Minute No. 586
Report - Standing Committee on Fiscal Issues - July 12, 2005

Item No. 1 Entertainment Funding By-law Exemption
File FL-6

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Committee on Fiscal Issues and adopted the following:

1. That the following amusement and/or place of amusement, which meets the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be listed in Schedule "A":

   A. The Asper Foundation's "The Izzy Asper Annual Jazz Performances" to be held at the Berney Theatre, Asper Jewish Community Campus.

2. That pursuant to Section 347 of The City of Winnipeg Charter, the taxes owing with respect to the following events previously held by the Sarasvati Dramatic Theatre Productions and Repertory Inc. be cancelled, namely:

   A. The "FemFest 2004" held on October 21st - 30th, 2004; and

   B. The "International Women's Week Cabaret of Monologues" held on March 11 and 12, 2005.

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

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DECISION MAKING HISTORY:

Moved by Councillor Clement,
That the recommendation of the Standing Committee on Fiscal Issues be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 20, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Committee on Fiscal Issues and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 12, 2005, the Standing Committee on Fiscal Issues concurred in the administrative recommendation as amended, namely:

- Administrative recommendation 1 recommending that amusement and/or place of amusement which meets the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000 be listed in Schedule "A", be concurred in.

- Administrative recommendation 2 recommending that amusements and/or places of amusement which do not meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000 be denied listing in Schedule "A", not be concurred in,

and submitted the matter to the Executive Policy Committee and Council.

Further, the Standing Committee on Fiscal Issues passed the following motion:

WHEREAS the Entertainment Funding By-law No. 7710/2000 ("the By-law") imposes a tax upon persons attending places of amusement;

AND WHEREAS section 6 of the By-law provides that no person shall be required to pay for attending an amusement, or place of amusement, that is listed in Schedule "A" of the By-Law;

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DECISION MAKING HISTORY (continued)

AND WHEREAS the Sarasvati Dramatic Theatre Productions and Repertory Inc. has submitted an application for exemption of its The "FemFest 2004" previously held on October 21st – 30th, 2004; and The "International Women's Week Cabaret of Monologues" previously held on March 11 & 12, 2005, which monies are owing and payable to the City in respect of amusement tax relating to those events;

AND WHEREAS the Sarasvati Dramatic Theatre Productions and Repertory Inc.'s application for an exemption of its The "FemFest 2004" previously held on October 21st – 30th, 2004; and The "International Women's Week Cabaret of Monologues" previously held on March 11 & 12, 2005 would have met the criteria for an exemption and listing in Schedule "A" of the By-law;

AND WHEREAS the Sarasvati Dramatic Theatre Productions and Repertory Inc.'s application for an exemption for its general listing of performances has been approved;

AND WHEREAS section 347 of The City of Winnipeg Charter provides that Council may, by by-law, cancel in whole or in part any taxes or any debt or money owing to the City;

THEREFORE BE IT RESOLVED THAT pursuant to section 347 of The City of Winnipeg Charter the taxes owing in respect of the Sarasvati Dramatic Theatre Productions and Repertory Inc.'s application for an exemption of its The "FemFest 2004" previously held on October 21st – 30th, 2004; and The "International Women's Week Cabaret of Monologues" previously held on March 11 & 12, 2005 be cancelled.

On June 14, 2005, the Standing Committee on Fiscal Issues laid over consideration of the following amusement and/or place of amusement, that does not meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, namely:

A. The "FemFest" previously held on October 21 - 30, 2004 by Sarasvati Dramatic Theatre Productions and Repertory Inc., until such time as the organization's application for exemption for A Cabaret of Monologues held on March 11 - 12, 2005 comes forward.

ADMINISTRATIVE REPORT

RE: RECOMMENDATION FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – JULY 2005

FOR SUBMISSION TO: STANDING COMMITTEE ON FISCAL ISSUES

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: July 4, 2005

RECOMMENDATION(S):

That the following amusement and/or place of amusement, which **meets** the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be recommended to Council for listing in Schedule "A":

1. The Asper Foundation's "The Izzy Asper Annual Jazz Performances" to be held at the Berney Theatre, Asper Jewish Community Campus.

That the following amusements and/or places of amusement, which **do not meet** the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be denied listing in Schedule "A":

2. Sarasvati Dramatic Theatre Productions and Repertory Inc. for the events:
   A. The "FemFest 2004" previously held on October 21st – 30th, 2004; and
   B. The "International Women's Week Cabaret of Monologues" previously held on March 11 & 12, 2005.

REPORT SUMMARY:

Key Issue(s):

The Administrative recommendations contained within this report have been made in accordance with the criteria set forth in the Entertainment Funding By-law No. 7710/2000.

