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Item No. 12.1.1
Executive Standing Committee
February 13, 2017

TO: Mayor Savage and Members of Executive Standing Committee

SUBMITTED BY: ORIGINAL SIGNED
Jacques Dubé, Chief Administrative Officer

DATE: January 25, 2017

SUBJECT: Campaign Finance Report – Public Consultation

ORIGIN

April 26, 2016 Regional Council passed the following motion:

That Halifax Regional Council directs staff to initiate a process to consult the public on the provincial government's recently tabled Bill 154, (upon the proclamation of the Bill passing) which is to allow the municipality to enact a by-law regarding campaign finance reform, and to report back to council with recommendations. The public consultation is to include, but not be limited to the following:

- election campaign spending limits;
- maximum contribution amounts;
- disclosure requirements;
- eligibility to contribute; and
- dates for making contributions.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (Charter) - An Act to Amend Chapter 39 of the Acts of 2008, the Halifax Regional Municipality Charter received Royal Assent on May 20, 2016. The Act amended the Charter to include section 60A as follows:

60A The Council may make by-laws, not inconsistent with Sections 49A and 49B of the Municipal Elections Act (MEA), respecting contributions and expenses for the election campaigns of candidates for the office of Mayor or councillor including, without limiting the generality of the foregoing, election campaign spending limits, maximum contribution amounts, disclosure requirements, eligibility to contribute and dates for making contributions.

RECOMMENDATION

It is recommended that the Executive Standing Committee recommend that Halifax Regional Council direct staff to use the public consultation and communications strategy set out in the discussion section of this report to facilitate a public consultation process on campaign finance reform, as described in this report, prior to the preparation of a Campaign Finance By-law.

BACKGROUND

The MEA, sections 49A and 49B set the parameters on how municipal and school board election campaign finances are administered. The MEA is written with a view to apply to all municipalities of Nova Scotia and therefore provides broad provisions on how campaign finances are administered. On February 3, 2015 Regional Council, identified the need for greater rigor on how campaign finances are administered, and initiated a process to explore potential legislative options. The following is a chronology regarding municipal election campaign finance reform:

- February 3, 2015, Regional Council requested a staff report to examine the legislative options and implications of campaign finance reform.
- September 8, 2015 Regional Council resolved to request that the Province amend the Charter for the authority to enact a campaign finance by-law. The Report to Regional Council from the Executive Committee dated August 10, 2015, is included as Attachment 1. The report provides the necessary background, and will form part of the information materials provided to the public during the engagement process.
- April 15, 2016, the Provincial Government introduced Bill No. 154 to amend the Charter to grant the Municipality the authority to enact a by-law regarding campaign finance. On May 20, 2016 Bill No. 154 received Royal Assent.
- April 26, 2016, Regional Council, in anticipation of the passing of Bill No. 154, requested that staff initiate a process to consult the public on the issue of campaign financing, and to subsequently prepare a by-law.

A review of the Council resolution was conducted, and a draft timeline produced. The next municipal election was scheduled for October 15, 2016, and the draft timeline demonstrated that it could take several months to conduct meaningful consultation and to compile and present a by-law to Council. In addition, the Elections Office confirmed that several Official Agent forms (Forms 17 and 17a) had been filed, and therefore it was possible that municipal candidates were already in the process of collecting campaign donations under the provisions of the MEA. It was concluded that the consultation not be held until after the municipal election to ensure that there was clarity on the rules surrounding campaign finances for the 2016 municipal and school board election. December 14, 2016 was the last deadline associated with campaign finances, the filing the Form 40 Candidates Campaign Contributions Disclosure Statement.

DISCUSSION

As directed by April 26, 2016 Council resolution staff has reviewed the report dated August 10, 2015 which outlined key issues with respect to campaign finances reform and in consultation with the Corporate Communications Office has determined a consultation and communications strategy to gather public input. In determining a path forward the following has been taken into consideration:

Extended Consultation Period: As the next municipal election is slated for October 17, 2020, this will allow for a robust and extended consultation period.

Stakeholder Involvement: Having recently completed an electoral event, there are individuals who ran as candidates or served as official agents. These individuals will be canvassed to provide input as they will have direct experience to raising funds and completing campaign finance forms.

Joint Public Meetings and Outreach: The timing will allow for outreach to occur on multiple levels, staff are purposing joint public meetings to enable participants to provide input on campaign finance reform and feedback on the 2016 municipal and school board elections. Joint public meetings, may increase participation, and may lend to a greater cross-section of the public participating.

Enhanced Participation by the Election Team: As the 2016 municipal and school board election has been completed by the elections team, the administrators for Sections 49A and 49B will be available to host public meetings and to provide clarification to residents regarding technical questions on the election, and to respond directly to any customer service concerns regarding the election that may arise.

Consultation and Communications Strategy

Staff recommends that the following consultation and communications strategy regarding campaign finance reform be approved. It is anticipated that the consultation period will span approximately two to three months to allow the necessary outreach to occur and to allow the public sufficient time to provide input. Throughout the process, the public will be advised that feedback from the consultation will be collected and reviewed by staff, and subsequently incorporated into a report; however Regional Council will have the final authority in enacting a by-law.

Two reports will be presented to Regional Council; one on Campaign Finance Reform, which may include a draft by-law, for first reading and an information report providing a review on the 2016 municipal and school board election. Both reports will include a summary of the consultation gathered.

Plain Language Materials: The strategy will avoid using language and style typical of formal reports in favour of plain language information with limited jargon that can be easily read and understood. Staff will develop conversation guides, and surveys with this in mind.

Online Engagement: Online engagement will occur on the municipality's Shape Your City Halifax. Materials such as legislation, reports and fact sheets will be available on the site, as well as a public survey to gather input on both campaign finance reform and on 2016 voter experience. A Q&A section and a discussion forum will facilitate community conversations about campaign finance reform and promote interaction between participants. Written submissions to election@halifax.ca will also be encouraged and promoted through print ads and posters for those not likely to participate online.

