Agenda - Executive Policy Committee - June 16, 2004

Report - Standing Committee on Fiscal Issues - June 8, 2004

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

STANDING COMMITTEE RECOMMENDATION:

The Standing Committee on Fiscal Issues concurred in the administrative recommendation and recommends to Council:

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 No. 7710/2000, be denied listing in Schedule "A":

   A. The event "Gala Ball 2004" to be held by the Canadian Cancer Society - Manitoba Division, on September 18, 2004 at the Winnipeg Convention Centre.

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 - June 16, 2004

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 8, 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: RECOMMENDATION FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – JUNE 2004

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: June 1, 2004

RECOMMENDATION(S):

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":

> The event "Gala Ball 2004" to be held by the Canadian Cancer Society – Manitoba Division, on September 18, 2004 at the Winnipeg Convention Centre.

REPORT SUMMARY:

Key Issue(s):

The above application received 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**
	Involves a multi-year contract

Comment(s): As a result of being denied the Entertainment Funding Tax exemption, the organization 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 this 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.

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 application 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 organization has not satisfied the criteria set forth in Schedule B:

Name of Organization	**Name of Event**	**Criteria Not Satisfied**
Canadian Cancer Society – Manitoba Division	Gala Ball 2004	Section 3, Schedule B of By-law 7710/2000 under Fund raising activities • An amusement which is intended for fund raising may be listed where individuals participating in the amusement each receive no more than $50.00 in remuneration for their services, in addition to reimbursement for reasonable expenses related to their participation in the amusement. The Band that will be performing at the event will be paid in excess of $4,000.00.

FINANCIAL IMPACT STATEMENT - Date: May 2004

The financial impact of denying this 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.

"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 June 2004.doc