

March 10, 2014

Telephone: 717-783-9454
Fax: 717-787-8820

Annette Jensen
VIA Email: annette@nep.net

RE: Raffle Tickets

Dear Ms. Jensen:

ISSUE: This office is in receipt of your email of February 7, 2014, in which you ask whether it would be permissible for non-profit organizations which do not hold a liquor license to sell charity raffle tickets at your licensed premises. You state that the drawings and rewards would not take place on the licensed premises.

Records maintained by the Pennsylvania Liquor Control Board (“Board”) indicate that you are Manager/Steward of AJ’s Inn-Ovation, Inc., which is the holder of Restaurant Liquor License No. R-1714 (LID 32427) for use by it at premises located at 92 Dundaff Street, Carbondale, Pennsylvania.

OPINION: Initially, please be advised that section 5.32 of the Board's Regulations [40 Pa. Code § 5.32] allows retail licensees to hold self-sponsored events, tournaments or contests on their licensed premises. Events, tournaments and contests are defined as “a competitive endeavor involving skill, speed, strength or endurance,” and may involve physical attributes of contestants.” [40 Pa. Code § 5.30]. Events, tournaments, and contests sponsored by the licensee are subject to the following rules: there may be no unlawful gambling directly or indirectly associated with the event, tournament, or contest; there may be no alcohol consumption as part of the event, tournament, or contest; the price of admission may not include, or entitle the participant to receive, an alcoholic beverage. [40 Pa. Code § 5.32(e)]. Alcohol may not be awarded as a prize or part of a prize for any event, tournament, or contest on licensed premises. [40 Pa. Code § 5.32(h)].

Self-sponsored means paid for and carried out by the licensee. It would not be permissible for a third party to conduct such events, tournaments or contests.

However, retail licensees may permit events on the licensed premises sponsored by groups constituting a league, or events for the benefit of, and officially sponsored by, bona fide charitable organizations that are qualified, approved by and registered with the Department of State and operated under 49 Pa. Code Part I, Subpart B (relating to charitable organizations). [40 Pa. Code §§ 5.32(d)(3)-(4)(i)]. A charitable organization event must be operated in accordance with the Solicitation of Funds for Charitable Purposes Act [10 P.S. §§ 162.1-162.24] and, if applicable, the Local Option Small Games of Chance Act [10 P.S. §§ 311-327] and the Bingo Law [10 P.S. §§ 308-308.1]. [40 Pa. Code § 5.32(d)(4)(ii)].

It should be noted that gambling activities, while unlawful generally, may be considered to be lawful if conducted by an entity that holds a small games of chance permit pursuant to the recently amended Local Option Small Games of Act.

Please be advised that the Board is not authorized to interpret the Local Option Small Games Of Chance Act. [10 P.S. §§ 311-327]. Therefore, it is recommended that you contact your County Treasurer's Office and/or the Department of Revenue, Miscellaneous Tax Division, at (717) 787-8275, with any small games of chance questions. You may also wish to contact the Bureau of Liquor Control Enforcement, at (800) 932-0602, as it enforces such laws and the Liquor Code.

In addition, please note that the Pennsylvania Department of Revenue publishes a "Small Games of Chance Overview" that may be helpful to you. This overview can be obtained through the Department of Revenue's website, located at www.revenue.state.pa.us/SGOC. Select "Small Games of Chance Overview."

Please feel free to again contact this office if you have any further questions regarding this matter, the Liquor Code, or the Board's Regulations.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS

BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE
PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Pennsylvania State Police,
Bureau of Liquor Control Enforcement
Jerry W. Waters, Director of Office of Regulatory Affairs
Tisha Albert, Director, Bureau of Licensing
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 14-059