

Poker tournaments in licensed premises

The Alcoholic Beverage Control Law prohibits gambling in establishments licensed for the retail sale of alcoholic beverages. The State Liquor Authority regularly receives inquiries regarding whether certain events, poker games and tournaments in particular, constitute illegal gambling.

The Free Poker Network (“FPN”) recently requested a declaratory ruling as to whether the tournaments that it conducts can be conducted in licensed premises. After reviewing the details of FPN’s proposal, The Authority held that the tournaments would not constitute gambling. In order to assist licensees in their efforts to comply with the law, the Members of the State Liquor Authority have issued a declaratory ruling which states that a poker game or tournament, if conducted in compliance with the following conditions, shall not constitute gambling within the meaning of the Alcoholic Beverage Control Law. Licensees are warned, however, that the failure to satisfy any of these conditions may result in a determination that the particular event is gambling, subjecting the licensee to disciplinary action by the Authority.

1. No fee, of any kind, is required to be paid by, or on behalf of, a contestant to participate in the game or tournament;
2. A contestant shall not be required to purchase anything from the licensee, or any other party, in order to participate in the game or tournament;
3. A contestant shall not be required to pay a fee to enter the licensed premises in order to participate in the game or tournament;
4. The price of food and beverages at the licensed premises during any game or tournament shall not be higher than the prices regularly charged by the licensee;
5. The licensed premises shall remain open to the public during any game or tournament with food and beverages available for purchase by non-contestants;
6. Each contestant shall be provided with the same number of poker chips and no additional chips may be purchased for use at the game or tournament;
7. No contestant shall have the ability to pay money to the licensee or any other party to gain benefits not provided to all contestants;

8. Any wagers or bets are to be made using chips or other tokens supplied free of charge to contestants;
9. Items #1 through #8 above shall be prominently displayed on signs publicly posted at the licensed premises and in written materials distributed to contestants.