Direct Outreach: Candidates and Official Agents will be targeted to provide input through a survey with a technical focus. The elections office will also encourage them to provide submission regarding their 2016 municipal and school board election experience. Staff will also engage with political and community organizations who have expressed an interest in the municipal and school board electoral process.

Public Engagement Events: Staff will host a series of three sessions (one per each Community Council area) throughout the municipality to obtain feedback. The meetings will take form of a community workshop which will focus on leading small groups through a series of activities or discussions with the goal of sharing perspectives and providing input. In addition, staff will develop pop up engagement opportunities and will leverage existing municipal events or high traffic areas.

Social Media: Throughout the consultation period, staff will use social media to notify residents of the consultation, and to direct them to the Shape Your City Halifax.

The public consultation process will span approximately two to three months. Staff will review and analyze the submissions and may include some public raised feedback into a draft by-law to Council. It is anticipated that a by-law will be presented to Council for review in 2017. Council at first reading may request that a public hearing be held in advance of passing second reading and enacting the proposed by-law.

FINANCIAL IMPLICATIONS

Any costs associated with the public consultation process can be absorbed by existing budgets. Preparing material for public use, conducting the public meeting(s) and preparing the by-law for use in the process mandated by Administrative Order No. 32 can be carried out by staff members as part of their on-going work.

RISK CONSIDERATION

There is an appropriate amount of time to do the necessary consultation and to prepare a by-law in advance of the 2020 municipal election. There are no risks in allowing for an extensive public consultation period.

COMMUNITY ENGAGEMENT

Community engagement will take occur as described in the discussion section to this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Regional Council could choose not to consult with the public, however this may lead to a longer by-law approval process. Through the by-law approval process, Council does have the ability to hold a public hearing at Council to gain feedback. It is recommended that all public consultation be conducted in advance and the results of the public consultation be provided, along with the draft by-law, to afford for Council to have all the information required to initiate the by-law process.

ATTACHMENTS

Attachment 1: Campaign Finance Reform Report - August 10, 2015

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCadmin/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Kevin Arjoon, Municipal Clerk, 902.490.6456

BACKGROUND

On February 3, 2015 Regional Council passed a motion requesting a staff report examining the legislative options and implications of campaign finance reform for municipal government in Halifax, as identified in the discussion section of the November 24, 2014 Executive Standing Committee report. Subsequently a recommendation report dated August 7, 2015, was before the Executive Standing Committee at the August 10, 2015 meeting.

DISCUSSION

At the August 10, 2015 meeting of the Executive Standing Committee, members discussed the benefits of Regional Council asking the Government of Nova Scotia for the legislative authority to enact campaign finance reform for municipal elections.

Staff provided background regarding discussions with UNSM and Municipal Affairs in regard to campaign finance reform and the alternative approaches outlined in the staff report dated August 7, 2015. Staff advised that campaign finance reform is not a priority for most other municipalities in Nova Scotia; therefore, it is UNSM's preference that HRM take the lead on this issue. It was noted that the details of a proposed by-law would follow should the province grant the authority for the municipality to enact such a by-law.

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

COMMUNITY ENGAGEMENT

The Executive Standing Committee is comprised of seven duly elected officials. Meetings are held in public unless otherwise indicated and the agenda and materials are posted to the HRM website.

ENVIRONMENTAL IMPLICATIONS

No environmental implications identified.

ALTERNATIVES

No alternatives identified.

ATTACHMENTS

Attachment 1 – Staff report dated August 7, 2015

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Phoebe Smith, Legislative Assistant 902-490-6732

HALIFAX

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Attachment 1

Item No. 9.1.3
Executive Standing Committee
August 10, 2015

TO: Mayor and Members of Executive Standing Committee
ORIGINAL SIGNED

SUBMITTED BY: 
Richard Butte, CAO

DATE: August 7, 2015

SUBJECT: Campaign Finance Reform

ORIGIN

On February 3, 2015 at Regional Council MOVED by Mayor Savage and seconded by Councillor Craig that Halifax Regional Council request a staff report examining the legislative options and implications of campaign finance reform for municipal government in Halifax, as identified in the discussion section of the November 24, 2014 Executive Standing Committee report. MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

Municipal Elections Act, Chapter 300 of the Revised Statutes, 1989, governs the conduct of Municipal Elections in Nova Scotia.

RECOMMENDATION

It is recommended that Halifax Regional Council request the Province of Nova Scotia amend the *Halifax Regional Municipality Charter* to grant Regional Council the power to enact a by-law to:

- establish disclosure requirements respecting election campaign contributions and expenses;
- set election campaign spending limits and the maximum amounts that a contributor may contribute to an election campaign; and
- determine who is eligible to contribute to an election campaign.

Then, should the authority be granted, Council direct staff to develop a by-law which deals with issues like those raised in the "Discussion" section of this report.

BACKGROUND

Many governments have recognized that there are potential problems when candidates for elected office seek money to finance their election campaigns. For the federal and provincial governments, legislation covers how candidates can raise and spend money to finance their campaigns. For municipalities, which are created and empowered by provincial governments, provincial legislation sets out the rules for election campaigns. In Nova Scotia, the *Municipal Elections Act* (MEA) is the relevant legislation.

Municipal Elections Act

The MEA (<http://nslegislature.ca/lecc/statutes/municipal.htm>) sets out the legislative framework for matters related to conducting municipal elections in Nova Scotia.

The MEA makes the Minister of Service Nova Scotia and Municipal Relations responsible for the Act. Executive Council appoints a Municipal Elections Officer.

Sections 49A and 49B of the MEA which cover "Contributions to candidate or association" and "Right to examine statement" constitute the current guidelines for campaign financing.

