



# Arizona Department of Gaming Guide to Off-Reservation Gambling

Poker tournaments and gambling have become a popular way for charities and non-profit groups to raise money for worthy causes. Many charities, parent-teacher organizations, homeowners associations, religious groups, sports leagues, fraternal orders, and other non-profits are hosting Texas Hold 'Em poker tournaments, "Casino Nights," and other gambling events. Some bars, restaurants, and other businesses also are using poker games to attract customers.

Before your organization or business hosts a gambling activity, make sure your event doesn't violate state laws against gambling. Here are some common pitfalls your group or business needs to avoid:

## Top Gambling Violations

In Arizona, gambling is deemed to be illegal when any of the following conditions exist:

- The host of the game requires that players pay fees in order to participate (buy-ins or re-buys);
- The host requires a cover charge, donation, or "voluntary" donation from players who want to participate in the game;
- The host takes a percentage of the money the players wager or win;
- The host requires a minimum purchase (food, drink, or any other item);
- The host provides equipment (chair, chips, tables, cards, or other items) and charges players rental fees, equipment fees, user fees or other fees in order to participate.

These are some of the most common forms of illegal or potentially illegal gambling in Arizona:

### 1. **Poker Tournaments, Poker Games, Texas Hold 'Em**

Poker Tournaments are commonly held at local bars and restaurants, event centers, and, occasionally, private residences. These include games such as "Texas Hold 'Em."

Poker Tournaments become illegal when the host of the event requires any type of entry fee, cover charge, or purchase in order to play. For example, if the bar charges players a fee to play, the poker game is illegal. If the bar, restaurant, or other venue asks players for a cover charge in order to enter the bar, restaurant, or venue that is hosting the poker tournament, the game is illegal. If the host takes a percentage of the money the players bet, the game is illegal. If the host requires players to buy food, beverages, T-shirts, or other items in order to participate, the game is illegal.

### 2. **Sports Pool Contest**

A typical "Sports Pool" contest uses a chart that consists of a predetermined number of squares arranged in a grid format. A specific chart is used for each sporting event. Participants purchase one or more of the squares for a specified amount of money. The participants can win all or a portion of the pooled money if their square is chosen as the winning square in the competition.

Sports Pools are considered illegal if the host of the event receives a fee for his services or if all the pooled money doesn't go back to the participants. If the host takes a percentage of the pooled money, the Sports Pool is illegal.

### 3. **Fantasy Sports Team**

In a typical "Fantasy Sports Team" contest, a participant purchases an ideal team roster. The roster consists of players selected by the participant for the purpose of competing in the contest. Typically, participants must pay an additional cost to trade players with each other. A participant has an opportunity to win either a portion of the pooled money or a prize based on his team's performance during the season relative to the performances of the other participants' fantasy teams.

Fantasy Sports Team games are illegal if the host of the event receives a fee for services provided or if all the pooled money doesn't go back to the participants. If the host takes a percentage of the pooled money, the Fantasy Sports Team contest is illegal.

#### 4. Games of Skill

Games of Skill include billiards ("pool"), darts, trivia, or other intellectual games. Usually, the participants bet among themselves and the winner of the competition receives the amount wagered.

Games of Skill are illegal if the host of the event receives a fee for services provided or if all the money wagered doesn't go back to the participants.

#### 5. Poker Runs

Poker Runs for charity (such as those staged by motorcycle or car clubs) amount to illegal gambling under Arizona law. Poker Runs typically have a participant pay a registration fee or purchase cards or hands at various rally points. At the end of the Poker Run, a cash prize is usually awarded based on the hand the participant receives. Even if the contribution goes to a charitable cause or to a non-profit organization, participants still pay money to enter, which makes the activity illegal gambling.

#### 6. 50-50 Drawings

A 50-50 Drawing is a type of Raffle in which the funds raised are split 50-50 between the fund-raisers and the winner. 50-50 Drawings are illegal in Arizona. The participant is required to purchase tickets for a chance to win cash, a requirement that makes the 50-50 Drawing illegal. Raffles are permitted only if they are conducted by tax-exempt organizations under very strict conditions set out by Arizona law.

#### 7. Office Pools

In a typical Office Pool, employees in the office wager and make their best guesses on the outcome of a future event, with all the money going to the person whose guesses turn out to be the most accurate. Office Pools are often centered on the results of an athletic contest (e.g., the Super Bowl, World Series, or NCAA College Football or Basketball Championships). Office Pools can also involve bets on other events, such as the birth of a child (e.g., birth date, gender, or weight of the child). Office Pools are ordinarily considered to be forms of gambling.

Office Pools are illegal if the host or organizer receives a fee for services provided or if all the money wagered doesn't go back to the participants. If the organizer takes a percentage of the money bet or won, the Office Pool is illegal.

Under Arizona law, all "gambling" is unlawful and subject to criminal penalties unless it falls within a statutory exclusion or exception (A.R.S. § 13-3302). There are six statutory exceptions to Arizona's general prohibition on gambling:

- (1) gambling at state, county, or district fairs that satisfies certain restrictions;
- (2) raffles conducted by certain qualifying non-profit organizations;
- (3) raffles conducted by certain state, county, or local historical societies;
- (4) "regulated gambling" as defined in A.R.S. § 13-3301;
- (5) "amusement gambling" as defined in A.R.S. § 13-3301; and
- (6) "social gambling" as defined in A.R.S. § 13-3301.

The prohibition against gambling takes into consideration the circumstances under which games of chance or skill are played.

Even when the form of gambling is legal, participants must be 21 years or older.

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