



# Memo to Council

Date: May 28, 2024  
Subject: UBCM Advocacy: Equitable Distribution of Gaming Revenue – Motion Served by Councillor Agtarap

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## Motion Served

Notice of the following motion was provided at the May 14, 2024, Regular Council meeting:

**THAT the memo dated May 28, 2024, from the office of Councillor Agtarap regarding UBCM Advocacy: Equitable Distribution of Gaming Revenue be received for information.**

**AND THAT Council advance the following resolution to UBCM for the 2024 convention:**

**WHEREAS the City of Port Moody advocated for more equitable distribution of gaming revenues, and was subsequently asked by the Minister of Public Safety and Solicitor General to provide viable options for the Ministry's review and consideration to remedy significant funding inequities created by revenue sharing agreements with local governments hosting casinos;**

**AND WHEREAS more broadly and equitably sharing gaming revenue with municipalities will reduce the financial inequity that has been inadvertently created by providing significant revenue windfalls to host municipalities and support non-host communities in enhancing the livability of their communities across the province:**

**THEREFORE BE IT RESOLVED that UBCM request that the Province amend gaming revenue distribution policies to include advancing equity;**

**AND BE IT FURTHER RESOLVED that the Province establish a working group with Port Moody and other non-host communities to discuss gaming revenue sharing and equity policy changes.**

## Background

Currently 10% of net casino revenue is distributed to the host community. This distribution was initially provided to offset any negative social impacts attributed to hosting a casino within a community. There is no evidence that host municipalities have experienced any more negative financial consequences than surrounding communities. Host municipalities are profiting from

additional economic benefits, including property taxes, and are using casino revenues to provide local amenities and improvements to services.

Residents from all communities access amenities across the region despite the financial gain or lack thereof. Communities that provide services such as hospitals or regional parks incur expenses to provide these amenities, receive no revenue, and do not collect property taxes. The funding inequity has been raised by non-host communities in the past (Port Coquitlam, 2008 UBCM Resolution B119) as they grappled with providing the same quality of life as neighbouring host communities. This issue of an uneven playing field is being raised again as it is further compounded today given the tough economic climate with residents looking evermore to their councils for financial relief and to “do more with less”.

The City hosts a hospital within its borders, a 26 acre parcel that provides no revenue source to the City as it generates no revenues to share in, and is statutorily exempt from taxation under Section 220 of the Community Charter. As result of the exemption, the City essentially contributes or foregoes approximately \$800,000 of tax revenues on a \$171,000,000 property as its contribution to providing this regional hospital facility; something it gladly does and supports. However, when these types of decisions around land use are inconsistent with other land uses the Province controls revenues over (i.e., casinos), it is hard to reconcile the inequity, or disregard the irony, of these policies. We note that casinos pay property taxes to host communities in addition to a share of casino revenues.

While inequities have been created by the Province, we appreciate that it was not the intent or originally contemplated when these agreements were drafted. We also understand that the Province would like to see the playing field leveled in this case if at all possible. Therein lies the dilemma and the challenge; how to give to some while not taking significantly from others.

Strategies or policies to address this should recognize that all municipalities have funding challenges, have very limited revenue opportunities under the Community and Vancouver Charters, and gambling revenues and gamblers know no boundaries.<sup>1</sup>

In a follow-up to the original briefing note to the Minister, the City proposes three options<sup>2</sup>:

- Option 1: Reallocate the Current 10% of Casino Revenues
- Option 2: Provide Share of eGaming Revenue to Non-Host Communities<sup>3</sup>
- Option 3: Pool All Gaming Revenue – Provide Per Capita Amount

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<sup>1</sup> 2022 data indicates that Port Moody residents aged 20-65+ spend \$643 annually (average), or \$84 and \$117 more than residents of Coquitlam and Port Coquitlam at casinos. While some money is returned to Port Moody in the form of Community Gaming Grants, this return is disproportionate.

<sup>2</sup> In terms of equitable sharing of revenue, Option 3 is preferred. It is not likely that Option 1 would be supported by communities that disproportionately benefit from the status quo arrangement.

<sup>33</sup> There is precedent for sharing casino revenue with non-host communities. The Town of View Royal shares casino revenues with neighbouring municipalities.

In summary, revenue equity and equal access to revenues is extremely important to local governments not only from a financial sustainability perspective but also from a political perspective as local governments strive to provide service levels similar to their neighbours, which can be especially sensitive and unfairly analyzed or compared in urban areas where municipal boundaries are not always understood by, or clear to, residents.

## Requested Timeline

<u>Level</u>	<u>Criteria</u>	<u>Staff Turnaround Time</u>
<input type="checkbox"/> Urgent	<ul style="list-style-type: none"> <li>Regulatory or interjurisdictional requirements</li> <li>Major and immediate risk and/or financial impact</li> </ul>	< 3 months
<input type="checkbox"/> Time-sensitive	<ul style="list-style-type: none"> <li>Significant impact to the community</li> <li>Significant financial impact</li> </ul>	3-6 months
<input type="checkbox"/> Non-urgent	All other work	< 12 months
<input checked="" type="checkbox"/> Other	No staff time required, resolution for UBCM.	

## Council Strategic Plan Alignment

This motion aligns with the following Council Strategic Plan Goal(s):

- Strategic Goal 1.2 – Ensure Financial Sustainability: Increase and Diversify Revenues

## Corporate Project Plan Alignment

This motion aligns with the following Corporate Project(s):

- Revenue Diversification Strategy

## Council Options

The following responses are available for Council consideration:

1. Receive for information.
2. Refer to staff to bring back a report (staff will determine if the nature of the work warrants a project proposal or a staff report, and will include considerations with respect to feasibility, resources, timeline, strategic plan alignment, and legislative analysis).
3. Other.