

No. 88

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2nd Session, 14th Legislature, Alberta  
9 Elizabeth II

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**BILL 88**

A Bill to amend The Fuel Oil Tax Act

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HON. MR. PATRICK

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## Explanatory Note

**2. (a)** The tax on fuel oil is increased. Section 3, subsection (1) presently reads:

"3. (1) Every purchaser shall pay to the Minister for the use of the Crown in the right of the Province of Alberta, a charge or tax on all fuel oil purchased by him, or delivery of which is received by him,

- (a) at the rate of ten cents a gallon for fuel oil other than diesel fuel, and
- (b) at the rate of twelve cents a gallon for diesel fuel."

(b) Subsection (2) of section 3 reads:

"(2) Every person who consumes or uses any fuel oil for which no tax has been paid pursuant to this Act shall pay to the Minister for the use of the Crown in the right of the Province of Alberta a charge or tax on all such fuel oil at the rates specified in subsection (1)."

The present wording appears to make the provisions applicable to purple gas.

(c) A new subsection is added for clarification. See subsection (1) of section 3 quoted above.

**3.** Section 5 provides that when fuel oil is imported into the Province the importation is to be reported to a fuel oil tax officer. Section 5, subsection (2) reads:

"(2) The person so reporting

- (a) shall produce to the fuel oil tax officer
  - (i) the invoice relating to the original purchase of the fuel oil, and
  - (ii) such other information relating to the fuel oil as may be prescribed by the Minister,and
- (b) shall pay to the officer the tax payable in respect of the fuel oil pursuant to the provisions of this Act."

Section 11 authorizes the officer to dye such fuel oil when it is to be used for agricultural purposes, etc.

**4.** Section 5a, subsection (1) reads:

"5a. (1) Where diesel fuel or liquefied petroleum gas is brought into the Province in the fuel tank of a motor vehicle and a motor fuel tax or other fuel oil tax has not been paid on such fuel oil in the jurisdiction in which it was purchased, the owner of the motor vehicle shall pay to the Minister for the use of the Crown in the right of the Province of Alberta a charge or tax on all such fuel oil

- (a) at the rate of twelve cents a gallon for diesel fuel, and
- (b) at the rate of ten cents a gallon for liquefied petroleum gas."

**5. (a)** Section 10, subsection (1) is amended to add a reference to clause (c) of section 12 which was added in 1960. Section 10, subsection (1), clause (b) reads:

"10. (1) Fuel oil for use on farms for agricultural purposes

- (a) may be given a specific colour or a separate identity by means of a chemical dye or agent to be supplied or approved pursuant to the regulations, and
- (b) when so coloured or identified shall be sold only to persons engaged in farm work in the Province for consumption in
  - (i) tractors, combines or stationary engines while operated on farms for agricultural purposes, or
  - (ii) the motor vehicles or tractors referred to in clauses (a) and (b) of section 12."

# BILL

No. 88 of 1961

An Act to amend The Fuel Oil Tax Act

(Assented to \_\_\_\_\_, 1961)

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

**1.** *The Fuel Oil Tax Act*, being chapter 125 of the Revised Statutes, is hereby amended.

**2.** Section 3 is amended

(a) as to subsection (1)

(i) by striking out the word "ten" in clause (a) and by substituting the word "twelve",

(ii) by striking out the word "twelve" in clause (b) and by substituting the word "fourteen",

(b) as to subsection (2) by striking out the words "no tax has been paid pursuant to this Act" and by substituting the words "the tax payable pursuant to this Act has not been paid",

(c) by adding the following new subsection immediately after subsection (3):

(4) Subsection (1) does not apply to fuel oil that has been coloured or identified pursuant to section 10 or that is exempt from tax pursuant to the regulations.

**3.** Section 5, subsection (2) is amended by striking out clause (b) and by substituting the following:

(b) if the fuel oil is not immediately coloured or identified as authorized by section 11, shall pay to the officer the tax payable in respect of the fuel oil pursuant to the provisions of this Act.

**4.** Section 5a, subsection (1) is amended

(a) as to clause (a) by striking out the word "twelve" and by substituting the word "fourteen",

(b) as to clause (b) by striking out the word "ten" and by substituting the word "twelve".

**5.** Section 10 is amended

(a) as to subsection (1) by striking out the words "clauses (a) and (b)" in subclause (ii) of clause (b) and by substituting the words "clauses (a), (b) and (c)",

(b) Section 10, subsection (3) presently reads:

"(3) The chemical dye or agent referred to in this section shall be placed in fuel oil only by such persons as are appointed by the Minister."

**6.** (a) Section 21, subsection (1) reads:

"21. (1) A person required under section 5 to report the import of fuel oil shall either

- (a) prove to the satisfaction of an officer or police officer that the tax thereon has been paid, or
- (b) pay the tax."

and see note to clause 3 of this Bill.

(b) Section 21, subsection (2) is amended for clarification. Subsection (2) presently reads:

"(2) If the officer or police officer is not satisfied that the tax has been paid he may, without a warrant, on the refusal or failure of the person mentioned in subsection (1) to pay the tax,

- (a) seize the fuel oil and the barrels, tanks, or receptacles in which it is contained and the vehicle in or on which it is carried, and
- (b) retain the same in his possession as security for payment of the tax."

