

How Online Gambling is Contributing to Charities in California

Online gambling became a significant fascination in the U.S. during the 2003 – 2006 poker boom. The history, however, goes back to the creation of gaming software in the 1990s. Licensing of online casinos and poker rooms occurred in the Caribbean and Canada.

While the online gambling industry soared to new heights worldwide, some countries sought to clamp down on its rapid growth. Certain jurisdictions became offshore havens for gambling.

The U.K.'s Gambling Act of 2005 ultimately led to the legalization process across the U.S.

Here's a look at how online gambling contributes to charities in California.



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Gambling Fundraisers in California

As one of the world's largest economies, California represents a [significant state for online gambling](#). Most of the land-based casinos reside on the lands designated for Native tribes.

With no specific law that makes online gambling illegal, players in California get access to offshore gaming sites. That also plays into a legal battle between in-state operators and out-of-state gambling companies.

Gaming oversight in California requires some gambling revenues to return to the public by funding problem gambling programs. There are also gambling fundraisers and charitable gaming via nonprofit organizations.

California state law permits nonprofits to host fundraisers in the form of "charity poker nights." Any nonprofit and

equipment or services providers must register with the Bureau of Gaming Control.

Citizens at these fundraisers must be at least 21 years old.

Approved games come listed on the Annual Registration Form for Nonprofit Organizations. Prohibited games include slots, craps, roulette, and “any banking or percentage game played for anything of value.”

Charitable Gaming

Aside from charity poker nights contributing to fundraisers, California provides licensing for gaming establishments. They also operate under the Bureau of Gaming Control. The Bureau oversees charitable gaming in the state as well.

For charitable gaming and fundraising purposes, eligible nonprofits may conduct raffles and bingo games, just like poker nights. Nonprofits may also host one poker tournament per year.

To host such an event, they must register with the Bureau of Gaming Control and the Attorney General’s Registry of Charitable Trusts (AGRCT). Financial disclosure reports must get filed annually with the AGRCT.

Educational institutions, hospitals, and nonprofit religious organizations aren’t required to register or file a financial disclosure.

Charitable gaming through poker tournaments means there are no cash prizes. Prizes awarded at these events must be donated.

There’s a \$500 max for single prizes and a \$5,000 cap as the total value of all prizes. At least 90% of the revenue generated by these fundraisers must go to the nonprofit. There’s a 10% max regarding how much the gross receipts compensate the organization or people hosting the fundraiser.

Online Gambling in California

Since online gambling remains a legal gray area for many states, it's primarily land-based companies that donate to charity. For example, an online [real money casino in California](#) receives offshore licensing.

That means various jurisdictions that favor online casinos regulate offshore gambling sites. Licensed by the Government of Curaçao, Red Dog Casino provides over 200 games, including live dealer options.

Curaçao offers one of the most affordable locations for operators to acquire an online gaming license. The same applies to gambling-friendly British territories like Gibraltar and the Isle of Man.

Typically, offshore gaming sites don't get affiliated with overseas charities. However, those economies benefit from the gaming industry via licensing fees, taxes, jobs, and tourism.

Gambling companies might give back to local communities, and players may also choose by themselves to donate to charity.

For example, Kerry Packer was an Australian billionaire and a high-roller at famous gambling establishments in London and Las Vegas. He became well-known for placing large bets for dealers and leaving them six-figure tips.

California Tribal Casinos Giving Back to Local Communities

Gaming establishments in California got forced to close their doors during the coronavirus pandemic. Tribal casinos decided to give back to local communities by offering food to those in need.

The Pechanga Resort Casino in Temecula donated \$100,000 worth of food to charities in Riverside County. That money helped to

support individuals and families suffering from homelessness.

The Pechanga Band of Luiseño Indians also donated N95 masks, toys for children, and hygiene products to local hospitals and charities.

They also gave significantly to Rady Children's Hospital in San Diego, hosting food trucks to feed essential healthcare workers. Team members from the casino also routinely participate in charity events and CSR programs.

The Augustine Band of Cahuilla Indians, which hosts the Augustine Casino in Coachella, sponsors a Mariachi Festival every October. The Tribe donated \$4 million to charitable organizations and the City of Coachella's roadway improvement project.

Online Gambling in California Remains Offshore

California is one of the most lucrative markets for online gambling. However, most of the industry remains offshore. In November 2022, two propositions (Prop 26 and 27) to amend the state's constitution regarding in-state and online sports betting failed.

Voters in California rejected an expansion of sports betting at licensed tribal casinos and racetracks. Proposition 27 would've required online gambling operators to allocate tax revenue for homelessness programs.

Charitable gaming and donations continue to derive from tribal casinos, which produce billions for the state's economy. Online gambling in California remains an offshore market.

It's the responsibility of online players to give back to local communities.