

No. 120

3rd Session, 13th Legislature, Alberta
5 Elizabeth II, 1957

BILL 120

A Bill to amend The Mineral Taxation Act

HON. MR. MANNING

EDMONTON, ALBERTA
Printed by A. SHNITKA, Printer to the Queen's Most Excellent Majesty,
1957

Explanatory Note

2. The clauses here mentioned presently read as follows:

- (a) "2. In this Act,
- “(c) “Commission” means the Alberta Assessment Commission constituted under the provisions of The Alberta Municipal Assessment Commission Act;
- (b) “(j) “producing area” means
 - “(ii) a quarter section of land according to the system of surveys under The Alberta Surveys Act on which or on a portion of which is situated a mine or well from which a mineral is being produced or has at any time been produced,
 - “(iii) a river lot or a parcel described by metes and bounds on which or on a portion of which is situated a mine or well from which a mineral is being produced or has at any time been produced,
 - “(iv) a quarter section of land, the whole or any portion of which is within five-eighths of a mile of a producing well, or of the limits of the workings of a mine as shown on the last plan of survey of the said mine workings on file with the Department, and
 - “(v) a river lot or a parcel described by metes and bounds, the whole or any portion of which is within five-eighths of a mile of a producing well, or of the limits of the workings of a mine as shown on the last plan of survey of the said mine workings on file with the Department;”.
- and
- (c) and (d) Adds new definition.

3. Subsection (2) of section 4 presently reads:

- “(2) No taxes payable under this section with respect to any coal
- “(a) if no other mineral is included in the same certificate of title,
- and
- “(b) if the mining of the coal is prohibited by the provisions of The Urban Mining Operations Act.”.

This amendment will remove the present subsection relating only to coal and will exempt from the tax under section 4 where any mineral is within a city, town or village.

4. Brings references to The Oil and Gas Resources Conservation Act in line with proposed new Act's title.

BILL

No. 120 of 1957

An Act to amend The Mineral Taxation Act

(Assented to , 1957)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Mineral Taxation Act*, being chapter 203 of the Revised Statutes of Alberta, 1955, is hereby amended.

2 Section 2 is amended

(a) by striking out clause (c) and by substituting the following:

“(c) “Board” means the Alberta Assessment Appeal Board appointed pursuant to *The Assessment Appeal Board Act*;”,

(b) as to clause (j)

(i) by adding immediately after the words “at any time” in subclauses (ii) and (iii) the words “during the preceding year”,

(ii) by striking out subclauses (iv) and (v),

(c) by relettering clause (l) as clause (m),

(d) by adding immediately after clause (k) the following:

“(l) “Superintendent” means the person appointed as Superintendent of Mineral Tax pursuant to *The Department of Mines and Minerals Act*;”.

3. Section 4 is amended by striking out subsection (2) and by substituting the following:

“(2) No tax is payable under this section with respect to any mineral or minerals in a tract wholly within the boundaries existing at the thirty-first day of December, 1956, of any city, town or village.”.

4. Section 10, subsection (2) is amended

(a) by striking out the words “Petroleum and Natural” and by substituting the words “Oil and”,

(b) by striking out the word “Resources”.

5. Brings references to the Alberta Municipal Assessment Commission in line with proposed new Act.

6. Brings references to the Alberta Municipal Assessment Commission in line with proposed new Act.

7. See note to clause 6.

8. See note to clause 6.

9. Section 20 presently reads:

"20. Subject to section 27, the Registrar shall not accept a transfer, transmission, mortgage, lease or assignment of lease to be registered against a title for a mineral or minerals unless a tax receipt from the Department, or a tax certificate from the Deputy Minister, is filed with the Registrar showing in either case that there are no taxes owing under this Act with respect to the mineral or minerals."

This amendment brings the procedure relating to cancellation of titles in line with The Tax Recovery Act.

10. This amendment removes subsections (2) and (4) relating to a second penalty and rewords present section 23 for clarification. Section 23 presently reads:

"23. (1) Where a tax is imposed under section 16 and the whole or a part thereof, remains unpaid after the expiration of six months from the date of mailing of the notice referred to in section 18, there shall be added thereto by way of penalty a sum equal to five per cent of the unpaid taxes.

"(2) Where the taxes and penalties or a part thereof remain unpaid after the expiration of a further period of six months, there shall be added thereto an additional five per cent of the unpaid taxes and penalties.

"(3) Where a tax is imposed under section 4 and the whole or a part thereof remains unpaid after the thirty-first day of December in any year, there shall be added thereto after the expiration of six months a sum equal to five per cent of the unpaid taxes.

"(4) Where the taxes and penalties or a part thereof referred to in subsection (3) remain unpaid after the expiration of a further period of six months, there shall be added thereto an additional five per cent of the unpaid taxes and penalties.