After the October 2012 municipal elections, the provincial Elections Review Committee (ERC) looked at elections issues and related legislation. The December 2013 ERC report considered issues related to campaign fundraising. Questions considered included:

- Should there be a cap on the value of a single donation to an individual running for municipal office?
- Should candidates have to report on their expenses? If so, in what detail?
- What should candidates do with campaign surpluses?
- Can only official candidates raise funds?
- Should there be specific penalties for non-compliance or not reporting on campaign financing?

The ERC recommended clarifying the MEA around failure to submit a campaign contribution disclosure form. It also stated that "Outside of HRM, campaign financing is not a major issue for municipalities in Nova Scotia. HRM has the option of requesting a change to the Halifax Charter, if Council feels more rules around campaign financing are appropriate to HRM." The ERC also noted that any rules around campaign finances should be enforceable and consider possible administrative burden.

Halifax Regional Municipal Charter

The HRM Charter does not give Halifax power to make a by-law covering election campaign financing.

DISCUSSION

As identified in Mayor Savage's Request for Executive Standing Committee Consideration form, this report includes a review of the campaign financing practices in other jurisdictions and addresses administrative, intergovernmental, legislative and procedural implications.

Other Jurisdictions

Attachment A – Jurisdictional Survey – Municipal Election Financing - includes a summary of the ground rules for municipal campaign financing in all the provinces

Each province has legislation covering the conduct of municipal elections. Several provinces have updated or are currently considering updating their legislation.

These pieces of legislation put a variety of procedures in place. Attachment A highlights some issues where there are differences in approach – fundraising and spending limits, disclosure requirements, the disposition of surplus funds raised, the length of campaign periods and sanctions or penalties in place.

Attachment A also includes information on municipalities which Halifax has used as comparators in other areas or which have been prominent in discussions about municipal election financing.

Attachment B includes the relevant sections of the *Municipal Elections Act* of Nova Scotia.

The Nova Scotia *Municipal Elections Act* imposes some regulation now. MEA asks candidates to submit a Candidate Campaign Contributions Disclosure Statement - Form 40 - which includes:

- All contributions over \$50 (combined) must be reported
- In kind contributions must be reported based on actual value
- No anonymous contributions or 3rd party contributions permitted
- Must include the full name and address of the contributor as well as the amount of the contribution
- Must be provided to the Clerk within 60 days of the election
- Will be open for public view

These forms appear on Halifax.ca at <http://www.halifax.ca/election/ElectionCampaignContributions.php>

A summary of some issues which have received attention in other jurisdictions follows.

Definitions

Any by-law developed needs to contain precise definitions of the terms used in the by-law. For ease of use by candidates, the definitions should be in the by-law. The Nova Scotia *Elections Act* provides examples of very precise definitions.

Contributors

Under the current *Municipal Elections Act* in Nova Scotia candidates cannot accept anonymous donations. Otherwise, there are no restrictions on who can contribute to a municipal election campaign.

Other jurisdictions have moved to apply restrictions.

In Ontario, candidates can accept contributions only from

- Individuals normally resident in the province
- corporations that carry on business in the province
- trade unions that hold bargaining rights for employees in the province
- the candidate and the candidate's spouse

Ineligible contributors include contributors donating outside the campaign period or anonymously.

In jurisdictions where corporate contributions are permitted, questions have been raised about whether or not numbered corporations should be allowed to contribute. Questions have also been raised about undue influence from corporations or unions. Several jurisdictions have opted to restrict who can donate.

Since January 2010, in Nova Scotia provincial elections, corporations, partnerships and trade unions cannot make contributions. Toronto removed corporations and unions from the list of eligible contributors in 2009, even though Ontario still permits them. Manitoba only permits donations from individuals.

Contribution Limits

There are currently no limits on the size of contributions to a Halifax municipal election campaign.

For provincial elections, Nova Scotia imposes a \$5,000 limit from an individual contributor to "each registered party and all electoral district associations and candidates of that registered party."

Some provinces have imposed limits on individual contributors:

- Ontario permits up to \$750 for any one candidate or up to \$5000 for two or more
- Manitoba's limit is \$750 for a council candidate and \$1500 for a mayoral candidate
- Alberta has a limit of \$5000.

The theory on imposing contribution limits is that they will minimize the influence any single contributor might have on the election or the behaviour of candidates once elected. In addition, jurisdictions often limit how much a contributor can provide in cash e.g. anything more than \$100 must be by cheque or other "traceable means."

Fundraising

While some jurisdictions limit how much money individual contributors can give, there are no limits to how much a candidate can raise. Several jurisdictions have put in place limits to how much candidates can spend on campaigns. They have also regulated what candidates can do with any funds raised above the spending limit. Such an approach does mean that there need to be spending limits in place.

Campaign Spending Limits

Several jurisdictions have put limits in place:

- In Ontario, candidates for the "Head of Council" can spend \$7500 plus \$0.85 per eligible elector. Candidates for Council can spend \$5,000 plus \$0.85 per elector.
- Under the Saskatoon rules, a candidate for mayor can spend \$0.75 for each person in the city. Council candidates can spend up to 10% of the mayor's maximum allowable expenses.
- Regina's by-law limited expenses for candidates for mayor and for candidates for council. It adjusts those limits by a formula linked to CPI. (Currently \$62,635 for Mayor and \$10,439 for Council.)
- Quebec rules seek to accommodate different sized municipalities under a single formula. A candidate for mayor can spend \$3780+\$0.30 for the first 20,000 electors + \$0.51 for any number between 20,000 and 100,000 electors and \$0.38 for each elector above 100,00. Council candidates can spend \$1890 +\$0.30 per elector.
- In Calgary, a civic group proposed a limit of \$.075 per ward resident as a reasonable amount.

A number of models covering spending limits are in place provincially and municipally and, should the province provide Halifax with the authority to pass a bylaw in regard to municipal campaign contributions, this matter will have to be considered more fully.

Surplus funds

There are several approaches in place in different jurisdictions. Depending on the jurisdiction, the candidate can keep the funds, return the funds to the individuals who donated them, donate the money to a registered charity, or turn the money over to the municipality. In some cases, the municipality holds the money in trust for future election campaigns.

