

**RACING ENTERTAINMENT CENTRE**

**TERMS & CONDITIONS**

**and**

**OPERATING GUIDELINES**

# **RACING ENTERTAINMENT CENTRE**

## **TERMS & CONDITIONS and OPERATING GUIDELINES**

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**1.1 DEFINITIONS**

1.1.1 In this handbook,

- a) “AGLC” means the Alberta Gaming and Liquor Commission;
- b) “Board” means the Board of the AGLC;
- c) “Discrepancy report” means a report that the licensee must complete and submit to the AGLC when there has been a breach of the REC Terms & Conditions or a breach in security;
- d) “Gaming and Products Services Division” means the Gaming and Products Services Division of the AGLC;
- e) “Gaming terminal” means a computer, video device or machine that is used, or could be used, to play a lottery scheme as defined in the *Criminal Code* (Canada) where, on insertion of money or a token or on payment of any consideration a person may receive or be entitled to receive money, either directly from the computer, video device or machine or in another manner, but does not include such a computer, video device or machine when used only for home entertainment and where there is no ability for any person to make money from its operation;
- f) “Horse Racing Alberta” means the corporation continued under the *Horse Racing Alberta Act*;
- g) “Hotline” means the AGLC’s telephone line that may be accessed by licensees to report any issues or irregularities, or to request technical slot machine service or other support from the AGLC;
- h) “Inspector” means any AGLC employee or any other person that the AGLC may designate as an inspector under section 98 (1) of the *Gaming and Liquor Act* (Alberta);

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- i) “Investigations Branch” means the Investigations Branch, Regulatory Division of the AGLC;
- j) “Licence” means a racing entertainment centre facility licence issued by the AGLC which authorizes the operation of a gaming facility:
  - i) that is located in a grandstand adjoining a race track; and
  - ii) in which a provincial lottery may be conducted.
- k) “Licensee” means the person or entity holding a licence;
- l) “Licensing and Charitable Gaming Branch” means the Licensing and Charitable Gaming Branch, Regulatory Division of the AGLC ;
- m) “Minor” means a person under the age of 18 years;
- n) “Race day” means a day that live horse racing is occurring or scheduled to occur at a race track;
- o) “Race track” refers to a race track licensed by Horse Racing Alberta for the primary purpose of live horse racing and which may be classified as an “A” track or “B” track as follows:
  - i) A Class “A” track is a race track: on which live horse racing is conducted for a minimum of 100 days in a calendar year, the total number of days and actual dates are applied for and determined by Horse Racing Alberta on an annual basis; and in respect of which certain basic/minimum infrastructure (race track, site and grandstand) and racing operating requirements, identified in the Race Track Licensing Rules under the *Horse Racing Alberta Act*, are met.
  - ii) A Class “B” track is a race track: on which live racing is conducted to a maximum of 60 days and minimum of 15 days in a calendar year, the

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total number of days and the actual number of the actual dates are applied for and determined by Horse Racing Alberta on an annual basis; and in respect of which certain basic/minimum infrastructure (race track, site and grandstand) and racing operating requirements, identified in the Race Track Licensing Rules under the *Horse Racing Alberta Act*, are met.

- p) "Racing entertainment centre" means the areas approved within the grandstand and licensed by the AGLC. This includes the gaming area, public and restricted non-gaming areas within the gaming area and other restricted areas.
- q) "Racing Industry Renewal Initiative" means an initiative of the government and horse racing industry aimed at enabling the horse racing industry to maintain and enhance live horse racing in the province to encourage breeding of horses and other agricultural development in the province;
- r) "REC" means a racing entertainment centre;
- s) "REC agreement" means an agreement between the AGLC and a licensee that governs the operation of slot machines in a REC;
- t) "REC slot retailer" means a REC facility licensee holding a REC agreement;
- u) "Registered gaming worker" means a person registered with the AGLC to perform the function(s) specified in his or her registration pursuant to the Gaming and Liquor Regulation;
- v) "Regulatory Division" means the Regulatory Division of the AGLC;
- w) "Slot manager" means the registered gaming worker responsible to supervise slot machine operations in a REC;

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- x) "Terms & Conditions" means the REC Terms & Conditions;
- y) "Voluntary self exclusion program" means the problem gambling initiative in which gamblers may voluntarily choose to be refused entry into charitable casinos or other licensed gambling facilities, or both.

**1.2 LEGISLATION AND BOARD POLICIES**

- 1.2.1 RECs are part of the Racing Industry Renewal Initiative.
- 1.2.2 RECs must be operated in accordance with the *Gaming and Liquor Act*, the Gaming and Liquor Regulation and Board policies established under the legislation.
- 1.2.3 The Terms & Conditions in this handbook contain the policies and operating procedures established by the Board pursuant to s. 38(1) of the *Gaming and Liquor Act* which states: "The board's policies respecting the activities authorized by a gaming or facility licence are conditions of the licence, including policies made after the licence is issued."
- 1.2.4 All references in this handbook to "Terms & Conditions" or "Operating Guidelines" are considered to be references to Board policies.
- 1.2.5 Licensees and registered gaming workers must comply with legislation and Board policies.
- 1.2.6 Non-compliance with the legislation or Board policies contained in this handbook may result in disciplinary action as outlined in Section 10, "Enforcement of Legislation."
- 1.2.7 The licensee is responsible for ensuring that the Terms & Conditions of this handbook are updated when amendments are issued or received. A page titled "Record of Amendments" is located at the front of the handbook to keep track of updates issued and the date when the update has been inserted in the handbook.

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- 1.2.8 The licensee is responsible for ensuring that copies of this handbook are readily available to registered gaming workers working in the REC.
- 1.2.9 The licensee is responsible to keep staff of the REC informed about the Terms & Conditions as they are relevant to the duties and responsibilities of the staff.
- 1.2.10 Additional or replacement copies of this handbook may be purchased for a fee of \$25 per copy.
- 1.2.11 Additional copies of the *Gaming and Liquor Act* or Gaming and Liquor Regulation may be obtained from the Queen's Printer Publication Services in Edmonton 780-427-4952 and in Calgary 403-297-6251. The Act and Regulation are also available on the AGLC website [aglc.ca](http://aglc.ca)

**1.3 REC ACCESS**

- 1.3.1 Licensees and registered gaming workers are required to cooperate fully with AGLC Inspectors and police officers attending at a REC. The licensee or registrant on the request of an Inspector, the AGLC or an employee of the AGLC must:
- a) assist the Inspector in carrying out an inspection; and
  - b) provide the Inspector with records, documents, books of account and receipts and provide a place where they may be inspected, audited, examined or copied.
- 1.3.2 Every police officer as defined in the *Police Act* is an Inspector for the purposes of the *Gaming and Liquor Act*.
- 1.3.3 To ensure compliance with the *Gaming and Liquor Act*, the Gaming and Liquor Regulation, and Board policies, a AGLC Inspector:
- a) must be given full and unrestricted access to all areas of the REC facility;

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- b) take reasonable samples of gaming supplies from the licensee or any person in the licensed facility;
- c) may inspect, audit, examine and make copies of records, documents, books of account and receipts relating to a gaming activity, a provincial lottery, a gaming or facility licence, or gaming supplies or may temporarily remove any of them for those purposes;
- d) interview the licensee or agents of the licensee with regard to any of the records, documents, books of account and receipts;
- e) may interview and request identification from any person who appears to be a minor who is found in the licensed facility, or a person who appears to be a minor who is found outside the licensed facility if the inspector has reasonable grounds to believe that the person is contravening or has contravened this Act; and
- f) seize identification from any person interviewed in accordance with this subsection if the inspector has reasonable grounds to believe that the identification is false or has been altered.

1.3.4 A field technician employed by or working on behalf of the AGLC in a REC and who is installing, servicing or removing electronic gaming or gaming related equipment is designated by the AGLC as an Inspector pursuant to section 98(1) of the *Gaming and Liquor Act*.

1.3.5 An auditor or person employed or working on behalf of the AGLC in a REC is designated by the AGLC as an Inspector pursuant to section 98(1) of the *Gaming and Liquor Act*.

**1.4 LICENSING AND REGISTRATION**

1.4.1 The REC licence is issued pursuant to section 22(c) of the Gaming and Liquor Regulation which authorizes the operation of a REC facility.

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- 1.4.2 A licensee or an applicant for a licence must be an entity that operates a race track licensed by Horse Racing Alberta, and the race track must be designated by Horse Racing Alberta as either an “A” or “B” race track.
- 1.4.3 A licence respecting a REC will be considered automatically cancelled upon the suspension, cancellation or revocation of the licensee’s race track licence by Horse Racing Alberta or by any other authority with the power to suspend, cancel or revoke the licensee’s race track licence.
- 1.4.4 A REC must be operated by the licensee. Pursuant to section 14(1) of the Gaming and Liquor Regulation, “no facility license or liquor license may be issued unless the Board is satisfied that the applicant has the right to occupy and control the facility or premises in respect of which the application is made.”
- 1.4.5 A REC licensee must, if required by the Board during the term of the licence, satisfy the Board that the licensee continues to have the right to occupy and control the facility or premises in respect of which the licence is issued.
- 1.4.6 A licence issued pursuant to section 22(c) of the Gaming and Liquor Regulation authorizes the operation of a REC.
- 1.4.7 No person or affiliated groups of persons or a company will be permitted to control REC gaming in the province. This requirement is made in the interest of maintaining viable REC gaming. The control of REC gaming means owning or controlling:
- a) three (3) or more RECs, or
  - b) more than 25% of the total number of RECs operating in the province,
- whichever is greater, unless otherwise directed by the Board.
- 1.4.8 Pursuant to the *Gaming and Liquor Act*, a “gaming worker” means a person, other than a person specified in the regulations who is paid to assist:

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a) a gaming licensee in the conduct or management of a gaming activity; or

b) a facility licensee in the operation of a licensed facility.

1.4.9 A registration for a REC facility worker (a class of gaming worker) issued pursuant to section 25(c) of the Gaming and Liquor Regulation authorizes a person to perform at a REC a function as specified in the person's registration.

1.4.10 To be eligible to be registered as a gaming worker, an individual must:

a) have the experience specified by the Board for the function;

b) if the Board establishes an exam for the function, achieve at least the minimum exam score specified by the Board.

1.4.11 A REC shall not be used for any gaming activity other than those approved by the AGLC.

1.4.12 A licence is in effect for a term pursuant to the Gaming and Liquor Regulation.

**1.5 CONTACTING THE AGLC**

1.5.1 Written communication may be addressed to:

Alberta Gaming and Liquor Commission  
Licensing and Charitable Gaming Branch  
50 Corriveau Avenue  
St. Albert, Alberta T8N 3T5  
Fax: 780-447-8912

1.5.2 Licensees may contact the AGLC Hotline telephone number about any issues, to report irregularities or discrepancies. The Hotline number is 1-800-561-4415 or 780- 447-8900 and the fax is 780-447-8914.

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**1.6 HOURS OF OPERATION**

- 1.6.1 RECs are allowed to operate for a maximum of 17 consecutive hours, commencing no earlier than 10:00 a.m. and ending no later than 3:00 a.m. up to seven (7) days per week, unless otherwise designated by the Board.
- 1.6.2 RECs must remain closed on Christmas Day.
- 1.6.3 The AGLC may restrict the hours of operation of a REC.

**1.7 MINORS**

- 1.7.1 Minors (under the age of 18) are not permitted within a REC.
- 1.7.2 A REC licensee will ensure that staff demands proof of age when a person of questionable age (anyone who appears to be less than 25 years of age) attempts to enter a REC. Photograph identification is the required type of identification. Acceptable identification includes any one (1) of the following:
- a) Alberta Operator's Licence; or
  - b) Motor Vehicle Division Identification Card or Alberta Registries Motor Vehicles Identification Card (this non-driver's identification is available through private registry offices); or
  - c) Passport, Armed Forces Identification Card, Certificate of Indian Status or Immigrant Authorization.
  - d) Or other comparable form of identification from other jurisdictions.
- 1.7.3 If the required photographic identification appears not to be genuine, then a second piece of identification from the following list must be requested:

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- a) Birth Certificate;
- b) Social Insurance Card;
- c) Citizenship Certificate;
- d) Baptismal Certificate;
- e) Foreign Government Visa; or
- f) Fire Arms Acquisition Certificate.

1.7.4 Careful examination of identification under adequate lighting must take place to ensure that:

- a) the photograph is genuine and has not been substituted;
- b) the plastic laminate has not been tampered with;
- c) the lettering that provides information on name and date of birth has not been altered; and
- d) the document is genuine.

1.7.5 Where there is any doubt that identification is genuine, have the individual provide a sample signature and compare the signature to the signature on the photograph identification. Also, ask for a second piece of signature identification.

1.7.6 Caution should be exercised to check for identification each and every time a person of questionable age attempts to enter a REC. On a previous occasion, false identification may have been produced by the person and accepted.

1.7.7 If a person of questionable age fails to satisfy staff that the person is of legal age, the employee will refuse entry and ask the person to leave.

**1.8 DRESS**

1.8.1 Each licensee shall develop and enforce its own dress code for registered gaming workers to allow for easy recognition by customers of the REC and to reduce the possibility of criminal

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activity taking place.

- 1.8.2 Customers of the REC are not permitted to wear costumes in the REC which conceal their identity (e.g., face or eye masks) on any occasion during the operating hours of the REC.

**1.9 EXTENDING CREDIT**

- 1.9.1 The REC licensee office staff or registered gaming workers or any other REC or facility staff are prohibited from cashing personal cheques of patrons or extending credit in any form to patrons.

**1.10 AUDIT**

- 1.10.1 The REC licensee's books and records are subject to review/and or audit by the AGLC and must be maintained in a manner acceptable to both the AGLC and the Canada Customs and Revenue Agency (CCRA).
- 1.10.2 The documents normally subject to audit will include, but are not limited to:
- a) Books of original entry (including computerized records);
  - b) Invoices and all other supporting documents;
  - c) Bank statements and cancelled cheques;
  - d) Those related to internal controls;
  - e) Contracts, agreements or similar documents;
  - f) Payroll records;
  - g) Income Tax and Goods and Services Tax Returns;
  - h) Minutes of Annual General, General Membership, Board, and Executive meetings;
  - i) External accountant's/auditor's working paper files;
  - j) Annual (audited) financial statements;

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- k) Those related to ownership structure; and
- l) The business and financial records (as outlined above) of any entity (including but not limited to Corporations, Partnerships, Limited Partnerships, Joint Ventures, Proprietorships, etc.) that is related to the licensee and/or an executive or Board member of the licensee that is in receipt of any of the licensee's gaming funds either directly, indirectly or through a series of transactions.

**1.11 EQUIPMENT IN RECs**

- 1.11.1 A REC facility licensee shall not allow computers in any area of a REC facility unless prior approval has been received from the AGLC.
- 1.11.2 Only equipment and/or gaming apparatus approved in writing by the AGLC may be utilized in a REC facility.
- 1.11.3 All gaming related equipment is subject to inspection by the AGLC. REC operators may be required to replace or repair worn or used equipment.

**1.12 RELATIONSHIP WITH EQUIPMENT SUPPLIERS**

- 1.12.1 A licensee or employee of a REC or a consultant to or a person under contract to a REC is not permitted to be an agent, representative or owner of a company that deals in slot machines, regardless whether the company is registered in Alberta or elsewhere.
- 1.12.2 The Board may approve, in writing, a licensee or any other person noted in subsection 1.12.1 to deal in gaming supplies, whether or not they are registered in Alberta.
- 1.12.3 Any gaming supplier providing services in Alberta must be registered pursuant to section 27(b) of the Gaming and Liquor Regulation.

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**1.13 RESPONSIBLE GAMBLING TRAINING**

- 1.13.1 All REC facility licensees' registered gaming workers must participate in the AGLC's Deal Us In Phase 1, responsible gambling awareness training sessions within 30 days of their hiring date.
- 1.13.2 REC facility licensees are responsible for ensuring the Deal Us In Phase 1 responsible gambling awareness training is attended by all registered gaming workers within the specified time period.
- 1.13.3 Deal Us In Phase 1 training is offered on-line at [smartprograms.aglc.ca](http://smartprograms.aglc.ca) and through facilitated sessions provided by the Responsible Gambling Information Centre (RGIC) representatives located at select RECs.
- 1.13.4 REC facility licensees are responsible for ensuring Deal Us In Phase 2 is attended by selected management staff (all supervisors, managers and security staff). A member of the trained management staff must be present at all times during REC operating hours.
- 1.13.5 Deal Us In Phase 2 is offered via facilitated sessions provided by the RGIC representatives located at select RECs.
- 1.13.6 All REC facility licensees' registered gaming workers must successfully complete, every five (5) years, Deal Us In Phase 1 and, if necessary, Phase 2 responsible gambling awareness training sessions. Those employees taking Phase 2 training must also re-certify in both Phase 1 and Phase 2 before the expiration of the certificates.
- 1.13.7 Detailed information regarding the AGLC's Deal Us In Program may be obtained by contacting the AGLC at 1-877-436-6336 or by email at [info@dealusin.aglc.ca](mailto:info@dealusin.aglc.ca).

