

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

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

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

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

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

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

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

Option 1: Current Program (Attachment “B”)

- Eligible contributors include individuals who are residents of Ontario
- Must comply with reporting requirements set out in By-law
- 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

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 by-election occur in the 2010-2014 term of Council, a by-law will be required to be passed
- Must comply with reporting requirements set out in By-law
- Same rebate formula as By-law 2005-311, including fundraiser provisions

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 non-residents 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

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

Option 2: Revised Program (Attachment “C”) – Rationale for Changes

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

Option 3

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

Next Steps

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