

# Organization and Management of Gambling in Canada

## **Background**

Gambling in Canada is an illegal activity except where it is made legal through provisions set out in the *Criminal Code of Canada* and sanctioned under the authority of each province. The Government of Canada has minimal involvement in gambling beyond *Criminal Code* prohibitions and permissions. In 1985, an agreement between federal and provincial governments established annual provincial payments to the federal government to assure that only provinces can authorize gambling.

Sections 206 and 207 of the *Criminal Code* are the principal provisions regulating gambling in Canada. Section 206 makes it an offence to engage in a broad range of gaming activities; Section 207 enumerates exceptions to the Section 206 prohibitions.

All provinces participate in national lottery schemes, but provincial/regional gambling authorities permit and/or offer a variety of other games of chance. No two provincial regulatory or operational regimes are the same, and different regimes are in place across the country. Different games and lottery schemes are permitted or prohibited, depending on the province. For example, casinos may be commercial, charitable, owned/operated by government, and/or operated by private companies under contract to provincial gaming authorities (or a combination of these).

All provinces license charities under their own regulations and permitted schemes as per Section 207(1) (b).

Some key *Criminal Code* provisions related to games of chance, lotteries, horse racing, and pari-mutuel betting are outlined below.

## **Criminal Code Provisions**

### **Section 204**

Section 204 sets out the provisions under which horse racing and pari-mutuel betting may be conducted.

### **Section 206**

Section 206 makes it an offence to engage in a broad range of gaming activities.

### **Section 207**

Section 207(1) enumerates exceptions to the prohibitions set out in Section 206. It is this section that permits a province to create and operate lotteries and lottery schemes, including games of chance and those through a computer, slot machine or video device.

## British Columbia

The *Gaming Policy and Enforcement Branch* (GPEB) regulates all gaming in British Columbia, ensures the integrity of gaming industry companies, people and equipment, and investigates allegations of wrongdoing. This includes regulatory oversight of the *British Columbia Lottery Corporation* (BCLC), all gaming service providers and gaming workers, British Columbia’s horse racing industry, and licensed gaming events. GPEB also manages problem and responsible gambling programs and distributes gaming funds to community organizations.

Pursuant to *Criminal Code of Canada* amendments in 1969 and enabling legislation, BCLC was incorporated on October 25, 1984, and is continued under the *Gaming Control Act* of British Columbia (2002). As an agent of the Crown, the Province has designated BCLC as the authority to conduct and manage lottery schemes within British Columbia. BCLC is responsible for conducting, managing and operating: 1) lottery gaming—including the marketing of nationwide and regional lottery games in association with other provinces, 2) casino gaming, and 3) electronic and commercial bingo.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
BC	Bingo	GPEB	BCLC	Charitable/religious organizations, contracted service providers
	Casinos	GPEB	BCLC	Contracted service providers
	EGMs (non-casino)	GPEB	BCLC	Charitable/religious organizations, contracted service providers
	Horse racing	CPMA, GPEB	N/A	Non-profit organizations, private corporations
	Ticket lotteries	GPEB	BCLC	BCLC, ILC

**Note:** *BCLC* refers to the British Columbia Lottery Corporation. *CPMA* refers to the Canadian Pari-Mutuel Agency. *EGMs (non-casino)* refer to slot machines at bingo facilities (community gaming centres) and casinos co-located at racetracks. Charitable/religious organizations and/or contracted service providers operate the former, while contracted service providers operate the latter. *GPEB* refers to the Gaming Policy and Enforcement Branch. *ILC* refers to the Interprovincial Lottery Corporation. *Ticket lotteries* refer to both Internet and non-Internet lotteries.

### First Nations Operational Role

In British Columbia, provincial policy is that First Nations have the same opportunities and are subject to the same rules and restrictions as all other British Columbians involved in the gaming industry. First Nations with jurisdiction over land use planning can become a host local government to a gaming facility conducted and managed by the BCLC. As such, they can receive a portion of net gaming revenue.

### Where Net Revenue Goes

Proceeds from gaming in British Columbia are used to benefit people and communities in the Province. Net gaming revenues support education and health care services, local economic development, non-profit community organizations, the horse racing industry, and local governments.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
BC	Bingo	GPEB	GPEB	Charitable/religious organizations
	Break open / Pull tickets	N/A	N/A	N/A
	Casinos	GPEB	GPEB	Charitable/religious organizations
	Poker	N/A	N/A	N/A
	Raffles	GPEB	GPEB	Charitable/religious organizations
	Other	GPEB	GPEB	Charitable/religious organizations

**Note:** GPEB refers to the Gaming Policy and Enforcement Branch.

### Provincial Legislation Governing Gaming

*Gaming Control Act, 2002.*

## Alberta

The *Alberta Gaming and Liquor Commission* (AGLC) is an agent of the Government of Alberta and consists of a Corporation and a Board. The Corporation acts as the operational arm of the organization, while the Board is responsible for reflecting government's direction through policy and regulatory matters. Under direction of the Solicitor General and Minister of Public Security, the AGLC Board develops strategies and plans for policy to be effectively implemented. All gaming activities must comply with the *Criminal Code of Canada*, the *Gaming and Liquor Act* (1996), the *Gaming and Liquor Regulation* (1996), and AGLC policies.

