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Government of Alberta Leaders Commit to Finding Solution on Unpaid Oil and Gas Property Tax Issue

Statements made by the Premier, Minister of Energy, and Minister of Municipal Affairs during the RMA 2022 Spring Convention indicate that the Government of Alberta is planning to address the issue

The RMA was pleased to hear statements made by the Premier of Alberta, Minister of Energy, and Minister of Municipal Affairs at the RMA 2022 Spring Convention indicating that the ongoing issue of unpaid property taxes by some oil and gas companies requires action from the Government of Alberta to solve. As the RMA has advocated for a solution to unpaid taxes for several years, this acknowledgement was appreciated.

These statements were in response to the RMA's [recent member survey](#) indicating that unpaid oil and gas property taxes actually increased by 3.3%, to over \$253 million, in the 2021 tax year despite the industry's economic boom. For more information on the survey results, please view the [survey summary](#). The RMA is especially encouraged by the Minister of Energy's acknowledgement that action is needed on the issue. As summarized in [Resolution ER1-22S](#), passed by members at the recent convention, the Alberta Energy Regulator (AER) is best positioned to address this issue by requiring operators to pay all current and historical property taxes. The Minister of Energy has the power to direct the AER to build this requirement into their regulatory process.



During his address, [the Premier stated](#) the following:

“Thank you for continuing to raise this issue. People have an obligation, a legal and moral obligation, to pay their taxes. And you’ve been very patient. Patient through the tough years when many of those companies, especially the mature dry shallow gas producers barely able to stay afloat, so you were patient, we were patient. But at these commodity prices, there’s no more excuses. These companies have got to pay what they owe you, period, full stop. And we will work with you to make sure that that happens.”

Unpaid property taxes by oil and gas companies not only impact municipalities, but also all other rural businesses and residents facing increased tax rates or reduced service levels to off-set taxes not paid by oil and gas companies. Non-payment of property taxes also undermines the economic, social, and governance (ESG) focus of the industry in Alberta and harms its reputation both within Alberta and beyond. Action on this issue will have a positive outcome for rural municipalities, rural residents, other rural businesses and industries, responsible and accountable oil and gas companies, and the overall reputation of the province's oil and gas industry both within Alberta and across the world.

The RMA has followed up with the Minister of Energy and AER to revisit the issue based on their statements at the convention and will provide updates to members as they become available.

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