

Texas Hold'em Poker Tournaments

With the recent popularity of the televised World Series of Poker events, many business owners would like to offer this type of activity to their customers. There are some steps that must be followed in order to legally conduct a poker event. In particular it's the phenomenon of the Texas Hold'em Poker Tournaments that seems to be of most interest to licensees.

If there is any kind or type of entry fee tied to playing the game and if the players can win any type of prize or money, the event would not be legal. This would include any fee or cost to pay for a meal or minimum beverage purchase, or prizes to be awarded, etc. In other words if you have to pay to play, it's not permitted. If there isn't an entry fee, or donation, or if the players are not competing for anything of value – other than world wide acclaim to their poker playing savvy that is, then the event can be legally held.

For your information, the charitable gaming division of the Nebraska Department of Revenue has advised that donating part of the proceeds to charity does not make this kind of event legal. This is a popular point of view that is incorrect.

The explanation follows; in Nebraska we have three elements in order for an activity to be considered illegal gambling, 28-1101 (4) & (6).

1. Consideration – there is a cost, of something of value to play – see the above statute for a definition of value.

2. Chance – this means the outcome of the event/activity/game is predominately based on chance. Or that the potential of winning the game is based on more chance as opposed to skill. Often people offer the opinion that poker is a game of skill. Skill has several definitions and interpretations but if the outcome of an event or game can be influenced by the player as a result of their own actions (knowledge and ability) then there is skill involved. The degree of skill is another matter. Poker is often considered a game of skill because the actions of a player can determine the success ratio of a individual player. In poker there are five elements of skill – 1) knowledge of the games mathematics, 2) money management (like Kenny Rogers sings ya got to know when to hold em, ya got to know when to fold em), 3) psychological deception, 4) card memory and knowledge of probability, and 5) intestinal

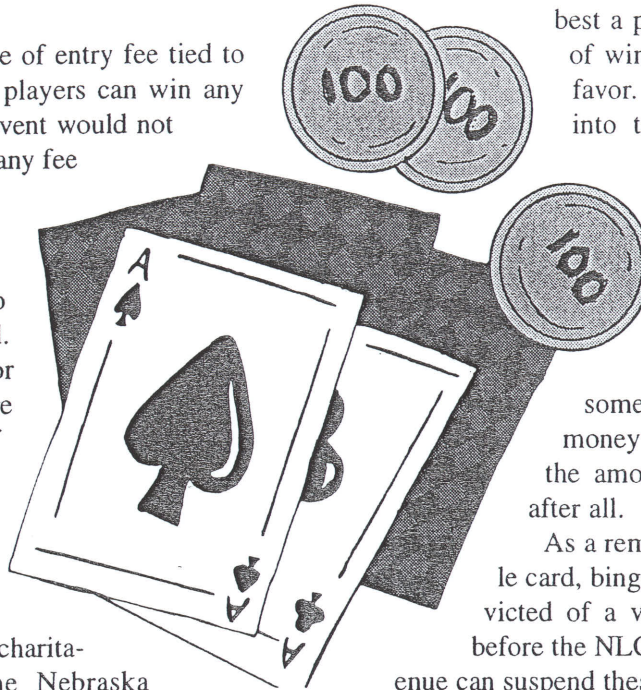
fortitude or betting courage. However the most highly skilled players can not control what cards they are dealt, which in most hands determines who ultimately wins and loses (bluffing notwithstanding). And even given the skill of the player they can't know with any degree of certainty

the cards in hands of their opponents either. The best a player can do is to calculate the odds of winning and hope the odds are in their favor. Or that they can bluff their opponents into thinking their cards are better. The cards that any player draws is still a product of chance and all of their skill can't change that factor. So while poker is a game of considerable skill, the level of skill does not overcome the element of chance.

3. Reward – the player can win something of value – it does not have to be money or in an amount equal to or greater to the amount wagered – it's called gambling after all.

As a reminder if an establishment has a pickle card, bingo or keno permit and if they are convicted of a violation, including illegal gambling before the NLCC the Nebraska Department of Revenue can suspend these permits as well.

If you have any questions about this information or any enforcement related issue, please feel free to contact the Alcohol/Tobacco Enforcement Division of the Nebraska State Patrol at (402) 471-8494.



**UPCOMING
COMMISSION
MEETING DATES**
June 30 and July 1, 2004
August 9 and 10, 2004
September 30 and October 1, 2004
November 4 and 5, 2004