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**1.14 VOLUNTARY SELF-EXCLUSION (VSE) PROGRAM**

- 1.14.1 All REC facility licensees must have available application forms (Form 5474) for anyone wishing to participate in the VSE program. The forms are also available on the AGLC website at [aglc.ca](http://aglc.ca).
- 1.14.2 Enrolment into the VSE program must be done in accordance with the procedures outlined in AGLC's Casino and Racing Entertainment Centre Voluntary Self-Exclusion Program Manual.
- 1.14.3 All REC licensee employees designated to enrol patrons in the VSE program at their REC must complete the AGLC VSE Security Staff Training.
- 1.14.4 All REC facility licensees shall display in prominent locations within the licensed facility, all signage, brochures and other print material as prescribed by the AGLC that pertain to the VSE program.
- 1.14.5 The VSE Program Manual, signage, brochures and other print materials are available from the licensees' designated Responsible Gambling Information Centre (RGIC) representative or the AGLC's St. Albert Office.
- 1.14.6 All REC facility licensees must designate a senior staff member as their VSE Program Administrator. The VSE Program Administrator will be responsible for ensuring the VSE program is delivered at its REC in accordance to the AGLC's RECTCOG and the VSE Program Manual. The VSE Program Administrator will serve as the liaison between the licensee and the AGLC in matters that pertain to the VSE program.
- 1.14.7 The REC facility licensee must exclude the VSE applicant from all REC loyalty program mailings and/or receiving/participating in other promotions offered by the licensee while the applicant is an active VSE program participant.

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- 1.14.8 Once the completed VSE is received at the AGLC, and has been correctly entered into the Gaming Information Network (GIN) System, an Exclusion bulletin will be sent to all licensed casinos and RECs in Alberta. It will be the responsibility of the facility licensee to maintain the bulletins in a binder. It is the duty of the licensee's VSE Program Administrator to ensure the binder is kept up to date and that expired bulletins are removed and new ones maintained.
- 1.14.9 In the event of a renewal, the enrolment process must be repeated in order to keep the person's file and photograph up to date.
- 1.14.10 REC facility licensees, employees and agents shall prohibit all persons enrolled in the VSE program from entering or remaining in a licensed REC facility, unless the person is currently employed at a REC or their employment requires them to enter a REC to perform work related duties while enrolled in the VSE program. These persons are allowed to enter any REC to perform specific work related duties only. Upon completion of these work related duties, the person is required to depart the facility immediately or be considered in violation of their VSE agreement. Failure to comply to the VSE agreement could result in charges against both the licensee and patron under section 34.2 of the GLR.
- 1.14.11 If a patron identified on a current VSE Bulletin enters a licensed REC, it is the responsibility of employees to verify the patron's identity and then ask the patron to leave the premises immediately and follow the procedures specified in subsection 1.14.13.
- 1.14.12 If a patron identified on a current VSE Bulletin refuses to provide the employee with a suitable form of picture identification to verify the person's identity, the employee will ask the patron to leave the premises immediately and follow the procedures specified in subsection 1.14.13.
- 1.14.13 The facility licensee will notify the AGLC of all program breaches by completing an AGLC VSE Re-Entry Report as per the instructions outlined in the AGLC Facility VSE Re-

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Entry Procedures section of the AGLC's casino and REC Voluntary Self-Exclusion Program Manual.

- 1.14.14 In the event a patron refuses to leave the facility, employees should inform the patron that the police will be called and then take no further action with the patron until the police arrive. Staff should immediately phone the local police agency and seek their assistance in the removal of the person from the premises.

**SECTION: 2. CONDITIONS OF LICENCE**

**2.1 LICENCE CONDITIONS**

- 2.1.1 The licensee shall operate the REC facility according to:
- a) the licence which includes information pertaining to the location, dates and hours of operation;
  - b) the Terms & Conditions;
  - c) any special conditions required by the Board; and
  - d) municipal, provincial and federal laws.
- 2.1.2 Requests for amendments to a licence shall be submitted in writing for approval to the Licensing and Charitable Gaming Branch by an authorized executive member of the licensee.
- 2.1.3 Licensees shall provide:
- a) a REC facility as set out in Section 3. "Facility Requirements;"
  - b) registered gaming workers as described in Section 5. "Registration of Gaming Workers;"
  - c) surveillance equipment as detailed in Section 4. "Security Standards;"
  - d) insurance; and
  - e) all other equipment or services deemed necessary by the Commission.

**2.2 REC LICENCE FEES**

- 2.2.1 An applicant for an REC licence is required to pay fees related to a background investigation, as set forth in the *Gaming and Liquor Regulation*.
- 2.2.2 A licensee is required to pay a licence fee, as set forth in the *Gaming and Liquor Regulation*.

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**2.3 STAFF REQUIREMENTS**

- 2.3.1 Staff requirements, including conduct, are described in Section 5. "Registration of Gaming Workers" of these Terms & Conditions.

**SECTION: 3. FACILITY REQUIREMENTS**

**3.1 PHYSICAL REQUIREMENTS**

3.1.1 A term and condition in this section with an asterisk (\*) indicates a requirement that must be met by January 1, 2005 in all racing entertainment centres operating under agreement with the Commission on October 22, 2001. Exceptions may be approved by the Commission. Such requirements must be met in any new REC (that is, a REC built or first licensed on or after October 22, 2001).

3.1.2 The following designated areas comprise an REC:

a) Gaming Area – the gaming floor space dedicated to the operation of provincial lotteries. This does not preclude other horse racing related activities approved by Horse Racing Alberta;

b) Public Non-Gaming Areas – the floor space located within the gaming area. This additional designated space must be equivalent to at least 20% of the gaming area and shall include:

- i) main entrance foyer/lobby clearly set apart from the gaming area in the REC;
- ii) bar/lounge with full menu table service. The full menu must be available until 11:00 p.m. After 11:00 p.m., a reduced selection of hot and cold food items such as hot dogs, pizza, hamburgers, chicken wings, sandwiches, etc. must be offered.

c) Restricted Non-Gaming Areas – the floor space located within the gaming area. This additional designated space shall include:

- i) slot cash cage/count room;
- ii) in RECs with 100 or more slots under an REC agreement, a security desk;
- iii) vault/safe

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- iv) communications equipment room/technician room;
- d) Other Restricted Areas – the floor space located within the Gaming area, or the grandstand. This additional designated space shall include:
  - i) monitor room;
  - ii) staff lounge;
  - iii) administration office(s);
  - iv) room for security staff and equipment; and
  - v) in RECs with 100 or more slots under an REC agreement, a secure CCTV viewing room independent of the monitor room.

3.1.3 In RECs with 100 or more slots under an REC agreement, a full menu restaurant with table service and fully equipped kitchen located within the gaming area or grandstand.

3.1.4 Each REC shall have a ceiling height of at least 14 feet (\*) in gaming areas. Feature ceilings or areas aimed at creating atmosphere and transition areas must have a ceiling height of at least 10 feet. The ceiling heights of racing entertainment centres under agreement with the Commission that were operating on October 22, 2001, are grand fathered, and must comply with this term and condition if the existing facility undergoes major renovations or is relocated.

3.1.5 REC shall have floor to ceiling common and exterior walls that are normally constructed of solid material.

3.1.6 Each REC:

- a) shall have adequate lighting within the facility for the safety of patrons and staff, and to allow for proper viewing by security cameras during REC operating hours(\*);

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- b) with 100 or more slots under a REC agreement, shall have, in the case of power interruption, the continuation of power for surveillance equipment, lighting in the facility, monitor room equipment, and network computer in the communications equipment room through the use of an uninterrupted power supply (UPS). The load requirement will vary based on the REC's size and type of equipment used (\*); and
- c) shall have steel doors and steel frames for all surveillance and monitoring rooms, cash cages, and count rooms (\*).

3.1.7 Facility licensees planning to undertake structural changes must contact the Regulatory Division and present plans of the proposed change and obtain the Division's approval before making any changes.

**3.2 MINIMUM SIZES**

3.2.1 The following minimum floor square footage apply;

- a) slot machine – 25 square feet per slot (\*);
- b) slot cash cage/hard count room in a REC with:
  - i) fewer than 100 slots under a REC agreement – 200 square feet,
  - ii) 100 or more slots under a REC agreement – 250 square feet;
- c) slot soft count room in a REC with:
  - i) fewer than 100 slots under a REC agreement - 175 square feet,
  - ii) 100 or more slots under a REC agreement – 250 square feet;
- d) as an option to c) and d), a combined slot cash cage/count room and slot soft count room as follows:

**SECTION: 3. FACILITY REQUIREMENTS**

- i) in a REC with fewer than 100 slots under a REC agreement – 350 square feet,
- ii) in a REC with 100 or more slots under a REC agreement – 500 square feet.
- e) communications equipment room/technician room – 150 square feet (\*).

**3.3 COMMUNITY STANDARDS**

3.3.1 Each REC shall:

- a) reflect the concerns of the community in which it is located;
- b) not have a significant impact on existing charitable gaming facilities resulting in serious financial risk to the continued operation of the charitable gaming facilities and to the charities that conduct licensed gaming in the facilities; and
- c) not be located in the same building as another licensed gaming facility.

**3.4 LEGISLATIVE AND POLICY COMPLIANCE**

3.4.1 A licence may be issued to an applicant only if the applicant has complied with:

- a) all federal, provincial and municipal legislation and obtained all necessary permits, licences and authorizations; and
- b) Board policies

3.4.2 A licence may be suspended or cancelled if the licensee fails to comply with relevant legislative, regulatory, policy and municipal requirements.

3.4.3 A licensee is responsible for ensuring that:

**SECTION: 3. FACILITY REQUIREMENTS**

- a) the REC is operated and maintained in accordance with the *Gaming and Liquor Act, Gaming and Liquor Regulation* and all Board policies including those detailed in this handbook;
- b) the licensee's registered gaming workers meet requirements of their position as defined in Section 5. "Registration of Gaming Workers."

**3.5 CONDITIONS OF LIQUOR SERVICE IN AN REC**

3.5.1 Licensees must comply with legislation, Commission policy and procedures pertaining to liquor:

- a) the liquor licence may be held by the licensee or the licensee of a licensed premises that has direct access to the REC facility;
- b) REC licensees will not permit a person apparently intoxicated by liquor or a drug to take part in a gaming activity or provincial lottery that is conducted in the REC.
- c) REC licensees and liquor licensees are jointly responsible for not serving intoxicated patrons - incident reports for overservice will be submitted on the liquor licensee;
- d) hired employees are not allowed to consume liquor during their scheduled shift;
- e) no liquor possession or consumption is permitted in cash cages, count rooms, and staff rooms;
- f) liquor service is authorized only when slot machines are operating in the facility;
- g) REC licensees are encouraged to provide a seating area for non-playing customers who wish to consume liquor products; and
- h) food service must be available to patrons in accordance with the liquor licence.

**SECTION: 3. FACILITY REQUIREMENTS**

**3.6 SIGNAGE REQUIREMENTS**

3.6.1 The licensee shall post in a prominent place in the REC the following information, documents or signage:

- a) licence;
- b) REC general "House Rules" poster;
- c) "Gaming Irregularities" poster;
- d) "Problem Gambling" poster;
- e) "Video Surveillance Notice" poster (public and staff must be made aware that they may be subject to video surveillance);
- f) "No Minors Allowed" sign (on the exterior of each entrance); and
- g) any other information, documents or signage the Commission may request the licensee to post from time to time.

**3.7 GAMING INTEGRITY**

3.7.1 A licensee must maintain the integrity of gaming and ensure that only lawful provincial lotteries, pari-mutuel wagering, off-track betting or other horse racing related activities approved by HRA are conducted in the REC.

3.7.2 Licensees shall not compensate any individual either directly or indirectly, for playing any of the games on their premises in order to encourage other patrons to play or to increase the action at any of the games or for any other reason.

**3.8 REC FACILITY LICENCE**

3.8.1 A licence is in effect for a term specified under the *Gaming and Liquor Regulation*.

**SECTION: 3. FACILITY REQUIREMENTS**

- 3.8.2 Applications for licences are subject to review and approval by the Board. An applicant must pay a fee for background checks conducted by the Commission in respect of the applicant, the applicant's employees and associates and persons connected to the applicant.
- 3.8.3 The applicant must submit to the Commission with the application a deposit in the amount of \$5,000 to be used to pay the fee for background checks.
- 3.8.4 The holder of a licence must pay a fee for background checks conducted by the Commission, if any, during the term of the licence or registrant in respect of the licensee, the employees and associates of the licensee or registrant and persons connected to the licensee.
- 3.8.5 If required by the Commission, the holder of a licence must submit to the Commission a deposit in the amount determined by the Board to be used to pay the fee for background checks.
- 3.8.6 If the deposit has been submitted that exceeds the fee for the background checks, the Commission must refund the surplus.
- 3.8.7 The fee payable for a background check is the actual cost of conducting the background check.
- 3.8.8 The application for licence with the annual fee pursuant to the *Gaming and Liquor Regulation* must be received before the licence will be issued.

**3.9 SALE/PURCHASE OF REC FACILITIES**

- 3.9.1 Where there is a sale, assignment or transfer of a portion of the business under which the activities authorized by a facility licence are carried out that results in a change in control of the business, the licence or registration is cancelled.
- 3.9.2 A proposed sale, assignment or transfer of a portion of a business:

**SECTION: 3. FACILITY REQUIREMENTS**

- a) that is a sole proprietorship, a partnership or a corporation that is not a distributing corporation as defined in the *Business Corporations Act*; and
- b) under which the activities authorized by a facility licence are carried out;

must be reported to the Commission by the licensee and must be approved by the Board prior to the effective date of the sale, assignment or transfer.

3.9.3 A sale, assignment or transfer of 5% or more of a business:

- a) that is a distributing corporation as defined in the *Business Corporations Act*; and
- b) under which the activities authorized by a facility licence are carried out;

must be reported to the Commission by the licensee within ten (10) business days after the effective date of the sale, assignment or transfer and must be approved by the Board.

3.9.4 The Board may, in respect of a sale, assignment or transfer requiring its approval under this section,

- a) approve it without conditions;
- b) approve it subject to conditions;
- c) approve it subject to the variation or rescission of existing conditions; or
- d) refuse to approve it.

3.9.5 Where the Board refuses to approve a sale, assignment or transfer under Subsection 3.9.4.d) after the effective date of the sale, assignment or transfer, the Board may treat the licensee as ineligible to hold a licence and make a decision under Section 92 of the *Gaming and Liquor Act*.

**SECTION: 3. FACILITY REQUIREMENTS**

- 3.9.6 Where after a facility licence is issued, the licensee intends that a person acquire a financial interest in the facility to which the licence relates, in a manner other than by way of a sale, assignment or transfer,
- a) the licensee must report the financial interest to the Commission; and
  - b) the Board must approve the financial interest prior to the date on which the financial interest takes effect.
- 3.9.7 The Board may, in respect of a financial interest requiring its approval under this section,
- a) approve it with conditions,
  - b) approve it subject to conditions,
  - c) approve it subject to the variation or rescission of existing conditions, or
  - d) refuse to approve it.
- 3.9.8 Where the Board refuses to approve a financial interest under 3.9.7.d) after the effective date of the financial interest, the Board may treat the licensee as ineligible to continue to hold the licence and make a decision under Section 92 of the *Gaming and Liquor Act*.
- 3.9.9 For the purposes of section 37(1)(a) of the *Gaming and Liquor Act*, the Board may consider it appropriate to issue a REC licence if the applicant;
- a) is a person who has acted in accordance with the law, with honesty and integrity, and in the public interest;
  - b) would not be a detriment to the integrity or lawful conduct of gaming activities or provincial lotteries;
  - c) is a person whose background, reputation and associations will not result in adverse publicity for the gaming industry in Alberta;

**SECTION: 3. FACILITY REQUIREMENTS**

- d) has adequate business competence and experience for the roles or position for which application is made;
- e) has satisfied the Board that the proposed funding for the operation of the REC shall be adequate for the nature of the proposed operation, and from a suitable source;
- f) has adequate financing available, from a suitable source, to pay all current obligations and, in addition, to provide adequate working capital to finance opening of the REC and ongoing operations or future financial obligations of the REC; and
- g) already holds a REC licence and the Board feels that the applicant holding multiple licences is not contrary to the best interests of the gaming industry or the public.

