

THIRD PARTY SPONSOR

GUIDE TO LOCAL ELECTIONS IN B.C.



Table of contents

Elections BC	
Local Elections Campaign Financing Act Local elections, shared roles and responsibilities Key local elections contacts	3
Campaign financing	5
Election advertising Third party advertising Types of third party advertising Assent voting advertising What is and what is not third party advertising Review process and evaluation criteria Requesting an opinion	6 7 8 10
Registering as a third party sponsor Who can register as a third party sponsor When and how to register Requirement to file registration information updates.	12
Sponsoring third party advertising How to determine who the sponsor is How to determine the value of third party advertising Valuing staff, volunteer and outside services Prorating and apportioning third party advertising Requirement for sponsorship information on third party advertising Third party advertising exempt from sponsorship information requireme Sponsorship information for advertising on the Internet Authority to remove unauthorized and restricted third party advertising Where and when election signs may be placed Election advertising restrictions on General Voting Day	15 15 17 18 19 19 10 10 10 10 10 10 10 10 10 10 10 10 10
Sponsorship contributions Valuing sponsorship contributions	. 23 . 24 . 25

Anonymous contributions					. 26
Indirect contributions					. 27
Dealing with prohibited sponsorship contributions					
Third party sponsor disclosure statements					28
Who must file					
Filing deadline					
Late filing deadline					
Required contents					
Supplementary reports					
Requirement to retain records					
Public information					
Table illerination	•		•		
Court order for relief, election advertising o	٠ff،	n	<u>~</u> (26	
· · · · · · · · · · · · · · · · · · ·					
and penalties					
Court order for relief from filing obligations					
Third party sponsor offences and penalties					
Disqualification penalties					. 35
Resources					. 36
Election legislation					
BC Laws					
Other reference materials					
Glossary					20
alossai y					. 30
• • •					
Contact					12

Elections BC

A non-partisan, independent Office of the Legislature, Elections BC is responsible for administering the provincial electoral process, including provincial general elections and by-elections, provincial referenda, recall and initiative petitions and initiative votes.

Elections BC is also responsible for administering the campaign financing and election advertising requirements in the *Local Elections Campaign Financing Act* (LECFA, the Act). The responsibility includes managing campaign financing disclosure requirements, conducting investigations and enforcing campaign financing and third party advertising provisions set out in the Act. The responsibility extends to by-elections and assent voting (referenda) held by local election authorities outside of the general local elections cycle.

Elections BC's responsibilities under LECFA include:

- accepting, reviewing and publishing filed disclosure statements and supplementary reports
- assisting participants to comply with LECFA
- registering third party sponsors during elections
- registering non-election assent voting advertising sponsors
- undertaking investigations and audits
- applying for injunctions if needed
- referring matters to the Criminal Justice Branch of the Ministry of Justice for prosecution of offences under LECFA

Elections BC: Local elections campaign financing guides

The Third Party Sponsor Guide to Local Elections in B.C. is intended to explain how the third party sponsor financing rules in LECFA are applied.

The Guide to Local Elections Campaign Financing in B.C. is intended to explain how the LECFA campaign financing rules apply to candidates, elector organizations and their financial agents.

The guides are available online at <u>elections.bc.ca/lecfa</u>.

Disclaimer: How LECFA applies to any particular case will depend on the individual circumstances and may change in light of new legislation and judicial developments. Where there is inconsistency between this guide and LECFA, the Act will prevail.

The Local Elections Campaign Financing Act is available for viewing on the Elections BC website (elections.bc.ca/lecfa). The Act can also be viewed at BC Laws (bclaws.ca) or purchased from Crown Publications (crownpub.bc.ca).

Local Elections Campaign Financing Act

The Local Elections Campaign Financing Act (LECFA) addresses campaign financing rules and advertising requirements in local elections. LECFA separates the rules that regulate election advertising and campaign financing from the more procedural rules that apply generally to local election administration.

Local elections, shared roles and responsibilities

General local elections are held every four years for mayors, councillors, electoral area directors, board of education trustees, park board members and commissioners, advisory council members, regional trustees and Islands Trust local trustees in British Columbia.

Local governments hold by-elections to fill council and regional district board vacancies that occur between general local elections. Local governments also conduct assent voting to obtain elector assent in order to carry out certain council and board decisions (e.g., borrowing to construct a new library or recreation centre).

The Ministry of Community, Sport and Cultural Development, the Local Government Management Association, the Union of British Columbia Municipalities, the Ministry of Education, the Ministry of Justice, the BC School Trustees Association and Elections BC have educational materials related to local elections.

Local election officers appointed by local governments are responsible for local government elections administration, including receiving nomination documents, declaring candidates, administering voting opportunities, counting votes and declaring election results.

Local election officers work with Elections BC to monitor compliance with election advertising regulations and may assist Elections BC to address incidents of non-compliance with the Act.

Local authorities also provide Elections BC with information required by the Act. This information enables Elections BC to connect with local election participants to prepare them for their responsibilities under LECFA. Elections BC has education materials to aid with compliance and the enforcement of election advertising, campaign financing and third party sponsor rules and regulations within the Act.

A local election officer is the chief election officer for a jurisdiction or the designated local authority officer.

