

立法會
Legislative Council

LC Paper No. LS22/06-07

**Paper for the House Committee Meeting
on 5 January 2007**

**Legal Service Division Report on
District Councils (Amendment) Bill 2006**

I. SUMMARY

1. **Objects of the Bill** To establish a financial assistance scheme for election expenses incurred by District Council (DC) election candidates and to extend to the similar scheme in respect of LegCo elections its more favourable formula for calculating the maximum amounts of financial assistance payable.

2. **Comments**
 - (a) The financial assistance scheme proposed for DC elections is based on the existing scheme first introduced for the 2004 LegCo election ;
 - (b) Like its LegCo counterpart, the monetary payment will be fixed at \$10 per valid vote cast for the candidate, capped at 50% of his declared election expenses;
 - (c) Unlike its LegCo counterpart, the candidate's declared election expenses will not, for the purpose of calculation of that cap, have any election donation netted off and consequentially, the LegCo scheme will be aligned accordingly so that the netting off of election donations will also not be required;
 - (d) Unlike its LegCo counterpart, the accounts of the declared election expenses will not need to be audited by an auditor to enable a claim to be made, in view of the disproportionate cost of an audit.

3. **Consultation with LegCo Panel** The Panel on Constitutional Affairs was consulted at its meeting on 21 April 2006, at which Members suggested that election donations not be deducted from election expenses when calculating the amount of financial assistance payable.

4. **Conclusion** The legal and drafting aspects of the Bill, which mirrors similar provisions in the Legislative Council Ordinance, are in order. Members may wish to consider whether there are any concerns that may need deliberation.

II. REPORT

Objects of the Bill

To establish a financial assistance scheme for election expenses incurred by District Council (DC) election candidates and to extend to the similar scheme in respect of LegCo elections its more favourable formula for calculating the maximum amounts of financial assistance payable.

LegCo Brief Reference

2. CAB C2/7 issued by Constitutional Affairs Bureau on 7 December 2006.

Date of First Reading

3. 20 December 2006.

Comment

4. The Bill proposes a financial assistance scheme (the DC scheme) for DC election candidates similar to the one first introduced for candidates in the 2004 LegCo election (the LegCo scheme). The amount of financial assistance payable to a candidate is \$10 per valid vote cast for him (or in an uncontested constituency, \$10 times 50% of the number of registered electors for the constituency), capped by 50% of his declared election expenses, provided that he obtains at least 5% of the total number of valid votes cast in the constituency concerned.

5. The DC scheme differs from the LegCo scheme in two aspects -

- (a) the election expenses incurred by an eligible DC election candidate do not have to be net of any election donations he received for the purpose of calculating the 50% cap as required under the LegCo scheme;
- (b) the accounts of the declared election expenses of the DC election candidate do not have to be audited by an auditor to enable a claim to be made as required under the LegCo scheme, in view of the high cost of an audit in proportion to the amount of financial assistance payable in the case of a DC election candidate.

6. In line with the DC scheme, the calculation of the maximum amount of financial assistance payable under the LegCo scheme will also be relaxed so that for the purpose of that calculation, any election donations will in future not have to be netted off. Consequential amendments are proposed by the Bill to the relevant provisions of the Legislative Council Ordinance (Cap. 542).

7. The Bill also empowers the Electoral Affairs Commission to make regulations to implement the DC scheme.

Consultation with LegCo Panel

8. At its meeting on 21 April 2006, the Panel on Constitutional Affairs was consulted on the proposal to introduce a financial assistance scheme to DC elections similar to the one applicable to LegCo elections. The majority of members considered that election donations should not be taken into account in calculating the maximum amounts of financial assistance payable. They pointed out that in the 2004 LegCo election, political parties had to work out complicated loan arrangements with candidates in order to maximize their benefit under the scheme.

Conclusion

9. The legal and drafting aspects of the Bill, which mirrors similar provisions in the Legislative Council Ordinance, are in order. Members may wish to consider whether there are any concerns that may need deliberation.

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