3.9.10 In all cases in which the premises are wholly or partly owned by the applicant, the applicant shall furnish to the Board complete information pertaining to the interest held by any person other than the applicant. This includes interest held under any mortgage, deed of trust, bonds or debentures, pledge of corporate stock, voting trust agreement, or other device whatever, together with such other information as the Board may require.

3.9.11 The number of licences in the Province is determined by the Board.

**3.10 GENERAL LICENSING REQUIREMENTS**

3.10.1 A licensee must ensure that, during the term of the licence, the REC meets the requirements for a licence as established under the Terms & Conditions in this handbook.

3.10.2 A licensee must notify the Regulatory Division immediately if any of its officers, shareholders, directors or owners are charged with or convicted of an offence under:

- a) the *Criminal Code* (Canada);
- b) the *Excise Act* (Canada);

**SECTION: 3. FACILITY REQUIREMENTS**

- c) the *Food and Drugs Act* (Canada);
- d) the *Controlled Drugs and Substances Act*;
- e) a foreign Act or regulation that is substantially similar to an offence referred to in a), b), c), d) above;
- f) the *Gaming and Liquor Act* (Alberta); or
- g) the *Gaming and Liquor Regulation* (Alberta).

3.10.3 In the case of Agricultural Societies, Section 3.10.2 applies to Officers, Senior Managers and Key Employees.

3.10.4 A licensee must notify the Commission immediately upon becoming aware of an employee who is a registered REC worker and is charged or convicted of an offence detailed in section 3.10.2. The Board may take disciplinary action against the employee including, but not limited to, suspension or cancellation of the registration or require a person to dispose of an interest in the REC.

3.10.5 A casino facility licensee must notify the Commission immediately if there is a change amongst any of the licensee's executive or key employees at the licensed casino facility. Examples of executive members and key employees include the following:

- a) Chief Executive Officer
- b) President(s)
- c) Chief Operating Officer
- d) Chief Financial Officer
- e) Controller
- f) Vice-Presidents with gaming-related duties
- g) Floor Manager
- h) Security Manager

**SECTION: 3. FACILITY REQUIREMENTS**

- i) Any position that has direct gaming-related decision making responsibilities within the casino facility

**3.11 CONTROL OF REC**

- 3.11.1 No person, affiliated group of persons or a company will be allowed to control the REC industry in Alberta.
- 3.11.2 In every instance in which a person, entity, or persons involved in an entity, holding a gaming licence in the Province of Alberta, makes application for an additional licence, the Board shall consider whether such multiple licensing is in the best interests of the Province of Alberta.
- 3.11.3 If a licensee, through bankruptcy or operation of law, becomes dispossessed of the business under which the activities authorized by the licence are carried out, the REC licence is cancelled. The Board may issue a REC licence to a person to carry on the activities authorized by the cancelled licence, subject to any conditions included in the licence.

**3.12 REC SECURITY ACCESS PROVISIONS**

- 3.12.1 Access to the various areas in the REC facility must be in accordance with the table shown at the end of this Section.
- 3.12.2 Normally, only persons holding key operation positions with the licensee will be provided with authority to access, on an as-required basis, the restricted areas identified in the table at the end of this section. The time and date of access by employees must be recorded in a logbook maintained by security personnel. Other requests for temporary access will be considered by the Directors/Managers Regulatory Division for bona fide reasons.

**3.13 RENOVATIONS**

- 3.13.1 Licensees planning to undertake structural changes to the REC must contact the Regulatory Division and present plans of the proposed change and obtain approval before making any changes.

**SECTION: 3. FACILITY REQUIREMENTS**

3.13.2 Renovations to the REC will be allowed subject to the following requirements:

- a) the REC must meet all the REC facility and other requirements set out in these Terms & Conditions;
- b) the renovations must be within the existing building envelope or its outer dimensions, that is, the outer perimeter of the building in which an existing REC is located and includes space rented, leased, subleased, sold or otherwise provided to others in the same building. A building's outer dimensions refers to the building height as well as its envelope;
- c) The maximum increase of the gaming floor in the REC will not exceed 25% of the existing gaming floor;
- d) The maximum increase in additional slot machine capacity will not exceed 25% of the number of existing slot machines in the REC under a REC agreement, or to a maximum of 75 slots, whichever number is lower;
- e) All renovation requests that include additional slot machines will be evaluated by the Commission for impact from the business perspective against current gaming activities in that market;
- f) Only one renovation may be approved in a two-year period.

**ACCESS PROVISIONS**

	Monitor Room	Cash Cage	Count Room	Games Area
AGLC Board Members, AGLC Inspectors.	X	X	X	X
Facility Licensee Security Managers and Supervisors.	X	X	X	X
Peace Officers	X	X	X	X
Security Guards	X			X
Monitor Room Personnel	X			
Facility Licensee Gaming Operations Manager	X A	X	X	X
Slot Change Attendant				X
Slot Cashier		X		X
Slot Manager / Slot Supervisor		X	X	X
Service providers such as IT personnel and cleaners (provided that they are accompanied at all times by a person with authorized access to the area)	X	X	X	X
Other persons when authorized in person or in writing by either the Executive Director, Regulatory Division; or Directors/Managers, Regulatory Division.	X	X	X	X

June 20, 2002

**A - Supervisory Functions Only - Not to perform duties of Monitor Room personnel.**

**SECTION: 4. SECURITY STANDARDS**

**4.1 REC PREMISES - GENERAL**

4.1.1 A REC must comply with the standards for security as set forth in REC facility standards as established by the AGLC.

**4.2 CAMERA COVERAGE**

4.2.1 In this part:

- a) "live recording" means the video and audio recording of specified activities;
- b) "live monitoring" means the monitoring of live recording by an experienced registered monitor staff member in the monitor room.

4.2.2 RECs must have live camera surveillance of slot machines at all times when there are slot machines in operation. In RECs with 300 or more slots the surveillance must be conducted by live monitoring to include, but not be limited to, money pulls and the count of slot machine monies.

4.2.3 Original video tape or digital hard drives of surveillance or monitoring must be properly labelled and held in secure storage for at least seven (7) days before they may be re-used. Video tape or digital hard drives shall be provided to AGLC inspectors upon request. Video tapes must be properly disposed of after use, either by completely erasing their content if they are to be re-used or by destroying the tape. This is aimed at ensuring that clear and non-distorted images appear on the tapes that are used.

4.2.4 The monitor room must be treated as a high security area and access must be limited to monitor room personnel and slot management staff.

4.2.5 All surveillance or monitoring equipment must be maintained and be in proper working order. The AGLC must be notified if any equipment fails.

**SECTION: 4. SECURITY STANDARDS**

4.2.6 Monitor room personnel must use a standardized form for their daily activity log.

**4.3 SLOT CASH CAGE**

4.3.1 Cash payments must be fanned when presented to the winning customer so that all bills and/or coins are captured by surveillance camera.

**4.4 REC PREMISES – GENERAL**

4.4.1 A term and condition in this section with an asterisk (\*) indicates a requirement that must be met by January 1, 2005 in all existing racing entertainment centres operating under a REC agreement on October 22, 2001. Such a requirement must be met in any new REC licensed by the AGLC (that is, an REC built or first licensed on or after October 22, 2001).

4.4.2 Each facility must have:

- a) A secure CCTV monitor room with restricted access – a card locking mechanism is recommended. The monitor room must be located so that an exterior access can be provided to AGLC inspectors or suitable alternative to exterior access as approved by the Regulatory Division;
- b) Externally monitored alarm systems and telephones in each of the following areas;
  - i) monitor room;
  - ii) slot cage;
  - iii) slot count room;
  - iv) in RECs with 100 or more slot under a REC agreement, the security desk.
- c) Height markers at all entrances and exits including the entrance to the cash cage and count room;

**SECTION: 4. SECURITY STANDARDS**

- d) All exit doors alarmed and, with the exception of the main entrance, all exit doors must be steel with steel frames;
- e) In RECs with 100 or more slots under a REC agreement, an uninterrupted power supply (UPS), that provides adequate lighting to enable basic customer service to continue and allow for specific closed circuit television (CCTV) monitoring and recording for a minimum of one (1) hour after loss of electrical service, to the following areas of the facility: (\*)
  - i) public entrance: each entrance requires emergency lighting and a dedicated camera capable of pan, tilt and zoom allowing for the identification of persons entering or exiting the casino;
  - ii) cash cage: requires one cashier wicket to remain fully operational with emergency lights, two fixed cameras and a coin counter. The fixed cameras must allow for the clear identification of patrons, coin and cash values;
  - iii) slot bank: requires emergency lighting, electronic bill counter and two fixed cameras or one pan, tilt and zoom camera; and
  - vi) monitor room: requires emergency lighting, CCTV matrix and keyboard, time/date generator, dedicated video cassette recorders for each of the cameras required pursuant to Subsection 5.1.2j) i) – v) and four monitors. Fixed cameras may be linked to the monitors via a quad processor for split screen monitoring.

4.4.3 Licensees may decorate their RECs for special occasions (e.g., Halloween, Christmas, Stampede, Klondike Days, etc.) provided the decorations do not prevent or restrict CCTV camera coverage or surveillance.

**SECTION: 4. SECURITY STANDARDS**

**4.5 CCTV CAMERA COVERAGE**

4.5.1 Live monitoring must be in effect during operating hours in RECs with 300 or more slots.

4.5.2 All licensees shall provide a colour CCTV (closed circuit television) system that has:

- a) A closed circuit colour TV camera system with all cameras linked to the surveillance room. Other links within the REC facility can only be made to a secure area and only with AGLC approval.
- b) All of the cameras on the gaming floor must be enclosed in ceiling domes with the exception of stationary cameras dedicated to individual slot machines.
- c) All cameras must be linked to video cassette recorders direct or via quad or matrix switchers and be recorded in real time [30 frames per second (fps)] with date and time generation. Non-gaming or back of the house areas (e.g. bars, common areas and parking lots) may be recorded in time lapse. Digital recording units must meet the following minimum standards:
  - i) the Digital Video Recorder (DVR) shall record at 30 frames per second (fps) per camera with a minimum pixel image Common Interchanger Format (CIF) recording;
  - ii) the DVR shall provide for seven (7) days continuous storage for each and all cameras attached to it in the gaming floor area;
  - iii) the DVR may house a built-in Security Data Container (SDC) or utilize external storage devices such as a Network Attached Storage (NAS) device or RAID attached storage;
  - iv) the DVR shall be capable of archiving information data to a CD or DVD in

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compressed, authenticable format. A viewing or playback tool must also be available to review this video, as well as a method for ensuring the authenticity of the video excerpt;

- v) the DVR must have suitable UPS backup supplying 120 volts with surge suppression connected to it to provide for a minimum of one half (1/2) hour recording after loss of electrical service (See Subsection 4.4.2 e) i) to iv);
  - vi) cameras linked to a DVR must have a minimum of 480 lines of resolution; and
  - vii) non-gaming or back of the house areas may be recorded with motion sensitive activation at a minimum of 15 fps.
- d) All pan, tilt zoom cameras must be capable of allowing for clear identification of players, staff and slot number.
- e) Cameras dedicated to the slot area, cash cages and count rooms must be capable of being viewed full screen on a 19-inch or larger color monitor. Each facility must have a sufficient number of monitors online to allow for viewing. Some 14-inch color monitors may be used in the monitor room where console space dictates and must receive prior approval from the AGLC.
- f) Non-gaming areas, slot areas, and entry and exit doors may be monitored on split screen but must have the capability of being viewed full screen on a separate monitor.
- g) The monitoring system must have a picture generator which will generate precise, easily identifiable colour pictures.

4.5.3 Each slot area must have sufficient camera coverage as required by the AGLC. The cameras providing such coverage will be capable of pan, tilt and zoom. These

**SECTION: 4. SECURITY STANDARDS**

must be installed to provide coverage of all slot machines. The facility licensee must provide the actual number and placement of the cameras as required by the AGLC. Cameras must be capable of allowing for clear identification of players and must be positioned to complement each other.

- a) All wide area, local and mini-bertha progressive slot machines must be capable of being viewed by cameras to allow for clear identification of all players, staff, hoppers, winning combinations, amount of wager, and error and win codes.
- b) Cameras must be strategically placed so that there are no blind spots in the slot area and the cameras must provide for clear identification of all staff, players and customers. (\*)

4.5.4 A stationary camera with appropriate lens must be installed so there is complete, full-time coverage of:

- a) each entry/exit (not required for “emergency only” exits); and
- b) all Ticket In / Ticket Out (TITO) self-redemption kiosks.

4.5.5 A stationary camera may be required on each side of the exterior of the slot cash cage, so there is complete coverage of patrons standing in front of the slot cash cage, if the interior slot cash cage cameras do not provide the required coverage. Camera(s) and/or pan, tilt, zoom camera(s) with appropriate lens must be installed, capable of providing complete coverage of all areas within the REC’s slot cash cage and slot count room. The coverage must be capable of allowing for clear identification of all staff, cash and all cameras must be recorded in real time.

4.5.6 A dedicated stationary camera is required overhead of each slot cashier’s position and must be supplemented by a secondary camera to capture an unobstructed view of the patron.

**SECTION: 4. SECURITY STANDARDS**

4.5.7 In RECs with 100 or more slots, the surveillance monitoring system must have a picture generator with the capability of generating precise easily identifiable color pictures of the subject from any camera.

4.5.8 Where live monitoring is required, monitor room personnel must be in the monitor room at all times during operational hours of the REC. A senior security officer, trained in the use of camera surveillance, may be used to relieve monitor room personnel during breaks.

4.5.9 Original videotapes or digital hard drives must be properly labelled and held in secure storage for a minimum of seven (7) days before being re-used. When requested, videotapes or digital hard drives shall be provided to AGLC inspectors. Tapes must be properly disposed of by having them erased or destroyed.

4.5.10 The monitor room is to be treated as a high security area, and access is permitted to authorized personnel only, as detailed in Sections 3.12.1 REC Security Access Provisions.

4.5.11 All equipment must be maintained and be in proper working order. The AGLC must be notified if CCTV coverage falls below minimum standards of the Terms & Conditions.

4.5.12 All surveillance room staff must use a daily activity log.

**4.6 COUNTERFEIT MONEY PROCEDURES**

4.6.1 The following procedures shall be implemented when counterfeit money is identified or suspected:

a) Slot Supervisor/Slot Manager:

- i) attempts to identify the suspect if it appears the suspect is leaving the REC;
- ii) contacts local law enforcement agency and advises the agency that the suspect is, or is not, on site; and

**SECTION: 4. SECURITY STANDARDS**

iii) completes a counterfeit checklist and discrepancy reports and submits these to the Alberta Gaming and Liquor Commission within 24 hours via fax to St. Albert at 780-447-8914.

b) Monitor Room Personnel:

i) records suspect(s) with video equipment (using real time recording mode), generates photograph(s).

**4.7 THEFT AND CHEATING AT PLAY PROCEDURES**

4.7.1 Licensees shall be responsible for ensuring that all registered gaming workers they employ cooperate and assist with any AGLC or police investigation(s). That includes:

- a) Preparing a discrepancy report for all incidents that require such a report to be prepared; each individual involved is to complete a separate and detailed discrepancy report;
- b) Cooperating with AGLC inspectors and police when requested to do so;
- c) Reporting immediately to the AGLC where there is evidence of cheating the slot machines, theft, or other serious criminal offences. Any unexplained monetary discrepancies of \$1,000 or more must be reported immediately to the AGLC Hotline and a written report regarding the discrepancies faxed or otherwise sent to the Inspections Branch within 24 hours of the incident. Licensees are to contact the AGLC or police prior to conducting their own internal investigation; and
- d) Immediately securing any materials which could potentially be used as evidence (for example, slot machine cheating device) and keeping the material secure until handed over to a AGLC inspector or police officer, who will assess their admissibility as evidence. As well, immediately secure the slot machine(s) and ensure no further play occurs on the machine(s).

