

MONTANA TAVERN TIMES

Card Tournaments - October 1, 2011

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As an extension of September's article on the Card Games Act, this month we will review the ins and outs of live card game tournaments. A licensed operator who has a permit for at least one live card game table may conduct up to 12 live card tournaments a year. The operator must submit an application (www.doj.mt.gov/gaming/forms/14.pdf) to the department at least 10 working days before the start of the tournament along with the \$10.00 application processing fee. The card game typically played in these tournaments is poker. Many of the regular poker rules/regulations (e.g. \$300 pot limits, chips having value, rakes, etc.) are suspended during tournament play. Some highlights of the tournament regulations are as follows:

- Each tournament may last for no more than 5 consecutive days.
- An operator may add as many additional tables as needed (up to occupancy load) during the tournament.
- Each card game must be conducted by a card dealer licensed by the department.
- The total paid by an individual to participate in a tournament may not exceed \$2,500 (including entry and reentry fees).
- Rake offs are not allowed during tournaments.
- The house can charge an administrative fee to run the tournament (typically part of the entry-fee).
- There are no limits on the payouts. Payouts are based on number of entries and reentries.
- A copy of tournament rules must be provided to every participant and as well as posted in a conspicuous location in each area where the tournament is conducted.
- When holding more than one tournament a year, at least 7 days must lapse between tournaments.

During a poker tournament, the poker chips do not have value like they do in regular poker games (they cannot be cashed out). The winner of the tournament is determined based on the chips or points accumulated during games. If a tournament is more than one day, the tournament rules must state that the payout is at the end of the tournament. There is currently a misconception that payouts can be made daily, but this is not correct. That issue will be clarified in our proposed Administrative Rules.

For each tournament, the location operator must maintain a record of all entry fees and reentry fees for a period of 12 months following the tournament and provide it to the department upon request.

Progressive tournaments are allowed as well. This occurs when the winners of a various tournaments move to the next round, and the ultimate prize is not awarded until the final round of the tournament is complete.

- The tournament must be publically identified as being part of a progressive tournament prior to initiation of the tournament.
- Each location that participates in the progressive tournament must obtain a card game tournament permit (and note it on the application form).
- Prize(s) may include the right to participate in the higher level of tournament play, as long as the value of the higher level tournament is equal to the value of the expected top prize in the tournament.
- Other tournament rules apply.

If the tournament is represented as a charitable tournament, at least 50% of the total of all entrance fees must be paid to charitable, educational, or recreational nonprofit organization(s). This needs to clearly be included in the rules of the tournament. The record of distribution of the tournament proceeds (in addition to the entry and reentry fees) must be maintained for a period of 12 months following the tournament and provided to the department upon request.

No card game tournaments are allowed to be part of Casino Nights.

For more information, please call our office at (406) 444-1971 or email gcd@mt.gov. (References: Title 23, Chapter 5, Part 3, MCA; Title 23, Chapter 16, Subchapter 11, ARM)