

# Implementation Fact Sheet

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

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### 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 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. 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

#### 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.

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.

## 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.

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## 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* established a \$5,000 contribution limit per year for any person, corporation, trade union and employee organization, to a candidate.
2. The *LAEA* established a \$10,000 per campaign period contribution limit for self-funded candidates.
3. The *LAEA* did not address fundraising functions in municipal/school board elections.

### What has changed?

1. The contribution limit has been lowered to \$4000 per campaign period for municipal elections and \$4000 per campaign period for school board elections. s. 147.3
2. Individual contributions are limited to \$4000 for municipal candidates and \$4000 for school board candidates. The same limit applies to self-funded campaigns. s. 147.2(3)
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;

- \$4000 in total to candidates for election as councillors; and,
- \$4000 in total to candidates 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 their jurisdiction as they wish as long as the total combined amount of all of those contributions does not exceed \$4000 per school board and \$4000 per municipality.

*For example, an individual may contribute \$2000 to candidate one and \$2000 to candidate two but **CANNOT** contribute over \$4000 to both candidates one and two.*

*A second example; an individual may contribute \$4,000 to candidate one but **CANNOT** contribute to any other candidate.*

## 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 \$4000 limit. s. 147.13 (1)

## When do these changes take place?

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

## 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?

By way of a future regulation, spending limits for municipal and school board elections will be established and municipalities/school boards will be enabled to set a lower limit by bylaw. s. 147.91

### What do prospective candidates need to know?

Once the regulation is in place, no candidate and no chief financial officer of a candidate shall incur election expenses that exceed, in total, the amounts determined by the regulations. s. 147.34

A candidate who exceeds the limits determined by the regulation is liable to a fine of not more than \$10,000. s. 147.85

### 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. The regulation is currently being developed and no limits will apply until the regulation is in place.

## 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 \$1000.

If a candidate's contributions do not exceed \$1000, 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.

# 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 4 weeks prior to election day, between 10am and 12noon.
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 4 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 6 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 6 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 6 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 or incur expenses outside of the campaign period so long as the total amount of contributions or expenses does not exceed \$2,000. 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)

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

No additional contributions may be received and no campaign spending may occur until the campaign period begins January 1, 2021. s.147.94, s.147.95, s.147.96

## 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 (6 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 you CANNOT accept campaign contributions or incur any campaign expenses until you have been nominated as a candidate.
4. You can accept nominal contributions or incur expenses outside of the campaign period so long as the total amount of contributions or expenses does not exceed \$2,000. 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 (6 weeks prior to the election).
2. You CANNOT contribute to an individual'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.

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# 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 and at the interest rate prescribed by the Lieutenant Governor in Council.
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*). If no direction is received, the surplus becomes the property of the municipality.

## What has changed?

1. The *LAEA* has been amended to clarify that the money held in-trust by the municipality or school board may be kept in one bank account rather than specified accounts for each candidate.

2. The *LAEA* has been amended to clarify that money held in-trust by the municipality or school board is not subject to interest.
3. The *LAEA* has been amended to clarify that candidates who do not run in a subsequent election may choose to donate their surplus funds to the municipality or school board instead of a registered charity.

## What does the municipality or school board need to know?

1. The municipality or school board may hold all surplus funds from all candidates in one bank account and that those monies are not subject to interest.
2. A municipality or school board may accept the donation of the surplus of a candidate who does not run in a subsequent election.

## What do prospective candidates need to know?

Any campaign surplus will be held in-trust by your municipality or school board. It will be returned to you if you run in a subsequent election or must be donated to a registered charity or your municipality or school board.

## When do these changes take place?

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



## 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 2nd 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