New Requirements for Licensees with Unpaid Municipal Property Taxes

Effective May 1, 2023, and in accordance with Ministerial Order 043/2023, the AER requires evidence that licensees have resolved unpaid property taxes exceeding a threshold amount before a new well or well licence transfer application will be approved. These requirements apply to new well licence applications (Directive 056: Energy Development Applications and Schedules, Directive 089: Geothermal Resource Development, Directive 090: Brine-Hosted Mineral Development) and well licence transfer applications (Directive 088: Licensee Life-Cycle Management).

The initial threshold for the municipal tax arrears has been set at $20,000. This amount was determined by reviewing current licensee information related to unpaid municipal taxes and in consultation with the Assistant Deputy Minister, Energy Resource Policy, Ministry of Energy and the Assistant Deputy Minister, Property Tax Policy, Ministry of Municipal Affairs. The list of licensees that exceed this threshold will be provided by Municipal Affairs.

If the applicant or transferee is listed, the applicant, transferor, or transferee must provide satisfactory evidence to the AER that arrears exceeding the threshold have been paid or they have a repayment arrangement in good standing with the municipality or municipalities to which the arrears are owed has been made.

We will accept evidence in the form of either a letter signed by the Chief Administrative Officer of the municipality on the municipality’s letterhead or a valid tax certificate. It is the applicant’s responsibility to gather and submit evidence when requested by the AER as part of the application process.

Additionally, for well transfer applications, if the transferor is listed, the applicant must provide evidence that payment of municipal taxes owing exceeding the threshold is a condition of the purchase and sale agreement with the transferee. Evidence must be in the form of a letter signed by a director or an officer of the company and contain a verbatim citation of the condition within the purchase and sale agreement. This letter should be provided at time of application and may be subject to an AER audit.

If the required evidence is not provided, we will close the new well or well transfer application and return it to the applicant as incomplete, as per section 3(4)(b) of the Alberta Energy Regulator Rules of Practice and Ministerial Order 043/2023.
For more information about AER actions and procedures in response to unpaid municipal property taxes, please visit our website, aer.ca > Regulating Development > Project Application > Application Processes. If you have any questions, contact our Customer Contact Centre by phone at 1-855-297-8311 or by email at inquiries@aer.ca.