"(5) Amounts added by way of penalty under any of the foregoing subsections form part of the taxes due.

"(6) Nothing in this section extends the time for payment of the taxes nor impairs a remedy provided by this Act for the collection of taxes."

5. Section 13 is amended by striking out the words "the Commission" wherever they occur in subsections (1), (2), (3), (4) and (5) and by substituting the words "the Board".

6. Section 14 is amended

- (a) as to subsection (1) by striking out the words "the Commission" and by substituting the words "the Board",
- (b) by striking out subsection (2).

7. Section 15, subsection (1) is amended by striking out the words "the Commission" and by substituting the words "the Board".

8 Section 16, subsection (1) is amended by striking out the words "the Commission" and by substituting the words "the Board".

9. Section 20 is struck out and the following substituted:

"20. Where a tax arrears notification has been filed by the Registrar pursuant to subsection (5) of section 25, the Registrar shall not cancel the certificate of title to the mineral or minerals affected by the notification until it is discharged, except only under section 25 or section 27."

10. Section 23 is struck out and the following substituted:

"23.(1) Where a tax is imposed under section 4 and the whole or any part thereof remains unpaid after the thirty-first day of March in the following year there shall be added thereto by way of penalty a sum equal to five per cent of the unpaid tax.

"(2) Where a tax is imposed under section 16 and the whole or any part thereof remains unpaid after the thirty-first day of March in the year following the date of mailing of the notice referred to in section 18, there shall be added thereto by way of penalty a sum equal to five per cent of the unpaid tax.

"(3) When a penalty is added under subsection (1) or subsection (2)

"(a) the penalty forms part of the taxes due, and

"(b) the taxes remaining unpaid are in arrears.

"(4) Nothing in this section extends the time for payment of the taxes nor impairs a remedy provided by this Act for the collection of taxes."

11. (a) Recognizes the appointment of a Superintendent of Mineral Tax. Subsection (1) of section 25 presently reads:

"25. (1) Where the taxes with respect to a mineral or minerals are one year in arrears, whether under the provisions of this Act or a previous Mineral Taxation Act, the Deputy Minister, Assistant Deputy Minister or chief assessor may send a notice by registered mail to the owner, at the address set out in the certificate of title covering the mineral or minerals, advising him that unless all taxes and penalties due and owing at the time of payment with respect to the mineral or minerals are paid within one year from the date of the mailing of this notice, his certificate of title may be cancelled with respect to such mineral or minerals and title vested in the Crown."

(b) The new subsection (1a) to section 25 requires the Superintendent to send notices of unpaid taxes to every person having a recorded interest in the mineral or minerals affected.

(c) Subsection (2) of section 25 presently reads:

"(2) The Deputy Minister, Assistant Deputy Minister or chief assessor, within thirty days after mailing such a notice to an owner, shall deliver or mail to the Registrar a notification in duplicate stating

"(a) the name of the owner to whom the notice was sent,

"(b) the address of the owner to which the notice was sent, and

"(c) the description of the land to which the notice referred."

(d) Subsection (3) of section 25 presently reads:

"(3) The notification delivered or mailed to the Registrar by the Deputy Minister, Assistant Deputy Minister or chief assessor may be in such form as the Deputy Minister may prescribe."

(e) Subsection (4) of section 25 presently reads:

"(4) Where a notification relates to more than one owner to whom notices have been sent, the names of the owners, their addresses and the descriptions of their lands may be contained in a schedule to the notification."

(f) Subsection (5) of section 25 presently reads:

"(5) The Registrar shall

"(a) file the notification,

"(b) endorse a memorandum thereof upon the certificate of title to any land described in the notification, and

"(c) return the duplicate copy of the notification to the Deputy Minister."

(g) Subsection (10) of section 25 presently reads:

"(10) If at the expiration of one year after the date of the mailing of the notice under subsection (1) the taxes and penalties due and owing with respect to the mineral or minerals and the fee of three dollars to discharge the tax arrears notification have not been paid, the Deputy Minister, Assistant Deputy Minister or chief assessor may deliver or mail to the Registrar a notice in Form C in Schedule B and upon receipt of any such notice the Registrar shall cancel the certificate of title of the owner with respect to such mineral or minerals."

12. This amendment is made for clarification. Subsection (2) of section 26 presently reads:

"(2) At the time of payment of taxes there shall be added thereto, until the date of payment, interest at the rate of five per cent per annum on all unpaid taxes from the date when the second penalty thereon became due under section 23 of this Act, or a previous Mineral Taxation Act."