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4.7.2 The following procedures shall be implemented when theft or cheating of a slot machine is identified or suspected:

- a) Slot Manager/Slot Supervisor:
  - i) Alerts the REC security of suspected theft or cheating of a slot machine, and provides a description of the suspect;
  - ii) Attends the monitor room to view the suspect's activities and, if possible, confirm the theft or cheating of a slot machine;
  - iii) If satisfied that the video recording clearly captured the theft or the suspected cheating, instruct the REC security to identify the suspect(s) if it appears that he/she or they are leaving the REC;
  - iv) If the video recording only shows one occasion of suspected cheating and it is not clear that an offence has been committed, security should attempt to identify the suspect(s) prior to their leaving the REC: under no circumstances should the suspect(s) be detained as there is no legal authority to do so in this circumstance;
  - v) Reports the suspected cheating immediately to the AGLC Hotline, toll-free at 1-800-561-4415 or 780-447-8900; and also reports the incident to the Investigations Branch as soon as possible;
  - vi) Prepares a discrepancy report, collect discrepancy reports written by all staff involved, and submits them to the AGLC within 24 hours of the incident.
- b) Monitor Room Staff:
  - i) Immediately notifies the Slot Manager/Slot Supervisor of the incident;

**SECTION: 4. SECURITY STANDARDS**

- ii) Records the suspect(s) on a new video tape in real time, and makes notes of the occurrence;
  - iii) Ensures that the suspect(s) is recorded by more than one camera to ensure clear identification of the suspect(s), the slot machine being used, and the suspect's actions;
  - iv) Clearly marks the video cassette with location, camera, date and time, and initials the cassette for identification purposes, and removes the video cassette recording tab to prevent accidental re-recording over evidence;
  - v) Retains video tape cassettes in personal possession until turned over to a AGLC investigator.
- c) Security Guard:
- i) Makes detailed notes of:
    - observations;
    - date and time of incident;
    - particulars of any conversations with suspect(s); and
    - names of any persons having contact with suspect(s).

**4.8 DISCREPANCY REPORTS**

- 4.8.1 It is a condition of both registration and licensing that licensees and REC workers immediately report any breaches of Terms & Conditions or security breaches to the Inspections Branch. Failure to do so may affect registration status.
- 4.8.2 Licensees and REC workers shall immediately notify the AGLC of breaches of Terms & Conditions and security breaches by contacting the AGLC Hotline.

**SECTION: 4. SECURITY STANDARDS**

4.8.3 The following require investigation and corrective action by the Slot Manager/Slot Supervisor and the submission of a discrepancy report.

a) If there is suspicion or evidence of the following activities, the nearest office of the AGLC Investigations Branch shall be notified: in St. Albert at 780-447-8885 (regular office hours from 8:15 a.m. to 4:00 p.m.) or 780-671-5319 (after hours, weekends and statutory holidays); in Calgary at 403-292-7303 (regular office hours from 8:15 a.m. to 4:00 p.m.) or 403-661-0561 (after hours, weekends and statutory holidays) in Calgary:

- i) cheating at play;
- ii) theft;
- iii) robbery or attempted robbery in the REC; or other serious criminal offences.

b) The AGLC shall be notified by fax within 24 hours of:

- i) suspicion or evidence of procedures inconsistent with or in violation of the Terms & Conditions;
- ii) public disturbances requiring police action where the security of cash was or could have been compromised;
- iii) passing or possession of counterfeit money.

4.8.4 Slot Managers/Slot Supervisors shall submit a discrepancy report to the AGLC, when or as required, providing all relevant details. They shall also ensure any other party involved in the discrepancy also submits a discrepancy report. Failure to comply with this requirement may affect registration status.

4.8.5 For RECs in Red Deer and areas south of Red Deer, discrepancy reports shall be sent directly to:

The Alberta Gaming and Liquor Commission  
Inspections Branch  
Regional Manager, South  
Suite 110, Deerfoot Atrium Building

**SECTION: 4. SECURITY STANDARDS**

6715 - 8 Street N.E.  
Calgary, Alberta T2E 7H7

- 4.8.6 For RECs in areas north of Red Deer, all discrepancy reports shall be sent directly to:

The Alberta Gaming and Liquor Commission  
Inspections Branch  
Regional Manager, North  
50 Corriveau Avenue  
St. Albert, Alberta T8N 3T5

**4.9 PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT**

- 4.9.1 For the purposes of this Subsection, the terms “suspicious transactions” and “Compliance Regime” are defined on the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) website. This website may be accessed at [www.FINTRAC.gc.ca](http://www.FINTRAC.gc.ca).

- 4.9.2 In order to comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, REC facility licensees are required to report the following cash transactions to FINTRAC:

- a) an amount of \$10,000.00 or more in cash in the course of a single transaction; or
- b) two or more cash amounts of less than \$10,000.00, the total of which exceeds \$10,000.00. In this case, the facility licensee has to record the transaction if any of the facility’s employees know the transactions were made within 24 consecutive hours of each other by or on behalf of the same individual; or
- c) all suspicious transactions; or
- d) any foreign currency exchange over \$1000.00 Canadian.

**DATE ISSUED:** April 23, 2008

**AUTHORITY:**

Original signed by  
Marguerite Trussler

**SECTION: 4. SECURITY STANDARDS**

- 4.9.3 If a cash transaction is in a foreign currency the facility licensee will have to convert the amount to Canadian funds to determine whether or not it should be reported as a cash transaction.
- 4.9.4 REC facility licensees shall retain all records of large cash and suspicious transactions reported in Subsection 4.9.2.
- 4.9.5 The REC facility operator is responsible for the implementation of a Compliance Regime.
- 4.9.6 AGLC Inspectors and Federal Government officials may inspect, audit, examine and make copies of large cash transaction records or may temporarily remove any of them for those purposes.

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

**5.1 ELIGIBILITY**

5.1.1 It is the responsibility of the licensee to hire the staff required for the operation of the REC according to the Terms & Conditions.

5.1.2 The licensee is responsible to determine the number of staff positions and staff functions in a REC. Considerations in this regard would include, for example, ensuring the integrity of gaming in the facility, the size of the facility, player demand, etc.

5.1.3 The staff positions of a REC may include the following:

- a) Slot Manager/Slot Supervisor;
- b) Slot Cashier;
- c) Slot Count Room Staff;
- d) Slot Change Attendant;
- e) Monitor Room Personnel;
- f) Director or Manager of Security;
- g) Security Guard.

Refer to section 5.3 "Duties" in these Terms & Conditions regarding the duties of key staff positions.

5.1.4 Any person who is to be hired to work in a REC and will handle cash, operate slots, or have access to slots, must be registered with the Commission prior to assuming their duties in the REC.

5.1.5 The staff positions and staff of a REC must be reported to the Licensing and Charitable Gaming Branch. This shall include the position titles, roles or responsibilities of the respective positions, the names of the persons holding the staff positions, and an organizational chart of the REC identifying the reporting relationships of all staff in the REC.

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

5.1.6 Applications for registration as a REC gaming worker may be obtained from the Commission.

5.1.7 A registered worker must be:

- a) at least 18 years of age; and
- b) a Canadian citizen or lawfully admitted to Canada for permanent residence.

The appropriate documents from federal authorities must be provided as part of the registration process.

5.1.8 The Board may refuse to register an applicant as a REC gaming worker if the applicant or any of the applicant's associates fails to pass a records check.

5.1.9 A person does not pass a records check if the person:

- a) has within the 5 years prior to the submission of the application been charged with or convicted of:
  - i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada), the *Controlled Drugs and Substances Act* (Canada); or
  - ii) an offence under a foreign Act or regulation that, in the Board's opinion, is substantially similar to an offence referred to in subclause i).
- b) has at any time been charged with or convicted of:
  - i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada), the *Controlled Drugs and Substances Act* (Canada); or
  - ii) an offence under a foreign Act or regulation that, in the Board's opinion, is substantially similar to an offence referred to in subclause i);

if in the Board's opinion the offence is sufficiently serious that it may detract from the integrity with which provincial lotteries are to be conducted in Alberta; or

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

- c) has within the five (5) years prior to the submission of the application been serving a term of imprisonment of three (3) years or more.

5.1.10 The Board may refuse to register an applicant if the Board is satisfied that the applicant, any of the applicant's associates or any other person with connections to the applicant:

- a) has within the past five (5) years prior to the submission of the application contravened:
  - i) the *Gaming and Liquor Act* or regulations under the Act;
  - ii) a predecessor of the *Gaming and Liquor Act* or regulations under a predecessor of the Act; or
  - iii) a condition imposed on a licence or registration issued or made under the *Gaming and Liquor Act* or a predecessor of the Act;
- b) is a person who has not acted or may not act in accordance with the law, with honesty and integrity or in the public interest, having regard to the past conduct of the person;
- c) would be a detriment to the integrity or lawful conduct of provincial lotteries;
- d) is a person whose background, reputation and associations may result in adverse publicity for the gaming industry in Alberta.

5.1.11 A registered REC gaming worker must notify the Commission and the licensee immediately when charged with or convicted of an offence under:

- a) the *Criminal Code* (Canada);
- b) the *Excise Act* (Canada);
- c) the *Food and Drugs Act* (Canada);
- d) the *Controlled Drugs and Substances Act* (Canada);

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

- e) a foreign Act or regulation that is substantially similar to an offence referred to in a), b), c) or d) above;
- f) the *Gaming and Liquor Act* (Alberta); or
- g) the *Gaming and Liquor Regulation* (Alberta).

5.1.12 The licensee must notify the Commission immediately upon learning about a registered worker who has been charged or convicted of an offence as described in Subsections 5.1.10 and 5.1.11.

5.1.13 If a registered REC gaming worker is convicted, as described in Subsections 5.1.10 and 5.1.11, the Board may take disciplinary action including, but not limited to, cancellation or suspension of the registration.

5.1.14 If a registered REC gaming worker has misled the Board, failed to provide information or provided inaccurate information, the Board may take disciplinary action including, but not limited to, cancellation or suspension of the registration.

**5.2 CONDUCT**

5.2.1 A registered gaming worker must comply with all provisions in these Terms & Conditions. Failure to do so may result in disciplinary action being taken by the Board.

5.2.2 A registered gaming worker must maintain the integrity of gaming and ensure that only lawful activities are conducted in a REC.

5.2.3 Gaming workers shall ensure their registration is current with the Commission pursuant to Section 39(1) of the *Gaming and Liquor Act*.

5.2.4 The licensee must ensure the registration is current or up to date of all those staff who are required to be registered with the Commission.

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

5.2.5 Registered gaming workers may work only in the position for which they are registered.

5.2.6 Registered gaming workers who are on duty shall not be under the influence of liquor or drugs or consume liquor, or use an illicit substance.

5.2.7 Where the REC licensee is:

- a) An Agricultural Society, registered gaming workers, officers, REC managers and key employees are prohibited from playing slot machines where they are employed or contracted.
- b) Other than an Agricultural Society, registered gaming workers, REC directors or directors of the affiliated race track, REC managers and key facility employees are prohibited from playing slot machines where they are employed or contracted.

5.2.8 A name badge shall be worn by all registered gaming workers while on duty and shall be visible at all times:

- a) The licensee shall supply registered gaming workers and security guards with a laminated colour photo identification card as follows:

Card front:

- i) REC name or logo;
- ii) Current colour photo, similar in size to a driver's licence photo;
- iii) Registration number, minimum print size 5mm in height, block style printing only;
- iv) Employee first name only, minimum print size 5 mm in height, block style printing only; and
- v) Registration expiry date.

Card back (optional):

- i) Full name;
- ii) Authorizing REC signature;
- iii) REC data - that is, employee number; and
- iv) REC conditions of employment.

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

**5.3 DUTIES**

5.3.1 The Slot Manager/Slot Supervisor or designate is responsible for supervising the slot machine operation, and must be present in the REC or grandstand from the opening of the slot machines until their closing, and after all related duties are completed.

5.3.2 General duties in the REC would include the following:

- a) Supervising the gaming area in the REC;
- b) Ensuring the gaming area is operated in accordance with the licence and the REC Agreement;

5.3.3 Specific duties of the Slot Manager/Slot Supervisor are as follows:

- a) Works to ensure a professional REC operation and for the integrity of gaming in the REC;
- b) Ensures that the registration of all REC workers is current;
- c) Ensures REC staff shift schedules are prepared, and coordinates gaming staff breaks;
- d) Ensures that REC staff perform prescribed duties;
- e) Settles customer disputes based on technical recommendations;
- f) Make hand pays to jackpot winners;
- g) Performs hopper fills when required;
- h) Conducts inquiries into customer claims or complaints and calls in a technician when required;
- i) Ensures security of games;
- j) Ensures that:

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

- i) any error or procedural irregularities in games operations is reported, including any breach of public order while the REC is in operation, and providing a discrepancy report with details to the Licensing and Charitable Gaming Branch as required;
- ii) he or she remains on the gaming floor a minimum of 45 minutes per hour;
- k) In RECs with less than 100 slots, is responsible for performing the duties of the Security Guard as set out in Sections 5.3.6 and 5.3.7, unless otherwise provided or contracted by a third party.

5.3.4 The Slot Cashier is responsible to the Slot Manager/Slot Supervisor. The duties are to:

- a) Provide change to customers and redeem coins for cash;
- b) Maintain and balance a float;
- c) Record all hand pays and keep hand pay form for balancing float;
- d) Provide coins for fills using a Fill Slip recording all fills on the Daily Record of Fills and Hand Pays;
- e) When a customer presents coins for redemption, run the coins through the coin counter: the coin counter display is to be visible to the customer and the amount confirmed by the customer before cash is given out;
- f) provide coin to change attendants for cash;
- g) roll coin as conditions permit; and
- h) prepare loose coin in bags for hopper fills.

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

5.3.5 The Slot Change Attendant is responsible to the Slot Manager/Slot Supervisor. Duties are to:

- a) provide change to customers;
- b) maintain and balance a float;
- c) be familiar with basic operation of each game and provide assistance and information to customers regarding game rules, etc.;
- d) report slot malfunctions or maintenance requirements to the Slot Manager/Slot Supervisor; and
- e) call in the Slot Manager/Slot Supervisor to handle any customer disputes.

5.3.6 The Security Guard is responsible to the Slot Manager/Slot Supervisor or other designated management position, with the approval of the Commission, for the overall security of games workers and the REC. A minimum of one security guard is required to be on duty at all times in a REC with more than 100 slot machines.

5.3.7 The Security Guard must be registered with the Commission and, when provided or contracted by a third party, must hold a current licence under the provisions of The Private Investigators and Security Guards Act or Police Act. Specific duties are to:

- a) enforce age limits and liquor provisions;
- b) provide security in the immediate area of the cash cage during all counts;
- c) maintain security at the main entrance when gaming activity is permitted;
- d) assume crowd control duties (e.g., ensure fire regulations are obeyed) when gaming activity is occurring;
- e) be trained in the use and operation of CCTV equipment;
- f) provide discrepancy reports as required;

**SECTION: 5. REGISTRATION OF GAMING WORKERS**

- g) follow procedures set out on counterfeit money and cheating at play; and
- h) remain on duty, and be alert, until all monies are secured and all REC staff have exited the REC.

**SECTION: 6. ELECTRONIC GAMING**

**6.1 SLOT MACHINES**

- 6.1.1 The authority to conduct and manage slot machines is contained in the *Criminal Code* (Canada) and the *Gaming and Liquor Act* (Alberta).
- 6.1.2 Slot machines are installed in a REC subject to a REC agreement between the licensee (the retailer of the slot machines) and the AGLC (a sample Racing Entertainment Centre is attached at the end of this subsection).
- 6.1.3 Services and space provided for the operation of slot machines is the sole responsibility of the licensee under a REC agreement. The Slot Manager/Slot Supervisor is responsible for supervision of the slot operation in a REC as set out in subsection 5.3.3.
- 6.1.4 The AGLC is authorized to conduct security inspections and enforcement activities:
- a) violations of the Terms & Conditions may result in penalties as set out in section 10. Enforcement of Legislation, and
  - b) violation of the REC agreement may result in termination of the agreement and immediate removal of slot machines.
- 6.1.5 The AGLC conducts and manages the following types of slot machines:
- a) “core” slot machines, meaning a slot machine purchased by the AGLC; and
  - b) “leased” slot machines, meaning a slot machine for which a daily lease rate is paid by the AGLC to the slot machine manufacturer or vendor.

