


2021 Municipal Election Training


Module 4 – Third Party Advertising

Municipal Capacity Building Unit


February / March 2021




Classification: Public



Proposed Election Training Modules

1. Election Considerations	6. Voting Opportunities
2. Nominations	7. Election Day
3. Election Finances & Contributions Disclosure	8. Post-Vote Procedures
4. Third Party Advertising 	9. Offences & Controverted Elections
5. Elections Alberta – Senate Elections & Referendum Questions	10. Elections Database

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Getting Started: Legislation & Resources



LAEA



Forms Regulation



RO Manual

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Session Overview

- Recap of Module 3
- Third Party Advertisers & Election Advertising
- Registration Process / Provincial Registrar
- Election Advertising Expenses & Contributions
- Disclosure & Post Election Requirements
- Questions



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Recap of Module 3

	Part 5.1 Election Finance and Disclosure
Affects	Campaign expenses & contributions
Eligible Contributors	Individuals ordinarily resident in Alberta
Contribution Limits	\$5,000 per candidate & \$10,000 self-contribution
Expense Limits	No limit on campaign expenses
Relevant Time Period	January 1 – December 31, 2021 (campaign period)
Starts with	Submission of nomination (Form 4)
Disclose name & address of donors	Whose contributions exceed \$50
Disclosure statements due on or before	March 1, 2022 (Form 26)
Surplus carryover	Surplus amounts over \$999.99 must be donated to a registered charity
Enforcement	Election Commissioner



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What is a Third Party? – s.162(1)(l)

Individual	Corporation	Group	Candidate
✓	✓	✓	✗



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What is Election Advertising?

- s.162(1)(d) • Transmission to the public of an advertising message promoting or opposing a candidate
- s.162(3) • Canvassing
• Organizing events
- s.162(1)(e) • Election Advertising Period – May 1 to October 18, 2021

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Election Advertising Does Not Include

 Editorial, debate, speech, interview, column, letter, news	 Book distribution / promotion	 Communication by corporation to employees, shareholders	 Transmission of political view on the internet
 Phone calls encouraging electors to vote	 Advertising by local jurisdiction	 Unintended transmission in another jurisdiction	

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Most Likely Election Advertising

- TV, radio, newspaper ads
- Signs, billboards, posters
- Newsletters, brochures, mailing inserts
- Ads on the internet with a placement cost (pay-per-click, Facebook, pop-up ads)

Most Likely Not Election Advertising

- Personal or private communications
- Free media coverage from legitimate media provider (news stories, radio interviews, televised debate)
- Free communication on the internet (Twitter, Snapchat)
- Websites or blogs

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Registration of Third Party Advertisers

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Registration of Third Party Advertisers – s.163

Registration required when a third party

- has incurred (or plans to incur) expenses of at least \$1,000 for election advertising
- has accepted (or plans to accept) advertising contributions of at least \$1,000.

Registration with Provincial Registrar when a third party

- engages in election advertising in more than 10 local jurisdictions
- Registrar: Executive Director, Municipal Capacity and Sustainability Branch, Municipal Affairs

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Ineligible Third Parties – s.163(6)

Applicants cannot be


- Corporation that does not carry out business in Alberta
- Individual not ordinarily resident in Alberta
- Non-Alberta trade union or employee organization
- Group where any member is one of the above
- Registered charity (as defined in Income Tax Act)
- Prohibited corporation (as defined in EFCDA)

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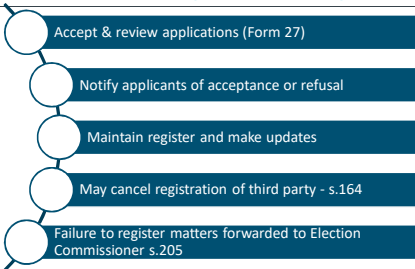



Third Party Advertisers – Registration (s.163)

- Appoint Chief Financial Officer - s.178
- Open Advertising Account
- Complete application for registration (Form 27) & submit to local jurisdiction/Registrar
- Notify local jurisdiction/Registrar of changes in writing within 30 days after the alteration

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Local Jurisdiction/Registrar – Registration



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Advertising Expenses & Contributions

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Advertising Expense s.162(1)(c)

- production of an election advertising message
- acquisition of the means of transmission

Expense s.162(1)(g) & s.162(2)

- amounts paid
- liabilities incurred
- value of donated or discounted goods or services

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Examples of Advertising Expenses


A third party advertiser pays an agency \$500 to produce a radio advertisement and then pays a radio station \$150 per play. The ad is played 20 times during the election advertising period.

Expense = The production cost plus the cost per play multiplied by the number of times played: $\$500 + \$3,000 (\$150 \times 20 \text{ plays}) = \$3,500$.

Jeremy owns a sign shop and gives a special discount on signs to a third party advertiser. The signs would normally cost \$1,500, but the third party advertiser is only charged \$1,000. What is the advertising expense that should be recorded?

