Agenda - Council - May 18, 2005

Report - Standing Committee on Fiscal Issues - May 3, 2005

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

STANDING COMMITTEE RECOMMENDATION:

On May 11, 2005, 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. The Event "Manitoba World Invitational Lion Dance Festival" to be held by Dragon & Lion Dance International of Canada Inc. on August 27, 2005, at the University of Winnipeg, Duckworth Centre.

   B. Winnipeg Labour Choir Incorporated.

2. That the following amusements and/or places of amusement, that 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. Canadian Volleyball Association (Team Canada Volleyball Centre)

3. That the following amusements and/or places of amusement that are currently listed in Schedule "A", that no longer meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be removed from listing in Schedule "A":

   A. Rossdale Ukrainian Dance School

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

Report - Standing Committee on Fiscal Issues - May 3, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 11, 2005, 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 May 3, 2005, 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 – MAY 2005

FOR SUBMISSION TO: STANDING COMMITTEE ON FISCAL ISSUES

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: April 25, 2005

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 No. 7710/2000, be recommended to Council for listing in Schedule "A":

1. The Event "Manitoba World Invitational Lion Dance Festival" to be held by Dragon & Lion Dance International of Canada Inc. on August 27, 2005 at the University of Winnipeg, Duckworth Centre

2. Winnipeg Labour Choir Incorporated

That the following amusements and/or places of amusement, that **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":

3. Canadian Volleyball Association (Team Canada Volleyball Centre)

That the following amusements and/or places of amusement that are currently listed in Schedule "A", that no longer meet the criteria set for the in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, **be removed** from listing in Schedule"A":

4. Rossdale Ukrainian Dance School

REPORT SUMMARY:

Key Issue(s):

The Administrative recommendations contained within this report have been made in accordance with the criteria set forth in the Entertainment Funding By-law No. 7710/2000.

Notwithstanding these recommendations, particularly those recommendations which deny a listing under Schedule "A", the By-law does contain provisions which would allow Council to provide an exemption for amusements and/or places of amusements which would otherwise be subject to the tax.

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): Council may exercise its discretion and approve exemptions on amusements that fall outside the listing principles contained in the By-law.

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 an approved application for exemption from the Entertainment Funding Tax is unknown. The tax revenue that could be generated from future events cannot be quantified.

REASON FOR THE REPORT:

Council must approve all Entertainment Funding By-law exemptions and may consider providing exemptions for amusements that would otherwise be denied an exemption.

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 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 Schedules "A" and "B" of By-law No. 7710/2000.

Recommended for Exemption

The following amusements and/or places of amusement are being recommended for exemption listing in Schedule "A":

1. ***The Event "Manitoba World Invitational Lion Dance Festival" to be held by Dragon & Lion Dance International of Canada Inc. on August 27, 2005 at the University of Winnipeg Duckworth Centre***

2. ***Winnipeg Labour Choir Incorporated***

Not Recommended for Exemption

The following amusements and/or places of amusement are not recommended for exemption listing in Schedule "A": (Appendix "I" of this Report provides a table further illustrating the eligibility criteria that were not met.)

3. ***Canadian Volleyball Association (Team Canada Volleyball Centre)***

Team Canada Volleyball Association (Team Canada Volleyball Centre) submitted an application for their international competitions and a fundraising event called Superspike. It is recommended that this application be denied as they do not meet the local content requirement for their international competitions. It is also recommended that the fundraising event titled "Superspike" be denied as the performers will receive payment that exceeds the amount allotted for remuneration under the By-law.

Recommended to be removed from listing in Schedule "A":

The following amusements and/or places of amusement that are currently listed in Schedule "A", are being recommended for removal from listing in Schedule "A": (Appendix "I" of this Report provides a table further illustrating the eligibility criteria that were not met.)

4. Rossdale Ukrainian Dance School

Pursuant to Section 17 of the By-law, a listing in Schedule "A" may be revoked as follows:

> ***Listings may be revoked***
>
> *Listings in Schedule "A" may be repealed:*
>
> *(a) Where an owner fails to comply with the provision of this by-law, or a request made by the Director of Corporate Finance;*
>
> *(b) Where Council is of the opinion that the listing fails to meet the intent of this by-law; or*
>
> *(c) For any other reason at the discretion of City Council.*

Upon a review of the organization's file, *"Rossdale Ukrainian Dance School"* was requested to reapply for their exemption listing as approved by Council on January 31, 2001.

Rossdale Ukrainian Dance School is located in St. Andrews, Manitoba and, upon review of their new application, it was determined that the 60% local content requirement was not met and therefore not eligible for general exemption listing. It is therefore recommended that this organization be removed from listing in Schedule "A" of the Entertainment Funding By-Law.

FINANCIAL IMPACT STATEMENT - Date: April 22, 2005

The financial impact of approving applications for exemption from the entertainment funding tax is unknown for the listed events. The tax revenue that could be generated from these events 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 Entertainment Funding May 2005.doc

APPENDIX "I"

Name of Organization	Name of Event	Criteria Not Satisfied
Canadian Volleyball Association (Team Canada Volleyball Centre)	• International Competitions	Limited Local Content The Local Content for these competitions can be anywhere from 12.5 to 50% depending how many teams are involved.
	• Superspike	Individuals participating in the amusement will receive more than $50 in remuneration for their services.
Rossdale Ukrainian Dance School	General Listing	Mounted and assembled outside the City and has limited local content: The local content as listed on their first application was 100%. The local content listed on the new application is only 40%. The Rossdale Ukrainian Dance School is located in St. Andrews.