

GUIDANCE DOCUMENT

POLITICAL, SPONSORSHIP, AND RECALL CONTRIBUTIONS

September 22, 2020

PURPOSE OF THIS GUIDANCE DOCUMENT

This guidance document explains the *Lobbyists Transparency Act* (LTA) requirements for lobbyists in relation to political contributions, sponsorship contributions, and recall contributions.

To promote transparency, the LTA requires that lobbyists must declare political, sponsorship, and recall contributions made by themselves, and by a small group of clients, in specified circumstances.

CONTRIBUTIONS GUIDANCE

How is "political contribution" defined in the LTA?

The LTA defines "political contribution" by reference to the <u>Election Act</u> - a political contribution is a contribution as defined in section 180 of the <u>Election Act</u> and that must be reported under section 206 or 210 of that Act. Political contributions for the purposes of the LTA include contributions made to an MLA being lobbied, or to their political party or constituency association, and are an amount of money or the value of property or services provided, with limited exceptions such as for volunteer services.

Elections BC has issued guidance regarding political contributions.¹

Elections BC also has a search tool for past political contributions.²

How is "sponsorship contribution" defined in the LTA?

The LTA defines "sponsorship contribution" by reference to the *Election Act* - a sponsorship contribution is a contribution as defined in section 235.02 of the *Election Act* and that must be reported under section 243.01 or 244 of that Act. Sponsorship contributions are contributions made to a third-party sponsor for the purpose of sponsoring election advertising and are an amount of money or the value of property or services provided, with limited exceptions. They are made to a third party rather than directly to an MLA or their political party, and for the purposes of the LTA that third party

¹ Elections BC, "Making a Political Contribution", online: https://elections.bc.ca/provincial-elections/electoral-financing-and-disclosure/making-a-political-contribution/.

² Elections BC, "Provincial Search Options: Search for political contributions or for contributors who contributed more than \$250 during a reporting period", online: https://contributions.electionsbc.gov.bc.ca/pcs/SA1Search.aspx.

in turn sponsors election advertising to promote the election of an MLA or that MLA's political party.

Elections BC has issued guidance regarding sponsorship contributions.³

Elections BC also has a search tool for past sponsorship contributions.⁴

How is "recall contribution" defined in the LTA?

The LTA defines "recall contribution" by reference to the <u>Recall and Initiative Act</u> - a recall contribution is a contribution as defined in section 1 of the <u>Recall and Initiative Act</u> and that must be reported under section 124 of that Act. Recall contributions include contributions toward a petition to recall an MLA, made to an MLA being lobbied, or to that MLA's political party or constituency association, and are an amount of money or the value of any property or services provided with limited exceptions.

Elections BC has issued guidance regarding recall contributions.⁵

What are the LTA rules on political contributions?

Under the LTA, a political contribution must be declared in the Lobbyists Registry if the contribution has been made by a lobbyist (or a consultant lobbyist's client) to an MLA that is the subject of a Lobbying Activity Report, or to that MLA's political party or constituency association.

Note that political contributions of any amount are reportable under the *Elections Act*, whether published or not by Elections BC, because all political contributions are reportable while only some are required to be published. This means that lobbyists must declare political contributions of any amount made to an MLA who is the subject of a Lobbying Activity Report, or to that MLA's political party or constituency association.

Consultant lobbyists and in-house lobbyists must declare in the Lobbyists Registry whether, since the date the writ was issued for the last provincial election (September 21, 2020), they made a political contribution to an MLA they are lobbying, or to the political party or constituency association of an MLA they are lobbying.

³ Elections BC, "Making a Sponsorship Contribution", online: https://elections.bc.ca/provincial-elections/electoral-financing-and-disclosure/making-a-sponsorship-contribution/

⁴ Elections BC, "Provincial Search Options: Search for sponsorship contributions or for contributors who contributed more than \$250 during a reporting period", online: https://contributions.electionsbc.gov.bc.ca/pcs/SAbSearch.aspx

⁵ Elections BC, "Making a Contribution for a Recall", online: https://elections.bc.ca/recall-initiative/recall/making-a-contribution-for-a-recall/

Consultant lobbyists who have clients who are "eligible individuals" as defined in the *Election Act* and who have made political contributions to an MLA they are lobbying, or to the political party or constituency association of an MLA they are lobbying, must also declare that contributions were made by the client.

