

**MINISTER:** Honourable Rich Coleman  
Public Safety and Solicitor General

**IDENTIFIER NUMBER:**

**DATE:** January 15, 2002

**TITLE:** No Expansion of Gaming

**ISSUE:** The Ministry of Public Safety and Solicitor General is seeking direction from Cabinet as to how the commitment is to be applied to the existing infrastructure of gaming in BC. Since the conduct and management of bingo, along with horse racing, have been dealt with previously, this discussion is strictly around the existing casinos in BC.

**BACKGROUND:**

Our Government made the following commitment as part of the New Era for British Columbians:

"Stop the expansion of gambling that has increased gambling addiction and put new strains on families."

Government is in the gaming business as mandated by the Criminal Code and conducted by the BC Lottery Corporation.

There are two types of casinos in this Province:

- A) Destination casinos: up to seven destination casinos are permitted in BC under a 1997 Request For Proposal (RFP) process. Each is site and host local government specific. Two of these are completed and open and three are likely to proceed as they have shown progress. The other two are facing governance or financing difficulties; they should be allowed to proceed only if they are able to overcome these obstacles in the near future and make progress towards their RFP completion by April 30, 2002. If built, each of these casinos is currently permitted up to 300 slots machines, 30 gaming tables and six poker tables. It should be understood that these casinos cannot be relocated and will not proceed elsewhere if their current proposals are unsuccessful.
- B) Community casinos: there are 17, each may have a maximum of 300 slot machines, 30 gaming tables and six poker tables if they meet the appropriate terms and conditions. Eight have slot machines, seven do not and two have less than their maximum number of slot machines. Those that do not have slot machines are in communities that do not allow them.

In some cases, representations have been made by Government or the BC Lottery Corporation to community casino operators that they would be given the opportunity to relocate to improve their business, to either "slot-friendly" communities or within their community without slot machines. As a result, we believe we may have incurred a legal obligation for some of the community casinos without slot machines.

Note that two community casinos have recently relocated and opened with slot machines - one in View Royal, the other in Coquitlam. The purpose of each move was to obtain slot machines in a "slot-friendly" community. Should a local government that disallows slot machines change its policy to subsequently permit slot machines, the casinos within that local government's jurisdiction are not automatically entitled to have slot machines.

### **LEGISLATIVE AND LEGAL CONSIDERATIONS:**

A legal opinion concerning this issue has been obtained.

### **OPTIONS AND IMPLICATIONS:**

#### **OPTION 1**

The number of gaming tables and slot machines in BC be frozen at the levels they presently exist with no allowance for growth.

#### **ADVANTAGES:**

- Does not expand gaming

#### **DISADVANTAGES:**

- Litigation will likely result
- Impacts the BC Lottery Corporation's Business Plan

#### **OPTION 2**

In order to reduce the exposure to litigation, allow those casinos that have taken significant steps and made investments based on direction from Government and/or the BC Lottery Corporation to relocate and/or expand to capacity. It is estimated that four casinos currently without slot machines fall into this category. The remaining casinos without slot machines would not be eligible. No new licenses would be issued.

**ADVANTAGES:**

- Meets Government's commitment not to expand gaming beyond previously committed legal obligations
- Meets Government's contractual obligations to casino operators
- Decreases the risk of expensive litigation
- Fulfills the BC Lottery Corporation's Business Plan

**DISADVANTAGES:**

- Eventually, there would be more slot machines in BC and this could be seen as an expansion of gaming
- Litigation could still result from the ineligible casino operators

**OPTION 3**

Continue to allow each of the 17 community casinos a maximum of 300 slot machines, 30 gaming tables, and six poker tables if the appropriate terms and conditions are met, but prohibit any further licenses. Allow some of the 17 community casinos, where necessary, to relocate to achieve this maximum number of gaming tables and slot machines, based on criteria established by the BC Lottery Corporation.

**ADVANTAGES:**

- Allocates responsibility for casino operations to the BC Lottery Corporation
- Eliminates the risk of litigation by casino operators
- Fulfills and potentially exceeds the BC Lottery Corporation's Business Plan

**DISADVANTAGES:**

- Expands the existing number of slot machines in BC

**RECOMMENDED DECISION:**

Option 2

---

Honourable Rich Coleman  
Minister of Public Safety and Solicitor General