Agenda – Council – October 22, 2003

Report of the Standing Committee on Fiscal Issues dated October 7, 2003

Item No. 1 Entertainment Funding By-law Exemption – October 2003
File FL-6

STANDING COMMITTEE RECOMMENDATION**:**

On October 7, 2003, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and recommends to Council:

1. That the following amusement 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":

   A. The National Screen Institute - Canada

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. St. David's Society of Winnipeg
   B. Mennonite Economic Development Associates

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

Report of the Standing Committee on Fiscal Issues dated October 7, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY RECOMMENDATION:

On October 15, 2003, the Executive Policy Committee concurred in the recommendations of the Standing Committee on Fiscal Issues and submitted the matters to Council.

STANDING COMMITTEE RECOMMENDATION:

On October 7, 2003, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council.

REPORT

RE: RECOMMENDATIONS FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – OCTOBER 2003

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: September 30, 2003

RECOMMENDATION(S):

That the following amusement and/or places of amusement, which meet 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 National Screen Institute - Canada

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":

1. St. David's Society of Winnipeg
2. Mennonite Economic Development Associates

REPORT SUMMARY

Key Issue(s):

- The application received from The National Screen Institute – Canada for exemption from the Entertainment Funding Tax has met the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000.

- Applications received from St. David's Society of Winnipeg and Mennonite Economic Development Associates for exemption from the Entertainment Funding Tax do not meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 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**
	Involves a multi-year contract

Comment(s): The application recommended for approval provides services to benefit the community as a whole.

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 approving the application for exemption from the entertainment funding tax is unknown. The tax revenue that could be generated from the event hosted by the organization cannot be quantified because the event has not yet occurred. Similarly, there are no financial implications for those exemption applications recommended for denial.

REPORT

REASON FOR THE REPORT:

Council must approve all Entertainment Funding By-law exemptions.

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 gain.

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 in Schedule "B" of By-law No. 7710/2000. It is recommended that Council approve listing in Schedule "A" for The National Screen Institute – Canada with respect to the Entertainment Funding Tax exemption as the organization has satisfied the criteria set forth in Schedule "B ".

Furthermore, the Administration recommends that Council deny listing in Schedule "A" for an Entertainment Funding Tax exemption for the following organizations as they have not satisfied the criteria set forth in Schedule "B":

Name of Organization	Name of Event	Criteria Not Satisfied
St. David's Society of Winnipeg	Concert –North American Welsh Choir on October 25, 2003.	• Limited local content, section 4 of Schedule B of By-law No. 7710/2000.
Mennonite Economic Development Associates	Not applicable (general listing).	• Payment to performers exceeds the amount allowed in clause 3(b) of Schedule B of By-law No. 7710/2000. • The organization does not render services to an identifiable group, section 1 of By-law No. 7710/2000.

FINANCIAL IMPACT STATEMENT

The financial impact of approving the application for exemption from the entertainment funding tax is unknown. The tax revenue that could be generated from the event hosted by this organization cannot be quantified because the event has not yet occurred. Similarly, there are no financial implications for those applications recommended for denial.

"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:

Department: Corporate Finance Department
Division: Taxation & Revenue
Prepared by: Mel Chambers, A/Manager of Taxation and Revenue

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