



Nova Scotia/Nunavut Command  
The Royal Canadian Legion

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## All Branch Mail Out #62

**Date:** September 18, 2020

**TO:** NS/NU Branches  
NS/NU Executive Council  
NS/NU Zone Commanders  
NS/NU Past Presidents  
NS/NU Command Staff

**From:** Comrade Cliff MacIntyre  
Chairman Alcohol and Gaming Committee  
NS/NU Command, RCL

**Subject:** Nova Scotia Video Lottery Gaming

**Message:** Comrades: For your interest please find attached/enclosed information regarding current NS Gaming governance and commission structure relating to NS Legion Video Lottery gaming.

# LEGION COMMAND

*GAMING INDUSTRY GOVERNANCE STRUCTURE  
&  
COMMISSION STRUCTURE*

*September 17, 2020*



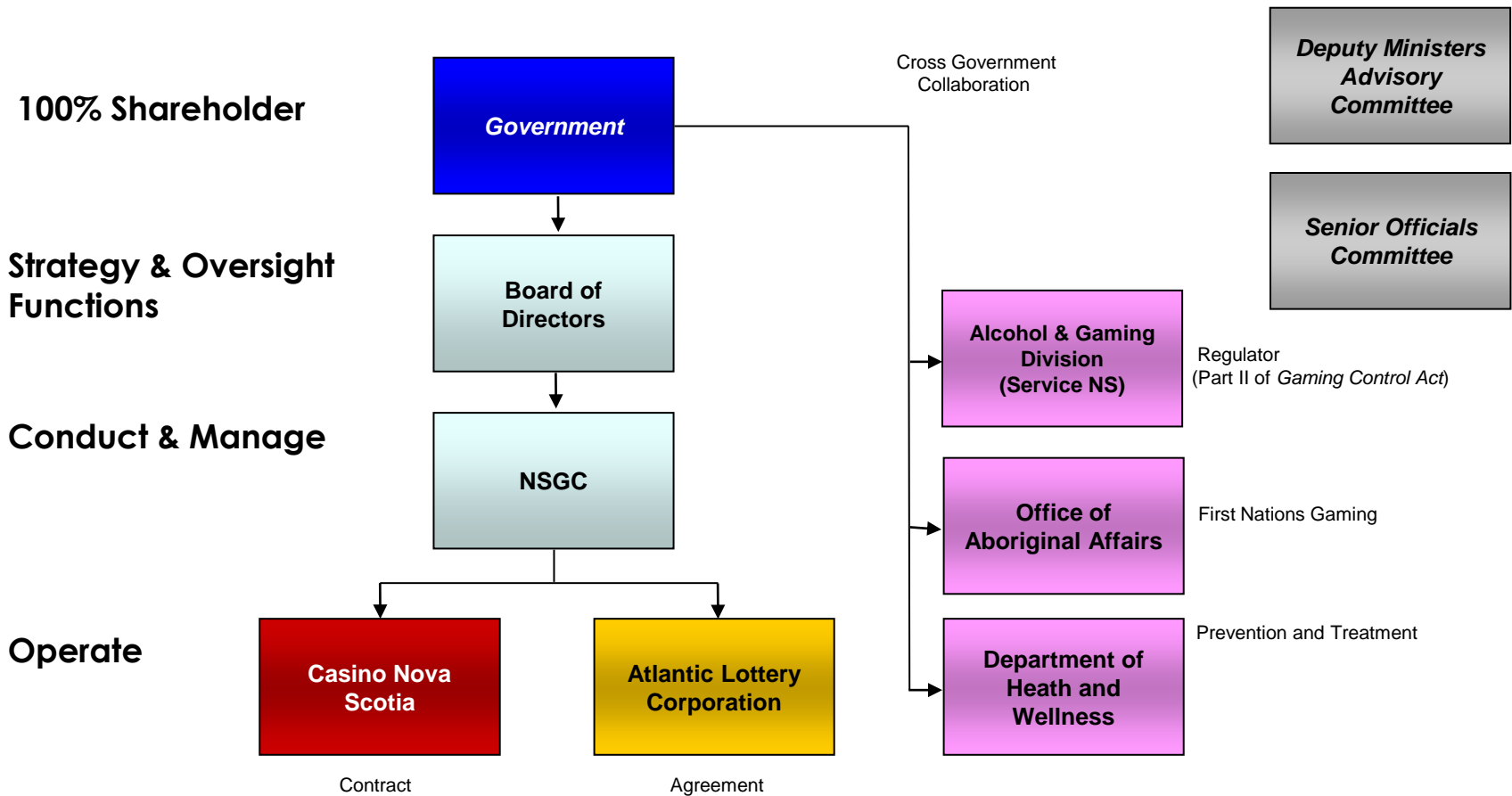
# LEGAL FRAMEWORK

- All gaming is illegal in Canada unless exception created
- Section 207(1)(a) of the *Criminal Code* of Canada
  - ▶ Must be conducted:
    - by a Province
    - in a province
    - in accordance with laws of province
- Province can designate an agent to conduct and manage gaming on its behalf

# LEGAL FRAMEWORK

- Part I of the *Gaming Control Act*
  - ▶ creates Nova Scotia Gaming Corporation (NSGC) to conduct and manage
  - ▶ Section 7 sets out the Minister has general supervision and management of Part I
  - ▶ Section 9 sets out the corporation is an agent of the Province
- NSGC's objectives
  - ▶ Develop, undertake, organize, conduct and manage casinos and other lottery schemes
  - ▶ Ensure lottery schemes are in accordance with *Criminal Code of Canada, Gaming Control Act* and Regulations
  - ▶ Do such other things in order to increase the net revenue of the province
- Part II of the *Gaming Control Act*
  - ▶ creates the regulator (Alcohol, Gaming, Fuel and Tobacco Division)

# INDUSTRY AT A GLANCE



# COMMISSION EXAMPLE – LEGIONS

- Legions and Community Minded sites are paid commission of 25% on net revenues
- Brad’s Legion has 16 VLTs that average a net revenue of ~\$1,200 per week (\$1 million per year)
- Net Revenue = Wagers – Prizes Paid

Net Revenue	25.00%	\$	<u>250,000</u>
<b>Total Before GANS and Taxes</b>		\$	<b><u>250,000</u></b>

<b>Paid to GANS</b>	<b>1.00%</b>	<b>\$</b>	<b><u>(2,500)*</u></b>
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<b>Total Before Taxes</b>		<b>\$</b>	<b><u>247,500</u></b>
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Taxes	15.00%	\$	<u>(37,125)</u>
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<b>Effective Commission</b>	<b>21.038%</b>	<b>\$</b>	<b><u>210,375</u></b>
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\* Matched by NSGC

# COMMISSION EXAMPLE – PRIVATE ENTERPRISE

- Retailers are paid commission (25% up to \$400,000 and 15% over \$400,000) of net revenue
- Brad’s Bar has 16 VLTs that average a net revenue of ~\$1,200 per week (\$1 million per year)
- Net Revenue = Wagers – Prizes Paid

First \$400,000	25.00%	\$ 100,000
Over \$400,000	15.00%	\$ <u>90,000</u>
<b>Total Before GANS and Taxes</b>		<b>\$ <u>190,000</u></b>

<b>Paid to GANS</b>	<b>1.00%</b>	<b>\$ <u>(1,900)*</u></b>
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<b>Total Before Taxes</b>		<b>\$ <u>188,100</u></b>
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Taxes	15.00%	\$ <u>(28,215)</u>
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<b>Effective Commission</b>	<b>15.99%</b>	<b>\$ <u>159,885</u></b>
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\* Matched by NSGC