



Corporate NO: R201

Report COUNCIL DATE: September 5, 2000

REGULAR

TO: Mayor & Council **DATE: August 29, 2000**

FROM: City Solicitor **FILE: 0036-001**
XC: 0312-012

SUBJECT: Gaming Control Act - Bill 30

RECOMMENDATION

1. That Council receive this report for information.
2. That Council authorize the City Clerk to forward the City's concerns regarding the proposed legislation to the UBCM.

BACKGROUND

As part of its continuing mandate to revamp the gaming industry in British Columbia, Bill 30, the *Gaming Control Act*, was recently introduced into the provincial legislature. The introduction of this proposed legislation, which is attached as Appendix A to this report, represents an additional step taken by the Province towards honouring its commitment to respect the wishes of local municipalities in regard to the location of gaming facilities within their boundaries.

Council will recall that the Province previously committed to this course of action by entering into a Memorandum of Agreement on gaming policy on June 17, 1999 with the Union of British Columbia Municipalities ("UBCM"). The Memorandum of Agreement, attached as Appendix B, among other things "*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 governments to decide whether slot machines or other similar devices could be placed within their boundaries.*"

Governance Model

In an attempt to introduce a legislative framework that provides stability and careful regulation of the gaming industry, Bill 30 creates the British Columbia Gaming Control Authority, an independent office responsible for

overseeing major decisions and protecting the public interest. It also introduces the following Governance Model:

Minister Responsible for Gaming

- Ensure the integrity of gaming in the Province
- Determine the broad social, economic and fiscal policy directions for gaming
- Give written orders and directions to the B.C. Gaming Control Authority

Gaming Policy Secretariat

- Develop, manage and implement gaming policy
- Advise Minister/Cabinet
- Regulatory structure for gaming in B.C.
- Awareness and research concerning gaming issues
- Represent the Province in all gaming matters

B.C. Gaming Control Authority

- Guidelines and parameters (public policy issues)
- Approval of standards and general policies of other agencies
- Approve locations, relocations and changes to facilities
- Authorize agreements
- Public consultation and research

Gaming Audit and Investigation Officer

- Law and order re gaming
- Register gaming service providing suppliers and workers
- Audits, inspections and investigations
- Respond to complaints
- Certify technical compliance of equipment

B.C. Lottery and Casino Corporation

- Conduct and manage provincial gaming
- Lottery Tickets
- Interprovincial lotteries
- Community and destination casinos
- Conduct and manage electronic bingo (interim)

- Establish and manage rules of play

B.C. Charitable Gaming Commission

- Regulate and license charitable gaming (bingo, ticket raffles, etc.)
- Supply of bingo paper
- License fairs, exhibitions and places of amusement
- Establish and manage licensing and other rules
- Determine access to gaming revenue, review licensing decisions and determining use of proceeds

B.C. Racing Commission

- License and regulate horse racing
- Ensure integrity of horse racing
- Assignment of race days
- Establish and manage licensing and rules
- Horse racing improvement fund, and economic development fund

Municipal Approval/Payments to Local Governments

There are several sections of the proposed legislation which appear to capture the intent of the Memorandum of Agreement on Gaming Policy entered into with UBCM. Specifically, section 8 provides that the British Columbia Gaming Control Authority must not approve the location or relocation of a gaming facility and it must not approve a substantial change in the type or extent of gaming events at a gaming facility, without first receiving approval from the municipality, regional district or first nation that has authority over land use planning.

Section 66 is also noteworthy in that it appears to reaffirm the Province's commitment to share gaming revenue. It provides that the Minister of Finance and Corporate Relations must pay out gaming funds in each fiscal year to each municipality, regional district or first nation of the community casino or destination casino; a contribution and amount that is equal to a proportion prescribed by the Lieutenant Governor in Council of the lottery and casino corporation's net income derived from casino gaming.

CONCLUSION

Amendments

Despite the Province's apparent efforts to honour its commitment to local municipalities through this proposed legislation, there are several oversights or required amendments:

1. The definition of "*gaming event*" should include reference to Section 207(1)(a) of the *Criminal Code*.
2. The definition of "*lottery scheme*" should include reference to slot machines.
3. Clarification that the Minister's written directives issued pursuant to Section 4 cannot override the

authority or approval requirement of municipalities.

4. Although the proposed legislation provides that a "*substantial change*" to a gaming facility requires municipal approval, the term should be defined. This definition should stipulate that an expansion to an existing gaming facility constitutes a "*substantial change*" requiring municipal approval.
5. A requirement for municipal approval authorizing the continued operation of existing gaming facilities should be incorporated into the proposed legislation. This could be effected by deleting the phrase "*other than a lawful gaming facility in existence immediately before the coming into force of this section*" from Section 7.
6. The term "*destination casino*" in Section 66(1) should be replaced with "*community casino*" as it is apparent from a review of this section that the inclusion of "*destination casino*" was clearly a typing error.

In order to provide meaningful input to the Province, it is recommended that these comments be forwarded to the UBCM Gaming Committee for incorporation into UBCM's formal response to the Province on Bill 30.

CRAIG MacFARLANE

City Solicitor

TC:mlg

Encls.