



## REFERRAL OF MEMBER MOTION BY CITY COUNCIL

### **Municipal Election Finance Reform – Request Province of Ontario to Include Employer Compensation for Employees for Volunteer Work on Municipal Election Campaigns in the Definition of Contributions**

<b>Date:</b>	January 29, 2009
<b>To:</b>	Executive Committee
<b>From:</b>	City Council
<b>Wards:</b>	All

#### **City Council Decision**

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City Council on January 27 and 28, 2009, referred Motion MM30.15 to the Executive Committee.

#### **Recommendations**

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Councillor Walker, seconded by Councillor Jenkins, recommends:

1. That City Council request the Province of Ontario to amend the Municipal Elections Act, 1996, to include the compensation by employers of employees for volunteer work on municipal election campaigns in the definition of "contributions".

#### **Summary**

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City Council at its meeting of September 28, 29, 30 and October 1, 2004 adopted with amendment, by a vote of 35 to 8, the Toronto Election Finance Review Task Force recommendations package for reform of municipal election campaign finances in the City of Toronto. This package was then forwarded to our Provincial Minister of Municipal Affairs and Housing on October 6, 2004.

These reforms were adopted by City Council to improve electoral fiscal transparency and accountability, to reduce the influence of special interests and to mitigate the financial advantages of incumbency.

On October 31, 2005, by a vote of 29 to 3, City Council reaffirmed its support for these reforms by adopting a motion regarding the urgent implementation of the Toronto Election Finance Review Task Force recommendations.

In the spirit of the electoral reform package adopted by City Council, further investigation of the Municipal Election Act, 1996, has identified a loophole that is currently exploited by trade unions and corporations to influence the outcome of municipal elections.

We discovered that the Municipal Elections Act definition of "contribution" does not include the payment of an employee by an employer for work on a political campaign; this is a major issue in Toronto's elections with trade unions paying employees to volunteer (work) on various candidates' campaigns. Section 66.(2) 2.ii of the Municipal Elections Act, 1996, excludes "the value of services provided voluntarily, under the person's direction, by an employee whose compensation from all sources for providing them does not exceed the compensation the employee would normally receive for the period the services are provided" from the definition of "contribution" to a candidate's campaign for municipal election.

This section of the Act means a municipal election candidate's volunteers can take time off work and still be paid to work on a municipal election candidate's campaign; in effect, the payment of a volunteer is a contribution to a candidate's election campaign due to the corporation's or trade union's ability to provide volunteer workers to a specific candidate to further the interests of that corporation or trade union.

To close this loophole, "Section 66.(2) 2.ii" of the Municipal Elections Act, 1996, would need to be deleted and other amendments would need to be made to include this practice in the definition of "contribution" as an in-kind contribution, thereby allowing the City of Toronto to prohibit this practice with a by-law.

Since January 2008, the City of Toronto Election Services has been in discussion with the Ministry of Municipal Affairs and Housing regarding further amendments to the City of Toronto Act, 2006, and the Municipal Elections Act, 1996, which would implement further reform of the City of Toronto municipal election process, including implementation of the remaining portions of the Toronto Election Finance Review Task Force recommendations. The formal portion of these discussions has concluded and the Ministry is considering draft amendments to circulate to the Provincial Cabinet this year.

City Council needs the power to enact a by-law to prohibit the practice of corporations or trade unions providing paid volunteers to work on municipal election campaigns; the Province of Ontario needs to allow the City of Toronto to pass a bylaw to prohibit this practice.

(Submitted to City Council on January 27 and 28, 2009 as MM30.15)