



## STAFF REPORT ACTION REQUIRED

### Amendment to By-law No. 12-2007 (Bingo Licence Fees)

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Date:</b>             | May 22, 2007                    |
| <b>To:</b>               | Government Management Committee |
| <b>From:</b>             | City Clerk                      |
| <b>Wards:</b>            | All                             |
| <b>Reference Number:</b> |                                 |

#### SUMMARY

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The current Bingo Fees By-law authorizes the City Clerk's Office to charge three percent of the prize board per bingo licence (prize boards vary from \$1,800.00 to \$5,500.00). In order to comply with the Alcohol and Gaming Commission of Ontario's (AGCO) "New Bingo Revenue Model" an amendment is required to allow the City Clerk's Office to charge a \$165.00 flat fee per bingo licence regardless of the size of the prize board.

#### RECOMMENDATIONS

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The City Clerk's Office recommends that City Council:

1. amend By-law 12-2007 to authorize the City Clerk to charge a \$165.00 fee per bingo licence issued to Class A and B pooling bingo halls as substantially set out in Appendix A;
2. authorize and direct the appropriate City Officials to take whatever action is deemed necessary to implement the foregoing, including the introduction in Council of any bills.

#### Financial Impact

There will be no financial impact resulting from this report. The fee structure is revenue neutral.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

#### DECISION HISTORY

On May 1, 2007, the Alcohol and Gaming Commission of Ontario (AGCO) implemented a “New Bingo Revenue Model” that affects all Class A and B pooling bingo halls. Charities licensed to conduct bingo events under the “New Bingo Revenue Model” will now be required to pay a set fee for each licence allocated to them instead of a fee based on the percentage of prizes awarded. An amendment to the Bingo Fees By-law is required in order for the City to issue licences to participating organizations under the new Revenue Model.

## **ISSUE BACKGROUND**

Decreasing revenue has been a long-standing concern for the charitable gaming industry. Recognizing industry concerns, in December 2005, the AGCO released a directional document entitled the *Modernization of Charitable Gaming*. This report outlined the decline of the industry and specifically addressed the need for a revised bingo revenue model.

As a result of the December 2005 report, the AGCO engaged a consulting firm (HLT Advisory) to research and compile information about bingo in Ontario. Based on HLT’s key findings and recommendations, the AGCO created the “New Bingo Revenue Model”.

Implemented as of May 1, 2007, the “New Bingo Revenue Model” was designed to increase revenues for independent operators and licensed charitable organizations. As part of this new model, the Registrar of the AGCO prescribed a new licensing fee structure. In order for the City to issue licences for the next licence period, Council must amend the Bingo Fees By-law by July 1, 2007 to reflect the new fee structure.

The AGCO adopted the new bingo licence fee structure to help municipalities maintain their current licensing revenues. The City of Toronto issues the majority of its licences based on three percent of a \$5,500.00 prize board (at a cost of \$165.00). By amending the by-law to include a per event licence fee of \$165.00 the City’s licensing revenues will remain at current levels.

If Council does not amend the Bingo Fees By-law by July 1, 2007, Toronto charities will not be able to be licensed under the “New Bingo Revenue Model”. If the charities are not able to obtain licences, their ability to raise funds and provide programs and services to their local communities will be negatively impacted.

The amendment will not affect bingo licences issued to organizations outside the “New Revenue Model”, such as legions, churches or seniors’ homes, and fees for those events will still be collected under the current by-law at three percent of the prizes.

**CONTACT**

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**SIGNATURE**

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Ulli S. Watkiss, City Clerk

**ATTACHMENTS**

Appendix A: Draft Bill

## Appendix A – Draft Bill

Authority: [Government Management Committee Report No. , Clause No. \(Clause Number\)](#) , as adopted by City of Toronto Council on [June , 2007](#)

Enacted by Council:

## CITY OF TORONTO

Bill No. (*Bill Number*)

**BY-LAW No. (*By-Law Number*)**

### **To amend the City of Toronto Municipal Code Chapter 441, Fees and Charges to reflect the Alcohol and Gaming Commission of Ontario's new Bingo Revenue Model**

WHEREAS the Alcohol and Gaming Commission of Ontario has developed a new bingo revenue model for pooling bingo halls; and

WHEREAS under the new bingo revenue model the licensing fees charged by the City of Toronto for licences for bingos conducted in pooling bingo halls will be a maximum of \$165.00 and will no longer be based on a percentage of the value of prizes offered at the bingo event;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. [Appendix C, Schedule 12, City Clerk, of Municipal Code Chapter 441, Fees and Charges](#), is amended by inserting the following item 5.1 between items 5 and 6:

|     | <b>I</b>   | <b>II</b>                                | <b>III</b>       | <b>IV</b>  | <b>V</b>                 |
|-----|--|--|------------------|------------|--------------------------|
|     | <b>Category</b>                                      | <b>Activity</b>                          | <b>Fee Basis</b> | <b>Fee</b> | <b>Annual Adjustment</b> |
| 5.1 | Elections and Registry Services<br>- Gaming Services | Bingo Licence for Pooling<br>Bingo Halls | per bingo event  | \$ 165.00  | No                       |

ENACTED AND PASSED this [6/ /2007](#).

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Mayor

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City Clerk