**SECTION: 6. ELECTRONIC GAMING**

**6.2 TERMINAL ALLOCATIONS**

- 6.2.1 The AGLC determines the number and type of slot machines provided to RECs and may adjust the number and type of slot machines from time to time.
- 6.2.2 Only equipment and/or gaming devices approved in writing by the AGLC may be utilized in a REC.
- 6.2.3 All gaming related equipment is subject to inspection by the AGLC.
- 6.2.4 Lease games will not exceed 10% of total slot machines in a REC.
- 6.2.5 A REC must meet the minimum requirements under section 3. Facility Requirements to be eligible for additional slot machines under a REC agreement.
- 6.2.6 Slot machine distribution is optimized by allocating additional slot machines to an eligible REC and reallocating slot machines from a REC based on consumer demand.
- 6.2.7 A new REC will be allocated slot machines as follows:
- a) "A" track: a minimum of 100 slot machines to a maximum of 700 based on number of race days at the track, market demand for slot machines, and impact on existing gaming activities;
  - b) "B" track: a minimum of 25 slot machines to a maximum of 150 slot machines based on number of race days at the track, market demand for slot machines, and impact on existing gaming activities.
- 6.2.8 Consumer demand at a REC is determined by:
- a) Net Sales per Terminal Hour (NSPTH), which is the average hourly net sales per terminal for each hour of operation; and

**SECTION: 6. ELECTRONIC GAMING**

- b) Fair Share Ratio (FSR), which is the ratio of the provincial share of total net sales to the provincial share of total slot machines at a REC for a consecutive 26 week period.

$$FSR = \frac{\% NetSales_{Market}}{\% Slots_{Market}}$$

6.2.9 The AGLC may adjust the number and type of slot machines installed in a REC as follows:

- a) a REC is eligible for additional slot machines when the NSPTH for all slot machines at the REC exceeds \$11.00 and the FSR exceeds 1.0;
- b) a REC may have slot machines removed when the NSPTH is less than \$6.00 and the FSR is less than 0.8.

6.2.10 The maximum number of slot machines allocated to a REC is determined by multiplying the total number of slots in the province by the REC's market share of total net sales.

6.2.11 All slot machines removed under 9.1.9 are reallocated to existing facilities with slot machines based on consumer demand.

6.2.12 The AGLC will review the terminal allocation process every two (2) years to ensure a fair and equitable distribution of slot machines.

**6.3 TICKET IN TICKET OUT (TITO) TICKET RETENTION AND DESTRUCTION**

6.3.1 Validated TITO tickets are to be retained by the REC as the REC's proof of transaction.

6.3.2 TITO tickets that have the following characteristics must be retained for a period of six (6) years from the date of the end of the REC's annual reporting period:

**SECTION: 6. ELECTRONIC GAMING**

- a) tickets that cannot be processed through the IVS system;
- b) tickets for which an override is required for validation;
- c) tickets included in an unbalanced cashier session; and
- d) tickets that have any other extraordinary circumstances (e.g., involved in a customer dispute).

6.3.3 TITO tickets that have been validated by a cashier in a balanced cashier session, or that have been validated through a slot machine or self redemption kiosk and have been scanned through the soft count process must be retained for a period of 60 days, after which time they can be destroyed.

6.3.4 If a TITO ticket is required to be removed by an AGLC Inspector, the REC must keep a log of the ticket removed including the ticket validation number, ticket date, date the ticket was removed, and the individual who removed the ticket. The log must also be signed by the REC personnel providing the ticket and the AGLC Inspector removing the ticket. This log must be retained for a period of six (6) years from the date of the end of the REC's annual reporting period.

6.3.5 All TITO tickets must be destroyed using a cross cut shredding device that shreds to a minimum of 4mm or less as follows:

- a) Internally

Internal TITO ticket destruction must be completed by a minimum of two (2) REC personnel. A form including the following information must be completed and retained for a period of six (6) years from the date of the end of the REC's annual reporting period:

- i) date of destruction;
- ii) dates of tickets destroyed; and

**SECTION: 6. ELECTRONIC GAMING**

iii) signatures of REC personnel carrying out the destruction.

b) Externally

An external party may be contracted to complete the destruction of TITO tickets. A certificate or record of destruction must be retained from the destruction company and a form including the following must be completed and retained for a period of six (6) years from the date of the end of the REC's annual reporting period:

i) date of destruction;

ii) dates of tickets destroyed; and

iii) signatures of REC personnel and the destruction company.

**6.4 EQUIPMENT**

6.4.1 The AGLC will provide the following equipment upon installation of slot machines in a REC:

a) a number and mix of slot machines as determined by the AGLC pursuant to subsection 6.2;

b) ticket redemption kiosks (TRKs), where patrons can exchange their slot machine TITO tickets for cash, or exchange large denomination bills for smaller denominations;

- facility licensees will initially be provided one (1) TRK for every 150 slot machines to a maximum of four (4) TRKs;

- the AGLC will review TRK usage every three (3) months. The allocation of TRKs may be adjusted up or down within an individual REC based on the assessment conducted by the AGLC.

**SECTION: 6. ELECTRONIC GAMING**

- c) fixtures and supplies including communications equipment and auxiliary equipment deemed necessary for the operation of the slot machines.

6.4.1 The REC facility licensee must:

- a) provide electrical 115 volt, 60 cycle single phase, dedicated circuit(s) with 3-wire grounded outlet(s) on a separate 15 amp or 20 amp breaker(s) (dedicated line from the fuse box) that is designed to provide electrical service twenty-four (24) hours per day;
- b) provide Comprehensive or Commercial General Liability and Property insurance according to the terms established in a REC agreement between the AGLC and licensee (slot retailer);
- c) report any slot machine malfunctions, suspected cheating, counterfeit money, game manipulation or other anomalies to Hotline immediately at 1-800-561-4415 and follow the procedures set out in subsection 4.7 – Theft and Cheating at Play Procedures.
- d) report an unusually high number of hopper fills to Hotline immediately at 1-800-561-4415 and verify the operational integrity of the hopper as instructed by Hotline or through operational bulletins;
- e) provide any customer who is involved in any slot machine dispute with the gaming irregularities number, 1-800-742-7818;
- f) discontinue play on a slot machine that appears to be malfunctioning immediately; and
- g) void all plays and pays when any slot machine malfunctions.

**SECTION: 6. ELECTRONIC GAMING**

**6.5 HANDLING OF NET SALES**

- 6.5.1 Net sales include all those revenues generated from slot machine sales less prizes or winnings.
- 6.5.2 The AGLC will invoice RECs on a weekly basis or as specified by the AGLC. The invoice amount will be collected by the AGLC from the REC's designated bank account, as specified in a REC agreement between the AGLC and licensee.

**6.6 REMUNERATION**

- 6.6.1 Licensees are provided a commission based on a percentage of slot machine net sales per week. The commission rate is set by the AGLC and is 15% of net sales. Net sales is calculated as follows:
- a) for core slot machines, net sales is calculated as cash played less cash won;
  - b) for leased slot machines, net sales is calculated as cash played less cash won less the cost of the lease.

**6.7 FINANCIAL OBLIGATIONS**

- 6.7.1 All monies received from slot machines less winnings paid and commissions are the property of the AGLC.
- 6.7.2 The licensee who enters into a REC agreement with the AGLC is a bare trustee for the AGLC.
- 6.7.3 Under a REC agreement, the retailer will be responsible for the following costs:
- a) all utility charges in connection with the operation of slot machines, including fixtures, signs and telephone;
  - b) repairing any slot machines, fixtures or signs lost or stolen while on the premises and in the care of the licensee;

**SECTION: 6. ELECTRONIC GAMING**

- c) any lost, stolen and missing monies relating to the operation of slot machines; and
- d) any repairs to the slot machines, fixtures and signs due to physical abuse (that is, these would not include repairs required due to normal wear and tear or by defect in the manufacturing or by defective maintenance service by the AGLC or its employees, agents or contractors).

6.7.4 Payment for monies due and remuneration is payable weekly through electronic funds transfer.

6.7.5 Failure to pay invoices may result in termination of the REC agreement and removal of the slot machines.

6.7.6 The licensee must have required funds and trained staff available for payment of player's winnings to which players are entitled.

6.7.7 The float and financial controls for the slot machine operation shall be maintained separately from all other race track financial controls and transactions. See 6.2 for details on the operations of slot machines.

**6.8 ADVERTISING**

6.8.1 The policies respecting advertising by licensees of a REC are provided in the pages of these Terms & Conditions entitled "Racing Entertainment Centres: Advertising Guidelines."

**6.9 PROMOTIONS**

6.9.1 The policies respecting promotions by the licensee of a REC are provided in the pages of these Terms & Conditions entitled "Racing Entertainment Centres: Promotions Policy Guidelines."

**SECTION: 6. ELECTRONIC GAMING**

**6.10 SLOT TOURNAMENTS**

6.10.1 The following conditions apply:

- a) A REC may conduct up to two (2) slot tournaments per year, associated with an event, such as a grand opening, or with a theme, such as Valentine's Day or Halloween.
- b) Tournaments will be implemented as promotional events, adding value and play experience for a REC's existing players.
- c) Tournaments are not to be a method of attracting players from other gaming facilities.
- d) The intent of a tournament is to provide play experience to existing players rather than attract new players. As such, events may be promoted within a REC, but not through mass media advertising.
- e) There will be no entry fees.
- f) Cash or merchandise prizes may be awarded.
- g) Events may not exceed six (6) hours in duration.
- h) A maximum of 20 slot machines may be used for special events. Due to the limited availability of slots, tournaments will be approved by the AGLC on a first come, first served basis.
- i) The REC must provide 25 square feet of floor space for each slot machine and power (one (1) circuit per four (4) slots).
- j) The AGLC must have a minimum 30 days of notice regarding the tournament; the notice must be a written proposal submitted by the licensee to Gaming and Products Services.

**SECTION: 6. ELECTRONIC GAMING**

- k) Tournament rules and regulations must be approved in advance by the AGLC and posted prominently within the REC during the tournament.
- l) The licensee must pay to the AGLC a \$200 set up fee plus any applicable transportation costs related to providing additional slot machines for a tournament.
- m) Slot tournament locations must be within the existing age-controlled environment of the REC, and conducted according to the licensee's proposal approved by the AGLC and in compliance with prevailing AGLC rules and regulations.

**6.11 SLOT HOURS OF OPERATION**

- 6.11.1 The maximum hours for the operation of slot machines in a REC are between 10:00 a.m. and 3:00 a.m. daily.
- 6.11.2 The licensee shall fax a schedule of the hours of operation for slot machines to the AGLC Hotline two (2) weeks in advance of any proposed changes.
- 6.11.3 Slot machines must be operational during the hours that the REC is open for business to the public.

**6.12 PROGRESSIVE JACKPOT VERIFICATION AND PAYMENT**

- 6.12.1 The licensee shall:
  - a) notify the AGLC's Hotline immediately at 1-800-561-4415 when a wide area and local area progressive jackpot has been won; and
  - b) follow the instructions provided by the AGLC through the Hotline for progressive jackpot verification and payment.

**SECTION: 6. ELECTRONIC GAMING**

**6.13 KEY PHONE/FAX NUMBERS:**

Hotline:	1-800-561-4415
Hotline Fax:	780-740-7014
AADAC:	1-800-665-9676
Gaming Irregularities:	1-800-742-7818

**POLICY GUIDELINES**

**RACING ENTERTAINMENT CENTER FACILITY PROMOTIONS**



Nov. 6, 2002

## POLICY GUIDELINES

### RACING ENTERTAINMENT CENTER FACILITY PROMOTIONS

#### A. INTRODUCTION

1. Promotion refers to any activity within a racing entertainment center facility designed to attract players or to maintain player levels other than through advertising. Such an activity may include, but is not limited to, a contest, draw, prize, giveaway, etc., or similar promotions.
2. The purpose of these guidelines is to provide policy parameters under which legitimate promotional activities may take place in accordance with the authority of the Gaming and Liquor Act and Regulation.
3. The policies established by these guidelines shall be considered conditions of the licence applying to racing entertainment center facility licensees, and conditions of the slot machine retailer agreement.
4. Promotions are permitted without prior approval of the Regulatory Division, if the intended promotional activity is covered by or directly referred to in these guidelines.
5. Racing entertainment center facility licensees are responsible for ensuring their promotions are at all times in compliance with these policy guidelines.
6. "Regulatory Division" refers to the Regulatory Division of the Alberta Gaming and Liquor Commission.
7. Electronic gaming devices refers to all gaming devices authorized by the Commission.

#### B. BASIC PRINCIPLES

1. Promotions are considered a means of attracting new players or maintaining current players.
2. Promotions must be conducted within the limits of good taste and propriety.
3. Promotions may focus on any one gaming device in the racing entertainment center authorized by the Regulatory Division.
4. All promotions must be supported by invoices or similar accounting means, and be available to the AGLC or agents of the AGLC on request.
5. Racing entertainment center facility licensees may not provide by themselves or through any third party, any promotional activity which:
  - a) alters the elements of chance of any gaming device;
  - b) provides increased payouts to reward frequent play;
  - c) is game-altering in any way; or
  - d) is illegal.

### **C. BONUS PLAY**

1. Coupons or similar items presented at a racing entertainment centre in exchange for a certain value of coins for casino gaming devices play provided specifically from the racing entertainment center facility licensee are permitted.
2. Coupons or similar items must be redeemed within the actual racing entertainment center facility (i.e. Redemption Booth).
3. Rewards for frequent play are permitted (excluding increased payouts). The costs of these rewards must be included in the total costs of promotions.
4. Coupons must be printed for each separate promotion. Mechanical or electronic reproductions of coupons or similar items are not to be accepted by the racing entertainment center facility licensee operating the given promotion..

### **D. PROMOTIONS IN THE RACING ENTERTAINMENT CENTER FACILITY**

1. Free draws, contests, giveaways or similar promotions are allowed provided that a person is not required to play devices or games, or to remain in the facility to receive a prize as a condition of participating in or entering the draw, or other promotion. A racing entertainment center facility licensee may require a person to be present at time of draw to receive a prize, however, the time, date and place of the draw must be prominently posted within the racing entertainment center facility.
2. Racing entertainment centre facility licensees may provide free refreshments or food to players as a means of "customer service". The menu price for the free food, refreshments, or the advertised discounted price, must be included in the total cost of promotions.
3. Tournaments may not be run using electronic gaming devices unless a written request is submitted for the consideration of the Board of the Alberta Gaming and Liquor Commission.

### **E. VALUE OF PROMOTIONS**

1. The racing entertainment center facility licensee is responsible for all promotional costs. However, arrangements can be made with third parties (such as a hotel, restaurant) to co-sponsor promotional activities.
2. Where a racing entertainment center facility licensee co-sponsors a promotion, only the racing entertainment center facility licensee's costs of the shared promotions must be used when accounting for promotional costs.
3. Adequate financial records must be maintained; they must include the value of each promotion and show a year-to-date amount.
4. Promotions expenditures must be accounted for separately from advertising.

### **F. INTERPRETATION AND ENFORCEMENT**

1. The interpretation and enforcement of these guidelines are the responsibility of the Regulatory Division.
2. The racing entertainment center facility licensee is responsible for ensuring promotions meet these policy guidelines.

3. A racing entertainment center facility licensee shall submit promotional concepts not covered by these guidelines to the Regulatory Division for approval before undertaking the promotions.
4. Failure to comply with the spirit and intent of these policy guidelines will result in sanctions by the board. Sanctions include, but are not limited to:
  - a) warnings;
  - b) the requirement that the racing entertainment center facility licensee cease promotions;
  - c) the requirement that all further promotions covered by these guidelines be submitted in advance to the Regulatory Division for approval;
  - d) suspension of promotional privileges for specified periods; or
  - e) any other sanctions determined by the board.

