

# The Department of Justice Division of Gambling Control

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## Charitable Gambling Texas Hold'em Poker Tournaments



North American Gaming Regulations Association

June 9-13, 2007 - Kansas City, Missouri

# Overview of Charitable Gambling Program


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**January 1, 2007, a new California law (AB 839) passed allowing eligible nonprofit organizations (NPO's) to hold charity “poker night” fundraisers.**

**Nonprofit organizations wishing to host fundraising events must submit an application for registration to the Division of Gambling Control for approval.**

**In addition to nonprofit organizations, businesses that supply equipment and services for fundraising events will be required to register annually with the Division.**





# **Overview of Charitable Gambling Program (continued)**


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**No one under the age of 21 will be allowed to participate at these fundraising events.**

**Nonprofit organizations will be required to post problem gambling information at each fundraising event.**

**The new law does not allow the use of slot machines or Internet gaming for fundraising purposes.**

**This new charitable gambling law does not apply to events hosted in licensed CA cardrooms.**



# **Overview of Charitable Gambling Program (continued)**

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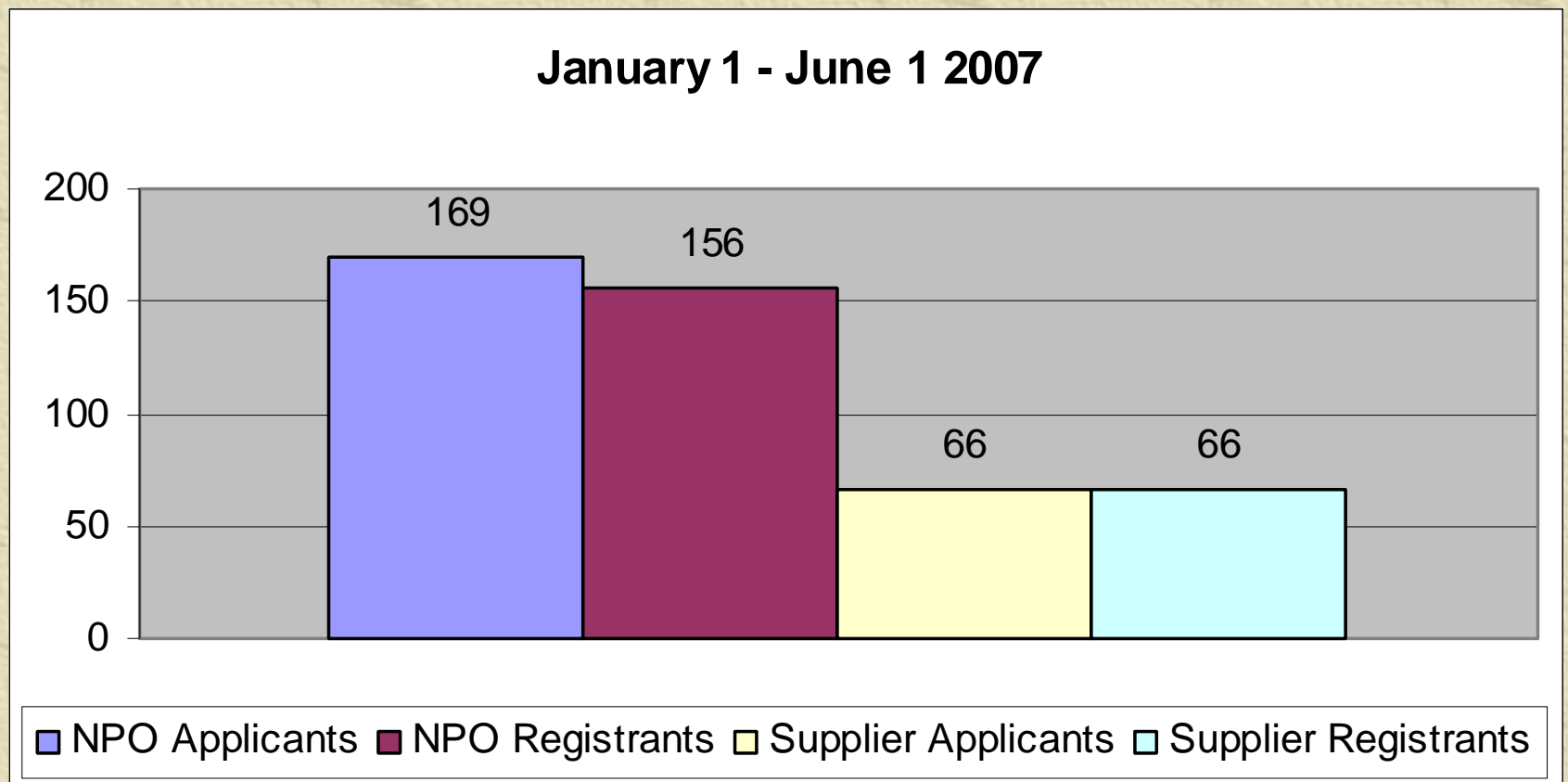
**Other fundraising restrictions apply to charity bingo and raffle events, which are regulated by the Attorney General's Registrar of Charitable Trusts.**

**Of the 186,000 charities registered with the CA Attorney General's Registrar of Charitable Trusts, a total of 169 nonprofit organization registration applications were received from January to June of 2007, and 156 of those were subsequently registered to conduct charity poker night fundraisers.**

**Suppliers of equipment and services submitted a total of 66 applications and all 66 were subsequently registered.**



# Applicants vs. Registrants Chart





# Key provisions in AB 839

- NPO's must be in existence and operating for at least 3 years prior to conducting a "Poker Night" fundraiser.
- Gambling Equipment/Service Suppliers must register with the Division.
- The NPO must be exempt from taxation from the State Franchise Tax Board.
- NPO's can host no more than one "Poker Night" fundraiser per any one calendar year.
- No more than four events per calendar year for each location (Convention Centers, Recreation Halls, etc.)





