Gaming in Kahnawà:ke

AGRI 20TH ANNUAL CONFERENCE
APRIL 28 2021



FIRST NATIONS GAMING IN CANADA

- ➤ Since 1985 amendments to the *Criminal Code*, only two ways that a First Nation can participate in the gaming industry in Canada:
 - 1. Make a deal with a Province under s. 207(1)(a) or (b) of the *Criminal Code*—IF the Province is willing to do so (Quebec is not)
 - 2. Exercise the First Nation's **own jurisdiction**—"treaty or aboriginal right" under s. 35(1)
- ▶ Both options have imperfect and have inherent uncertainties
- ► April 27, 2021: Letters from Minister Lametti
 - ▶ Opening door to consultations with FNs on:
 - ▶ 1979/1985 Fed/Prov agreements re gaming
 - ▶ Bill C-218—amending Code re single events sports wagering

GAMING IN KAHNAWÀ:KE

- ➤ Since 1996, Kahnawà:ke has built a successful gaming industry on the strength of inherent Mohawk jurisdiction
- Revenue sharing agreement with Quebec has never been an option
- Kahnawà:ke Gaming Law enacted June 10, 1996—25th anniversary in about 2 months
- Law creates/empowers Kahnawà:ke Gaming Commission ("KGC") to be licensing and regulatory body: www.gamingcommission.ca

KAHNAWÀ: KE JURISDICTION OVER GAMING

- Kahnawà:ke Gaming Law is not an Indian Act by-law
- ➤ If challenged, defended as an "aboriginal right" under s. 35(1) of the Constitution Act, 1982
- Obtained several legal opinions from external counsel
- Comprehensive opinion prepared by OKT Law—assisted by Professor Brian Slattery
- Over past 25 years, no legal challenge of any kind
- One judicial proceeding in Superior Court of Quebec—Horne v. KGC et al.—decided in favour of KGC

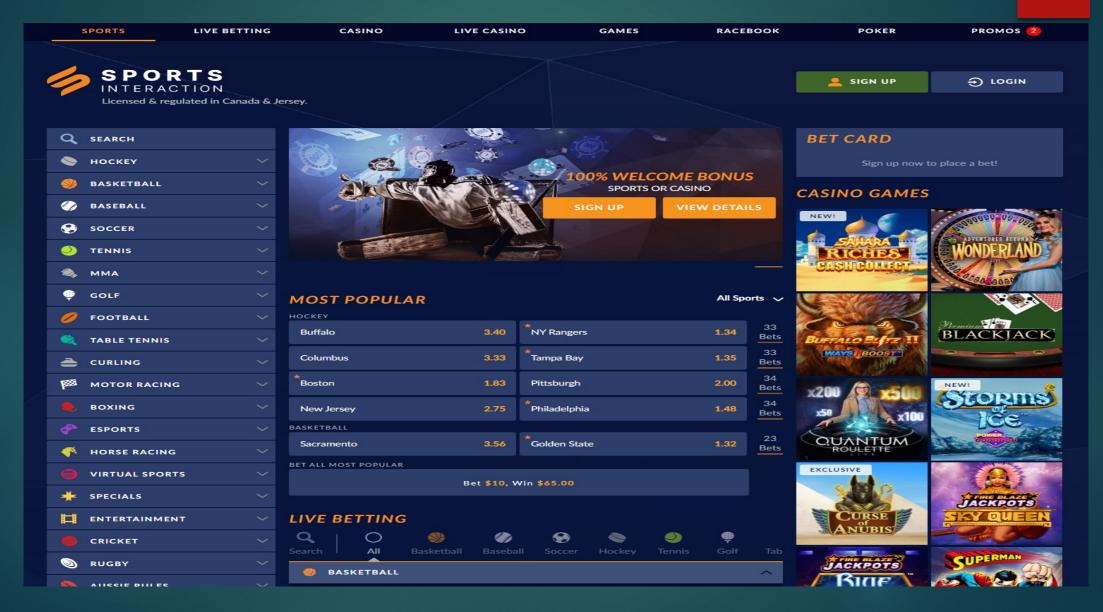
MODERN-DAY GAMING IN KAHNAWA:KE

- ► Kahnawà:ke has no land-based "casino"—3 referenda: 1994, 2003 and 2012
- ► 1999—Regulations concerning Interactive Gaming
 - ► Licenses and regulates third party online gaming operators
 - ► In mid-2000's, almost 60 licensees—presently, approximately 30
 - Mohawk Internet Technologies ("MIT")
 - Co-location data centre and internet service provider
- ▶ **2007**—Regulations concerning Poker Rooms
 - ► Currently, three poker rooms licensed by Commission—Playground Poker is largest in Canada
- ▶ **2011**—Regulations concerning Raffles
- ▶ 2018—Regulations concerning Electronic Gaming Device

MOHAWK ONLINE KAHNAWA:KE

- 2015—Mohawk Council of Kahnawà:ke established Mohawk Online as a socioeconomic initiative for benefit of community
- Mohawk Online is unincorporated band-empowered entity 100% owned by MCK
- Mohawk Online operates Sports Interaction <u>www.sportsinteraction.com</u>
 - Sports wagering, casino, poker, other games
- All revenue directed to benefit community of Kahnawà:ke
- Recent donations made for children's water park and Mohawk language immersion program—expanding donation program to other First Nations
- Expanding support service operations to other First Nations
- Licensed by Kahnawà:ke (KGC) and Jersey (JGC)
- Accepts players only from within Canada

MOHAWK ONLINE KAHNAWA:KE



LAND-BASED POKER ROOMS

- > Since **2007**: Regulations concerning Poker Rooms
- > Three licensed poker rooms
- Privately owned/operated by Kahnawa'keró:non
- Licensed and regulated by KGC
- Only poker offered—no blackjack or other table games
- > Open 24/7 (closed March 13, 2020 due to COVID)
- > Fees and revenues paid to Council for community benefit
- ➤ Largest room is Playground Poker—75+ tables
- > Employs 300+ staff, including 200+ dealers (all licensed by KGC)
- All staff within poker rooms vetted by KGC

Playground Poker



- -75 poker tables
- -largest in Canada
- -World Poker Tour events
- -employs 300+
- -revenue to Council





ELECTRONIC GAMING DEVICES

- > Since 2018: Regulations concerning Electronic Gaming Devices
- > Input from NJ Division of Gaming Enforcement to develop regulations
- EGDs—hybrid between VLTs and slots
- > Two EGD facilities—Playground and Magic Palace
- > Total of approximately 900 machines at present—plans to expand
- Mandatory player cards—track players and their play
- > Open 24/7 (presently closed due to COVID)
- > Significant guaranteed revenue to Council—percentage of gross revenue
- > Game play and revenue monitored on daily basis by KGC

HOW HAS GAMING BENEFITED KAHNAWA:KE?

Since 1996—gaming industry provided significant benefits to Kahnawà:ke, all on strength of Kahnawà:ke jurisdiction, resources and ingenuity

Recognition of Kahnawà:ke jurisdiction

- Reciprocal agreements with other regulatory agencies
- Discussions with Canada to find "workable solutions"

> Revenue

- Over past 24 years, millions of \$\$ in revenue for community
- Licensing fees from KGC
- Direct revenue from MOL, MIT, poker rooms and EGDs
- Mohawk Online: \$20M over past 5 years—\$4M to KERM fund

Employment and training

- Hundreds of jobs for inside and outside the Community
- Customer support, network and technical, dealers

Niá:wen Kowa