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# **SOCIAL GAMBLING**

**TIPS TO**

**REMEMBER**

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The purpose of this document is to inform the public of Arizona Gambling Laws and how the laws apply to various forms of gambling. This information is not intended to provide legal advice.

## **DEFINITION OF GAMBLING**

“Gambling” or “gamble” means one act of risking or giving something of value for the opportunity to obtain a benefit from a game or contest of chance or skill or a future contingent event.

## **STATUTORY EXCEPTIONS**

For a full explanation of state gambling laws, please see Arizona Revised Statutes **(A.R.S.) § 13-3302**. While there is a general prohibition on gambling in Arizona, the following are exceptions recognized by statute:

- Gambling at state, county, or district fairs that satisfy certain restrictions
  - Raffles conducted by certain qualifying, non-profit organizations
  - Raffles conducted by certain state, county, or local historical societies
  - “Regulated gambling”
  - “Amusement gambling”
  - “Social gambling”
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## **BENEFIT**

Includes anything of value or advantage, present or prospective.

## **DIRECT BENEFIT**

Includes taking a percentage of a pot, charging an entrance fee, or renting chairs or equipment to players.

## **INDIRECT BENEFIT**

Includes using gambling to attract customers to a bar or restaurant or increased food and beverage sales because of illegal gambling.

- *These are examples and not an exhaustive list. For complete details regarding benefitting from gambling, you are strongly advised to obtain legal advice to ensure compliance with State laws*
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## **TOP GAMBLING VIOLATIONS**

In Arizona, gambling outside of approved tribal casinos may be deemed illegal when it lies outside the definition of “social gambling” or 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 suggested “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
- The host is conducting gambling as a business enterprise

## **EXAMPLES OF GAMBLING THAT MAY BE SUBJECT TO ARIZONA LAW:**

### **50/50 DRAWINGS OR RAFFLES**

Funds raised are split 50-50 between the fund-raisers and the winner and the participant is required to purchase tickets for a chance to win cash. These raffles are only permitted if they are conducted by tax-exempt organizations under very strict conditions set forth by Arizona law.

### **POKER TOURNAMENTS**

Poker Tournaments are commonly held at local bars and restaurants, event centers, and, occasionally, private residences. These include games such as "Texas Hold 'Em." The gaming host must carefully design the rules and procedures of play so that there is no buy-in to play, no cover charge, and no requirement that patrons purchase items from the establishment. Players do not play with cash, nor do they receive cash for their winnings. The game play is set up for patrons to accumulate points and be eligible to receive non-monetary prizes.

### **CHARITABLE GAMBLING**

Charitable gambling is run for the benefit of nonprofit organizations, although the organization may not necessarily be the operator of the games. This type of gambling is only acceptable for certain affiliations which conform to Arizona Revised Statutes. These include:

- An organization that has qualified for an exemption from taxation of income for a required number of years
- Certain historical societies designated by this state or a county, city or town

### **PITFALLS COMMON TO CHARITABLE POKER TOURNAMENTS**

The charitable organization cannot require a specified donation in order to participate in the poker tournament. In other words, even those who do not wish to donate must have an equal chance to play and win.

- The game cannot have required Buy-ins or Re-buys.
- A donor's ability to wager cannot depend on the size of the donation; in other words, a donor cannot gain additional wagers by contributing more money. (For example: a donor cannot purchase additional chips)

### **GAMES OF SKILL**

Games of Skill include billiards ("pool"), darts, trivia, or other intellectual games. Instead of betting among themselves, participants take part in an organized tournament with promoters also benefitting from the proceeds.

### **SPORTS POOL CONTEST**

A specific chart is used for each sporting event and consists of a predetermined number of squares arranged in a grid format. Participants purchase one or more squares for a specified amount resulting in the chance to win money if their square is chosen as the winning square. Organizers keep a percentage of money wagered.

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### **ORGANIZERS AND PLAYERS BEWARE!**

Violating Gaming laws can result in civil and/or criminal penalties. 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 of age or older. **Groups that wish to participate in social or charitable gambling do so at their own risk, and are strongly advised to obtain independent legal advice to ensure that their event complies with the law.**