The AGLC is responsible for the licensing, regulating, and monitoring of gaming activities within the Province. The AGLC licenses gaming facility licencees and retailers, and works closely to ensure compliance with all gaming policies and regulations. Casinos, bingo halls, racing entertainment centres, lottery ticket outlets, and video lottery terminal (VLT) locations are privately or publicly owned, managed, and operated.

Alberta has adopted a charitable gaming model for bingo, casino games, pull tickets, and raffles. This model provides opportunities for thousands of charitable and religious groups who choose to conduct charitable gaming activities to raise millions of dollars to help support their worthwhile community projects and services.

All Alberta casino facilities are licensed by the AGLC. Casino gaming includes table games and slot machines. The casino operator provides the facility, materials, and expertise, while the charity provides the volunteers. Charities require a licence from the AGLC to conduct a casino event, which generally lasts two days.

Bingo is conducted by charitable and religious organizations under the authority of a bingo licence. Bingo licences are issued by the AGLC. There are three types of bingo facilities: 1) *Association bingo halls* (Class A licence), 2) *Private operator bingo halls* (Class B licence), and 3) *Community bingo halls*.

The AGLC conducts and manages ticket lotteries as a joint enterprise with Saskatchewan and Manitoba through the *Western Canadian Lottery Corporation* (WCLC). The AGLC manages lottery ticket retailers through retailer agreements. The AGLC also installs and maintains ticket lottery terminals, conducts retailer training, and regularly communicates with retailers about the ticket lottery program. VLTs are located in age-restricted liquor-licensed venues known as *VLT retailers* or *video gaming entertainment rooms* (VGERS).

*Horse Racing Alberta* (HRA) is a private, not-for-profit corporation that was established with the Alberta Government's proclamation of the *Racing Corporation Act* in 1996. It is accountable to the people of Alberta under the *Horse Racing Act*. In accordance with the Act, the purpose of the HRA is to govern, direct, control, regulate, manage, and promote horse racing in any or all of its forms.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
AB	Bingo <sup>1</sup>	AGLC	AGLC	Bingo facility licencees
	Casinos <sup>2</sup>	AGLC	AGLC	Casino facility licencees
	EGMs (non-casino)	AGLC	AGLC	REC facility licencees, VLT retailers
	Horse racing	AGLC, CPMA, HRA	N/A	HRA, non-profit organizations
	Ticket lotteries	AGLC	AGLC, WCLC	ILC, lottery ticket outlet retailers

**Note:** AGLC refers to the Alberta Gaming and Liquor Commission. CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (*non-casino*) refer to VLTs in bars, lounges, and entertainment rooms, as well as slot machines at racing entertainment centres. HRA refers to Horse Racing Alberta. ILC refers to the Interprovincial Lottery Corporation. REC refers to racing entertainment centre (a slots-at-racetrack facility). WCLC refers to the Western Canada Lottery Corporation.

#### First Nations Operational Role

Like traditional casinos, all First Nations casinos in Alberta are subject to the same AGLC eight-step licensing process. Charitable casino policies regarding casino licence eligibility and the use of gaming proceeds were developed in consultation between the AGLC and *Host First Nations* (HFN) and implemented in June, 2006. These policies do not apply to bingo, raffle, or pull-ticket licensing. Gaming proceeds must: 1) be spent on charitable or religious purposes approved by the AGLC, and 2) be essential to the delivery of the licensed charity's or sub-charities' programs.

<sup>1</sup> Electronic bingo only.

<sup>2</sup> Slot machines only.

**Where Net Revenue Goes**

Under the requirements of the *Gaming and Liquor Act* [1996], the AGLC administers and manages the *Alberta Lottery Fund* (ALF). The ALF is made up of net revenues from VLTs, slot machines, and ticket lotteries (i.e., Lotto 6/49). The fund ensures support for a variety of programs, projects, and foundations. Each year, thousands of non-profit volunteer organizations in Alberta require funding for a variety of projects and initiatives. Funding is available to these organizations through various lottery-funded grant programs. Slot machine revenue is distributed as follows: 15% operator, 15% charity, 70% ALF. Distributions from First Nations casinos to the ALF are as follows: Of the 70% of revenues given to the fund, 30% goes to traditional lottery fund initiatives and 40% goes to the First Nations Development Fund Grant Program (30% to the host First Nation and 10% to other First Nations).

