

## History of Gaming Regulation in Manitoba

Legal gaming is a relatively new activity in Manitoba. Aside from bingo and horse racing, Manitobans had few opportunities of this kind until 1969, when the Criminal Code was amended to allow for controlled gaming. This change sparked an evolution that resulted in the casinos, VLTs, lotteries and charitable gaming activities Manitobans are familiar with today.

Since 1997, two independent organizations, the Manitoba Gaming Control Commission (MGCC) and the Manitoba Lotteries Corporation (MLC), have been responsible for the regulatory and operational aspects of gaming in Manitoba. This significant regulatory shift was aimed at avoiding any perception of conflict in the province's gaming environment. The MGCC is responsible for licensing, registration, inspections, investigations and policy advisory, while the MLC handles operations and marketing.

Today there is another important change underway. Gaming regulation and inspection (MGCC) and liquor regulation and inspection, Manitoba Liquor Control Commission (MLCC), are combining to create a new regulatory authority. The marketing and operational responsibilities of the MLCC will merge with MLC, creating a single streamlined Crown Corporation. With this change, there will be a clear separation between the regulatory and operational aspects of liquor in Manitoba, just as there is for gaming.

### Early days of legalized gaming

*Amendments to the Criminal Code of Canada launched a new era of gaming across the nation.*

- 1969**     **Gaming is legalized in Canada.** Amendments to the Criminal Code give provinces authority to operate lotteries and casinos, and to license charitable and religious organizations to conduct lotteries.
- 1970**     **Manitoba holds its first lottery.** *The Centennial Act* is passed, authorizing the Centennial Committee to conduct and manage lotteries during the 100-year celebrations.
- 1971**     ***The Manitoba Lotteries Act* is passed.** The Manitoba Lotteries Commission is created to manage government lotteries. The Manitoba Lotteries Licensing Board licenses religious and charitable organizations to operate lotteries offering prizes above \$3,000, including raffles, charitable casinos and bingo events. Municipalities license schemes offering prizes below \$3,000 – a practice that continues today.

**1974**     **A national partnership begins to take shape.** Manitoba joins Saskatchewan, Alberta and British Columbia in forming the Western Canada Lottery Foundation. Ontario creates the Interprovincial Lottery Corporation, which is soon federally incorporated with the western provinces.

**Not-for-profits embrace a new fundraising opportunity.** The Red River Exhibition and Festival du Voyageur receive approval to operate casinos for the duration of their events. Gaming activities become very popular fundraising vehicles for charitable and religious organizations.

**1978/79**     **The national partnership grows.** Quebec and the Atlantic provinces join the Interprovincial Lottery Corporation, paving the way for national lottery games. The federal government retires from the lottery field.

**Manitoba reviews its policies.** Manitoba declares a moratorium on casino nights and establishes the Manitoba Lotteries Review Committee (The Haig Report) to look at provincial gaming policy. The Committee recommends strict limits on the number of gaming events, close monitoring of activities and no more than 90 charitable casino events per year.

## Gaming Authorities Evolve

*In Manitoba and nationally, organizations go through a series of changes.*

**1980**     **Control of Manitoba lotteries is brought under one roof.** *The Lotteries and Gaming Control Act* replaces *The Manitoba Lotteries Act*, leading to the establishment of the Manitoba Lotteries Gaming Control Commission and the Manitoba Lotteries and Gaming Licensing Board.

**1982/83**     **The administration system is streamlined.** *The Manitoba Lotteries Foundation Act* replaces *The Lotteries and Gaming Control Act*. The Manitoba Lotteries Foundation (MLF) replaces the Manitoba Lotteries and Gaming Control Commission and the Manitoba Lotteries and Gaming Licensing Board.

**Private sector involvement in charity fundraising is examined.** The Private Operators in Lotteries Inquiry (Jewers Report) makes a number of recommendations involving the sale of lottery and breakopen tickets, and the operation of casinos and bingo events.

**1984**     **The MLF becomes both regulator and operator.** The MLF becomes responsible for operating all casinos and becomes the province's sole distributor of lottery tickets,

breakopen tickets and bingo paper. It acquires three full-time bingo facilities, which are operated on behalf of volunteer groups in Winnipeg. A unique funding system is established to promote fair and equitable distribution of lottery revenue.

- 1985**     **The federal government gives up its legal right to operate lotteries** by amending the Criminal Code. In exchange, the provincial governments agree to pay the federal government \$100 million over three years. British Columbia withdraws its membership from the Western Canada Lottery Foundation.

## Gaming Evolves

*Permanent casinos and VLTs join lottery tickets, bingo and breakopen tickets. Manitoba starts to review distribution of revenues and the incidence of problem gaming.*

- 1986**     **The first permanent Winnipeg-based casino opens.** The new Casino at the Centre is located in the Winnipeg Convention Centre.