**POLICY GUIDELINES**

**RACING ENTERTAINMENT CENTER ADVERTISING**



**Nov. 6, 2002**

## **POLICY GUIDELINES**

### **RACING ENTERTAINMENT CENTER ADVERTISING**

#### **A. INTRODUCTION**

1. Advertising refers to the use of media (e.g., newspapers, magazines, radio, television, internet, and signage) to communicate a message to a wider audience.
2. The purpose of these guidelines is to provide policy parameters under which legitimate advertising activities may take place in accordance with the Gaming and Liquor Act and Regulation.
3. These policy guidelines shall be considered conditions of the licence applying to racing entertainment facility licensees, as well as the conditions of the slot machine retailer agreement.
4. Advertising is permitted without the prior approval of the Regulatory Division, providing the intended advertising activity is covered by or directly referred to in these guidelines.
5. Advertising activities are not permitted if they are not covered, or are not directly referred to, in these guidelines.
6. Racing Entertainment facility licensees are responsible for ensuring their advertising is at all times in compliance with these policy guidelines.
7. "Regulatory Division" refers to the Regulatory Division of the Alberta Gaming and Liquor Commission.
8. Electronic gaming devices refers to all gaming devices authorized by the Commission.

#### **B. BASIC PRINCIPLES**

1. Advertising must be within the limits of good taste and propriety.
2. Advertising must be accurate and verifiable.
3. Advertising may not:
  - a) encourage or promote irresponsible play;
  - b) depict excessive or prolonged periods of play of electronic gaming devices; or
  - c) convey the impression that playing or winning will improve an individual's status or standing.
4. Advertising must not be targeted at minors.
5. Advertising may not be used to disparage or discredit another company, business or product.
6. Advertising in any medium is permitted except as specifically limited by these policy guidelines.
7. Advertising must comply with any requirements of the Canadian Radio-Television and Telecommunications Commission (C.R.T.C.) and any other regulatory body having related jurisdiction.
8. Subject to B. 7., the advertiser has discretion over the size and frequency of print advertisements and the length and frequency of television and radio commercials.
9. Advertising may focus on any activity in the facility.

10. All advertising expenditures must be supported by invoices or similar accounting means, and be available to AGLC or agents of AGLC on request.

## **C. ELEMENTS OF ADVERTISING**

### **Gambling Scenes**

1. The activities shown in any advertising using a racing entertainment center setting must be within the normal bounds of those which are permitted in the province.
2. A legal setting must be presented, and only approved gaming devices and activities may be shown.
3. Any scene used in advertising may not represent betting which could be interpreted as beyond the allowable betting limits for the activity.
4. Photographs or other representation of real life players is not permitted without their prior consent.

### **Minors**

1. Advertising must not appeal specifically to minors or be placed in any medium that is targeted specifically to minors.
2. Minors or persons who may be reasonably mistaken for minors may not be depicted in racing entertainment center advertisements.
3. The use or imitation of children's fairy tales, jingles, nursery rhymes, songs, musical themes or fictional characters is not permitted.
4. Advertising may not be placed at venues (such as sports arenas) which are used primarily by minors.

### **Personal Endorsements**

1. Racing Entertainment Center endorsement by a well-known personality or look-alike should not imply that playing at electronic gaming devices has contributed to the individual's success.
2. No well-known personality (for example, an athlete or a youth-oriented musical group) or look-alike with strong appeal to minors may be used in advertising.
3. The age of personalities and their current standing in the public eye should be taken into account when assessing appeal to minors.

### **Cost of Advertising**

1. The Racing Entertainment Center facility licensee is responsible for all costs of advertising.
2. There is no dollar limit on advertising expenses or costs. It is up to the Racing Entertainment Center facility licensee to determine how much is spent on advertising.
3. Advertising must be accounted for separately from promotions (see Policy Guidelines: Racing Entertainment Center Promotions). Any draws, contests, prizes, giveaways, or any other promotion permitted under the promotions policy guidelines, which form part of an advertising campaign, must be accounted for as a promotion.

#### **D. INTERPRETATION AND ENFORCEMENT**

1. The interpretation and enforcement of these guidelines are the responsibility of the Regulatory Division.
2. The Racing Entertainment Center facility licensee is responsible for ensuring advertisements meet the requirements of these policy guidelines.
3. Questions or concerns that require interpretation should be reviewed with the Regulatory Division.
4. A Racing Entertainment Center facility licensee may submit advertising covered by these guidelines to the Inspections Branch for approval before undertaking the advertising.
5. Failure to comply with the spirit and intent of these policy guidelines will result in sanctions by the board. Sanctions include, but are not limited to:
  - a) warnings;
  - b) the requirement that the Racing Entertainment Center facility licensee remove advertising;
  - c) the requirement that all further advertising covered by these guidelines be submitted in advance to the Regulatory Division for approval;
  - d) suspension of advertising privileges for specified periods;
  - e) any other sanctions determined by the board consistent with the Gaming and Liquor Act, or slot machine retailer agreements.

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

**7.1 FIVE MAJOR STEPS**

7.1.1 An REC facility licence for a proposed new REC in a community may only be issued after the requirements in a series of steps have been met, in the following order:

1. Inquiry
2. Community Support
3. Application
4. Investigation
5. Licensing

7.1.2 The series of steps in 7.1.1 is initiated by an applicant for a licence respecting a proposed new REC in a community within a specified market area.

7.1.3 In this section, an applicant must be:

- a) a person or entity who currently operates a race track in the province of Alberta that is licensed by Horse Racing Alberta as a "A" or "B" track, or, in absence of such a licence, a copy of the letter of intent from Horse Racing Alberta to issue a race track licence to the applicant; and
- b) an adult (18 years of age or older), who is a Canadian citizen or lawfully admitted to Canada for permanent residence; or
- c) a corporation, incorporated or continued by or under the *Business Corporations Act* (Alberta), *Companies Act* (Alberta) or *Societies Act* (Alberta) or any other enactment or registered under Part 21 of the *Business Corporations Act* (Alberta) or Part 9 of the *Companies Act* (Alberta); or
- d) partnership, registered under the *Partnership Act* (Alberta); or
- e) a First Nation, otherwise defined as an Indian Band within the meaning of the *Indian Act* (Canada).

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

- 7.1.4 An applicant who is a:
- a) partnership, includes each partner;
  - b) corporation, includes the officers and directors of the corporation.
- 7.1.5 In this section, a community refers to:
- a) a municipality as defined under the *Municipal Government Act* (Alberta), meaning:
    - i) a city, town, village, summer village, municipal district or specialized municipality;
    - ii) a town under the *Parks Towns Act* (Alberta); or
    - iii) a municipality formed by special Act; or
  - b) Metis Settlement established under the *Metis Settlement Act* (Alberta); or
  - c) an Indian reserve as determined by the Department of Indian Affairs (Canada) located within the provincial boundaries of Alberta.
- 7.1.6 Licence applicants must bear all costs or expenses associated with their interest in an application for a REC licence.
- 7.1.7 The AGLC will not assume any of the costs, expenses or liabilities associated with an applicant's interest in obtaining a REC licence.
- 7.1.8 The Board must consider objections to a proposed REC application and may refuse to issue a licence at any time throughout the process if the Board is of the view that the residents of the community do not support the issuance of a REC facility licence in their community.

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

7.1.9 Following from 7.1.8, if the Board at its discretion decides to conclude the application process the applicant who provided a valid Expression of Interest:

- a) will be advised by the AGLC in writing as to the reason(s) for the process concluding; and
- b) will have the balance of their deposit returned.

7.1.10 The AGLC will not consider applications for a REC licence in a community where a REC licence has been rejected by the Board because of lack of community support, for two years after the notice of rejection was sent to the applicant.

**7.2 STEP ONE: INQUIRY**

7.2.1 An eligible applicant initiates the application process for a new REC licence by informing the AGLC of its interest to operate a proposed new REC in a community in the province.

7.2.2 The AGLC will request a signed letter from the applicant which shall contain information including but not limited to the following:

- a) name of the applicant;
- b) a copy of the race track licence issued to the applicant by Horse Racing Alberta or, in the absence of such a licence, a copy of the letter of intent from Horse Racing Alberta to issue a race track licence to the applicant;
- c) details respecting the live horse racing under the applicant's licence issued by Horse Racing Alberta or, in the absence of such licence, the proposed live horse racing at a race track for which Horse Racing Alberta has issued a letter of intent – such details include the current or proposed number of race days etc.;
- d) nature of the applicant's current business(es);

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

- e) specific location of the applicant's current business operation;
- f) the specific location within a community for the proposed new facility;
- g) services and equipment the applicant proposes to supply;
- h) \$50 cheque for a copy of the REC Licensing Information Package, to cover printing costs.

**7.3 STEP TWO: COMMUNITY SUPPORT**

- 7.3.1 The Board may consider the views of the community including the views, if any, expressed by a council in relation to a proposed REC application and may refuse to issue a licence at anytime throughout the process if the Board is of the view that the community is not in favour.
- 7.3.2 The AGLC will not consider applications for a REC facility licence in a community where a REC facility licence has been rejected by the Board because of lack of community support for a period of two years from the date of the Board decision to conclude the application process or the conclusion of the hearing process, unless otherwise directed by the Board.
- 7.3.3 The Board will consider community support, or lack thereof, as expressed by the council for the concept of a new REC in the community.
- 7.3.4 The AGLC will formally notify the council, through the council's chief administrative officer or municipal clerk or equivalent, that it has deemed the concept of a new REC in the community to have merit. The AGLC will advise the council of:
- a) the name of the applicant(s); and
  - b) the location(s) of the proposed REC facility (ies).

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

- 7.3.5 The council's expressed support, or its lack of expressed support, for the concept of a new REC in its community will be considered by the Board. Expressed support means a resolution of council in support of, or not opposed to, the concept of a new REC in its community.
- 7.3.6 Lack of expressed support means a council resolution withholding expressed support or rejecting the concept of a new REC.
- 7.3.7 The Board will not consider any conditions placed on or attached to a council resolution respecting the concept of a new REC in the community.
- 7.3.8 If the council is silent and there is no significant demonstrated opposition respecting the concept of a new REC in the community, the Board at its discretion may decide to continue the application process.
- 7.3.9 Following from 7.3.5, if the Board at its discretion decides to continue the application process, Step Four: Investigation may be initiated.
- 7.3.10 Following from 7.3.5, if the Board at its discretion decides to conclude the application process, the process to consider a REC facility licence in the specified market area shall conclude and no further consideration will be given to a proposed new facility in the community for a period of two years from the date of the Board decision to conclude the application process or the conclusion of the hearing process, unless otherwise directed by the Board.
- 7.3.11 The applicants who submitted valid applications will:
- a) be advised in writing of the Board's decision and its reason(s) for the process concluding;
  - b) have the balance of their \$10,000.00 deposit returned; and
  - c) be advised of the right to request a hearing into the matter, as per Section 94 GLA.

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

**7.4 STEP THREE: APPLICATION**

7.4.1 Upon receiving the requested information and payment from the applicant, the AGLC will provide to the applicant a REC Licence Information Package ("information package").

7.4.2 The information package shall contain information related to the application process and requirements respecting a REC licence.

7.4.3 If after reviewing the information package the applicant wishes to pursue a REC licence, the applicant must submit in writing to the AGLC a valid application including, but not limited to:

- a) Information related to the proposed new REC, including but not limited to:
  - i) a business plan;
  - ii) a marketing plan;
  - iii) a vision statement;
  - iv) anticipated benefits of the proposed new REC to the racing industry in the areas of live horse racing, purses, horse breeding, employment, and estimated financial returns;
  - v) projected operation costs;
  - vi) market demand for the proposed new facility in the community and specified market area based on:
    - the market area and population base served;
    - market studies, revenue forecasting methodology and assumptions;
    - revenue projections for electronic games and non-gaming revenue;
  - vii) feasibility of the proposed new facility, including:
    - fixed costs, such as debt service and depreciation;
    - operational costs, such as salaries and benefits, leases, utilities, supplies, equipment, maintenance, advertising, and taxes;
    - cash flow and profit projections;
    - risk assessment;

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

- viii) proposed gaming activities to be conducted in the proposed new facility including the number of slot machines etc.;
  - ix) pro forma financial statements;
  - x) the legal structure of the applicant or business entity, names of the owners and proposed officers, directors, shareholders, and other key persons associated with the applicant and proposed new facility;
  - xi) proof of the applicant's right or option to own, occupy or otherwise control the land where the proposed new facility is to be situated (does not apply to proposed First Nation REC facilities);
  - xii) proposed physical attributes, location and site plan, blueprints, description and theme, dimensions and general site standards, layout, occupancy limit, constructions costs and schedule;
  - xiii) proposed security features, including surveillance equipment and coverage in the facility, intrusion and hold-up alarms, secured rooms and storage, emergency provisions;
  - xiv) business entity equity and debt position, and source of funds to finance the proposed new facility;
  - xv) a preliminary disclosure of personal and business information to be provided on a form supplied by the AGLC;
  - xvi) financial controls and systems, including organization structure;
  - xvii) a security clearance;
  - xviii) understanding of and compliance with the relevant federal and provincial legislation, regulation, policies and local bylaws including zoning and development requirements; and
  - xix) related experience, training and credentials experience of the applicant and applicant's associates.
- b) The applicant must demonstrate its proposal takes into consideration factors which may impact the community

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

and the adjacent communities, including but not limited to the following:

- i) anticipated impact upon other existing or approved gaming activities in the community;
  - ii) proximity to public or community facilities, including schools, churches, etc.;
  - iii) an explanation of the measures to be taken to address problem gambling, for example, how REC gaming activities will be delivered in a socially responsible manner;
  - iv) estimated economic impact on the community, for example, number of new jobs created, impact on other businesses in the community, etc.;
  - v) a proposal to acquire police/peace officer resources to address the impact on policing and traffic flow. Applicants must contact the Police Planning and Contract Coordinator, Public Security Division, Solicitor General and Public Security (SGPS) regarding police peace officer resources and include the information received from SGPS in the proposal; and
  - vi) impact on parking and traffic flow.
- c) A cheque in the amount of \$10,000 as an initial deposit payable to the Alberta Gaming and Liquor Commission; these funds, or any additional funds requested by the AGLC as provided for in Section 3.8.5 will be used as required to cover the cost of conducting background investigations.

7.4.4 The AGLC does not require municipal land use, zoning and development approval for an application to be deemed valid. Applicants should defer seeking appropriate municipal approvals until advised in writing by the AGLC as provided for in 7.6.2.

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**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

7.4.5 An applicant who has submitted a valid application will be advised as to whether their submission is determined to have merit by the AGLC, based on an assessment by the AGLC of:

- a) completeness and accuracy of information in the submission;
- b) the intent of the applicant;
- c) on the face of it (prima facie) the feasibility of the proposed new facility;
- d) the eligibility of the applicant to hold a REC licence;
- e) benefits to live horse racing;
- f) market demand;
- g) whether or not a significant proportion of the expected gross gaming revenue to be generated by the proposed new facility will be new gaming revenue, and will not draw from other gaming facilities;
- h) whether or not the profitability and viability of existing RECs or approved RECs in the same community or specified market area are significantly compromised (i.e., an approved REC refers to an application approved for a REC facility licence subject to meeting the outstanding requirements, as provided for in 7.6.3); and
- i) whether the proposed new facility would meet or exceed the AGLC's REC facility standards and operating guidelines pursuant to the Terms & Conditions.

7.4.6 No person or affiliated groups of persons or a company will be permitted to control REC gaming in the province. This requirement is made in the interest of maintaining viable and effective REC gaming. The control of REC gaming means owning or controlling:

- a) three or more RECs, or

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

b) more than 25% of the total number of RECs operating in the province,

whichever is greater, unless otherwise directed by the Board.

7.4.7 An application deemed to have merit by the AGLC is not based on a definitive analysis of the feasibility of a REC in the community, nor does it assure the level of success or support of a proposed new facility in the community. Moreover, an application deemed to have merit shall not be considered or promoted as an endorsement by the AGLC of a REC.

7.4.8 If an applicant indicates he or she no longer wishes to pursue a REC licence during Step Three, the application process shall conclude.

7.4.9 If the submitted application is deemed by the AGLC not to have merit, it will be rejected and the application process shall conclude.

7.4.10 The applicant who submitted an application that has been withdrawn by the applicant or deemed not to have merit by the AGLC:

a) will be advised in writing of the AGLC's decision and reason(s);

b) will have the surplus deposit refunded; and

c) will not be considered by the AGLC as an applicant for a REC licence in the community for a period of at least two years unless otherwise directed by the Board.

7.4.11 If the AGLC deems the concept of a proposed new facility in the specified market area to have merit Step Four: Investigation may be initiated.

