

MINUTES

BRITISH COLUMBIA GAMING COMMISSION MANAGEMENT MEETING COMMISSION CONFERENCE ROOM

0900 HOURS WEDNESDAY, 30 JUNE 1999

Chair	Executive Director, Harry Elliott
Members	Manager, Commission Secretariat, Gary Hoskins
	Manager, Licensing, Kathy Chopik (absent)
	Manager, Compliance & Field Operations, Ian Smith
	Manager, Finance & Administration, Dennis Verge
	Community Relations Officer, Sue Thomas
	Regional Manager, Vancouver Lower Mainland (LM), Reece Wrightman
	Auditor, Lower Mainland, Steve Lukose
	Regional Manager, Vancouver Island (VI), Robin Jomha
	Regional Manager, North, Lyn Hall (absent)
	Inspector, North, Bob Kobewka
	Regional Manager, Southern Interior (SI), Dave Shier
	Executive Assistant, Dawn Schneider, Recorder

File: 102-20/04
5 July 1999

ITEM

SUBJECT

ACTION

Item 1 **Introductory Remarks**

A copy of the Minister's announcement was sent to the Management Team on 17 June 1999.

The Executive Director reviewed the gaming expansion announcement which included:

- The appointment of an independent advisor to recommend an arms-length process for dealing with any proposed relocation of existing casino facilities.
- Reaffirmation to protect charitable gaming interest with the continuation of the \$125M annually indexed by the Vancouver consumer price index.
- The continuation of the bingo facility top-up revenue on an interim basis until the Commission determines it should be phased out.
- The memoranda of agreement with Union of B.C. Municipalities; the B.C. Association for Charitable Gaming; and the B.C. Bingo Council, setting out principles to govern relationships on gaming issues, was forwarded to the Management Team.

Listed are some of the items mentioned in the B.C. Association for Charitable Gaming and the B.C. Bingo Council MOAs:

- Affirming that charities have exclusive domain over all bingo activities;
- That BCGC will be the only licensing authority in B.C. ;
- Reaffirming the \$125M annually to the charities;
- Reaffirming that the province will pursue amendments to the gaming provisions of the federal *Criminal Code of Canada* to permit the broad use of technology-assisted bingo by licensed charities, so that licensed charities can have exclusive domain over all bingo activities.
- Affirming that the existing bingo facility-level guarantee will remain in effect for an interim period to be determined by the Gaming Commission. (The Executive Director has scheduled a meeting to discuss the mature market level with GPS).
- Affirms that the "public foundation" licensing model recommended in the White Paper will not be pursued.

- The Minister reaffirmed in the Estimates that the Rhodes Report makes significant recommendations around the issues of enforcement and ways of approving accountability within the Gaming Commission. All the recommendations in the White Paper, in this regard, will be implemented.
- The Management Minutes of 2 June were distributed – no further comments.
- The Board of Commissioners' Meeting agenda for the 29 June was previously distributed to the Management Team.
- Marc Sabourin, Senior Policy Advisor, provided an overview of gaming and the roles and responsibilities of the Gaming Policy Secretariat on behalf of Mark MacKinnon, Executive Director, GPS.
- The BOC approved Draft V of the Charitable Bingo Association Governance Manual with minor amendments.
- The Chair met with the Minister on 22 June. The Minister endorsed the Gaming Commission to move forward with the dual-licensing model and what is outlined in the Governance Manual.
- The BOC approved the Bingo Hall Financial Model subject to clarification of the percentages to the Association. They will review this item at the August BOC meeting.
- The BOC reaffirmed the policy associated with the Municipal Recreation Associations.
- The BOC approved the implementation plan for dual licensing. It is anticipated that a Commissioner will attend each presentation.
- Under *New Business* the BOC approved the modification to the suspension process. (The Manager, Compliance, will forward new wording to the suspension letter to the Regional Managers).
- The MCS convened a three-member panel of Commissioners who retroactively approved the temporary closure of Dabbers' Bingo Hall.
- The next Board of Commissioners' meeting is scheduled for 9 August.

Item II Charitable Bingo Association Governance Manual - Draft #5

- The Governance Manual has been approved by the BOC. The CRO is currently reformatting the document making it more user friendly and at the same time incorporating the corporate image. The document will be displayed on the Commission Website. A diskette will also accompany the document when distributed.
- The Executive Director advised the Regional Managers to become familiar with the Governance Manual.

REGIONAL MANAGERS

Item III Implementation Plan - Charitable Bingo Association Governance Manual

- The draft Implementation Plan dated 30 June 1999 was distributed to Lists B, E, F.
- The Executive reviewed the draft plan; a reissue will be forwarded when finalized.
- In order for the presentations to take place this fall the key requirements must be in place by 15 July.
- The Executive Director advised that it is imperative to go into every community and speak to each association; with the majority of licensees of each association attending presentation.
- The Manager, Compliance and Field Operations, will be working with the Regional Managers and the Executive Assistant to put the program together.
- HQ Managers are asked to review the schedule and perhaps attend some of the presentations.
- The Executive Director will address all presentations and possibly the Manager, Compliance and Field Operations.

MANAGER COMPLIANCE

HQ MANAGERS

- A two-page letter will be sent to all licensees explaining the principles of dual-licensing, financial model etc. This matter will be discussed further.
- The Executive Director reviewed the project implementation e-mail dated 13 June 1999 and included the following direction:
- The Executive Director asked Managers to review the abbreviated annual report document for accuracy. A final copy will be sent out to the BOC and the Management Team by the end of July. A copy will be posted on the Website as well.
- The Manager, Commission Secretariat, will be amending the Terms and Conditions which will be reissued and will include the corporate image format. The Terms and Conditions for Licensed and Direct Charitable Access will be contained in one manual. The Policy Manual information will be included in the Terms and Conditions.
- The Manager, Commission Secretariat and the Regional manager, LM, will be working on the Standard Procedures and the Standard Operating Instructions for Independent Bingos. These two documents will be placed into one manual.
- The Regional staff will be responsible for reviewing the information with the independent bingos.
- The Treasury Board Submission will go forward in October.

MANAGERS

MCS

MCS
REGIONAL MANAGER LM

REGIONAL MANAGERS

Item IV BCGC Systems - Status Report

- Working groups have been meeting regularly. The Steering Committee will be briefed today. The next two sessions with the Working Group will include "what information the Commission requires of the system etc." The Executive Director explained the new "client focus" processing that QVI Consulting recommended, rather than using the application processing.
- The Manager, Licensing, will produce a progress report on the results of the Steering Committee meeting today and distribute it to List B.
- The Executive Director stressed the importance of Managers keeping up to date on the meeting information as it includes all areas of the Commission.

MANAGER LICENSING

Item V Regional Managers Issues

North - Bob Kobewka for Lyn Hall

- An unspecified number of VLTs have been confiscated by the authorities in Chetwynd.
- The Cariboo Country Bingo Hall in Quesnel is still marginal.
- Lucky's - The Bingo Centre in Williams Lake figures are improving.
- No further word on John Major and the unconfirmed sale of his casino and bingo halls.
- The cigarette smoke, in the Regional Office, from the casino in Prince George has thankfully diminished.
- Neil VanderWerf is scheduled to audit the Cariboo Country Bingo Hall in August.

Lower Mainland

- Regional Manager, LM and Carl Jung attended the AGM of Cordial Hall. Their business has decreased about one-half from two years ago.
- Renato Finamore and staff did an inspection of the Chilliwack Rainbow Bingo Hall.
- There is some speculation that the authorities will be charging the landlord of the Athens Social Club (which is a Legion).
- PNE is progressing as scheduled. The Executive Director asked the Regional Manager, LM, to remind GAIO of the requirement to register people.
- The Regional Manager, LM, to contact Peter Goudron, PNE, regarding games etc. for the PNE.

Vancouver Island

- There have been several AGMs on the Island, Executive Director attended Esquimalt Charity Bingo Association and Harbour City Bingo Society; Manager, Compliance attended City Bingo Association; Regional Manager, VI, and Caryn McFarlane attended Duncan Dabber Bingo Society.
- Grant McJannet, Auditor SI, was in Nanaimo last month to train the Auditors.
- Regional Manager, VI, reported on the Management at River City Bingo in Campbell River.
- Received a report regarding the theft of gaming revenue from the Cumberland School. Caryn McFarlane is now conducting a review.

Southern Interior

- Dabbers Bingo Hall situation still continuing.
- Office focusing on independent bingos in anticipation of performing Direct Access audits this fall.

Item VI Compliance / Field Operations Issues

Financial Model

- Manager, Compliance, had a meeting (via teleconference) with the Regional Managers on Monday to discuss the independent SOIs along with the Executive Director's e-mail. He gave general guidance to the Regional Managers with respect to the e-mail message.
- There will be minor amendments to Financial Model with respect to the percentage to the Associations along with other modifications.

Staffing

- The Gaming Analyst position which was posted received 12 applications. This position will be reposted out-of-service and will be advertised in *Times Colonist* and the *Vancouver Sun*.
- Had a telephone call from Alberta Gaming & Liquor Commission inquiring about BC's interest in amending the *Criminal Code* to allow electronic gaming under 207(1)(b). (Executive Director suggested sending them a copy of the Commission's Governance Manual).
- The Amortization Task Group, headed by Grant McJannet, for the bingo expenses will still proceed.

When does a bingo location (multiple Independents) become a bingo hall

- A joint compliance and licensing workgroup will be convened in the fall to deal with this matter.

Item VII Licensing / Direct Access Issues

Licensing Conference Results

- On behalf of the Manager, Licensing, the Executive Director gave a brief overview of the Licensing Officers Conference.

Item VIII Commission Secretariat

Policy Issues

- The MCS will be working with the CRO with respect to the formatting and bringing together of the Terms and Conditions. He will also be working with the Regional Manager, LM, as it relates to the Standard Operating Procedures for Independents.

Review Hearings

- The recent change in the date of the next BOC meeting is to accommodate two review hearings which include the Rotary Club of Abbotsford / Matsqui, and the YMCA – Chilliwack.

