, from activities abandoned following the decision to close the Gentilly-2 nuclear generating station.*

2013, c. 16, s. 9.

3. *(Repealed).*

1996, c. 55, s. 3; 2001, c. 56, s. 13.

4. *(Repealed).*

1996, c. 55, s. 4; 2001, c. 56, s. 13.

5. *(Repealed).*

1996, c. 55, s. 5; 2001, c. 56, s. 13.

5.1. *A stabilization reserve fund is established to facilitate the Government's multi-year budget planning and the subsidiary payment of sums into the Generations Fund in accordance with the Act to reduce the debt and establish the Generations Fund (chapter R-2.2.0.1).*

2009, c. 38, s. 2.

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5.2. *The sums corresponding to the surplus for each fiscal year are appropriated to the stabilization reserve fund.*

A surplus is the amount of a budget balance that is greater than zero.

2009, c. 38, s. 2.

5.3. *The stabilization reserve fund is used to maintain a balanced budget; its balance is reduced by the amount needed to achieve that objective.*

2009, c. 38, s. 2.

5.4. *The balance of the stabilization reserve fund is reduced by the sums paid into the Generations Fund under section 4.1 of the Act to reduce the debt and establish the Generations Fund (chapter R-2.2.0.1).*

2009, c. 38, s. 2.

5.5. *The balance of the stabilization reserve fund is adjusted on the basis of the recorded financial results for a fiscal year.*

The balance of the stabilization reserve fund may not be a negative amount.

2009, c. 38, s. 2.

6. *The Government may not incur a budgetary deficit.*

1996, c. 55, s. 6; 2001, c. 56, s. 14.

6.1. *The Government incurs a budgetary deficit if it has a budgetary balance that remains negative even after being increased by the entire balance of the stabilization reserve fund.*

2009, c. 38, s. 3.

6.2. *The Government achieves a balanced budget if the budgetary balance is zero or positive.*

2009, c. 38, s. 3.

7. *The budget estimates laid before the National Assembly must be consistent with the provisions of section 6, except in the cases provided for in sections 10 to 12.*

1996, c. 55, s. 7; 2001, c. 56, s. 15; 2009, c. 38, s. 4.

7.1. *Sections 6 and 7, which prohibit an actual or estimated budgetary deficit, and sections 8 and 10 to 13, which provide measures to offset overruns, do not apply from 25 March 2021 to the end of the fiscal year determined by the Minister at or before the time of the budget for the 2023-2024 fiscal year.*

2009, c. 38, s. 5; 2015, c. 8, s. 1; 2022, c. 3, s. 19.

7.2. *(Repealed).*

2009, c. 38, s. 5; 2015, c. 8, s. 2.

7.3. *(Repealed).*

2009, c. 38, s. 5; 2015, c. 8, s. 2.

7.4. *(Repealed).*

2009, c. 38, s. 5; 2015, c. 8, s. 3.

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7.5. *An overrun is a budgetary deficit.*

However, if an offsetting financial plan is applied, only the sums lacking for the achievement of the budgetary objectives set out in that plan constitute an overrun.

2009, c. 38, s. 5; 2015, c. 8, s. 4; 2022, c. 3, s. 20.

8. *If an overrun of less than $1,000,000,000 is recorded for a fiscal year, the Government must achieve an equivalent surplus in the next fiscal year.*

1996, c. 55, s. 8; 2009, c. 38, s. 6; 2015, c. 8, s. 5.

9. *(Repealed).*

1996, c. 55, s. 9; 2009, c. 38, s. 7.

10. *The Government may incur overruns for more than one fiscal year if it anticipates, in a Budget Speech and prior to the implementation of an offsetting financial plan, an overrun of $1,000,000,000 or more in the fiscal year covered by the budget, or if an overrun of $1,000,000,000 or more is recorded for a fiscal year, as a result of*

(1) a disaster having a major impact on revenue or expenditure;

(2) a significant deterioration of economic conditions; or

(3) a change in federal programs of transfer payments to the provinces that would substantially reduce transfer payments to the Government.

1996, c. 55, s. 10.

11. *In the cases provided for in section 10, the Government must offset, over a maximum period of five years, the overruns incurred or anticipated for that period. To that end, the Minister of Finance shall, in the Budget Speech for the first fiscal year of that period,*

(1) report to the National Assembly on the circumstances making it necessary for the Government to avail itself of section 10;

(2) present a financial plan to offset the overruns over that period, containing a revised financial framework;

(3) apply measures to offset the overruns by at least $1,000,000,000 during the fiscal year covered by the budget; and

(4) offset at least 75% of the overruns over the first four fiscal years of that period.

The maximum five-year period referred to in this section commences at the beginning of the fiscal year in which an overrun is recorded or anticipated as provided in section 10. However, where an overrun is recorded for the current fiscal year, the Minister may determine that the period commences at the beginning of the following fiscal year.

1996, c. 55, s. 11; 2001, c. 56, s. 16.

12. *The Government may incur further overruns during the effective period of an offsetting financial plan if it anticipates, in a Budget Speech and prior to the implementation of a new offsetting financial plan, an overrun of $1,000,000,000 or more in the fiscal year covered by the budget, or if an overrun of $1,000,000,000 or more is recorded for a fiscal year as a result of circumstances described in section 10. The Minister of Finance shall, in the Budget Speech,*

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(*1*) *report to the National Assembly on the circumstances making it necessary for the Government to incur further overruns;*

(*2*) *present a financial plan to offset the further overruns over the remaining years of the effective period of the current offsetting financial plan, containing a revised financial framework in relation to the deficit level or budgetary balance provided for in the current offsetting financial plan;*

(*3*) *apply measures to offset the further overruns by at least $1,000,000,000 during the fiscal year covered by the budget; and*

(*4*) *offset at least 75% of the further overruns before the last fiscal year of that period.*

1996, c. 55, s. 12.

13. *Where an overrun of less than $1,000,000,000 is recorded while an offsetting financial plan is in effect, the Government, in order to offset that overrun, must achieve the budgetary objective set for the subsequent fiscal year, adjusted by the amount of that overrun.*

1996, c. 55, s. 13; 2009, c. 38, s. 8.

14. *No sum corresponding to a surplus may be appropriated to the stabilization reserve fund if achieving that surplus is necessary to offset an overrun.*

1996, c. 55, s. 14; 2009, c. 38, s. 9.

14.1. *Any surpluses achieved for the fiscal years 1996-1997 to 1999-2000 pursuant to this Act as it read on 28 March 2001 are deemed to be surpluses achieved for those fiscal years pursuant to this Act as amended by the Act to establish a budgetary surplus reserve fund (chapter R-25.1).*

2001, c. 56, s. 17.

15. *The Minister shall report to the National Assembly, in the Budget Speech, on*

(*1*) *the objectives of this Act, their achievement and any variance recorded; and*

(*2*) *the operations of the stabilization reserve fund.*

The Minister shall report annually to the National Assembly on the impact which any changes in accounting policies in relation to the accounting policies in force for the preceding fiscal year have upon the financial results of the Government.

1996, c. 55, s. 15; 2000, c. 15, s. 101; 2001, c. 56, s. 18; 2009, c. 38, s. 10.

16. *The Minister of Finance is responsible for the carrying out of this Act.*

1996, c. 55, s. 16.

17. *(Omitted).*

1996, c. 55, s. 17.

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REPEAL SCHEDULE

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), chapter E-4.01 of the Revised Statutes, in force on 1 April 2002, is repealed effective from the coming into force of chapter E-12.00001 of the Revised Statutes.

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