# **Key provisions in AB 839 (continued)**

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- **The event shall not exceed 5 consecutive hours.**
- **No cash prizes. \$500 value limit on individual prizes and \$5000 value limit on total prizes.**
- **90% of revenue gained from controlled games goes directly to the NPO.**
- **No one under the age of 21 can participate in the fundraiser.**
- **NPO's must maintain records for each event to provide to the Division upon request.**

# What are controlled games and where is the definition?



The definition of controlled games, as defined in California Penal Code Section 337j(e)(1), is “...any poker or pai gow game, and any other game played with cards or tiles, or both, and approved by the Division of Gambling Control, and any game of chance, including any gambling device, played for currency, check, credit, or any other thing of value that is not prohibited and made unlawful by statute or local ordinance.”



# Implementation of AB 839

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- The Division has dedicated resources and funding, including employees whose top priority is handling all Charitable Gambling issues.
- The Division supplies applications to both NPO's and Gambling Equipment/Service Suppliers upon request.
- Information has been posted on the Division's webpage, [www.ag.ca.gov/gambling](http://www.ag.ca.gov/gambling), with links to related California Penal Code Sections, and the direct line to the Division employee handling the Charitable Gambling workload.

# Steps for NPO's and Gambling Equipment/Service Suppliers

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1. Read Assembly Bill 839 and California Penal Code Sections 330-337z.
2. If qualified, request and fill out the correct application.
3. Send all requested documents and fees to the Division at least 30 days before the fundraising event.
4. Once an application is approved by the Division, a Certificate will be issued to the applicant.
5. Post the Certificate in a conspicuous place visible to the public within the facility where controlled games are being played.







# Division steps for processing applications

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1. Verify NPO's are exempt with the State Franchise Tax Board.
2. Verify if NPO's are registered with Charitable Trusts.
3. Verify if NPO's and Suppliers have had complaints filed against them with the Better Business Bureau.
4. Verify how many times the location of the event has been used for "Poker Night" fundraisers.

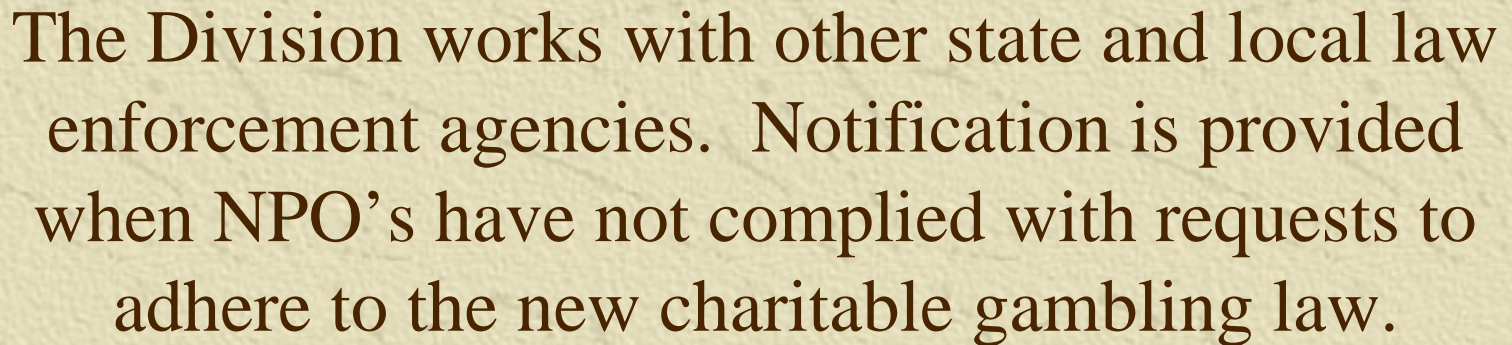
## Division steps for processing applications (continued)

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5. Enter all data submitted on application into the Division's database.
6. Verify the registration fee check has been made out to the California Department of Justice and is the correct amount.
7. If application is approved, send Certificate to NPO or Gambling Equipment/Service Supplier.
8. If denied, send letter explaining reason for denial.







The Division also receives requests from local agencies to assist in establishing or implementing ordinances based on AB 839.

The State Franchise Tax Board assists the Division and applicants in obtaining the necessary documentation needed to verify exemption status.





# Bingo and Raffles



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Bingo is not regulated by the State, however it may be regulated by local ordinance. For information about Bingo, please contact local law enforcement agencies.

Raffles are regulated by Charitable Trusts at the CA Attorney General's Office. For information regarding raffles, please contact Charitable Trusts, or visit [www.ag.ca.gov](http://www.ag.ca.gov) and click the "Charities" link.





# Thank You!

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