Item IX Communications Issues

- The CRO is working with the Supervisor, Systems Services, with regard to the redevelopment of the Website. Please forward any suggestions with

CRO / MCS
REGIONAL MANAGER LM

MANAGERS

- respect to the Website to the CRO.
 - The CRO is drafting a news release promoting the positive issues involving the Commission.
 - The Newsletter has been now been distributed. We should be receiving input on the questionnaire which was included in the Newsletter.
 - The CRO explained the Y2K responsibilities of the Commission. The Manager, Fin/Adm is currently drafting a letter to the bingo halls in this regard.
 - The Executive Director advised that the current newsletter was excellent.
 - He asked the Managers that if information is requested from them for future Newsletters to forward it to the CRO in a timely manner.
- The next Newsletter is to be prepared for 15 December.

MANAGER FIN/ADM

MANAGERS

CRO

Item X Finance / Systems / Administration / Issues
Budget Allocation 99/00 and Signing Authority

- The Manager Fin/Adm will be issuing a monthly reporting of budgets by responsibility centre to let Managers know what their position is in relation to expenditures.
- The Manager Fin/Adm will be initiating a priority list for computer upgrades.

MANAGER FIN/ADM

MANAGER FIN/ADM

Provincial Charity Trust (Rebate #2)

Manager, Fin/Adm briefed the members on the status of the Charity Trust which included: to date \$3.9M distributed and \$6M left to distribute pending monthly reports from Licensing.

Direct Access

- The distribution YTD is \$7M and is well below the required target.
- The Executive Director expects the current Newsletter will initiate some interest.
- The Executive Director asked the Manager, Fin/Adm to provide monthly status reports to List B, prior to Management Meetings, on the various funds the Commission is involved with.

MANAGER FIN/ADM

Item XI Calendar Review

2 - 11 July	Executive Director on vacation
6/13/20/27 July	Working Group Meetings
16 July	Governance Manual to printers
19 July	Bingo Advisory Committee Meeting - Vancouver
30 July	Letter to all charities giving a synopsis of the dual-licensing model, the presentation, and the dates and locations of the presentations
3/17 August	Steering Committee systems briefing
4 August	Management Meeting
9 August	BOC Meeting
29 August to 1 September	CAGRA, Winnipeg
2/3 September	Presentations to staff on dual licensing / trial run of the presentation for the field
7 September	BOC Meeting
8 September	Management Meeting
10 September	Steering Committee Meeting.


 H.F. Elliott
 Executive Director

DISTRIBUTION LIST: Chair, List B, File



Dual Licensing Association Model

**British Columbia
Gaming Commission**

Today's Objective

To provide information about:

- dual licensing association model
- Charitable Bingo Association Governance Manual
- new Financial Model
- implementation schedule

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- dual licensing association model
- Charitable Bingo Association Governance Manual
- new Financial Model
- implementation schedule

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This presentation will provide:
A summary of changes announced by the Minister
Responsible for Gaming on June 17, 1999.

Explanations of:

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EGM-2012-00338

Board of Commissioners

- responsible for establishing policy for charitable gaming and access to gaming revenue
- appointed by Order-in-Council
 - ◆ Chair: Jim Carter (West Vancouver)
 - ◆ Vice-Chair: Severin Morin (Burnaby)
 - ◆ Commissioners:
 - ✦ Shelagh Glibbery (Dawson Creek)
 - ✦ Linda Lauder (Prince George)
 - ✦ Thelka Wright (Port Coquitlam)
 - ✦ Dale Zinovich (Kimberley)

△

Board of Commissioners

Seven-member board appointed by Order-in-Council, responsible for establishing policy for charitable gaming and access to gaming revenue.

Board consists of:

Chair: Jim Carter from West Vancouver

Vice-Chair: Sev Morin from Burnaby

Commissioners:

Shelagh Glibbery from Dawson Creek

Linda Lauder from Prince George

Thelka Wright from Port Coquitlam

Dale Zinovich from Meadowbrook near Kimberley

One position is presently vacant.

What is BCGC's purpose?

- administer access to gaming generated revenue for community-based charities
- monitor the integrity of licensed gaming activities
- verify the accountability for the use of charitable proceeds by all recipients of charitable gaming revenue

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What is the Commission's purpose?

To administer access to gaming generated revenue for community based charities through:

- licensing charitable and religious organizations to conduct and manage gaming events under the Criminal Code of Canada;
- administering Direct Charitable Access to gaming revenues by charitable and religious organizations; and
- licensing gaming events at fairs and exhibitions under the Criminal Code of Canada.

To monitor the integrity of licensed gaming activities; and

To verify the accountability for the use of charitable proceeds by all recipients of gaming revenue.

What has government announced?

■ June 17, 1999

- ◆ moratorium on new gaming facilities
- ◆ arms-length independent advisor
 - ✦ Mr. Peter Meekison appointed July 19, 1999
- ◆ memorandums of agreement (MOAs) with:
 - ✦ UBCM
 - ✦ BCBC
 - ✦ BCACG
- ◆ \$125-million guaranteed funding level

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Moratorium on new gaming facilities once current proposals are completed.

Independent advisor at arms-length from government to oversee any proposed relocations of gaming facilities. On 19 July 1999 government announced that this person would be Mr. Peter Meekison.

Memorandums of Agreement were reached with:

- Union of British Columbia Municipalities (UBCM)
- British Columbia Bingo Council (BCBC)
- British Columbia Association for Charitable Gaming (BCACG)

Copies of the Agreements have been sent to all Licensees in the province.

Charities are guaranteed a minimum funding level of \$125 million annually tied to the consumer price index in Vancouver.

MOA with UBCM

- local governments determine the level of gaming within their municipal boundaries
- local governments share revenue from new destination casinos
- no video lottery terminals in BC

- including new or relocated facilities
- whether or not slots machines or similar devices would be permitted

There will be no video lottery terminals in British Columbia

MOA with BCBC and BCACG

■ Affirms:

- ◆ role of licensed charities as the sole beneficiaries of bingo gaming
- ◆ BCGC is the sole licensing authority for charitable gaming
- ◆ charities have exclusive domain over all bingo activities
- ◆ existing bingo facility-level guarantee will remain in effect for an interim period
- ◆ the “public foundation” licensing model recommended in the White Paper will not be pursued

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MOA with BCBC and BCACG

Affirms:

- role of licensed charities as the sole beneficiaries of bingo gaming including both paper and electronic bingo
- BCGC is the sole licensing authority for charitable gaming
- charities have exclusive domain over all bingo activities, subject to licensing by BCGC and subject to the provisions of the Criminal Code of Canada
- existing bingo facility-level guarantee will remain in effect for an interim period to be determined by BCGC in meaningful consultation with licensed bingo charities
- the “public foundation” licensing model recommended in the White Paper will not be pursued

MOA with BCBC and BCACG *(con't)*

- Government will pursue changes to the gaming provisions of the *Criminal Code of Canada* to:
 - ◆ provide greater legal certainty for the continuing key role of licensed charities in charitable gaming
 - ◆ permit the broad use of technology in bingo by licensed charities, so that licensed charities can have exclusive domain over all bingo activities

MOA with BCBC and BCACG *(con't)*

- Government will consult in a meaningful way with charities:
 - ◆ in the development of gaming policy changes that may affect charities
 - ◆ regarding format and content of gaming legislation before introduction into the Legislature

MOA with BCBC and BCACG *(con't)*

■ Government reaffirms commitment:

- ◆ charitable guarantee of a minimum \$125 million, indexed annually at the rate of Vancouver Consumer Price Index (CPI)
- ◆ video lottery terminals will not be permitted in British Columbia

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Government reaffirms its commitment:

- to the charitable guarantee of a minimum \$125 million, indexed annually at the rate of Vancouver CPI, with a formula that ensure charity entitlement to an amount, after accounting for retained bingo revenues, equal to 1/3 of ongoing government net community casino gaming revenue
- that video lottery terminals will not be permitted in British Columbia

**BRITISH
COLUMBIA***CRO***NEWS RELEASE**

For Immediate Release

Ministry of Employment and Investment

011

January 21, 1998

B.C. CHARITIES TO RECEIVE ADDITIONAL \$24.5 MILLION

VICTORIA— In accordance with the recent B.C. Supreme Court decision, charities will receive \$24.5 million in addition to the \$9.1 million due to them in payouts by the end of January, Employment and Investment Minister Dan Miller said today.

"There is about \$8.6 million remaining in the Charitable Gaming Trust Fund after the payments that were due by the end of January. In addition, there is about \$15.9 million currently held in trust by casino owners," Miller said. "This \$24.5 million will be made available for distribution to charities after discussions with the B.C. Association for Charitable Gaming. These approximate figures, provided by Frank Rhodes, will be verified by an independent audit."

"I have instructed Mr. Rhodes, as promised, to begin the required actions to ensure that these funds are paid out to charities as soon as possible."

Last week, after the court struck down the recently enacted Gaming Revenue Distribution Regulation, Miller asked Rhodes, ex-president of B.C. Ferries and a former senior government official, to immediately meet with charitable organizations and the B.C. Association for Charitable Gaming to discuss the impacts of the court decision and to seek ideas on a new mechanism for gaming revenue distribution.

Miller said it is important to remember that the provincial government's initiatives in gaming were developed openly, transparently and in consultation with charities. The government's approach was similar to that taken by the other provinces, particularly Ontario.

"Our regulatory change in November was designed to ensure consistent and increased revenue levels to give much-needed stability to both charities and the members of the B.C. Association for Charitable Gaming."

"I remain committed to efforts to finding an acceptable legal framework to achieve these ends," Miller said.

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Contact: Don Zdravec
Executive Director
Communications
(250) 952-0607

For more information on the Ministry of Employment and Investment, visit our internet home page at: <http://www.ei.gov.bc.ca>

MINISTRY OF LABOUR

Oct 12/99

I. PREPARED FOR: Cynthia Morton, Deputy Minister of Labour, for information

II. SUBJECT: Gaming Control Act

III. BACKGROUND:

- B.C. is one of only two Canadian provinces that does not have comprehensive gaming legislation.
- This circumstance is a significant factor in the legal difficulties the Province has experienced in relation to gaming over the past several years.
- The White Paper exercise, with its draft *Gaming Control Act*, was intended to address this legislative need. Most of the recommendations in the White Paper were not controversial. Those that were controversial have been largely addressed by recent policy decisions.
- In June 1999, the provincial government announced its decision to end gaming expansion and signed MOA's with the UBCM and charities.
- In doing so, the provincial government committed to consult in a meaningful way with charities and local government regarding the form and content of gaming legislation before it is introduced into the Legislature. Professor Meekison's review assists in achieving this objective.
- Another important process that may affect governments decisions regarding gaming legislation, will be the Smith inquiry, beginning November 1, 1999, which intends to direct its public hearings towards the following issues:
 - the adequacy of past and present rules and restrictions governing the use of proceeds from gaming for political purposes;
 - the adequacy of existing legislation, including the Society Act and other rules and regulations governing the use of assets of societies;
 - the activities of the Nanaimo Commonwealth Holding Society and related entities and any other politically linked organizations in the Province of British Columbia; and
 - the handling of matters related to the Nanaimo Commonwealth Holding Society and related entities by public bodies or officials since bingo licenses were first issued in 1970.

