

UB2. Election Finance: Transparent Funding in Local Politics

At the Council meeting on January 21, 2020, Council referred the following motion to the Standing Committee on City Finance and Services meeting on January 22, 2020, in order to hear from speakers.

At the Standing Committee on City Finance and Services meeting on January 22 and 28, 2020, the Committee heard from speakers and referred debate and decision of the following item to the Council meeting on February 11, 2020, as unfinished business.

Moved by Councillor Fry
Seconded by Councillor Bligh

WHEREAS

1. Elections, election campaigns, referendums, and political operations should have transparent and compliant contributor funding so elected officials are free from real or perceived potential conflicts of interest, which undermine their duty to represent the people they were elected to serve;
2. The federal and provincial levels of government have laws regarding political financing which apply at all times and require that all political contributions be made by individuals, that individuals have yearly contribution limits, and that political parties must make annual public disclosures reporting received contributions and their contributors;
3. In 2017 the B.C. legislature amended the Local Elections Campaign Financing Act (LECFA), banning special interest and corporate political donations at the local government level during an election year, placing limits on contributions and mandating public disclosures. However, the LECFA only applies to electoral organizations and candidates during an election year for the specific purpose of campaigning, or the last 28 days before the election in the case of a third party sponsor;
4. The LECFA does not regulate local electoral organizations in non-election years or during an election year for their normal activities that are not part of their election campaigns. Local electoral organizations have separate operating bank accounts for these purposes and can accept unlimited donations from corporations and special interests. The LECFA regulations do not require any public disclosures of electoral organization operating bank accounts, nor do they place maximum donation limits, or prevent corporations and special interests from contributing to municipal political organizations;
5. Local Elector Organizations can have a significant impact and influence on local politics, and on who becomes an elected official. This happens both during a campaign and outside of campaign periods. Extending the LECFA contribution restrictions, annual reporting and disclosure requirements, and including the electoral organization operating account

would create a level playing field for all electoral organizations, improve transparency and limit contributions to compliant BC residents only;

6. Third party sponsors can also have a significant impact and influence on local politics and on who becomes an elected official or on a ballot question. In the 2018 Vancouver local election there were examples of significant unreported third party spending prior to the election, which ended only 28 days before the election, notwithstanding the intent of the LECFA;
7. The June 2019 City of Vancouver-convened volunteer-led Independent Election Task Force on Campaign Finance Regulations 1 encouraged the City of Vancouver to strongly urge the provincial government to improve upon the existing campaign finance laws, along with specific recommendations:
 - 7.1. *To enhance transparency in campaign financing, require all donations to candidates, elector organizations and third parties to be donated to a centralized portal run by Elections BC with real time disclosure of donations.*
 - 7.2. *THAT the Independent Elections Task Force be reconvened to review the following policy proposals, which have not previously been considered by Council, and provide recommendations regarding: Appropriate regulation of third-party groups wishing to engage on policy during municipal elections; The suggestion that contributions to candidates running with elector organizations to be in line with contributions to candidates running as independents.;*
8. The October 2019 Elections BC Report of the Chief Electoral Officer 2 recommendations on Improving Accessibility, Transparency and Compliance included the following:
 - 8.1. *An elector organization is an organization that endorses or intends to endorse a candidate in an election.*
 - 8.2. *Require elector organizations to register with Elections BC and file annual disclosure statements including reports of all financial transactions, similar to those filed by provincial political parties. Maintain the membership requirement (50 members) for elector organizations as prescribed by s. 93(2)(a) of the Local Government Act.;*
9. Political finance regulations are the cornerstone of responsible government. Contribution limits and transparency requirements are necessary safeguards which prevent corruption and undue influence and ensure accountability of elected officials to the public.

THEREFORE BE IT RESOLVED

- A. THAT Council affirms a commitment to full and transparent reporting of financial contributions to elector organizations and candidates both during a campaign and outside of campaign periods, including contributions to operating expenses.
- B. THAT Council reconvene the Independent Election Task Force, to review policy questions laid out under the report's Current Mandate proposal.
- C. THAT Council direct staff to submit the following resolution along with the above preamble (articles 3, 8) for consideration at the Lower Mainland Local Government Association and/or working with other municipalities to present at Union of BC Municipalities:

“Therefore be it resolved THAT the Union of BC Municipalities request that the Province amend the Local Elections Campaign Financing Act to apply contributor and contribution limits to operating accounts of elector organizations and candidates for operational purposes at all times, and to require that they provide annual disclosure reports of contributions received in operating bank accounts, in election years and non-election years;

FURTHER THAT Third Party Sponsors be required to provide disclosure reports for the full election year or the date that a referendum is announced, whichever is later.”

1. <https://vancouver.ca/files/cov/independent-election-task-force-report-on-campaign-financing-june-2019.pdf>

2. <https://elections.bc.ca/docs/rpt/2018-General-Local-Elections-Report.pdf>

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