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# Municipal Election Candidate Contribution Rebate Program

**General Committee** 

**December 14, 2009** 



# **Report Purpose**

- Request Council's direction on implementation of a rebate program for the 2010 municipal election
- By-law 2005-311, used in 2006 municipal election and Ward 3 By-election does not apply to 2010 municipal election
- Candidate nominations accepted starting January 4, 2010. Council should consider passing a by-law prior to January 1, 2010 to have the by-law effective for the entire campaign period
- Bill 212 (Good Government Act, Third Reading) does not specifically affect rebate program provisions

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### **Municipal Elections Act, 1996 (the Act)**

- Section 82 allows a municipality or school board to enact a by-law to provide payment of rebates to individuals, corporations and/or trade unions who have made financial contributions to candidates' campaigns
- Individuals must be a resident of Ontario, but not required to be an eligible voter
- Corporations must carry on business in Ontario and trade unions must be registered in Ontario
- Broad authority: allows for conditions of entitlement to be defined in by-law, subject to general requirements of the Act

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# **Purposes of a Rebate Program**

- Assists candidates in their fundraising efforts, particularly non-incumbent candidates
- Offers an incentive for contributors
- All five municipalities offering a rebate program in the 2006 municipal election excluded corporations and trade unions, encouraging greater campaign support by individuals
- Comparison of rebate programs from 2006 municipal election outlined in Appendix "A". All five municipalities that offered a rebate program in 2006 will do so again (with amendments) in 2010
- Staff have reviewed the scope and direction of other municipalities, as well as program improvements suggested internally

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# By-law 2005-311

- Applied to 2006 municipal election and any by-election in the 2006-2010 term of Council
- Eligible contributors include individuals who are residents of Ontario
- Must comply with By-law's reporting requirements
- Excludes contributions of goods and services
- Includes net contribution at fundraiser (cost of ticket cost of event = net contribution)





# By-law 2005-311, Cont'd

Contribution	Rebate	
\$50.00	Minimum contribution	
\$50.00 to \$300.00	75% of the contribution, maximum rebate of \$225.00	
\$300.00 to \$550.00	\$225.00 plus 50% of contribution amount exceeding \$300.00	
Greater than \$550.00	Maximum rebate of \$350.00	

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# By-law 2005-311, Cont'd

#### **Examples:**

1. Cash contribution: \$350.00

Rebate: \$225.00 + \$25.00 (50% of contribution

amount exceeding \$300.00

Total Rebate: \$250.00

2. Fundraiser ticket: \$100.00; Cost of event:

\$25.00; Net cost is \$75.00

Rebate: 75% of \$75

Total Rebate: \$56.25

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# By-law 2005-311, Cont'd

	2006 Municipal Election	Ward 3 By-election
Eligible Participants	55	8
Participants	38 (69%)	7 (88%)
Cost	\$368,435	Estimated \$9,500

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# **Options**

- 1. Re-implement current program, with minor housekeeping amendments
- 2. Revised rebate program
- 3. No rebate program

Variations exist in each option in accordance with the broad authority afforded to Council

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### **Option 1: Current Program (Attachment "B")**

- Eligible contributors include individuals who are residents of Ontario
- Must comply with reporting requirements set out in Bylaw
- Same rebate formula as By-law 2005-311
- Housekeeping amendments including:
  - Eliminate need for candidates to submit actual copies of receipts – only when requested
  - Eliminate need for candidates to submit all campaign expense invoices – only when requested
  - Require candidates to submit electronic file of contributors of \$50.00 or more, including net contribution amount from fundraisers

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# Option 2: Revised Program (Attachment "C")

# Should Council choose a program – Option 2 is recommended:

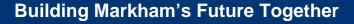
- Eligible contributors include individuals who are resident or non-resident owners or tenants of property in the Town of Markham
- Candidates, candidates' spouse and children ineligible to receive rebates
- Only applies to 2010 municipal election. Should a byelection occur in the 2010-2014 term of Council, a bylaw will be required to be passed
- Must comply with reporting requirements set out in Bylaw
- Same rebate formula as By-law 2005-311, including fundraiser provisions

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# Option 2: Revised Program (Attachment "C"), Cont'd

- Housekeeping amendments including:
  - Eliminate need for candidates to submit actual copies of receipts – only when requested
  - Eliminate need for candidates to submit all campaign expense invoices – only when requested
  - Require candidates to submit electronic file of contributors of \$50.00 or more, including net contribution amount from fundraisers





# Option 2: Revised Program (Attachment "C") – Rationale for Changes

- Eligible contributors include individuals who are resident or non-resident owners or tenants of property in the Town of Markham
  - Focuses program benefit on individuals who are Town of Markham ratepayers
  - From 2003 to 2006 municipal elections, non-resident contributors increased by 448
  - Of the total 2,229 rebate recipients, 1,438 were nonresidents and 791 were residents
  - \$232,760 (63%) paid to non-residents; \$135,675 (37%) paid to residents
  - Supports Town's E3 exercise, reducing costs significantly in 2010, should similar program participation occur

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# Option 2: Revised Program (Attachment "C") – Rationale for Changes

- Candidates, candidates' spouse and children ineligible to receive rebates (from contributions made to their own campaign)
  - Program intended to foster participation in electoral process by individuals
  - Candidates, their spouse and family already vested part of their own campaign
  - Few candidates, their spouse or family participated in rebate program
  - Some additional cost savings realized
  - Restriction in place in Oakville, under consideration by other municipalities

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# Option 2: Revised Program (Attachment "C") – Rationale for Changes

- Only applies to 2010 municipal election. Should a byelection occur in the 2010-2014 term of Council, a bylaw will be required to be passed
  - Allows staff opportunity to advise Council of financial impacts prior to a by-election event

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# **Option 3**

 Council may consider this as a cost savings initiative or if the purposes of the rebate program are not being achieved

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# **Next Steps**

- ☐ Implementing by-law for consideration at December 15 Council meeting
- □ Reflect changes to candidate information packages

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