IV. DISCUSSION

- Legislation will provide a greater level of stability, transparency, and consistency for stakeholders, including, operators, charities, local government and the public, as well as a firmer legal foundation for the implementation of new policy and structure.
- A *Gaming Control Act*, developed through consultation with local government and gaming stakeholders, would consolidate the best of existing policy and legislation, would provide a more stable legal framework for gaming in the province, and could address many of the local government and stakeholder concerns that have arisen over the last several years, such as:
 - ⇒ Municipal jurisdiction;
 - ⇒ Problem gambling;
 - ⇒ Facility Relocations; and
 - ⇒ Division of revenue
- Legislation that contained the following key elements (not an exhaustive list), would likely be strongly supported by charities and municipalities:
 - ⇒ clear provisions enshrining the principles contained in the MOA with charities, by providing a legal mechanism for an appropriation to be made to ensure the guarantee to charities is met, as well as revenue sharing, thereby addressing the issues raised in Mr. Justice Owen - Flood's decision regarding revenue pooling and distribution.
 - ⇒ clear provisions enshrining the principles contained in the MOA with the UBCM, by allowing municipalities to determine the nature and type and extent of gaming within their boundaries, and by sharing gaming revenue with local governments with casinos within their boundaries, thereby addressing issues raised by the BC Supreme Court in the Surrey and Vancouver slot machine cases.
 - ⇒ clear provisions, flowing from Professor Meekison's report, respecting a fair, open and transparent process for relocations, and changes within existing gaming facilities, in order to address concerns raised regarding the recent Request for Proposals process;
 - ⇒ clear provisions setting out the role and responsibility of GAIO, providing legislative authority and, a clear mandate for this office. Currently there is no provincial legislation authorizing GAIO or its activities;
 - ⇒ clear provisions setting out the role and responsibility of a possible independent oversight body which may affect the ongoing role of the Gaming Commission and the Lottery Corporation;
 - ⇒ provisions that allow government to deal effectively with illegal gaming, including a graduated series of offences respecting legal gaming, grey machines and lottery ticket reselling. This allows government to use administrative remedies and fines (which require a modest administrative scheme) to penalize

illegal gaming, rather than using the *Criminal Code* each time (which requires large scale investigative resources);

⇒ clear provisions enshrining funding sources for the problem gambling program, and for dedicated police and prosecution resources to address illegal gambling thereby dealing with concerns of stakeholders and municipalities (as evidenced in White Paper responses);

- The result would be comprehensive gaming legislation that would deal with all gaming in BC (except horse racing), would have wide support of municipalities and stakeholders, and would provide improved transparency, clarity, legal certainty and public confidence.
- The introduction of such legislation would carry through on the provincial government's commitment to consult with municipalities and stakeholders, and introduce legislation that has wide support.
- The timelines for the completion of related processes (Meekison - January 2000; *Criminal Code* changes - uncertain) may make full consultation a challenge on all aspects of a *Gaming Control Act* prior to its introduction in the spring 2000 legislative session.

Prepared By: Mark MacKinnon
Phone: 953-4482

Date: 10/12/99

Sept 17/89

MINISTRY OF LABOUR

PREPARED FOR: Cynthia Morton, Deputy Minister of Labour, for INFORMATION.

ISSUE: June 17, 1999 Gaming Announcement - *End to Gaming Expansion*

BACKGROUND:

- On February 9, 1999, the government released the *Report on Gaming Legislation and Regulation in British Columbia*, which contained a White Paper and a draft gaming act, for public comment.
- The Report was co-ordinated by consultant Frank Rhodes, a former senior government official, in consultation with municipalities and key stakeholders.
- The purpose of the White Paper was to provide a basis for focused public discussion and comment on gaming policy in British Columbia.
- In response to the White Paper, over 250 submissions were received from a wide spectrum of gaming stakeholders and interest groups, municipalities and members of the general public.
- As a result of the White Paper consultation process, on June 17, 1999, the government announced its decision to end gaming expansion in British Columbia (see attached press release), including the following highlights:
 - ⇒ There will be no more gaming facilities in the province beyond the proposals approved in principal under the *Request for Proposal* process;
 - ⇒ An independent adviser will be appointed to recommend an arms-length process for approving any proposed relocations of existing facilities;
 - ⇒ A Memorandum of Agreement was reached with the Union of B.C. Municipalities and the Province which:
 - * allows local governments to determine the level of gaming they want within their boundaries;
 - * provides for local governments to receive a share of revenue from community casinos within their jurisdiction (10% of net gaming revenue).
 - ⇒ A Memorandum of Agreement was reached with the B.C. Association for Charitable Gaming and the Province which:
 - * reaffirms the government's commitment to protect charitable gaming revenue. Under the Agreement, charities are guaranteed a minimum funding level of \$125 million annually, tied to the consumer price index in Vancouver.

.../2

- ⇒ The non-legislative recommendations contained in the White Paper will be implemented, including bolstering the efforts of law-enforcement agencies to investigate and prosecute illegal gambling, funding programs for problem gambling, and providing greater transparency in the licensing activities of the BC Gaming Commission.
- ⇒ The Attorney General has begun discussions with the Federal Government towards amending the Criminal Code to provide greater legal certainty.

Prepared by: Donna Hawkins
Phone: 387-1151
Date: September 17, 1999

MINISTRY OF LABOUR

I. Prepared for the Honourable Joan Smallwood, Minister of Labour and Minister responsible for gaming policy, for INFORMATION.

II. ISSUE: Interim Gaming Framework/Rhodes Report

III. Background:

- On March 25, 1998, the government announced an interim model for gaming based on recommendations made by Frank Rhodes in his report "Gaming Policy Recommendations" (the Rhodes report);
- This gaming policy review and report was requested in response to a number of Supreme Court decisions that affected the government's ability to implement its expanded gaming policy (from 1997),
- Under the Interim Framework:
 - ⇒ The important role of charities in BC gaming was protected and preserved;
 - ⇒ Charities were guaranteed a minimum of \$125 million in gaming revenues for 1998/99, a significant increase from the \$118 million guaranteed in 1997/98.
 - ⇒ The revenue guaranteed to charities did not include ticket raffles, social occasion casinos, wheels of fortune, or "B" licenses which are in addition to the \$125 million guarantee.
 - ⇒ The BC Gaming Commission continued its role as the sole agency responsible for charity access to gaming revenue as it has for more than a decade;
 - ⇒ Responsibility for casinos was transferred to the BC Lottery Corporation, effective June 1, 1998;
- These measures were introduced to stabilize the gaming sector and ensure the continued flow of gaming revenue to charities pending the introduction of a long-term gaming policy developed through the White Paper process.

Contact: Mark MacKinnon
Phone: 953-4483
Date: July 23, 1999.

MEMORANDUM BY FAX**INTERACT PUBLIC POLICY CONSULTANTS LTD.****301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6****FAX: 604-669-6305****TELEPHONE: 604-669-6316**

The material in this fax is provided on a confidential basis to the addressee. Please deliver to the attention of the addressee as soon as possible. If the contents are incomplete or illegible, contact the sender at 604-669-6316 immediately.

To: Frank Rhodes, 358-1910
From: Wendi J. Mackay

Date: July 3, 1998
re: Gaming Policy Review

No. of Pages: 1

Frank:

I have just received confirmation from Bob MacInnes that the British Columbia Association for Charitable Gaming would like to meet with the Working Group on July 17th, 1998 at 10:00 a.m.

Please add this meeting to your schedule.

Kind regards

BY FAX

Wendi

cc: Ken Bagshaw, Q.C., Can Zarine book a meeting room at Ladner Downs? Please confirm.

MEMORANDUM BY FAX

65360-09/UBCM
1030-20/RHODI

INTERACT PUBLIC POLICY CONSULTANTS LTD.

301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6

FAX: 604-669-6305**TELEPHONE: 604-669-6316**

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To: Frank Rhodes, 356-1910
From: Wendi J. Mackay
Date: July 3, 1998
re: Gaming Policy Review

No. of Pages: 10

Frank:

I have received the enclosed submission from the U.B.C.M. in preparation for our meeting with them on July 8th, 1998.

Please ensure that copies of this material are provided to Kathie, if she will be participating in our discussions.

Kind regards

BY FAX

Wendi

cc: Ken Bagshaw, O.C., please provide copy to Debra

MEMORANDUM BY FAX**INTERACT PUBLIC POLICY CONSULTANTS LTD.****301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6****FAX: 604-669-6305****TELEPHONE: 604-669-6316**

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To: Frank Rhodes, 356-1910
From: Wendi J. Mackay
Date: July 2, 1998
re: Gaming Policy Review
No. of Pages: 2

Frank:

I enclose the updated schedule of meeting dates for the stakeholders and the Working Group.

Elaine Hughston has advised that her association will not be ready to meet with us until September. Francis Caouette is away until July 6th. I haven't heard back from any of the others as yet.

Kind regards

BY FAX

Wendi

cc: Ken Bagshaw, Q.C.

**Stakeholder's Meeting Schedule
July, 1998**

	7	8	9	
		9:30 - Casino Mgmt Council (LD - Vanc) 3:30 - U.B.C.M. (U.B.C.M. Offices - Richmond)	10:00 - Frank, Ken, Wendi, Debra, Kathie, Mark (LD - Vanc)	
13	14	15	16	17
	9:30 - Police (LD - Vanc)		2:00 - Campbell River (LD - Vanc)	2:00 - COSMO (LD - Vanc)

Updated: July 2, 1998

MEMORANDUM BY FAX**INTERACT PUBLIC POLICY CONSULTANTS LTD.**

301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6

FAX: 604-669-6305**TELEPHONE: 604-669-6316**

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To: Frank Rhodes, 356-1910
From: Wendi J. Mackay
Date: June 25, 1998
re: Gaming Policy Review

No. of Pages: 7

I am enclosing two documents for your review and comment:

- a Briefing Note on a Framework for External Consultation and Government Approval; and
- a revised version of the Terms of Reference for Consultation.