Key local elections contacts

Ministry of Community, Sport and Cultural	Internet:	cscd.gov.bc.ca/lgd/ elections_home.htm
Povelopment For information about local government	Phone:	Governance and Structure Branch, Advisory Services 250-387-4020
elections in British Columbia.	Address:	PO Box 9839 Stn Prov Govt Victoria, BC V8W 9T1
Ministry of Education For information about	Internet:	bced.gov.bc.ca/legislation/ trustee_election
school trustee elections and the School Act.	Phone:	Knowledge Management and Accountability Division, Governance and Legislation 250-356-1404
	Email:	EDUC.Governance.Legislation@gov.bc.ca
Enquiry BC	Internet:	extranet.gov.bc.ca/forms/gov/ contact/index.html
For information about provincial government programs and services.	Phone:	Victoria: 250-387-6121 Vancouver: 604-660-2421 Elsewhere in B.C.: 1-800-663-7867 Outside B.C.: 604-660-2421
	Email:	EnquiryBC@gov.bc.ca
CivicInfoBC	Internet:	civicinfo.bc.ca/11.asp
For local government election statistics	Phone:	250-383-4898
and results, and for local government mailing addresses, telephone numbers, email addresses and websites.	Email:	info@civicinfo.bc.ca

Campaign financing

Campaign financing in the *Local Elections Campaign Financing Act* (LECFA) includes:

- rules that candidates, elector organizations, third party sponsors and non-election assent voting advertising sponsors must follow
- disclosure requirements for disclosing campaign finances and election advertising

Third party advertising and campaign financing rules enhance accountability and transparency by requiring the recording and disclosing of detailed information about financial transactions associated with a local election.

The rules ensure access to information about the individuals and organizations that contributed to local election campaigns and to third party sponsors.

LECFA contains very specific campaign financing offences and penalties. Knowing the rules and fulfilling the requirements for disclosure will aid in compliance with the Act.

Election proceedings period

The election proceedings period for a local election or a by-election runs from the 46th day before General Voting Day (GVD) until the close of voting on GVD. The requirements for third party sponsors to register with Elections BC before conducting third party advertising and to include sponsorship information on third party advertising (and election advertising) apply during this period.

The disclosure statement filing deadline is 90 days after GVD, and the late filing deadline is 120 days after GVD.

Election advertising

Election advertising is any transmission of a communication to the public during an election proceedings period that directly or indirectly promotes or opposes the election of a candidate or an elector organization. Election advertising includes a communication that takes a position on an issue with which a candidate or an elector organization is associated.

Election advertising does not include the following:

- the publication without charge, in a bona fide periodical publication or a radio or television program, of news, an editorial, an interview, a column, a letter, a debate, a speech or a commentary
- the distribution of a publication, or the promotion of the sale of a publication, for no less than its market value, if the publication was planned to be sold whether or not there was to be an election or assent voting
- the transmission of a communication directly by an individual or an organization to the employees, members or shareholders of the individual or organization
- the transmission of an expression by an individual, on a noncommercial basis on the Internet, by telephone or by text messaging, of his or her personal views

The definition of election advertising is broad and also applies to third party advertising, which is a subset of election advertising. For more information on how the definition of election advertising is applied, refer to the Review process and evaluation criteria section on page 10 of this guide.

Third party advertising

Third party advertising is election advertising other than election advertising conducted by a candidate or an elector organization as part of their election campaign. Individuals and organizations that conduct third party advertising are called third party sponsors.

Third party election advertising is only regulated during the election proceedings period for a local election. Third party election advertising undertaken outside of this period is not subject to third party advertising rules.

Types of third party advertising

There are two types of third party advertising: **directed advertising** and **issue advertising**.

Directed advertising is third party advertising that is specifically related to a candidate or elector organization. If the advertising names the candidate, includes a photo or likeness of the candidate or identifies the candidate by voice or physical description, it is directed advertising. Directed advertising also includes communication that names the elector organization or includes a logo or likeness of a logo used by the elector organization.

EXAMPLE

A third party sponsor sends out a brochure with the message:

"For change, VOTE Joe Smith for Mayor"

Issue advertising is third party advertising about an issue of public policy and must not specifically relate to a candidate or elector organization.

EXAMPLE

A third party sponsor pays for an advertisement in a local newspaper that says:

"Vote for the new rink to be built"

Assent voting advertising

Assent voting is voting on a bylaw or other matter for which a local government is required to obtain the assent of the electors. Assent voting may also be referred to as a "referendum," but not all referenda are assent voting.

Assent voting can take place at the same time as a general election (assent voting) or outside of the election proceedings period (non-election assent voting).

Assent voting advertising relevant to an election is advertising during the election proceedings period that directly or indirectly promotes or opposes a particular result in the assent voting.

Assent voting advertising is relevant to an election if the assent voting is being held at the same time as the election and for the same jurisdiction as that election or for a voting area that is all or part of the same jurisdiction.

Non-election assent voting advertising occurs when the assent voting is held at a different time than an election.

For more information on non-election assent voting advertising, contact Elections BC.

What is and what is not third party advertising

The table below provides examples of what is, and what is not, third party advertising.

IS third party advertising	Is NOT third party advertising
Television, radio, newspaper or magazine advertisements	Personal or private communication between individuals
Signs, billboards, posters, mailing inserts, bumper stickers, branded clothing, branded objects, displays, exhibitions and public address announcements	The publication without charge of news, an editorial, an interview, a column, a letter, a debate, a speech or a commentary in a bona fide periodical publication or a radio or television program, including publication without charge in a bona fide Internet publication or program (e.g., candidate debate on a local news channel)

IS third party advertising	Is NOT third party advertising
Newsletters, brochures, emails or other advertising media which are sent to the public	The distribution of a publication, or the promotion of the sale of a publication, for no less than its market value if the publication was planned to be sold regardless of whether there was to be an election or assent voting (this exception extends to e-books, documentaries, movies, plays and other similar works or performances)
Telephone calls, text messages and voice mail messages sent on a commercial basis by an organization or sent using an automated system (e.g., robocalls)	A communication by an individual, on a non-commercial basis, on the Internet or by telephone or text messaging, of their personal views (e.g., an individual posts a video on YouTube that supports a candidate, and they were not paid by anyone to create or post the video)
Internet websites of organizations or commercial blogs, which are created, used or modified in relation to an election	Any archived material that is not reused or re-advertised in relation to an election (e.g., previous election platforms in the archived sections on a website)
Internet pay-per-click ads, banner ads, display ads, pop-up or pop-under ads and promoted search results	The transmission of a document or other communication directly by a person or a group to their members, employees or shareholders (e.g., a union sends out a flyer to its members)
Social media posts (e.g., Facebook group pages), Internet videos (e.g., YouTube) and webcasts (e.g., podcasts, Internet radio, video streams)	Social media posts that are posted by an individual on a non-commercial basis and are that individual's personal views (e.g., an individual posting their personal views on a Facebook page)

Review process and evaluation criteria

Elections BC reviews and responds to questions about third party advertising and potential third party advertising on a case-by-case basis when those cases are brought to the attention of Elections BC.

