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**Item No. 3**  
**Halifax Regional Council**  
**September 14, 2010**

**TO:** Mayor Kelly and Members of Halifax Regional Council

Original Signed by Director

**SUBMITTED BY:** \_\_\_\_\_  
M.E. Donovan, Q.C., Director, Legal Services & Risk Management

**DATE:** August 24, 2010

**SUBJECT:** Charitable Solicitation By-law  
\_\_\_\_\_

**INFORMATION REPORT**

**ORIGIN**

Councillor Fougere's February 18, 2003 request for an information report respecting the administrative and budgetary implications of a potential by-law (similar to one in Fredericton, New Brunswick) dealing with door-to-door charitable solicitation in HRM, in light of recent concerns brought about by look alike charities (Status Sheet Item #11.1).

**BACKGROUND**

The objective of a door-to-door charitable solicitation licencing requirement would be to ensure that the individuals or organizations engaged in charitable solicitation are legitimate charities or are raising funds for legitimate charities. The intention would be that such screening, vis-a-vis the licencing process, would provide some level of public assurance that when individuals donate funds to such organizations, those donations will in fact reach the intended charitable cause.

This matter was initially brought forward in 2003 in response to a number of media stories on registered charities that were using only a fraction of the money they raised to support their objectives, while the majority of funds raised went to covering expenses. No further public inquiries or public comment have been received or noted in the interim.

## **DISCUSSION**

Section 188(2) of the *HRM Charter*, S.N.S. 2008, c. 39 confers authority on HRM to set up a system of licences, permits and approvals that includes the power to licence charitable solicitation. This reflects powers that go back to the 1931 Halifax City Charter, which provided for tag days. The tag day system was a limited licencing scheme that required organizations to obtain permission from City Council to raise funds by soliciting donations in exchange for “tags”, or through like activities.

The City of Fredericton regulates soliciting by requiring authorization from the municipality to solicit under its loitering by-law, while the City of Vancouver has a more formalized process for granting licences for charitable solicitation under its general licencing by-law. Vancouver’s by-law more directly addresses the issues raised by Councillor Fougere’s request, while Fredericton’s by-law is primarily directed at the public nuisance aspect of solicitation. The fee for a charitable solicitation licence under the Vancouver By-Law is \$10.00, though the City estimates that the administration cost of a licence to the City is \$60.00 to \$70.00.

Historically, the Municipal Clerk’s Office was responsible for administering “tag days”. Because the objective of “tag days” was to regulate the number of charitable organizations soliciting at one time, the role of the Municipal Clerk’s Office was to keep a calendar of when the various organizations were soliciting. This differs from the objective of the type of licencing proposed, which is to assess the bona fides of the organizations that are soliciting.

HRM could institute criteria similar to that used by Vancouver, requiring a copy of the group’s certificate of incorporation under the *Societies Act*, a description of the nature of the solicitation, information on the nature of the organization, and a copy of any contract that exists for professional canvassing services. This type of investigation represents a new service that would require administrative support, the cost of which is undetermined. The news stories from 2003 are clear that even these “look-alike” charities can be federally registered, and thus the provision of this information does not guarantee where the funds are being directed.

A measure of regulatory oversight already exists, in that the Canada Revenue Agency already monitors registered charities and will revoke an organization’s charitable status where warranted.

## **BUDGET IMPLICATIONS**

Given the low cost of a charitable solicitation licence, administering such licencing is an initiative which the City of Vancouver has made a conscious decision to implement and in which to invest. While the fee charged for each licence is only \$10.00, the City estimated that the actual cost of issuing the licence (administration) was \$60.00 or \$70.00. This new licencing scheme would require administrative support and would require a budgetary commitment.

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

**COMMUNITY ENGAGEMENT**

Not applicable

**ATTACHMENTS**

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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