

1974 Bill 49

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Third Session, 17th Legislature, 23 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

**BILL 49**

**The Electric Power and Pipe Line Assessment  
Amendment Act, 1974**

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MR. ZANDER

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First Reading .....

Second Reading .....

Third Reading .....

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*Bill 49*  
*Mr. Zander*

## **BILL 49**

1974

### **THE ELECTRIC POWER AND PIPE LINE ASSESSMENT AMENDMENT ACT, 1974**

*(Assented to , 1974)*

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

*1. The Electric Power and Pipe Line Assessment Act is hereby amended.*

*2. Section 2 is amended*

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

(d) "pipe line" means

- (i) any continuous string of pipe, including loops, by-passes, cleanouts, distribution meters, distribution regulators, valves and fittings, situated in, on or under a continuous strip of land, right of way or easement, being constructed or constructed or acquired for gathering, distributing or transporting any gas, oil, coal, salt, brine, wood or any combination, product or by-product thereof whether such string of pipe is used or not,
- (ii) any pipe for the conveyance or disposal of any water, steam, salt water, glycol, gas or any other substance used in or incidental to the production of gas or oil or both,
- (iii) any pipe in a well used or drilled for the purpose of
  - (A) obtaining oil or gas or both or any other mineral, or
  - (B) injecting or disposing of gas, air, water or other substance to an underground formation, or
  - (C) supplying water for injection to an underground formation,

## Explanatory Notes

**1.** This Bill will amend chapter 119 of the Revised Statutes of Alberta 1970.

**2.** Section 2 (d) and (g) presently read:

(d) "pipe line" means

- (i) flow lines, gathering lines, distribution lines, transportation lines and any line of pipe, including loops, by-passes, clean-outs, valves and fittings, situated in, on or under a continuous strip of land, right of way or easement and that forms part of any system for the conveyance or transmission of gas, oil or coal or any combination, product or by-product thereof, or salt, brine or wood products, whether such system is used or not,
- (ii) any pipe for the conveyance or disposal of any water, steam, salt water, glycol, gas or any other substance used in or incidental to the production of gas or oil or both,
- (iii) any pipe in a well used or drilled for the purpose of
  - (A) obtaining oil or gas or both or any other mineral, or
  - (B) injecting gas, air, water or other substance to an underground formation,and
- (iv) pipe line right of way or easements, but does not include
- (v) water source wells, or
- (vi) well head installations, or
- (vii) the intake valve or outlet valve or any installations, materials, devices, fittings, apparatus, appliances, pipe, equipment or plant machinery between such valves in any processing, refining, manufacturing, marketing, pumping, treating, separating, or storage facilities, or between such valves in any regulating or metering station, or
- (viii) drain lines or flare lines, or
- (ix) physical land or buildings;

(g) "works and transmission lines" means

- (i) the installations, structures, materials, devices, fittings, apparatus, appliances, equipment, plant machinery, ways and easements, constructed or acquired for and used in the generation, transformation, transmission, distribution, delivery or sale of electricity by a person or corporation whose rates are controlled or set by the Public Utilities Board or by a municipality, and
- (ii) cables, structures, amplifiers and drop lines designed and used for the purpose of transmitting cable television for commercial sale or resale to the public, but does not include physical land or buildings.

- (iv) lands held of the Crown forming the sites of wells used for any of the purposes described in subclause (iii),
  - (v) pipe line rights of way or easements,
  - (vi) well head installations and other improvements located at the well site and used to obtain production from the well or for the production of the well head installations, and
  - (vii) drain lines and flare lines,  
but does not include
  - (viii) the inlet valve or outlet valve or any installations, materials, devices, fittings, apparatus, appliances, pipe, equipment or plant machinery between such valves in any processing, refining, manufacturing, marketing, transmission line pumping, heating, treating, separating, or storage facilities, or between such valves in any regulating or metering station, or
  - (ix) land or buildings or structures not otherwise mentioned in this clause;
- (b) *as to clause (g), subclause (ii) by adding after the words "resale to the public," the words "except those cables, structures, amplifiers and drop lines installed within and owned by the owner of the building,".*

3. *Section 3 is amended*

- (a) *as to subsection (1) by striking out the words "and liable to taxation by the municipality", and*
- (b) *by striking out subsection (3) and by substituting the following subsections:*

(3) The following property is exempt from assessment under this Act and *The Municipal Taxation Act*:

- (a) pipe lines and works and transmission lines owned or operated by a municipality;
- (b) pipe lines and works and transmission lines owned or operated by an association (as defined in *The Co-operative Associations Act*) having as its principal object the supplying of gas or electricity to its members;
- (c) any part of a gas distribution system the majority of whose customers are consumers residing in a county, municipal district, improvement district or special area, but excluding those parts located in an urban community.