The following questions are asked when determining if something is third party advertising:

- Was the message transmitted to the public?
- If it was transmitted to the public, was it during the election proceedings period?
- If the message was transmitted to the public during the election proceedings period, was it advertising that:
 - directly or indirectly promoted or opposed a candidate or an elector organization, or
 - took a position on an issue associated with a candidate or an elector organization, or
 - directly or indirectly promoted or opposed a particular result in assent voting relevant to an election?

If the answer is "yes" for all of the above questions, the message is either directed or issue third party advertising.

Indicators that advertising and activities may be third party advertising include:

- advertising that identifies particular candidates or elector organizations that support or oppose an organization's aims
- advertising that evaluates the performance of a particular candidate or an elector organization
- advertising that sets out or compares the positions of candidates or elector organizations on a policy issue the third party sponsor is promoting or opposing
- the promotion of, or opposition to, policy issues associated with a candidate or an elector organization
- advertising which references the election, voting and/or the date of General Voting Day
- advertising which uses language like "Your choice," "Make your voice heard"
- advertising specifically planned to coincide with the election proceedings period

- formatting or branding a communication in a similar manner to a candidate's or elector organization's own election material
- a substantial increase in the normal volume of advertising
- a substantial increase in the number and size of public events
- advertising that promotes or opposes a particular result in assent voting during a local election

Indicators that advertising and activities **may not** be third party advertising include:

- advertising that does not name a candidate or elector organization or take a position on an issue supported or opposed by a candidate or an elector organization
- advertising that has occurred historically during that particular time of year
- advertising that is consistent with previous advertising conducted by the third party sponsor
- factual information on how to contact or locate the third party sponsor

Requesting an opinion

On request, Elections BC will review a message and provide an opinion on whether it could be third party advertising. To request an opinion, contact Elections BC toll-free by phone (1-855-952-0280) or by email (electoral.finance@elections.bc.ca).

Obtaining an opinion from Elections BC is not the same as obtaining a legal opinion. For greater certainty, obtain independent legal advice.

Registering as a third party sponsor

An individual or organization that sponsors third party advertising before registering commits an offence.

An individual or organization that wants to sponsor third party advertising must register with Elections BC **before** conducting the advertising.

Who can register as a third party sponsor

Any individual or organization can apply to register as a third party sponsor.

Registered third party sponsors must be independent from the election campaigns of a candidate or elector organization. This means a third party sponsor must not sponsor third party advertising on behalf of, or together with, a candidate or elector organization as part of the candidate's or elector organization's campaign. A third party sponsor and a candidate or elector organization cannot coordinate their advertising campaigns.

Candidates and elector organizations can be third party sponsors, but they can only conduct third party advertising that is **not related** to their own election campaign.

EXAMPLE

A candidate running for office in Victoria may sponsor third party advertising in Prince George.

When and how to register

An individual or organization may apply to register as a third party sponsor at any time and must be registered **before** sponsoring third party advertising.

Registration as a third party sponsor is only valid for one election. Third party sponsors will need to re-register with Elections BC if they wish to sponsor third party advertising in a future election.

To register, an application must be completed and submitted to Elections BC. The application form can be obtained by <u>contacting</u> <u>Elections BC</u> or can be downloaded from <u>elections.bc.ca/lecfa</u>.

An application must be fully completed and include the following:

Individual	Organization
Name and contact information	Names and contact information of the organization and its responsible principal officials (one of whom must be an authorized principal official) as well as signed consents of at least two responsible principal officials to act as such for the organization
A solemn declaration that the third party sponsor understands and intends to comply with LECFA, that the information provided is complete and accurate and that the individual is not prohibited from sponsoring third party advertising	A solemn declaration by the authorized principal official that the organization understands and intends to comply with LECFA, that the information provided is complete and accurate and that the organization is not prohibited from sponsoring third party advertising

Solemn declarations must be authorized:

- by a Commissioner for Taking Affidavits for British Columbia, or
- free of charge by:
 - Elections BC staff in Victoria
 - local election officers
 - Service BC Centre staff (<u>servicebc.gov.bc.ca/locations</u>)

Steps to apply to register as a third party sponsor:

1. Complete the applicable application form (available at <u>elections.bc.ca/lecfa</u>)

4209 - Registration Application - Individual 4210 - Registration Application - Organization

2. Submit the form to Elections BC by email, mail or fax. Use the contact information found on the <u>last page</u> of this guide.

- **3.** If the application is approved, Elections BC will send a letter confirming registration.
- **4.** If the application is not approved, or if more information is required, Elections BC will contact the applicant, explain the reasons for refusal and provide an opportunity to supply the additional information for a reconsideration of the decision.

Requirement to file registration information updates

Registered third party sponsors must keep their registration information current to ensure Elections BC has up-to-date information. A third party sponsor must advise Elections BC if any of the information required for registration changes (for example, if there is a change in contact information or who is acting as an authorized principal official for a third party sponsor that is an organization).