In response to Richard Taylor's request for further information on who and when, I have asked Heather to provide me with lists of members of the Project Advisory Committee and the key stakeholders - absent home telephone numbers. With your concurrence, I can send either the Briefing Note or the Terms of Reference and the two lists to each member of the Advisory Committee.

Also, I have received a call from the Mayor's Office in Richmond requesting the opportunity to make a written submission to the Working Group. The Mayor is not part of the U.B.C.M. Gaming Committee. I indicated that we would be pleased to receive the city's submission and I expect that we may get similar requests from other municipalities, as apparently Richard Taylor has provided my name to a number of municipalities. An interesting strategy in broadening the terms of reference for our consultation. Any thoughts?

Can we use either the Briefing Note or the Terms of Reference for informing interested parties about the nature of our work and process?

Please advise.

BRIEFING NOTE**Gaming Policy Review
White Paper and Proposed *Gaming Act***

June 25, 1998

Framework for External Consultation and Government Approval

A Gaming Project Working Group has been established to advise the Minister and government on policy issues, legislative options and the results of its consultation with public officials, external stakeholders and the wider community. Members of the Working Group include:

Frank Rhodes, Chair
Wendi J. Mackay, Policy Advisor
Ken Bagshaw, Q.C., Counsel
Debra Finlay, Counsel
Katharine Dann, Gaming Policy Secretariat

The working group's consultation will take place in two stages from June until December, 1998.

Stage 1: Structured Consultation: June to September, 1998

A Project Advisory Committee has been structured with representatives drawn from the charity gaming sector and local government. Within the context of government's approved policy for public gaming, this committee will ensure that the work plan considers fully the needs of charities, government and other interested parties. An initial meeting of the Advisory Committee was held on June 23rd. Further meetings will be scheduled as and when necessary.

Members of the Advisory Committee and their affiliations are as follows:

Robert MacInnes, British Columbia Association of Charitable Gaming (Charities)
Wendy Thompson, Coalition of Self-Managed Operators (Bingo - Self-Managed Operators)
Elaine Hughston, British Columbia Association of Community Fund Raisers (Bingo - Commercial Operators)
Francis Caouette (Bingo - Independent Operators)
Dave Gadhia, Casino Management Council (Casino - Commercial Operators)
Ross McLeod, Great Canadian Casino (Casino - Commercial Operators)
Richard Taylor, Union of British Columbia Municipalities (Local Government)

A structured process of consultation has also been initiated with the key stakeholders in charity gaming. Written submissions and oral presentations have been requested and initial meetings with each group will be scheduled in July. Follow-up presentations and discussions will take place, as and when necessary, in September.

The following key stakeholders have been identified for the purpose of structured consultation during Stage 1:

Charity Licensees:

British Columbia Association of Charitable Gaming
Coalition of Self-Managed Operators
Campbell River Gaming Association

Bingo Operators:

British Columbia Association of Community Fundraisers
Independent Bingos
Lake Country Bingo

Briefing Note
June 25, 1998
Page 2

Casino Operators:
Casino Management Council
Great Canadian Casino Company

Law Enforcement:
British Columbia Association of Chiefs of Police

Local Government:
Union of British Columbia Municipalities
First Nations Summit Society
Union of British Columbia Indian Chiefs

Stage 2: Public Comment and Discussion: October to December, 1998

In October, a White Paper and draft Act will be presented to the Minister for review and approval. This material will then be released publicly for comment and discussion.

Copies of the White Paper and the draft Act will be made available to:

- each of the charities currently licensed in the province;
- the Project Advisory Committee and key stakeholders;
- local governments and the law enforcement community; and
- interested community groups and individuals.

Written submissions and presentations will be invited and received during this period.

Stage 3: Detailed Drafting and Approval

Following public comment and discussion, a final draft of the Act will be presented to Cabinet for approval and tabling in the Legislature during the 1999 session.

PROVINCIAL GAMING ACT

Terms of Reference for Consultation

June 25, 1998

PURPOSE:

The Minister responsible for public gaming policy, Mr. Mike Farnworth, has announced government's intention to proceed with the development of a White Paper on gaming policy issues, legislative options and a provincial *Gaming Act*. The White Paper and draft Act will be developed by the Gaming Act Working Group in consultation with an Advisory Committee and key stakeholders in the charity gaming. The White Paper and draft Act will then be released publicly for comment and discussion. This work will be co-ordinated by Mr. Frank Rhodes.

BACKGROUND:

Recent court decisions have brought into question the underlying framework for charitable gaming in the province. The effect of these decisions has been to undermine the province's ability to implement its own gaming policy revenue objectives and to raise serious questions about ongoing and stable access to gaming revenues for community-based charitable organizations.

It is government's assessment that long-term stability for government and the charity gaming sector can only be achieved through the enactment of provincial legislation. This legislation must address not only the traditional forms of charity gaming that are permitted under the *Criminal Code*, but also the opportunities for charities to access gaming revenues through government operated electronic games in both bingo and casinos.

Government has established broad objectives for the legislation. These objectives reflect government's commitment to:

- providing guaranteed returns to charities from both traditional and electronic forms of gaming;
- directing a share of revenues from expanded gaming opportunities to provincial education and health care programs; and
- consolidating the administration, licensing and regulation of traditional and electronic forms of gaming under the umbrella of a comprehensive *Gaming Act*.

Within this broad framework, there are many outstanding policy issues and legislative options. The purpose of the consultative process will be to address these issues and options. The following groups have been established for the purpose of carrying out the work plan and consultation.

Provincial Gaming Act
Terms of Reference for Consultation
June 25, 1998
Page 2

GAMING PROJECT WORKING GROUP:

A Gaming Project Working Group has been established to advise the Minister and government on policy issues, legislative options and the results of its consultation with public officials, external stakeholders and the wider community.

Terms of Reference:

The terms of reference for the Working Group are to:

- meet with an Advisory Committee to ensure that the work plan fully considers the needs of charities, government and other interested parties;
- consult with key stakeholders on policy issues and legislative options as these are likely to effect charities, gaming operators and local governments;
- consult with government officials and the Lottery Corporation on issues and options as these are likely to effect government priorities and other public programs and operating activities;
- prepare a White Paper and draft Act for public comment and discussion;
- receive comments and submissions from stakeholders and interested parties on the draft Act; and
- prepare documents for Cabinet approval and tabling in the Legislature.

PROJECT ADVISORY COMMITTEE:

A Project Advisory Committee has been established with representatives drawn from each of the principal stakeholder groups in the bingo and casino gaming sectors. The committee's members include charity representatives, commercial and non-profit operator associations and a representative of local government.

Terms of Reference:

The Advisory Committee will ensure that the work plan considers fully the needs of charities, government and other interested parties. Specifically, the terms of reference for the members of this committee are to:

- represent the interests of the individual stakeholder groups in cross-sector consultation;
- provide comments to the Working Group on the White Paper and draft Act;
- inform individual stakeholder groups about the policy choices that will be reflected in the legislation;
- make recommendations to the working group on strategies for resolving outstanding issues; and
- work with other members of the committee to ensure that, to the greatest extent possible, the draft Act reflects consensus on the objectives of the legislation across the charity gaming sector.

Provincial Gaming Act
Terms of Reference for Consultation
June 25, 1998
Page 3

KEY STAKEHOLDERS:

The key stakeholders in the charity gaming sector will be invited to participate in separate discussions with the Working Group and to make oral presentations and written submissions to the Working Group that will further government's objectives in moving forward with the legislation.

Terms of Reference:

A structured process of consultation will be initiated with charity representatives, commercial and non-profit operator associations, the Union of British Columbia Municipalities, representatives of First Nations and other public agencies, including law enforcement agencies. Within the framework of government's established objectives for gaming revenue returns to both the government and the charities, the terms of reference for this part of the consultative process are to:

- identify the key issues and concerns of each stakeholder group in developing a framework for legislation;
- make recommendations to government on the appropriate roles and responsibilities of government and its agencies in the development of gaming policy and in the conduct, management and regulation of gaming activity;
- make recommendations to government on the role of commercial and non-profit associations in the conduct and management of gaming activity;
- make recommendations to government on an appropriate role for local government within the context of government's overall authority for gaming administration, licensing and regulation; and
- identify options for providing guaranteed access to gaming revenues for community-based charitable organizations.

PUBLIC COMMENT AND DISCUSSION:

The White Paper and draft Act will be presented to the Minister for review and approval. This material will then be released publicly for comment and discussion.

Written submissions and presentations will be invited and received.

Provincial Gaming Act
Terms of Reference for Consultation
June 25, 1998
Page 4

TIME FRAME FOR REVIEW AND APPROVAL:

Stage 1: Structured Consultation: June to September, 1998

Consultation with the Advisory Committee and key stakeholders will take place from June to September. At the same time, government, through the Gaming Policy Secretariat, has initiated a comprehensive review of the bingo sector. The results of the structured process of consultation and the bingo review will be considered and evaluated in the development of the White Paper and draft Act.

Stage 2: Public Consultation and Discussion: October to December, 1998

The White Paper and draft Act will be presented to the Minister for review and approval and then released for public comment and discussion in late October. Copies of the White Paper and the draft Act will be made available to:

- each of the charities currently licensed in the province;
- the Project Advisory Committee and key stakeholders;
- local governments and the law enforcement community; and
- interested community groups and individuals.

Written submissions and presentations will be invited and received during this period.

Stage 3: Detailed Drafting and Approval: January and February, 1999

Following public comment and discussion, a final draft of the Act will be presented to Cabinet for approval and tabling in the Legislature during the 1999 session.

MEMORANDUM BY FAX

Wendi J. Mackay
GAMING PROJECT WORKING GROUP

301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6

FAX: 604-669-6305

TELEPHONE: 604-669-6316

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To: Eric Kaye, 356-1070
From: Wendi J. Mackay
Date: June 24, 1998
re: Gaming Policy Review

No. of Pages: 3

Eric:

Frank Rhodes has asked me to contact you with respect to the process we have put in place for the development of a White Paper and proposed *Gaming Act*.

