

REPORT

Council

Meeting Date: June 23, 2025

FROM: Clerk's Department

DATE: June 10, 2025

SUBJECT: 2026 Municipal Election Contribution Rebate Program

WARD: Town-wide

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RECOMMENDATION:

1. That the report dated June 10, 2025, entitled 2026 Municipal Election Contribution Rebate Program, from the Clerk's Department, be received for information.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The next municipal election will be held on Monday, October 26, 2026.
- Campaign contributions for Ontario municipal election candidates are not eligible for federal or provincial income tax credits.
- The *Municipal Elections Act, 1996* authorizes, but does not require, municipalities to establish rebate programs through by-law.
- Rebate programs aim to encourage candidate participation in the electoral process, support candidate diversity, and increase engagement from individual contributors.
- Turnout trends appear more influenced by local issues, engagement levels, and demographics than by the presence of rebate programs.
- Oakville has offered a rebate program in every municipal election since 2003.
- In November 2024, Council directed staff to report on the potential implementation of a Campaign Contribution Rebate Program for the 2026 municipal election.
- Program costs of approximately \$100,000 are funded through the election reserve.
- A by-law is required to implement a rebate program, outlining terms of the program, including eligibility criteria, calculation formulas, and contribution thresholds.

BACKGROUND:

At the November 18, 2024 Council Meeting, staff were directed to report back on the potential implementation of a Campaign Contribution Rebate Program (rebate program) for the 2026 Oakville municipal election.

Campaign contributions to candidates in Ontario municipal elections are not eligible for federal or provincial income tax credits. In response, some municipalities have established rebate programs that provide partial reimbursement to individuals who contribute to candidates running for mayor or councillor.

Contribution rebates are funded through the property tax levy and candidate participation in the program is voluntary. Although a contribution rebate program is authorized under the *Municipal Elections Act, 1996*, as amended (MEA), it is discretionary, with no specified deadline for establishing the program by by-law.

Oakville established its first Contribution Rebate Program in 2003, authorized by a Council-approved by-law. Such a program has been offered in every municipal election and by-election since its introduction in 2003.

Contribution Rebate Program: Purpose and Implementation Considerations

Municipally funded rebate programs are designed to encourage greater engagement in the electoral process and promote equity among candidates by helping to offset the financial pressures associated with campaigning. Continuing to offer such a program may provide opportunities to enhance the election process, encourage candidate participation, increase the proportion of candidate contributions from individual electors, and generate more interest in municipal elections.

The implementation of a Contribution Rebate Program for the 2026 Oakville municipal election would establish a mechanism for providing partial rebates to eligible individuals who contribute to candidates running for office on municipal council. Based on practices in other jurisdictions, such a program may:

- Offset the financial cost of individual contributions;
- Encourage participation in the electoral process by both candidates and contributors;
- Support diversity among candidates by reducing financial barriers to entry;
- Support broader engagement in local elections; and
- Align with Council's strategic priority of accountable governance.

Should a rebate program be implemented, effective implementation would require clear communication and education efforts to ensure both contributors and candidates are aware of and understand the program's requirements and timelines.

Additionally, consultation with the Finance department and Information Technology Services (ITS) would be necessary to support the administration of the program,

including the development of processes for rebate payments, application tracking, and any required system enhancements.

Benchmarking

Although permissible under the *Municipal Elections Act*, rebate programs were established by only 8 of Ontario's 444 municipalities in 2022. These include Ottawa, Toronto, Mississauga, Markham, Vaughan, Whitby, and Ajax. The eligibility criteria, rebate formulas, and administrative approaches vary widely, resulting in different financial and operational impacts across jurisdictions. A detailed comparative analysis of these programs, based on the 2022 municipal election, is provided in **Appendix A**.

Similar to other municipalities exploring the feasibility of such programs for the 2026 municipal election, the cities of Mississauga and Toronto are currently conducting reviews of their existing rebate programs. These reviews include an examination of eligibility requirements, program objectives, administrative considerations, and potential financial implications. At the time of writing, no formal outcomes or recommendations from these reviews have been released.

Rebate programs are intended to encourage candidate participation, reduce financial barriers, and promote engagement from individual donors. They are not intended to directly influence voter turnout.

To explore any potential indirect relationship, an analysis was conducted using a small sample of 10 municipalities with comparable populations, half of which offered a rebate program and half that did not. Based on municipal election data from 2010 to 2022 (**Appendix B**), no clear correlation was found between rebate programs and higher voter turnout. While turnout was higher in municipalities that offered a rebate program in 2010, the reverse was observed in 2014, 2018, and 2022, when municipalities without a rebate program had slightly higher turnout. All municipalities in the sample experienced a decline in both turnout and number of candidates in 2022.

Given the small sample size and the many different factors that influence voter turnout, such as local issues, community engagement, and the makeup of the population, the analysis does not provide evidence that rebate programs have a clear impact on voter participation.

Financial impact

As identified in **Appendix A**, the Town issued approximately \$100,000 in campaign contribution rebates following the 2022 municipal election, a figure that has remained relatively consistent since the program's introduction and is accounted for in the election reserve planning. Of the total amount paid for the 2022 program, \$14,800 (15%) was paid to candidates and/or their known spouses.

Any administrative costs associated with a rebate program would be covered by the election budget, which is funded through the election reserve. If a rebate program is not implemented, it will result in an annual operating budget savings of approximately \$25,000 annually over the next four years.

RECOMMENDATION

Should Council wish to authorize a Contribution Rebate Program for the 2026 Oakville municipal election, a by-law authorizing the payment of rebates to eligible individuals and establish the program's terms, must be passed. If Council chooses to proceed, staff recommend that direction be given to report back in Q3 2025 with a draft by-law for consideration.

CONSIDERATIONS:

(A) PUBLIC

Effective communication strategies are essential for public outreach and education in the electoral process. Educating both eligible contributors and candidates about program rules and legal limitations is crucial for the success of the rebate program.

(B) FINANCIAL

All costs associated with the election will be covered through the election reserve and the budget process, as applicable.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Information Technology Solutions and Finance have been consulted. These departments and additional impacted departments would be involved in the implementation of any Council approved recommendation.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council's strategic priority of Accountable Government.

(E) CLIMATE CHANGE/ACTION

This matter does not impact climate change.

APPENDICES:

Appendix A – 2022 Ontario Municipal Election Contribution Rebate Programs

Appendix B – Rebate Program Data 2010-2022

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