The *Alberta Gaming Research Institute* (AGRI) was established in 1999 by the Alberta government. It is a joint venture between the University of Alberta, University of Calgary, and the University of Lethbridge. AGRI's primary purpose is to support and promote research into gaming and gambling in the province of Alberta. AGRI receives \$1.5 million in annual funding from the ALF.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
AB	Bingo <sup>3</sup>	AGLC	AGLC	Charitable/religious organizations
	Break open / Pull tickets	AGLC	AGLC	Charitable/religious organizations
	Casinos <sup>4</sup>	AGLC	AGLC	Charitable/religious organizations
	Poker	N/A	N/A	N/A
	Raffles	AGLC	AGLC	Charitable/religious organizations
	Other	N/A	N/A	N/A

**Note:** AGLC refers to the Alberta Gaming and Liquor Commission.

**Provincial Legislation Governing Gaming**

*Gaming and Liquor Act, 1996; Gaming and Liquor Regulation, 1996.*

<sup>3</sup> Paper bingo only.

<sup>4</sup> Table games only.

## Saskatchewan

Saskatchewan Liquor and Gaming Authority (SLGA). SLGA fulfils three distinct roles in the Provincial gaming sector, all pursuant to *The Alcohol and Gaming Regulation Act (1997)*. First, SLGA conducts and manages the majority of the Province's electronic gaming machines (EGMs)—including the Province's network of VLTs and slot machines at First Nations casinos. Second, SLGA regulates the Province's casinos. Third, SLGA licenses and regulates most other forms of gaming including charitable bingo, raffles, break open tickets, and poker tournaments. SLGA also regulates and provides grants to horse racing.

Saskatchewan Indian Gaming Authority (SIGA). The *Federation of Saskatchewan Indian Nations (FSIN)* created the *Saskatchewan Indian Gaming Authority (SIGA)* as a non-profit corporation in order to carry out its casino gaming operation interests. SIGA in turn provides physical infrastructure and personnel to support day-to-day casino operations through a Casino Operating Agreement with SLGA. SLGA conducts and manages the slot machines at SIGA casinos.

Indigenous Gaming Regulators (IGR). Effective April 2007, IGR was delegated responsibility for licensing and regulating charitable gaming on most First Nations reserves in Saskatchewan (i.e., bingo, break open tickets, raffles, poker tournaments, and table games at SIGA casinos). IGR's activities are conducted in accordance with a Licensing Agreement signed with SLGA that ensures charitable gaming is regulated on- and off-reserve in essentially the same manner.

Saskatchewan Gaming Corporation (SGC). Pursuant to the *Saskatchewan Gaming Corporation Act (1994)*, SGC conducts, manages, and operates slot and table gaming at the two fully, government-run casinos in the Province (located in Regina and Moose Jaw). The Act stipulates that SGC is subject to regulatory oversight by SLGA.

Western Canada Lottery Corporation (WCLC). WCLC acts as an agent for the Province in the conduct and management of ticket lotteries. The Ministry of Tourism, Parks, Culture and Sport provides oversight to WCLC operations and distribution of ticket lottery profits to sport, culture and recreation groups. WCLC acts as an agent for the Province in the operation of SLGA's provincial network of VLTs as well as the slot machines at SIGA casinos.



	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
SK	Bingo	N/A	N/A	N/A
	Casinos	SLGA	SGC, SLGA, WCLC	SGC, SIGA
	EGMs (non-casino)	SLGA	SLGA	WCLC
	Horse racing	CPMA, SLGA	N/A	Exhibition associations, non-profit organizations
	Ticket lotteries	Ministry of Tourism, Parks, Culture, Sport	WCLC	ILC, WCLC

**Note:** CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (*non-casino*) refer to VLTs in bars and lounges. ILC refers to the Interprovincial Lottery Corporation. SGC refers to the Saskatchewan Gaming Corporation. SIGA refers to the Saskatchewan Indian Gaming Authority. SLGA refers to the Saskatchewan Liquor and Gaming Authority. WCLC refers to the Western Canada Lottery Corporation. The Corporation acts as an agent for the Province in the operation of SIGA casino slot machines and SLGA VLTs. It also acts as an agent for the Province in the conduct and management of ticket lotteries.

#### First Nations Operational Role

First Nations casino gaming in Saskatchewan is conducted through a Gaming Framework Agreement between the Province and the FSIN. The Agreement was first signed in 1995 and renewed in 2002. It contemplates both a casino gaming operational role for First Nations and an on-reserve regulatory role. It also commits the parties to jointly develop and submit to the Federal Government proposals regarding First Nations jurisdiction for on-reserve gaming.

SIGA. The FSIN created SIGA in 1995 as a non-profit corporation in order to carry out its casino gaming operation interests. SIGA in turn provides physical infrastructure and personnel to support casino operations through a Casino Operating Agreement with SLGA. SLGA retains conduct and management responsibility for the slot machines at SIGA casinos, while table games are operated through a charitable gaming licence.

IGR. Effective April 2007, IGR was delegated responsibility for licensing and regulating charitable gaming on most First Nations reserves in Saskatchewan (i.e., bingo, break open tickets, raffles, poker tournaments, and table games at SIGA casinos). Authority for such on-reserve regulatory activity was removed from SLGA and placed with IGR through an Order in Council. IGR's activities will be conducted in accordance with a Licensing Agreement signed with SLGA that ensures charitable gaming is conducted on- and off- reserve in essentially the same manner.