Steps to update third party sponsor registration information:

- **1.** Complete the applicable update form (available at <u>elections.bc.ca/lecfa</u>)
 - 4211 Registration Update Individual 4212 - Registration Update - Organization
- **2.** Submit the form to Elections BC by email, mail or fax. Use the contact information found on the <u>last page</u> of this guide.
- **3.** If the update form is complete, Elections BC will update the information. No contact will be made.
- **4.** If more information is required about the registration update, Elections BC will make contact and explain what is required.

The full name
of the sponsor,
the sponsorship
information and
the name of the
authorized principal
official will be posted
on the Elections BC
website

(elections.bc.ca/lecfa).

Sponsoring third party advertising

A third party sponsor is an individual or organization that conducts third party advertising independently from the election campaign of any candidate or elector organization. Third party sponsors are subject to the registration and financing disclosure requirements under the *Local Elections Campaign Financing Act* (LECFA).

How to determine who the sponsor is

Generally, the sponsor of third party advertising is the individual or organization that pays for the advertising or that is liable to pay for the advertising. However, other circumstances may apply as follows:

- if the advertising is provided without charge, the third party sponsor is the individual or organization that receives the free advertising
- if an individual or organization is acting on behalf of another individual or organization, the third party sponsor is the other individual or organization
- in any other case, the third party sponsor is the individual or organization that transmits the advertising

How to determine the value of third party advertising

Third party sponsors need to value the third party advertising they conduct. The value of third party advertising is the value of property and services used in preparing the advertising and transmitting it to the public.

The value of property and services used in third party advertising is:

- the price paid for property and services used in preparing and transmitting the advertising, or
- the market value of the property and services used in preparing and transmitting the advertising if no price is paid or if the price paid is lower than the market value

Property and services used in preparing and transmitting the third party advertising include the materials used, transmission fees, outside design services and Internet hosting.

EXAMPLE 1

An individual has used cardboard and wood in the garden shed and creates a sign that promotes a candidate. The used material must be valued at current market value.

EXAMPLE 2

A registered third party sponsor pays an agency \$500 to produce a radio advertisement and pays a radio station \$150 per play to broadcast the advertisement. The commercial is played 20 times during the election proceedings period.

What is the value of this election advertising?

\$500 production cost + ($$150 \times 20 \text{ plays}$) = \$3,500.

EXAMPLE 3

A registered third party sponsor who is an individual prepares an advertising brochure on their own computer and makes 500 copies at a local print shop for \$0.25 per copy. The brochures are mailed to 500 different homes within the sponsor's community at the standard postage rate of \$1 per brochure.

What is the value of the election advertising?

500 brochures x (\$0.25 printing + \$1 postage per brochure) = \$625. The value of using the computer is not included in the value of the election advertising.

EXAMPLE 4

A registered third party sponsor has 500 election advertising signs from a previous election. The 500 signs cost \$2,250 to produce during the last election.

What is the value of the election advertising?

Since the signs were purchased during the previous election, the sponsor must determine the current market value of 500 signs of the same quality.

In this example, assume that the sponsor calls a local print shop and learns that the lowest replacement cost for 500 signs of the same quality is now \$2,500.

The value of the election advertising is \$2,500.

Signs reused from a previous election have to be valued at current market value.

Valuing staff, volunteer and outside services

If an individual third party sponsor prepares and transmits third party advertising, their services have a nil (or zero) value and do not need to be included in the cost of the advertising.

In addition, services that are performed by a **volunteer** also have a nil (or zero) value and do not need to be included in the cost of the advertising.

However, the value of services used to prepare and transmit third party advertising **must be included** in the value of third party advertising **if**:

- the services are purchased or received from an outside vendor, or
- the services are performed by employees of an organization that is a third party sponsor

EXAMPLE

A registered third party sponsor has a paid staff member that regularly prepares messages intended for the general public on issues related to public policy. The paid staff member prepares and transmits an advertising message intended to promote the aims of the organization. The message meets the definition of election advertising.

Does the sponsor include the value of the staff member's services in the value of the third party advertising?

Yes. The staff member's services are included in the value of election advertising. Since the staff member is paid to perform these services, the cost related to the services (wages, benefits, overtime) are included in the value of election advertising.

Prorating and apportioning third party advertising

The value of third party advertising can be prorated or apportioned according to the following principles:

- 1. The full production cost of the advertising must be included in the value. This applies to all third party advertising even if the advertising is used for other purposes **before** the election or will continue to be used **after** the election.
- **2.** For transmission costs, include only the portion related to transmission during the election proceedings period.

- **3.** For websites which are generally maintained on an ongoing basis for purposes unrelated to third party advertising, include only the cost of producing and transmitting the third party advertising portion of the website, not the entire cost of the website.
- **4.** For third party advertising which is co-sponsored by two or more registered third party sponsors, each sponsor must report the full value of the third party advertising.

EXAMPLE

Two registered third party sponsors jointly rent a billboard for one year at a rate of \$1,000 per month (\$12,000 per year). The cost of producing the billboard advertisement is \$2,000. The billboard meets the definition of election advertising, and it remains on display through the election proceedings period.

What is the value of third party advertising?

Since the election proceedings period is 46 days, including General Voting Day, 46 days' worth of transmission costs must be included along with the full production value of the billboard advertisement. The total value of the third party advertising must be fully reported by both sponsors.

Total value of third party advertising:

 $2,000 + [12,000 \div 365 \text{ days x } (46 \text{ days})] = 3,512.33 \text{ each.}$

Requirement for sponsorship information on third party advertising

Generally, third party advertising must include the following sponsorship information:

- the sponsor's name
- a B.C. phone number or B.C. mailing address or email address where the sponsor can be contacted
- that the advertising is authorized by the sponsor
- that the sponsor is registered under LECFA

The sponsorship information must be in English or be understandable to readers of English. If the advertising is in another language, the sponsorship information must also be in that language or be understandable to readers of that language.