Disclosure of Contributions

Most jurisdictions require candidates to disclose their list of contributors before a set date after the election. Failure to disclose brings penalties. In Nova Scotia, all candidates, whether elected or not, must submit a "Candidate Campaign Contributions Disclosure Statement" within 60 days after the election.

Fundraising Period/Campaign Period

Jurisdictions which have spending limits often define the period when a candidate can raise or spend funds:

- Toronto – from the day of nomination (the first business day of the calendar year of the election) through to election day
- Montreal – a distinct two month campaign period
- Integrity BC – suggests 45 days before the election
- CivicCamp (a Calgary interest group) suggests solicitation only during the year of the election

Currently under the *Municipal Elections Act* of Nova Scotia individuals considering running for office can begin to raise funds once they designate an Official Agent and prior to becoming an official candidate, on official nomination day. Under the Act, nomination day is the second Tuesday of September prior to the election (six weeks prior to the election).

For Nova Scotia provincial elections, candidates must "register" with the Chief Electoral Officer. They can then raise and spend funds in pursuit of a party nomination and, once nominated, for a seat in the House of Assembly.

Some other Canadian municipalities already allow candidates to "register" before they are nominated and permit fundraising and spending from the date of registration. Allowing candidates to raise or spend money after the election itself permits candidates in a deficit position to raise money to pay off that deficit.

Public Contributions/Rebates

In the Council discussion staff was asked to look at whether contributors to municipal election candidates should receive receipts for income tax purposes, as is done in federal and provincial elections.

Attachment C - Public Financing for Municipal Elections - includes information on the methods of public funding used in some provinces for municipal elections.

Since municipalities do not levy income taxes, an income tax receipt would have to be issued against federal or provincial taxes payable. The likelihood of another order of government accepting a reduction in its revenue to support such a proposal is low.

Rebates are paid from municipal funds and become a cost to the municipality. The rationale for rebate programs seems to be a desire to encourage more people to participate in election campaigns as donors. In places where rebate programs exist, candidates, especially incumbents, support continuation of the program because it makes it easier to get contributions. Once in place a program can be difficult to end.

Only a small number of municipalities currently have rebate programs and some which have rebate programs restrict the rebates to contributors who live in the municipality. In the recent Toronto municipal election, over 20% of the rebates went to contributors living outside Toronto. This has gained attention in the press.

Penalties/Sanctions

All jurisdictions have penalties and sanctions in their municipal elections legislation. If new legislation or a new by-law includes new restrictions, appropriate additional penalties or sanctions will be required.

Process

The governments of Saskatchewan, Manitoba and Newfoundland & Labrador have enabled municipalities to pass by-laws to supplement the general approach spelled out in their legislation.

Saskatchewan's legislation – the *Saskatchewan Local Government Elections Act* – makes provision for "Disclosure of campaign contributions and expenses." Section 145.1 states that

*At least 60 days before an election, a council, by bylaw, or a board, by resolution, may do either or both of the following:

- (a) establish disclosure requirements respecting campaign contributions and expenses,
- (b) establish election campaign spending limits.

Regina and Saskatoon have put such bylaws in place.

Manitoba, in addition to the general rules set out in *The Municipal Councils and School Boards Elections Act*, has granted Winnipeg its own charter. Sections 31(1) through 45 (2) of the *Winnipeg City Charter* cover "Campaign Expenses and Contributions."

In Newfoundland & Labrador, St. John's Elections are subject to By-Law No. 1506 – Election Finance By-law created under the *Municipal Elections Act*.

Ontario's legislation allows large cities such as Toronto to take a slightly different approach from that of other Ontario municipalities e.g. Ontario legislation permits donations from unions and corporations but Toronto allows only individuals to donate. Toronto also has a higher ceiling on the amount that can go to candidates for mayor.

Given that the conduct of Municipal Elections, including provisions related to campaign financing, is the jurisdiction of the Province, and given that Halifax has begun discussions with the province about amendments to the Halifax Regional Municipal Charter,

It is recommended that Halifax Regional Council request the Province of Nova Scotia amend the Halifax Regional Municipality Charter to grant Regional Council the power to enact a by-law to:

- ***establish disclosure requirements respecting election campaign contributions and expenses;***
- ***set election campaign spending limits and the maximum amounts that a contributor may contribute to an election campaign; and***
- ***determine who is eligible to contribute to an election campaign.***

Then, should the authority be granted, Council direct staff to develop a by-law which deals with issues like those raised in the "Discussion" section of this report.

FINANCIAL IMPLICATIONS

The financial implications of the recommendation proposed are not significant for Halifax.

If, in the development of a new by-law, Council added new administrative duties to those currently carried out by the Office of the Municipal Clerk or added responsibilities for additional penalties or sanctions, there could be financial implications for Halifax. If the new by-law included provision for a rebate to contributors, there would also be implications for Halifax.

COMMUNITY ENGAGEMENT

There has been no community engagement to date in preparing this report. It has been suggested that either (a) consultation with interested members of the community about the content of the by-law and/or (b) engagement of an "arm's length" group to prepare the by-law, along the lines of the use of independent bodies to set mayor and council remuneration could be useful.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report.

ALTERNATIVES

There are essentially two courses of action.

1. Status Quo –
2. Recommend the Province adopt changes to current legislation to allow for revisions to the current provisions regarding municipal campaign contributions. This could be achieved in three ways:
 - Amend the *Municipal Elections Act* to cover all Nova Scotian municipalities
 - Amend the *MEA* to permit municipalities to regulate municipal election financing if they choose to
 - Amend the *HRM Charter* to permit Halifax to regulate municipal election financing.

Other Nova Scotian municipalities have not identified campaign contributions as a significant issue. An amendment to the *Municipal Elections Act* that affects all municipalities does not appear to be the recommended course of action to achieve the outcome under considered by Halifax Regional Council.