Notwithstanding these recommendations, particularly the recommendation which denies a listing under Schedule "A", the Charter contains provisions which would allow Council to cancel the entertainment funding tax for amusements and/or places of amusements which would otherwise be subject to the tax.

The Standing Committee on Fiscal Issues, on June 22, 2005, recommended that the Sarasvati Dramatic Theatre Productions and Repertory Inc.'s production of "FemFest 2004" previously held on October 21st – 30th, 2004, be laid over until such time that their production "International Women's Week Cabaret of Monologues" comes forward for consideration. This report considers both events.

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): Council may exercise its discretion and approve exemptions on amusements that fall outside the listing principles contained in the By-law.

Policy Implications

x	**No**
	Yes

Comment(s):

Environmental Implications:

x	**No**
	Yes

Comment(s):

Human Resources Implications:

x	**No**
	Yes

Comment(s):

Financial implications

x	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s): The financial impact of an approved application for exemption from the Entertainment Funding Tax is unknown. The tax revenue that could be generated from future events cannot be quantified.

REASON FOR THE REPORT:

Council must approve all Entertainment Funding By-law exemptions and may consider providing exemptions, or the cancellation of taxes owing, for amusements that would otherwise be denied an exemption.

HISTORY:

The Entertainment Funding By-law No. 7710/2000 was adopted in September 2000, wherein the former Amusement Tax By-law was replaced. A report to the Standing Committee on Fiscal Issues is prepared for each scheduled meeting if an application for exemption is received. The report was first submitted for the meeting of January 16, 2001 and for each meeting thereafter as required.

DISCUSSION:

An amusement or place of amusement may be listed in Schedule "A" where an organization has submitted an application for 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 fund raising events in which the performers or promoters profit or where the exemption would result in for-profit gains.

The Administration has conducted a thorough review of the applications received for exemption from the Entertainment Funding By-law in accordance with the criteria set forth in Schedules "A" and "B" of By-law No. 7710/2000.

Recommended for Exemption

The following amusement and/or place of amusement is being recommended for exemption listing in Schedule "A":

1. The Asper Foundation's "The Izzy Asper Annual Jazz Performances" to be held at the Berney Theatre, Asper Jewish Community Campus.

Not Recommended for Exemption

The following amusements and/or places of amusement are not recommended for exemption listing in Schedule "A": (Appendix "I" of this Report provides a table further illustrating the eligibility criteria that were not met.)

2. Sarasvati Dramatic Theatre Productions and Repertory Inc. for the events:
    a. The "FemFest 2004" which was previously held on October 21-30, 2004, and
    b. The "International Women's Week Cabaret of Monologues" previously held on March 11 & 12, 2005.

The Standing Committee on Fiscal Issues, on June 22, 2005, recommended that the Sarasvati Dramatic Theatre Productions and Repertory Inc.'s production of "FemFest 2004" previously held on October 21st – 30th, 2004, be laid over until such time as their production "International Women's Week Cabaret of Monologues" comes forward for consideration. The application for "International Women's Week Cabaret of Monologues" has been received and this report considers both events.

It is noted that on June 29, 2005 City Council approved the recommendation from the Standing Committee on Fiscal Issues that Sarasvati Dramatic Theatre Productions and Repertory Inc. receive a general exemption listing in Schedule 'A' of the Entertainment Funding By-law.

The events "FemFest 2004" held on October 21st – 30th, 2004 and "International Women's Week Cabaret of Monologues" held on March 11 & 12, 2005, are both recommended to be denied exemption listing as these events were held prior to Council's general exemption listing of this organization on June 29, 2005. If this recommendation is supported by Council, this organization will be required to submit the entertainment funding tax for these two events.

It is further noted that both noted events meet the criteria for exemption but are being recommended for denial based on the fact these events were held prior to Council's general exemption listing of the organization.

FINANCIAL IMPACT STATEMENT - Date: June 30, 2005

The financial impact of approving an application for exemption from the entertainment funding tax is unknown for the listed event. The tax revenue that could be generated from this event cannot be quantified because the event has not yet occurred.

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

Corporate Finance Department
Taxation & Revenue
Prepared by: Robert Weselowski, Manager of Taxation and Revenue
File No. Fiscal Issues Entertainment Funding July 2005.doc

APPENDIX "I"

Name of Organization	Name of Event	Criteria Not Satisfied
Sarasvati Dramatic Theatre Productions and Repertory Inc.	• FemFest 2004 • International Women's Week Cabaret of Monologues	Both events were held prior to the organization being granted a general exemption listing on June 29, 2005. The By-law does not contain provisions, which would allow for the retroactive listing of an amusement.