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# DEBATES and PROCEEDINGS

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### **Bill No. 77 – The Horse Racing Regulation Amendment Act, 2012**

**Mr. Forbes:** Thank you very much, Mr. Speaker. I rise today to enter into the debate on Bill No. 77, An Act to amend The Horse Racing Regulation Act and to make consequential amendments to The Revenue and Financial Services Act and The Revenue Collection Administration Regulations. And really it's relatively straightforward; what it seems to do is repeal certain things. And as the minister made in her comments, that really this focuses around the parimutuel tax that's on horse racing and the amount that's been collected. And I guess over the course of the years, it's been then turned back to the operators of the horse racing tracks. They've been collecting it and remitting it, and traditionally it's been returned to the industry in the form of grants to track operators.

And interestingly, the minister mentioned in her opening, her comments back in November 26th, that actually the amount in 2011, the total parimutuel tax collected was \$857,000, all of which was returned to the industry. So, Mr. Speaker, that must mean that well over \$8 million dollars, if this is a 10 per cent tax, then I would . . . From my math, there must be approximately or more than \$8 million dollars collected from the racetracks, and this is actually a significant economic activity in our province. And of course we know that, we've often hear about that. And it's an exciting time when people get out to the horse races, and it's one that has grown up over time, you know. We all get pretty excited about that and watching the horses and what this implies.

Interestingly though, you know, as we often think that when you take out a tax — and maybe that's a good thing, and apparently the horse track operators have been asking for this — but I'm curious, now that the tax is gone, and my member from Athabasca actually raised this, is what will happen to that whole in which that tax was collected? Now it won't be collected. Are they anticipating that that will create more income and will take the place of the 857,000, 800,000-plus a year? That's a significant amount of money; that's obviously 10 per cent. How do the operators plan on covering that? Now obviously they were wanting this.

But again we often see second reading speeches not as full, not as complete as they might be. Because again we want to make sure that these operations are sustainable, that they're viable, that they continue on, our job is to make sure there's not unintended consequences. So when you take away this amount of money — and maybe it shouldn't have been a tax in the first place, and that can be debated, but it is what it is — but when you take away that kind of money, nobody's collecting it, how will they make up that difference? It's a significant amount of money, and it's really important that we ask that question. And I know we will be curious about how will that be made up.

And it is unfortunate that the minister wasn't more forthcoming in her comments. I mean she does say that. Essentially this is what she said, and I quote:

Our government remains committed to fiscal responsibility and I believe the repeal of the parimutuel tax is a win-win for both government and the horse racing industry. Eliminating the parimutual tax will allow the horse racing industry to determine how to use the funds for the benefit of the industry.

But the question is the funds won't be there anymore, from what we gather. Maybe they will be. But if there's no tax collected, there will be no tax given, no grants given I assume unless — and this is maybe what we'll find out in the budget coming shortly — is that the grants actually will continue and that it will be costing the government \$850,000. I'm not sure if that's the case. It's unclear because the minister talks about these funds but doesn't say where the funds come from. And I hope that there's not a misunderstanding that the grants will continue. It's not clear at all. And we know that if a tax viability is no longer there that maybe it is time to take a look at it. But 10 per cent is a significant amount of money — \$850,000 on a \$8 million industry, it could have significant impacts.

So while it seems straightforward and it is, as I look at the Act, it is relatively straightforward. You know, the short title, it's not much, and then it talks about that transitional part but doesn't talk about what will replace the \$850,000. It does talk about what every operator will do in the transition and how they must keep and “preserve for six years all books, accounts, records, and documents required by the former provisions” and all of that kind of thing.

I also found it very interesting, Mr. Speaker, that in fact this Act will come into force in less than a month. And what it says is:

Subject to subsection (2), this Act comes into force April 1, 2013.

[and] If this Act is assented to after April 1, 2013, this Act comes into force on assent but is retroactive and is deemed to have been in force on and from April 1, 2013.

So this is a bit of presuming that many things will go forward. And I mean, clearly the government has a majority and will see that this Bill will be passed. I'm not sure if this has been designated as a priority bill or not, but it is interesting that it is doing that. But I can see the point. Clearly the point is that when the horse racing season starts, you want

to be on a level playing field, or a level racing course I guess, and so you want to make sure that you don't change things up halfway through a season. So it does make sense.

But as I said earlier, we will have many, many questions about this bill when it comes to the committee, but we're not ready to send it there because I think many of the others will have some points to make. But as I said, it's about the viability, sustainability, because clearly we want to make sure there's no unintended consequences that you're creating an industry up to some significant challenges when they're trying to make up over \$800,000.

Now maybe it's all been worked out, and if it has been worked out it's just really unfortunate that the minister wasn't more clear in her comments to the House when she refers to the funds and when she says eliminating the parimutuel tax will allow the horse racing industry to determine how to use the funds for the benefit of the industry. And as I say, if a tax is not there, then I'm not sure what it means that there will be a pool of funds to distribute. Or are they talking about some sort of a granting system?

So with that, Mr. Speaker, I know there are many bills before the House today that we will want to get to. This isn't a long or elaborate bill, and there's many points and I know that many of my colleagues have many other debates that they would like to get to. And in the meantime, while I continue to talk about horse racing, this race is not over apparently. I'm not near the finish line on this. It may be a photo finish. But as I said, this has a long history in Saskatchewan and you've got to make sure when you have things like horse racing that it's done well.

And I have to say as I was preparing for this, you know, some of the other regulations that happen that are very interesting about horse racing . . . In fact, Mr. Speaker, I don't know if you know this but there should be only one horse racing track in each municipality. I did not know that. But that is the law, that you can only have one horse racing track in each municipality. And I'll just read that:

In any city, town, or village or rural municipality, horse-race meetings or horse-racing may be held at one but not more than one race-course or track in each calendar year.

So this is quite something. So this is again talking about sustainability and viability, that sustainability of the industry. And so clearly we've taken this and we've thought a lot about this and how important it is to make sure that horse racing is done in a way that everything is on a level playing field. Because when you're having this, a lot of work and energy goes into the training and developing of the horses, but also the jockeys and everything, and so you've got to make sure that it's all on the up and up.

I did not know this either, Mr. Speaker, but interestingly the interval between meetings, between horse race meetings, and I'll read this:

Subject to subsection (2), no horse-race meeting shall be opened or conducted upon a race-course or track within ten days of the conclusion of another horse-race meeting or horse-racing upon that race-course or track.

Now I don't know if that rule is still in effect. I mean the track that I keep track of more

often than not is Marquis Downs. But I'm not that current that in fact that I attend more than once every couple of weeks or the 10-day rule doesn't really apply to me. And so I feel that it's really, it's interesting.

But this is an important industry and it's important that we get it right. And so as I said, Mr. Speaker, in my earlier comments, and while . . . And I have not got the whole set of regulations before me and I'm not sure if that's the whole set. It might be the whole set, but the one that is really before us is repealing section 6, and that is the tax on parimutuel bets and how that is done and how it's collected and how that process goes. And now they're eliminating that process of the tax. So it won't be collected anymore, but we know that the operators of the horse races, of the tracks, think that's a good idea.

Our question though will be, what happens to that fund of money, that \$850,000? Is there a replacement that they will be getting grants in lieu of? Or are they just counting on business being 10 per cent better and therefore they will have that looked after?

So with that, Mr. Speaker, I'm going to move adjournment on Bill No. 77, An Act to amend The Horse Racing Regulation Act and to make consequential amendments to The Revenue and Financial Services Act and The Revenue Collection Administration Regulations. I believe I've hit the finish line. Thank you very much, Mr. Speaker.