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February 21, 2007

Log #345306

To: All Gaming Services Providers

Re: Registration Fee Increases

This letter is intended to advise all gaming service providers and, through them, gaming and horse racing workers of changes in the gaming registration fee structure.

The Gaming Policy and Enforcement Branch's current registration fee structure, charged to participants in the gaming industry, has remained unchanged since 2002. The majority of the fees have not changed since 1997.

The Province believes there should be at least partial cost-recovery from certain commercial gaming activities that require government regulatory oversight, if that oversight serves to protect the public interest. The current fee structure does not reflect that objective.

As a result, the 2007/08 budget for the Province of British Columbia, tabled by the Minister of Finance on February 20, 2007, reflects a new fee structure for the registration of individuals and companies involved in gaming in British Columbia. Effective April 1, 2007, the Province will implement three new fees and increase existing registration fees for eleven categories of companies and individuals involved in the gaming industry.

The new fees reflect partial cost-recovery of government's oversight of the gaming industry and bring fees more in line with other Canadian jurisdictions. The current, multi-year fee structure is being replaced with annual fees, charged per site in the case of a gaming facility operator.

Prior to the decision to proceed with the new fee structure, most gaming service providers in the casino, community gaming centre, bingo and horse racing sectors were consulted. In general, responses were positive or neutral. As a result of a very small number of negative responses, some reductions have been made in certain fees, compared to what was originally proposed and discussed.

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**Ministry of
Public Safety and
Solicitor General**

Gaming Policy and
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Assistant Deputy Minister's
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New Registration Fee Structure

Effective April 1, 2007, the annual application and registration fees will be:

- \$35,000 for each Class A casino (those with 500 or more slot machines). This replaces the existing application fee of \$5,000 for 5 years;
- \$15,000 for each Class B casino (those with fewer than 500 slot machines). This replaces the existing application fee of \$5,000 for 5 years;
- \$5,000 per Community Gaming Centre (any bingo facility with slot machines). This replaces the existing application fee of \$2,000 for 5 years;
- \$2,000 per Class A bingo hall (those grossing \$1 million or more annually). This replaces the existing application fee of \$2,000 for 5 years;
- \$1,000 per Class B bingo hall (those grossing less than \$1 million annually). This replaces the existing application fee of \$2,000 for 5 years;
- \$20,000 for all gaming suppliers that manufacture slot machines. This replaces the existing application fee of \$2,000 for 5 years;
- \$5,000 for gaming suppliers providing more than \$25,000 worth of goods or services, other than slot machines, annually. This replaces the existing application fee of \$2,000 for 5 years;
- \$1,000 for gaming service suppliers providing up to \$25,000 worth of goods or services, other than slot machines, annually. This replaces the existing application fee of \$1,000 for 5 years;
- \$1,000 for suppliers of other gaming related services (e.g.: ticket rafflers, security services, etc.). This replaces the existing application fee of \$2,000 dollars for 5 years;
- \$250 for senior officials and senior employees in the gaming industry. This replaces the existing application fee of \$250 for 3 years;
- \$5,000 for each major race track. This replaces the existing fee of \$2,000 for 5 years;
- \$100 for each minor race track. This replaces the existing fee of \$250 for 5 years;
- \$45 for gaming workers for 3 years. This replaces the current fee of \$25 for 3 years; and
- \$30 for horse racing workers for 3 years. This replaces the current fee of \$25 for 3 years.

Further, effective April 1, 2007, the Province has established three new fees:

- An annual application and registration fee of \$250 for ancillary gaming service providers (maintenance, retail, landlords, etc.);
- A \$25 fee for the replacement of lost identification cards; and
- A \$50 fee for the replacement of lost Certificates of Registration.

Registration Fee Increases

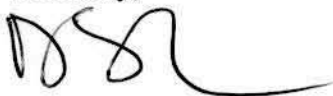
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The Registration Division will implement these new fees over the course of the 2007/08 fiscal year, and will be communicating directly with gaming services providers in this regard.

Please ensure all relevant parties in your organizations (senior officials, board members, gaming and horse racing workers, etc.) are advised about the new fee structure, in a timely manner.

If you have any questions about the new fee structure, please contact Rick Saville, Director of Registration, at (250) 356-0981.

Sincerely,



Derek Sturko
Assistant Deputy Minister

Enclosure

pc: Vic Poleschuk
Doug Penrose
Marsha Walden
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