

THE COUNTY OF VERMILION RIVER
IN THE PROVINCE OF ALBERTA
BYLAW 15-31

A bylaw of the County of Vermilion River in the Province of Alberta to provide for the imposition of a tax on the licensee in the drilling of any well for which a license is required under the Oil and Gas Conservation Act.

Whereas the *Municipal Government Act* authorizes Council to pass a well drilling equipment tax bylaw

Whereas the *Municipal Government Act* indicates that the tax imposed by this bylaw must be paid by the person holding the license required under the Oil and Gas Conservation Act

Whereas the *Municipal Government Act* authorizes the Minister to make regulations prescribing the well drilling equipment tax rate.

NOW, THEREFORE, the Council of the County of Vermilion River, enacts as follows:

1. That Bylaw No. 15-31 be cited as the "Well Drilling Tax Bylaw".
2. That a tax is imposed on all equipment used to drill a well for which a license is required under the *Oil and Gas Conservation Act*.
3. That the tax imposed by this bylaw must be paid by the person who holds the license required under the Oil and Gas Conservation Act.
4. That the tax imposed pursuant to this by-law shall be computed in accordance with the rates set out in the *Well Drilling Equipment Tax Rate Regulation* A.R. 218/2014 ["Schedule "A"] attached hereto.
5. That in the event of a tax imposed pursuant to this by-law remains unpaid for a period of thirty (30) days after the cessation of the drilling or servicing operation, the Chief Administrative Officer, or any person appointed by him/her in writing, may levy the tax with costs by distress under the provisions of the *Municipal Government Act*.
6. That this bylaw rescinds any previous bylaw, policy or resolution of the County of Vermilion River regarding a well drilling equipment tax.
7. Should any provision of this Bylaw be determined to be invalid, then such provisions shall be severed and the remaining Bylaw shall be maintained.
8. This bylaw shall come into effect upon passing of the third reading.

(no amdt)

ALBERTA REGULATION 218/2014

Municipal Government Act

**WELL DRILLING EQUIPMENT
TAX RATE REGULATION**

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Calculation of tax for 2015

1 The tax under Division 6 of Part 10 of the *Municipal Government Act* must be calculated in 2015 as follows:

- (a) if the depth of the well is 900 metres or less, \$0.44 per metre of depth, with the minimum tax being \$290;
- (b) if the depth of the well is more than 900 metres but not more than 1500 metres, \$435 plus \$0.87 for each metre of depth exceeding 900;
- (c) if the depth of the well is more than 1500 metres but not more than 1800 metres, \$957 plus \$1.02 for each metre of depth exceeding 1500;
- (d) if the depth of the well is more than 1800 metres but not more than 2400 metres, \$1450 plus \$2.18 for each metre of depth exceeding 1800;
- (e) if the depth of the well is more than 2400 metres but not more than 3000 metres, \$2900 plus \$5.22 for each metre of depth exceeding 2400;
- (f) if the depth of the well is more than 3000 metres but not more than 3600 metres, \$6382 plus \$8.27 for each metre of depth exceeding 3000;

- (g) if the depth of the well is more than 3600 metres but not more than 4200 metres, \$11 893 plus \$17.40 for each metre of depth exceeding 3600;
- (h) if the depth of the well is more than 4200 metres but not more than 4800 metres, \$23 496 plus \$21.76 for each metre of depth exceeding 4200;
- (i) if the depth of the well is more than 4800 metres, \$38 000 plus \$26.11 for each metre of depth exceeding 4800.

Calculation of tax for 2016

2 The tax under Division 6 of Part 10 of the *Municipal Government Act* must be calculated in 2016 as follows:

- (a) if the depth of the well is less than or equal to 500 metres, the minimum tax is \$780;
- (b) if the depth of the well is more than 500 metres but not more than 1000 metres, \$780 plus \$2.00 for each metre of depth exceeding 500 metres;
- (c) if the depth of the well is more than 1000 metres, \$1780 plus \$4.00 for each metre of depth exceeding 1000 metres.

Calculation of tax for 2017

3 The tax under Division 6 of Part 10 of the *Municipal Government Act* must be calculated in 2017 as follows:

- (a) if the depth of the well is less than or equal to 500 metres, the minimum tax is \$798;
- (b) if the depth of the well is more than 500 metres but not more than 1000 metres, \$798 plus \$2.05 for each metre of depth exceeding 500 metres;
- (c) if the depth of the well is more than 1000 metres, \$1820 plus \$4.09 for each metre of depth exceeding 1000 metres.

Calculation of tax for 2018

4 The tax under Division 6 of Part 10 of the *Municipal Government Act* must be calculated in 2018 as follows:

- (a) if the depth of the well is less than or equal to 500 metres, the minimum tax is \$816;

- (b) if the depth of the well is more than 500 metres but not more than 1000 metres, \$816 plus \$2.09 for each metre of depth exceeding 500 metres;
- (c) if the depth of the well is more than 1000 metres, \$1862 plus \$4.19 for each metre of depth exceeding 1000 metres.

Calculation of tax for 2019

5 The tax under Division 6 of Part 10 of the *Municipal Government Act* must be calculated in 2019 as follows:

- (a) if the depth of the well is less than or equal to 500 metres, the minimum tax is \$835;
- (b) if the depth of the well is more than 500 metres but not more than 1000 metres, \$835 plus \$2.14 for each metre of depth exceeding 500 metres;
- (c) if the depth of the well is more than 1000 metres, \$1905 plus \$4.28 for each metre of depth exceeding 1000 metres.

Expiry

6 For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on December 31, 2019.

Coming into force

7 This Regulation comes into force on January 1, 2015.