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2010 BUDGET BRIEFING NOTE

Registration Fees - Lobbyist Registry

Issue / Background:

The issue of charging a fee for registering with the lobbyist registry was raised at Budget Committee on March 3, 2010.

On February 5, 6, 7 and 8, 2007, City Council adopted the following motion:

“The new Lobbyist Registrar report on a plan to partially recover costs related to the operation of a Registry by charging lobbyists a registration fee from the beginning of the program.”

On December 17, 2007, then Lobbyist Registrar Marilyn Abraham recommended that “there be a fee of \$150.00 for the processing of paper based applications for registration”; and that “no further fees be imposed at this time with the exception of photocopy and other information as supplied through the Office of the City Clerk” (Executive Committee Item 16.3, “Fees for the Lobbyist Registry”. City Council on January 29 and 30, 2008, deferred consideration of this Item until Council has had an opportunity to review the operation of the registry. Council has not yet reviewed the operation of the registry.

EX16.3: <http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-9685.pdf>

Summary

Charging a registration fee for online registrations is not a best practice among Canadian lobbyist registries. Online registration fees are to be discontinued by British Columbia’s lobbyist registry effective April 1, 2010 because they do not recover costs and have been found to be a disincentive to register. Charging an online registration fee, if it is a disincentive to register, would contradict the principle of transparency the lobbyist registry was established to uphold.

Charging an online registration fee would require:

- amending Chapter 140 of the Toronto Municipal Code to impose fees and address related issues such as collection and enforcement;
- significant, wide-ranging changes to the lobbyist registry’s IT system applications for registrations; and
- additions to staff functions to administer, monitor and enforce the fee requirement.

Charging a paper registration fee would require similar amendments to Chapter 140 and additions to staff functions. A fee for paper registration has been adopted by some jurisdictions, including Ontario, to recover the additional costs of processing a paper registration and to encourage online registration. This would not appear to be a necessary step for Toronto's registry, which has processed only one paper registration since the registry opened two years ago.

Key Points:

Other Jurisdictions

The majority of Canadian lobbyist registries, including the Ontario and federal registries, do not charge a fee to register online. Some Canadian registries, including Ontario but not the federal registry, charge a fee for paper registration together with free online registration as an incentive to register online.

Effective April 1, 2010, British Columbia is discontinuing the practice of charging online registration fees, as they do not recover costs and act as a disincentive to registration. The federal registry charges no registration fee of any kind.

Three registries (Alberta, Ontario, Quebec) offer free online registration and charge a fee for paper registration as a disincentive to paper filing and an incentive to file electronically. Two others (Newfoundland and Labrador, Nova Scotia) charge discounted fees for online registration and higher fees for paper registration, as set out below.

Fees List

Alberta	No fee for online registration. Regulations allow a fee of \$150.00 for a paper registration and \$75.00 for every paper change or renewal. The fee is a disincentive to paper registrations. No fee has yet been charged, as there have been no paper registrations.
British Columbia	Effective April 1, 2010, no fee will be charged for registration. Registration fees have not proved to be an effective cost recovery mechanism and are thought to act as a disincentive to register.
Canada	No registration fee.
Newfoundland and Labrador	Charges fees for online (\$60.00) and paper (\$150.00) registration to consultant lobbyists. In-house lobbyists register online free and pay \$100.00 for paper registration. Fees at a similar level are charged to renew a return semi-annually. Fees are also charged for updates and certified copies.
Nova Scotia	\$59.69 to register online; free online registration for organizations. \$119.38 to register by paper; \$53.25 for paper registration for organizations. \$29.84 to renew every six months; free online renewals for organizations.

- Ontario No fee for online registration; \$150.00 fee for paper registration O. Reg. 722/98. Ontario declined to apply a fee to electronic filings, considering the following factors: if a fee were applied for every filing, registrations could decrease; charging a fee for electronic filings would be inconsistent with the federal model. Ontario adopted a paper registration fee following the federal model at the time, and because charging a fee for paper filing would be a good incentive to file electronically. (The federal registry discontinued the paper registration fee in recent amendments to its legislation.) The Ontario registry reports that it has not received a paper registration in years.
- Quebec No fee for online registration; \$10.00 fee for paper registration or renewal.

Policy Considerations

In January 2008, City Council voted to defer the consideration of registration fees until Council has had an opportunity to review the operation of the registry. Such a review has not yet occurred.

The City may pass by-laws imposing fees or charges on persons for services or activities provided or done by or on behalf of it for costs payable by it. Notice of any proposed fee must be given together with an opportunity for persons to depute on the matter. Fees charged should be consistent with the costs related to the services or activities. See the *City of Toronto Act, 2006*, PART IX, FEES AND CHARGES.

Chapter 140 of the Toronto Municipal Code (Lobbying) does not presently authorize the charging or enforcement of fees for registration. Amendments to Chapter 140 would be required to implement a registration fee system.

The *City of Toronto Act, 2006*, s. 165 requires the City to establish and maintain a registry that shall be available for public inspection. Chapter 140 of the Toronto Municipal Code (Lobbying) provides that the purpose of the registry is to provide transparency through public disclosure of lobbying activity, as this is important to the integrity of City government decision-making. The charging of a fee to register has been considered by other provincial registries (Ontario, British Columbia) to be a disincentive to register. Such a result would be inconsistent with the policy of transparency that underlies the legislation governing the registry.

Charging fees for online registration would not be consistent with the practice of the majority of Canadian registries, including the federal and Ontario registries. This would introduce a new requirement with which lobbyists who register in all three registries are not familiar and which is not required by the other levels of government.

Toronto's lobbyist registry has received only one paper registration in the two years it has operated. There is therefore no apparent need for a disincentive to register by paper.

Estimated Costs

Capital Costs

Charging a fee for online registration would require a capital project of from \$50-100k for changes to the registry system's IT database and internal application system for online registration. There may be further unanticipated costs depending on how the system is affected by the fee requirement.

Operating Costs

Additional administrative and investigative staff costs would result from the need to administer and enforce the fee. While it is not possible at this time to estimate the precise cost, this could be the equivalent of a part-time Lobbyist Registry Advisor.

Assuming payment by credit card, the bank fee for credit card transactions is 2-3%.

Estimated Revenues

The range of fees in other jurisdictions for online registrations is 0 to \$60.00, and for paper registration from \$100.00 to \$150.00.

In 2009, the registry registered 193 new lobbyists and 824 new subject matters online and had no paper registrations. Assuming a fee of \$60.00 (the highest charged by any province) for online registrations of lobbyist and subject matter registrations, and current levels of registrations in future years, annual revenues from fees would be estimated at approximately \$60,000.00. Revenues from paper registrations would be expected to be minimal.

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