Setting out a general provision within the *Municipal Elections Act* which enabled municipalities to adopt bylaws in regard to municipal election financing and setting out the provisions for doing so (as provided for in the Saskatchewan legislation) would meet the objectives under consideration by Regional Council in regard to municipal election financing. Such changes would provide other municipalities the power under the *MEA* to opt in should they so choose. Such an approach would require widespread consultation with municipalities in Nova Scotia. For many of those municipalities, campaign financing is not a significant issue. Consultations could take considerable time and might prove inconclusive.

It is the recommendation of staff that an amendment to the *HRM Charter* to permit Halifax to regulate municipal election financing under the Charter would achieve the outcomes being considered.

ATTACHMENTS

- A – Jurisdictional Survey - Municipal Election Financing
- B - Relevant sections of the *Municipal Elections Act* of Nova Scotia
- C – Public Financing for Municipal Elections

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Chris Bryant, Senior Advisor, Government Relations & External Affairs, 902.490.3729

ORIGINAL SIGNED

Report Approved by:


Maggie MacDonald, Managing Director, GREA, 902.490.1742

ORIGINAL SIGNED

Financial Approval by:


Bruce Fisher, Acting Director of Finance & ICT/CFO, 902.490.4493

Attachment A – Jurisdictional Survey - Municipal Election Financing

Draft 15-05-27

Province	BRITISH COLUMBIA
Legislation	<i>Local Elections Campaign Financing Act</i> - http://www.bc laws.ca/civix/document/id/complete/statreg/14018 - includes rules that candidates, elector organizations and third party sponsors must follow and disclosure requirements for campaign financing.
Notes	The most recent municipal elections were held across BC on November 15, 2014. Elections BC administers campaign financing & advertising rules but has no role in other local elections processes. BC has prepared a "Guide to Local Elections Campaign Financing In B.C." See http://www.elections.bc.ca/docs/lecta/guide-to-local-elections-campaign-financing-in-b-c.pdf
Fundraising Limits	No campaign contribution limits or restrictions on when contributions can be made. Anonymous contributions not allowed.
Spending Limits	None
Disclosure	A disclosure statement must show all campaign contributions, election expenses, transfers, surplus funds and other transactions related to an election. It must be submitted within 90 days after voting day.
Surpluses	If the surplus is \$500 or more, the financial agent must pay the total amount of the surplus campaign funds to the jurisdiction in which the candidate's election was held. The jurisdiction holds the funds, plus accumulated interest, in trust. If the candidate seeks office in the same jurisdiction in the next general local election or an earlier by-election, the jurisdiction must pay those funds to the candidate's financial agent to use in the election. If the candidate does not run for office in the same jurisdiction in the next general local election the surplus campaign funds become funds of the jurisdiction to be used at its discretion.
Campaign Period	Begins at the start of the calendar year in which the general local election is held. Ends at the close of voting on General Voting Day.
Penalties/Sanctions	Penalties include late filing fees, loss of office for elected candidates, disqualification from running as a candidate and disqualification from endorsing candidates.
Victoria	Mayor – 4 major candidates spent between \$74,000 and \$129,000. Winner spent \$88,000 (3 rd highest) Council (8 seats – elected at large) – 7 candidates spent less than \$1000, 4 <\$5,000, 5 <\$10,000, 4 <\$20,000 and 4 >\$20,000. Winners all spent more than \$7,000. http://www.victoria.ca/EN/main/departments/legislative-services/2014-municipal-election-november-15.html
Vancouver	Vancouver has municipal parties. Vision Vancouver spent just over \$3.3 million to secure its win, more than any other party in Vancouver's history."

Province	ALBERTA
Legislation	Local Authorities Election Act http://www.gp.alberta.ca/documents/Acts/L23.pdf Part 5.1 covers Municipal Election Finance and Contribution Disclosure. Part 6 covers Offences
Notes	Municipal elections in Alberta took place on October 21, 2013.
Fundraising Limits	Campaign contributions by any person, corporation, trade union or employee organization to a candidate shall not exceed \$5000 in any year. Money paid by a candidate out of the candidate's own funds to the candidate's election campaign shall not exceed \$10 000 in any campaign period. No candidate may accept campaign contributions, including the funds of the candidate, unless the candidate is registered under this Act with the municipality in which the candidate intends to run.
Spending Limits	None.
Disclosure	Candidates must file disclosure statements on or before March 1. Disclosure statements must include a) the total amount of all campaign contributions received during the campaign period that did not exceed \$100 in the aggregate from any single contributor, (b) the total amount contributed, together with the contributor's name and address, for each contributor whose contributions during the campaign period exceeded \$100 in the aggregate, (c) the total amount of money paid by the candidate out of the candidate's own funds, (d) the total amount of any campaign surplus, including any surplus from previous campaigns, and (e) a financial statement setting out the total amount of revenue and expenses.
Surpluses	If a candidate's disclosure statement shows a surplus, the candidate shall pay the surplus to the municipality. The municipality shall hold any money received in trust for the candidate at a financial institution.
Campaign Period	For a candidate in a general election, the period of time from January 1 immediately following a general election to December 31 immediately following the next general election.
Penalties/Sanctions	
Other	
Calgary	http://www.calgary.ca/CA/city-clerks/Pages/Election-and-information-services/2013-Disclosure-of-Campaign-Finances.aspx Mayor – incumbent raised \$510,000, spent \$392,000, and had a surplus of \$119,000. No other candidate raised more than \$40k The 14 winning councillors raised an average of \$130,715.
Edmonton	http://www.edmonton.ca/city_government/municipal_elections/filled-disclosure-statements-2013.aspx Incumbent mayor raised \$618,501 and spent \$576,059. Runner up raised \$671,171 and spent \$813,587. 12 council winners raised an average of \$81,294