See note to clause 2(b) of this Bill.

**7.** Section 24, subsection (2) is amended for clarification. Section 24, subsection (2) presently reads:

"(2) An officer or police officer may, without a warrant search any vehicle, in or on which he has reason to believe is being carried any fuel oil upon which the tax has not been paid and may make tests and take samples of any fuel oil or other liquid that he suspects to be fuel oil found in or on the vehicle and for such purpose may break any seal on any barrel, tank or receptacle, and interrogate any person found in the vehicle or who owns or has charge of the vehicle."

**8.** Section 25 is amended for clarification. Section 25 presently reads:

"25. When an officer or police officer in making or attempting to make a search under the authority conferred by section 24 finds in any place or in or on any vehicle fuel oil that in his opinion has been unlawfully imported, or upon which in his opinion the tax has not been paid,

- (a) he may forthwith seize and remove the fuel oil and the barrel, tank or receptacle in which it is kept, or any vehicle in or on which the fuel oil is being carried, and
- (b) he may seize and remove any book, paper, or thing found upon the premises or in or on the vehicle, and that, in his opinion, will afford evidence of the commission of a violation of this Act."

**9.** Section 30 reads:

"30. A certificate by the Minister that a person is an officer appointed pursuant to the provisions of this Act is prima facie proof of the fact, without proof of the appointment of the Minister or of his signature."

The relevant provision of section 10 is set out in the note to clause 5 of this Bill.

**10.** Section 34a presently reads:

"34a. A person appointed by the Minister under section 10 to place the chemical dye in fuel oil in accordance with this Act and the regulations, who fails or neglects to so place any dye as required, is guilty of an offence and liable on summary conviction to a fine of not more than two hundred dollars or to imprisonment for a term of not more than two months."

**11.** An error is corrected. Section 40 presently reads:

"40. A person having in his possession fuel oil upon which the tax payable pursuant to this Act has not been paid is guilty of an offence and liable on summary conviction to a fine of not more than one thousand dollars, or to imprisonment for a term of not less than three months, or to both fine and imprisonment."

**12.** New sections are added to prevent purple gas on which no tax is payable, from being shipped or held under bills of lading showing it to be ordinary fuel oil on which a tax is payable. Penalties are provided for a contravention of the prohibitions.

(b) as to subsection (3) by striking out the words "appointed by the Minister" and by substituting the words "authorized to do so".

**6.** Section 21 is amended

(a) as to subsection (1) by adding the following new clause after clause (a) :

(a1) advise the officer that the fuel oil will be used for a tax exempt purpose and request that it be coloured or identified under section 11, or

(b) as to subsection (2) by striking out the words "the tax has been paid" and by substituting the words "any tax payable pursuant to this Act, has been paid".

**7.** Section 24, subsection (2) is amended by adding immediately after the word "tax" the words "payable pursuant to this Act".

**8.** Section 25 is amended by adding immediately after the word "tax" the words "payable pursuant to this Act".

**9.** Section 30 is amended by adding immediately after the words "this Act" the words "or is a person authorized to place a chemical dye or agent in fuel oil".

**10.** Section 34a is amended by striking out the words "appointed by the Minister under section 10" and by substituting the word "authorized".

**11.** Section 40 is amended by striking out the word "less" and by substituting the word "more".

**12.** The following new sections are added immediately after section 41:

**41a.** (1) A person engaged in the business of transporting or delivering fuel oil by motor vehicle shall have in the vehicle at all times and shall produce for inspection of an officer or police officer an invoice or bill of lading covering the fuel oil carried in or on the vehicle and describing the fuel oil as purple fuel oil or non-purple fuel oil.

(2) A person mentioned in subsection (1) who fails to produce an invoice or bill of lading to the officer or police officer, or who produces an invoice or bill of lading that describes the fuel oil as purple fuel oil when it is in fact non-purple fuel oil, is guilty of an offence and is liable on summary conviction to a fine of not more than two hundred dollars.

(3) An officer or police officer who finds in or on any motor vehicle used for transporting or delivering fuel oil, non-purple fuel oil, the invoice or bill of lading for which describes it as purple fuel oil, may seize the fuel oil and the vehicle in or on which it is being carried and, upon



conviction of the owner or operator of the vehicle under subsection (2), the fuel oil and the vehicle in or on which it is being carried is in addition to any other penalty *ipso facto* forfeited to the Crown in right of Alberta.

**41b.** (1) Every dealer shall have in his possession or on his premises at all times an invoice or bill of lading covering the fuel oil in his possession and describing the fuel oil as non-purple or purple fuel oil.

(2) A dealer having in his possession non-purple fuel oil, the invoice or bill of lading for which describes it as purple fuel oil, is guilty of an offence and liable on summary conviction to a fine of not more than five hundred dollars.

(3) In this section and section 41a, "purple fuel oil" means fuel oil coloured or identified pursuant to section 10 and "non-purple fuel oil" means fuel oil that is not so coloured or identified.

**13.** This Act comes into force on the first day of April, 1961.

No. 88

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SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

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**BILL**

An Act to amend The Fuel Oil Tax  
Act

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. PATRICK

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