At the request of Mr. Farnworth, Mr. Rhodes has established a Project Working Group to advise the minister and government on policy issues, legislative options and the results of its consultation with external stakeholders and the wider community. Members of the Working Group include:

Frank Rhodes, Chair
Wendi J. Mackay, Policy Advisor
Ken Bagshaw, Q.C., Counsel
Debra Finlay, Counsel
Katherine Dann, Gaming Policy Secretariat

The working group's consultation will take place in two stages.

Mr. Eric Kaye
June 24, 1998
Page 2

Stage 1: Structured Consultation: June to September, 1998

A Project Advisory Committee has been structured with representatives drawn from the charity gaming sector and local government. Within the context of government's approved policy for public gaming, this committee will ensure that our work plan considers fully the needs of charities, government and other interested parties. An initial meeting of the Advisory Committee was held on June 23rd.

Members of the Advisory Committee and their affiliations are as follows:

- Robert MacInnes, British Columbia Association of Charitable Gaming (Charities)
- Wendy Thompson, Coalition of Self-Managed Operators (Bingo - Self-Managed Operators)
- Elaine Hughston, British Columbia Association of Community Fund Raisers (Bingo - Commercial Operators)
- Francis Caouette (Bingo - Independent Operators)
- Dave Gadhia, Casino Management Council (Casino - Commercial Operators)
- Ross McLeod, Great Canadian Casino (Casino - Commercial Operators)
- Richard Taylor, Union of British Columbia Municipalities (Local Government)

We have also established a structured process of consultation with the key stakeholders in charity gaming. We have asked for written submissions and oral presentations from these stakeholders and expect to hold initial meetings with each group in July. Follow-up presentations and discussions will take place, as necessary, in September.

The groups that we have identified as key stakeholders for the purpose of structured consultation during Stage 1 are as follows:

Charity Licensees:

- British Columbia Association of Charitable Gaming
- Coalition of Self-Managed Operators
- Campbell River Gaming Association

Bingo Operators:

- British Columbia Association of Community Fundraisers
- Independent Bingos
- Lake Country Bingo

Casino Operators:

- Casino Management Council
- Great Canadian Casino Company

Law Enforcement:

- British Columbia Association of Chiefs of Police

Local Government:

- Union of British Columbia Municipalities
- First Nations Summit Society
- Union of British Columbia Indian Chiefs

Mr. Eric Kaye
June 24, 1998
Page 3

Stage 2: Public Comment and Discussion: October to December, 1998

By the end of October, we expect to have a White Paper and draft Act ready for the Minister's review and approval. This material will then be released publicly for comment and discussion.

We expect to provide copies of the White Paper and the draft Act to each of the charities currently licensed in the province, to local governments and the law enforcement community and to interested community groups and individuals.

Following the public comment and discussion, we will prepare a final draft of the Act for presentation in the Legislature.

Please advise if you require any further information.

BY FAX

Wendi J. Mackay

cc: Mr. Tim Gallagher, Ministerial Assistant to Minister Farnworth
Mr. Frank Rhodes, Chair, Working Group

MEMORANDUM BY FAX**INTERACT PUBLIC POLICY CONSULTANTS LTD.**

301, 1970 Haro Street
Vancouver, British Columbia
V6G 1H6

FAX: 604-669-6305**TELEPHONE: 604-669-6316**

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To: Frank Rhodes, 356-1910
From: Wendi J. Mackay
Date: June 23, 1998
re: Gaming Policy Review

No. of Pages: 5

Frank:

Enclosed please find an agenda for our meeting with the Project Advisory Committee and a revised overview of the White Paper.

Please give me a call if you have any questions or concerns. I will bring copies for everyone to the meeting this afternoon.

Kind regards

BY FAX

Wendi

cc: Ken Bagshaw, Q.C.
Katherine Dann

Agenda

GAMING PROJECT ADVISORY COMMITTEE

June 23, 1998
2:00 p.m. to 4:30 p.m.

Canada Suite, Pan Pacific Hotel, Vancouver

23rd Fl

1. Overview of consultative process, purpose and objectives (Frank Rhodes).
2. Outline of White Paper (Wendi Mackay).
3. Scope of legislation in other Canadian jurisdictions (Ken Bagshaw).
4. Other Issues:
 - (a) Shared Objective - Charity access and participation in gaming.
 - (b) Clearly Defined Revenue Framework - 207(1)(a) and (b) gaming.
 - (c) Continued Opportunity for Self-Managed Bingo Operations.
5. Next Meeting.
6. Adjournment.

White Paper on Gaming Legislation

Overview

June 23, 1998

Purpose: To provide members of the Gaming Project Advisory Committee with information about the purpose and structure of the White Paper on Gaming Legislation.

Definition and Scope: White Paper will provide background, analysis and discussion of government policy for gaming under sections 201(1)(a) and (b) of the *Criminal Code*. Within the context of established principles and priorities, White Paper will identify outstanding policy issues and options for a legislative framework, including recommendations for a proposed *Gaming Act*.

Process: White Paper and draft Act will be developed by and for government in consultation with the Project Advisory Committee and individual stakeholder groups.

Outcome: White Paper and draft Act will be reviewed within government and released by the Minister for further public comment and discussion.

Outline: White Paper will be structured in accordance with the following outline:

Exec. Summary		Highlight process and features of draft Act
1.0	Purpose	<ul style="list-style-type: none"> Government's intention to proceed with provincial <i>Gaming Act</i> as means of providing long-term stability for charitable gaming sector and returns to government White Paper to discuss policy issues and legislative options for proposed Act White Paper and draft Act to provide basis for public comment and discussion
2.0	Background	<ul style="list-style-type: none"> History of gaming legislation under the Criminal Code Recent developments in other Canadian provinces History of gaming administration, licensing and regulation in British Columbia - both Lottery Corporation and Gaming Commission Discussion of Owen-Flood and other recent decisions Outline of interim regime, its current status and outstanding legal issues Description of consultative process and terms of reference for consultation
3.0	Issues	<p>Government's policy framework</p> <ul style="list-style-type: none"> Guaranteed returns to charities from both traditional and electronic forms of gaming Shared revenues from expanded gaming opportunities to provincial education and health care programs Consolidated structure for administration and regulation under umbrella of comprehensive <i>Gaming Act</i>

White Paper on Gaming Legislation
Overview
June 23, 1998

Page 2

3.0	Issues, cont'd	Outstanding issues to be addressed
		<ul style="list-style-type: none"> • authority for licensing and regulation of 207(1)(b) gaming • future of bingo in changing market • definition of conduct and management under 207(1)(b) • charity returns and use of proceeds under 207(1)(b) • charity licence fees • role of Crown agents • role of non-profit, charity associations • basis of compensation for commercial and non-profit operators to support and foster business investment and facility enhancements • cooperative and coordinated structure for administration, licensing and regulation • location of electronic gaming facilities • role of local governments and exercise of land use authority within framework of provincial gaming administration and regulation
4.0	Consultation and Review	<ul style="list-style-type: none"> • Advisory Committee • Stakeholders • Other provincial public agencies (Aboriginal Affairs, Attorney General, Finance and Corporate Relations, Lottery Corporation, Municipal Affairs) • Bingo Review
5.0	Options	<ul style="list-style-type: none"> • Codification of charity participation in gaming • Mechanism for ensuring government revenue returns • Framework for gaming administration, licensing and regulation <ul style="list-style-type: none"> • Conduct and management • Volunteer participation • Role of Crown agents • Role of gaming operators • Oversight, policy and standards • Charity licensing and access • Charity appeals • Gaming inspections • Audits and compliance • Gaming facilities • Role of local governments
6.0	Recommendations	<ul style="list-style-type: none"> • Process for public comment and discussion • Process for further consultation with Advisory Committee and stakeholders • Key principles of proposed <i>Gaming Act</i>

White Paper on Gaming Legislation
Overview
June 23, 1998

Page 3

Appendices	
Appendix 1	Terms of reference for Gaming Act Working Group and consultation
Appendix 2	Gaming legislation under the <i>Criminal Code</i>
Appendix 3	Review of gaming legislation in other Canadian jurisdictions
Appendix 4	British Columbia gaming legislation, regulations and orders in council
Appendix 5	Recent court decisions in British Columbia
Appendix 6	Government News Releases and Policy Statements
Appendix 7	List of persons and organizations consulted
Appendix 8	Draft <i>Gaming Act</i>
Appendix 9	References <ul style="list-style-type: none">• Table of Statutes• Table of Cases• Bibliography

2000/01 ESTIMATES BRIEFING NOTE

ISSUE: Charitable Gaming Revenue Guarantee

RESPONSE POINTS:

- On June 17, 1999, the government entered into Memoranda of Agreements with charity representatives which reaffirmed its commitment to the existing charitable guarantee of a minimum \$125 million annually, indexed annually at the rate of Vancouver CPI.
- With indexing, the charitable revenue guarantee for 2000/01 will be \$126.7 million, up substantially from the \$118 million when the guarantee was first introduced in 1997/98.
- In addition to the charitable guarantee, licensed charities also earn approximately \$18 million annually through ticket raffles, social occasion casinos, wheels of fortune, or "B" licenses, for an estimated total of \$144.7 M in gaming revenue from all sources.
- Government has committed to introducing a gaming act in the Spring 2000 legislative session, and the charitable guarantee is expected to be entrenched in the legislation.

