

BC FIRST  
NATIONS  
GAMING  
COMMISSION

# GAMING REVENUE SHARING



## FALL 2021 UPDATE

September 29, 2021  
Union of BC Indian Chiefs Annual General Assembly

Delivered by Technical Negotiating Team

# COVID RELIEF PROPOSAL

## Relief from Year 1 + 2 claw back in April 2022

<b>Fiscal 2019 Year 1</b>  <i>Casinos fully operational</i>	<b>Fiscal 2020 Year 2</b>  <i>Casinos closed March 16, 2020</i>	<b>Fiscal 2021 Year 3</b>  <i>Casinos reopened with reduced capacity July 1, 2021</i>	<b>Fiscal 2022 Year 4</b>	<b>Fiscal 2023 Year 5</b>
Received \$98 million based on estimate of Year 1 performance	Received \$99 million based on estimate of Year 2 performance	Received \$58 million based on estimate of Year 3 performance (including gradual reopening of casinos)	Payment on April 30 <sup>th</sup> based on estimate of Year 4 performance: currently projected at \$91 million  Claw back of ~\$75 million based on reconciliation of estimates and actuals of Year 1 and 2  <b>Proposal: Relief from claw back</b>	Payment on April 30 <sup>th</sup> based on estimate of Year 5 performance: currently projected at \$106 million  Reconciliation of Year 3 funds (to be determined in August 2022)

## IMPACTS OF CLAW BACK

### **Drastic reduction in funds due to Covid-related casino closures results in:**

- Less discretionary dollars
- Negative impact on ability to leverage security for loans
- Negative impact on ability to access alternate sources of funds
- Diversion of funding away from important community-focused programs and services
- All contrary to intent of gaming revenue sharing agreement

## KEY FEATURES

~\$75 million claw back for Years 1 and 2 cancelled

Preferred option: Amendment to *Gaming Control Act* + Revenue Sharing Agreement

Offsets impacts of Covid-19 pandemic on BCLC revenues in Years 1 and 2 (due to casino closures)

Re-establishes steady flow of funding to First Nations partners (projected at \$91 million for Year 4)

Protects integrity of gaming revenue sharing agreement



## STATUS

- Negotiations team has received positive signals from Province
- Provincial reviews leading to Cabinet approval
- Does not impact any other Covid-relief related discussions occurring between First Nations and provincial or federal governments

# ESTIMATED TIMELINE

September 2021

- Internal Provincial government committee briefings

October 2021

- Cabinet approval

November to December 2021

- Amendment to *Gaming Control Act* introduced before Legislative Assembly

April 2022

- Gaming Partnership receives full Year 4 payment

June 2022

- Gaming Partnership distributes full Year 4 payments to First Nations partners

## GAMING CONTROL REGULATION AMENDMENT CONSULTATION

### BACKGROUND

- Proposed legislative change to remove the requirement for British Columbia Lottery Corporation to seek Ministerial approval respecting the development, relocation, or substantial change of a gaming facility under the *Gaming Control Act*

### NEXT STEPS

- Gaming Commission investigating and considering impacts
- Gaming Commission to report back to Leadership Council
- Phase II: consider impacts of removing Provincial oversight re siting decisions, licensing etc.

CONTACT  
INFORMATION

[info@bcfngamingcommission.ca](mailto:info@bcfngamingcommission.ca)

Jay Johnson: (250) 818-3020

Bram Rogachevsky: (604) 505-3806