



Report to Council

From the Office of Councillor Samantha Agtarap

Date: February 25, 2025
Submitted by: Councillor Samantha Agtarap
Subject: UBCM Advocacy: Equitable Distribution of Non-Casino Gaming Revenue

Recommended Resolution(s)

THAT the memo dated February 18, 2025 from the office of Councillor Agtarap regarding advocacy for more equitable distribution of gaming revenue be received for information.

AND THAT Council advance the following resolution to LMLGA and UBCM for the 2025 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, excluding revenue allocated to casino host communities, 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, excluding existing agreements to communities that host casinos, to include advancing equity in the allocation of gaming revenues;

AND BE IT FURTHER RESOLVED that the Province establish a working group with interested communities to discuss gaming revenue sharing and equity policy changes.

Discussion

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”, and more recently impacted by the “residents first” policies adopted by many municipalities for services traditionally provided on a reciprocal basis.

For context, 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 host municipalities already reap the benefits of property taxes and utilities that casinos pay in 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 boundaries¹.

In a follow-up to the original briefing note to the Minister, the City proposed three options²:

¹ 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.

² 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.

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

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.

Other Option(s)

THAT the memo dated February 18, 2025, from the office of Councillor Agtarap regarding advocacy for more equitable distribution of gaming revenue be received for information.

Financial Implications

There are no financial implications associated with the recommendations in this report.

Communications and Public Engagement Initiatives

There are no communications or public engagement initiatives associated with the recommendations in this report.

Council Strategic Plan Goals

The recommendations in this report align with the following Council Strategic Plan Goal(s):

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