BACKGROUND:

- In 1997, the Province implemented a charitable revenue guarantee of \$118 million for 1997/98, indexed by the BC Consumer Price Index (CPI) in subsequent years, as part of the government's moderate gaming expansion policy (announced in March 1997).
- On March 25, 1998, Cabinet approved an interim funding model for gaming that increased the minimum charitable revenue guarantee to \$125 million for 1998/99.
- As part of the charitable revenue guarantee, the interim funding model includes a bingo facility-level "top-up" which guarantees charitable licensees in each bingo hall the better of:
 - ⇒ the best of either 1996/97 or 1995/96 revenue, plus 5%; or,
 - ⇒ all revenue from paper, linked and electronic bingo.
- On June 17, 1999, the government entered into Memoranda of Agreements (MOA) on gaming policy with the BC Association for Charitable Gaming (BCACG) and the Bingo Council of BC (BCBC) which:

- ⇒ reaffirms its commitment to the existing charitable guarantee of a minimum \$125 million annually, indexed annually at the rate of Vancouver CPI, with a formula that ensures charity entitlement to an amount, after accounting for retained bingo revenues, equal to 1/3 of ongoing government net community casino gaming revenues;
- ⇒ affirms that the existing bingo facility-level guarantee will remain in effect for an interim period to be determined by the Gaming Commission in meaningful consultation with licensed bingo charities.
- The guarantee is comprised of revenues from paper bingo, linked and electronic bingo, and from the Direct Charitable Access program.
- In addition to the charitable guarantee, licensed charities also earn gaming revenue through ticket raffles, social occasion casinos, wheels of fortune, or "B" licenses (approximately \$18 million annually).
- Total charitable gaming revenue for 1999/00 and 2000/01 is as follows:

Total Charitable Revenue (99/00 - 00/01)		
(\$ M)		
Component	99/00 (estimate)	00/01 (projected)
Charitable Guarantee:		
• paper bingo	39.1	27.5
• electronic/linked	9.9	10.2
• top-up	20.4	33.0
• direct access	56.0	56.0
Total Guarantee	125.4	126.7
Other licensed charitable gaming:		
• ticket raffles, social occasion casinos, wheels of fortune	18.0	18.0
Total Charitable Revenue	143.4	144.7

- Government has committed to introducing a gaming act in the Spring 2000 legislative session, and the charitable guarantee is expected to be entrenched in the legislation.

Contact Name: Derek Sturko (953-4482)
April 3, 2000

2000/01 ESTIMATES BRIEFING NOTE

ISSUE: Meekison's Report On Gaming

RESPONSE POINTS:

- Meekison's report recommends a practical and rigorous framework for the regulation and operation of all gaming facilities.
- The proposed gaming framework responds to British Columbians' desire for a gaming industry that is well regulated and subject to an arm's length, and transparent process.
- This framework will also provide greater stability and certainty in order for the industry to better conduct their business affairs.

BACKGROUND:

- In June 1999, the Minister responsible for gaming announced an end to the expansion of gaming in BC, signed Memoranda of Agreements (MOAs) with local governments and charities, and appointed an independent advisor, Professor Peter Meekison, to recommend an arm's length approval process for gaming facility relocations/changes.
- Meekison's report, *Relocation Of And Changes To Existing Gaming Facilities In British Columbia: Review and Recommendations*, was released on February 1, 2000. The key recommendations of the report include:
 - ⇒ establishes a new governance model which separates operational and regulatory functions for all gaming (including bingo halls, casinos, lotteries and horse racing);
 - ⇒ creates an independent Gaming Control Authority to regulate all gaming while the Minister continues to exercise responsibility for general policy direction;
 - ⇒ establishes a five-stage arms-length, transparent approval process for gaming facility relocations/changes (major) which provides for community consultation, public input and the consideration of socio-economic factors;
 - ⇒ incorporates the MOAs (i.e. including the provisions for revenue sharing, consultations and municipal jurisdiction);
 - ⇒ continues the independence of the Gaming Audit and Investigation Office (GAIO) as a part of the Attorney General, and expands its mandate to include horse racing; and

⇒ pending legislation, an interim bridging policy with respect to gaming facility relocations and changes is proposed which incorporates both existing and the new criteria set out in the Meekison report.

- It is intended Meekison's recommendations will be reflected in the *Gaming Control Act* to be introduced in the Spring 2000 legislative session.

Contact: Derek Sturko (953-4482)
June 1, 2000

Carole Roueche
BC Bingo Council
C/O Fairweather Bingo
1015 Fairweather Rd.
Vernon, BC
V1T 8T8

December 6, 1999

Sent by Facsimile Transmission - (250) 542-1631

Dear Ms. Roueche,

I have received your letter of November 16, 1999, to Mr. Chiasson. I take very seriously the concerns you have raised and believe solutions to many of them are possible. I would like to take this opportunity to personally address the requests made by the BCBC in the letter of November 16, 1999.

As you know, the government has set a new direction in gaming and is considering future gaming policy for the Province of British Columbia. As part of the process, and in keeping with government's commitment to implement gaming policies that have broad support, Memoranda of Agreement (MOA), have been reached with the Charitable Bingo Association Committee of the Bingo Council of B.C. (BCBC), the B.C. Association for Charitable Gaming (BCACG) and the Union of British Columbia Municipalities (UBCM).

The MOAs set out the principles which will govern the relationships between the Province, the BCBC, the BCACG and the UBCM regarding gaming issues, until gaming legislation is introduced. The MOAs reaffirm government's commitment to consult in a meaningful way with charities and the UBCM in the development of gaming policy changes. The principles outlined in the MOAs are intended to ensure that issues regarding gaming policy are resolved through consultation and negotiation.

As you are aware, on June 17, 1999, government announced an end to gaming expansion. On July 19, 1999, Mr. Peter Meekison was appointed to advise government on an arms-length approval process for the relocation of gaming facilities. Mr. Meekison's Terms of Reference were subsequently expanded to include the review of the evaluation criteria and the process for approving any proposed changes to existing gaming facilities. Mr. Meekison's report is expected to be submitted for government's consideration by the end of January, 2000.

Regarding the specific requests by the BCBC:

- 1) Dr. Meekison must sign off on his review of the bingo expansion process prior to December 1, 1999.

Government is committed to developing and introducing an independent and transparent approval process for any relocation of existing gaming facilities and for any changes to existing gaming facilities. The Terms of Reference developed for the Meekison Review clearly state that the evaluation process must be consistent with the memoranda of agreement on gaming issues that the province recently signed with the UBCM, the BCACG and the BCBC.

Government's intent to implement a fair, reasonable and equitable process means that while professor Meekison seeks input and prepares his report and recommendations, the freeze will continue on the consideration of any new changes requested since the freeze was announced. This criteria was also clearly stated in my presentation to the UBCM.

It is unnecessary for me to shorten the Meekison process as suggested in the letter of November 16, 1999, since gaming initiatives which were in place or approved for implementation prior to the announcement of the end to gaming expansion are not affected by the freeze. The ongoing installation of electronic and hand held bingo equipment in existing bingo facilities will continue as determined by the BCLC and must receive municipal approval prior to installation in accordance with government's agreement with the UBCM.

Mr. Meekison also understands that his advice must ensure the interests of charities are reflected and enhanced.

- 2) Immediate action must be initiated by the Minister to exempt bingo halls from municipal smoking by-laws based on the fact that we are provincially licensed and will comply with provincial WCB legislation

While I understand that charities are licensed by the BCGC to conduct and manage bingo events, halls are not licensed by the BCGC. Further, bingo halls are licensed by municipalities and are subject to municipal by-laws.

I have asked staff of the GPS to contact the WCB and the BCBC to schedule a meeting between the WCB and the BCBC regarding the smoking legislation. The meeting will focus on potential solutions and compliance to the WCB legislation.

With respect to the issue raised regarding exemption from municipal smoking by-laws, any request for changes to municipal by-laws must be addressed to the respective municipalities.

My staff have expressed your concerns to the BC Gaming Commission and I am pleased to note that financial assistance is being made available by the Gaming Commission, to allow the renovations necessary for bingo halls to comply with the smoking regulations.

- 3) The profits garnered by BCLC from the sale of bingo paper to the industry must be redirected through the BC Gaming Commission to the BC Bingo Council. A

marketing and advertising campaign is scheduled for the industry and access to these funds is required prior to January 1, 2000.

I have asked that preliminary discussions get underway between the BCGC, BCLC and my ministry regarding the current process and mechanism for the sale and distribution of bingo paper. I fully expect that subsequent discussions with the BCBC and the BCACG will reflect the spirit and intent of the MOAs, including full discussions on alternatives to the current process for the sale and distribution of bingo paper. The timing regarding implementation will form part of the discussions.

- 4) The rates of commission on all products supplied by BC Lottery Corporation to the Bingo Industry must be reviewed and adjusted in consultation with the BC Bingo Council. We believe that 90 days is a reasonable time frame.

BCLC, as agent of government, is responsible for negotiating all contracts for lottery products. Operational decisions regarding the sale of any lottery products is the sole responsibility of BCLC. I suggest that bingo hall operators address the issue of rates of commission for lottery products with BCLC.

- 5) The Financial Model for bingo operations must be separated from the proposed Governance Manual. The Financial Model must be implemented immediately.

As you know, after an extensive consultation process, the BCGC, an arms-length regulatory body, has developed a new Governance Model for bingo that includes a new Financial Model to provide reasonable and sufficient funds so that bingo halls can promote games and compete reasonably with other forms of gaming. The Financial Model is part of the Governance Model for bingo and I am assured both will be in place for the next fiscal year. The WCB smoking relief previously mentioned will assist financially troubled halls between now and the next fiscal year.

The BCGC committed to provide licensed charities full opportunity for discussion on the proposed Governance Model prior to implementation by March 31, 2000. Staff recently completed a province-wide tour providing opportunity for this discussion. More than 43 presentations were given to over 1600 charitable bingo licensees.

The BCGC has reaffirmed its plan to implement the new dual licensing model and new revenue model by March 31, 2000.

In addition, the BC Gaming Commission recently released new *Terms and Conditions for Charitable Gaming and Access to Gaming Revenue*. The document provides terms and conditions for the conduct and management of gaming events by charities, rules for eligibility and allowable uses of proceeds from gaming. Included in the eligibility criteria for Community Service Organizations is a clause indicating that these organizations will not be eligible to participate in the direct access program (gaming "grants") after June 30, 2000.

As you may know, the Board of Commissioners reviewed this policy and has recommended an amendment to eligibility and the implementation schedule. Service organizations will be given priority access to licensed gaming opportunities, such as bingo, and as halls are on a two-year licensing cycle this process could take up to two years. Those service organizations that are further than 50 kilometres from a bingo hall can now continue to apply for direct access.

In keeping with the spirit of the MOAs and government's commitment to pursue initiatives that will benefit the charitable sector, we are addressing recommendations flowing from consultations with the BCBC and the BCACG. The Ministry of Attorney General, through the CCSO, is taking the lead in suggesting changes to the gaming provisions of the Criminal Code of Canada. These recommended changes are aimed at providing the charitable sector with exclusive domain over all bingo activities.

