Minute No. 169
Report of the Standing Committee on Fiscal Issues - January 13, 2003

Item No. 1 Recommendations for Entertainment Funding By-law Exemption - January 2003
File FL-6 (Vol. 25)

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 **does not** meet the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000, be denied listing in Schedule "A":

   International Worship Centre

2. 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 Standing Committee on Fiscal Issues recommendation be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 22, 2003, 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 January 13, 2003, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submitted its recommendation to Executive Policy Committee and Council.

Re: RECOMMENDATIONS FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – JANUARY 2003

For submission to: **Standing Committee on Fiscal Issues**

Submitted by: **Chief Financial Officer**

Report date: **January 6, 2003**

In camera item: [ ] Yes [X] NO

Recommendations:

That the following amusement and/or place of amusement, which **does not** meet the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000, be denied listing in Schedule "A".

1. International Worship Centre

Report Summary

Key Issue(s):

The application received from International Worship Centre for exemption from the entertainment funding tax has not met the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000.

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 of Winnipeg
[ ] Involves a multi-year contract

Comment:

Policy implications

[X] No
[ ] Yes

Comment:

Financial implications

[ ] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment required

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

Report

Recommendations:

That the following amusement and/or place of amusement, which **does not** meet the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000, be denied listing in Schedule "A".

1. International Worship Centre

Reason for the Report:

Council must approve all Entertainment Funding By-law exemptions.

History:

The Entertainment Funding By-law 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 required 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 gain.

The Administration has conducted a consistent and thorough review of the application received for exemption from the Entertainment Funding By-law in accordance with the criteria set forth in both Schedule "B" and By-law 7710/2000. It is recommended that Council deny listing in Schedule "A" for the Entertainment Funding Tax exemption, as the organization has not satisfied the criteria set forth in Schedule "B ". The details are as follows:

Name of Organization	Name of Event	Criteria Not Satisfied
International Worship Centre	Gary V. Live in Winnipeg	Payment to performers exceed the amount allowed in Schedule B, Section 3(b).

Financial Impact Statement:

Project Name: EXEMPTION FOR ENTERTAINMENT FUNDING TAX
Date: JANUARY 6, 2003 First Year of Program **2003**

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The financial impact of approving or denying this application for exemption from the entertainment funding tax is unknown. 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"
Manager of Finance and Administration

In preparing this report, there was consultation with and concurrence by:

This Report Submitted By:

Department: Corporate Finance Department
Division: Taxation & Revenue
Prepared by: Bob Weselowski
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