Agenda - Executive Policy Committee - April 14, 2004

Report - Standing Committee on Fiscal Issues - April 6, 2004

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

STANDING COMMITTEE RECOMMENDATION:

On April 6, 2004, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submits the following to Council:

1. 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. Chad's Hope Committee
   B. The event, "A Benefit Concert for the Cure" to be held by Chad's Hope Committee at the Winnipeg Convention Centre April 23, 2004.
   C. L.A. Dance Academy Inc.

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

Agenda - Executive Policy Committee - April 14, 2004

Report - Standing Committee on Fiscal Issues - April 6, 2004

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 6, 2004, 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: RECOMMENDATIONS FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – APRIL 2004

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: March 30, 2004

RECOMMENDATION(S):

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 7710/2000, be denied listing in Schedule "A"

1. Chad's Hope Committee
2. The event, "A Benefit Concert for the Cure" to be held by Chad's Hope Committee at the Winnipeg Convention Centre April 23, 2004.
3. L.A. Dance Academy Inc.

REPORT SUMMARY:

Key Issue(s):

All of the above applications received for exemption from the Entertainment Funding Tax have 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**
	Involves a multi-year contract

Comment(s): As a result of being denied the Entertainment Funding Tax exemption, the organizations will have to remit the applicable taxes.

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 denying 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 because the events have not yet occurred.

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 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 in Schedule ”B” of By-law 7710/2000. It is recommended that Council deny listing in Schedule “A” for the Entertainment Funding Tax exemption, as the following organizations have not satisfied the criteria set forth in Schedule B:

Name of Organization	**Name of Event**	**Criteria Not Satisfied**
Chad’s Hope Committee	General Listing	Section 2, Schedule B of By-law 7710/2000. • The organization is not a charitable or a not-profit cultural or athletic organization. Although an application has been filed with Revenue Canada this organization has yet to receive charitable status. • The organization does not render service to an identifiable group as defined in the by-law. An identifiable group is defined as a ‘section of the public distinguished by age, ancestry, nationality, gender, ethnic background, religion or belief’.
Chad’s Hope Committee	The event “ A Benefit Concert for the Cure” to be held at the Winnipeg Convention Centre on April 23, 2004.	Section 2, Schedule B of By-law 7710/2000. • The organization is not a charitable or a not-profit cultural or athletic organization. Although an application has been filed with Revenue Canada this organization has yet to receive charitable status. • The organization does not render service to an identifiable group as defined in the by-law. An identifiable group is defined as a ‘section of the public distinguished by age, ancestry, nationality, gender, ethnic background, religion or belief’.

L.A. Dance Academy Inc.	General Exemption	Section 2, Schedule B of By-law 7710/2000. • The organization is not a charitable or not-for-profit cultural or athletic organization as it is organized with share capital and does not democratically elect the governing body. • Net revenues will not be used to further the organization's undertaking or purpose.

FINANCIAL IMPACT STATEMENT - Date: April 2004

The financial impact of denying these applications for exemption from the entertainment funding tax is unknown. The tax revenue that could be generated from the events hosted by these organizations cannot be quantified because the events have 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 April 2004.doc