



STATE OF ARIZONA
DEPARTMENT OF LIQUOR LICENSES AND CONTROL

JANICE K. BREWER
GOVERNOR

ALAN EVERETT
DIRECTOR

March 15, 2011

TO: ALL PRIVATE CLUBS WITH A SERIES #14 ARIZONA LIQUOR LICENSE

RE: ILLEGAL GAMING IN LIQUOR LICENSED ESTABLISHMENTS

Dear Licensee,

Recent reports of slot machines and other illegal gaming activities at private clubs, with liquor licenses, have gained the attention of Arizona Departments of Liquor and Gaming. Pursuant to Arizona Revised Statutes (ARS) 4-244(26), it is unlawful for a licensee or employee of a licensee "to knowingly permit unlawful gambling on the premises." Licensees who knowingly allow unlawful gambling may be subject to penalties imposed by the Arizona Department of Liquor Licenses and Control, up to and including civil penalties, license suspension, training, refusal to renew a license and revocation (See ARS 4-210 and ARS 4-210.01).

Gambling means the 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. Unless your organization is a licensed Arizona Lottery Retailer, the only times gambling is legal in Arizona is when the act meets the definition of either *amusement gambling* (which requires the player's active participation with the device, likely lacking in a slot machine), *regulated gambling* (gambling conducted in accordance with a Tribal-State Gaming Compact) or *social gambling* (in which no other person may receive any direct or indirect benefit from the gambling activity) (See ARS 13-3301).

Knowingly furnishing assistance for the conduct of gambling or the promotion of gambling is a class 5 felony (See ARS 13-3303(A)(2)(B)). All licensees and their employees should know and adhere to Arizona liquor licensing and gambling laws. You may access the Arizona Revised Statutes (ARS) directly via the Internet at <http://www.azleg.gov/ArizonaRevisedStatutes.asp>, or if you require legal advice, please consult an attorney.

This information is provided to assist in your compliance with liquor and gaming laws of Arizona. This letter does not constitute legal advice.

Sincerely,

Alan Everett, Director
Arizona Department of Liquor Licenses and Control

Mark Brnovich, Director
Arizona Department of Gaming