Agenda - Executive Policy Committee - May 12, 2004

REPORTS

Item No. 2 Civic Elections - Contribution Rebate Program
File GK-2

ADMINISTRATIVE RECOMMENDATION:

1. That Council implement by by-law, a contribution rebate program in accordance with Sections 46(1) and 46(2) of The City of Winnipeg Charter, for contributions to registered candidates for the Office of Mayor and Councillor, as described in Appendix A and Appendix B.

2. That the funding for this program come from the budgeted account for civic elections and that this account be increased in 2006 to accommodate the related expenditures.

Agenda - Executive Policy Committee - May 12, 2004

DECISION MAKING HISTORY:

COUNCIL DECISION

On March 24, 2004, Council granted an extension of time of 60 days for the Executive Policy Committee to report back on the January 28, 2004 resolution.

EXECUTIVE POLICY RECOMMENDATION:

On February 18, 2004, the Executive Policy Committee referred the January 28, 2004 Council Motion to the City Clerk for review and report back.

COUNCIL DECISION:

On January 28, 2004, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Angus,
Seconded by Councillor Lazarenko,

WHEREAS at other levels of government, contributions made to a political campaign receive some form of tax incentive;

AND WHEREAS the City of Toronto has operated a successful program for municipal political campaign contributions since 1990;

AND WHEREAS The City of Winnipeg Charter, section 46(1), states that Council may by by-law, establish a program that entitles a contributor of a contribution made to a registered candidate during a campaign period:

- to a credit, of an amount equal to part of the contribution against taxes that are imposed by the city and that are payable by the contributor; or
- to a rebate of part of the contribution

AND WHEREAS several citizens of Winnipeg have expressed interest in a related program for municipal political campaign contributions;

AND WHEREAS candidates are required to incur costly expenditures to put their platforms forward to the electorate;

DECISION MAKING HISTORY (continued):

AND WHEREAS this type of program could stimulate an increase in the number of candidates running for municipal election, and enhance the electorate's knowledge of the political platforms;

AND WHEREAS programs of this nature carry a cost and would require City funding;

THEREFORE BE IT RESOLVED that the Executive Policy Committee review this issue and report back to Council.

Report

Re: CIVIC ELECTIONS – CONTRIBUTION REBATE PROGRAM

For Submission To: Executive Policy Committee

Original Report Signed By: R. Kachur, City Clerk

Report date: April 30, 2004

Recommendation(s):

- That Council implement by by-law, a contribution rebate program in accordance with Sections 46(1) and 46(2) of The Charter, for contributions to registered candidates for the Office of Mayor and Councillor, as described in Appendix A and Appendix B.

- That the funding for this program come from the budgeted account for civic elections and that this account be increased in 2006 to accommodate the related expenditures.

Report Summary

Key Issues:

- The Charter provides for Council to implement a rebate program for contributions made to registered candidates for the Office of Mayor and Councillor. On January 28, 2004, Council referred a related motion from Councillors Angus and Lazarenko to the Executive Policy Committee.

Implications of the Recommendation(s):

General Implications

ð None

ð For the organization overall and/or for other departments

X For the community and/or organizations external to the City of Winnipeg

ð Involves a multi-year contract
Comment:

Policy Implications

ð No

X Yes
Comment:

Environmental Implications

X No

ð Yes
Comment:

Human Resource Implications

X No

ð Yes
Comment:

Financial Implications

ð Within approved current and/or capital budget

X Current budget adjustment required in 2006.
Comment: The estimated cost of providing rebates in 2006 is $250,000, which would be amortized over the 4 year election period.

Report

Reason for the report:

Section 46 (1) of The Charter provides that council may by by-law establish a program that, subject to regulations made under subsection (3), entitles a contributor of a contribution made to a registered candidate during a campaign period

(a) to a credit, of an amount equal to part of the contribution, against taxes that are imposed by the city and that are payable by to the contributor; or
(b) to a rebate of part of the contribution.