**Where Net Revenue Goes**

SIGA. 25% is distributed to the provincial government’s General Revenue Fund; 50% is distributed to the First Nations Trust (which distributes proceeds equitably among all Saskatchewan First Nations); 25% is distributed to Community Development Corporations (CDCs) in the SIGA casino host communities.

SGC. 50% is distributed to the provincial government’s General Revenue Fund; 25% is distributed to the First Nations Trust (which distributes proceeds equitably among all Saskatchewan First Nations); 25% (less \$2M to the Metis Development Fund) is distributed to the Community Initiatives Fund (which distributes proceeds to community groups throughout the Province).

SLGA VLTs. 85% is distributed to the provincial government’s General Revenue Fund; 15% is distributed to VLT site operators (as commission).

Charitable gaming licensed by SLGA or IGR. 100% is distributed to licensed charitable/religious organizations for charitable/religious purposes.

WCLC (ticket lotteries). An annual fee equal to 3% of net lottery sales (less a directed payment to the Mackenzie Art Gallery of \$275,000) is paid to the provincial government’s General Revenue Fund; the remainder is distributed through Saskatchewan Sport to sport, culture and recreation organizations throughout the Province.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
SK	Bingo	IGR, SLGA	IGR, SLGA	Charitable/religious organizations
	Break open / Pull tickets	IGR, SLGA	IGR, SLGA	Charitable/religious organizations
	Casinos <sup>5</sup>	IGR, SLGA	IGR, SLGA	Charitable/religious organizations
	Poker	IGR, SLGA	IGR, SLGA	Charitable/religious organizations
	Raffles	IGR, SLGA	IGR, SLGA	Charitable/religious organizations
	Other	N/A	N/A	N/A

**Note:** IGR refers to Indigenous Gaming Regulators. SLGA refers to the Saskatchewan Liquor and Gaming Authority.

**Provincial Legislation Governing Gaming**

*Interprovincial Lotteries Act, 1984; Saskatchewan Gaming Corporation Act, 1994; Alcohol and Gaming Regulation Act, 1997 (and related regulations).*

<sup>5</sup> Table games at SIGA casinos.

## Manitoba

In Manitoba, the *Gaming Control Act* (1996), the *Manitoba Lotteries Corporation Act* (1993), and the *Gaming Control Local Option (VLT) Act* (1999) define parameters for the regulation and conduct of gaming activities in the Province. As well, under *Orders in Council*, Manitoba has designated municipalities to license raffles with prizes under \$3,000. It has also designated *First Nations Gaming Commissions* (FNGCs) to license on-reserve charitable gaming.

The *Manitoba Gaming Control Commission* (MGCC) provides regulatory and policy advisory services. In addition to the traditional regulatory functions of licensing, registration, game integrity, and compliance, MGCC's responsibilities include research and public education initiatives. They also include oversight of the *Manitoba Lotteries Corporation* (MLC) and First Nations casino responsible gaming policies.

MLC manages and conducts gaming activities, including: 1) commercial casinos, 2) gaming at First Nations casinos (operated by First Nations groups under agreements with the Province), 3) the VLT Network, and 4) the sales/distribution of lotteries operated by the *Western Canada Lottery Corporation* (WCLC). Under its Responsible Gaming Policy and Strategy, MLC develops and implements responsible gaming programming throughout the Province—both independently and in consultation with MGCC and the *Addictions Foundation of Manitoba* (AFM). It also funds the problem gambling program administered by the AFM. By authority of the *Addictions Foundation Act* (1987), the AFM is responsible for problem gambling intervention, rehabilitation, prevention, and education services for the citizens of Manitoba.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
MB	Bingo	MGCC	MLC	MLC
	Casinos	MGCC	MLC	First Nations, MLC
	EGMs (non-casino)	MGCC	MLC	MLC
	Horse racing	CPMA, MHRC	N/A	Non-profit organizations
	Ticket lotteries	MGCC	MLC, WCLC	ILC, MLC

**Note:** CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (non-casino) refer to VLTs in bars, lounges, and racetracks. ILC refers to the Interprovincial Lottery Corporation. MGCC refers to the Manitoba Gaming Control Commission. MHRC refers to the Manitoba Horse Racing Commission. MLC refers to the Manitoba Lotteries Corporation. WCLC refers to the Western Canada Lottery Corporation.

### First Nations Operational Role

FNGCs license gaming activities on-reserve in accordance with the same terms and conditions as the MGCC. There are 31 FNGCs eligible to license charitable organizations to conduct and manage specified gaming activities in keeping with 207(1)(b) of the *Criminal Code of Canada*.

There are two First Nations casinos operating in Manitoba under formal agreement with the Province and the MLC. Each facility operates under formal agreements and provincial legislation, regulation, and policy in order to facilitate operations in keeping with the *Criminal Code of Canada*. First Nations may operate VLTs under agreement with the MLC.

### Where Net Revenue Goes

MLC. Net revenue is directed to the provincial government in order to support priority government programs in health care, education, community and social services, and economic development.