**The Western Canada Lottery Foundation becomes the Western Canada Lottery Corporation (WCLC).**

- 1987**     **A major review of gaming revenue distribution in the province** is announced by the Manitoba government.

- 1989**     **The Crystal Casino replaces the Casino at the Centre.** The new casino at the Hotel Fort Garry is Canada's first permanent year-round casino operation.

- 1990**     **A new gaming revenue distribution system is established** to ensure accountability, flexibility and accessibility for organizations seeking funding.

**Sports wagering** is added to the WCLC product line.

**The first Native Gaming Commission Agreement is signed.** The agreement gives Opaskwayak Cree Nation exclusive authority to license charitable and religious gaming events on the reserve.

- 1991**     **Video lottery terminals (VLTs) are introduced.** VLTs are available only in rural Manitoba and are offered in Manitoba Liquor Control Commission licensed bars and lounges.

- 1992**     **The first First Nations VLT siteholder agreement is signed** with Opaskwayak Cree Nation. The agreement authorizes VLTs owned by the MLF to operate on the First Nation.

- 1993**     **Club Regent and McPhillips Street Station open.** The new facilities replace government-owned bingo facilities.
- Manitoba's first problem gaming prevalence study is undertaken.** The study shows a prevalence rate of 4.1%.
- The MLF becomes a Crown Corporation** and is renamed the Manitoba Lotteries Corporation (MLC).
- VLTs are introduced in Winnipeg.** Two months later, a moratorium is placed on expansion of the province's VLT program.
- 1994**     **Assiniboia Downs receives gaming machines** that combine pari-mutuel horse race wagering with VLT-style games. These machines are owned and operated by the MLC.

## Addressing Issues and Opportunities

*Manitoba separates regulatory responsibilities from the operational aspects of gaming. Communities gain a greater say in gaming plans for their areas.*

- 1995**     **The Lottery Policy Review Working Group is established,** headed by Larry Desjardins. The 1993 VLT moratorium is further tightened pending the results of the policy review.
- A second prevalence study** shows a prevalence rate of 4.2%.
- 1996**     **The Lottery Policy Review Working Group's report ([Desjardin Report](#)) is released.** The Working Group recommends that operational and regulatory roles be independent of each other to alleviate a perceived conflict of interest. Later that year, the government announces plans to establish the MGCC.
- 1997**     **[The Gaming Control Act](#) is proclaimed and the MGCC opens.** Operational and marketing responsibilities remain with the MLC.
- The First Nations Gaming Policy Review Committee ([Bostrom Report](#)) recommends casino and VLT developments as an economic development opportunity.**
- 1998**     **VLT controls are considered.** As recommended in the Desjardins Report, the MGCC proposes municipal VLT plebiscites as a local control option and conducts public consultations and stakeholder meetings. The recommendations in the MGCC report,

[Municipal VLT Plebiscite Review, July 1998](#), are accepted by the Manitoba government.

1999 **A framework for community VLT plebiscites is outlined in [The Gaming Control Local Option \(VLT\) Act](#).**

**The Crystal Casino closes as the redeveloped McPhillips Street Station and Club Regent casinos prepare to open.** These expanded sites include full-service restaurants and lounge facilities, non-gaming attractions and table games.

**The First Nations Casino Project Selection Committee (Selection Committee) is established.** The Selection Committee is charged with selecting up to five First Nations casino proposals in keeping with the Bostrom Report recommendations.

## First Nations Casino Development

*Manitoba pursues casino development as a means of creating revenue for First Nations communities.*

2000 **Manitoba First Nations are invited to submit proposals for casino developments.**

The Selection Committee recommends the establishment of five First Nations casino developments. The Manitoba government establishes an Implementation Committee to oversee the next stage of the initiative. Work begins on the development of agreements to regulate the new casinos.

2001 **Negotiations begin with each of the proposed First Nations casino operators.** The negotiations result in the Comprehensive Provincial Framework Agreement and Conduct and Management Agreement, which establish a framework for casino operations in Manitoba by third party operators. The first two First Nations to sign the agreements with the Province of Manitoba are Aseneskak Casino LLP and Brokenhead River Casino Resort Limited.

2002 **Manitoba's primary First Nations casino opens at Opaskwayak Cree Nation.**

Aseneskak Casino is developed by a consortium of First Nations members.

**Manitoba amends *The Gaming Control Act*** to increase the transparency and accountability of gaming operations, and to clarify and strengthen the role of the MGCC.

2003 **The First Nations Casino Project is [reviewed](#)** under terms of reference established by the Manitoba government and the Assembly of Manitoba Chiefs (AMC).

