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Resolution 2-22S

## **Negative Impact of Carbon Tax on Rural Albertans**

Northern Sunrise County

*Carried*

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*Advocacy Target: Environment and Climate Change Canada*

WHEREAS the *Greenhouse Gas Pollution Pricing Act* (the Act) received Royal Assent and came into force on June 21, 2018; and

WHEREAS the Act is commonly referred to as the “carbon tax”; and

WHEREAS the Government of Alberta challenged the constitutionality of the carbon tax to the Supreme Court of Canada (SCC), and the SCC determined the carbon tax to be constitutional; and

WHEREAS the 2016 *Pan-Canadian Framework on Clean Growth and Climate Change: Canada’s Plan to Address Climate Change and Grow the Economy* recognized the need to avoid carbon pricing that creates a disproportionate burden on vulnerable groups and Indigenous peoples; and

WHEREAS Alberta’s Court of Appeal recognized in its decision in *Reference re Greenhouse Gas Pollution Pricing Act*, 2020 ABCA 74 that the Act does not take into account regional differences in terms of inclemency of weather, longer travel distances for work and transport of goods, and the sparseness of population (which leads to incrementally higher costs for transportation); and

WHEREAS rural Albertans need to heat their homes during the long winter months and therefore cannot freely choose to reduce their carbon footprint in this way; and

WHEREAS rural Albertans do not have access to public transportation comparable to Albertans in urban centers, and therefore are forced to pay higher taxes by using more fuel to travel; and

WHEREAS the carbon tax rate will rise to \$50 per ton by April 2022 and will continue to rise \$15 per ton every April until reaching \$170 by 2030; and

WHEREAS utility costs are becoming disproportionately unaffordable for rural residents as compared to urban residents in Alberta due to a myriad of factors, including the carbon tax; and

WHEREAS no federal, provincial, or municipal government has collected analysis or data to determine the impact of the carbon tax on the livelihoods of rural Albertans; and

WHEREAS such analysis is required to understand the impacts and challenges created by the carbon tax on rural residents in Alberta;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta (RMA) conduct a rural impact analysis on the federal carbon pollution pricing system to determine how the system is negatively impacting rural Albertans and rural municipalities and share the analysis with the governments of Alberta and Canada; and**

**FURTHER BE IT RESOLVED that the RMA advocate to the Government of Canada for the amendment to the *Greenhouse Gas Pollution Pricing Act* to halt carbon tax increases on fuel.**

## MEMBER BACKGROUND

The *Greenhouse Gas Pollution Pricing Act* (the Act) which implements the federal carbon pollution pricing system, came into effect on June 21, 2018. The fuel charge began to apply in Alberta on January 1, 2020, which meant that Albertans had an added tax of \$30 per ton with rates increasing every April thereafter. The carbon tax is expected to increase \$15 per ton every year beginning in 2023 and continue increasing until 2030. As a result, Canadians will be paying \$170 per ton by 2030.

Ontario, Saskatchewan, and Alberta have challenged the constitutionality of the carbon tax. On March 25, 2021, the Supreme Court of Canada ruled in favour of the federal carbon tax citing climate change as a matter of national importance that justified the carbon tax. Advocacy work needs to be undertaken at the federal level as the provinces have no power to repeal federal carbon taxes.

As it stands, the carbon tax has the potential to affect rural Albertans disproportionately compared to urban Albertans as rural residents use more fuel because of their transportation, and heating needs as well as the nature of their livelihoods in heavier industries, and large agriculture operations.

The Carbon Tax Rebate Program was introduced in the Fall of 2021 to help farming communities offset the high costs of the carbon tax as a direct result of their higher energy output required to produce various food products. This program does not go far enough to alleviate the disproportionate effects that the carbon tax has on rural Albertans and stands to only minimize impact on one rural Alberta population while ignoring other industries equally affected.

Direct advocacy is difficult in the absence of data. Anecdotes and personal experiences are unable to demonstrate the breadth of the unique circumstances and challenges faced by rural communities. The carbon tax is intended to reduce the carbon footprint of all Canadians by making fuel usage more expensive. Those living in urban centers have alternatives including public transportation, working from home, and other carbon reduction options, however these same solutions to reduce a carbon footprint are simply impossible in rural communities. Data supporting these assertions is necessary in order to advocate for change at the federal level.

## RMA BACKGROUND

RMA has no active resolutions directly related to this issue.

Resolution 3-22S

## **Attraction and Retention of Veterinarians to Rural Veterinary Practice**

Mountain View County

*Carried as amended*

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*Advocacy Target: Alberta Agriculture, Forestry and Rural Development, Alberta Advanced Education, University of Calgary Veterinary Medicine Faculty*

WHEREAS over the past 30 years increasing demand in Alberta for rural based veterinary medical professionals (veterinarians and veterinary technologists) combined with most veterinary students choosing urban centered careers has created a labour shortage that has reached a crisis level; and

WHEREAS veterinary medicine is critical to rural Alberta's economy, rural community sustainability and quality of life via its contributions to agriculture, food safety, and animal health and welfare; and

WHEREAS rural veterinary practices are located outside of major urban centers and provide services to four common domestic species (Bovine, Equine, Canine and Feline); and