Province	Saskatchewan
Legislation	The Local Government Election Act http://www.gp.gov.sk.ca/documents/English/Statutes/Statutes/L30-1.pdf
Notes	The last municipal elections were held on October 24, 2012. The act notes under Disclosure of campaign contributions and expenses - At least 60 days before an election, a council, by bylaw, ... may do either or both of the following: (a) establish disclosure requirements respecting campaign contributions and expenses;(b) establish election campaign spending limits. Regina and Saskatoon have such bylaws in place.
	Regina – Bylaw No. 2007-34
	Saskatoon – Bylaw No.8491
Fundraising Limits	The Regina Municipal Election Expenses Bylaw
Spending Limits	Mayor - \$62,635 Councillor - \$10,439 Adjusted by formula
Disclosure	Within 90 days – Mayor all contributors > \$500. - Councillors – all contributors > \$200. Summary of all election expenses
Surpluses	Held in a trust account
Campaign Period	June 1 to December 31 of the election year.
Penalties/Sanctions	Disqualification/Ineligibility from nomination - fines Mayor spent \$61,614. 10 winning councillors spent on average \$6312.
	The Campaign Disclosure and Spending Limits Bylaw
	MCE = \$0.75 X P where MCE=mayorality candidate's expenses, P = total population of City. Councillor can spend 10% of MCE File a Statement of Election Expenses/Contributions with names of contributors who gave more than \$250.00
	Disclose how surplus will be used in a Statutory Declaration. January 1 to December 31 of the election year

See also <http://regina.siretechnologies.com/sirepub2/cache/2/ufbleq00w3m445bvtevtzwm/4855504082015121801325.PDF>

Province	MANITOBA
Legislation	<i>The Municipal Councils and School Boards Elections Act</i> ; sets out the process for electing members of council for all municipalities and school boards. <i>The City of Winnipeg Charter</i> sets out municipal election requirements for the City of Winnipeg. See <i>Winnipeg City Charter</i> - https://web2.gov.mb.ca/laws/statutes/municipal/c03907e.php
Notes	The last general municipal election was held on October 22, 2014.
Definitions	http://web5.gov.mb.ca/mfas/elections_faq.aspx
Fundraising limits	Only residents of Manitoba can contribute to a municipal campaign. A candidate cannot receive contributions from unions, corporations, or any other organization (e.g., chamber of commerce, rotary club, etc.). Candidates cannot accept anonymous contributions. The maximum amount any person may contribute to one candidate is set in legislation. Monetary and non-monetary contributions count towards the limit. An individual may contribute up to \$1,500 to a mayor/reave candidate and councillors to be elected at large, or \$750 to a councillor candidate to be elected by ward. Contribution limits apply to candidates and their spouses. An expense limit will be set by the municipality, by by-law.
Spending Limits	Election Finance Statement must include all contributions received and expenses incurred.
Disclosure Rules	Surpluses - Any surplus showing on a candidate's Election Finance Statement must be turned over to the municipality. The municipality will return the funds to the candidate if the individual registers as a candidate in the next general election. If the individual chooses not to run, the money will be transferred to the general funds of the municipality.
Campaign Period	Candidates can begin accepting contributions as soon as they are registered. Candidates may spend money and collect contributions during the entire campaign period. For Mayor candidates, the campaign period was between May 1, 2014 and March 31, 2015. For councillor candidates, the campaign period was June 30, 2014 to March 31, 2015.
Penalties/Sanctions	
Winnipeg	See http://www.winnipeg.ca/clearfs/election/election2014/pdf/CampaignExpensesGuide.pdf for the 2014 CAMPAIGN EXPENSES AND CONTRIBUTIONS GUIDE (By-law No. 10/2010) <ul style="list-style-type: none"> - Any candidate who is elected and fails to file an audited financial statement by July 19, 2015 forfeits their seat on Council. - Any candidate who fails to file their financial statement is disqualified from being nominated as until after the next Civic Election. - The Rebate of Election Contributions By-law No. 9/2010 provides for a rebate of contributions made to a registered candidate. - Limitation on expenses - candidates for Mayor - total campaign expenses incurred by a registered candidate during the campaign period shall not exceed the maximum amount determined by the following formula: $M = N \times \\$0.35 \times IE/IB$ where "M" = the maximum amount permitted for election expenses for a registered candidate for Mayor, "N" = the number of eligible voters in the City, "IE" = the Consumer Price Index for Winnipeg published by Statistics Canada for the month two months prior to the commencement of the campaign period; and "IB" = the annual average CPI for Winnipeg published for the year 2002. - Limitation on expenses - candidates for Councillor - $M = N \times \\$0.80 \times IE/IB$ where N is the number of electors in the ward.

Province	ONTARIO
Legislation	<u>Municipal Elections Act, 1996</u> - http://www.e-laws.gov.on.ca/html/statutes/english/elaws/statutes/96m32_e.htm
Notes	The 2014 Municipal Elections were conducted for a term of office from December 1, 2014 to November 30, 2018.
Fundraising Limits	Contributions under \$25 may be made in cash. Any contribution over that amount must not be cash. No contributor may contribute in excess of \$750 to any one candidate in an election and no more than \$5,000 to two or more candidates for office on the same council or local board. There are no limits to what a candidate or his/her spouse may contribute to the candidate's campaign. Only individuals normally resident in Ontario, corporations that do business in Ontario or trade unions holding bargaining rights for employees in Ontario can make contributions. Contributions can only be made to candidates who are nominated. In the case of the office of head of council of a municipality, a total amount of \$7,500 plus 85 cents for each elector entitled to vote for the office. In the case of any other office, a total amount of \$5,000 plus 85 cents for each elector entitled to vote for the office. A financial statement and auditor's report must be filed by the last Friday in March following the election.
Spending Limits	
Disclosure Rules	
Surpluses	Paid to the clerk and held in trust for the candidate
Campaign Period	From the day of nomination until December 31 in the year of the election.
Penalties/Sanctions	
Toronto	The maximum total contribution a contributor may make to a candidate for the office of mayor of the City of Toronto is \$2,500. Only individuals can make contributions.
London	London elects a mayor and 14 councillors. London Votes - https://www.london.ca/city-hall/elections/candidate-info/Documents/Candidate-Information-Package-2014.pdf Election 2014: Candidates Financial Statements - https://www.london.ca/city-hall/elections/Pages/Candidate's-Financial-Statements.aspx