First Nations casinos. All profits accrue to First Nations under a formula set by the Assembly of Manitoba Chiefs. Of these profits, 70% is distributed to the casino operator, 27.5% is distributed to a Trust that benefits all Manitoba First Nations, and 2.5% is set aside to fund First Nations gambling addiction programs and services.

Licensed charitable gaming. All profits go to the licensed charitable and religious organizations that operate the events.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
MB	Bingo	FNGCs, MGCC	MGCC	Charitable/religious organizations
	Break open / Pull tickets	FNGCs, MGCC	MGCC	Charitable/religious organizations
	Casinos <sup>6</sup>	FNGCs, MGCC	MGCC	Charitable/religious organizations
	Poker	FNGCs, MGCC	MGCC	Charitable/religious organizations
	Raffles	FNGCs, MGCC, Municipalities <sup>7</sup>	MGCC	Charitable/religious organizations
	Other	FNGCs, MGCC	MGCC	Charitable/religious organizations

**Note:** FNGCs refer to First Nations Gaming Commissions. MGCC refers to the Manitoba Gaming Control Commission.

### Provincial Legislation Governing Gaming

*Manitoba Lotteries Corporation Act, 1993; Gaming Control Act, 1996; Gaming Control Local Option (VLT) Act, 1999.*

<sup>6</sup> Monte Carlo nights only, not ongoing charity casinos.

<sup>7</sup> Municipalities can license raffles under \$3,000.

## Ontario

The Ontario Lottery and Gaming Corporation (OLG) is a provincial agency which operates and manages province-wide lotteries, casinos and slot facilities at horse racing tracks in Ontario. The legislative authority of the Corporation is set out in the *Ontario Lottery and Gaming Corporation Act, 1999*.

Classified as an *Operational Enterprise Agency*, OLG has a single shareholder--the Government of Ontario—and reports through its Board of Directors to the Minister of Finance. Members of the Board and its chair are appointed by the Lieutenant Governor in Council from various communities across the Province. The chair and members of the Board do not serve full-time and none are members of management. The Board's mandate is to set policy for the Corporation and to counsel the Chief Executive Officer and senior executives, who oversee the Corporation's business operations.

The full mandate of the organization can be described by four equally balanced priorities:

- *Public Trust* – being guardians of the public trust through integrity of operations and promotion of responsible gaming
- *Player Experience* – providing great, entertaining gaming experiences
- *Partnerships* – being great partners in the communities in which we operate, including helping our partner businesses and communities to thrive
- *Profit* – returning dividends to support public initiatives is a highly visible indicator of this understanding

The *Alcohol and Gaming Commission of Ontario* (AGCO) was established under the *Alcohol and Gaming Regulation and Public Protection Act* (1996). The AGCO is responsible for regulating gaming in Ontario pursuant to the *Gaming Control Act*. The AGCO reports to the Ministry of Government Services.

The Legislative authority of the *Ontario Racing Commission* (ORC) is set out in the *Racing Commission Act*. The ORC is a Crown agency of the Government of Ontario and is responsible for regulating horse racing in the Province. The ORC reports to the Ministry of Government Services. It assists the Ministry in fulfilling its responsibility for ensuring public confidence and social controls in the horse racing sector. The ORC maintains the integrity of the horse racing industry through regulation and standards setting.

Each year, the Government of Ontario allocates two per cent of gross slot machine revenue from OLG casinos and slots-at-racetrack facilities to problem gambling services (i.e., research, treatment, and prevention). Ontario's Problem Gambling Strategy is administered through the Ministry of Health and Long-Term Care for treatment and research initiatives, and the Ministry of Health Promotion for prevention initiatives.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
ON	Bingo	OLG	OLG	OLG
	Casinos	AGCO	OLG	OLG, private corporations
	EGMs (non-casino)	AGCO	OLG	OLG
	Horse racing	CPMA, ORC	N/A	Private corporations
	Ticket lotteries	AGCO	OLG	ILC, OLG

**Note:** AGCO refers to the Alcohol and Gaming Commission of Ontario. CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (non-casino) refer to slots-at-racetracks facilities. ILC refers to the Interprovincial Lottery Corporation. OLG refers to the Ontario Lottery and Gaming Corporation. ORC refers to the Ontario Racing Commission.

#### First Nations Operational Role

Gaming on First Nations reserves is governed through agreements between the Province and individual First Nations. These agreements support the community and economic development of First Nations communities in Ontario by providing bands with own-source revenue.

#### Where Net Revenue Goes

OLG. 100% of net income from Casino Rama goes to First Nations (after deducting the Win Contribution from gross gaming revenue); 2% of slot machine revenue from OLG casinos and slots-at-racetrack facilities goes to Ontario's problem gambling strategy; \$105 million goes to the Ontario Trillium Foundation. (This is a set amount and is not calculated by formula. By 2010, the amount will increase to \$120M); proceeds from Quest for Gold Lottery (\$3M in 2005-06; \$10M in 2006-07) go to Ontario's amateur athletes; 100% of resort casino net income goes to general government priority programs; remaining funds are used to support hospitals and other government priority programs.

