



BILL NO. 117

Government Bill

*1st Session, 60th General Assembly
Nova Scotia
55 Elizabeth II, 2006*

An Act to Amend Chapter 4 of the Acts of 1991, the Members and Public Employees Disclosure Act

CHAPTER 1
ACTS OF 2007

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
JANUARY 11, 2007**

The Honourable Michael G. Baker, Q.C.
Government House Leader

*Halifax, Nova Scotia
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**An Act to Amend
Chapter 4 of the Acts of 1991,
the Members and Public Employees Disclosure Act**

Be it enacted by the Governor and Assembly as follows:

1 Clause 3(i) of Chapter 4 of the Acts of 1991, the *Members and Public Employees Disclosure Act*, is amended by adding “, except in Sections 14A to 14F and Part IIA,” immediately after “and” in the second line.

2 Section 8 of Chapter 4 is amended by

(a) adding “but, in Sections 14A to 14F, does not include a candidate for the leadership of a political party or a person nominated to become a party’s candidate for election in an electoral district” immediately after “Act” in the second line of clause (a);

(b) adding immediately after clause (b) the following clause:

(ba) “corporation” means a corporation incorporated by or pursuant to an Act of the Legislature or a corporation registered under the *Corporations Registration Act* or a corporation doing business in the Province and exempt from registration under that Act by that Act but does not include a Crown corporation, a public body within the meaning of the *Freedom of Information and Protection of Privacy Act* or a government business enterprise or governmental unit within the meaning of Part IX of the *Provincial Finance Act*,

(c) striking out the period at the end of clause (c) and substituting a semicolon;
and

(d) adding immediately after clause (c) the following clauses:

(d) “organization” means a corporation, a partnership or a trade union;

(e) “partnership” means a partnership registered under the *Partnerships and Business Names Registration Act* or a partnership doing business in the Province and exempt from registration under that Act by that Act;

(f) “trade union” means a certified bargaining agent as defined in the *Trade Union Act* or a labour organization representing workers in the Province.

3 Chapter 4 is further amended by adding immediately after Section 12 the following Section:

12A An official agent shall not accept from any person in any calendar year cash contributions totalling more than one hundred dollars.

4 Chapter 4 is further amended by adding immediately after Section 14 the following Sections:

14A (1) No person may make a contribution to a candidate, electoral district association or recognized party or to an official agent or a trust for a candidate, electoral district association or recognized party except as permitted by this Act.

(2) No candidate, electoral district association or recognized party and no official agent or trust for a candidate, electoral district association or recognized party shall accept a contribution except as permitted by this Act.

14B (1) An individual ordinarily resident in the Province or an organization may make a contribution to one or more candidates, electoral district associations or recognized parties.

(2) The total contributions by an individual or organization to each recognized party and all candidates and electoral district associations of that party must not exceed five thousand dollars in each calendar year.

(3) For the purpose of this Section, all related corporations are to be considered as one corporation and a trade union and all its locals and affiliates are considered to be one organization.

(4) For the purpose of this Section, a candidate who expends the candidate's own money for political purposes is deemed to have made a contribution to the extent of the expenditure.

(5) For greater certainty, where an employee provides services to a candidate, electoral district association or recognized party and the employee receives remuneration from the employee's employer for providing those services, the employer is deemed to have made a contribution in the amount of that remuneration.

(6) No person shall reimburse, directly or indirectly, an employee for a contribution made by the employee.

(7) No person shall enter into an agreement for the provision for payment of goods or services to a candidate, electoral district association or recognized party that includes a term that any person will make a contribution, directly or indirectly, to a candidate, electoral district association or recognized party.

14C (1) Where an individual or organization makes contributions to a recognized party and all candidates and electoral district associations of that party totalling more than the amount permitted by Section 14B, the recognized party, candidate or electoral district association, as the case may be, shall return to the individual or organization the amount in excess of that amount.

(2) Where on a single day an individual or organization makes contributions to two or more of a recognized party and all candidates and electoral district associations of that party totalling more than the amount permitted by Section 14B and immediately preceding that day the amount permitted by Section 14B has not been exceeded, the recognized party, candidates and electoral district associations, as the case may be, shall return to the individual or organization the amount in excess of that amount in the same proportions relative to each that the contributions received by them on that day are relative to each other.

14D (1) A candidate shall not lend a contribution to any person.

(2) A constituency association may only lend money to its nominated candidate or its recognized party.

(3) No person shall lend money to a candidate, electoral district association or recognized party for a term of more than two years, including any renewal or refinancing.

(4) Subsection (3) does not apply to a loan by a financial institution or by an electoral district association or a recognized party.

14E (1) A loan to a candidate, electoral district association or recognized party is not a contribution except as provided in this Section.

(2) Where a loan is made to a candidate, electoral district association or recognized party at a rate of interest less than the bank prime rate, the difference between the interest payable at the bank prime rate and the interest paid is a contribution.

(3) Where a payment on a loan to a candidate, electoral district association or recognized party is made a person other than the candidate, electoral district association or recognized party, as the case may be, the payment is a contribution.

(4) Where a payment on a loan to a candidate, electoral district association or recognized party is wholly or partly unpaid six months after becoming due, the outstanding amount of the payment is a contribution but nothing in this subsection affects the rights of the lender to recover the payment.

(5) Subsection (4) does not apply to a loan by a financial institution.

