Agenda - Council - September 28, 2005

Report - Standing Committee on Fiscal Issues - September 13, 2005

Item No. 2 Entertainment Funding By-law Exemption
File FL-6

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Committee on Fiscal Issues and submits the following to Council:

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. Macdonald Youth Services.

2. 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":

   A. GenderPlay Cabaret for the event titled, "International Showcase" to be held on October 22, 2005 at the Burton Cummings Theatre.
   B. The Annual Winnipeg Irish Festival to be held by Comhaltas Winnipeg on September 10 and 11, 2005 at the Canadian Mennonite University.
   C. Philippine Association of Manitoba Inc. for the event titled, "Pork Chop Duo Comedy Concert" to be held on September 17, 2005 at the Burton Cummings Theatre.

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

Agenda - Council - September 28, 2005

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 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 September 13, 2005, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

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

FOR SUBMISSION TO: STANDING COMMITTEE ON FISCAL ISSUES

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: September 6, 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. Macdonald Youth Services

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. GenderPlay Cabaret for the event titled, "International Showcase" to be held on October 22, 2005 at the Burton Cummings Theatre.
3. The Annual Winnipeg Irish Festival to be held by Comhaltas Winnipeg on September 10 and 11, 2005 at the Canadian Mennonite University.
4. Philippine Association of Manitoba Inc. for the event titled, "Pork Chop Duo Comedy Concert" to be held on September 17, 2005 at the Burton Cummings Theatre.

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 those recommendations which deny 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 amusement which would otherwise be subject to the tax.

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. ***Macdonald Youth Services***

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. ***GenderPlay Cabaret for the event titled, "International Showcase" to be held on October 22, 2005 at the Burton Cummings Theatre.***

   GenderPlay Cabaret submitted an application for exemption from the entertainment funding tax for their "International Showcase." It is recommended

that this application be denied exemption as the event has limited local content and the organization does not meet the requirements stipulated of a charitable or not-for-profit cultural or athletic organization (see Appendix "I"). If this recommendation is supported by Council, the organization will be required to submit the entertainment funding tax for this event.

3. ***The Annual Winnipeg Irish Festival to be held by Comhaltas Winnipeg on September 10 and 11, 2005 at the Canadian Mennonite University.***

Comhaltas Winnipeg submitted an application for exemption from the entertainment funding tax for their "Annual Winnipeg Irish Festival" to be held on September 10 and 11, 2005. It is recommended that this application be denied exemption as their event will be held prior to the September 28, 2005 Council meeting (see Appendix "I"). If this recommendation is supported by Council, this organization will be required to submit the entertainment funding tax for this event.

It is further noted that the organization is in the process of applying for not-for-profit status. Once this status is granted, they will meet all the requirements stipulated in the By-law and we will resubmit their application for a general listing exemption from the entertainment funding tax for future events.

4. ***Philippine Association of Manitoba Inc. for the event titled, "Pork Chop Duo Comedy Concert" to be held on September 17, 2005 at the Burton Cummings Theatre.***

The Philippine Association of Manitoba submitted an application for exemption from the entertainment funding tax for their "Pork Chop Duo Comedy Concert" to be held on September 17, 2005. It is recommended that this application be denied exemption as their event will be held prior to the September 28, 2005 Council meeting (see Appendix "I"). If this recommendation is supported by Council, this organization will be required to submit the entertainment funding tax for this event.

It is further noted that this event meets the criteria for exemption but is being recommended for denial based on the fact the event will be held prior to Council's exemption listing of the event.

FINANCIAL IMPACT STATEMENT - Date: September 6, 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 September 2005.doc

APPENDIX "I"

Name of Organization	Name of Event	Criteria Not Satisfied
GenderPlay Cabaret	• International Showcase	- Limited Local Content Only 10% of the entertainers are from Winnipeg. - Charitable or not-for-profit cultural or athletic organization The organization is not incorporated as a not-for-profit cultural or athletic organization nor is it registered as a charity with Revenue Canada.
Comhaltas Winnipeg	• Annual Winnipeg Irish Festival	- Event will be held, prior to Council's September 28, 2005 meeting. The By-law does not contain provisions which would allow for the retroactive listing of an amusement. - Charitable or not-for-profit cultural or athletic organization The organization is not incorporated as a not-for-profit cultural or athletic organization nor is it registered as a charity with Revenue Canada. However, it is in the process of applying for not-for-profit status.
Philippine Association of Manitoba	• Pork Chop Duo Comedy Concert	- Event will be held, prior to Council's September 28, 2005 meeting. The By-law does not contain provisions which would allow for the retroactive listing of an amusement.