

Implementation Fact Sheet

Campaign Finance and Contribution Disclosure Amendments *Local Authorities Election Act, 2018 and 2020*

Campaign Finance and Contribution Disclosure Requirements

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 2(4), s. 3(4),
s. 22 (1.2) (1.3), s.147.3 (1)(f) (g), s.147.3 (2),
s. 147.4, s. 147.7, s. 147.8, s. 147.12, s. 147.81, s.
147.82, s. 147.83, s. 147.84

Previous requirement:

1. The campaign finance rules contained in the *LAEA* did not apply to school boards and the school boards could set their own disclosure and surplus rules.
2. Candidates were required to disclose names and addresses of donors whose contributions exceed \$100.
3. *Candidates were not required to have financial statements audited or reviewed prior to filing disclosure statements.
4. Candidates who ran self-funded campaigns were not required to submit financial disclosure statements.

What has changed?

1. All campaign finance provisions apply to school board trustee candidates. s. 22 (1.2) (1.3), s. 147.12
2. Candidates are required to disclose names and addresses of donors whose contributions exceed \$50. s. 147.4
3. *A candidate who has incurred campaign expenses or contributions of \$50,000 or more, must file a review engagement (as defined by the *Chartered Professional Accountants Act*) with their disclosure statements. s. 147.2.
4. Financial disclosure statements are required from all candidates, included self-funded campaigns. s.147.12, s.147.3 (1)(f) (g),s. 147.3 (2), s. 147.4, s. 147.7, s. 147.8, s. 147.81, s. 147.82, s. 147.83, s. 147.84

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

What do School Boards need to know?

School Boards are no longer able to set their own disclosure and surplus rules and candidates must follow the rules in the *LAEA*.

What do prospective candidates need to know?

All candidates in municipal and school board elections must follow the Campaign Finance and Disclosure rules in the *LAEA*.

Candidates must disclose the names and addresses of donors whose contributions exceed \$50.

*Candidates who spend or receive \$50,000 or more must file a review engagement at the same time as they file disclosure statements.

All candidates, regardless of being self-funded or accepting contributions, are required to file a disclosure statement with the municipality and/or school division in which they sought election.

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018 and September 1, 2020.

Corporate and Union Donations

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.1 (1)(d) (e)(f) (g), s. 147.13, s. 147.2 (1)(2) (6), s. 147.23, s. 147.24, s. 147.32, s. 147.33

Previous requirement:

The *LAEA* previously allowed campaign donations from corporations, trade unions and employee organizations.

What has changed?

Prohibited organizations, including corporations and unincorporated organizations, including trade unions and employee organizations, are prohibited from contributing to municipal election campaigns.

What does the public need to know?

No corporation or unincorporated organization, including a trade union and employee organization, and no individual ordinarily residing outside Alberta, shall make a contribution to a candidate. s. 147.2(2)

What do prospective candidates need to know?

Only an individual ordinarily residing in Alberta may make a contribution to a candidate. s. 147.2(1)

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018.

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

Fundraising Contributions

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.1 (1)(c), s. 147.1 (2)(3), s. 147.2 (3)(4)(5), s. 147.31

Previous requirement:

1. *The *LAEA* set a \$4,000 contribution limit, in the aggregate, per donor to candidates for election as councillors, and \$4,000 in the aggregate per donor to candidates for school board elections.
2. *Candidates who eligible to contribute to their own campaign and the \$4,000 aggregate contribution limit applied.
3. The *LAEA* did not address fundraising functions in municipal/school board elections.

What has changed?

1. *Individual contributions are limited to \$5,000 per candidate for municipal candidates and \$5,000 per candidate for school board candidates.
2. *Candidates may contribute up to \$10,000 of their own funds for the purpose of their campaign. s. 147.2(4)
3. The donation portion of fundraising contributions is subject to general contribution restrictions and limits. s. 147.31(1)

What does the public need to know?

*No individual ordinarily residing in Alberta shall contribute in any campaign period an amount that exceeds;

- \$5,000 per candidate for election as councillors; and,
- \$5,000 per candidate for election as school board trustees. s. 147.2 (3)

*Thus, an individual may make as many contributions to as many school board and municipal candidates in Alberta as they wish so long as each contribution does not exceed \$5,000.

What do prospective candidates need to know?

It is the responsibility of the contributor/donor to ensure, before making a contribution under the *LAEA*, that the contributor/donor is not prohibited from making a contribution and is not making a contribution that is in excess of the \$5,000 limit. s. 147.13 (1)

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018 and September 1, 2020.

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

Campaign Spending Limits

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.34, 147.85, 147.91(1)(a)

Previous requirement:

The *LAEA* did not contemplate spending limits in municipal or school board elections.

What has changed?

The Minister of Municipal Affairs may make a regulation setting spending limits for municipal and school board elections and if a regulation is in place, municipalities and school boards are enabled to set a lower limit by bylaw. s. 147.91

What do prospective candidates need to know?

*There is no regulation in place and therefore there are no defined spending limits. This means that candidate may spend any amount they deem appropriate.

When do these changes take place?