14F (1) A candidate, electoral district association or recognized party or the official agent of a candidate, electoral district association or recognized party shall not accept a loan unless there is a loan agreement in writing setting out the amount of the loan, the term of the loan, the name and address of the lender, the name and address of any guarantor and the details of any assignment of reimbursement made and the loan agreement must be included with the annual disclosure statement filed pursuant to Section 14.

(2) In each subsequent year where there is a balance outstanding on a loan, a report must be included with the annual disclosure statement stating the outstanding balance and describing any changes to the loan agreement.

14G (1) No person may be charged with an offence by reason of the outstanding amount of a payment on a loan being a contribution pursuant to subsection 14E(4) or the payment of the outstanding amount by a guarantor unless the person had no *bona fide* intent to repay the loan.

(2) Where the outstanding amount of a payment on a loan to a candidate that is a contribution pursuant to subsection 14E(4) or the payment of the outstanding amount by a guarantor of a candidate exceeds the contributions permitted by this Part, the amount of the excess contribution shall be deducted from the refund of the deposit to the candidate pursuant to the *Elections Act*.

(3) Where the outstanding amount of a payment on a loan to a recognized party that is a contribution pursuant to subsection 14E(4) or the payment of the outstanding amount by a guarantor of a recognized party exceeds the contributions permitted by this Part, the amount of the excess contribution shall be deducted from the payments made to the recognized party pursuant to Part IIA.

5 Chapter 4 is further amended by adding immediately after Section 20 the following Section:

20A On or before the thirtieth day of June in each year, the designated person shall publish the disclosure statements for the previous calendar year.

6 Subsection 21(1) of Chapter 4 is amended by adding immediately after clause (d) the following clause:

(da) cash contributions;

7 Chapter 4 is further amended by adding immediately after Part II the following Part:

PART IIA

FINANCING OF POLITICAL PARTIES

21A (1) Each fiscal year the Minister of Finance shall pay out of the Consolidated Fund to each recognized party

(a) in the first two full fiscal years in which this Section is in force,

(i) one dollar and fifty cents for each vote received by candidates representing that party in the most recent general election, or

(ii) where a recognized party elects, ninety cents for each vote received by candidates representing that party in the most recent general election plus, where the recognized party received at least fifteen per cent of the votes cast, one hundred and twenty-five thousand dollars; and

(b) in subsequent fiscal years, one dollar and fifty cents for each vote received by candidates representing that party in the most recent general election.

(2) Any reduction in the amount to which a recognized party is entitled, as a result of a general election, is effective at the beginning of the next fiscal year.

(3) Any increase in the amount to which a recognized party is entitled, as a result of a general election, is effective upon the candidates being declared elected and, for greater certainty, the increase is to be prorated for the remainder of the fiscal year.

(4) The Minister of Finance shall pay the amounts determined pursuant to subsection (1) in two equal instalments in April and October.

(5) Where this Section comes into force other than at the beginning of a fiscal year, the Minister of Finance shall pay out of the Consolidated Fund in the partial fiscal year to each recognized party the proportion of the amount determined pursuant to clause (a) of subsection (1) that that partial fiscal year is to a full fiscal year.

(6) The amount set out in clause (b) of subsection (1) shall be increased at the beginning of each year by the percentage increase in the previous year in the Consumer Price Index for the Province published by Statistics Canada.

21B (1) In this Section,

(a) “during an election” means during an election as defined in the *Elections Act*;

(b) “held assets” means funds or assets held in trust for a recognized party before July 11, 1991, and includes income earned on those funds or assets.

(2) Held assets must not be used at any time for advertising by or for a candidate, electoral district association or recognized party.

(3) Held assets may be used for the operations of a recognized party but must not be used during an election for any election purpose.

21C (1) Within one hundred and twenty days after the coming into force of this Section, every recognized party shall publish audited financial statements respecting all moneys or funds held by or in trust for the party as of the date this Section comes into force.

(2) Within one hundred and twenty days after the end of each fiscal year of a recognized party, the party shall publish audited financial statements respecting all moneys or funds held by or in trust for the party at the end of the fiscal year.

8 Chapter 4 is further amended by adding immediately after Section 32 the following Section:

32A (1) Every person who contravenes Section 14A is guilty of an offence and liable on summary conviction to a fine of not more than

(a) in the case of an individual, five thousand dollars; or

(b) in the case of an organization, fifty thousand dollars.

(2) In addition to the fine provided by subsection (1), a person guilty of contravening subsection (1) is liable to a fine of up to twice the amount by which that person’s contributions exceed the amount permitted by Section 14B.

9 Subsection 50(2) of Chapter 217 of the Revised Statutes, 1989, *Income Tax Act*, as enacted by Chapter 4 of the Acts of 2000, is amended by

(a) adding “the lesser of” immediately after “to” the second time it appears in the sixth line; and

(b) striking out clauses (a) to (c) and everything following those clauses and substituting the following clauses:

(a) for the 2006 and previous taxation years,

(i) 75% of the aggregate amount contributed if the aggregate amount contributed does not exceed \$100,

(ii) \$75 plus 50% of the amount by which the aggregate amount contributed exceeds \$100 but does not exceed \$550, or

(iii) the lesser of

(A) \$300 plus 33-1/3% of the amount by which the aggregate amount contributed exceeds \$550, and

(B) \$500,

or the amount of the tax payable, whichever is the lesser; and

(b) for the 2007 and subsequent taxation years,

(i) 75% of the aggregate amount contributed to a maximum of \$750; or

(ii) the amount of the tax payable,

whichever is the lesser.

10 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.
