REPORT OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED MAY 8, 2001

On motion of Councillor Clement, the Report of the Standing Committee on Fiscal Issues, dated May 8, 2001, was considered clause by clause.

Moved by Councillor Clement,
That the Consent Agenda, Clauses 1 and 2, be adopted.

Carried.

Recommendations for Entertainment Funding By-law Exemptions – May, 2001
File FL-6 (Vol. 24)

585 - 1. The Standing Committee on Fiscal Issues has been advised that in accordance with due process, the Corporate Finance Department has conducted a consistent and thorough review of all applications received for exemption from The Entertainment Funding By-law in accordance with the criteria set forth in the By-law and Schedule "B" thereto.

The financial impact of approving these applications for exemption from the entertainment funding tax is unknown. The tax revenue that could be generated from events hosted by these organizations cannot be quantified as the events have not yet occurred.

Pursuant to its review, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and recommends:

I. That the following amusements and/or places of amusement, which meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be listed in Schedule "A" thereto, namely:

Musik Barock Ensemble
Local Spiritual Assembly of Bahai's of Winnipeg
Winnipeg Male Chorus
Lake Winnipeg Mission Camp Society Inc.
School of Contemporary Dancers
Winnipeg International Writers Festival
Storyline FX Inc./Freeze Frame
Orlan Ukrainian Folk Ensemble Inc.

II. That the City Solicitor/Manager of Legal Services be directed to prepare the necessary amending By-law in accordance with the foregoing for submission directly to Council for approval.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

Adopted by consent.

Minor Amendment to Subsection 3(b) of Schedule "B" of The Entertainment Funding By-law No. 7710/2000
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586 - 2. On September 20, 2000, Council enacted By-law No. 7710/2000 referred to as "The Entertainment Funding By-law", which came into force and effect January 1, 2001, replacing the former Amusement Tax By-law No. 3107/81.

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Schedule "B" of The Entertainment Funding By-law articulates the Listing Principles for an amusement where an organization has made application for an exemption. Listings are intended to assist locally based charitable and not-for-profit cultural or athletic organizations in producing entertainment and sporting events with admission prices at a level which will encourage a broad audience. Listings are not intended to apply where an amusement is held for fundraising events in which the performers or promoters profit or where the exemption would result in for-profit gain.

Subsection 3(b) of Schedule "B" permits fundraisers to be exempt where performers receive small honorariums of less than $50.00. However, the subsection as currently worded suggests that performers can receive no more than $50.00 for expenses if the fundraiser is to be exempt from the tax. As an example, under this wording an exemption would not be provided if an entertainer was flown to Winnipeg to perform a benefit concert and the airfare was paid for the performer, as the airfare alone would exceed $50.00.

Inasmuch as the intent of this section of the by-law was to allow an exemption for fundraisers who pay performers small honorariums of less than $50.00 plus reimbursement for reasonable expenses, a simple housekeeping amendment is recommended to revise the wording to subsection 3(b) to permit an exemption for fundraisers who pay performers small honorariums of less than $50.00 and reimburses them for reasonable expenses. Of note, this subsection is currently being applied based on the original intent of the By-law.

The Standing Committee on Fiscal Issues therefore recommends:

I. That Subsection 3(b) of Schedule "B" of The Entertainment Funding By-law No. 7710/2000 be repealed and substituted with the following:

"3(b) individuals participating in the amusement each receive no more than $50.00 in remuneration for their services, in addition to reimbursement for reasonable expenses related to their participation in the amusement."

II. That the City Solicitor/Manager of Legal Services be directed to prepare the necessary amending by-law in accordance with the foregoing for submission directly to Council for approval.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Adopted by consent.

STANDING COMMITTEE ON FISCAL ISSUES

CONSIDERATION OF BY-LAWS

587 - On motion of Councillor Clement, the following by-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:

By-law No. 7834/2001, a by-law of The City of Winnipeg to amend the Entertainment Funding By-law No. 7710/2000. File FL-6 (Vol. 24)

By-law No. 7844/2001, a by-law of The City of Winnipeg to amend the Entertainment Funding By-law No. 7710/2000. File FL-6 (Vol. 24)