WHEREAS students choosing to locate and remain in rural veterinary practice are more likely to be those originating from and living in rural Alberta and/or having significant interest in and experience with rural veterinary practice and the rural lifestyle; and

WHEREAS there are not enough training spaces in Alberta veterinary medicine and animal health technology programs (including at the University of Calgary Veterinary Medicine Faculty) for Alberta students choosing a career in rural veterinary medicine; and

WHEREAS in 2020, veterinary medicine in Alberta generated 10,211 full time employees who contributed over \$206 million in federal, provincial and municipal taxes; and

WHEREAS rural municipalities have a considerable role in attracting and retaining a local and regional workforce including veterinary medical professionals;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta (RMA) supports attraction and retention actions to reduce veterinary professional shortages, especially in rural Alberta; and**

**FURTHER BE IT RESOLVED that the RMA urge the Government of Alberta to improve veterinary education opportunities and officially support the development of new programs at the University of Calgary Veterinary Medicine Faculty (UCVM) through actions that include:**

- 1. Development of a rural practitioner stream;**
- 2. Participation of RMA in UCVM programs of outreach to rural municipalities to encourage and support successful rural student admission to UCVM;**
- 3. Development of an online veterinary support program to help support veterinarians in practice, increasing retention of veterinary professionals;**
- 4. Development of a stackable clinical certificate program allowing for certification of foreign trained veterinarians and providing a structured process for career diversification and/or re-entry into the work force after career break; and**
- 5. Participation of RMA in a committee pursuing recruitment of foreign veterinarians from high quality universities to help ensure "a good fit" in rural communities; and**

**FURTHER BE IT RESOLVED that the RMA work with UCVM to expand the UCVM admissions committee and provide, on an ongoing basis, a selected number of committee members who are located in, and familiar, with rural Alberta needs; and**

**FURTHER BE IT RESOLVED that the RMA examine and implement best practices to conduct outreach to recruit veterinary students and retain veterinary professionals who will work and reside in rural Alberta.**

## **MEMBER BACKGROUND**

Definitions:

ABVMA – Alberta Veterinary Medical Association

GOA – Government of Alberta

GPA – Grade Point Average

MCAT- Medical College Admissions Test

MMI – Multiple Mini Interview

RMA – Rural Municipalities of Alberta

UCVM – University of Calgary Faculty of Veterinary Medicine

There is a crisis level global shortage of veterinarians and veterinary technologists, affecting Alberta. It is estimated that there are currently at minimum 864 veterinary professional vacancies in Alberta (377 veterinarians and 487 veterinary technologists). The job vacancy rates for veterinarians (16.7%) and veterinary technologists (18.8%) far exceeds the provincial average of 2.6% for all professions. The April 2021 ABVMA/ABVTA Veterinary Professional Workforce Study projected that due to increasing expansion demand (demand for service increases due to pet ownership, increased disposable income and increasing livestock numbers) and due to replacement demand, the shortage of professionals will increase more than 3.5 times by 2040. Using current trends, in 18 years, the shortage of veterinary professionals is estimated to be more than 3371 people (1331 veterinarians and 2407 technologists).

While the labour shortage is an issue throughout Alberta, rural practices are particularly impacted due partly to recruitment and admissions challenges. Further, rural communities are impacted acutely in the current environment and face restricted economic growth post-COVID without targeted and immediate actions to address the shortages. Attraction and retention of rural based veterinary medical professionals has not been keeping pace with increasing demand.

UCVM is one of five veterinary schools in Canada and was the last Canadian veterinarian program to begin operations. It was developed to meet Alberta's need for highly skilled veterinary graduates to support rural Alberta, production animal and equine industries, animal and human health research, and public health. In the 15 years since inception, UCVM has become one of the top 40 veterinary schools in the world. In 1999, RMA passed resolution 3-99F "Establishment of a School of Veterinary Medicine in Alberta."

Established in 2005, UCVM commenced with a class of 30 students which was augmented by the transfer of the 20 funded Alberta students at Saskatchewan's Western College of Veterinary Medicine (WCVM). In 2017, Alberta's government reduced funding for the 20 WCVM seats and transferred the funding to UCVM. These 50 seats for veterinary education of Alberta students have remained unchanged despite

shifting demand pressures. The RMA passed resolution 16-01F that urged “the Government of Alberta to provide additional funding to the Western College of Veterinary Medicine in order to ensure future accreditation and to provide sufficient veterinary graduates to meet Alberta’s needs.” Today, UCVM needs RMA’s support to expand its capacity and to adapt its programming.

Currently, UCVM selects 50 Alberta students per year to enter the four-year veterinary medicine program. In August 2021, there were 5.4 qualified applicants for every educational seat at UCVM. Alberta students are demanding veterinary education be available at home rather than pursuing their education and career in other jurisdictions.

Starting with the incoming class for 2022, all applicants must write the Medical College Admission Test (MCAT). A pre-determined minimum MCAT score is required to advance to the interview stage of the application process. This minimum score is to ensure that successful applicants can handle the academic requirements of the curriculum. Applicants who successfully meet the pre-determined MCAT score then enter an interview process that involves multiple mini interview (MMI) scenarios. The MMI is designed to gauge a successful applicant’s knowledge of a career in veterinary medicine and their likelihood to succeed in such a career. It would be advantageous for RMA to establish a strong relationship with UCVM which would provide opportunity for RMA to be part of the recruitment, selection and retention of UCVM graduates.