I trust that this information serves to clarify government's position on the issues raised and I look forward to further consultations with the BCBC.

Sincerely,

Joan Smallwood
Minister

Prepared By: Marc Sabourin
Phone: 952-6652
Date: 12/03/99

DRAFT - FOR DISCUSSION ONLY

APPENDIX 1



NEWS RELEASE

For Immediate Release
Investment
059
June 17, 1999

Ministry of Employment and

FARNWORTH ANNOUNCES END TO GAMING EXPANSION

VANCOUVER—There will be no more gaming facilities in the province beyond proposals approved in principle last year, Employment and Investment Minister Mike Farnworth announced today.

"In keeping with the government's commitment to implement a gaming policy that has broad support and reflects British Columbians' priorities and objectives, a government caucus committee appointed by Premier Glen Clark has recommended an end to gaming expansion," Farnworth said.

"Therefore, approval of new gaming facilities will end when proposals approved in principle last year have been processed. To date, two have received final approval and the remaining seven are in various stages of negotiations. All final approvals remain contingent on a stringent set of criteria being met, and I remain committed to completing this process," Farnworth said.

The caucus committee was chaired by Coquitlam-Maillardville MLA John Cashore with Farnworth, Kootenay MLA Erda Walsh and Vancouver-Burrard MLA Tim Stevenson as members.

Farnworth said he will appoint an independent adviser to recommend an arms-length process for dealing with any proposed relocation of existing facilities.

"I want to make sure this process is completely out of the political arena," he said.

Farnworth also announced that memoranda of agreement have been reached with the Union of B.C. Municipalities and the B.C. Association for Charitable Gaming setting out principles to govern relationships on gaming issues until gaming legislation is introduced.

"Under the agreement with the UBCM, local governments will determine the level of gaming they want within their boundaries — whether they will permit relocated gaming facilities and the type and extent of casino and bingo gaming they will accept," said Farnworth. "The agreement does not affect the approvals in principle given last year."

"I am pleased that we have reached an agreement on sharing of gaming revenues with local governments," said Municipal Affairs Minister Jenny Kwan. "This memorandum of understanding represents important progress in our broader discussions on local government financing with the Union of B.C. Municipalities."

Farnworth also reaffirmed his commitment to protect charitable gaming's interest.

- more -

- 2 -

"Under the agreement with the B.C. Association for Charitable Gaming, charities are guaranteed a minimum funding level of \$125 million annually, tied to the consumer price index in Vancouver. As gaming revenues grow, that level of funding will increase until it reaches one-third of net community casino revenue," said Farnworth.

"We are also continuing the bingo facility revenue guarantee until a mature gaming market is reached, and we will continue to adhere to the existing licensing structure for bingo facilities."

Farnworth said the caucus committee noted that B.C. has a totally different approach to gaming than the rest of Canada and wanted to keep it that way:

- British Columbians spend far less per capita on gaming than any other province. In fact, gaming profits in B.C. increased only 10 per cent over the five years ending in 1997.
- Gaming revenue is 1.2 per cent of total government revenue in B.C. This is less than one-third of Alberta's share. Gaming was actually down in B.C. over the five years ending in 1997, both on a per capita expenditure basis and as a share of total provincial budget revenue. B.C. is the only the province in this position.
- B.C. and Ontario are the only provinces that do not allow video lottery terminals.
- B.C. does not have large Las Vegas-style casinos like those in Ontario and Quebec.

Farnworth said he remains committed to his main goal of making sure that gaming operates within a sound legal framework.

"The white paper on gaming had many positive recommendations consistent with this goal. We will soon implement these recommendations. We will bolster the efforts of law-enforcement agencies to investigate and prosecute illegal gambling. We will continue to fund programs for problem gambling. And we will provide greater transparency in the licensing activities of the B.C. Gaming Commission," said Farnworth.

"I've also asked Attorney General Ujjal Dosanjh to begin discussions with the federal government around an examination of the Criminal Code to achieve greater legal certainty around the clauses that give the provincial government the authority to 'conduct and manage' and on the use of technology by licensed charities," said Farnworth.

- 30 -

(Backgrounder)

Contact: Ben J. Fires
Manager
Communications
(250) 952-0611

For more information on the Ministry of Employment and Investment, visit our Web page at <http://www.ei.gov.bc.ca> on the Internet.

Log # 10864

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COLUMBIA
MUNICIPALITIES

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Fax (604) 660-2271
Email: ubcm@citynet.gov.bc.ca

PRESIDENT
MAYOR
STEVE THORLAKSON

EXECUTIVE DIRECTOR
RICHARD TAYLOR

November 4, 1999

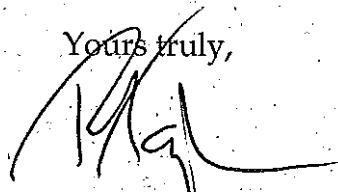
The Honourable Joan Smallwood
Minister of Labour and
Minister Responsible for Gaming
P.O. Box 9052 Stn Prov Govt
Victoria, BC
V8W 9E2

Dear Minister;

In response to your letter of October 5, 1999, introducing Dr. Peter Meekison, I wish to advise that our UBCM Gaming Committee had the pleasure of meeting with Dr. Meekison on October 28, 1999. We had a very valuable and informative exchange. Our Committee reiterated its support for the Memorandum of Agreement that was signed with the province in June 1998 and provided Dr. Meekison with various background policy papers that will assist him in understanding the local government perspective on gaming matters.

On behalf of the UBCM, I also wish to formally reiterate our interest in actively and cooperatively working with the province in the development of comprehensive gaming legislation. We would welcome the opportunity to partake of any discussions that you may be considering in the near future. Please do not hesitate to have your staff contact our office.

Yours truly,



Richard Taylor
Executive Director

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MINISTRY OF LABOUR
RECEIVED

NOV 12 1999

GAMING POLICY SECRETARIAT



MINISTRY OF LABOUR	
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DEPUTY MINISTER OF LABOUR	
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Draft Reply for DEPUTY'S Signature <input type="checkbox"/>	
Direct Reply <input type="checkbox"/> Attention <input type="checkbox"/>	
For Information <input type="checkbox"/>	
Entry #	File #



Dr. J. Peter Meekison
Independent Gaming Advisor

Mailing Address: 3974 Wolsey Place, Victoria, BC V8N 4L2 Telephone: (250) 477-1396 Facsimile: (250) 477-1386 E-mail meek@bc.sympatico.ca

October 8, 1999

Mr. Robert MacInnes
President
British Columbia Association for Charitable Gaming
Box 462, Mill Bay Centre
Mill Bay, British Columbia, V0R 2P0

Dear Mr. MacInnes:

The purpose of this letter is to introduce myself and to let you know that I will soon be contacting you in my capacity as the Independent Gaming Advisor. On September 22, 1999 the Hon. Joan Smallwood released my terms of reference. I believe she has written you about her announcement. For your information, I have attached a copy of the terms of reference of my review and three media releases pertaining to the review. The first is dated June 17, 1999 and indicates that an independent individual will be appointed. The second is dated July 19, announcing my appointment and the third is dated September 22, outlining my terms of reference. The terms of reference have been expanded from what had been indicated in the June press release.

I have been asked to develop: 1) recommendations for an evaluation process for the relocation of gaming facilities, 2) recommendations for an evaluation process for gaming facilities seeking any changes to their existing facilities and 3) recommendations for the evaluation criteria that should be used in the evaluation process. The evaluation process must be consistent with the memoranda of agreement on gaming issues entered into by the province in June with the Union of British Columbia Municipalities, the British Columbia Association of Charitable Gaming and the Charitable Bingo Association Committee of Bingo Council of British Columbia. During our meeting I think it important that we review the memorandum of agreement with your organization to ensure that there is a complete understanding on both our parts with respect to its provisions and the evaluation process.

The terms of reference make it clear that I am to consult openly and fully with interested parties, including but not limited to charities, operators and municipalities. To this list I intend to add units within the provincial government whose responsibilities include gaming regulation. The purpose of this letter is to begin that process of consultation.

I will be in touch with you in the very near future to arrange, if you so desire, a meeting at a mutually convenient time. The purpose of the meeting is for you to share your thoughts and ideas on the evaluation processes for the relocation of existing gaming facilities and changes to existing facilities within current government guidelines. The objective is to develop a fair, open and transparent approval process as well as to make recommendations on the criteria that should be employed as part of the evaluation process. Please invite others whose input you feel would be useful to attend the meeting with you or arrange the meeting to coincide with one of your Board meetings.

I can be reached at my office at the numbers listed on this letterhead. However, to assist with the logistics of arranging and confirming meetings, the Gaming Policy Secretariat has agreed to provide me with some logistical support. It would be helpful to schedule appointments through them. Their telephone and fax numbers are (250) 387-6612 and (250) 356-1910 respectively. Thank you in advance for your assistance and co-operation. I look forward to meeting with you and hearing your thoughts and ideas.

Yours sincerely,

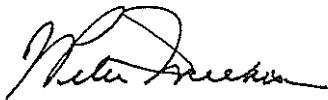
J. Peter Meekison, O.C.

Attachments

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Yours sincerely,



J. Peter Meekison, O.C.

Attachments



Dr. J. Peter Meekison
Independent Gaming Advisor

Mailing Address: 3974 Wolsey Place, Victoria, BC V8N 4L2 Telephone: (250) 477-1396 Facsimile: (250) 477-1386 E-mail meek@bc.sympatico.ca

October 8, 1999

Mr. Richard Taylor
Executive Director
Union of BC Municipalities
15 - 10551 Shellbridge Way
Richmond, British Columbia, V6X 2W9

Dear Mr. Taylor:

The purpose of this letter is to introduce myself and to let you know that I will soon be contacting you in my capacity as the Independent Gaming Advisor. On September 22, 1999 the Hon. Joan Smallwood released my terms of reference. I believe she has written you about her announcement. For your information, I have attached a copy of the terms of reference of my review and three media releases pertaining to the review. The first is dated June 17, 1999 and indicates that an independent individual will be appointed. The second is dated July 19, announcing my appointment and the third is dated September 22, outlining my terms of reference. The terms of reference have been expanded from what had been indicated in the June press release.