Other commitments that government makes are paid by OLG and reported as expenses in OLG's financial statements. They are therefore not included in the net revenue that OLG allocates to government. The distributions are as follows: 5% of gross slot machine revenue from OLG casinos and slots-at-racetrack facilities goes to the host municipality on the first 450 slot machines at a specific gaming site and an additional 2% on any slot machines above 450; 20% of gross slot machine revenue goes to the horse racing industry (the revenue is shared equally by horse people and track operators).

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
ON	Bingo	AGCO, municipalities	AGCO	Charitable/religious organizations
	Break open / Pull tickets	AGCO, municipalities	AGCO	Charitable/religious organizations
	Casinos	N/A	N/A	N/A
	Poker	N/A	N/A	N/A
	Raffles	AGCO, municipalities	AGCO	Charitable/religious organizations
	Other	AGCO	AGCO	Charitable/religious organizations

**Note:** AGCO refers to the Alcohol and Gaming Commission of Ontario.

#### Provincial Legislation Governing Gaming

*Gaming Control Act, 1992; Alcohol and Gaming Regulation and Public Protection Act, 1996; Ontario Lottery and Gaming Corporation Act, 1999; Racing Commission Act, 2000; Provincial Order in Council Act, 1999.*

## Québec

In addition to the *Criminal Code of Canada*, gaming activities in Québec are governed by two legislations: the *Act respecting the Société des loteries du Québec* (1978) and the *Act respecting lotteries, publicity contests, and amusement machines* (1978).

*Loto-Québec*, a state agent with a single shareholder (the Minister of Finance), was created in 1969 and given the mandate to operate a state lottery in the Province. Its powers with regard to gaming are set out in the *Act respecting the Société des loteries du Québec*. In addition to traditional lotteries, Loto-Québec operates three casinos, two gaming centres, a VLT network, and satellite bingo. Although Loto-Québec could have operated casinos without legislative change, a *Liquor, Racing, and Gaming Board* (LRGB) was established in 1993.<sup>8</sup> As set out in the *Act respecting lotteries, publicity contests, and amusement machines*, the LRGB has certain surveillance authority over casinos and VLTs; it does not have surveillance authority over other lottery activities of Loto-Québec. The Minister of Public Security is responsible for the LRGB.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
QC	Bingo	N/A	Loto-Québec	SBQ
	Casinos	LRGB	Loto-Québec	SCQ
	EGMs (non-casino)	LRGB	Loto-Québec	SLVQ
	Horse racing	CPMA, LRGB	N/A	Non-profit organizations, private corporations
	Ticket lotteries	N/A	Loto-Québec	ILC, Loto-Québec

**Note:** CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (*non-casino*) refer to VLTs in bars, lounges, and racetracks. ILC refers to the Interprovincial Lottery Corporation. LRGB refers to the Liquor, Racing, and Gaming Board. SBQ refers to the Société des bingos du Québec (a subsidiary of Loto-Québec). SCQ refers to the Société des casinos du Québec (a subsidiary of Loto-Québec). SLVQ refers to the Société des loteries vidéo du Québec (a subsidiary of Loto-Québec).

### First Nations Operational Role

None.

<sup>8</sup> The *Régie des alcools, des courses et des jeux*.



### Where Net Revenue Goes

Net revenue from gaming goes to the provincial Consolidated Revenue Fund.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
QC	Bingo	LRGB	LRGB	Charitable/religious organizations
	Break open / Pull tickets	LRGB	LRGB	Charitable/religious organizations
	Casinos	N/A	N/A	N/A
	Poker	N/A	N/A	N/A
	Raffles	LRGB	LRGB	Charitable/religious organizations
	Other	N/A	N/A	N/A

**Note:** *LRGB* refers to the Liquor, Racing, and Gaming Board.

### Provincial Legislation Governing Gaming

*Act respecting lotteries, publicity contests, and amusement machines, 1978; Act respecting the Société des loteries du Québec, 1978.*

## New Brunswick

On November 8, 2007, the Province of New Brunswick announced its new *Responsible Gaming Policy* which introduced transformational changes to the conduct, management, and regulation of gaming in New Brunswick.

The *Gaming Control Act* was introduced in the Legislature on May 23, 2008. Parts I and II of the new Act came into force on June 26, 2008 and the balance of the Act came into force on October 1, 2008. The Act established two separate government entities with responsibilities for gaming in the province: 1) the *New Brunswick Lotteries and Gaming Corporation* (NBLGC)—a crown corporation responsible for the conduct and management of provincial gaming, and 2) the *Gaming Control Branch* (GCB) of the Department of Public Safety—which is responsible for the regulation and control of provincial gaming, as well as the licensing and regulation of charitable gaming in the province.