7.4.12 If the AGLC deems the concept of a proposed new facility in the specified market area does not have merit, the AGLC will recommend to the Board that the process conclude and no further consideration be given to a new facility in the

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community for a period of two years. Unless otherwise directed by the Board, the AGLC will:

- a) notify the applicant who submitted an application of its decision and reason(s);
- b) return the balance of the deposit to the applicant; and
- c) the right to request a hearing into the matter.

7.4.13 If the applicant does not meet the requirements the application process shall conclude and no further consideration will be given to a proposed new REC in the community for a period of two years unless otherwise directed by the Board.

7.4.14 Following from 7.4.11, if the Board at its discretion decides to continue the application process, Step Four: Investigation may be initiated, in which an applicant and those associated with the applicant will be subject to a process of due diligence.

**7.5 STEP FOUR: INVESTIGATION**

7.5.1 Following Step Three: Application, a thorough due diligence investigation ("investigation") is conducted into an applicant and any other key persons associated with the applicant.

7.5.2 The investigation is to ensure criminal interests, or those who otherwise would be a detriment to the integrity or lawful conduct of gaming in the province, are prevented from obtaining a REC licence.

7.5.3 An applicant's employee means:

- a) the manager of the proposed new REC facility; and
- b) the person holding a position specified by the Board in the business of the applicant.

7.5.4 An applicant's associates means:

- a) any person that has a financial interest in the applicant, in the applicant's business, or in the facility to which the

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application relates. For the purposes of this section, financial interest is defined in Section 1(1)(e) of the *Gaming and Liquor Regulations* (Alberta);

- b) if the applicant is an individual or partnership in which one or more of the partners is an individual:
  - i) the spouse of the individual;
  - ii) any relative of the individual or of the spouse referred to in subclause i) if the relative has the same residence as the individual;
  - iii) any corporation controlled by the individual, the corporation's officers and directors and any person that has a financial interest in the corporation; and
  - iv) any corporation that is affiliated with the corporation referred to in subclause iii), the affiliated corporation's officers and directors, and any person having a financial interest in the affiliated corporation.
  
- c) if the applicant is a corporation or a partnership in which one or more of the partners is a corporation, any other corporation that is affiliated with the applicant's corporation, the affiliated corporation's officers and directors, and any person that has a financial interest in the affiliated corporation.

7.5.5 A corporation is controlled by a person, or by a First Nation, otherwise defined as an Indian Band within the meaning of the *Indian Act* (Canada), if he or she has indirect influence over the corporation or if:

- a) securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are controlled, other than by way of security only, directly or indirectly by that person; and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; or

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

- b) the person has in relation to the corporation any direct or indirect influence which if exercised, would result in control in fact of the corporation.

7.5.6 A corporation is affiliated with another corporation if:

- a) one of the corporations controls the other; or
- b) both of the corporations are controlled by the same person or group of persons, or by a First Nation, otherwise defined as an Indian Band within the meaning of the *Indian Act* (Canada).

7.5.7 A reference to a spouse of a person includes a man or woman who, although not legally married to the person, has lived and cohabited with the person as the person's spouse.

7.5.8 The AGLC shall conduct a records check and corporate and personal financial investigation to determine whether the applicant or any person associated with the applicant:

- a) has within the five years prior to the application, been convicted of:
  - i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Income Tax Act*, the *Controlled Drugs and Substances Act* (Canada); or
  - ii) an offence under a foreign act or regulation that, in the Board's opinion, is substantially similar to a provision referred to in an offence referred to in subclause i);
  - iii) within the five years prior to the submission of the application been serving a term of imprisonment of three years or more.

Or

- b) is otherwise a detriment to the integrity or lawful conduct of gaming activities.

**SECTION: 7. APPLICATION PROCESS FOR A NEW REC**

7.5.9 If the applicant meets the requirements of the investigation, Step Five: Licensing may be initiated.

7.5.10 If the applicant fails to meet the requirements of the investigation, the application is rejected. The process shall conclude and no further consideration will be given to a proposed new facility in the community for a period of two years unless otherwise directed by the Board. The applicant will be:

- a) advised of the AGLC's decision and reason(s);
- b) the balance of their deposit will be returned to them; and
- c) advised of the right to a hearing into the matter.

**7.6 STEP FIVE: LICENSING**

7.6.1 Following from 7.5.9, the AGLC will make a recommendation to the Board respecting the issuing of a REC licence to an applicant.

7.6.2 If the Board approves a recommendation to proceed with the issuing of a REC licence, the AGLC will advise the successful applicant in writing that they will be issued a REC licence subject to meeting all the outstanding requirements.

7.6.3 If all the requirements for a REC licence (legislative, regulatory, policy and municipal or local, including municipal or local zoning and development requirements) are met by the applicant then the AGLC's Board may issue a REC licence to the successful applicant.

7.6.4 The Board may refuse to issue a REC licence to an applicant if in its opinion the applicant has misled the Board, or has provided inaccurate or incomplete information to the Board.

7.6.5 The Board may refuse to register an applicant if the Board is satisfied that the applicant, any of the applicants associates or any other person with connections to the applicant:

- a) is a person who has not acted or may not act in accordance with the law, with honesty and integrity or in

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the public interest, having regard to the past conduct of the person;

- b) would be a detriment to the integrity or lawful conduct of gaming activities or provincial lotteries;
- c) is a person whose background, reputation and associations may result in adverse publicity for the gaming industry in Alberta.

7.6.6 The Board may refuse to issue a REC licence to an applicant if the Board is satisfied the applicant, any of the applicant's employees or any of the applicant's associates has within the five years prior to the submission of the application contravened:

- a) the Gaming and Liquor Act or Regulations;
- b) a predecessor of the Act or the Regulations; or
- c) a condition imposed on a licence or registration issued or made under the Act or a predecessor of the Act.

7.6.7 The Board may refuse to issue a licence to an applicant if, within five years prior to the submission of the application a licence or registration issued or made under the *Gaming and Liquor Act* or predecessor of the Act or a foreign licence or registration of the applicant, any of the applicant's employees or any of the applicant's associates has been cancelled or suspended by the issuing authority.

7.6.8 The Board may refuse to issue a licence to an applicant if, within five years prior to the submission of an application the applicant, any of the applicant's employees or any of the applicant's associates has been refused a foreign licence.

7.6.9 The Board may refuse to issue a licence to an applicant if in the Board's opinion the community in which the licence has effect does not support the issuance of a new licence.

7.6.10 Notwithstanding Terms & Conditions Subsections 7.6.4 through 7.6.9, the Board may refuse to issue a licence.

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- 7.6.11 Pursuant to Section 14 of the *Gaming and Liquor Regulation* (Alberta), a licence may not be issued unless the Board is satisfied the applicant has the right to occupy and control the facility for which the application is made.
- 7.6.12 The Board must consider any objection made respecting a licence application, and advise the person who made the objection as to the Board's decision in the matter.
- 7.6.13 Prior to a licence being issued, the applicant must:
- a) demonstrate compliance with all relevant provincial and federal legislation, regulation, and policies, and with municipal requirements, and produce any permits, licences or authorizations necessary to operate;
  - b) produce a copy of an executed lease, rental agreement or certificate of title or other acceptable proof of right to occupy and control the premises; in the case of a sale of existing licensed premises, a completed agreement of sale document relative to the premises to be licensed; and
  - c) produce a current race track licence issued by Horse Racing Alberta.
- 7.6.14 If an application is rejected, the applicant will be advised by the AGLC in writing as to the reason(s) and the balance of their deposit will be returned to them.

**SECTION: 8. REC EXPANSION**

**8.1 TWO MAJOR STEPS**

8.1.1 Approval for an expansion of an existing REC in a specified community may only be issued after the requirements in a series of steps have been met, in the following order:

1. Initial Assessment
2. Approval

8.1.2 The steps in 8.1.1 are initiated by a licensee respecting a proposed expansion of an existing REC in a community within a market area.

8.1.3 In this section, a community refers to:

- a) a municipality as defined under the *Municipal Government Act* (Alberta), meaning:
  - i) a city, town, village, summer village, municipal district or specialized municipality;
  - ii) a town under the *Parks Towns Act* (Alberta); or
  - iii) a municipality formed by special Act; or
- b) a Metis Settlement established under the *Metis Settlement Act* (Alberta); or
- c) an Indian reserve as determined by the Department of Indian Affairs (Canada) located within the provincial boundaries of Alberta

8.1.4 In this section, "expansion" means the significant physical expansion of the gaming area in a REC as determined by the Board, and excludes allowable renovations pursuant to Section 3.13 of these terms and conditions.

8.1.5 Expansion includes an increase in the building envelope or its outer dimensions beyond those allowed under Section 3.13 of these terms and conditions. A building envelope refers to the outer perimeter of the building in which an existing licensee is located and includes space rented, leased, subleased, sold or otherwise provided to others in the same building. A building's outer dimensions refer to the building height as well as its envelope.

**SECTION: 8. REC EXPANSION**

- 8.1.6 A relocation of a REC to a location outside the perimeter of the existing race track site or property would result in the termination of the current licence. In this case, the proponent of the proposed relocation must apply for a new licence as set forth in Section 7. of these terms and conditions.
- 8.1.7 The Commission must approve a relocation of a REC to a location within the perimeter of the existing race track site or property prior to the relocation. The approval is subject to a review of the proposed relocation based on the REC facility requirements set forth in Section 3. of these terms and conditions.
- 8.1.8 The licensee must bear all costs or expenses associated with their interest in expansion of the REC.
- 8.1.9 The Commission will not assume any of the costs, expenses or liabilities associated with a licensee's interest in expanding a licensed REC.
- 8.1.10 The Board must consider objections to a proposed REC expansion and may refuse to approve a proposed REC expansion at any time throughout the process if the Board is of the view that the residents of the community do not support the expansion of a REC facility licence in their community.
- 8.1.11 The Commission will not consider proposals for a REC expansion in a community where a similar proposal has been rejected by the Board because of lack of community support, for two years after the notice of rejection was sent to the applicant.
- 8.1.12 Following from 8.1.10, if the Board at its discretion decides to conclude the approval process for the expansion of the REC in the community, the process shall conclude. The licensee who expressed interest in expansion will be advised by the Commission in writing as to the reason(s) for the process concluding.

**SECTION: 8. REC EXPANSION**

**8.2 STEP ONE: ASSESSMENT**

- 8.2.1 The assessment allows the Commission to determine whether a proposed expansion meets basic criteria related to market demand consistent with racing operations, and the impact on other gaming activities in the community.
- 8.2.2 A licensee initiates this step by providing to the Commission a proposal in writing for the expansion of an existing REC.
- 8.2.3 The Commission will review the proposal to determine whether it has merit.
- 8.2.4 The expansion of the REC in a community may be deemed by the Commission to have merit if:
- a) it can be shown, among other things, that the expansion will not result in decreased benefit to charities from charitable events; and
  - b) a complete and accurate community impact statement is provided to the Commission.
- 8.2.5 A community impact statement respecting expansion shall contain information including but not limited to the following:
- a) anticipated impact of the expansion upon other existing gaming activities in the community;
  - b) an explanation of the measures to be taken to address problem gambling, for example, how gaming activities in the REC will be delivered in a socially responsible manner;
  - c) estimated economic impact on the community, for example, number of new jobs created, impact on other businesses in the community, etc.;
  - d) impact on policing in the community; and
  - e) impact on parking and traffic flow.

**SECTION: 8. REC EXPANSION**

- 8.2.6 A proposal deemed to have merit by the Commission is not based on a definitive analysis of the feasibility of an expansion of the REC, nor does it assure the level of success or support of the expansion. Moreover, a proposal deemed to have merit shall not be considered or promoted as an endorsement by the Commission of an expansion.
- 8.2.7 If the Commission deems the proposed expansion to have merit, Step Two: Approval may be initiated.
- 8.2.8 If the licensee indicates it no longer wishes to pursue an expansion, the approval process concludes.
- 8.2.9 If the submitted expression of interest is deemed by the Commission not to have merit, it will be rejected, the approval process concludes, and an expansion will not be permitted.
- 8.2.10 The licensee who submitted a proposal that has been rejected by the Commission will be advised in writing of the reason(s) for the rejection and the right to a hearing in the matter.

**8.3 STEP TWO: APPROVAL**

- 8.3.1 In this step, the Commission will make a recommendation to the Board respecting the approval of the proposed expansion of a REC.
- 8.3.2 The Board will approve the proposed expansion of a REC if the licensee has met all the requirements, including legislative, regulatory, policy and municipal or local requirements including local zoning or development requirements, respecting the expansion.
- 8.3.3 The Board may refuse to approve an expansion if the licensee has misled the Commission or the Board, or provided inaccurate or incomplete information respecting the expansion.
- 8.3.4 Pursuant to Section 14 of the *Gaming and Liquor Regulation* (Alberta), a facility licence may not be issued unless the

**SECTION: 8. REC EXPANSION**

Board is satisfied the existing licensee who has proposed an expansion has the right to occupy and control the facility for which the proposal is made.

8.3.5 The Board must consider any objection made respecting an expansion of a REC, and advise the person who made the objection as to the Board's decision in the matter.

8.3.6 Prior to a REC being approved for an expansion, the licensee must:

- a) demonstrate compliance with all relevant provincial and federal legislation, regulation, and policies, and with municipal requirements, and produce any permits, licences or authorizations necessary to operate;
- b) produce a copy of an executed lease, rental agreement or certificate of title or other acceptable proof of right to occupy and control the premises; in the case of a sale of existing licensed premises, a completed agreement of sale document relative to the premises to be licensed; and
- c) produce a current race track licence issued by Horse Racing Alberta.

8.3.7 If the proposal is rejected, the licensee will be notified as to:

- a) the reason(s) why the proposal was rejected; and
- b) the right to request a hearing into the matter.

**SECTION: 9. ENFORCEMENT OF LEGISLATION**

**9.1 INCIDENT REPORTS AND HEARINGS**

- 9.1.1 Where an inspector has reasonable and probable grounds for believing that a violation of the *Gaming and Liquor Act*, the Gaming and Liquor Regulation or Board policy has occurred, the inspector may ask the licensee or registrant to correct the situation.
- 9.1.1 An incident report setting out the circumstances of an alleged violation will be submitted to the Executive Director, Regulatory Division. A copy shall be given to the licensee or registrant within ten (10) working days of the incident report being completed.
- 9.1.2 The Executive Director, Regulatory may refer an incident report to the Board for review and decision where circumstances warrant.
- 9.1.3 The Board will consider the alleged violation referred to in section 9.1.1 and may, with or without a hearing, impose sanctions in accordance with the *Gaming and Liquor Act* and Gaming and Liquor Regulation.
- 9.1.4 The hearing file will be available for review by the licensee or registrant prior to the hearing. A copy of the hearing file will be forwarded to the licensee or registrant by the Board secretary prior to the hearing date.

**9.2 DISCIPLINE WITHOUT A HEARING**

- 9.2.1 The chair of the Board may select a panel to make any decision that the Board may make with respect to licences or registration.
- 9.2.2 Where a licensee or registrant applies to the Board for a hearing in accordance with the *Gaming and Liquor Act*, the Board must conduct the hearing within 60 days of receiving the application.

**SECTION: 9. ENFORCEMENT OF LEGISLATION**

**9.3 WAIVER OF BOARD HEARING WITNESSES**

- 9.3.1 Where there is no dispute as to the contents of the Incident Report and the licensee or registrant signs the Waiver of Board Hearing Witnesses, the licensee or registrant is agreeing to the facts in the incident report, and witnesses will not be called to the Board hearing.
- 9.3.2 Where the licensee or registrant does not dispute the contents of the Incident Report and agrees with the facts detailed in the Incident Report, the licensee or registrant will be contacted prior to the Board hearing to determine if the licensee wishes to be present and make representations at the Board hearing or if the licensee or registrant will submit a written presentation to the Board and not personally attend the hearing.
- 9.3.3 Witnesses may be called to deal with matters not covered in the Incident Report, regardless of the waiver decision.

**9.4 CONSENT TO PROPOSED BOARD DECISION**

- 9.4.1 A licensee or registrant may accept a proposed decision respecting disciplinary action, when the licensee or registrant does not dispute the circumstances in the Incident Report and is prepared to accept the proposed disciplinary action.
- 9.4.2 When a proposed disciplinary action is offered the licensee shall be provided the following documentation:
- a) Notice of Proposed Decision;
  - b) Consent to Proposed Decision;
  - c) Incident Report;
  - d) Penalty Guidelines; and
  - e) Waiver of Board Hearing Witnesses.