If the third party advertising is co-sponsored by two or more third party sponsors, the sponsorship information for each sponsor must be included on the advertising.

EXAMPLE 1

Individual

Authorized by John Smith, registered sponsor under LECFA, 604-123-4567

EXAMPLE 2

Organization

Authorized by ABC Company, registered sponsor under LECFA, abc@company.ca

Certain types of third party advertising do not need to include the sponsorship information. Other types of third party advertising may fulfil the identification requirement in a modified way. For more information, refer to the next two sections of this guide.

EXAMPLE 3

Individual – different language

जॉन स्मिथ LECFA तहत पंजीकृत प्रायोजक द्वारा अधिकृत 604-123-4567 Authorized by John Smith, registered sponsor under LECFA, 604-123-4567

EXAMPLE 4

Multiple sponsors

Authorized by ABC Company, registered sponsor under LECFA, 604-123-4567 and ABC Trade Union, registered sponsor under LECFA, 604-123-8910

Third party advertising exempt from sponsorship information requirement

Sponsorship information is not required for third party advertising on the following items:

- clothing (e.g., shirts, sweaters, vests, jackets, hats)
- novelty items, including wearable novelty items (e.g., buttons, badges, pins, stickers, wristbands, necklaces)
- small items of nominal value that are intended for personal use (e.g., pens, mugs, magnets, key chains, notepads)

Sponsorship information for advertising on the Internet

For Internet advertising, the sponsorship information does not need to be on the ad itself if there is a link that takes the viewer to a website, landing page or profile page containing the required sponsorship information. It must be clear on the ad that the link will take the user to the sponsorship information.

The definition of election advertising **does not** include the expression by an individual on a non-commercial basis of their personal political views on the Internet.

Authority to remove unauthorized and restricted third party advertising

For third party advertising that does not include the required information about the sponsor, or is conducted by an unregistered sponsor, Elections BC may require that the advertising be:

- corrected
- discontinued
- covered
- obscured
- removed
- destroyed

Where and when election signs may be placed

Elections BC does not regulate where and when signs may be placed. However, local governments have the authority to regulate the size, placement, maintenance and removal of signs and other forms of public advertising. The rules may be quite different between local governments.

The Ministry of Transportation and Infrastructure regulates sign placement along provincial highways, medians, bridges and major roadways. Contact the local government or local Ministry of Transportation and Infrastructure office before placing election campaign signs on medians or bridges or along major roads.

Election advertising restrictions on General Voting Day

An individual or organization must not transmit election advertising to the public on General Voting Day (GVD). Exceptions to this rule include:

- advertising on the Internet, as long as the advertising was transmitted to the public before GVD and was not changed before being transmitted on GVD
- advertising by means of signs, posters or banners
- distributing pamphlets

Election advertising is **not** permitted under any circumstances within 100 metres of a voting place on GVD.

It is an election offence to transmit election advertising on General Voting Day.

Sponsorship contributions

A sponsorship contribution is the amount of any money, or the value of any non-monetary property or services, provided without compensation to an individual or organization to be used to sponsor third party advertising.

Valuing sponsorship contributions

If property or services are given to a third party sponsor for less than market value, the difference between the market value of the property or services and the amount charged is a sponsorship contribution.

Money includes cash, a negotiable instrument (cheque, money order or traveller's cheque) and a payment by means of a credit card.

EXAMPLE

A third party sponsor purchases 5,000 printed copies of a brochure to distribute to the public. The third party sponsor pays \$400, but the printer would normally charge \$750.

Is this an acceptable sponsorship contribution? Yes.

How much?

The printer has made a sponsorship contribution of \$350 (\$750 – \$400) by providing the service at less than market value.

In relation to property or services, market value is the lowest price charged for an equivalent amount of equivalent property or services in the market area at the

relevant time. Market

value includes all

applicable taxes.

If a third party sponsor sells property or services for more than market value, the difference between market value and the price paid is a sponsorship contribution from the purchaser of the property or services.

EXAMPLE

Joe has an extra concert ticket that costs \$125. He gives it to ABC Third Party Sponsor for them to sell to earn some money for election advertising. ABC Third Party Sponsor sells the ticket to Adam for \$200.

Is Joe making a sponsorship contribution?

Yes, with a value of \$125.

Is Adam making a sponsorship contribution?

Yes, with a value of \$75 (\$200 - \$125).

If a third party sponsor owes money for third party advertising and the debt is not fully paid within six months of being due, the unpaid amount becomes a sponsorship contribution **unless** the creditor has started legal proceedings to recover the debt.

Rules for accepting sponsorship contributions

The following rules for making and accepting contributions apply to all contributions:

- when accepting sponsorship contributions, the third party sponsor must record all information as required by LECFA
- contributors must provide required information to third party sponsors so that the sponsor can meet legal recording and disclosure requirements
- donated sponsorship contributions of property or services must be assigned a market value and recorded and disclosed in the same way as contributions of money

- anonymous contributions to third party sponsors are limited to \$50 per contributor per third party sponsor
- anonymous contributions over \$50 must not be made or accepted

Recording and disclosure requirements for sponsorship contributions

The following information must be kept for every sponsorship contribution:

- the value of the contribution
- the date of the contribution
- the full name and mailing address of the contributor (unless it is an anonymous contribution)
- the contributor class (see next section)
- and, if the contributor is an organization, the full names and mailing addresses of at least two directors or principal officials

If an organization has no directors or principal officials, the full names of two principal members must be disclosed.

Classes of contributors

Contributors can be individuals or organizations and, for the purposes of disclosing, are categorized into classes:

- Class 1: Individuals
- Class 2: Corporations
- Class 3: Unincorporated Business/Commercial Organizations
- Class 4: Trade Unions
- Class 5: Non-profit Organizations
- Class 6: Other Identifiable Contributors
- Class 7: Anonymous

Significant contributors

Significant contributors are individuals or organizations that make a contribution of \$100 or more to the same entity. The total contribution could either be a single donation of \$100 or more **or** multiple donations of less than \$100 each that total \$100 or more.

