

Subject: Bylaw No. 19/019 - Well Drilling Equipment Tax Bylaw

APPROVALS:

Annette Antoniak

Director

Chief Administrative Officer

Recommended Motion:

1. THAT Bylaw No. 19/019, being the Well Drilling Equipment Tax Bylaw, be read a first time.
2. THAT Bylaw No. 19/019 be read a second time.
3. THAT Bylaw No. 19/019 be considered for third reading.
4. THAT Bylaw No. 19/019 be read a third and final time.

Summary:

In accordance with the *Municipal Government Act*, the Regional Municipality of Wood Buffalo is required to pass a Well Drilling Equipment Tax Bylaw for the purpose of completing the work set out in the approved Operating and Capital Budgets.

Background:

The Well Drilling Equipment Tax (WDET) was introduced in 1948 as a way to offset the cost of repairing damage to roads from well drilling activity. The regulation permitting the tax expired on December 31, 2013.

AR 218/2014, the Well Drilling Equipment Tax Rate Regulation, came into effect on January 1, 2015. The regulation introduces a new formula and rates effective January 1, 2016. The tax levied on all well drilling equipment is provided to the Municipality by the province on monthly basis. The Municipality sends invoices to the owners and they have 30 days to pay these taxes.

Municipal Government Act section 388 requires a municipal council to pass a Well Drilling Equipment Tax bylaw in order to impose a tax in respect of equipment used to drill a well for which a license is required under the *Oil and Gas Conservation Act*.

Budget/Financial Implications:

For the 2019 taxation year, the projected revenue from Well Drilling Equipment Tax is \$1,300,000.

Rationale for Recommendation:

The *Municipal Government Act* requires a municipality to pass Well Drilling Equipment Tax bylaw in order to collect Well Drilling Equipment taxes.

Strategic Priorities:

Responsible Government

Attachments:

1. Bylaw No. 19/019 - Well Drilling Equipment Tax Bylaw