

TO: CITY MANAGER 2000 JANUARY 19
FROM: DIRECTOR PLANNING & BUILDING OUR FILE: 17.812
SUBJECT: HAND-HELD BINGO VERIFIERS

PURPOSE: To provide Council background information on the potential use of hand-held bingo verifiers in the Bingo Country bingo facility in Middlegate Shopping Centre.

RECOMMENDATION:

- 1. **THAT** Council support the participation of Bingo Country's Burnaby facility in the one year pilot for hand held bingo verifiers, providing that, at the end of the pilot period, Council is apprised of the results of the pilot and Council's approval is sought for the ongoing availability of the verifiers in the Burnaby bingo facility.

REPORT

1.0 INTRODUCTION

At its meeting of 2000 January 10, Council considered a request from Bingo Country for City approval to install hand held bingo verifiers at the Middlegate bingo facility. The request was prompted by a requirement under the June 1999 Memorandum of Agreement signed between the Province and the Union of British Columbia Municipalities (UBCM) that all new or expanded forms of gaming must be approved by the host municipality before introduction.

Council requested that staff prepare a report providing information on hand held bingo verifiers, and the potential impact of their proposed availability in Burnaby's bingo facility. This report responds to that request.

2.0 THE CONTEXT FOR INTRODUCING HAND HELD BINGO VERIFIERS

In recent years, the bingo industry has experienced a decline, as other forms of entertainment such as mega-theatres, slot machines, and cosmic bowling have stretched the entertainment dollar and tempted players away from a traditionally passive form of entertainment. In response, the industry has developed new options, such as electronic bingo and electronic aids for playing traditional paper bingo, in an attempt to maintain a viable customer base.

In 1999, the Province of British Columbia approved a three month pilot test for hand held bingo verifiers in eight of British Columbia's eighty-five bingo facilities. Bingo Country's Burnaby facility was not included in that pilot, although its Surrey facility was. Feedback from customers and the bingo industry suggested that a longer test period was required in order to assess the viability of installing the handsets in all bingo facilities. As a result, the Province has agreed to a one year pilot, beginning early in 2000, in eight or ten bingo facilities. Bingo Country at Middlegate Shopping Centre is requesting approval to participate in the pilot.

3.0 HAND-HELD BINGO VERIFIERS

The hand held bingo verifier or handset is a calculator-like instrument which electronically stores one or more bingo cards purchased by a player. Up to six cards can be viewed on the verifier screen at a time. Numerical buttons allow the player to enter combinations as they are presented by the bingo caller. As the combinations are entered, they are recorded on all cards. Players must continue to monitor their cards at all times in order to determine a win, as the handset does not notify the player of a win.

The verifier is considered a complement to paper bingo in that it is used in conjunction with the caller. As such, players cannot play faster than paper bingo players who are also playing combinations presented by the caller. Those players who choose to use a verifier, which is available at no extra cost, view it as a convenience, in that it allows them to be mobile while playing and to play multiple cards more easily. Bingo Country advises that at its Surrey facility, about 20-25 % of bingo players opt to use the hand held verifiers. Bingo Country representatives would expect the same level of take-up at the Burnaby facility.

If the installation is approved, the equipment will be supplied - on a lease basis - and monitored and managed by the British Columbia Lottery and Casino Corporation. Models of hand held bingo verifiers vary. Some are capable of storing up to four hundred bingo cards per game and have options for playing other games such as Keno. Others allow "stand-alone play" in which the player plays against a computer rather than participating in the called game with other players. It is the intention of the Province to purchase all the handsets from one supplier, and to disable all features for games other than bingo. As well, the Province intends, after consultation with the bingo industry, to set a cap on the number of bingo cards which can be played with the verifier during one game. Paper bingo players who excel at playing multiple cards can manage, on average, between 18 and 24 cards. The cap for verifiers could be slightly higher - 24 to 30 cards - but not enough higher, according to Lottery Corporation staff, to disadvantage paper bingo players. Finally, the Province has no

plans to allow “stand-alone play” with the verifiers. While the Province may wish to change some of these proposed ground rules in future, continued adherence to the Memorandum of Agreement with the UBCM would require that changes not be made without municipal approval.

4.0 POTENTIAL IMPLICATIONS OF HAND-HELD BINGO VERIFIER USE

Representatives from both the British Columbia Lottery and Casino Corporation and Bingo Country advise that customer use of the verifiers has no negative impact on the distribution of bingo proceeds to charitable organizations. Charities will continue to be guaranteed a specified level of net income.