The LTA requires only that a lobbyist declare the fact that a political contribution has been made. Details about the amount of the contribution, and to whom it was made, are not required to be entered into the Lobbyists Registry.

Elections BC has a search tool for past political contributions.⁷

Elections BC has issued guidance regarding political contributions. 8

What are the LTA rules on sponsorship contributions?

Under the LTA, consultant lobbyists and in-house lobbyists must declare in the Lobbyists Registry whether, since the date the writ was issued for the last provincial election (September 21, 2020), they made a sponsorship contribution to a third-party sponsor that sponsors election advertising directly promoting the election of an MLA who is the subject of a Lobbying Activity Report, or to that MLA's political party.

Note: Sponsorship contributions of any amount are reportable under the *Elections Act*, whether published or not by Elections BC, because all contributions are reportable while only some are required to be published. This means that lobbyists must declare sponsorship contributions of any amount made to a third-party sponsor that sponsors election advertising directly promoting the election of an MLA they are lobbying, or to that MLA's political party.

⁶ Under the BC *Election Act,* "eligible individuals" are Canadian citizens or have been granted permanent resident status by the Government of Canada, who reside in BC. Only eligible individuals are permitted to make political contributions. Organizations such as corporations, unions, and individuals who are not BC residents, who are not Canadian citizens or have not been granted permanent resident status by the Government of Canada, are prohibited from making political contributions under BC's election financing rules. Individuals cannot make contributions indirectly using the money of other individuals or organizations.

⁷ Elections BC, "Provincial Search Options: Search for political contributions or for contributors who contributed more than \$250 during a reporting period", online: https://contributions.electionsbc.gov.bc.ca/pcs/SA1Search.aspx

⁸ Elections BC, "Making a Political Contribution", online: https://elections.bc.ca/provincial-elections/electoral-financing-and-disclosure/making-a-political-contribution/.

Consultant lobbyists who have clients who are "eligible individuals" as defined in the *Election Act*, and who have made sponsorship contributions to a third-party sponsor directly promoting the election of an MLA they are lobbying, or to the political party of an MLA they are lobbying, must also declare if sponsorship contributions were made by their client.

The LTA requires only that a lobbyist declare the fact that a sponsorship contribution has been made. Details about the amount of the contribution, and to whom it was made, are not required to be entered into the Lobbyists Registry.

Elections BC also has a search tool for past sponsorship contributions. 10

Elections BC has issued guidance regarding sponsorship contributions. 11

How will I know if my contribution was used for directed advertising?

In some cases, a contribution is not allocated for directed advertising until well after the contribution is made. Lobbyists should assume that any sponsorship contribution has been, or may be, used for directed advertising.

What if I made a contribution last year and it was dedicated toward being a sponsorship contribution this year?

If a contribution is turned into a sponsorship contribution, the third party will ask you for consent, and at that point you would declare this as a sponsorship contribution in the Lobbyists Registry.

What are the LTA rules on recall contributions?

Under the LTA, certain recall contributions must be declared.

⁹Under the BC *Election Act*, "eligible individuals" are Canadian citizens or have been granted permanent resident status by the Government of Canada, who reside in BC. Only eligible individuals are permitted to make sponsorship contributions. Organizations such as corporations, unions, and individuals who are not BC residents, who are not Canadian citizens or have not been granted permanent resident status by the Government of Canada, are prohibited from making sponsorship contributions under BC's election financing rules. Individuals cannot make contributions indirectly using the money of other individuals or organizations.

