

Little support for municipal election rebate

By Mark Pavilons

Political contributions are a recognized way for residents and businesses to get involved in the democratic process.

Taxpayers can write off provincial and federal political donations on their income tax, but there's no provision for municipal contributions. The idea of giving taxpayers a rebate on their municipal donations garnered little support around the King council table recently.

Municipalities can enact a policy to provide such rebates to residents, through the Municipal Contribution Rebate Program (MCRP), funded by the local tax base. It's at the sole discretion of the municipality. The MCRP would require candidates to issue receipts to donors, who would then apply to the township for a rebate.

Bill 181, the Municipal Elections Modernization Act, 2016, prohibited corporate and trade union donations to municipal election candidates. So, local campaigns may only be funded by donations from individuals, fundraising events and self-financing. The subsequent Bill 68 increases the maximum individual contribution from \$750 to \$1,200 to lessen the impact.

The idea is the rebate policy would encourage greater public participation in local politics, and reduce the financial burdens placed on candidates and donors.

Seven municipalities, including Markham and Vaughan, have implemented MCRPs. The cost to Vaughan in 2014 was \$48,615. Markham, which has paid out a whopping \$1.5 million to date, admitted there was no conclusive data to support the fact the program was meeting its intended objectives.

The cost of the program to King depends on many variables, including the number of candidates who register, amount of contributions, eligibility criteria and percentage of rebate.

Based on certain parameters, King staff estimated the total cost would be between \$8,000 and \$11,000 for the 2018 election.

As it stands, the municipal election process is funded by annual contributions of \$30,000 to the election reserve, from the tax pool. If King implemented an MCRP, the annual contributions would have to rise to offset the costs. There would also be administrative costs associated with the program.

Opinions on the idea varied among councillors.

Mayor Steve Pellegrini opposes the scheme, noting small municipalities like King shouldn't subsidize political campaigns. Through recent changes, the province is making it tougher for new candidates to enter the political arena. Elections are costly affairs and the mayor pointed out the election of a regional chair in York next year will be the fourth largest election in the province.

Councillor Debbie Schaefer was the lone supporter, noting funding the rebate is not inconsistent with the Township's mandate of making elections as "good as we can." Citizens are better served, she said, if there's a good slate of candidates. Allowing more revenue sources levels the playing field and encourages more people to get involved.

"There is value in that," she said.

She called the idea progressive and noted the cost would be minimal.

The ever-frugal Councillor Bill Cober noted any rebate or income tax break should be in the hands of the feds and province, not municipalities.

"We don't have the budget for this," he said. He's adamant that he wouldn't support spending anything on a rebate program, until every pothole is filled and every fire truck is repaired.

Councillor Cleve Mortelliti agreed, noting the Township shouldn't designate more tax dollars in this area.

Following the meeting, Schaefer said she was "disappointed" that there was no support from rest of council to introduce a rebate program.

Schaefer said the move to eliminate corporate and union donations was done to reduce outside influence that is often centered on private interest and not on public interest; it is not perfect by any means but to my mind it is a valuable change. Campaigns may only be financed by donations individuals, fundraising events and self-financed candidates.

The province did not implement tax credits same for municipal elections when they introduced the ban on corporate and union donations in 2016.

"I believe the municipality needs to step in and address this gap. As indicated in the report the only source of funding for this rebate program is municipal taxes.

"A rebate reduces an individual's donation. (They donate \$100 and receive back \$50, for example). Very importantly it is an acknowledgment to a donor that the taxpayers in the municipality appreciate that an individual has made a personal donation."

Schaefer added the health and quality of a municipal council is affected by those who seek to be elected. A municipality and its citizens will benefit with broad engagement by the public as to who runs in the election.

?I don't believe it is in the municipality's best interest to be one where it is perceived that candidates need to be self-funded or where a couple big donors essentially fund a candidate or where there is significant advantage to incumbents.?

Speaking from personal experience and from conversation with other candidates, the need for fund raising is the most discouraging aspect when one thinks about running.

There is an advantage for those who are incumbents as they can re-use signs and hence require less funds.

She noted the annual additional contribution to cover a Municipal Contribution Rebate Program can be spread over four-year cycle.

Many residents she spoke with indicated positive interest in the program and expressed ideas how to enhance it to more closely match what occurs at provincial level.

She admitted there is a concern about using taxpayers' money to fund this.

?To my mind this is not much different than the effort which is made to run a good election. Just as the municipality wants to offer choice in where/how/when to vote, the municipality wants to have best slate of candidates.?