Information about significant contributors must be disclosed in the third party sponsor's disclosure statement filed after the election. This information includes:

- the name of the contributor
- the value of the contribution
- the date the contribution was made
- the class of the contributor
- and, if the contributor is an organization:
 - the mailing address of the organization, and
 - the full names of at least two directors or principal officials

Anonymous contributions

An anonymous contribution is a contribution made by an individual or organization whose identity is unknown to the sponsor. An individual cannot request that a contribution be accepted and disclosed as an anonymous contribution if they are known to the sponsor.

Truly anonymous contributions of **\$50 or less** may be accepted by the third party sponsor. The sponsor must record and disclose the value and date of the contribution and the circumstances in which it was received.

An anonymous contribution of **more than \$50** received by a third party sponsor is **prohibited** and must be remitted **in total** to Elections BC – the date and value must also be recorded and disclosed.

Mailing addresses for individuals are recorded at the time a contribution is made; however, they are not disclosed in the disclosure statement.

EXAMPLE

If a third party sponsor receives an anonymous contribution of \$75, **all of the \$75** must be remitted to Elections BC. The third party sponsor **cannot keep \$50** and **give Elections BC \$25**. Elections BC will forward the amount to the government's Consolidated Revenue Fund.

Indirect contributions

Indirect sponsorship contributions are not allowed. This means that someone cannot give money or other property or services to a person for that person to make a sponsorship contribution.

Making a sponsorship contribution with someone else's money, property or services is also prohibited.

Dealing with prohibited sponsorship contributions

Third party sponsors who become aware that a sponsorship contribution was made or accepted in contravention of the *Local Elections Campaign Financing Act* (LECFA) must return the contribution, or an amount equal to its value, to the contributor within 30 days after becoming aware that the contribution is prohibited.

A third party sponsor who cannot return the contribution (e.g., it was an anonymous contribution over \$50) must pay its value to Elections BC for remittance to the Consolidated Revenue Fund.

Even if a prohibited contribution has been identified and dealt with, a third party sponsor must still **record** and **disclose** the following information:

- the circumstances in which the contribution was received
- as much as possible of the required information for sponsorship contributions (e.g., value and date the contribution was made)
- when and how the contribution was dealt with

Third party sponsor disclosure statements

Third party sponsors must file disclosure statements with Elections BC.

A disclosure statement includes information on sponsorship contributions and the value of third party advertising that was sponsored. All disclosure statements must be prepared according to the rules in the *Local Elections Campaign Financing Act* (LECFA) and related regulations. Elections BC provides the forms required to complete the disclosure statement package.

Who must file

Every individual or organization that sponsored third party advertising for an election, or registered as a third party sponsor with Elections BC for an election, must file a disclosure statement with Elections BC.

A third party sponsor must ensure the disclosure statement is filed. If the third party sponsor is an organization, the responsible principal officials of the organization must ensure that the disclosure statement is filed as required.

Disclosure statements can be filed by:

- email
- mail
- courier
- fax
- hand to a Service BC Centre (<u>servicebc.gov.bc.ca/locations</u>)
- hand to the Elections BC office in Victoria

Filing deadline

The filing deadline for disclosure statements is 4:30 p.m. (Pacific time), 90 days after General Voting Day (GVD).

Disclosure statements filed before or on the filing deadline are considered filed on time if the disclosure statement meets all of the requirements. If the statement requires additional information, Elections BC will contact the third party sponsor to give them an opportunity to correct the disclosure statement. If a sponsor is unable to file an acceptable disclosure statement before the 90 day filing deadline, they may file the statement late under the late filing provisions discussed below.

The B.C. Chief Electoral Officer may grant extensions to the filing deadline if there are documented extenuating circumstances. Requests for extensions must be made in writing to the B.C. Chief Electoral Officer before the 90 day filing deadline.

Extensions to the filing deadline cannot be beyond 120 days after GVD.

A postmark is not acceptable as proof of delivery by the deadline. The disclosure statement must be received and accepted by Elections BC by the filing deadline.

Late filing deadline

The late filing deadline is 4:30 p.m. (Pacific time), 120 days after GVD. Disclosure statements submitted between 91 to 120 days after GVD are late and must include a **\$500 late filing fee**.

It is an offence to not file a disclosure statement by the late filing deadline. There are significant penalties for committing offences.

Required contents

If the total value of third party advertising sponsored by an individual or organization was **less than \$500**, only the cover page of the third party sponsor disclosure statement must be filed. No additional forms are required.

For more information about offences and penalties, go to
Court order for relief, election advertising offences and penalties on page 33.

A significant contributor is an individual or organization that makes a sponsorship contribution having a value of \$100 or more or makes multiple sponsorship contributions to the same individual or organization such that the total value of the sponsorship contributions to that individual or organization is \$100 or more.

If the total value of third party advertising sponsored by an individual or organization was **\$500 or more**, the disclosure statement must include the following:

- the total value of sponsored third party advertising by class
- the total value of sponsored directed third party advertising by class in each jurisdiction
- the total value of the third party sponsor's own funds used to pay for third party advertising
- information about sponsorship contributions received, including the name of significant contributors (individuals and organizations that provided contributions of \$100 or more)
- information in relation to prohibited contributions

Classes of third party advertising:

- a. Brochures, pamphlets, flyers and similar forms of advertising
- b. Newspaper, magazine, journal and similar forms of advertising
- c Radio
- **d**. Signs such as lawn signs, billboards and similar forms of advertising
- e. Television
- f. Internet advertising
- g. Other

In addition, if third party advertising was sponsored in combination with one or more third party sponsors, the following information must be disclosed:

- total value of the third party advertising
- the names of other third party sponsors as they appear in the required sponsorship information

Supplementary reports

A supplementary report must be filed with Elections BC if the information disclosed in the disclosure statement has changed or did not completely and accurately disclose the information required. Such a report must be filed within 30 days of the sponsor becoming aware of the change.

