



BACKGROUND: Political Action Committees (PACs)

A Political Action Committee (PAC) is a third party that raises money or organizes for a registered political party or candidate. PACs may also sometimes engage in advertising, although not always. While new regulations on third party activities were introduced in the NDP government's Bill 35, Fair Elections Financing Act, they almost exclusively apply to advertising during an election.

As such, outside of an election period, PACs are free to collect unlimited amounts of money from any source inside or outside of Alberta, including groups such as corporations, foreign donors, and unions which are prohibited from contributing to political parties or candidates directly. Furthermore, PACs can transfer unlimited funds to other third parties and spend an unlimited amount of money on political advertising or other activities outside of an election. Contribution disclosure rules only come into effect when a PAC purchases advertising that exceeds \$1,000. If a PAC doesn't engage in advertising, it isn't required to disclose any donor information.

Current PACs include Alberta Together, which set a fundraising goal of \$500,000 by the fall of 2017 but does not make its financial statements available, and the Alberta Advantage fund, which has raised \$813,510.00 YTD – far in excess of what it would be permitted to spend on political advertising during a campaign period.

PACs outside of Alberta are subject to a patchwork of rules across Canada, from Saskatchewan with no regulations whatsoever to Ontario and Manitoba, which regulate how much third parties can spend in a defined period before an election and who can donate to them. The British Columbia Legislature is currently debating a bill that would subject PACs to the same fundraising rules as political parties. This gives Alberta the opportunity to be a national leader in democratic accountability and electoral finance reforms.

The Alberta Liberals have been the only voice on PACs since Liberal Leader David Khan first raised the issue in June 2017. Liberal MLA David Swann's Bill 214 will seek to define what constitutes a PAC, make PACs subject to annual contribution limits, impose political advertising spending limits in a defined period leading up to a scheduled general election, require PACs to publicly disclose all expenditures and donations and not just those that pertain to election or political advertising, and institute stronger anti-collusion measures.

In addition to the Alberta Liberals, the Chief Electoral Officer has also expressed concerns regarding PACs. In his 2016-17 Annual Report, he wrote that “as the legislation currently exists, there is a potential for spending limits to be circumvented and prohibited contributions (from corporations and trade unions) to be funneled through third parties for advertising purposes by parties and candidates.”

In response to Khan’s initial call for action on PACs, the Alberta government first said it was comfortable with the current rules and had no plans to change them. Three weeks later, the government abruptly changed its mind and said it was looking at options. However, when the Legislature sat again in November, Political Action Committees were not on the legislative agenda.

Further Reading

2016-17 Annual Report of the Chief Electoral Officer.

<http://www.elections.ab.ca/wp-content/uploads/201617-Annual-Report-of-the-Chief-Electoral-Officer.pdf>

Election Finances and Contributions Disclosure Act. Relevant sections: 9.1, 44.1(1), 44.5, 44.7.

http://www.qp.alberta.ca/1266.cfm?page=E02.cfm&leg_type=Acts&isbncln=9780779730315

Alberta Liberal Party. “David Khan Demands Crackdown on PACs.”

http://www.albertaliberal.com/david_khan_demands_crackdown_on_pacs

Alberta Liberal Opposition. “Spectre of Dark Money Haunts Alberta Political Landscape.”

<http://liberalopposition.com/spectre-dark-money-haunts-alberta-political-landscape/>

Elections Ontario, Political Entities: Third Parties. <https://www.elections.on.ca/en/political-entities-in-ontario/third-parties.html>

Elections Manitoba, Political Participation: Third Parties.

http://www.electionsmanitoba.ca/en/Political_Participation/Third_Parties

Office of the Premier of British Columbia, Backgrounder: Election Amendment Act 2017.

<https://news.gov.bc.ca/releases/2017PREM0085-001593>

Wood, James. “NDP won’t tighten rules on Alberta’s ‘political action committees.’” *Calgary Herald*, June 27th, 2017.

<http://calgaryherald.com/news/politics/ndp-wont-tighten-rules-on-albertas-political-action-committees>

Wood, James. “NDP abruptly changes course on political action committees. Jason Kenney is unimpressed.” *Calgary Herald*, July 22nd, 2017. <http://calgaryherald.com/news/local-news/ndp-abruptly-changes-course-on-political-action-committees-jason-kenney-is-not-happy>

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