**The Office of the Auditor General releases a report on the Dakota Tipi First Nation Gaming Commission and First Nation Gaming Accountability in Manitoba.** The report results in amendments to *The Gaming Control Act* to address longstanding concerns about gaming regulation equity, and to improve stewardship of activities to mitigate problem gaming.

**2005 The second First Nations casino begins operations.** The South Beach Casino opens on the Brokenhead Ojibway First Nation, about 30 km north of Winnipeg.

**Manitoba and AMC seek progress on gaming issues.** The Manitoba government and the AMC sign a Letter of Understanding to work together to help close the gap in the standard of living between Manitoba's First Nations people and other Manitobans. A Steering Committee is established to focus on moving gaming issues forward.

## Exploring New Options

*Manitoba responds to the growing popularity of new games while introducing new solutions for emerging problems.*

**2006 Manitoba begins to explore charitable Texas Hold'em events.** In response to requests from charitable organizations, the MGCC proceeds with a pilot study to determine whether a suitable licensing model can be established.

**Manitoba and AMC look at new options.** The Manitoba government and the AMC jointly issue Requests for Proposals for two studies: a feasibility study to assess the establishment of a First Nation Gaming Corporation(s) and a market study to determine opportunities for new casino development.

**2007 Texas Hold'em tournaments begin.** Manitoba charities can now apply for licences to hold these fundraising events.

**The [Manitoba First Nation Gaming Market Study](#) recommends establishment of a First Nations-owned casino in the southwestern region/City of Brandon market area.** Both the AMC and the Manitoba government agree to implement this recommendation, and begin to seek the optimum site.

**2008 Controversy arises over the proposed southwestern region casino.** Brandon voters reject casino development in their community. As a result, the AMC and the Manitoba government establish the Southwestern Region Casino Site Selection Committee to oversee a site recommendation process, including a call for

Expressions of Interest from Manitoba First Nations, the review and assessment of submissions and recommendations. The Committee recommends a site on the Trans-Canada Highway and Highway 10. The AMC begins working with the sponsors of the site to move the project forward.

**2009**     **Negotiations are discontinued with the sponsors of the First Nations casino site recommended in 2008.** Negotiations reach an impasse over the longstanding position of the AMC and the Manitoba government that any new casino development would be owned equally by all First Nations, with revenue shared equally among them.

**Plans move forward for a different site.** A Memorandum of Understanding is signed by the AMC and Swan Lake First Nation to pursue a lease agreement to develop a casino site on reserve land adjacent to Spruce Woods Provincial Park, just south of the TransCanada Highway.

**2010**     **Honesty and integrity standards for retailers are enshrined in legislation.**

Amendments to *The Gaming Control Act* bring third-party, independent oversight to lottery retail operations and confirm that lottery ticket retailers are expected to adhere to the same standards of honesty and integrity as those applied to other gaming industry employees, equipment, suppliers and games. These measures complement player-focused education initiatives and enhanced ticket-checking by [WCLC](#) and MLC.

**Plans for Spirit Sands Casino are announced.** The AMC announces preliminary details of the casino planned for southwestern Manitoba, based on completion and implementation of a formal business plan.

**50/50 tickets go electronic.** The Brandon Wheat Kings Foundation is the first Manitoba licensed charity to sell 50/50 tickets by carrying handheld electronic devices in place of traditional two-part tickets. The real-time computerized sales tracking provides an additional layer of accountability to boost game integrity and player protection.

**2011**     **Spirit Sands Casino moves forward.** The Gaming Agreement is signed between the Manitoba government, Spirit Sands Casino Resort Limited Partnership and MLC. The casino will be owned equally by all 64 First Nations, which will benefit equally from the casino profits. Opening is anticipated for 2012.

**Canada moves toward single event sports betting.** Parliament hears the first reading of a federal government bill to remove restrictions against betting on a single sport event, athletic contest, race or fight. The amendments will allow

provinces to authorize single event sports betting to operate in a regulated environment under 207(1)(a) of the Criminal Code.

2012

**Plans for online gaming announced.** MLC announces it will partner with the British Columbia Lottery Corporation (BCLC) to deliver online gaming from a Manitoba site based on BCLC's online platform. The intent is to combat illegal, off-shore websites and provide a safe and secure platform offering responsible gaming tools, information and support.

**Regulation of liquor and gaming to merge into one authority.** [The April 17, 2012 Manitoba Budget](#) announces that liquor regulation will be controlled by the same authority regulating gaming. The Manitoba government expects the new model to reduce red tape for Manitoba businesses by bringing inspections and other regulatory services into a one-stop shop. The MLCC's operational activities are being merged with the MLC to create a single streamlined Crown corporation.