

Local Government Elections Task Force

Anonymous Campaign Contributions

Discussion Paper

April 2010



Anonymous Campaign Contributions

ISSUE: This issue paper has been prepared as a follow-up item to the Local Government Elections Task Force’s discussion of campaign finance disclosure and explores the rules for the acceptance and disclosure of anonymous campaign contributions.

Current anonymous campaign contributions restrictions in B.C. local government elections

Currently, the *Local Government Act* and the *Vancouver Charter* impose restrictions on anonymous contributions. Individuals or organizations must not make an anonymous contribution of more than \$50 to a candidate, elector organization, or campaign organizer, either as a single contribution or as a series of contributions. If an anonymous contribution of *more than* \$50 is received, it must be remitted to the local government. On receipt of an anonymous contribution, the financial agent must record the date of receipt and the amount. Each anonymous contribution remitted to the local government (i.e., those exceeding \$50) must be disclosed in the campaign financing statement. Allowable anonymous contributions are not individually disclosed but are accounted for in the disclosure of the total amount of contributions received.¹ Anonymous contributions must be anonymous, that is to say someone cannot request that a contribution be accepted anonymously; an anonymous contribution is only anonymous if it is not known who gave the contribution.

Anonymous campaign contributions restrictions in B.C. provincial elections

The provincial *Election Act* imposes restrictions on the amounts *and* circumstances under which anonymous contributions may be accepted. Provincially, anonymous contributions can only be accepted in response to a general solicitation for funds at a function held by or on behalf of the campaign participant and the amount of each anonymous contribution must be *less than* \$50. Additionally there is a global limit as to the total amount of allowable anonymous contributions that may be accepted by a campaign participant: parties and constituency associations must not accept more than \$10 000 in permitted anonymous contributions in a calendar year; candidates, leadership contestants and nomination contestants must not, in relation to any one election or contest, accept more than \$3 000.

On the record-keeping and reporting side, the financial agent must return prohibited contributions to the contributor if possible or submit them to the chief electoral officer and must record a description of the function at which contributions were collected, the date, the number of people in attendance, and the total amount of anonymous contributions accepted. This information must be disclosed in the required disclosure reports.

Local government campaign finance disclosure in other jurisdictions

Alberta, Saskatchewan, New Brunswick, Prince Edward Island, Yukon, Northwest Territories and Nunavut do not have mandated local government campaign finance disclosure rules. Among the five other provinces who have provincially mandated rules, three — Manitoba, Saskatchewan, and Ontario — have a complete ban on

¹ The disclosure statement requires the disclosure of: the global amount of contributions received; and the total amount of contributions received that were NOT remitted to the local government and that were received from a single source that tallied to less than \$100 and the total number of contributors from whom they were received.

anonymous contributions. Also, Alberta has passed but not yet proclaimed elections legislation that will ban anonymous contributions.

Quebec permits anonymous contributions but only if they are received during political meetings, and such contributions may not exceed 20% of the total contributions received by a party or candidate. Newfoundland and Labrador allows anonymous contributions outside of political fundraising events, but caps them at \$100, with municipalities having the ability to raise or lower this limit. A chart comparing the local government anonymous donation rules in different provinces appears in **Appendix 1**.

Considerations for anonymous campaign contributions rules

Some would argue that allowing any anonymous contributions diminishes transparency. The disclosure rules are designed to ensure that the identity of donors is disclosed so that the public can be aware of the sources of support of campaign participants. Furthermore, they would argue that allowing *any* anonymous contributions presents a “loophole” for those seeking to avoid disclosure.

Those in favour of the existing rules for anonymous contributions may argue that the current rules achieve an appropriate balance between practicality and transparency. The current rules allow for only small donations and require a sufficient level of disclosure that is not too burdensome for campaign participants. Furthermore, they may argue that there is little evidence that the current anonymous contributions are problematic.²

However, minor adjustments to the existing system might improve transparency without being too burdensome on participants. Proponents of this position suggest that separate disclosure of the total amounts and total number of all accepted anonymous contributions or limiting anonymous contributions to those received at fundraising events would be appropriate. They argue that the current disclosure rules, by not identifying the global amount of anonymous contributions, make it impossible to tell whether there is a problem with anonymous contributions.

Possible Directions

- 1) Should the current \$50 limit remain in place?
- 2) Are more reporting requirements for anonymous contributions required (e.g., identifying the total number of contributors or attendees at functions and the total amount of contributions accepted)?
- 3) Is local choice an option (e.g., leaving current \$50 limit in place as a default and allowing local governments to adopt a lower amount)?
- 4) Should acceptance of anonymous contributions be limited to fundraising events only?
- 5) Should there be global limits on total amount of permissible anonymous contributions?
- 6) Should all anonymous contributions be banned?
- 7) Are there other directions related to anonymous contributions that should be considered?

² The only reported incident in the 2008 elections regarding anonymous contributions was in Summerland and that was with respect to the understanding of what counted as an anonymous contribution to a candidate. That case centered on “anonymous” third party advertising.

Appendix - Inter-jurisdictional Analysis of Anonymous Campaign Contribution Rules for Local Government Elections

No provincially-mandated contribution disclosure requirements	Contributions must be disclosed			
	No restrictions on anonymous contributions	Anonymous contributions permitted, but only within a specified monetary limit	Anonymous contributions permitted, but only if received during political meetings	Anonymous contributions must be returned to the contributor or turned over to the municipality
Alberta ³	[none]	British Columbia ⁵	Quebec ⁷	(Alberta)
Saskatchewan ⁴		Newfoundland & Labrador ⁶		Manitoba
New Brunswick				Ontario
Prince Edward Island				Nova Scotia
Yukon				
Northwest Territories				
Nunavut				

³ Alberta’s present local elections legislation does not require contributions to be disclosed. Bill 203, which has been passed by the Legislature and is awaiting proclamation, will require anonymous contributions to either be returned to the contributor or paid to the municipality in which the election was held.

⁴ Saskatchewan’s local government elections legislation has no disclosure requirements, but it does permit municipal councils to establish disclosure requirements respecting campaign contributions.

⁵ In British Columbia, anonymous contributions in excess of \$50 cannot be made, and if received, must be given to the local government for which the election is being held.

⁶ In Newfoundland and Labrador, anonymous contributions in excess of \$100 cannot be used but must be paid to the council to offset election expenses. There are no disclosure requirements for anonymous contributions of less than \$100. Municipalities are empowered to make regulations prescribing a larger or smaller limit than the \$100 amount in the provincial legislation.

⁷ In Quebec, any anonymous contribution must be returned to the contributor or if they cannot be found, to the municipality, but there is an exemption for an “anonymous donation collected at a meeting or rally held for a political purpose”. If anonymous donations from meetings or rallies exceed 20% of the total amount of contributions received by a party or independent candidate, the excess must be remitted to the municipality.