County of Wetaskiwin No. 10

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NEWS RELEASE

For Immediate Release

Unpaid Oil and Gas Taxes

Over the last 6 years, the County of Wetaskiwin has accumulated \$3,219,343 in unpaid oil and gas taxes. The County of Wetaskiwin No. 10 manages 2,028 kilometres of roads and 96 bridge sized culverts, 91 standard bridges and 10 major bridges for a total of 197 structures.

Municipalities have no choice but to recover every dollar not paid in property taxes by the oil and gas industry from other property taxpayers in the form of increased tax rates or reduced service levels. Over the last few years, the County of Wetaskiwin has tried to delay this reality by spending from reserves, reducing capital projects and finding greater organizational efficiencies.

Municipalities are required to collect education property taxes, which they then forward to the Government of Alberta to contribute to Alberta's education system. Municipalities must forward a set amount based on property assessment regardless of whether they are able to actually collect taxes. The County has forwarded \$363,413 in education property taxes to the province that we were unable to collect from oil and gas companies over the last 6 years. In that same time period, the County has also paid approximately \$30,000 in Senior Requisition we never collected. The County has recently written off \$1,980,343.36 in unpaid oil and gas taxes in order to access provincial relief.

In cases when oil and gas companies approach us to inform us of their challenges in paying property taxes, we are willing to work with them on flexible payment agreements.

"While you may assume these are all bankrupt companies that is simply not the case," stated Reeve Josh Bishop. "Some of these companies continue to drill new wells elsewhere in the province while neglecting their responsibilities in municipal taxes. On top of this we can no longer collect drilling fees on new wells. We call on the provincial government to implement requirements for all new well drilling applications to ensure municipal taxes are paid for existing wells prior to any new approvals."

More information visit: <u>https://www.county.wetaskiwin.ab.ca/780/Unpaid-Oil-Gas-Taxes</u>

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