# PROVINCIAL ELECTION FINANCES

Legislation that took effect on January 1, 2017[[1]](#footnote-1) introduces a number of changes to Ontario election finances law, including with respect to political donations and third party advertising. The changes have implications for ETFO, its locals and members.

## POLITICAL CONTRIBUTIONS

The new rules ban both unions and corporations from making political donations. The ban covers donations to political parties, constituency associations, party candidates and nomination contestants.

Only individuals can donate to political parties and amended election finance rules have reduced annual donation levels.

## Implications for ETFO

ETFO and its locals can no longer make political donations or purchase tickets to a political fundraiser.

Neither ETFO nor its locals can hold a fundraiser for a candidate under any circumstances.

## Implications for ETFO members

ETFO members can have an impact through supporting the political parties of their choice through making donations. The guidelines for annual contributions are as follows:

|  |  |
| --- | --- |
| Donation Category | Annual Limit |
| Registered political party | $1,222 |
| Registered constituency associations and nomination contestants of a political party | $1,222 |
| Registered candidates of a political party | $1,222\* |
| All candidates not endorsed by a registered political party | $1,222 |
| Leadership contestants during a leadership contest  | $1,222 |

\*This is the global limit for contributions to all candidates of a particular party, not the limit per candidate.

There are no additional contributions during an election campaign period. This means that the annual overall limit for individual contributions to a registered political party, its constituency associations and candidates is $3,666.

Where ETFO members run as provincial candidates, they may contribute up to $5,000 to their own campaign, an amount that will be increased annually by an indexation factor.

Political donations are subject to Ontario’s political tax credits as follows:

|  |
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| **Contributions to Provincial Political Parties, Constituency Associations and Candidates\*\*** |
| **Total contribution** | **Credit calculation** | **Maximum credit** |
| Up to $399 | 75% of contribution | $299 |
| $399 to $1,330 | $299 plus 50% of the amount over $372 | $964 |
| Between $1,330 and $3,026 | $964 plus 33.3% of the amount over $1,330 or $1,330 whichever is less | $1,330 |

\*\*Contributions made to nomination contestants are not eligible for a tax receipt. Contribution limits will be increased annually by an indexation figure.

# POLITICAL ENDORSEMENT

ETFO and its locals can endorse a provincial nomination candidate, registered provincial candidate and registered political provincial party. ETFO and its locals, therefore, can communicate information about political endorsements through a written letter, telephone call, voicemail message, email and member-only e-newsletter, for example.

Locals can also post information about candidate endorsement on the public portion of their websites if there is no cost to posting that information. (As soon as an ETFO local spends $500 on election advertising, it must register as a third party advertiser with Elections Ontario.) Locals and members can also promote support for candidates on Facebook and Twitter as long as the content isn’t content they had developed commercially or content that cost money to develop.

# MEMBER ELECTION RELEASE

The provision of the *Election Finances Act* that allowed unions to “book off” or provide paid release for their members to work on provincial election campaigns was removed from the Act through *Bill 2*.

## Implications for ETFO

ETFO can no longer release members to work on a provincial election campaign. However, ETFO locals can release members to serve as member mobilizers to encourage members to contribute to a candidate, volunteer on a candidate’s campaign and vote. ETFO can continue to cost-share member election release with locals on a 50-50 basis.

To have a significant impact on the outcome of the provincial election, ETFO and its locals will have to focus considerable time and resources to mobilize their members to engage in election activities and vote.

## Implications for ETFO members

ETFO members can no longer look to their union to financially support their election involvement.

# THIRD PARTY ADVERTISING

## Political Advertising

Political advertising includes any advertising that can be seen, heard or read and promotes or opposes a political party or candidate. If, during the pre-election periods covered by the *Election Finances Act*, an ETFO public relations campaign promotes any issue on which a political party has a position, Elections Ontario would view the campaign as political advertising and ETFO would be subject to the rules and spending limits governing third party political advertising.

If ETFO sponsors public communications – TV, radio and online advertising and posting information on a publicly accessible website – during the pre-election and campaign periods, these communications would be subject to the spending limits set by the *Election Finances* Act.

The *Election Finances Act* places a limit of $600,000 on third party advertising during the six-month period for the official campaign period. The election is scheduled for June 7, 2018. The six-month period begins on November 9, 2017. The election period begins on May 9, 2018 and ends on polling day. During the election period, the expenditure limit is $100,000.

Within the overall expenditure limits, third party advertisers cannot spend more than $24,000 in one electoral district (provincial riding) during the six-month pre-election period and $4,000 during the election period.

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| --- | --- | --- |
|  | **Any Riding** | **Total** |
| **By-election** | $4,072 | N/A |
| **General Election** | $4,072 | $101,800 |
| **Six-month period before writ** | $24,432 | $610,800 |

## Not considered political advertising

Unions are not limited in what they distribute or communicate directly to their members.

## Blackout period

Third party advertisers are also governed by the “blackout period” for election advertising. The blackout period includes the day before Election Day and Election Day. Lawn signs and Internet ads in place prior to the Blackout period may remain in place during the blackout period. Election brochures may also be distributed during the blackout period.

## Social media

Elections Ontario does not generally consider individual posts on social media, like Facebook and Twitter, political advertising. However, a coordinated social media campaign “that’s been professionally produced by another person or entity may be treated as political advertising” and subject to the rules governing political contributions and third party advertising.

Content posted on YouTube and blogs by public policy advocates during the election on issues for which one or more registered parties or candidates may also have taken a position may not be considered political advertising if the posted content “does not explicitly connect itself with a party or candidate.”

## Implications for ETFO

ETFO and its locals can distribute and communicate political content and messages through member-only communications. This would include the eNewsletter, email, steward mailings, and letters to members.

The *Election Finances Act* treats ETFO locals as separate entities with respect to the rules applied to third party advertisers. However, if ETFO locals use ETFO Provincial campaign materials to extend or supplement the ETFO advertising campaign, Elections Ontario would view those local expenses to be part of ETFO Provincial’s third party expenditure limits.

It is therefore important that ETFO Provincial and ETFO locals coordinate their respective third party advertising activities to ensure the union avoids being in conflict with the provincial election finances law.

ETFO can engage in social media campaigns during the election, but the cost of developing any content for Facebook and Twitter would likely have to be reported as third party advertising.

ETFO and its locals would have more latitude to promote policy content during the election periods on YouTube and through blogs.

ETFO locals that spend $500 or more during either the six-month pre-election period or the election period must register as a Third Party Advertiser with Elections Ontario as soon as they meet that spending threshold. Any Third Party Advertiser that expends $5,000 or more over the course of the two periods must submit an audited report to Elections Ontario.

**Sources**: *Election Finances Act,* Elections Ontario: [www.elections.on.ca](http://www.elections.on.ca)

 Elections Ontario, *Election Finances CFO Handbook for Third Parties 2018*.

VM:VO

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1. Bill 2, *Election Finances Statute Law Amendment Act, 2017.* [↑](#footnote-ref-1)