Council, at its meeting of January 28, 2004, referred a motion moved by Councillors Angus and Lazarenko to the Executive Policy Committee. The motion was as follows:

WHEREAS at other levels of government, contributions made to a political campaign receive some form of tax incentive;

AND WHEREAS the City of Toronto has operated a successful program for municipal political campaign contributions since 1990;

AND WHEREAS The City of Winnipeg Charter, section 46(1), states that Council may by bylaw, establish a program that entitles a contributor of a contribution made to a registered candidate during a campaign period to a credit, of an

amount equal to part of the contribution against taxes that are imposed by the city and that are payable by the contributor; or to a rebate of part of the contribution;

AND WHEREAS several citizens of Winnipeg have expressed interest in a related program for municipal political campaign contributions;

AND WHEREAS candidates are required to incur costly expenditures to put their platforms forward to the electorate;

AND WHEREAS this type of program could stimulate an increase in the number of candidates running for municipal election, and enhance the electorate's knowledge of the political platforms;

AND WHEREAS programs of this nature carry a cost and would require City funding;

THEREFORE BE IT RESOLVED that the Executive Policy Committee review this issue and report back to Council.

History & Discussion:

In 1995, the Ad Hoc Committee on Election Review explored the possibility of implementing a tax credit/rebate program for election campaign contributions. Tax credit programs utilized in other municipalities, specifically Toronto, were introduced. After undertaking cost modeling for the City of Winnipeg, meeting with members of the administration and extensive Councillor input, the decision was made to not move forward with a program. One of the key determinants in that decision were the problems associated with administering municipal tax credits, especially the time frame concerns.

In the last two municipal elections, the City of Toronto has utilized a contribution rebate program to great success. This program has been hypothetically applied for Winnipeg's civic elections and it is been determined that the constructs would be amenable to Winnipeg's election statutes and legislation. Fundamentally, the program provides for a graduated scale of rebates for contributions of $25 or more, with the maximum total rebate set at $1,000.

The benefits of implementing a contribution rebate program are numerous, including the possibility of strengthening the civic election process, increasing public participation and increasing voter turnout. As a result, it is recommended that City Council adopt the Contribution Rebate Program as described in Appendix A. The suggested by-law is provided in Appendix B.

Notably, the estimated cost of the program is $250,000 for each full civic election . These costs arise primarily from the cost of the rebates. As with all other election costs, the $250,000 cost of this program would be amortized over the 4 year election cycle. Other smaller costs would be incurred from any by-elections that occur.

The suggested implementation date for this program is January 1, 2005. The program would apply to all general municipal elections and by-elections for the Offices of Mayor and Councillor.

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH:
CAO Secretariat
Corporate Services – Legal Services

THIS REPORT SUBMITTED BY:
The City Clerk's Department

Financial Impact Statement:

Project Name: Contribution Rebate Program

Date: April 30, 2004 First Year of Program: 2006

	0	1	2	3	4
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 62,500	$ 62,500	$ 62,500	$ 62,500	$ 62,500
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 62,500	$ 62,500	$ 62,500	$ 62,500	$ 62,500
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ 62,500	$ 62,500	$ 62,500	$ 62,500	$ 62,500

Additional Comments:

Marc Lemoine

Department Controller

Appendix A - Contribution Rebate Program

CITY OF WINNIPEG

CIVIC ELECTIONS

CONTRIBUTION REBATE PROGRAM

OVERVIEW:

In accordance with the Contribution Rebate By-law and Sections 46(1) and 46(2) of **The City of Winnipeg Charter Act**, City Council has authorized a program to encourage increased participation in civic elections by providing a rebate program for contributions to candidates seeking election to the office of Mayor and Councillor.

ELIGIBILITY:

In accordance with the Campaign Expenses and Contributions By-law, individuals, organizations, corporations or trade unions residing in Winnipeg who make contributions, in the form of cash or goods and services, to registered candidates who meet all requirements of the Campaign Expenses and Contributions By-law.

The contribution limit is $1,500 per Mayoralty candidate and $750 per Councillor candidate.

REBATES:

- Eligible contributions must be $25 or more and are calculated on a scale.

- The maximum amount of rebate is $1000.

EFFECTIVE DATE: January 1, 2005

Objectives

- To create an awareness of the City of Winnipeg's Civic Elections.
- To promote the democratic civic election process.
- To encourage voter turnout for civic elections.
- To increase interest and participation of the public in Civic Elections.
- To promote candidates to run in Civic Elections.

