



STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

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## Texas Hold'Em Poker Tournaments or Leagues

**Texas Hold'Em poker tournaments and leagues are illegal in establishments licensed by the Michigan Liquor Control Commission if there are any prizes offered or awarded to any participant, unless the tournament is conducted under a Millionaire Party License issued by the Michigan Bureau of State Lottery.**

### **Prizes are the Key:**

- If any prizes (other than trophies or plaques) are offered or awarded to any participant of a Texas Hold'Em poker tournament or league conducted on MLCC licensed premises, it is considered unlawful gambling in violation of Rule R436.1013, unless the event is conducted by a non-profit charitable organization that has obtained a Millionaire Party License from the Charitable Gaming Division of the Michigan Bureau of State Lottery.
- Regardless of who is providing the prize, when the prize is awarded, or where the prize is given, any prize awarded to any participant makes the tournament or league illegal. This would include sponsorship or the providing of entry fees and/or travel expenses to persons to attend a future poker tournament.
- The prize prohibition would include poker leagues that award points to participants that result in the eventual awarding of prizes or that can be redeemed for anything of value.
- Nominal value trophies and plaques can however be awarded to participants.

### **Lack of Entry Fee Doesn't Make Texas Hold'Em Legal:**

- **It does not matter whether participants are paying an entry fee or not.** The fact that a person must be in attendance to participate and win is deemed "consideration", one of the three necessary elements of gambling (prize, consideration, and chance). Consideration goes beyond an entry fee, cover charge or other money fee required to participate in a contest or other event. Required attendance to participate in an event is considered valuable consideration by the Liquor Control Commission. Therefore, consideration is not the key fact in determining whether the Texas Hold'Em tournament or league is unlawful gambling. The key component that makes Texas Hold'Em Tournaments unlawful gambling is whether there are any prizes awarded to participants. If any prizes are or offered or awarded at any time, other than trophies or plaques, the activity is unlawful gambling, unless a Millionaire Party License has been issued by the Lottery Bureau.

### **No Prize Texas Hold'Em Tournaments or Leagues Are Legal:**

- If no prizes are offered or awarded to any participant, Texas Hold'Em tournaments and leagues are legal in licensed establishments. Trophies and plaques are not considered prizes of value and can be awarded as long as they can not be redeemed for something of value. **However, anything of value awarded to any participant at any time would make the tournament or league unlawful gambling, except in cases where a Millionaire Party License has been issued.**
- **Licenseses must have an Entertainment Permit, or a Temporary Entertainment Permit, to conduct a Texas Hold'Em Tournament or league on their licensed premises, unless the event is covered by a Millionaire Party License, in which case an Entertainment Permit is not required from the MLCC.**
- The same criteria would hold true for satellite, computer, or other electronic interactive Texas Hold'Em games, including games by NTN Entertainment or similar operations that provide participants with gaming consoles to play against participants at other sites with games displayed on projection screens. If there are any prizes involved, regardless of who is providing the prize or where the prize is awarded, the poker tournament or league would constitute unlawful gambling.

## **Responsibility:**

- Licensees are responsible for all activities occurring on their premises, including events conducted by third parties. If an unlicensed third party conducts a poker tournament or league on licensed premises that awards prizes to participants, the retail licensee will be cited by the Michigan Liquor Control Commission for allowing unlawful gambling on licensed premises in violation of Commission Rule R436.1013. Licensees found responsible for unlawful gambling violations are subject to fines, license suspension or license revocation.
- Licensees who are hosting unlawful gambling events in their establishments can also be held criminally responsible under the Michigan Penal Code for allowing unlawful gambling on their licensed premises.

## **Millionaire Party License – Bureau of State Lottery:**

- A Millionaire Party License from the **Charitable Gaming Division of the Michigan Bureau of State Lottery** is required to conduct a Texas Hold'Em Tournament with prizes.
- A Millionaire Party License is available only to qualifying charitable non-profit organizations.
- For additional information on Millionaire Party Licenses, contact the Charitable Gaming Division at (517) 335-5780 or visit their website at: [www.michigan.gov/cg](http://www.michigan.gov/cg).
- A Millionaire Party License authorizes Texas Hold'Em tournament, along with other games approved by Lottery including: Let It Ride, Seven Card Stud, Blackjack, Roulette and Craps.
- Non-profit organizations may obtain up to four (4) Millionaire Party Licenses per calendar year.
- The A Millionaire Party License is good only from 8:00 a.m. until 2:00 a.m.
- Entry fees can be charged by the non-profit charity. No limit by rule but the limit must be posted post as part of house rules.
- Participants must be 18 years of age or older
- Maximum prize can not exceed the total amount of chips sold to participants by the Millionaire Party Licensee.
- Prize can be cash, merchandise or a combination of both.
- A Millionaire Party can be hosted by an establishment licensed by MLCC if a non-profit entity obtains a Millionaire Party License from the Bureau of State Lottery. The non-profit entity obtaining the Millionaire Party License is responsible for conducting the tournament.
- Bar owners may not participate in any manner in the operation or management of the Texas Hold'Em Tournament; may not receive a percentage of the revenue or profit raised from the conduct of the tournament; or rent equipment for the conduct of the tournament.
- Bar owners hosting any Texas Hold'Em Tournament must derive all the profits from the sale of alcoholic liquor, unless the non-profit group obtaining the Millionaire Party License also obtains a Special License from the Commission, in which case the liquor licensee must put their license in escrow for the duration of the Special License.

## **Additional Questions – Contact MLCC:**

- Michigan Liquor Control Commission  
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