¹⁰ Elections BC, "Provincial Search Options: Search for sponsorship contributions or for contributors who contributed more than \$250 during a reporting period", online: https://contributions.electionsbc.gov.bc.ca/pcs/SAbSearch.aspx

¹¹ Elections BC, "Making a Sponsorship Contribution", online: https://elections.bc.ca/provincial-elections/electoral-financing-and-disclosure/making-a-sponsorship-contribution/

Consultant lobbyists and in-house lobbyists must declare in the Lobbyists Registry whether – since the date the writ was issued for the last provincial election – they made a recall contribution, to an MLA they are lobbying, or to that MLA's political party or constituency association.

Consultant lobbyists who have clients who are "eligible individuals" ¹² as defined in the *Recall and Initiative Act*, where that client has made a recall contribution to an MLA they are lobbying, or to that MLA's political party or constituency association, must also declare that a contribution was made by the client.

The LTA requires only that a lobbyist declare the fact that a recall contribution has been made. Details about the amount of the contribution, and to whom it was made, are not required to be entered into the Lobbyists Registry.

Elections BC has issued guidance regarding recall contributions. 13

Where can I get more information about contributions that have been made?

Information about political, sponsorship, and recall contributions can be found on Elections BC's website.

What if the consultant lobbyist's client's potential contributions have not yet been posted by Elections BC?

The political and sponsorship contribution information disclosed by Elections BC only identifies contributors who have donated more than \$250 during a reporting period, and generally filed for a previous calendar year or electoral event. Therefore, it may not include all contributions made to date.

The LTA requires due diligence by lobbyists. Whether or not contributions have been posted on the Elections BC website, lobbyists must be able to demonstrate to the Registrar they asked their client whether any contributions had been made in the

¹² Under the BC *Recall and Initiative Act*, "eligible individuals" are Canadian citizens or have been granted permanent resident status by the Government of Canada, who reside in BC. Only eligible individuals are permitted to make recall contributions. Organizations such as corporations, unions, and individuals who are not BC residents, who are not Canadian citizens or have not been granted permanent resident status by the Government of Canada, are prohibited from making recall contributions under BC's election financing rules. Individuals cannot make contributions indirectly using the money of other individuals or organizations.

¹³ Elections BC, "Making a Contribution for a Recall", online: https://elections.bc.ca/recall-initiative/recall/making-a-contribution-for-a-recall/

relevant time frame, and that they requested that the client keep the lobbyist up to date with regard to any contributions.

Lobbyists are advised to ask their clients in writing about any contributions made and to keep a record of the responses. The Office of the Registrar of Lobbyists has posted a sample questionnaire for this purpose, that lobbyists may use to acquire that information.

I am a consultant lobbyist working for a consulting firm. The contract for lobbying is between the consulting firm and the client, not with me. Does that mean I don't have to report my political, sponsorship and recall contributions?

Based on the language used in the LTA, it is the individual lobbyist who must report their political, sponsorship and recall contributions. This is the case even where the contract for lobbying is between the consulting firm and the client.

I am an in-house lobbyist working for an organization that is lobbying. Do I have to report the political, sponsorship and recall contributions that I have made?

Based on the language used in the LTA, an individual in-house lobbyist must report their political, sponsorship and recall contributions. This is the case even though it is the organization that is directing the lobbying efforts.

When would I contact Elections BC?

After reading this guidance document, if you have specific questions about whether a certain contribution qualifies as a political, sponsorship, or recall contribution, or questions about whether a lobbyist or lobbyist's client has made a political, sponsorship, or recall contribution as described above, contact Elections BC at:

Provincial Electoral Finance

Elections BC

Phone: 250-387-5305

Email: electoral.finance@elections.bc.ca

Website: www.elections.bc.ca

When would I contact the ORL?

After reading this guidance document, if you have questions about the requirements of the LTA, contact the Office of the Registrar of Lobbyists for BC for assistance at info@bcorl.ca

Note: This document is for information purposes only and does not constitute a decision or finding by the Registrar of Lobbyists for British Columbia or his or her delegates. This guidance does not affect the powers, duties or functions of the Registrar of Lobbyists, or his or her delegates, regarding any investigation or other matter under the Lobbyists Transparency Act, respecting which the Registrar and his or her delegates will keep an open mind. Responsibility for compliance with the Lobbyists Transparency Act remains with each client, lobbyist, and public office holder.