Rebate Scale

- Eligible contributions must be $25 or more
- The maximum total rebate per applicant is $1,000
- Contributions of $25 to $300 receive a rebate of 75 percent
- Contributions of $301 to $1,000 receive $225 plus 50 % of the difference between the total contributions and $300
- Contributions over $1,000 receive the lesser of $575 plus 33 1/3% of the difference between the total contribution and $1,000 **OR** $1,000

Rebate Process

- Contributors to registered candidates for the Office of Mayor or Councillor must receive a receipt on the form provided to the registered candidates for a civic election.

- The contributor must file a rebate application with the City Clerk. The rebate application form is on the reverse side of the receipt received from a candidate. Rebate applications will be received from June 1st through August 31st in the year immediately following a civic election or a by-election.

- In order for the candidate's contributors to receive a rebate, the candidate must:

  a. file an audited financial statement in accordance with the provisions of the Campaign Expenses and Contributions By-law
  b. comply with all provisions of the Campaign Expenses and Contributions By-law
  c. not exceed the expense limit for the office
  d. pay over any required surplus to the City Clerk in accordance with the provisions of the By-law

- The City Clerk will compare receipts filed by the applicant and copies filed by the candidate, ensure compliance with the Campaign Expenses and Contributions By-law and the Contribution Rebate By-law.

- Rebate cheques will be issued by the City Clerk prior to December 31st in the year immediately following a civic election

Appendix B - Contribution Rebate Program

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of The City of Winnipeg to authorize the payment of rebates for contributions made to registered candidates in a municipal election.

WHEREAS *The City of Winnipeg Charter* provides that Council may by by-law establish a program entitling a contributor of a contribution to a registered candidate to a rebate of part of the contribution;

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. Short Title

This By-law shall be known as "The Rebate of Election Contributions By-law".

2. Definitions

All words and phrases in this By-law shall have the same meaning as in By-law No. 5550/90.

3. Authorization and Process

Any contributor making a contribution to a registered candidate in any future City of Winnipeg municipal election shall be eligible to apply to the City Clerk for a rebate in accordance with the terms of this By-law.

4. In addition to the requirements of By-law No. 5550/90, each registered candidate shall submit a copy of all receipts issued for contributions in accordance with that By-law to the City Clerk by May 31st in the year following an election.

5. In order to receive a rebate:

(1) the registered candidate must have filed his or her audited financial statement by May 31st in the year following an election and provide the City Clerk with a copy of all receipts for contributions issued under and in accordance with By-law No. 5550/90;

(2) the contributor must file an application for a rebate in the form, and with the content, established by the City Clerk for that purpose and provide a receipt issued for a contribution in accordance with By-law No. 5550/90;

(3) the application and supporting material is filed on or after June 1st in the year following the election and prior to September 1st in the year following the election.

(4) the City Clerk is satisfied that the receipt filed by the contributor and the copy filed by the registered candidate are consistent.

6. Calculation of Rebate

(1) Subject to Section 7, the rebate shall be calculated as follows:

(a) If the contribution is $300.00 or less, the rebate is 75 per cent of the contribution;

(b) If the contribution is more than $300.00 but not more than $1,000.00, the rebate is $225.00 plus 50 per cent of the difference between the contribution and $300.00;

(c) If the contribution is more than $1,000.00, the rebate is the lesser of:

(i) $575.00 plus 33 1/3 per cent of the difference between the contribution and $1,000.00; or

(ii) $1,000.00.

(2) Contributions of less than $25.00 will not receive a rebate.

7. An applicant who makes contributions to more than one candidate may apply for a rebate in respect of each contribution, but is not entitled to receive total rebates amounting to more than the following maximums:

(1) If the total of the applicant's contribution to all candidates is $300.00 or less, the maximum is 75 per cent of that total;

(2) If the total of the applicant's contributions to all candidates is more than $300.00 but not more than $1,000.00, the maximum is $225.00 plus 50 per cent of the difference between that total and $300.00; or

(3) If the total of the applicant's contributions to all candidates is more than $1,000.00, the maximum is the lesser of,

(a) $575.00 plus 33 1/3 per cent of the difference between that total and $1,000.00, or

(b) $1,000.00.

8. This By-law shall come into force and effect as and from January 1, 2005.

DONE AND PASSED in Council assembled, this
day of 2004.

_____
Mayor

_____
City Clerk

Certified as to form:

_____
City Solicitor/
Manager of Legal Services