Province	Quebec
Legislation	<i>An Act Respecting Elections and Referendums in Municipalities</i>
Notes	http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/E_2_2/E2_2_A.html Elections are held every 4 years on the first Sunday in November. The Legislation makes provision for "parties" or "tickets" of candidates.
Fundraising Limits	Only an elector in a municipality may contribute. The total amount of contributions by the same elector for the same fiscal year shall not exceed \$300 to each of the authorized parties and independent Candidates.
Spending Limits	The amount of election expenses incurred by a candidate during an election must not exceed, - Mayor, \$3,780 + \$ 0.30/elector up to 20, 000 electors + \$ 0.51/elector from 20,000 and 100,000 + \$0.38/elector above 100,000 - Councillor, \$1,890 + \$0.30/elector of the electoral district. The Government may adjust the amounts according to the formula the Government determines.
Disclosure rules	The official representative of an authorized candidate must, within 90 days after polling day, file a financial report with the treasurer. There are detailed requirements for the content of the financial report.
Surpluses	See Campaign Period
Campaign Period	Any elector who undertakes to run as a candidate in the next general election may file an application for authorization with the chief electoral officer as of 1 January of the year during which the election must be held. The authorization granted to a candidate entitles his official representative to solicit and collect contributions until polling day. After polling day, the authorization granted to the candidate entitles his representative to solicit and collect contributions only for the purpose of paying the debts arising from his election expenses and to dispose, for political, religious, scientific or charitable purposes or for other purposes of the funds or goods he obtained as a candidate and which remain in his possession.
Penalties/Sanctions	A candidate who is elected and whose financial report or return of election expenses is not filed within the prescribed time loses the right to attend as a member the sittings of the council of the municipality from the tenth day after the expiry of the prescribed time until the report or return is filed.
Quebec City	Follows the provincial guidelines.

Province	Nova Scotia
Legislation	<i>Municipal Elections Act (MEA)</i> http://ns.legislature.ca/legc/statutes/muncpel.htm
Notes	The last municipal elections took place on October 20, 2012. They take place every 4 years.
Definitions	
Fundraising Limits	None in place in the MEA.
Spending Limits	None in place in the MEA.
Disclosure rules	Within 60 days after regular polling day in an election, every candidate shall file with the municipal clerk a disclosure statement showing the full name and residential or business address of each contributor whose contributions received during the period since the previous election exceed \$50.00 in total and the amount of the total contributions by that contributor.
Handling surpluses	Not covered in the MEA.
Campaign period	According to the disclosure rules in the MEA the period between elections appears to be the campaign period.
Penalties/Sanctions	Every candidate who fails to file a disclosure statement within sixty days after regular polling day, or who files a false disclosure statement, is guilty of an offence.
Halifax	In the last election, the Mayor raised \$354, 471. Winning councillors raised an average of \$8598.

Province	New Brunswick
Legislation	<i>Municipal Elections Act</i> http://laws.gnb.ca/en/BrowseTitle?listregulations=M-21.01&letter=M#M-21.01
Notes	Information for Municipal and Rural Community Election or By-Election Candidates https://www.electionsnb.ca/content/en/bn/representatives/municipal-candidates/candidates.html There are no restrictions on how much money candidates for municipal elections may spend on campaigning, and no requirements for filing any statements of donations received or money spent.

Province	Prince Edward Island
Legislation	The 4 PEI cities (Charlottetown, Summerside, Stratford and Cornwall) each have their own Election By-laws. Elections PEI conducts the municipal elections in these communities. The next election will be held on November 5, 2018.
Notes	No requirement on P.E.I. for municipal election candidates to disclose who donated to their campaign, and no limit on spending. City of Charlottetown Election By Law http://www.city.charlottetown.pe.ca/pdfs/bylaws/Election_Bylaw.pdf

Province	Newfoundland & Labrador
Legislation	An Act Respecting Municipal Elections - http://www.asssembly.nl.ca/legislation/sr/annual/statutes/2001/M20-2.c01.htm
Notes	A general election of councils shall take place in 2001 and every 4 years after that on the last Tuesday in September.
Fundraising Limits	Contributions to candidates shall be made only by natural persons individually or by corporations or trade unions, individually.
Spending Limits	None included in the relevant legislation.
Disclosure Rules	A candidate elected shall, not more than 90 days after the election, file a statement in the required form stating the total amount of the contributions received and the amount of the contributions donated to the campaign by contributors that exceeded \$100 and the contributors of those amounts. A candidate elected in an election who did not receive any one contribution in an amount exceeding \$100 shall, not more than 90 days after the election, file with the returning officer a statement of the total amount of the contributions received by him and that he or she did not receive any one contribution in an amount that exceeded \$100.
Handling Surpluses	Not covered in the relevant legislation.
Campaign Period	Not defined in legislation.
Penalties/Sanctions	
St. John's	St. John's elects a Mayor, a Deputy Mayor, 5 Ward Councillors and 4 Councillors-at-large. By-Law No 1506 - Election Finance By-Law. http://www.stjohns.ca/city-hall/about-city-hall/laws-and-regulations
	Spending Limits - Candidates for Mayor - \$10,000 plus \$1.00 for each voter on the voters list. The same limit applies for Deputy Mayor and Councillor at Large candidates. Ward Councillor candidates can spend up to \$10,000 plus \$1.00 for each ward elector.
	Disclosure - Candidates, elected or not, who did not receive any one contribution greater than \$250 must file with the returning officer within 90 days of the election a statement spelling out the total contributions received. All candidates shall file with the returning office a statement affirming that the total expenditures did not exceed the limits in the By-law.

