

# Bulletin 2024-22

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## Updated Requirements for Unpaid Municipal Property Taxes

Effective September 15, 2024, and in accordance with [Ministerial Order 096/2024](#), the AER will continue to require evidence that licensees have resolved unpaid property taxes exceeding a threshold amount before approving a new well licence application under *Directive 056: Energy Development Applications and Schedules*, *Directive 089: Geothermal Resource Development*, and *Directive 090: Brine-Hosted Mineral Development* or a well licence transfer application under *Directive 088: Licensee Life-Cycle Management*.

The threshold for municipal tax arrears remains at \$20 000. This amount was determined by reviewing current licensee information related to unpaid municipal taxes and in consultation with the Ministry of Energy and Minerals and the Ministry of Municipal Affairs. The list of licensees that exceed this threshold is provided by Municipal Affairs.

Listed licensees must continue to provide satisfactory evidence to the AER that arrears exceeding the threshold have been paid or that a payment arrangement has been made with the municipality or municipalities to which the arrears are owed. The AER will accept evidence in the form of either a letter signed by the chief administrative officer of the municipality on municipality letterhead or a valid tax certificate. It is the licensee's responsibility to gather and submit evidence when requested by the AER as part of the application process. For well licence transfer applications where the transferor is listed, the applicant must provide evidence that payment of municipal taxes 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 the time of application and may be subject to an AER audit.

If required evidence is not provided by the licensee, the AER will return the application as incomplete, per section 3(4)(b) of the *Alberta Energy Regulator Rules of Practice* and Ministerial Order 096/2024.

This new order differs from the previous order in that the direction does not apply to an application for approval of the transfer of a well licence if the transferee has no municipal tax arrears in excess of the threshold and any of the following apply:

- a) “The well licence pertains to a well which is designated by the AER to be an orphan well under section 70(2) of the *Oil and Gas Conservation Act*, R.S.A 2000, c. O-6, as amended (*OGCA*),
- b) “The transferor is a working interest participant which is deemed by the AER to be a defaulting working interest participant under section 70(2) of the *OGCA*, or
- c) “The well licence, or the well to which it pertains, is the property of a debtor subject to a proceeding in which a receiver, receiver-manager, trustee, liquidator, or monitor has been appointed, including, without limiting the foregoing, a proceeding in which the Court of King’s Bench of Alberta has appointed a receiver, receiver-manager, trustee, or liquidator on an application by the AER under section 106.1 of the *OGCA*.”

For more information about AER actions and procedures in response to unpaid municipal property taxes, please visit our website, [aer.ca](http://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](mailto:inquiries@aer.ca).