The long-standing shortage of rural veterinary practitioners in Alberta is well known. It has been shown that the likelihood of someone entering and succeeding in rural veterinary practice is much higher if they have significant knowledge and experience with rural practice and the rural lifestyle. A UCVM partnership with RMA will assist in identifying suitable candidates for the DVM program. Members of these communities are in the ideal position to judge “best fit”. The “grow your own vet” model will increase the likelihood that veterinary students will go back to their home community after graduation.

In 2020, there were 1832 registered veterinarians in Alberta and 1852 registered veterinary technologists, working in 554 veterinary practices, employing over 6600 full time equivalent employees. The total output of Alberta veterinary practices was estimated to be \$2.021 billion. This does not include the contributions made by veterinarians to Alberta’s agriculture sector, which contributed \$9.68 billion in GDP and employed 69,800 Albertans. As such, access to local veterinary services for farmers and livestock producers is essential for the sustainability of the primary agriculture industry as well as Alberta’s overall economy. Further, sustainability and growth of our rural communities is dependent on access to veterinary services both today and in the foreseeable future.

#### Supporting Documentation

- Letter of support from Alberta Milk
- Letter of support from Alberta Beef Producers

## **RMA BACKGROUND**

RMA has no active resolutions directly related to this issue.

Resolution 4-22S

## **Continued Support for the Royal Canadian Mounted Police in Alberta**

Northern Sunrise County

*Carried*

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*Advocacy Target: Alberta Justice and Solicitor General*

WHEREAS the majority of rural municipalities support the continuation of the **Royal Canadian Mounted Police (RCMP)** as Alberta's primary municipal police service provider; and

WHEREAS Alberta had its own provincial police service in the early twentieth century; and

WHEREAS Alberta's previous provincial police service was replaced by RCMP contract policing due to economic hardships experienced in the province resulting in the provincial police service becoming unsustainable; and

WHEREAS RCMP detachments are established and well respected in communities across Alberta; and

WHEREAS municipalities should not face increased costs to support the shift to a provincial police service; and

WHEREAS the Government of Alberta has not released a detailed funding model to account for who will be covering the costs of transitioning to an **Alberta Provincial Police Service (APPS)** or the operation of the service; and

WHEREAS support for the Alberta RCMP has held strong in ongoing surveys over the past year despite the heavy politicization on the issue; and

WHEREAS creating a provincial police service remains very low priority for Albertans, with one recent public survey reporting 70% opposition to the replacement of the RCMP and 80% satisfaction with current RCMP policing; and

WHEREAS the APPS Transition Study, developed by PricewaterhouseCoopers on behalf of the Government of Alberta, does not include statistics, surveys conducted, or any evidence of engagement with municipalities, citizens, or specific communities; and

WHEREAS the APPS Transition Study cost over two million dollars, which is ultimately paid for by the Alberta taxpayers;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta request that the Government of Alberta not create an Alberta Provincial Police Service.**

### **MEMBER BACKGROUND**

The Government of Alberta has moved quickly on the Fair Deal Panel's (FDP) recommendation of creating an Alberta Provincial Police Service (APPS). The Panel's report was released in May of 2020 and later in the year, PricewaterhouseCoopers (PwC) was selected to conduct the APPS Transition Study. The Transition Study was slated to be released by April 2021 but was not released to the public until the end of October, six months later.



Dozens of municipalities have opposed the creation of an APPS, as evidenced by letters sent to the Minister of Justice and Solicitor General expressing their concerns over having to bear the cost of the APPS with no assurance of it being a more beneficial police service. Rather than replacing the RCMP, rural Albertans are more concerned about the “revolving door” of crime and would like to see improvements made to the provincial justice system, social safety nets, and to have poverty and addictions issues addressed. The FDP conducted polls and surveys regarding its recommendations and found that creating an APPS was ranked second last in terms of priority among all issues they were considering.

The PwC transitional study shows that creating an APPS will cost Albertans more than \$188.3 million per year in lost federal contributions with a transition cost of over \$366 million while getting less fully trained officers than the RCMP.

## **RMA BACKGROUND**

RMA has no active resolutions directly related to this issue.

Resolution 6-22S

## **Responsiveness of Service Delivery by Quasi-independent Agencies in Alberta**

MD of Willow Creek

*Carried*

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*Advocacy Target: Executive Council*

WHEREAS the Government of Alberta has established a number of arms-length quasi-independent agencies, including Alberta Health Services, the Alberta Utilities Commission and the Natural Resources Conservation Board; and

WHEREAS the administration and regulation of core public services pertaining to health, utilities and the environment has resulted in a framework of unelected officials with little accountability to the public making decisions which impact the lives, property and environment of Albertans; and

WHEREAS the lack of accountability and responsiveness by Alberta Health Services to repeated and widespread concerns regarding the efficient and effective delivery of emergency medical services have resulted in service delays creating serious public safety concerns; and

WHEREAS the lack of accountability and responsiveness by the Natural Resource Conservation Board to municipal concerns regarding the approval of confined feeding operations prior to *Water Act* approvals being issued by Alberta Environment and Parks is a failure of fundamental planning practice; and

WHEREAS the lack of accountability and responsiveness by the Alberta Utilities Commission to the community planning and environmental sustainability concerns repeatedly expressed by municipalities and citizens pertaining to the approval of large renewable energy projects on prime agricultural land does not align with good planning practice; and

WHEREAS the implementation of arms-length quasi-independent agencies to administer critical public services, regulations and policy is becoming increasingly common; and

WHEREAS these types of agencies do not provide the level of public accountability for their decisions that is required of public bodies;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta request that the Government of Alberta review the continued use of unelected, quasi-independent agencies for the administration and delivery of essential public services, with the results of the review published for public examination.**

### **MEMBER BACKGROUND**

“It is so easy to be wrong – and to persist in being wrong – when the costs of being wrong are paid by others.” - Thomas Sowell.

The establishment of quasi-independent agencies has been described by detractors as an ability for government officials to opt out of the myriad of legal requirements that constrain public administration especially where public oversight may constrain decision making. Such agencies allow government officials to bypass public accountability requirements which typically apply to decision making within government. To supporters, the use of these types of organizations have been described as a way to reduce bureaucratic ‘red tape’ and to make decisions based upon independently derived criteria outside

of any real or perceived political bias. Based upon the recent decisions being made by these organizations in Alberta, the characterization of quasi-independent agencies made by detractors appears to be the most correct.

Alberta Health Services (AHS) was established on May 15, 2008 under the *Regional Health Authorities Act* and is an arms-length quasi-independent agency of the Government of Alberta with a mandate to deliver public health services throughout the province. AHS is administered by the Alberta Health Services Board reporting to the Alberta Minister of Health.

Escalating challenges with Alberta's AHS-managed emergency medical services (EMS) system, including increased event volume, prolonged hospital wait times, EMS staffing issues and substandard dispatching are resulting in extended ambulance wait times, service shortages and outages which have combined to create public safety concerns. Plans developed by AHS to address these issues have not been adequately outlined to municipalities.

The Natural Resources Conservation Board (NRCB) is an arms-length quasi-independent agency of the Government of Alberta reporting to the Minister of Environment and Parks. The NRCB was established in 1991 under the *Natural Resources Conservation Act* to determine the public interest of proposed natural resource projects. In 2002, the NRCB was given additional responsibility for regulating Alberta's confined feeding operations under the *Agricultural Operations Practices Act*.

The *Alberta Utilities Commission Act* was passed in 2008, dissolving the Energy and Utilities Board (AEUB) to create two separate regulatory agencies: the Alberta Utilities Commission (AUC) which regulates the utilities industry and the Energy Resources Conservation Board (ERCB) (now known as the Alberta Energy Regulator [AER]) which regulates the oil and gas industry.

Section 619 of the *Municipal Government Act* allows a license, permit, approval or other authorization granted by the NRCB, the ERCB, the AER, the AEUB or the AUC to supersede municipal authority over land use planning, including any statutory plan, land use bylaw, subdivision decision or development decision by a subdivision authority, development authority, subdivision and development appeal board or the Municipal Government Board.

When these provincial agencies consider the issuance of licenses, permits, approvals and other authorizations, they have few statutory requirements to consider municipal planning documents which outline land use priorities and plans – particularly those which include the protection of agricultural land including fragmentation and conversion to non-agricultural uses.

Resolution 7-20F was passed by the Rural Municipalities of Alberta in 2020. This resolution was intended to initiate a discussion on the amendment of the *Municipal Government Act* to require the consideration of municipal planning documents with respect to the protection of agricultural land when considering applications for licenses, permits, approvals or other authorizations by the NRCB, ERCB, AER, AEUB or AUC. The RMA has determined that the response from the province has not met the intent of the resolution.

This resolution requests a review of the use of quasi-independent agencies for decision making and delivery of essential public land use planning and the provision of emergency service delivery.

## **RMA BACKGROUND**

7-20F: Amendments to Municipal Government Act Section 619

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta urge the Government of Alberta to amend Section 619 of the Municipal Government Act to clearly state that the Natural Resources Conservation Board, the Energy Resources Conservation Board, the Alberta Energy Regulator, the Alberta Energy and Utilities Board or the Alberta Utilities Commission must consider municipal statutory land use planning related to the protection of productive agricultural lands when making decisions on licenses, permits, approvals and other authorizations under their jurisdiction.

[Click here](#) to view the full resolution.

Resolution 7-22S

## Helicopter Emergency Medical Services (HEMS) Report Funding Recommendations

County of Grande Prairie

*Carried*

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*Advocacy Target: Alberta Health, Alberta Health Services*

WHEREAS the membership of the Rural Municipalities of Alberta requested that the province review the funding models for regional air ambulance through *Resolution 14-19F: Provincial Funding for Regional Air Ambulance*; and

WHEREAS the June 2021 **Helicopter Emergency Medical Services (HEMS)** report by Alberta Health identifies HEMS as an integral part of emergency medical services at a critical care level; and

WHEREAS locally and regionally operated air ambulance service complements ground ambulance, and is provided to central and northwestern Alberta by **Shock Trauma Air Rescue Society (STARS)** at a critical care level; to northeastern Alberta by the **Helicopter Emergency Response Organization (HERO)** at an advanced life support level from Fort McMurray; and to southeastern Alberta by the **Helicopter Air Lift Operation (HALO)** at an advanced life support or basic life support level from Medicine Hat; and

WHEREAS the Government of Alberta provides limited funding through Alberta Health Services to support locally or regionally operated air ambulance services, with any additional required support coming from municipalities and private and corporate donations; and

WHEREAS many municipalities contribute a significant amount of funding to support locally and regionally operated air ambulance services under the current funding model, despite the fact that emergency medical services are a provincial responsibility; and

WHEREAS HEMS providers have demonstrated a proven ability to raise funds to help support operations; and

WHEREAS more stable and sustainable funding of HEMS will support quality assurance and ongoing improvement, ensuring HEMS remains viable, safe and effective in alignment with a coherent provincial strategy for air and ground ambulance;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta urge the Government of Alberta and Alberta Health Services to proceed with the development and implementation of necessary policy and standard changes towards further critical care integration across the EMS system, including consistently funding a minimum of 50 per cent of an air ambulance provider's operating costs, as recommended in the Helicopter Emergency Medical Services report.**

### **MEMBER BACKGROUND**

In recognition of the crucial life-saving service provided by STARS, the County of Grande Prairie has granted the organization approximately \$2.75 million in community funding since 2007, including a five-year capital funding commitment of \$500,000 during 2020-2024 to the STARS Fleet Renewal Campaign.

Municipalities across Alberta contribute just over \$2 million annually to STARS' capital and operational costs, with \$1.2 million coming from municipalities in the North Zone.

The Government of Saskatchewan provides approximately half of the funding for STARS operations in Saskatchewan, with the other half provided by support from private and corporate donations, service clubs and municipalities.

In the attached presentation to the County of Grande Prairie Council in 2021, STARS identified that 80 per cent of its fiscal funding is attributable to fundraising efforts, in addition to the 20 per cent provided by Alberta Health Services. While their proven ability to raise funds to support operations is commendable, it is not sustainable, especially during the recent economic downturn. Operational data included in the presentation noted the added challenges of the pandemic, with one in five STARS missions being a COVID-19-related case.

Helicopter Emergency Medical Services (HEMS) is particularly vital in rural areas of Alberta where access to critical care is not always feasible using ground ambulance services.

An increase in provincial funding could contribute to an expanded service delivery to ensure equitable emergency response for all of Alberta's rural residents inclusively and may reduce the need for ongoing municipal contributions.

## RMA BACKGROUND

### 14-19F: Provincial Funding for Regional Air Ambulance

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta request that the Government of Alberta provide funds to locally- and regionally-operated emergency response air ambulance services at the same ratio as Shock Trauma Air Rescue Society (STARS) funding

FURTHER BE IT RESOLVED that the Government of Alberta commissions an independent review, which includes engagement with the public, industry stakeholders and municipalities across Alberta, of the helicopter emergency medical services system in Alberta.

[Click here](#) to view the full resolution.

Resolution 8-22S

## **Reversing Changes to Aerodrome Standards Implemented by Transport Canada**

MD of Smoky River

*Carried*

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*Advocacy Target: Transport Canada*

WHEREAS aerodromes are non-certified facilities that provide essential transportation services such as emergency services, medical services, and wildfire suppression; and

WHEREAS section 803.02 of the Canadian Aviation Regulations provides the development and publication of instrument procedure requirements for aerodromes in Canada; and

WHEREAS Transport Canada's TP312 5th Edition Aerodrome Standards introduced changes relating to the physical characteristics for aerodromes; and

WHEREAS the AC 301-001 Advisory Circular changed the Instrument Approach Procedures ("IAP") requirements for aerodromes; and

WHEREAS the AC 803-007 Advisory Circular changed the Aerodrome Operator Attestation requirements; and

WHEREAS the changes for aerodromes will increase the approach and departure minimum weather requirements for runways; and

WHEREAS the requirements will reduce accessibility for aircraft, including air ambulances, to approach and depart aerodromes;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta requests that the Government of Canada either reverse the newly amended Instrument Approach Procedures to maintain aircraft accessibility to community aerodromes in Alberta, or suspend the new requirements to carry out the necessary studies such as a risk assessment or impact assessment associated with the new standards.**

### **MEMBER BACKGROUND**

In 2015, TP312 5<sup>th</sup> Edition Aerodrome Standards and Recommended Practices document introduced changes relating to the physical characteristics needed to support Instrument Approach Procedures for airports. While it was not binding on aerodromes, it established a new standard for runways.

In 2017, Transport Canada introduced changes to aerodrome standards in order to align with international standards reflected in the International Civil Aviation Organization (ICAO). At that time, Transport Canada did not complete an impact assessment to determine the affect the proposed requirements may have on aerodromes across Canada. Despite the lack of evaluation and reporting, the changes created more onerous requirements for physical characteristics of aerodrome runways as compared to those introduced in 2015 (TP312 5<sup>th</sup> Edition Aerodrome Standards and Recommended Practices) for airports. Transport Canada gave aerodromes until December 31, 2020 to comply. In response to COVID-19, Transport Canada amended the deadline to September 30, 2021. That deadline had been extended to December 31, 2021, then again to March 31, 2022.