The amendments to the *LAEA* enabling the creation of a spending limit regulation came into force December 11, 2018. There is no regulation in place for the 2021 municipal election.

Campaign Bank Accounts

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.3

Previous requirement:

The *LAEA* required that a candidate open a bank account once total contributions received reach \$5,000. Self-funded candidates were not required to open a bank account.

What has changed?

The *LAEA* requires all candidates, including self-funded candidates, to open a bank account when at least \$1,000 in total contributions is received, including money contributed by the candidate for their campaign. s. 147.3(1)

What do prospective candidates need to know?

A candidate, self-funded or not, **MUST** open a campaign bank account once total contributions to the candidate's campaign exceeds \$1,000.

If a candidate's contributions do not exceed \$1,000, they are **NOT** required to open a campaign bank account.

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018.

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

Nomination Period, Definition of a Candidate and Campaign Period

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 1(s.1), s. 12(a), s. 25, s. 27, s. 28, s. 1(e.1), s. 147.1 (1)(b), s. 147.22

Previous requirement:

1. Nomination day was defined in the *LAEA* as being four weeks prior to election day, between 10 a.m. and 12 noon.
2. A candidate had to register with the municipality in which they intend to run prior to accepting campaign contributions. Registration could occur at any time over the four year campaign period.
3. The *LAEA* identifies a ‘candidate’ as an individual nominated as a candidate for election as a councillor of a municipality under the *LAEA* or an individual who intends to be nominated as a candidate for such an election and accepts campaign contributions or incurs campaign expenses.
4. The *LAEA* defines ‘campaign period’ as being the period beginning January 1 immediately following a general election to December 31 following the next general election.
5. Requirements 2 to 4 did not apply to candidates for school boards, as they could set their own campaign finance rules by bylaw.

What has changed?

1. *Rather than nominations being restricted to a period of 2 hours, 4 weeks prior to election day, nomination papers will now be accepted by a jurisdiction at the beginning of the campaign period (January 1 in the year of an election) to 4 weeks prior to election day. s. 25(2)(a)

In the case of by-elections, the “nomination period” will commence the day following the resolution of council or school board setting the date of the by-election. Nominations will be accepted up until 4 weeks prior to the date of the by-election. s. 25(2)(b)

Nomination day (which is now the final day to accept nominations) is 4 weeks before election day. s. 25(1)

2. All individuals are required to be nominated in the municipality and/or school board they intend to run in prior to incurring campaign expenses or accepting campaign contributions. s. 147.22
3. *An individual may accept contributions outside of the campaign period to a limit of \$10,000 annually, out of the candidates own funds; and \$5,000 in the aggregate annually, from contributors. s.147.22(3)
4. The *LAEA* identifies a “candidate” as any person who is nominated for election as a councillor of a municipality or trustee of a school board. s. 1(e.1)
5. The definition of “campaign period” is now January 1-December 31 in the year of a general election. s. 147.1 (1)(b)

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

What do individuals already campaigning for the 2021 general elections need to know?

*Potential candidates may contribute \$10,000 out of their own funds, and accept up to \$5,000 in the aggregate prior to December 31, 2020.

Beginning on January 1, 2021, a person must be nominated prior to accepting campaign contributions and incurring campaign expenses.

What do prospective candidates need to know?

1. *The “nomination period” now begins January 1 of the year of the general election and ends on Nomination Day (4 weeks before the general election).
2. Once your nomination has been filed, you are considered a candidate and may begin to accept contributions.
3. The campaign period is January 1 – December 31 in the year of the general election and within that period of time you cannot accept campaign contributions or incur any campaign expenses until you have been nominated as a candidate.
4. *You can accept contributions of up to \$5000 annually from contributors, and \$10,000 annually of your own funds, as well as incur expenses outside of the campaign period. s.147.22(3).

What does the public need to know?

1. You may nominate an individual to become a candidate in a general election any time from the start of the campaign period (January 1 in the year of the general election) until Nomination Day (4 weeks prior to the election).
2. *You may contribute to an individual’s campaign outside of the campaign period. However, the person may not accept more than \$5000 annually from contributors.
3. *Within the defined campaign period (January 1 – December 31 in the year of the election), you cannot contribution to a candidate’s campaign until they have filed their nomination papers and have become a candidate.

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018 and September 1, 2020.

*Amendments passed in July 2020 under Bill 29: *The Local Authorities Election Amendment Act*

*Campaign Donation Surplus

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.5

Previous requirement:

1. Candidates who identified a surplus when filing their campaign disclosure were required to turn that surplus over to be held in-trust by the municipality.

The individual would have the surplus returned if they file nomination papers in the next general election or by-election.

2. Municipalities were required to hold campaign surpluses in trust but the funds were not subject to interest and could be held in one bank account.
3. If a candidate did not file nomination papers in the next general election, the candidate was required to, within six months, instruct the municipality to donate the surplus to a charity of their choice (in accordance with the *Income Tax Act*), or the municipality or school board. If no direction is received, the surplus becomes the property of the municipality.

What has changed?