Some questions have been raised regarding the relationship of the hand held verifiers to the electronic bingo offered in some bingo facilities in British Columbia. Staff have been advised that the hand held bingo verifiers differ from electronic bingo in several ways. Electronic bingo is played on an immobile, fixed-based computer on which up to twenty cards can be viewed and played on the screen at the same time. It is not necessary for the electronic bingo player to continually monitor his/her cards, or even to be present or paying attention when combinations are called, as the system tracks called combinations and notifies the player of a win. Winnings are credited directly to the player’s account. Electronic bingo in British Columbia also offers the option of “stand alone” play, which critics charge differs little from playing video lottery terminals (VLTs). In both situations, the player plays against the computer, and is able to play a number of games in a short period of time. However, the two types of electronic games differ in that VLTs offer the player a wide range of games of chance based on playing cards or fruit or other motifs, while the electronic bingo machine offers players only one game - bingo.

As Council is aware, VLTs, which are considered by many to be highly addictive, have not been approved for use in British Columbia. “Stand alone” electronic bingo play is allowed in British Columbia bingo facilities which offer electronic bingo, but only with the approval of the host municipality. At present, Bingo Country’s Burnaby facility does not offer electronic bingo. To install electronic bingo, Bingo Country would need to seek City approval, as building and other permits would be required to make the necessary physical changes to the facility. As noted above, even if electronic bingo were introduced to the Middlegate facility, “stand alone” play could only be added with the explicit approval of the City.

Questions have also been raised as to whether bingo operators could make the use of verifiers mandatory by eliminating the option to play paper bingo, thereby virtually ensuring

increased play and expenditure. Representatives of Bingo Country note that there is no economic incentive to do so, as most bingo players still prefer paper bingo. Moreover, staff at the Lottery Corporation have advised that bingo halls are licensed by the British Columbia Gaming Commission primarily as paper bingo facilities, and that electronic aids can only be installed in licensed bingo premises. Even if a bingo facility were to forgo the licensing process in order to offer only electronic bingo options, municipal approval would be required under the aforementioned Memorandum of Agreement.

Staff have contacted City staff in New Westminster, Vancouver and Surrey which are host municipalities to bingo facilities which participated in the test of hand held bingo verifiers in 1999. None of the contacts were aware of issues surrounding the verifiers, and no regulatory responses by the municipalities were triggered.

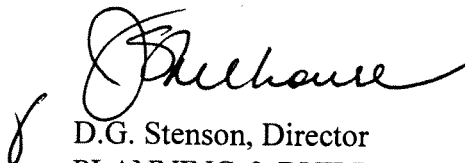
Staff have also contacted a counsellor with the Problem Gambling Program in Vancouver and Burnaby. Although she is not aware of verifiers or specific problems with their use, she cautioned that any device which renders playing multiple cards more easy is likely to encourage play and the expenditure of more money.

5.0 SUMMARY AND CONCLUSIONS

Bingo Country's Burnaby bingo facility began operation in February 1999 with a paper-bingo-only option. Bingo Country's Burnaby facility now wishes to participate in a one year pilot test of hand held bingo verifiers. The installation of electronic bingo is not being contemplated. In accordance with a requirement under the June 1999 Memorandum of Agreement between the Province and the UBCM that all new or expanded forms of gaming be approved by the host municipality, Bingo Country has requested approval from Council for the installation of the verifiers.

The bingo industry is promoting the installation of hand held bingo verifiers - an electronic complement to paper bingo - as a means of attracting new customers to an industry which is in decline. The verifiers allow a player mobility, and the ability to play multiple cards more easily. Once the cap on the number of cards which can be played by one player in any game has been determined by the Provincial government, bingo players will likely be able to play marginally more cards per game with a verifier than if they played paper cards. This may lead to increased play and expenditure by bingo players. Players using verifiers will not, however, be able to play faster than paper bingo players. The verifiers will not be programmed for games other than bingo, or for "stand alone play".

The ground rules established by the Province and the recent experience with hand held verifiers in neighbouring municipalities would seem to suggest that the participation of Bingo Country's Burnaby facility in the one year pilot for hand held bingo verifiers could be supported, providing that, at the end of the pilot period, Council is apprised of the results of the pilot and Council's approval is sought for the ongoing availability of the verifiers in Bingo Country's Burnaby facility.


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