

Ontario Update: Canadian Province Bans Corporate and Union Contributions in Municipal Elections, Revises Lobbying Registration Thresholds

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By D. Mark Renaud and Louisa Brooks

Recent laws enacted in Ontario may affect corporations, labor unions, non-profits, and trade associations active in the Canadian province.

Amendments to the Lobbyists Registration Act

First, amendments to Ontario's Lobbyists Registration Act went into effect July 1. Most important among these changes, Ontario has replaced its "20% rule" for in-house lobbyist registration with an annual 50-hour threshold. Under this new provision, an employee or paid director of a corporation or non-profit organization who spends at least 50 hours in a calendar year lobbying on behalf of the entity must be registered as an in-house lobbyist. Additionally, if the total time spent by all employees and paid directors on lobbying activities adds up to 50 hours in aggregate in a calendar year, each of those individuals must be registered as an in-house lobbyist. While time spent researching and preparing for a lobbying communication is not included in calculating the 50-hour threshold, any time spent managing a grassroots lobbying campaign should be included.

Another important change to the law is that the most senior paid officer of a business corporation is now legally responsible for filing the lobbyist registration for all employees, officers, and directors. In most cases, this will be the CEO or President of the corporation.

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Changes to the Municipal Elections Act

Ontario also recently amended its Municipal Elections Act, enacting a ban on contributions to municipal council and school board candidates by corporations that conduct business in Ontario and trade unions representing employees in Ontario. Under the new law, a corporation or trade union may register as a “third party advertiser” if it wants to disseminate independent messaging to support or oppose a candidate or ballot question. Corporations and unions may also make contributions to other registered third party advertisers. Third party advertisers will need to register with each municipality where they wish to advertise, and such advertising must be done independently of candidates.

In related news, the Ontario Legislative Assembly is currently considering a bill that would similarly ban corporate and trade union contributions in provincial elections. We are monitoring the progress of this bill to enable us to provide the most up-to-date guidance to our clients considering political activity in Ontario.