Agenda - Council - November 24, 2004

Report - Standing Committee on Fiscal Issues - November 9, 2004

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

STANDING COMMITTEE RECOMMENDATION:

On November 17, 2004, 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 amusements 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. Alpine Club of Canada, Manitoba Section
   B. Big Brothers Big Sisters of Winnipeg Inc.

2. 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, "A Time to Dream" to be held by Dreams Take Flight (Winnipeg Chapter) at the Centennial Concert Hall on February 12, 2005.

3. That the City Solicitor/Manager of Legal Services be directed to prepare the necessary amending By-law in accordance with the foregoing for submission directly to Council.

4. 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:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 17, 2004, 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 November 9, 2004, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submitted its recommendation to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: RECOMMENDATION FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – NOVEMBER 2004

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: November 2, 2004

RECOMMENDATION(S):

That the following amusements and/or places of amusement, which **meet** the criteria set forth in Schedule "B" of The Entertainment Funding By-law 7710/2000, be recommended to Council for listing in Schedule "A":

1. Alpine Club of Canada, Manitoba Section
2. Big Brothers Big Sisters of Winnipeg Inc.

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":

3. The event, "A Time to Dream" to be held by Dreams Take Flight (Winnipeg Chapter) at the Centennial Concert Hall on February 12, 2005.

REPORT SUMMARY:

The Administration has conducted a consistent and thorough review of all applications received for exemption from the Entertainment Funding By-law in accordance with the criteria set forth in By-law 7710/2000.

Key Issue(s):

The applications received from the Alpine Club of Canada, Manitoba Section and Big Brothers Big Sisters of Winnipeg Inc. for exemption from the Entertainment Funding Tax have **met** the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000.

The application received for the event "A Time to Dream" to be held by Dreams Take Flight (Winnipeg Chapter) 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 event, "A Time to Dream" to be held by Dreams Take Flight 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 approved applications for exemption from the Entertainment Funding Tax is unknown. The tax revenue that could be generated from the events being listed 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. For the amusement and/or place of amusement not being recommended for exemption listing in Schedule "A", the reason (i.e. the criteria that was not satisfied) is explained in the table below.

Name of Organization	Name of Event	Criteria Not Satisfied
Dreams Take Flight (Winnipeg Chapter)	The event "A Time to Dream"	Pursuant to By-law No. 7710/2000, Section 3 under Limited Local Content: • "For the purposes of this by-law, where more than 40% of the performers involved in the performance of an amusement do not reside within Winnipeg, the amusement is deemed to have limited local

		content." • The performer does not reside in Winnipeg.
Dreams Take Flight (Winnipeg Chapter)	The event "A Time to Dream"	By-law 7710/2000, Section 3 (b), of Schedule B under Fund Raising Activities: • "An amusement which is intended for fund raising may be listed where individuals performing the amusement receive no compensation for their participation, other than remuneration, limited to a maximum of $50, for expenses reasonably incurred related to their participation in the amusement." • The performer will be paid a salary in excess of the maximum limit of $50.00.

FINANCIAL IMPACT STATEMENT - Date: November 2004

The financial impact of denying the application "A Time to Dream" to be held by Dreams Take Flight (Winnipeg Chapter) and approving the applications from the Alpine Club of Canada, Manitoba Section and the Big Brothers Big Sisters of Winnipeg Inc. for exemption from the entertainment funding tax is unknown. The tax revenue that could be generated from these events 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
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