**SECTION: 9. ENFORCEMENT OF LEGISLATION**

9.4.3 Upon receipt of the Notice of Proposed Board Decision the licensee or registrant shall review the material and complete the Consent to Proposed Board Decision (Form LIC/5198), electing to:

- a) admit to the violation(s) contained in the incident report, accept the penalty on the Notice of Proposed Decision; or
- b) admit to the violation(s) contained in the incident report but proceed with a Board hearing as directed by the Board; or
- c) not admit to the violation(s) contained in the incident report and proceed with a Board hearing as directed by the Board with witnesses to be available.

9.4.4 The Consent to Proposed Decision must be completed and returned to the Board Office, within seven (7) calendar days from the date the notice was received by the licensee or registrant.

9.4.5 When a penalty decision involves a suspension the dates for the suspension shall be included in the Notice of Proposed Decision.

**9.5 PENALTY GUIDELINES**

9.5.1 The Board shall establish guidelines that provide a framework for penalty decisions regarding licensee and registrant violations of the *Gaming and Liquor Act*, Gaming and Liquor Regulation and Board policy.

9.5.2 The circumstances of each individual case shall be considered at the Board hearing and penalties may vary and fall outside the guidelines.

9.5.3 The AGLC's Penalty Guidelines are in accordance with the table at the end of this section.

### AGLC PENALTY GUIDELINES

- The following scale of penalties represents disciplinary measures normally taken by the AGLC respecting violations of the *Gaming and Liquor Act* (GLA), *Gaming and Liquor Regulation* (GLR), an Order of the Board or a condition of a licence, pursuant to Section 91 of the GLA.
- Penalties may vary from the guidelines in mitigating or extreme circumstances.
- The Board, when making an Order under Section 91(2) of the GLA, will consider the relevant disciplinary record of the licensee/registrant and that of any affiliated business or corporation which holds a licence or registration issued under the Act.
- The following list of violations includes those which arise most frequently.
- The GLA, the GLR and the following policy handbooks should be referenced for the actual wording of these and other violations:
  - BTCOG: Bingo Terms & Conditions and Operating Guidelines;
  - CTCOG: Casino Terms & Conditions and Operating Guidelines;
  - HFNCCPH: Host First Nation Charitable Casino Policies Handbook; and
  - RECTCOG: Racing Entertainment Centre Terms & Conditions and Operating Guidelines

VIOLATION [GLA or GLR Section]	PENALTY NORMALLY IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE			
	Specifics of Offence	1 <sup>st</sup> Hearing/Violation(s)	2 <sup>nd</sup> Hearing/Violation(s)	3 <sup>rd</sup> Hearing/Violation(s)
<b>UNAUTHORIZED ACTIVITY</b>				
1. Conducting a licensed gaming activity in an unlicensed facility [GLA s.36(1)(b)].		Up to \$500 fine	Up to \$1,000 fine	Up to \$1,500 fine
2. Permitting an activity in the licensed premises that is contrary to any municipal bylaw or any Act or regulation of Alberta or Canada [GLA s.69(1)(a)].		\$500 fine	\$750 fine	\$1,000 fine
3. Permitting an activity in the licensed premises that is prohibited under the licence or by the regulations [GLA s.69(1)(d)].		\$500 fine	\$750 fine	\$1,000 fine
4. Registered gaming supplier in possession of, or providing, unapproved gaming supplies [GLA s.40(2)].		Up to \$1,000 fine	Up to \$5,000 fine	Up to \$10,000 fine
5. Registered supplier of gaming terminals providing unapproved gaming terminals [GLA s.46(1)].		Up to \$10,000 fine	Up to \$20,000 fine	Up to \$50,000 fine
6. Facility licensee or registrant offering inducements to a licensed charity [GLA s.41(2)].		Up to \$1,000 fine	Up to \$2,000 fine	Up to \$5,000 fine
7. Facility licensee or licensed charity employing an unregistered gaming worker or charity worker [GLA s.39(3)].	1 - 14 days	\$200 fine	\$300 fine	\$400 fine
	15 - 28 days	\$300 fine	\$400 fine	\$500 fine
	29 or more days	Hearing	Hearing	Hearing
8. Gaming worker or charity worker employed when not registered [GLA s.39(1)].	1 - 14 days	\$200 fine	\$300 fine	\$400 fine
	15 - 28 days	\$300 fine	\$400 fine	\$500 fine
	29 or more days	Hearing	Hearing	Hearing
9. Gaming worker or charity worker contravenes conditions of registration [BTCOG s.7.5.17; CTCOG s.6.1.17; HFNCCPH s.3.3.1; RECTCOG s.5.2.1].	Up to 2 violations	Warning	\$200 fine	\$300 fine
	3 - 5 violations	\$100 fine	\$300 fine	\$400 fine
	6 - 10 violations	\$200 fine	\$400 fine	\$500 fine
	11 or more violations	Hearing	Hearing	Hearing
10. Facility licensee or licensed charity failing to notify the AGLC when a gaming worker or charity worker has been charged with, or convicted of, a criminal offence [BTCOG s.7.5.10; CTCOG s.6.1.11; HFNCCPH s.3.1.2; RECTCOG s.5.1.12].		\$250 fine	\$500 fine	\$1,000 fine
11. Gaming worker or charity worker failing to notify the AGLC when charged with or convicted of a criminal offence [BTCOG s.7.5.11; CTCOG s.6.1.12; HFNCCPH s.3.1.3].		Hearing	Hearing	Hearing
12. Gaming worker or charity worker consuming liquor, or being under the influence of liquor or drugs, while on duty [BTCOG s.7.7.3 d); CTCOG s.6.2.8; HFNCCPH s.3.3.4; RECTCOG s.5.2.6].		\$250 fine	\$500 fine	\$1,000 fine
13. Volunteer staff from licensed charity consuming liquor, or being under the influence of liquor or drugs, while on duty [BTCOG s.7.7.2 e); CTCOG s.3.2.12].		Warning	\$250 fine	\$500 fine

## AGLC PENALTY GUIDELINES

- The following scale of penalties represents disciplinary measures normally taken by the AGLC respecting violations of the *Gaming and Liquor Act* (GLA), Gaming and Liquor Regulation (GLR), an Order of the Board or a condition of a licence, pursuant to Section 91 of the GLA.
- Penalties may vary from the guidelines in mitigating or extreme circumstances.
- The Board, when making an Order under Section 91(2) of the GLA, will consider the relevant disciplinary record of the licensee/registrant and that of any affiliated business or corporation which holds a licence or registration issued under the Act.
- The following list of violations includes those which arise most frequently.
- The GLA, the GLR and the following policy handbooks should be referenced for the actual wording of these and other violations:
  - BTCOG: Bingo Terms & Conditions and Operating Guidelines;
  - CTCOG: Casino Terms & Conditions and Operating Guidelines;
  - HFNCCPH: Host First Nation Charitable Casino Policies Handbook; and
  - RECTCOG: Racing Entertainment Centre Terms & Conditions and Operating Guidelines

VIOLATION [GLA or GLR Section]	PENALTY NORMALLY IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE			
	Specifics of Offence	1 <sup>st</sup> Hearing/Violation(s)	2 <sup>nd</sup> Hearing/Violation(s)	3 <sup>rd</sup> Hearing/Violation(s)
<b>UNAUTHORIZED ACTIVITY</b>				
1. Conducting a licensed gaming activity in an unlicensed facility [GLA s. 36(2)].		Up to \$500 fine	Up to \$1,000 fine	Up to \$1,500 fine
2. Permitting an activity in the licensed premises that is contrary to any municipal bylaw or any Act or regulation of Alberta or Canada [GLA s. 69(1)(a)].		Up to cancellation and/or up to \$20,000 fine		
3. Permitting an activity in the licensed premises that is prohibited under the licence or by the regulations [GLA s. 69(1)(d)].		Up to cancellation and/or up to \$20,000 fine		
4. Registered gaming supplier in possession of, or providing, unapproved gaming supplies [GLA s. 40(2)].		Up to \$1,000 fine	Up to \$5,000 fine	Up to \$10,000 fine
5. Registered supplier of gaming terminals providing unapproved gaming terminals [GLA s. 46(1)].		Up to \$10,000 fine	Up to \$20,000 fine	Up to \$50,000 fine
6. Facility licensee or registrant offering inducements to a licensed charity [GLA s. 41(2)].		100% Value of Inducement	200% Value of Inducement	300% Value of Inducement
7. Facility licensee or licensed charity employing an unregistered gaming worker or charity worker [GLA s. 39(3)].	1 Worker	\$200 fine	\$400 fine	\$800 fine
	2 to 4 Workers	\$300 fine	\$600 fine	\$1,200 fine
	Over 4 Workers	Hearing	Hearing	Hearing
8. Gaming worker or charity worker employed when not registered [GLA s. 39(1)].	1 - 14 days	\$200 fine	\$400 fine	\$800 fine
	15 - 28 days	\$300 fine	\$600 fine	\$1,200 fine
	29 or more days	Hearing	Hearing	Hearing
9. Gaming worker or charity worker contravenes conditions of registration [BTCOG s. 7.5.17; CTCOG s. 6.1.17; HFNCCPH s. 3.3.1; RECTCOG s. 5.2.1].	Up to 2 violations	Warning	\$200 fine	\$400 fine
	3 - 5 violations	\$100 fine	\$300 fine	\$600 fine
	6 - 10 violations	\$200 fine	\$400 fine	\$800 fine
	11 or more violations	Hearing	Hearing	Hearing
10. Facility licensee or licensed charity failing to notify the AGLC when a gaming worker or charity worker has been charged with, or convicted of, a criminal offence [BTCOG s. 7.5.10; CTCOG s. 6.1.11; HFNCCPH s. 3.1.2; RECTCOG s. 5.1.12].		\$250 fine	\$500 fine	\$1,000 fine
11. Gaming worker or charity worker failing to notify the AGLC when charged with or convicted of a criminal offence [BTCOG s. 7.5.11; CTCOG s. 6.1.12; HFNCCPH s. 3.1.3].		Up to cancellation	Up to cancellation	Up to cancellation
12. Gaming worker or charity worker consuming liquor, or being under the influence of liquor or drugs, while on duty [BTCOG s. 7.7.3 d); CTCOG s. 6.2.8; HFNCCPH s. 3.3.4; RECTCOG s. 5.2.6].		\$500 fine	\$1,000 fine	\$2,000 fine
13. Volunteer staff from licensed charity consuming liquor, or being under the influence of liquor or drugs, while on duty [BTCOG s. 7.7.2e); CTCOG s. 3.2.12].		Warning	\$250 fine	\$500 fine
14. Extending credit to patrons or cashing personal cheques [BTCOG s. 10.2.3 b)ii); CTCOG s. 6.2.15; HFNCCPH s. 1.12.1; RECTCOG s. 1.9.1].	1 patron	\$250 fine	\$500 fine	\$1,000 fine
	2 or more patrons	\$500 fine	\$1,000 fine	\$2,000 fine
15. Permitting a person enrolled in a self-exclusion program	1 patron	\$500 fine	\$1,000 fine	\$2,000 fine

VIOLATION [GLA or GLR Section]	PENALTY NORMALLY IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE			
	Specifics of Offence	1 <sup>st</sup> Hearing/Violation(s)	2 <sup>nd</sup> Hearing/Violation(s)	3 <sup>rd</sup> Hearing/Violation(s)
to enter or remain in a licensed facility [GLR s. 34.2].	2 or more patrons	\$1,000 fine	\$2,000 fine	\$4,000 fine
16. Failure to complete and balance required financial control documentation [BTCOG s. 1.5.6b); CTCOG s. 1.4.9b); HFNCCPH s. 1.4.8 b)].		\$250 fine	\$500 fine	\$750 fine
17. Failure to witness, assist or verify player cash outs [BTCOG s. 3.15.9c); CTCOG s. 6.3.10 k)xii].	\$1,000 or less	\$250 fine	\$500 fine	\$1,000 fine
	Over \$1,000	\$500 fine	\$1,000 fine	\$2,000 fine
<b>OPERATING GUIDELINES</b>				
18. Facility licensee or licensed charity contravenes a condition of a licence [BTCOG s. 1.2.1; CTCOG s. 1.2.4; HFNCCPH s. 1.3.7; RECTCOG s. 1.2.5].	Up to 2 violations	Warning	\$500 fine	\$750 fine
	3 - 5 violations	\$500 fine	\$1,000 fine	\$1,250 fine
	6 - 10 violations	\$750 fine	\$1,250 fine	\$1,500 fine
	11 or more violations	Hearing	Hearing	Hearing
19. Failure to post facility licence, gaming licence or other required signage [GLR s. 33].		Warning	\$250 fine	\$500 fine
20. Failure to request identification from a possible minor or a person who appears to be under the age of 25 [BTCOG s. 3.10.6; CTCOG s. 1.10.4; RECTCOG s. 1.7.2].	1 - 2 persons who appear to be under 25	\$750 fine	\$1,500 fine	\$ 3,000 fine
	More than 2 persons who appear to be under 25	\$1,500 fine	\$3,000 fine	\$6,000 fine
21. Permitting a minor in a licensed gaming facility where minors are prohibited [GLA s. 37.1(1) & s. 37.1(2)].	Under 16 years of age – single person	\$3,000 fine	\$6,000 fine	\$12,000 fine
	Under 16 years of age – 2 or more	\$4,000 fine	\$8,000 fine	\$16,000 fine
	Single minor	\$1,000 fine	\$2,000 fine	\$4,000 fine
	2 or more minors	\$2,000 fine	\$4,000 fine	\$8,000
22. Permitting an intoxicated person to take part in a gaming activity or provincial lottery [GLA s.37.2].	One patron	\$1,000 fine	\$2,000 fine	\$4,000 fine
	2 or more patrons	\$1,500 fine	\$3,000 fine	\$6,000 fine
<b>USE OF PROCEEDS</b>				
23. Licensed charity or registrant fails to provide required reports and information specified by the AGLC [GLA s. 100].		\$250 fine	\$500 fine	Hearing
24. Licensed charity or facility licensee fails to provide an accounting of the proceeds of the lottery scheme [GLR s. 21].		\$250 fine	\$500 fine	Hearing
25. Expenditure of proceeds on unapproved objectives [BTCOG s. 2.3.2; CTCOG s. 2.2.3; HFNCCPH s. 6.1.2].		The greater of \$50 or 0.5% of proceeds misused	The greater of \$100 or 1% of proceeds misused	The greater of \$200 or 2% of proceeds misused
		All % calculations shall be rounded up or down to the nearest \$50 increment. In addition to the sanctions above, the licensee must reimburse the applicable gaming account for the ineligible objects.		
<b>OBSTRUCTION</b>				
26. Obstruction of an Inspector(s) [GLA s. 99].		\$3,500 fine	Hearing	Up to cancellation
27. Failure to assist an Inspector when requested [GLA s.104].		\$3,500 fine	Hearing	Up to cancellation
<b>SECURITY</b>				
28. Failure to maintain adequate security of cash or chips [BTCOG s. 3.11; CTCOG s. 5.7.1/s. 9.11.5; HFNCCPH s. 3.4.4c); RECTCOG s. 4.1.1].		\$2,500	\$5,000 fine	\$10,000 fine
29. Failure to monitor gaming floor activities [CTCOG s. 5.4.1; RECTCOG s. 4.2.2/s. 4.5.1].		\$250 fine	\$500 fine	\$1,000 fine

**SECTION: 10. AGLC CONTACTS**

**10.1 AGLC CONTACTS**

10.1.1 The following are the sections in the Terms & Conditions that specify when the AGLC must be contacted, as well as general contact information. This subsection is provided for the convenience of licensees.

AADAC Gambling Helpline (for problem gamblers) - Subsection 6.13

Amending a REC licence (obtaining approval for) - Subsection 2.1.2.

Breaches of Terms & Conditions - Subsection 9.1

Contact for written communications - Subsection 1.5

Counterfeit Money - Subsection 4.6

Criminal offences (cheating, theft, robbery or attempted robbery, other serious criminal offences) - Subsection 4.7

Discrepancy Reports - Subsection 4.8

Licensing and Charitable Gaming Branch contact information - Subsection 1.5

Operating hours (including reporting to AGLC) - Subsection 1.6

Progressive jackpot verification and payment – Subsection 6.12