Additionally, if Elections BC advises a third party sponsor that a supplementary report is required because of missing or irreconcilable information in the disclosure statement, the supplementary report must be submitted within 30 days of notice being given.

A supplementary report must:

- provide details about the addition, change or correction to the original disclosure statement
- include a description of the circumstances that led to filing the supplementary report
- be in a form approved by Elections BC

Fines and/or penalties for filing a false or misleading third party disclosure statement could still apply even if a supplementary report was filed.

Requirement to retain records

All third party sponsors must keep their records in British Columbia until five years after General Voting Day. These records may include:

- copies of disclosure statements
- records of contributions and contributor information
- deposit slips
- expense receipts
- cheque registers
- transaction slips
- any other information necessary to validate the contents of a disclosure statement

Public information

The following information about a third party sponsor is posted on the Elections BC website:

- the full name of the sponsor
- the mailing address, telephone number or email address used on the advertising itself
- the full name of the authorized principal official if the sponsor is an organization

All third party sponsor disclosure statements are also posted on the Elections BC website and available for public inspection at Elections BC's office in Victoria.

PRIVACY NOTICE

Information collected by Elections BC in the campaign financing disclosure statements and supplementary reports is to administer the *Local Elections Campaign Financing Act*.

For more information, contact the **Privacy Officer** at Elections BC:

1-800-661-8683 or PO Box 9275 Stn Prov Govt, Victoria, BC V8W 9J6

Court order for relief, election advertising offences and penalties

Elections BC will work closely with participants to help them comply with the local elections third party advertising rules and regulations.

Court order for relief from filing obligations

Third party sponsors can apply to the Supreme Court for a court order for relief from disclosure requirements under LECFA. Applications for a court order for relief must be made before or on the late filing deadline for the disclosure statement or supplementary report.

Depending on the timing and details of an application for relief, the Supreme Court may:

- grant relief from filing the disclosure statement or from specific obligations relating to the disclosure statement
- grant relief from the late filing fee
- provide an extension of time to file the disclosure statement with, or without, payment of the late filing fee
- make any order the court considers reasonable to secure compliance
- refuse to grant relief

For more detailed information related to filing for a court order for relief, see sections 66-72 of the *Local Elections Campaign Financing Act*.

Third party sponsors who are considering applying for court relief may want to consult independent legal counsel about the court process.

A \$500 late filing fee must be included with a disclosure statement filed beyond 90 days after General Voting Day.

Third party sponsor offences and penalties

There are significant penalties for failing to comply with the election advertising rules in the *Local Elections Campaign Financing Act*.

Penalties include late filing fees and disqualification from sponsoring third party advertising and accepting sponsorship contributions until after the next general local election. These penalties apply for failing to file a disclosure statement or supplementary report. They also apply if a third party sponsor is convicted by a court for providing false or misleading information.

There are also offences for failing to comply with the election advertising rules and for which individuals and organizations, if convicted, may be subject to fines and/or imprisonment. An individual or organization is not guilty of an offence if they exercised due diligence to prevent the commission of the offence.

An organization is responsible for the actions of its officers and employees if those actions are within the individual's authority to act on behalf of the organization. If one of those officers or employees commits an offence while acting on behalf of the organization, the organization may be liable.

If an organization commits an offence, specified individuals (e.g., officers, directors, employees, principal officials) who authorize, permit, passively agree or comply with committing that offence are considered to have also committed that offence.

There are **higher** and **lower** penalty offences in LECFA. An individual who commits a lower penalty offence is liable to a fine of up to \$5,000 or imprisonment for up to one year, or both. If an organization commits a lower penalty offence, it is liable to a fine of up to \$10,000.

Higher penalty offences carry fines of up to \$10,000 for an individual and \$20,000 for an organization. An individual who commits a higher penalty offence may also be subject to a prison term for up to two years.

Failing to file a disclosure statement or supplementary report, providing false or misleading information or making a false or misleading statement are all higher penalty offences.

Disqualification penalties

Disqualification penalties apply to third party sponsors if they are convicted of a higher penalty offence. However, third party sponsors who fail to file a disclosure statement will be automatically disqualified and prohibited from:

- sponsoring third party advertising or non-election assent voting advertising until after the next general local election
- accepting sponsorship contributions until after the next general local election

A list of disqualified third party sponsors will be published and maintained on Elections BC's website.

For more information about deadlines for disclosure statements and supplementary reports, go to Filing deadline on page 28.

Resources

Election legislation

Printed versions of local government election legislation — including the Local Government Act, the Local Elections Campaign Financing Act, the Local Elections Statutes Amendment Act, the Vancouver Charter, the Community Charter, the School Act and the Offence Act — are available at public libraries in communities throughout B.C. Printed versions of the Acts are also available from Crown Publications, Queen's Printer for British Columbia, at:

Mailing Address:

563 Superior Street Victoria, BC V8V 1T7

Phone: 250-387-6409

Toll Free: 1-800-663-6105

Fax: 250-387-1120

Email: crownpub@gov.bc.ca
Website: crownpub.bc.ca

BC Laws

BC Laws provides free public online access to the current laws of British Columbia. This unofficial current consolidation of B.C. Statutes and Regulations is updated continually as new and amended laws come into force. Electronic versions of the *Local Government Act*, the *Local Elections Campaign Financing Act*, the *Local Elections Statutes Amendment Act*, the *Vancouver Charter*, the *Community Charter*, the *School Act* and the *Offence Act* are available online at bclaws.ca.

