



News Release:

Increasing Unpaid Oil and Gas Taxes Causing Many Rural Municipalities to Struggle

Starland County has recently been notified by the Rural Municipalities of Alberta (RMA) that the unpaid taxes from oil and gas companies in Alberta has reached crisis proportions. The latest numbers indicate that Alberta's Rural Municipalities are currently owed nearly \$250 million! This represents a quarter of a billion dollars that is now not available for roads, bridges, community recreation facilities, community groups and rural water and sewage systems. For Starland County the amount currently sits at over \$10 million. A tremendous burden for a small rural municipality.

A break-down of these numbers indicate that the problem is not getting better but is accelerating. \$250 million represents a 42% increase from the overall amount in RMA's 2020 member survey, and a 203% increase from RMA's 2019 member survey. The average rural municipality is facing an unpaid tax burden of \$3,560,331 from the oil and gas industry. Much of this tax owing is from bankrupt companies which is understandable and expected considering the downturn in the global economy. More troubling is that still-operating oil and gas companies are responsible for 57% of the unpaid taxes from the oil and gas industry.

This situation is completely unacceptable to the many hard-working Albertans that pay their taxes through both the ups and downs of the economy. Despite years of lobbying efforts, the Government of Alberta refuses to address this situation through common sense regulations. At present the government does not consider whether an oil and gas company has paid their property taxes in deciding whether to issue or renew a company's ability to drill for oil and gas in Alberta. This situation could be rectified easily and quickly but the government has so far refused to do so. Albertans need to ask why they are allowing one set of rules for one industry with another set of rules for everybody else.

For more information, please consult the Rural Municipalities of Alberta website at rmalberta.com.

Respectfully,

Steve Wannstrom
Reeve, Starland County