1. The *LAEA* has been amended to require that candidates donate any amount that is \$1,000 or more in surplus funds to a registered charity within 60 days of filing the candidate's disclosure statement.
2. The donation of the surplus funds must result in the surplus being less than \$1,000.
3. Surpluses less than \$1,000 may be retained by the candidate or be donated to a registered charity.
4. Candidates must file an amended disclosure statement within 30 days of the expiration of the 60 day period, showing the surplus funds have been dealt with.

What does the municipality or school board need to know?

1. Candidates are required to donate surpluses in excess of \$1,000 to a registered charity.
2. Surplus funds less than \$1,000 may be retained by the candidate or be donated but it is up to the candidate to determine the approach.
3. Candidates must file amended disclosure statements with the municipality or school board showing that the surplus funds greater than \$1,000 have been dealt with.

What do prospective candidates need to know?

Candidates cannot hold surplus funds greater than \$1,000. If your disclosure statement shows a surplus greater than \$1,000, you have 60 days to donate an amount to a registered charity that results in the surplus being less than \$1,000.

If your surplus is less than \$1,000, you may choose to retain the funds or donate them to a registered charity of your choice.

If you have donated a surplus to a registered charity, you must file an amended disclosure statement with your municipality or school board within 30 days of the expiration of the 60 day period.

What do prospective candidates need to know if they have a surplus from a previous election?

If, on September 1, 2020, an amount is held in trust with a municipality or school board, and it is greater than \$1,000, you must donate an amount to a registered charity that will result in the surplus being less than \$1,000 prior to January 1, 2022.

If you show a surplus of less than \$1,000, you may retain the surplus or donate it to a registered charity.

If the municipality or school board do not receive direction on or before January 1, 2022, the money will become the property of either the municipality or school board (whichever is applicable).

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*Campaign Deficits

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.52

Previous requirement:

1. If a candidate's disclosure statement showed a campaign deficit and the candidate did not run in the next general election, the candidate was required to eliminate the deficit within six months of the next general election.
2. *A payment made by the candidate to eliminate their deficit was not considered to be a contribution.
3. A candidate was required to file an amended disclosure statement within 30 days of the expiration of the six-month period, showing the deficit had been eliminated.

What has changed?

1. If a candidate's disclosure statement shows a deficit, the candidate is required to eliminate the deficit within 60 days after filing their disclosure statements.
2. A candidate may accept contributions during the 60-day period for the purpose of eliminating the deficit.
3. Contributions for the purpose of eliminating the deficit must not exceed \$5,000 from any individual contributor.
4. A candidate may make a contribution from the candidate's own funds to a maximum of \$10,000.
5. A candidate must file an amended disclosure statement within 30 days of the expiration of the 60-day period showing the deficit has been eliminated.

What does the municipality or school board need to know?

1. Candidates must eliminate deficits within 60 days of filing campaign disclosure statements.
2. Candidates may accept contributions (\$5,000 from contributors and \$10,000 out of their own funds) to eliminate the deficit.
3. Candidates must file amended disclosure statements with the municipality or school board showing that the deficit has been eliminated.

What do prospective candidates need to know?

Candidates are not permitted to carry a deficit and deficits must be eliminated within 60 days of filing campaign disclosure statements.

You may accept contributions not exceeding \$5,000 from an individual, as well as up to \$10,000 from your own funds, for the purpose of eliminating the deficit.

You must file an amended disclosure statement within 30 days of the expiration of the 60 day period, showing the deficit has been eliminated.

When did campaign surplus and deficit changes take place?

The amendments to the *LAEA* came into force September 1, 2020.

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Definition of Campaign Expenses

Legislation: *Local Authorities Election Act (LAEA)*

Section Numbers: s. 147.1(1)(a)

Previous requirement:

The *LAEA* describes allowable election expenses as expenses that are lawfully incurred and payment is not a contravention of the *Act*; these include:

- the actual personal expenses of the candidate;
- the costs of acquiring premises, accommodation, goods, or services used for proper election campaign purposes;
- bona fide payments for the fair cost of printing and advertising; and,
- reasonable and ordinary payment to any person for the hire of transportation used by a candidate or speakers in travelling to and from public meetings, or by any person in connection with and for the proper purposes of an election.

What has changed?

“Campaign expense” means any expense incurred, or non-monetary contribution received.

The use of goods that were purchased in an election campaign in a second or subsequent election is considered to be a non-monetary contribution. Reusing these materials is considered to be a non-monetary contribution for the purposes of a campaign expense.

An election expense includes an expense incurred for, or a non-monetary contribution in relation to:

- the production of advertising or promotional material;
- the distribution, broadcast or publication of advertising or promotional material in any media or by any other means during the election period, including by the use of a capital asset;
- the payment of remuneration and expenses to or on behalf of a person for the person’s services as a chief financial officer or in any other capacity;
- the securing of meeting space, or the conduct of election surveys or other surveys or research during an election period.

What do prospective candidates need to know?

It is the responsibility of the candidate to ensure that money in the campaign account shall only be used for the payment of campaign expenses as defined in section 147.1(1)(a).

When do these changes take place?

The amendments to the *LAEA* came into force December 11, 2018.

What resources are/will there be available to assist?

Running for Municipal Office in Alberta – A Candidate’s Guide – COMING SOON

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