Section 803.02 of the *Canadian Aviation Regulations (CARs)* regulates the development of instrument approach procedures in Canada through the standards manual entitled *Criteria for the Development of Instrument Procedures*, known as TP308. At paragraph 120(a) of the manual, the aerodrome minimum physical characteristics are set out requiring an obstacle-free environment in the vicinity. An aerodrome must meet these infrastructure requirements prior to publishing instrument approach procedures.

By linking the physical characteristics of an obstacle-free zone with the instrument approach procedures, the requirements severely impacted the elevation threshold for aircraft arrivals and departures to aerodromes. For a given aerodrome to obtain a minimum elevation threshold **lower** than 500 feet for restricted instrument approach procedures at non-certified aerodromes, the obstacle environment must be compatible with the requirements.

Some aerodromes cannot complete physical works due to financial or topographical constraints, and therefore cannot meet the obstacle-free requirement. Other aerodromes are unable to comply because of immovable infrastructure such as hangers or gasoline tanks. In those circumstances, aircraft access to those aerodromes is set at the 500 foot mark with regard to the weather elevation threshold. The 500 foot limit for instrument approach procedures is projected to decrease accessibility to a given aerodrome by 4% over the course of 365 days, given Alberta's weather and cloud conditions. In other words, an aerodrome that is unable to meet the physical characteristics required cannot then obtain a minimum elevation threshold lower than 500 feet, and as a result will not be accessible by aircraft for approximately 14 days per year given Alberta's climate.

Because it is weather dependent, this impacts all aircrafts, including air ambulance aircrafts. Most rural communities in Alberta are dependent upon an aircraft medical evacuation system that is reliable, safe and dependable because these communities do not have major hospitals in close proximity. In an emergency situation, air ambulances may be prohibited to land at a non-certified aerodrome that has not obtained a minimum lower than 500 feet if the weather conditions are not appropriate. That circumstance will not change whether someone's life is in the balance or not.

While not as severe, these new requirements will also have dire consequences for those working at remote resource sites, or for those businesses dependent upon tourism.

Recent activities by the aviation community such as JetPro and others, have gone unnoticed by Transport Canada. NAV Canada has had a similar result when addressing the issue with Transport Canada.

#### Supporting Documentation

- ◆ Advisory Circular (AC) No.301-00: <https://tc.canada.ca/en/aviation/reference-centre/advisory-circulars/advisory-circular-ac-no-301-001>
- ◆ JETPRO Letter to Federal Transport Minister Hon. Omar Alghabra: see following page

#### **RMA BACKGROUND**

RMA has no active resolutions directly related to this issue.

Resolution ER1-22S

## **Alberta Energy Regulator Action to Require Oil and Gas Companies to Pay Municipal Property Taxes**

RMA Board of Directors

*Carried*

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*Advocacy Target: Alberta Energy, Alberta Energy Regulator*

WHEREAS Alberta's rural municipalities rely on property tax revenue to support the construction and maintenance of infrastructure and provision of municipal services; and

WHEREAS Alberta's rural municipalities host most of the province's oil and gas exploration activity; and

WHEREAS oil and gas companies utilize rural municipal infrastructure (particularly roads and bridges) to access well sites, pipelines, and other privately owned infrastructure; and

WHEREAS the *Municipal Government Act* empowers municipalities to apply property taxes to oil and gas assets located within their municipal boundaries; and

WHEREAS the *Municipal Government Act* provides municipalities with tools and powers to recover lost revenue from non-payment of property taxes, including the seizure and sale of property; and

WHEREAS due to gaps in provincial legislation and regulations, municipalities have been unable to apply many of these powers to recover unpaid taxes on oil and gas properties in recent years; and

WHEREAS this lack of enforcement mechanisms has resulted in some oil and gas companies ignoring their legal obligations to pay property taxes; and

WHEREAS unpaid property taxes have serious impacts in rural municipalities, including reduced service levels, increased tax rates on other property types, and reductions in regional collaboration; and

WHEREAS the total amount of unpaid taxes owed to rural municipalities has increased by 213% from the 2018 tax year (\$81 million) to the 2021 tax year (\$253 million); and

WHEREAS in the 2021 tax year, the average rural municipality faced an unpaid tax burden of \$3.7 million dollars from oil and gas operations; and

WHEREAS some oil and gas companies are also ignoring their obligations to honour surface rights agreements, resulting in many rural property owners being directly impacted in the form of a lack of compensation to offset the loss of use of a portion of their property; and

WHEREAS in recent years, the oil and gas industry has focused on fulfilling an environmental, social, and governance (ESG) mandate in which companies strive to operate as accountable corporate citizens; and

WHEREAS non-payment of property taxes undermines the "social" pillar of the industry's ESG focus, harming the industry's reputation locally, across Alberta, and internationally; and

WHEREAS in 2021, the Government of Alberta amended the *Municipal Government Act* to clarify the ability of municipalities to apply special liens to oil and gas property to recover unpaid taxes; and

WHEREAS in 2021, the **Alberta Energy Regulator (AER)** amended Directive 067 to clarify that the AER may consider payment of property taxes when reviewing applications for oil and gas licenses; and

WHEREAS neither change has resulted in a solution to unpaid taxes by the oil and gas industry, as the amount of unpaid taxes continues to grow, despite significant increases in the price of oil and gas and the drilling of new oil and gas wells in 2021 compared to previous years; and