Other reference materials

Ministry of Community, Sport and Cultural Development:

- Voter's Guide to Local Elections in B.C.
- Candidate's Guide to Local Government Elections in B.C.
- Elector Organization Guide to Local Government Elections in B.C.

- Guide to Supporting a Candidate for Local Government Elections in B.C.
- Local Elections in British Columbia: What Every Candidate Needs to Know

Available at cscd.gov.bc.ca/lgd/elections_home.htm.

Ministry of Education:

■ School Trustee Election Procedures in British Columbia

Available at <u>bced.gov.bc.ca/legislation/trustee_election/school_trustee_election_procedures.pdf</u>.

Glossary

The following key terms have been used throughout this guide. Most of the terms are defined in the *Local Elections Campaign Financing Act* (LECFA).

Term	Definition				
Assent voting	Voting on a bylaw or other matter for which a local government is required or authorized to obtain the assent of the electors. Assent voting may also be referred to as a "referendum."				
	LECFA, s. 2				
Assent voting advertising sponsor	An individual or organization that sponsors non-election assent voting advertising or that registered as a non-election assent voting advertiser.				
Authorized principal official	An individual who makes legally binding statements and declarations on behalf of an elector organization, third party sponsor or assent voting advertising sponsor that is an organization. Responsibilities may include having the authority to appoint a financial agent, endorse a candidate and retain records related to campaign financing, sponsorship contributions and sponsored advertising. LECFA, s. 21, s. 40				
B.C. Chief Electoral Officer	An independent Officer of the Legislature appointed by the Lieutenant Governor on the recommendation of the Legislative Assembly. The B.C. Chief Electoral Officer is responsible for the administration of the provincial electoral process and for the compliance and enforcement of campaign financing and third party advertising provisions of LECFA.				
Candidate	In relation to candidate obligations applicable under LECFA, includes an individual who: (a) intends on becoming a candidate in an election, (b) is seeking or intends to seek endorsement by an elector organization for an election, or (c) was a candidate				

Term	Definition					
Directed advertising	Advertising specifically related to a candidate or elector organization by naming the candidate or elector organization or identifying the candidate by an image, likeness, voice or physical description or identifying an elector organization by their logo.					
	LECFA, s. 12(2)					
Disclosure statement	A campaign financing statement that reports contributions, expenses, transfers, surplus funds and other information. Financial agents for candidates and elector organizations, and third party sponsors and non-election assent voting sponsors, must file disclosure statements with Elections BC.					
	LECFA, s. 46(1)					
Election proceedings period	The period that begins on the 46th day before General Voting Day and ends at the close of voting on General Voting Day.					
	LECFA, s. 10(2), s. 15					
Elector organization	An organization that intends to endorse a candidate or that did endorse a candidate in an election. An elector organization must have a membership of 50 or more eligible electors when the endorsement is made.					
	LECFA, s. 19-23, s. 25					
General Voting Day	The final voting day in a general local election, by-election or assent voting.					
Issue advertising	A form of third party advertising that is: (a) a communication respecting an issue of public policy including an assent voting issue, and (b) not specifically related to any candidate or elector organization LECFA, s. 12(1)					
Jurisdiction	The applicable jurisdiction in which a general local election, by-election or assent voting is held.					

Term	Definition					
Late filing deadline	The last day (120 days after General Voting Day) on which a disclosure statement may be filed by a candidate, elector organization or third party sponsor. Disclosure statements filed after 90 days and before 120 days must be accompanied by a \$500 late filing fee.					
	LECFA, s. 47(2)					
Local election officer	An individual appointed by council or the regional district board to conduct a general local election or by-election. Local election officers have broad authority to do all things necessary for the conduct of an election in accordance with the legislation and the local government election bylaw. Local election officers are also referred to as chief election officers.					
Market value	The lowest price charged for an equivalent amount of equivalent property or services in the market area at the relevant time. Market value includes all applicable taxes.					
Money	Includes cash, a negotiable instrument (cheque, money order or traveller's cheque), a payment by credit card and any form of electronic payment or funds transfer.					
Principal official	In relation to an organization, means a director of a corporation or a director, principal officer or principal member of an organization that is not a corporation.					
Responsible principal official	An individual appointed by an elector organization or a third party sponsor who may represent the organization as needed. Each elector organization or third party sponsor that is an organization must have at least two individuals who have consented to be the responsible principal officials. LECFA, s. 21, s. 40					

Term	Definition					
Significant contributor	In relation to campaign or sponsorship contributions, an individual or organization who:					
	 (a) made a campaign or sponsorship contribution having a value of \$100 or more, or (b) made multiple campaign or sponsorship contributions to the same candidate, elector organization or third party sponsor such that the total value of the campaign or sponsorship contributions to that candidate, elector organization or third party sponsor is \$100 or more. 					
Sponsorship contribution	The amount of money, or the value of any non-monetary property or services, provided without compensation to a third party sponsor for sponsoring election advertising.					
Supplementary report	A report that updates Elections BC of changed, added or corrected information to the disclosure statement. It includes a description of the circumstances leading to the submission of the supplementary report.					
	LECFA, s. 54(3)					
Third party advertising	Election advertising that is not sponsored by a candidate or an elector organization as part of their election campaign and promotes or opposes a candidate, elector organization or issue during a local government election or assent voting.					
	LECFA, s. 11					
Third party sponsor	An individual or organization who conducts election advertising independently from the election campaign of any candidate or elector organization.					
	LECFA, s. 37-41					

Contact

Phone toll-free: 1-855-952-0280 / TTY: 1-888-456-5448

Mailing Address:

PO Box 9275 Stn Prov Govt Victoria, BC V8W 9J6

Phone: 250-387-5305

Fax: 250-387-3578

Toll-free Fax: 1-866-466-0665

Email: electoral.finance@elections.bc.ca

Website: elections.bc.ca/lecfa

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