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Yours sincerely,

J. Peter Meekison, O.C.

Attachments

This document dated for reference the 17th day of June, 1999.

Memorandum of Agreement on Gaming Policy

Between:

The B.C. Association for Charitable Gaming (BCACG)

and

The Government of British Columbia (the Province):

The Province and the BCACG have agreed to govern their relationships with respect to gaming issues according to the following principles:

The Province:

- affirms the role of licenced charities as the sole beneficiaries of bingo gaming, including both paper and electronic bingo;
- affirms that charities have exclusive domain over all bingo activities, subject to licencing by the Gaming Commission, and subject to the provisions of the federal *Criminal Code*;
- will pursue changes to the gaming provisions of the federal *Criminal Code* to provide greater legal certainty for the continuing key role of licenced charities in charitable gaming;
- will pursue changes to the gaming provisions of the federal *Criminal Code* to permit the broad use of technology in bingo by licenced charities, so that licenced charities can have exclusive domain over all bingo activities;
- reaffirms its commitment to the existing charitable guarantee of a minimum \$125 million annually, indexed annually at the rate of Vancouver CPI, with a formula that ensures charity entitlement to an amount, after accounting for retained bingo revenues, equal to 1/3 of ongoing government net community casino gaming revenue;
- affirms that the existing bingo facility-level guarantee will remain in effect for an interim period to be determined by the Gaming Commission in meaningful consultation with licenced bingo charities;
- affirms that the British Columbia Gaming Commission is the sole licencing authority for charitable gaming;

- affirms that the “public foundation” licencing model recommended in the White Paper will not be pursued;
- will consult in a meaningful way with charities in the development of gaming policy changes that may affect charities;
- will consult in a meaningful way with charities regarding the form and content of gaming legislation before it is introduced into the Legislature; and
- reaffirms its commitment that video lottery terminals will not be permitted in British Columbia.

The BCACG intends to:

- actively and cooperatively work with the Province in the development of comprehensive gaming legislation;
- actively and cooperatively work with the Province in the support of negotiations with the federal government to achieve changes to the gaming provisions of the federal *Criminal Code* as contemplated in bullets three and four on the previous page.

The Province and BCACG intend to:

- bring resolution to existing and future disputes through negotiations, where possible, and in a manner consistent with the principles of this Agreement.

These principles will govern the parties’ actions with respect to gaming henceforth, and until legislation consistent with these principles is passed in the Legislature.

Original signed by:

Robert MacInnes
President of BCACG

Original signed by:

Mike Farnworth
Minister of Employment and Investment

This document dated for reference the 17th day of June, 1999.

Memorandum of Agreement on Gaming Policy

Between:

The Union of BC Municipalities (UBCM)

-and-

The Government of British Columbia (the Province):

The Province and UBCM have agreed to govern their relationship with respect to gaming issues according to the following principles:

The Province:

- affirms the jurisdiction of local governments, specifically with respect to their land-use and by-law making powers;
- affirms the ability of local governments to make decisions as to whether new facilities or re-located facilities will be permitted within their boundaries;
- affirms the ability of local governments to direct and define the extent, scope and type of casino and bingo gaming permitted within their boundaries. It also affirms the ability of local government to decide whether slot machines or other similar devices could be placed within their boundaries;
- will provide an independent and transparent selection process for new and relocated gaming facilities;
- will share gaming revenue with local governments as set out in the White Paper;
- will share gaming revenue with local governments that host gaming facilities, regardless of their stated opposition to gaming, and without the adoption of a Council/Board resolution;
- will consult in a meaningful way with local government in the development of gaming policy changes that may affect local governments;
- will consult in a meaningful way with local government regarding the form and content of gaming legislation before it is introduced into the Legislature;
- will ensure that charities are guaranteed an ongoing source of revenue from gaming and that eligibility rules for this funding will be maintained;

- will ensure that there is a legislative mechanism for consultation/mediation with adjacent communities; and
- reaffirms its commitment that video lottery terminals will not be permitted in British Columbia.

The UBCM intends to:

- actively and cooperatively work with the Province in the development of comprehensive gaming legislation.

The Province and UBCM intend to:

- bring resolution to existing and future disputes through negotiations, where possible, and in a manner consistent with the principles of this Agreement.

These principles will govern the parties' actions with respect to gaming henceforth, and until legislation consistent with these principles is passed in the Legislature.

Original signed by:

John Ranta
President of UBCM

Original signed by:

Honourable Jenny Kwan
Minister of Municipal Affairs

2000/01 ESTIMATES BRIEFING NOTE

ISSUE: Municipal Revenue From Community Casinos

RESPONSE POINTS:

- The Memorandum of Agreement between the UBCM and the province provides for host local governments to receive 10 percent of the net gaming revenue from community casinos within their jurisdictions.
- The revenue sharing agreements with host local governments of community casinos mirror those entered into with the host local governments of destination casinos.
- To date, 8 of the 12 HLGs have signed the Agreements, and have received their revenue for the first two quarters;
- The 4 HLGs that have not signed the agreements have requested a number of amendments to address jurisdictional concerns.
- It is crown counsel's advice that the current agreement is appropriate, does not detract from municipal powers, and should not be altered.
- In any event, the concerns have been substantially addressed in the recommendations contained in the recently released Meekison Review, which calls for the MOAs to be enshrined in the new gaming act to be introduced in the Spring 2000 legislative session.
- For 2000/01, of the \$31.8 M projected for host local government payments, \$4.8 million is for destination casinos, and \$22.2 million is for community casinos.
- Municipalities will be able to use this gaming revenue for the any purpose within their legal authority.

BACKGROUND:

- On June 17, 1999, the Minister of Municipal Affairs entered into a Memorandum Of Agreement (MOA) with the UBCM.
- This MOA set out a number of provincial government commitments including the adoption of the White Paper's revenue sharing recommendations for Host Local Governments (HLG) to receive 10 percent of the net earnings from individual community casino operations within their jurisdictions.
- To receive their revenue share, the HLGs (12 HLGs for 16 Community Casinos) are required to sign a Host Financial Assistance Agreement (the "Agreement") under which:
 - ⇒ HLGs will receive their share of revenue from community casinos on a quarterly basis, based on revenue generated from July 1, 1999.
 - ⇒ Municipalities will be able to use this gaming revenue for any purpose within their legal authority.
- For 2000/01, of the \$31.8 M projected for host local government payments, \$4.8 million is for destination casinos, and \$22.2 million is for community casinos.

- To date, 8 of the 12 HLGs have signed the Agreements, and have received their revenue for the first two quarters (see attached);
- The 4 HLGs that have not signed the agreements to date (Surrey, Prince George, Burnaby and Vancouver) have expressed concerns regarding a number of clauses in the agreements, primarily with respect to clause 13(c) which they perceive as eroding their jurisdiction.
- It is crown counsel's advice that the current agreement is appropriate, does not detract from municipal powers, and should not be altered.
- In any event, the concerns have been substantially addressed in the recommendations contained in the recently released Meekison Review, which calls for the MOAs to be enshrined in the new gaming act to be introduced in the Spring 2000 legislative session.
- If and when the 4 municipalities sign the agreements, they will receive their revenue share for the past two quarters, beginning July 1, 1999. There is no penalty for late signing and there is no provision for interest to be paid on the amounts due.

Contact Name: Derek Sturko (953-4482)

Last Updated: 00/07/05

2000/01/26 11:03 AM G:\GAMGAM.SHR\Estimates\Estimates New 2000\Old GPS role and budget.doc

HOUSE NOTE: MOA'S WITH LOCAL GOVERNMENTS AND CHARITIES

ISSUE: In June 1999, the Province signed memorandum of agreements (MOAs) with Local Government and Charity representatives with respect to gaming policies.

BACKGROUND:

- On February 9, 1999, the government released the *Report on Gaming Legislation and Regulation in British Columbia*, which contained a White Paper and a draft *Gaming Act*, for public comment.
- After the White Paper was introduced, public and stakeholder support began to erode, and the government made the decision that a change in policy direction was required to rebuild support for its gaming policies.
- On June 17, 1999, the government announced an end to gaming expansion and entered into MOAs with local governments and charity representatives with respect to gaming policy.
- The MOA between the UBCM and the Province:
 - ⇒ allows local governments to determine the level of gaming they want within their boundaries; and
 - ⇒ provides for local governments to receive a share of revenue from community casinos within their jurisdiction (10% of net gaming revenue).
- The MOAs between the Province and the BC Association for Charitable Gaming (BCACG) and the Charitable Bingo Association Committee of the BC Bingo Council (BCBC):
 - ⇒ reaffirms the government's commitment to protect charitable gaming revenue. Under the Agreement, charities are guaranteed a minimum funding level of \$125 million annually, tied to the consumer price index in Vancouver.
- In accordance with the MOA, the Province has implemented the revenue sharing arrangements with host local governments:
 - ⇒ for 1999/00, host local governments received approximately \$19.2 million from community casinos, and \$22.2 million is budgeted for 2000/01.
 - ⇒ this is in addition to the revenue share host local governments receive from destination casinos (a projected \$4.8 million in 2000/01).

- The government intends to enshrine the MOAs in the new *Gaming Control Act* to be introduced in the Spring 2000 legislative session.

RECOMMENDED RESPONSE:

- On June 17, 1999, the Province entered into Memoranda of Agreements (MOAs) with local governments and charity representatives with respect to gaming policy.
- The MOAs address the key concerns of local governments and charities that were identified in the White Paper consultation process.
- The MOA between the Union of BC Municipalities:
 - ⇒ allows local governments to determine the level of gaming they want within their boundaries; and
 - ⇒ provides for local governments to receive a share of revenue from community casinos within their jurisdiction (10% of net gaming revenue).
- The Province has already implemented the revenue sharing arrangements with host local governments. For 2000/01, host local governments will receive approximately \$22.2 million from community casinos in their jurisdictions.
- The MOAs between the Province and the charity representatives.
 - ⇒ reaffirms the government's commitment to protect charitable gaming revenue. Under the Agreement, charities are guaranteed a minimum funding level of \$125 million annually, tied to the consumer price index in Vancouver.
- The government intends to enshrine the MOAs in the new *Gaming Control Act* to be introduced in the Spring 2000 legislative session.

Contact: Derek Sturko**Phone: 953-4482****Date: May 2, 2000**