Municipal Elections Act

CHAPTER 300 OF THE REVISED STATUTES, 1989

Contributions to candidate or association

49A (1) In this Section and Section 49B,

(a) "agent" means the official agent of a candidate and includes the candidate if the candidate is acting as official agent and, in the case of an association, means the person appointed by the association to act as agent;

(b) "association" means an association of one or more people established to, a trust established for or a fund established to further the election of the candidate;

(c) "contributions" means services, money or other property donated to an association or a person to support the political purposes of an association or candidate, but does not include personal services or the use of a vehicle volunteered by a person and not provided as part of that person's work in the service of an employer;

(d) "spouse" means a person married to another person and, for the purpose of this Section, includes persons who, not being married to each other, live together as if they are spouses and have done so for at least one year.

(2) An association shall appoint an agent for the purpose of this Section and shall file the appointment with the clerk or the secretary of a school board.

(3) Contributions to a candidate or association shall be made only to the agent.

(4) All contributions to a candidate shall be deposited in a separate account and be dealt with separately from the candidate's personal funds.

(5) The agent shall record the full name and residential or business address, other than a post office box address unless that is the only address available, of each contributor together with the amount of the contribution.

(6) An agent shall not accept an anonymous contribution in any amount and, if any anonymous contribution cannot be returned to the contributor, it shall be remitted to the treasurer of the municipality or school board.

(7) No person shall contribute to any association or candidate funds not beneficially belonging to the person or funds that have been given or furnished to that person by another person for the purpose of contributing those funds unless the person to whom the funds beneficially belong is identified as the contributor or unless the person contributing the funds is the spouse of the person to whom the funds beneficially belong.

(8) Within sixty days after regular polling day in an election, every candidate and agent of an association shall file with the clerk of a municipality or the secretary of a school board a disclosure statement showing the full name and residential or business address, other than a post office box unless that is the only address available, of each contributor whose contributions received during the period since the previous election exceed fifty dollars in total and the amount of the total contributions by that contributor.

(9) Where a trust or fund is established to further the goals of a candidate or association and the trust or fund is not controlled by an association or candidate, the names of contributors to the trust or fund shall be disclosed when a transfer is made from the trust or fund to either an association or candidate.

(10) Where a contribution or gift of goods or services is made to a candidate or association for the purpose of sale or auction, the value of the contribution is the dollar value at which those goods or services are sold or auctioned.

(11) A candidate who is not nominated is not required to file a disclosure statement.

(12) Subject to subsection (11), every candidate who fails to file a disclosure statement within sixty days after regular polling day, or who files a false disclosure statement, is guilty of an offence. 1998, c. 18, s. 568; 2003, c. 9, s. 22.

Right to examine statement

49B (1) Any person may examine a disclosure statement respecting contributions to a candidate.

(2) Disclosure statements shall be available for examination at any time during regular office hours.

(3) A person who examines a disclosure statement may obtain a copy of that statement upon payment of the reasonable cost of copying the statement.

(4) The disclosure statement shall be as nearly as may be in the form prescribed by the Minister. 1998, c. 18, s. 568.

Attachment C – Public Financing for Municipal Elections

Draft 15-05-04

Note: Only 3 provinces have public financing programs.

Province	Relevant Legislation	Rebates
BC	<p><i>Local Elections Campaign Financing Act</i> - http://www.bclaws.ca/civix/document/id/complete/statreg/14018</p> <p>No rebate program now. A recent white paper says "Do not implement public financing (tax credits or rebates for campaign contributions or campaign expenses)."</p>	NO
AB	<p><i>Local Authorities Election Act</i> - http://www.gp.alberta.ca/documents/Acts/L21.pdf</p>	NO
SK	<p><i>The Local Government Election Act</i> http://www.gp.gov.sk.ca/documents/English/Statutes/Statutes/L30-1.pdf</p>	NO
MB	<p><i>Municipal Councils & School Boards Elections Act</i>: http://web2.gov.mb.ca/laws/statutes/ccsm/m257e.php</p> <p><i>Winnipeg City Charter</i> - https://web2.gov.mb.ca/laws/statutes/municipal/c03902a.php</p> <p>Permitted in Winnipeg under <i>Rebate of Election Contributions By-Law No 9/2010</i> – in 2010 election, City rebated \$542,128 to 2,322 people. Rebate is 75% of contributions up to \$300. Formula above \$300 – maximum rebate - \$1000.</p>	YES
ON	<p><i>Municipal Elections Act, 1996</i> - http://www.e-laws.gov.on.ca/html/statutes/english/elaws statutes 96m32_e.htm</p> <p>Permitted under MEA – Sec 82. In Toronto in 2010 the program provided \$4.3 million in rebates. Estimate for 2014 - \$4.8m. Contributions between \$25 and \$300 eligible for 75% rebate. Donors must live in Ontario. Markham has a similar program. Oakville and Vaughan limit rebates to donors living in the city Mississauga canceled its program. Most Ontario municipalities do not have a rebate program.</p>	YES
QC	<p><i>An Act Respecting Elections and Referendums in Municipalities</i></p> <p>http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/E_2_2/E2_2_A.html</p> <p>Sec 475 – Treasurer will reimburse up to 70% of election expenses reported if the candidate is elected or gets > 15% of the votes</p>	YES
NB	<p><i>Municipal Elections Act</i> http://laws.gnb.ca/en/BrowseTitle?listregulations=M-21.01&letter=MHM-21.01</p>	NO
NS	<p><i>Municipal Elections Act</i> http://nslegislate.ca/legc/statutes/muncpep.html</p>	NO
PE	<p>City of Charlottetown Election By Law http://www.city.charlottetown.pe.ca/pdfs/bylaws/Election Bylaw.pdf</p>	NO
NL	<p><i>An Act Respecting Municipal Elections</i> – http://www.assembly.nl.ca/legislation/annual/statutes/2001/M20-2.c01.htm</p>	NO