

City Council**Notice of Motion**

MM51.2	ACTION			Ward:All
--------	--------	--	--	----------

Changes to the Municipal Rebate Program - by Councillor Joe Mihevc, seconded by Councillor Paul Ainslie

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Joe Mihevc, seconded by Councillor Paul Ainslie, recommends that:

1. City Council direct the City Clerk to report back on changes to the Contribution Rebate Program to go into effect for the 2018 Municipal Election, to limit eligibility for rebates to those who ordinarily reside within the City of Toronto, or those who are eligible electors under the Municipal Elections Act; and for clarity, those who are not currently eligible electors, such as permanent residents, should still be eligible for the rebate program if they ordinarily reside within the City of Toronto and those who do not ordinarily reside in the City, but who are eligible electors by virtue of properties they own within the City, should also be eligible for the program.

Summary

As permitted under the Municipal Elections Act, 1996 (as amended), the City of Toronto has offered a Contribution Rebate Program in each election and by-election event since 1997. In 2010, the program provided \$4.3 million in rebates to contributors. It is estimated the program will cost \$4.8 million in 2014.

In its current configuration, the Program offers a rebate of up to 75 percent of a donor's contribution, up to the maximum donation to a Councillor candidate of \$750, or to a Mayoral candidate of \$2500.

Toronto's rebate program, as with the Federal and Provincial income tax rebate for campaign contributions, serves at least two important purposes: first, it encourages engagement in the democratic process, by providing an incentive for individuals to donate. Secondly and perhaps more importantly, it helps to level the playing field between incumbent Members of Council and new candidates. While incumbents have the advantage of being able to call upon previous donors for support, non-incumbent candidates do not. The Contribution Rebate Program, combined with overall spending limits, help to ensure that fundraising ability is not a barrier to contesting a municipal election.

Apart from the maximum contribution limits per candidate and per donor, as set out in the Act, Council has placed two limitations on donors: they must be neither trade unions nor corporations. The Act also requires that any contributor to a municipal campaign in Ontario must normally reside in the Province.

As has been widely reported in the media, a large number of rebates were given under the 2010 rebate program to contributors who do not reside within the City of Toronto. In the case of one candidate, more than \$600,000 was raised from outside of the City of Toronto. Many of these individuals likely do not pay property taxes within the City of Toronto. On its face, issuing contribution rebates to non-residents of Toronto seems to undermine the goal of local democratic participation, while in fact transferring tax dollars out of the City of Toronto to residents of neighbouring municipalities.

(Submitted to City Council on May 6 and 7, 2014 as MM51.2)

Background Information (City Council)

Member Motion MM.51.2