11. Section 25 is amended

- (a) as to subsection (1) by striking out the words "chief assessor" and by substituting the word "Superintendent",
- (b) by adding immediately after subsection (1) the following:
 "(1a) When a notice is sent under subsection (1), a copy thereof shall be mailed by the Superintendent to each person shown by memorandum on the certificate of title as having an interest in the mineral or minerals at his address indicated in the document referred to in the memorandum.".
- (c) as to subsection (2)
 - (i) by striking out the words "chief assessor" and by substituting the word "Superintendent",
 - (ii) by adding immediately after the words "the Registrar a" the words "tax arrears",
- (d) as to subsection (3)
 - (i) by striking out the words "The notification" and by substituting the words "The tax arrears notification",
 - (ii) by striking out the words "chief assessor" and by substituting the word "Superintendent",
- (e) as to subsection (4) by adding immediately after the words "Where a" the words "tax arrears",
- (f) as to subsection (5) by striking out the words "the notification" in clauses (a) and (c) and by substituting the words "the tax arrears notification",
- (g) as to subsection (10)
 - (i) by striking out the words "chief assessor" and by substituting the word "Superintendent",
 - (ii) by adding immediately after the words "mineral or minerals" at the end of the subsection, the words "notwithstanding any other Act".

12. Section 26 is amended by striking out subsection (2) and by substituting the following:

"(2) Where taxes or any part thereof are in arrears interest shall be charged thereon at the time any payment is made, at the rate of five per cent per annum calculated quarterly.

"(3) A payment made on account of taxes with respect to a mineral or minerals in a tract shall be applied

- "(a) firstly, on the interest charged, if any,
- "(b) secondly, on the taxes in arrears, if any, and
- "(c) thirdly, on current taxes."

13. This amendment is to remove an ambiguity in the method of determining the fair actual value of petroleum and natural gas. The relevant paragraphs presently read as follows:

"SCHEDULE A

"1. The fair actual value for the purpose of assessment in any year of the petroleum within, upon or under the land allocated by the Minister to a well producing petroleum or petroleum and natural gas shall be one and one-half times the value at the average field price during the first three months of the year in which the assessment is made of all petroleum produced from the well during the preceding year.

Provided that where a well has produced petroleum for part only of the preceding year the production of petroleum for the preceding year shall be deemed to be the amount that the well would have produced had it been producing for the full year at the same rate as it produced during the part of the year it was in production.

"2. The fair actual value for the purpose of assessment in any year of the natural gas within, upon or under the land allocated by the Minister to a well producing either natural gas alone or both petroleum and natural gas shall be four times the value at three cents per thousand cubic feet of the natural gas produced from the well during the preceding year.

Provided that where in any year the well has produced natural gas for part only of the preceding year the production of natural gas for the preceding year shall be deemed to be the amount that the well would have produced had it been producing for the full year at the same rate as it produced during the part of the year it was in production."

14. Relates references in forms to Assessment Commission and assessor to new proposed Assessment Appeal Board and Superintendent, respectively.

15. See clause 2 (b) and clause 13. This amendment is desired upon assent, not when new Acts come into force, therefore this section amends Act now applicable.

16. Coming into force provisions.

13. Schedule A is amended

- (a) by striking out the proviso to paragraph 1,
- (b) by striking out the proviso to paragraph 2.

14. Schedule B is amended

- (a) as to Form A
 - (i) by striking out the words "the Alberta Assessment Commission" and by substituting the words "the Alberta Assessment Appeal Board",
 - (ii) by striking out the words "*the Alberta Assessment Commission*" and by substituting the words "*the Alberta Assessment Appeal Board*",
- (b) as to Form C by striking out the words "(or Assistant Deputy Minister of Chief Assessor, as the case may be)" and by substituting the words "*(or Assistant Deputy Minister or Superintendent, as the case may be)*",

15. *The Mineral Taxation Act, 1947*, being chapter 10 of the Statutes of Alberta, 1947, is hereby amended

- (a) as to section 2, clause (j)
 - (i) by adding immediately after the words "at any time in subclause (ii) the words "during the preceding year",
 - (ii) by striking out subclause (iii),
- (b) as to the Schedule
 - (i) by striking out the proviso to paragraph 1,
 - (ii) by striking out the proviso to paragraph 2.

16. (1) Section 15 and this section come into force on the day upon which this Act is assented to and upon so coming into force, section 15 shall be deemed to have been in force at all times on and after the first day of January, 1957.

(2) Sections 1 to 14 inclusive come into force and section 15 is repealed on the day upon which the Revised Statutes of Alberta, 1955, come into force.

No. 120

THIRD SESSION
THIRTEENTH LEGISLATURE

5 ELIZABETH II

1957

BILL

An Act to amend The Mineral
Taxation Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING
