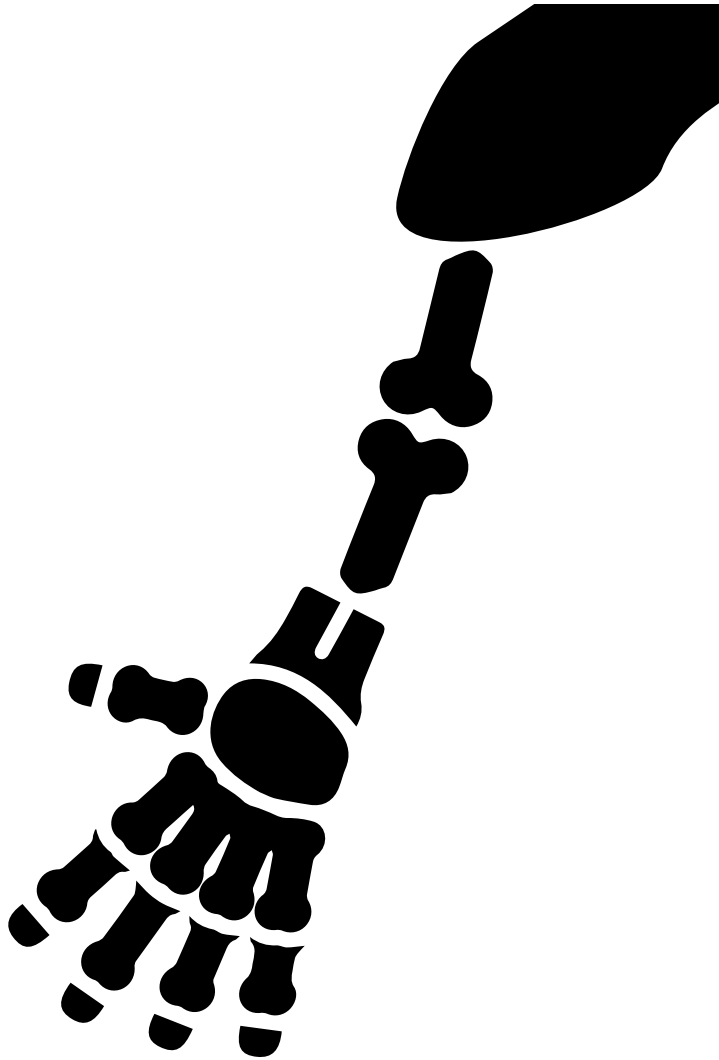


Compounds Municipal Challenges



Not only do zombie companies ignore their regulatory requirements, they are also happy to utilize municipal infrastructure to their benefit without paying their fair share.

Rural municipalities manage over 75% of roads and 60% of bridges in the province. Many of these roads and bridges are built and maintained by rural municipalities for the sole purpose of providing industry with access to natural resources. Despite their massive infrastructure responsibilities, rural municipalities have limited revenue streams, and are heavily reliant on the property taxes that industrial users of infrastructure are supposed to pay. Between stagnant or decreased provincial infrastructure funding and downloading of responsibility in areas such as policing and social service delivery, municipalities are expected to do more with less.

Zombie companies use municipal infrastructure for their business without paying their share of the taxes, leaving everyone else to deal with the consequences.

While most oil and gas companies contribute to the municipal infrastructure they rely on by paying property taxes, zombie companies do not. Instead, they add strain to roads and bridges by using them to access their sites and profit from the land while ignoring their property tax obligations. This often leaves municipalities with no choice but to increase tax rates for other property owners or reduce services. While zombies ignore the rules, everyone else suffers the consequences.

The average municipality is currently owed nearly \$4 million in unpaid taxes from zombie companies. This money would go a long way to contributing to infrastructure construction and maintenance, enhanced service delivery, lower tax rates, or other actions that support more sustainable communities. Instead, zombies take those opportunities away from rural residents and other businesses. No surprise there, as these companies only look out for themselves.

[For more info, read the zombie company summary.](#)