

# Local Government Elections Task Force Campaign Financing Disclosure Overview

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# Overview: Campaign Financing Disclosure

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## Issue Summary

The purpose of this paper is to provide an overview of the campaign financing disclosure process in local government elections. Campaign financing disclosure is governed by the *Local Government Act* (with parallel provisions in the *Vancouver Charter*) and applies to elections for municipalities, regional district electoral areas, boards of education and a number of other local elected offices. Campaign financing disclosure is distinct from disclosure required by the *Financial Disclosure Act*, which requires both locally and Provincially elected officials to submit financial disclosure statements when they are nominated, annually, and when they vacate their office.

Under local government elections campaign financing disclosure rules, all candidates and elector organizations are required to file disclosure statements with the local government within 120 days of general voting day. This requirement applies to all candidates, including those who receive no contributions or incur no expenses, withdraw, are unsuccessful, are acclaimed, or are declared by the Court to no longer be a candidate. Campaign organizers who receive contributions or incur expenses of \$500 or more are also required to file disclosure statements with the local government within 120 days of general voting day. Candidates, elector organizations and campaign organizers that do not file disclosure statements are subject to penalties including disqualification, fines, imprisonment, and prohibition from involvement in future elections.

Prior to filing disclosure statements, each candidate, elector organization and campaign organizer must meet a number of legislative requirements, including appointing a financial agent, recording contributions and expenses, and transferring surplus funds to their local government. Additionally, financial agents must open a campaign account before incurring an election expenditure or as soon as practicable after receiving a contribution of money, whichever comes first<sup>1</sup>. These requirements lay the foundation for candidates, elector organizations and campaign organizers to file accurate, complete disclosure statements.

## Key System Attributes

- Filing Requirements – disclosure of contributions, expenses and surplus funds
- Late Filing
- Supplementary Reports
- Public Inspection
- Penalties for Failure to File – disqualification and other penalties

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<sup>1</sup> If no election expenditures are made (i.e., money is paid for election expenses) and if no contributions of money are received, a campaign account is not required.

## Overview

### Filing Requirements

All candidates<sup>2</sup> and elector organizations<sup>3</sup> must file disclosure statements, and all campaign organizers<sup>4</sup> that have received contributions or incurred expenses of \$500 or more must file disclosure statements. Disclosure statements must be filed with the designated local government officer—typically the Chief Election Officer—within 120 days of general voting day. Where an elector organization or campaign organizer conducted campaigns in multiple jurisdictions, disclosure statements must be filed in each jurisdiction.

Financial disclosure statements must include specific information. In relation to campaign contributions, disclosure statements must include: the total amount of monetary and in-kind contributions; identifying information for individuals or organizations contributing \$100 or more in cash, goods or services; and details of anonymous contributions. In relation to election expenses, disclosure statements must include all expenditures by category (such as advertising or office expenses), as prescribed by regulation. Disclosure statements must also include information on the financial institution where the campaign account was held, and details on any funds remaining in the campaign account and how these funds have been disbursed. Elector organizations and campaign organizers must provide the names of candidates supported by their campaigns. Each disclosure statement must be accompanied by a solemn declaration stating that the disclosure statement is accurate and complete, and that the legislative requirements have been met.

### Late Filing

Candidates, elector organizations and campaign organizers are required to file disclosure statements within 120 days of general voting day. Those who have not filed by this date are permitted to file within 30 days of this deadline, but their disclosure statement may only be accepted by the local government if it is accompanied by a \$500 late filing fee.

### Supplementary Reports

If financial circumstances change—for example, if further contributions are received or an error in previous disclosure statements is discovered—a candidate, elector organization or campaign organizer must file a supplementary disclosure statement. Supplementary reports must be filed with the local government within 30 days of the financial agent, candidate, elector organization or campaign organizer becoming aware of the change. Supplementary reports must report the new information, describe the circumstances that have led to the filing of the report, and be accompanied by a solemn declaration stating that the report is accurate and complete and that the legislative requirements have been met.

Although supplementary reports may be used to correct or complete information, filing a supplementary report will not preclude disqualification for filing a false disclosure statement. Filing a

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<sup>2</sup> A “candidate” is anyone seeking election to local government office or who accepts contributions or incurs expenses with this intention.

<sup>3</sup> “Elector organizations” are formed for the purpose of promoting a candidate or point of view in a local government election and can indicate their endorsement on the ballot.

<sup>4</sup> “Campaign organizers” are individuals or groups who promote or oppose candidates or points of view during local elections. A campaign organizer need not identify itself to the chief election officer unless it incurs campaign contributions or election expenses greater than \$500.

false or incomplete supplementary report carries the same consequences as filing a false or incomplete disclosure statement, including disqualification.

## Public Inspection

Local governments are required to retain all disclosure statements and supplementary reports for seven years after general voting day, and to make them available to any member of the public who wishes to inspect them. Local governments may also choose to make disclosure statements available on their websites or by other electronic means. Members of the public viewing disclosure statements are restricted to using the information included in disclosure statements for the purposes of the election, or for purposes related to conflict of interest and disqualification provisions of the *Community Charter* or *Vancouver Charter*.

## Penalties for Failure to File

### *Disqualification*

The Supreme Court has authority to provide a candidate, elector organization or campaign organizer extensions to the late filing deadline or relief from the requirement to file a disclosure statement. If the Supreme Court has not provided an extension or relief, and a disclosure statement has not been filed within the 30-day late filing period, the candidate, elector organization or campaign organizer faces automatic disqualification from office and/or involvement in future elections for up to six years. Further, a candidate, elector organization or campaign organizer may be disqualified for filing false or incomplete disclosure statements.

A candidate who fails to file is disqualified from being nominated, elected to, or holding office in a local government anywhere in BC until after the next general local election. If the candidate was successful, they must vacate their seat on the council or board. An elector organization that fails to file is disqualified from endorsing any candidates anywhere in BC and from accepting campaign contributions or incurring election expenses in relation to future elections until after the next general local election. A campaign organizer that fails to file is disqualified from accepting campaign contributions or incurring election expenses in relation to future elections until after the next general local election.

At the end of the late filing period, the corporate officer for the local government presents a report to the council or board identifying candidates, elector organizations and campaign organizers that have failed to file a disclosure statement. This information is also forwarded to the Inspector of Municipalities for inclusion on the Inspector's List of Disqualified Candidates. The List of Disqualified Candidates is available on the Ministry of Community and Rural Development's website.

### *Additional Penalties*

In addition to disqualification, if a candidate, elector organization or campaign organizer is found by the Court to be guilty of contravening any campaign financing provisions, they may face one or more of the following penalties:

- fines of up to \$5,000;
- imprisonment for up to one year;
- prohibition from holding elected office in a local government for up to six years; or,
- prohibition from voting in local government elections for up to six years.