WHEREAS the AER has previously stated that enforcing the oil and gas industry's payment of municipal property taxes is beyond their scope and mandate; and

WHEREAS the AER's mandate is, in part, to ensure "the safe, efficient, orderly, and environmentally responsible development of oil, oil sands, natural gas, and coal resources over their entire life cycle...while providing economic benefits for all Albertans"; and

WHEREAS non-payment of property taxes negatively impacts all other property taxpayers in the form of either increased tax rates or reduced service levels to off-set uncollected property tax revenue; and

WHEREAS non-payment of property taxes is an indication that an oil and gas company may be unable or unwilling to meet other environmental or regulatory responsibilities;

**THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta (RMA) urge the Government of Alberta to direct the Alberta Energy Regulator (AER) to amend the directives, policies and other processes (including directives 067 and 088) necessary to require any company regulated by the AER to pay all current and historical municipal property taxes in full as a condition of operating in Alberta; and**

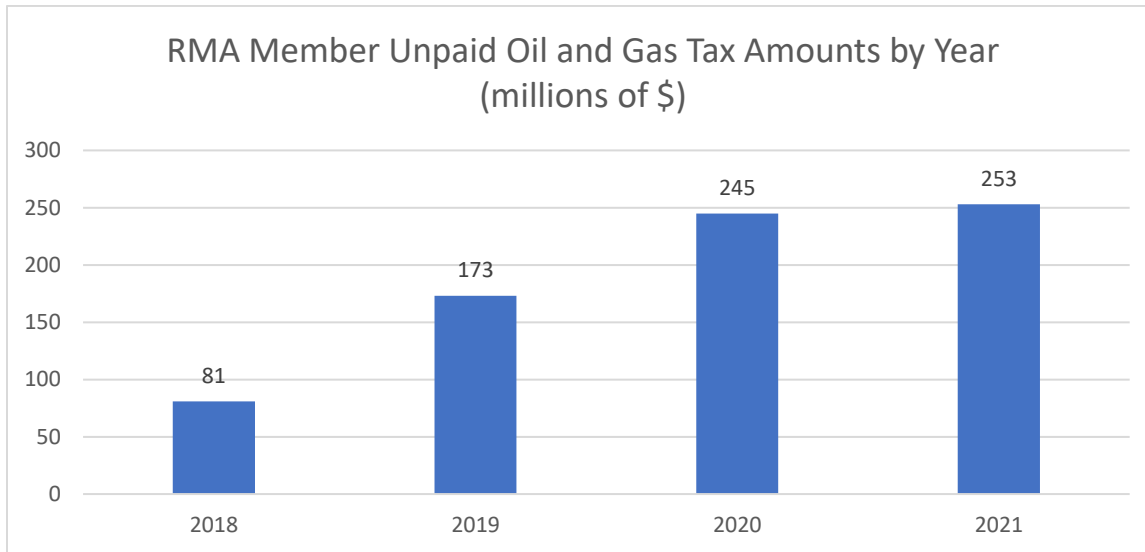
**FURTHER BE IT RESOLVED that the AER replace its current practice of relying on industry self-reporting of property tax payments by collaborating with the RMA and rural municipalities to develop a system by which rural municipalities can easily share unpaid property tax information with the AER.**

## **MEMBER BACKGROUND**

Rural municipalities play an important role in supporting Alberta's oil and gas industry. Rural municipalities cover over 85% of the province's land mass, and maintain over 70% of roads and 60% of bridges in Alberta, many of which provide the industry with access to resources that are extracted and refined for profit.

Like other property owners, oil and gas companies are responsible for paying municipal property taxes on wells, pipelines, buildings, and other assets. These taxes support municipalities to build and maintain infrastructure and provide services used by the oil and gas industry, as well as other industries and Albertans. Rural municipalities dedicate an unusually high portion of their budgets to building and maintaining transportation assets. In 2018, Alberta's municipal districts, counties and the Special Areas Board spent an average of just under 50% of their overall expenses on transportation costs. In comparison, all Alberta municipalities spent an average of under 20%, while municipalities in Ontario and British Columbia spent an average of 10%. This disparity speaks to the outsized responsibility that Alberta's rural municipalities have in providing roads and bridges, many of which exist primarily (or only) for the purpose of providing the oil and gas industry with access to natural resources.

Despite this, rural municipalities across Alberta have struggled to collect property taxes from some oil and gas companies in recent years (see chart below).



The reasons for the lack of payment are straightforward: municipalities lack the tools and powers to enforce payment of taxes, and the Alberta Energy Regulator (AER), despite being responsible for regulating the oil and gas industry to ensure it operates responsibly and in the public interest, has been unwilling to take meaningful action to require oil and gas companies to pay taxes as a condition of operating in the province.

In the past year, the Government of Alberta has done the following in an attempt to address the issue:

- ◆ The Government of Alberta passed Bill 77: *Municipal Government (Restoring Tax Accountability) Amendment Act, 2021*. Bill 77 clarified the ability of municipalities to use special liens to recover unpaid taxes on oil and gas properties, a power that was not available for several years prior due to the 2019 *Northern Sunrise County v Virginia Hills Oil Corp* Alberta Court of Appeals decision.
- ◆ The Alberta Energy Regulator (AER) introduced Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals. Directive 067 includes a clause stating that the AER **may** consider “outstanding debts owed for municipal taxes” as a factor when determining whether an applicant for an energy licence poses an unreasonable risk.

