

## **Poker Tournaments, Casino Nights, Etc.**

### **From the Texas Attorney General Website:**

#### Poker/Casino Nights

1) *Can my nonprofit hold a poker tournament or casino night fundraiser?*

Unlike raffles and bingo, there is NO exception to the gambling law in Texas for nonprofits to hold poker or casino night fundraising events. The gambling law, Chapter 47 of the Penal Code, applies to nonprofits and to for profits equally. See Tex. Pen. Code Ann. §47 (Vernon 2003). Basically, there are three parts to an activity that could make it illegal gambling: 1) money or anything of value is paid to enter the game; 2) the winners are decided by a game of chance and 3) prizes of value are awarded. If all three of those conditions are met, then it's probably gambling and illegal. If the game is free to enter, then prizes of value may be awarded. If an entry fee is charged, then prizes of value may not be awarded. There are some exceptions to this rule, including certain carnival contests in which prizes with a value of less than \$25 are awarded and mechanical devices for amusement purposes in which prizes with a value of less than \$5 are awarded. If your organization is considering conducting an event involving a game of chance, you should consult Chapter 47 of the Penal Code to determine its legality.

2) *What if the poker tournament or casino night is held in a private place?*

It is legal for individuals to play poker or other casino activities in a private place, defined as "a place to which the public does not have access." They can bet money and win money. However, all money must be redistributed to the participants. The "house" cannot keep a cut, thus it would obviously be difficult for a nonprofit to raise funds in this way.

### **From the Texas Bar Association Website**

#### *Do Nonprofits Have Options?*

While a nonprofit may not be able to hold a tournament where an entry fee is charged, they are not altogether precluded from putting on such events. According to the Attorney General, organizations are allowed to hold tournaments where prizes are awarded to the winners, such as gift certificates or even trips to Las Vegas, as long as the organization charges no entry fee. They could then sell food and beverages, including alcoholic beverages, to make money. In addition, a nonprofit could solicit underwriters or sponsors for the tournament and give prizes to winners. Or, a nonprofit could charge an entry fee and not offer prizes, but offer door prizes open to all entrants, regardless of the poker hand they draw.

#### **Other Sources**

There are companies that organize these events that should have knowledge of the legalities: See [http://www.dallascasinoevent.com/fund\\_raising\\_events.html](http://www.dallascasinoevent.com/fund_raising_events.html) . **The Diocese makes no recommendations on the content of this web site or any of the entities.**