\$1,500 (Amount paid + Difference between market value & amount paid)


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Third Party Advertisers - Expenses

- Expenses paid out of advertising account – s.178(1)
- CFO must authorize all expenses – s.178(3)
- Value expenses other than money – s.162(1)(g) & s.162(2)
- Prepare advertising expense limit report per s.165(4) & s.182
- Comply with expense limits – s.166
- Ensure election advertising includes identification of TPA – s.179

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Local Jurisdiction/Registrar - Expenses

Section 179

Minister's guidelines for identification

Removal or discontinuation of advertising

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Advertising Contributions

- Funds, real property, goods or services without compensation - s.162(1)(b)
- Cannot be made by ineligible contributors s.167(3)
- Limit of \$30,000 per contributor - s.167(2.1)

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Examples of Advertising Contributions

John donates pair of Oilers tickets to a silent auction to raise funds to be put towards election advertising of a third party advertiser. The tickets are valued at \$300 based on John's purchase receipt. Lisa's bid of \$400 is the highest and she writes a cheque for that amount. Who has made a contribution and for how much?

John has made a contribution of \$300 (market value of the tickets)
Lisa has made a contribution of \$100 (excess of bid over market value)

Jeremy owns a sign shop and gives a special discount on signs to a third party advertiser. The signs would normally cost \$1,500, but the TPA is only charged \$1,000. Has Jeremy made an advertising contribution?


Jeremy has made a contribution of \$500

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Third Party Advertisers - Contributions

- Only accept contributions belonging to eligible contributors – s.167(5) & s.176(2)
- Do not exceed contribution limit of third party's own funds – s.168
- Issue receipts for every advertising contribution – s.177
- Deposit contributions in advertising account – s.169
- Ensure contributions from groups comply with additional rules in s.170
- Record loans & their terms and report to local jurisdiction – s.174
- Record income & determine contribution amounts from fundraising events – s.172
- Record aggregate amount of contributions < \$50 – s.173
- Return anonymous contributions > \$50


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Local Jurisdiction/Registrar - Contributions

- Determine form and manner of receipts – s.177
- Direction on return of contributions accepted contrary to sections 167 & 176
- Anonymous contributions - s.175

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Disclosure & Post-Election Requirements

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Third Party Advertisers – Disclosure & Post-Election	
•	File advertising contributions report (Form 28) & advertising return by March 1, 2022 – s.180 & s.182
○	Pay \$500 late filing fee if no submissions by this date – s.184
•	May apply for cancellation of registration & dispose of any remaining funds
•	May hold over any funds in advertising account until next general election s.183
•	File election advertising returns annually until remaining funds have been disposed of completely
•	Retain all records until 3 years after required filing date (March 1, 2025) – s.185
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Local Jurisdiction/Registrar – Disclosure & Post-Election	
•	Determine manner of public disclosure of filed documents
•	Administer \$500 late filing fee for returns not filed by Mar. 1, 2022 – s.184
•	May cancel registration if return not filed by April 1, 2022
•	If fee not paid within 30 days, send notice to third party
•	May receive funds from political advertising accounts not dealt with by May 1, 2021 – s.188
<div style="display: flex; justify-content: space-between;"> <small>26</small> Classification: Public </div>	

	Part 5.1 Election Finance and Disclosure	Part 8 Third Party Advertising
Affects	Campaign expenses & contributions	Election advertising expenses & contributions
Eligible Contributors	Individuals ordinarily resident in Alberta	- Individuals ordinarily resident in Alberta - Corporations, Groups operating in Alberta
Contribution Limits	\$5,000 per candidate & \$10,000 self-contribution	\$30,000 per contributor, in total (includes contributions of third party advertiser)
Expense Limits	No limit on campaign expenses	No limit on election advertising expenses
Relevant Time Period	January 1 – December 31, 2021 (campaign period)	May 1 – October 18, 2021 (election advertising period)
Starts with	Submission of nomination forms (Form 4)	Registration with local jurisdiction/Registrar (Form 27)
Disclose name & address of donors	Whose contributions exceed \$50	Whose contributions for election advertising exceed \$250 (subject to FOIP)
Disclosure statements due on or before	March 1, 2022 (Form 26)	March 1, 2022 (Form 28 + s.182 advertising return)
Surplus carryover	Surplus amounts above \$999.99 must be donated to a registered charity (s.147.5)	Can be carried over to next election; must be disposed of within 6 months after (s.183)
Enforcement	Election Commissioner	Election Commissioner

Resources

Municipal Affairs Election Resources:
www.alberta.ca/municipal-elections-overview.aspx
Email: ma.lgsmail@gov.ab.ca or Phone: 780-427-2225 (dial toll-free 310-0000 first)

Elections Alberta Resources:
www.elections.ab.ca/elections/senate-referendum/information-for-municipalities/
Email: info@elections.ab.ca or Phone: 780-427-7191

Alberta Education Resources:
<https://education.alberta.ca/school-board-elections/school-board-elections-guide/>
Email: Lavonne.adams@gov.ab.ca or Phone: 780-422-5844

Provincial Registrar: Executive Director Municipal Capacity and Sustainability Branch
Municipal Affairs, 17th Floor, Commerce Place 10155 - 102 Street Edmonton, AB T5J 4L4
Phone: 780-427-2225 (dial 310-000 first for toll-free) Email: ma.lgsmail@gov.ab.ca

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Questions?



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