**3. Section 3 (1) and (3) presently read:**

3. (1) A pipe line, or part thereof, and works and transmission lines, or part thereof, situated in a municipality and liable to taxation by the municipality shall be assessed in accordance with this Act and not under any other Act.

(3) That portion of a municipally owned pipe line or works and transmission lines situated within and operated by that municipality, is exempt from assessment under this Act.

(4) In subsection (3) "urban community" means a hamlet, collecting school district, village, town or city the population of which is greater than the maximum population figure prescribed by the regulations.

*4. Section 4 is amended*

- (a) *by striking out clause (a1),*
- (b) *by striking out clause (f) and by substituting the following:*
  - (f) pipe line or works and transmission line under construction unless it is capable of being used for the transmission of gas or oil or electricity or any other purpose;

*5. Section 5 is amended*

- (a) *as to subsection (2) by striking out the word "July" and by substituting the word "October",*
- (b) *as to subsection (5) by adding after the word "generating," the words "metering, regulating,"*
- (c) *as to subsection (6) by striking out the words "in a well used or drilled for the purpose of obtaining oil or gas or both or any other mineral or for the purpose of injecting gas, air, water or other substance to an underground formation" and by substituting the words "described in section 2, clause (d), subclause (iii)",*
- (d) *as to subsection (7) by striking out the words "the 15th day of December in" and by substituting the words "January 31st in the year following",*
- (e) *by adding the following new subsection after subsection (7):*

(8) Where a person is in occupation of land described in section 2, clause (d), subclause (iv) under a lease, licence or permit held of the Crown, the interest of the lessee, licensee or permittee in the land so occupied shall be assessed to that person as if he were the owner thereof.

*6. The following new section is added after section 14:*

**14.1** (1) Where an assessment of assessable property is declared to be invalid or a nullity, the Minister shall, upon application of the municipality in which the property is situated, order a new assessment be made of the property for taxation purposes in the year in which the void assessment was entered in the roll.

**4. Section 4 (a1) and (f) presently read:**

4. The following property is exempt from assessment under this or any other Act:

- (a1) pipe lines forming part of a rural gas utility as defined in The Rural Gas Act;
- (f) any land or improvement
  - (i) used exclusively for the treatment or disposal of waste materials for the purpose of controlling or abating pollution of the water, soil or air, or
  - (ii) used chiefly for the treatment or disposal of waste materials for the purpose of controlling or abating pollution of the water, soil or air to the extent of its use for the control or abatement of such pollution, if the treatment or disposal facilities comply with the standards prescribed by or under any Act for the purpose of controlling water, soil or air pollution;

**5. Section 5 (2), (5), (6) and (7) presently read:**

(2) Any assessment prepared under this Act for purposes of taxation in the following year shall reflect the specifications and characteristics of the pipe lines and works and transmission lines as at the 31st day of July of the year in which the assessment is made or should have been made.

(5) The assessment of generating, communications and substation equipment shall be at 50 per cent of the assessed value applicable to other kinds of property assessable under this Act.

(6) In the case of a pipe in a well used or drilled for the purpose of obtaining oil or gas or both or any other mineral or for the purpose of injecting gas, air, water or other substance to an underground formation, the pipe shall be assessed by applying such rates as may be prescribed by the Minister

- (a) for an operating well, to a depth equal to
  - (i) the mid point of the perforations where the casing or liner has been perforated at a producing formation or formations, or
  - (ii) the bottom of the casing or liner if the casing or liner has not been perforated or where the well is designated a "confidential well" by the Energy Resources Conservation Board, or
- (b) for a non-operating well, at a uniform flat rate, or
- (c) to a well depth determined by the Provincial Assessor in any other case not provided for in clause (a) or (b)

(7) On or before the 15th day of December in the year in which an assessment has been made pursuant to subsection (1), the Provincial Assessor shall send by mail to each municipality affected by such assessment and to each person liable to payment of tax with respect to property assessed under this Act, an assessment notice which shall be in the approved form.

**6. Self-explanatory.**

(2) Where an action is taken under authority of this section, the provisions of section 12, subsection (1), clauses (b), (c) and (d) of *The Municipalities Assessment and Equalization Act* apply, with the necessary modifications.

*7. The following new section is added after section 15:*

**15.1** (1) Nothing in this Act shall be construed so as to abrogate the conditions of any subsisting special franchise agreement.

(2) Nothing in this Act shall be construed so as to prevent a municipality, with the approval of the Public Utilities Board, from entering into an agreement with the holder of a special franchise for the payment of an amount equal to a fixed percentage of the gross revenue of the special franchise from the holder in lieu of taxing the special franchise, lands, improvements, pipe lines, works and transmission lines, machinery, equipment and apparatus belonging to and used by the holder in the exercise of the franchise.

*8. This Act comes into force on the day upon which it is assented to.*

## **7. Special franchises.**