The NBLGC manages provincial gaming through agreements with its service providers. The *Atlantic Lottery Corporation* (ALC) is the operator of the ticket lottery program and the reformed VLT program.<sup>9</sup> The Responsible Gaming Policy announced that casino gaming would be authorized in New Brunswick and that a Request for Proposals would be issued for the construction of one destination casino complex in the province, with the operator to be selected through a competitive process. *Sonco Gaming New Brunswick Limited Partnership* was the successful proponent and signed a service provider agreement with the province in July, 2008. Sonco is building, equipping, and financing the project. It will own the facility and operate casino gaming. Casino New Brunswick is scheduled to open in 2010.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
NB	Bingo	N/A	N/A	N/A
	Casinos	GCB	NBLGC	Sonco Gaming New Brunswick Limited Partnership
	EGMs (non-casino)	GCB	NBLGC	ALC
	Horse racing	CPMA, MPHRC	N/A	Independent operators
	Ticket lotteries	GCB	NBLGC	ALC, ILC

**Note:** ALC refers to the Atlantic Lottery Corporation. CPMA refers to the Canadian Pari-mutuel Agency. EGMs (*non-casino*) refer to VLTs in bars and lounges. GCB refers to the Gaming Control Branch of the Department of Public Safety. ILC refers to the Interprovincial Lottery Corporation. MPHRC refers to the Maritime Provinces Harness Racing Commission. NBLGC refers to the New Brunswick Lotteries and Gaming Corporation. *Ticket lotteries* refer to both Internet and non-Internet lotteries.

<sup>9</sup> The four Atlantic provincial governments established Atlantic Lottery. Its shareholders are New Brunswick Lotteries and Gaming Corporation, Nova Scotia Gaming Corporation, Prince Edward Island Lotteries Commission and the Province of Newfoundland and Labrador

### First Nations Operational Role

In New Brunswick, there are a number of First Nation VLT retailers enrolled in the provincial video lottery program. Where a First Nation has a revenue sharing agreement with the Province, 95% of the net revenue generated from VLTs on reserves, and 100% of the net revenue from break open tickets sold on reserves, is returned to the Band.

### Where Net Revenue Goes

Revenue generated from Provincial gaming is deposited into the Consolidated Fund to pay for essential services for the citizens of New Brunswick.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
NB	Bingo	GCB	GCB	Charitable/religious organizations
	Break open / Pull tickets	GCB	GCB	Charitable/religious organizations
	Casinos <sup>10</sup>	GCB	GCB	Charitable/religious organizations
	Poker	GCB	GCB	Charitable/religious organizations
	Raffles	GCB	GCB	Charitable/religious organizations
	Other	N/A	N/A	N/A

**Note:** GCB refers to the Gaming Control Branch of the Department of Public Safety, which licenses charitable gaming events on behalf of the Lotteries Commission of New Brunswick. *Poker* refers to Texas Hold'em poker tournaments.

### Provincial Legislation Governing Gaming

*Gaming Control Act, 2008* and related regulations. *Terms and Conditions for Lottery Licensing* (charitable). *Terms and Conditions for Texas Hold 'em Poker Tournaments* (charitable)

<sup>10</sup> Monte Carlo nights. Games are limited to blackjack tables and Wheels of Fortune.

## Nova Scotia

In 1995, Nova Scotia modernized its gaming legislation by introducing the *Gaming Control Act*. The Act established, for the first time, two distinct and separate organizations to handle the responsibility of gaming in the Province: One organization to conduct and manage gaming—the *Nova Scotia Gaming Corporation* (NSGC)—and one organization to regulate gaming—the *Alcohol and Gaming Division* (AGD) of the Department of Environment and Labour. Nova Scotia is the only Province in the Atlantic region operating under such a regime.

The NSGC is a Crown corporation charged with leading an economically sustainable and socially responsible gaming industry for the benefit of Nova Scotians and their communities. Operations include ticket lotteries, VLTs, and casinos. The day-to-day business activities of NSGC are carried out by its operators: The *Atlantic Lottery Corporation* (ALC) and the *Great Canadian Gaming Corporation* (GCGC). The ALC operates ticket lotteries and VLTs. The GCGC owns and operates Casino Nova Scotia in Halifax and Sydney.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
NS	Bingo	N/A	N/A	N/A
	Casinos	AGD	NSGC	GCGC
	EGMs (non-casino)	AGD	NSGC	ALC
	Horse racing	CPMA, MPHRC	MPHRC	Independent operators
	Ticket lotteries	AGD	NSGC	ALC, ILC

**Note:** AGD refers to the Alcohol and Gaming Division, Department of Environment and Labour. ALC refers to the Atlantic Lottery Corporation. CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (*non-casino*) refer to VLTs in bars and lounges. GCGC refers to the Great Canadian Gaming Corporation. ILC refers to the Interprovincial Lottery Corporation. MPHRC refers to the Maritime Provinces Harness and Racing Commission. NSGC refers to the Nova Scotia Gaming Corporation. *Ticket lotteries* refer to both Internet and non-Internet lotteries.

### First Nations Operational Role

Gaming on First Nations reserves is governed through agreements between the Province and individual First Nations. These agreements support the community and economic development of First Nations communities in Nova Scotia by providing bands with own-source revenue. The Office of Aboriginal Affairs is responsible for the negotiation of these agreements and acts as a liaison between First Nations and government on matters related to gaming.

