

This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.

Casino Night, Poker Tournaments, Raffles and Bingo Games: Your Fundraiser Could Be Illegal Gambling

Georgia law prohibits gambling activities like "Casino Nights" and poker tournaments, even for the purpose of nonprofit fundraising. Georgia law does have exceptions that allow nonprofit organizations to operate raffles and bingo games, if the proper license is obtained and subject to numerous regulations and restrictions.

Definition of Gambling

In Georgia, gambling consists of three elements:

- Consideration (guests have to pay for their tickets or gamble with their own money);
- A prize (reward for winning); and
- Chance (nature of gambling, which involves luck and not skill).

When all three elements exist, the activity is gambling and is illegal in Georgia regardless of the purpose.

"Casino Nights"

A typical Casino Night fundraiser usually involves participants purchasing a ticket to the event (<u>consideration</u>) and receiving "play money" to use in playing casino games (which always involve an element of <u>chance</u>). <u>Prizes</u> are distributed based on the outcome of the casino games. The nonprofit organizer of the event keeps the money in excess of the expenses for the games and prizes.

Gambling fundraisers organized in this manner, typically called "Casino Nights" or "Las Vegas Nights", constitute **illegal** gambling in Georgia, even if the purpose is nonprofit fundraising.

For a Casino Night not to be illegal gambling, one of the three elements of gambling (consideration, prize or chance) must be eliminated. Casino Night games are all games of chance so it is impossible to eliminate that prong. Therefore, either consideration (guests must pay to participate or attend the event) or prize (the reward for winning) must be taken away. Unfortunately, an event without a charge to participate does not make sense as a fundraiser and games without prizes may leave attendees unhappy.

Poker Tournaments

At a typical poker tournament, a participant pays an entrance fee to the nonprofit organizer of the event to play poker. The nonprofit awards prizes based on the outcome of the tournament and keep the money in excess of the prizes and operation costs.

Charitable poker tournaments organized in this way are **illegal** in Georgia regardless of the purpose of the tournament.

Under Georgia law, a person gambles when he plays and bets for money or other things of value at any game played with cards, dice or balls. Even though there is an element of skill involved, poker and other card games are considered games of chance.

Again, the element of chance cannot be eliminated and so either consideration (the charge to participate) or prize must be taken away in order for the event not to be illegal gambling. Poker tournaments without charges to participants or prizes don't generally make for successful fundraisers.

Raffles

While raffles are generally considered illegal gambling in the state of Georgia, the Georgia code allows raffles to be conducted by nonprofit, tax-exempt organizations that obtain the proper license.

Nonprofits wishing to conduct a raffle must obtain a license from the sheriff of the county in which the organization is located. For more information about obtaining a raffle license, please refer to the <u>Raffle License article</u> on the Pro Bono Partnership website.

<u>Binao</u>

Recreational bingo is not a form of illegal gambling in Georgia. Recreational bingo means games that are operated at no charge to participants and the prizes for each game are non-cash prizes that have a value of \$15 or less. Because there can be to charge to participate, recreational bingo games don't make sense as fundraisers.

Non-recreational bingo games charge fees to participants and/or have prices valued at more than \$15. While non-recreational bingo games are generally considered illegal in the State of Georgia, the Georgia code allows bingo games to be conducted by nonprofit, tax-exempt organizations that obtain the proper license. For more information about obtaining a bingo license, please refer to the Bingo License article on the Pro Bono Partnership website.