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COMMUNICATION
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2018 Contribution Rebate Program

Committee of the Whole (Working Session)

December 6, 2017



Agenda

- Contribution Rebate Program
 - Introduction
 - Background
- 2014 Contribution Rebate Program
 - Overview
 - Formula for Calculating the Rebate
- Considerations for 2018
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Contribution Rebate Program

Introduction

- Subsection 88.11 of the Municipal Elections Act, 1996 states that:

“(1) A municipality may, by by-law, provide for the payment of rebates to individuals who made contributions to candidates for office on the municipal council.”
- The municipal contribution rebate is equivalent to income tax credits provided at the provincial and federal levels for contributions made to political parties and candidates for offices at those levels of government
- The City is not obligated by legislation to provide a contribution rebate program, but may choose to implement one, as has been the case in the 2010 and 2014 Municipal Elections

Contribution Rebate Program

Background

- The City of Vaughan introduced the Contribution Rebate Program in 2010, following recommendations from the Task Force on Democratic Participation and Renewal
- The Program was introduced with two key objectives:
 1. To reduce registered candidates' dependence on financial contributions from corporations and trade unions.
 2. To increase citizen engagement in the electoral process.

2014 Contribution Rebate Program Overview

- Candidate participation was voluntary
- Individual contributors had to reside in Vaughan, and be an eligible elector on the final voters list in order to be eligible to receive a rebate
- Corporate and trade union contributions were ineligible for a rebate
- Candidates, their spouse, siblings, parents, grandparents, children and grandchildren were not eligible to receive a rebate

2014 Contribution Rebate Program Overview

- Contributions of goods and services were not eligible for a rebate
- Proceeds from fundraisers were ineligible for a rebate
- Participating candidates were required to file an audited financial statement regardless of the amount of funds raised or spent

2014 Contribution Rebate Program Formula for Calculating the Rebate

The value of the rebate was calculated using the following:

- A minimum contribution of \$50 was required to qualify
- The contributor was eligible to receive a rebate equal to 75% of the value of their contribution
- The maximum value of the rebate received was \$150, regardless of the amount contributed by an individual contributor

Considerations for 2018

- Amendments to the Municipal Elections Act since the 2014 Municipal Election have introduced significant changes to campaign financing:
 - Campaign contributions from corporations and trade unions to candidates are now prohibited
 - The maximum contribution has been increased from \$750 to \$1200
- In 2014, 670 monetary contributions were received by candidates from corporations and trade unions, amounting to \$398,713.14
- Potential for an increase in individual contributions in lieu of corporate or trade union contributions, which would be eligible for a rebate

Proposed Changes for 2018 Program

Should Council direct the continuation of the Contribution Rebate Program, staff recommend making the following changes to the program for 2018:

1. Change the funding formula for rebates from 75% to 50% of the value of the contribution
2. Direct any campaign surpluses to fund the contribution rebate program
3. Change the deadline for rebate applications to 90 days from the appropriate financial filing deadline
4. Remove the requirement for candidates who opt into the program and subsequently withdraw their nomination paper to file an audited financial statement

Conclusion

The City Clerk/Returning Officer recommends:

1. That Council provide direction on whether the Contribution Rebate Program should be continued for the 2018 Municipal Election