**Where Net Revenue Goes**

100% of net revenue generated from gaming in Nova Scotia is given back to the Province in order to pay for programs and services that benefit all Nova Scotians.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
NS	Bingo	AGD	AGD	Charitable/religious organizations, municipalities
	Break open / Pull tickets	AGD	AGD	Charitable/religious organizations, municipalities
	Casinos	N/A	N/A	N/A
	Poker	N/A	N/A	N/A
	Raffles	AGD	AGD	Charitable/religious organizations, municipalities
	Other	AGD	AGD	Charitable/religious organizations, municipalities

**Note:** AGD refers to the Alcohol and Gaming Division, Department of Environment and Labour.

**Provincial Legislation Governing Gaming**

*Gaming Control Act, 1995.*

## Prince Edward Island

In September 2008, the Province of Prince Edward Island introduced a responsible gambling strategy, *Leadership, Integrity and Responsibility: A Gaming Strategy for Prince Edward Island*. Under the strategy, the responsibility for overseeing and regulating gaming lies with the *PEI Lotteries Commission*, under the office of the Deputy Provincial Treasurer. Gaming operations are the responsibility of the *Atlantic Lottery Corporation* (ALC).

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
PE	Bingo	N/A	N/A	N/A
	Casinos	N/A	N/A	N/A
	EGMs (non-casino)	PEI Lotteries Commission	ALC	ALC
	Horse racing	CPMA, MPHRC	HRPEI	Non-profit organizations
	Ticket lotteries	PEI Lotteries Commission	ALC	ALC, ILC

**Note:** ALC refers to the Atlantic Lottery Corporation. CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (non-casino) refer to VLTs in bars and lounges, as well as slot machines at the Charlottetown Driving Park Entertainment Centre (a slots-at-racetrack facility). HRPEI refers to Harness Racing PEI. ILC refers to the Interprovincial Lottery Corporation. MPHRC refers to the Maritime Provinces Harness and Racing Commission. Ticket lotteries refer to both Internet and non-Internet lotteries.

### First Nations Operational Role

None.

### Where Net Revenue Goes

Revenue generated from Provincial gaming is deposited into the Consolidated Fund to pay for essential services for the citizens of Prince Edward Island.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
PE	Bingo	Department of Community and Cultural Affairs	Department of Community and Cultural Affairs	Charitable/religious organizations
	Break open / Pull tickets	Department of Community and Cultural Affairs	Department of Community and Cultural Affairs	Charitable/religious organizations
	Casinos <sup>11</sup>	Department of Community and Cultural Affairs	Department of Community and Cultural Affairs	Charitable/religious organizations
	Poker	N/A	N/A	N/A
	Raffles	Department of Community and Cultural Affairs	Department of Community and Cultural Affairs	Charitable/religious organizations
	Other	Department of Community and Cultural Affairs	Department of Community and Cultural Affairs	Charitable/religious organizations

<sup>11</sup> Monte Carlo nights only, not ongoing charity casinos.

**Provincial Legislation Governing Gaming**

*Lottery Schemes Order*

## Newfoundland and Labrador

The *Department of Government Services and Lands, Trades Practices and Licencing Division* is responsible for regulating lotteries in Newfoundland and Labrador. The Atlantic Lottery Corporation (ALC) operates gambling. In 2005, the Province of Newfoundland and Labrador designed a gaming action plan that would address gaming in the Province.

	Commercial Sector 207(1)(a) and Horse Racing (204)	Regulates	Conducts and Manages	Operates
NL	Bingo	N/A	N/A	N/A
	Casinos	N/A	N/A	N/A
	EGMs (non-casino)	Department of Finance	ALC	ALC
	Horse racing	CPMA, Standardbred Canada	Private enterprise	Private corporations
	Ticket lotteries	Department of Finance	ALC	ALC, ILC

**Note:** ALC refers to the Atlantic Lottery Corporation. CPMA refers to the Canadian Pari-Mutuel Agency. EGMs (non-casino) refer to VLTs in bars and lounges. ILC refers to the Interprovincial Lottery Corporation. Ticket lotteries refer to both Internet and non-Internet lotteries.

### First Nations Operational Role

None.

### Where Net Revenue Goes

Net revenue from gaming goes to the provincial Consolidated Revenue Fund.

	Charitable Sector 207(1)(b)	Licenses	Regulates	Operates
NL	Bingo	Department of Government Services	Department of Government Services	Charitable/religious organizations
	Break open / Pull tickets	Department of Government Services	Department of Government Services	Charitable/religious organizations
	Casinos <sup>12</sup>	Department of Government Services	Department of Government Services	Charitable/religious organizations
	Poker	Department of Government Services	Department of Government Services	Charitable/religious organizations
	Raffles	Department of Government Services	Department of Government Services	Charitable/religious organizations
	Other	Department of Government Services	Department of Government Services	Charitable/religious organizations

<sup>12</sup> Monte Carlo nights only, not ongoing charity casinos.



**Provincial Legislation Governing Gaming**

*Lotteries Act, 1991.*



