For Immediate Release
December 4, 2017

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County plays key role in brokering relief for municipalities

Alberta Government will refund uncollectable education property taxes on abandoned oil and gas properties.

County of Stettler staff and Council let out a collective cheer on November 15 when the Alberta government announced tax relief would be coming for municipalities who have had to pay the Alberta Government education property taxes on abandoned oil and gas properties. The Provincial Education Requisition Credit (PERC) program will be retroactive to 2015 when oil prices began to fall and companies abandoned properties and defaulted on tax payments.

The County of Stettler brought this issue forward at the Alberta Association of Municipal Districts and Counties (AAMDC) Convention in 2016, and to the attention of the then Minister of Municipal Affairs Danielle Larivee. “On August 20, 2016, Kim Trynacity from CBC Edmonton called us, interviewed us and reported on this issue and brought it to the public’s attention. Council raised the issue again at the spring 2017 AAMDC conference, and in a meeting with Minister Shaye Anderson at the same time. In July of 2017 we wrote to Minister Anderson, again requesting action on this issue. At the same time, the County of Stettler contacted 67 municipalities in Alberta in a letter writing campaign, asking for their support.

“We asked and received support from several municipalities in Alberta who also wrote letters to Municipal Affairs about uncollectable education property taxes in their municipalities. Some not hit quite as hard as us, and some hit much harder,” said Tim Fox, CAO for the County of Stettler.

“From 2013-2016 the County of Stettler’s major oil and gas delinquencies totaled $260,882.28 in uncollectable education taxes. The County is facing further predicted losses in the range of $175,000.00 in 2017 as we prepare education tax remittances for the province. Our County and ultimately our ratepayers are already carrying the burden of uncollectable property taxes for the oil and gas sector in the amount of $1,033,697.93 between 2013 and 2016 with further predicted losses of $707,899.78 for 2017. Having to pay the Provincial Government the education tax remittance which we were unable to collect on their behalf, was just adding insult to injury,” added Fox.
With the announcement from the Alberta Government of the new PERC program, our County will be able to apply for credit for education property tax remitted to the Provincial Government between the years 2015 and 2017 for oil and gas properties that have had their municipal taxes written off. The County is currently preparing the paperwork which will determine exactly what we are eligible to apply for.

“This is a really big deal for Alberta municipalities, and while we may be small, together we were heard. This is an excellent example of how collaboration works and how our small municipal governments and politicians can make positive change when we join forces, focus, and work together towards a common goal,” said Reeve Larry Clarke for the County of Stettler.

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