While both changes reflected modest progress towards addressing the issue, each have significant weaknesses and neither has led to progress in reducing the amount of unpaid taxes, as explained below:

- ◆ Municipalities have significant questions related to how to implement the special lien powers introduced through Bill 77, including what risks a municipality may incur by seizing or restricting access to an oil and gas facility, as well as whether the administrative costs and enforcement challenges associated with doing so will outweigh the potential tax recovery benefits.
- ◆ The AER has not shared any details related to how it utilizes the inclusion of municipal taxes as a risk factor in Directive 067, and has not responded to RMA inquiries as to if, how and to what extent the AER has used unpaid taxes to inform their risk evaluations since Directive 067 was put in place in April 2021. Additionally, the AER has chosen to rely on industry self-reporting of property tax payment performance and has rejected RMA’s request to collaborate to develop a mechanism for municipalities to report unpaid tax information to the AER.

When RMA raised the issue of unpaid taxes as a concern in previous years, government decision-makers were dismissive of the issue, arguing that due to the previously poor economic conditions being incurred

by the oil and gas industry, requiring companies to pay taxes may have economic consequences and lead to lost jobs and lost investment in the province. While this argument was questionable in difficult economic times (homeowners and other business owners are not permitted to unilaterally ignore tax obligations due to their personal financial difficulties), it holds no weight in the current economic climate.

Unpaid taxes owed to RMA members increased by 3.3% between the 2020 and 2021 tax years (from \$245 million to \$253 million). This is a modest increase compared to previous years. However, when considered in the context of the industry's overall growth (the drilling of new wells increased by 135% from 2020 to 2021), any increase in unpaid taxes is unacceptable and proof that non-payment is not an issue of a lack of ability on the part of some oil and gas companies, but rather a lack of interest in meeting their obligations when no meaningful enforcement mechanisms exist.

This continued increase during a “boom” period for industry is also proof that as the regulator of the industry, the AER needs to fulfill their mandate to ensure the orderly and responsible development of oil and gas and provide economic benefits to Albertans by requiring oil and gas companies meet their legal obligations to pay property taxes. Not only does non-payment of property taxes undermine the economic, social and governance (ESG) focus of the industry and harm the industry's reputation both within Alberta and beyond, but it is also an indicator of risk that a company may be unable or unwilling to meet other environmental or regulatory obligations. If a company ignores property tax obligations, what obligations will they ignore next? If the AER actually views themselves as the **regulator** of industry, rather than the protector of industry, they must step up and take enforcement action on the small minority of companies that are taking advantage of rural municipalities and rural residents, rather than continue to enable them. 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.

## RMA BACKGROUND

### 1-21S: Alberta Energy Regulator Directive 006 – Licensee Liability Rating (LLR) Program and License Transfer Process

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta advocate to the Alberta Energy Regulator to amend Directive 006 to include as a condition of transfer of all oil, oil sands, natural gas, and coal resource assets from one company to another that municipal property tax arrears be paid in full.

[Click here](#) to view the full resolution.

### 2-20F: Blue-Ribbon Panel to Review Unpaid Taxes Owed by Oil and Gas Companies

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta urge the Government of Alberta to appoint an independent panel of experts to review unpaid property taxes owed by oil and gas companies and its impact on rural municipalities; and

FURTHER BE IT RESOLVED that the panel provide the Government of Alberta and rural municipalities with implementable recommendations related to the recovery of property taxes owed by oil and gas companies.

[Click here](#) to view the full resolution.

#### 1-19F: Priority of Unpaid Property Taxes on Linear Property

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta (RMA) advocate for the Government of Alberta to take steps to ensure that municipalities are able to effectively recover all property taxes, including property taxes on linear property; and

FURTHER BE IT RESOLVED that RMA advocate for the Government of Alberta to address the growing concern regarding unfunded abandonment and reclamation costs for oil and gas properties and the affect that those costs have on the ability of municipalities to recover unpaid property taxes; and

FURTHER BE IT RESOLVED that RMA advocate for the Government of Alberta to make immediate amendments to *the Municipal Government Act* (MGA) to

1. Clarify that the reference to “property tax” in section 348 includes all property taxes, including property taxes on linear property;
2. Clarify the meaning of the phrase “...land and any improvements to the land...” in section 348 to specify that all of the property that is subject to assessment pursuant to Part 9 of the MGA within that municipality is subject to the special lien established in that section;
3. Provide municipalities with improved enforcement powers, such as the specific power to apply to the courts for the appointment of a receiver to enforce a claim for unpaid linear property taxes against the assets that are subject to a special lien established by section 348;
4. Apply the above amendments retroactively to ensure that existing linear property tax arrears constitute a secured claim.

[Click here](#) to view the full resolution.

#### 6-19F: Municipal Recourse for Solvent Companies Choosing Not to Pay Taxes

THEREFORE, BE IT RESOLVED that the Rural Municipalities of Alberta advocate that the Government of Alberta direct the Alberta Energy Regulator to add unpaid municipal taxes to the grounds for which a company may be denied a licence to operate in Alberta.

[Click here](#) to view the full resolution.