

REVISED INTERPRETATION BULLETIN

No. 06

JUNE 27, 2022

Purchasing Political Party and Constituency Association Memberships

Amendments to section 25 of the *Election Finances and Contributions Disclosure Act* (EFCDA) came into force on March 31, 2022. The amendments clarify the contribution rules in the context of purchasing memberships to political parties and constituency associations.

Section 25 reads:

Annual Membership Fees

25(1) *An annual membership fee paid by a person for the person's own membership in a political party or in a constituency association of that party, or in both, is not a contribution for the purposes of this Act if*

- (a) *the fee or, when a fee is paid to the party and to a constituency association of that party, the total of those fees, does not exceed \$50, and*
- (b) *the political party and constituency association each maintain a membership list indicating the amount of the fee or fees paid by each member that is allocated to the political party or constituency association, as the case may be,*

but if the fee or total of those fees exceeds \$50, the amount of the excess shall be considered as a contribution.

(2) *An annual membership fee paid by a person on behalf of another person for that person's membership in a political party or in a constituency association of that party, or in both, is a contribution by the person who paid the fee for the purposes of this Act.*



Normally, money flowing to a political party or constituency association without compensation in return would be a “contribution” under the EFCDA (see the definition of “contribution” at section 1(1)(e) of the EFCDA). However, section 25 creates an exception to this general rule. Section 25(1) shields the purchase of political party and constituency memberships from the contribution rules that would otherwise apply.

More specifically, when an individual purchases a political party membership or a constituency association membership (or both), up to a total of \$50, the money that flows to the political party or constituency association is not a contribution. In order for this exception to apply, the political party or constituency association must record and maintain a membership list that includes the amount/s paid and the identity of the individual who paid for the membership/s.

If the total of one or more memberships purchased (party, constituency association or both) is over \$50, the amount over \$50 is a contribution and all of the rules respecting contributions apply to that portion of the membership fee(s).

Section 25(2) addresses the scenario where someone purchases a political party or constituency association membership for someone else. In this case, the membership fees are a contribution by the person paying for the memberships.

Recording the purchase of memberships on behalf of others as a contribution ensures transparency with respect to the source of funds received by a party or constituency association, and ensures that a single individual cannot exceed the statutory contribution limit by paying membership fees for others.

This means that only individuals who are eligible to make a contribution under section 16 of the EFCDA can purchase a political party or constituency association membership for someone else. Section 16 of the EFCDA limits contributors to individuals who ordinarily reside in Alberta.



In reviewing the finances of a registered party, the Chief Electoral Officer will presume that all revenue generated from the sale of memberships are contributions, unless the registered party (or constituency association as the case may be) can verify that the membership was purchased by an individual for themselves (and does not exceed the \$50 threshold).¹

In practice, this means that registered parties should record and be able to verify the form and amount of payment as well as identity of the payor.

Although the EFCDA contemplates that one person might pay membership fees for another person, nothing in the EFCDA authorizes any person to use or provide another person's name, identity, email address or other information without that person's consent.

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Note: This Bulletin replace Interim Interpretation Bulletin No. 06, dated April 5, 2022.

¹ The Chief Electoral Officer is of the view that a person purchasing a membership for their spouse, or for another person who is part of the same household and who is in a financially interdependent relationship with the purchaser, would not constitute a contribution.

