

November 23, 2015

Ann Daniels
Hammerjax Bar & Grill
Steeltown Saloon, LLC
350 Phillips Road
Clifton Township, Pennsylvania
VIA E-MAIL

RE: Raffles/Tricky Trays

Dear Ms. Daniels:

ISSUE: This is in response to your e-mail of October 14, 2015, wherein you state you own an establishment in Lackawanna County. It is your understanding that you are unable to hold tricky tray baskets/raffles on the licensed premises at any time, even for a benefit of an individual, but that it is permissible if it is for a qualified charitable organization. You inquire as to the qualifications of a charitable entity and request clarification of the regulations pertaining to raffles.

Records of the Pennsylvania Liquor Control Board (“Board”) indicate that Steel Towne Saloon, LLC holds Restaurant Liquor License No. R-20205 (LID 67333) for use by it at 350 Phillips Road, Clifton Township, Pennsylvania.

OPINION: Section 5.32 of the Board's Regulations [40 Pa. Code § 5.32] permits retail licensees to hold self-sponsored events, tournaments or contests on their licensed premises. 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)].

Events, tournaments, and contests that are sponsored by the licensee are subject to the following rules:

- There may not be unlawful gambling directly or indirectly associated with an activity on the licensed premises.
- There may not be an event, contest or tournament which involves the consumption of alcoholic beverages by an event, tournament or contest participant.
- The price of a ticket or evidence of admission to an event, tournament or contest may not include a charge or assessment for alcoholic beverages or entitle the holder thereof to receive an alcoholic beverage anywhere on the licensed premises.
- The total value of all prizes awarded for any event, tournament or contest may not exceed one thousand dollars (\$1,000.00), and the total value of all prizes awarded in a seven (7)-day period may not exceed twenty-five thousand dollars (\$25,000.00).

[40 Pa. Code § 5.32(e)].

Finally, licensees must maintain records of the prizes and winners on the licensed premises for two (2) years following the event, tournament, or contest. [40 Pa. Code § 5.32(e)(9)].

It should be noted that some gambling activities, while unlawful generally, are considered to be lawful if conducted by an entity that holds a small games of chance permit. Organizations that hold a small games of chance permit and are eligible to conduct events, tournaments and contests are subject to the prize limitations of the Local Option Small Games of Chance (“SGOC”) Act [10 P.S. §§ 311-327] and/or the Bingo Law [10 P.S. §§ 301-308.1].

Please be advised that the Board does not regulate the SGOC Act [10 P.S. §§ 311-327] and as such, the interpretation of this law falls outside of the scope of the Board's authority. You may find helpful information on the website for the Department of Revenue which regulates SGOC: <http://www.revenue.state.pa.us>. You may also wish to contact your County Treasurer or the Pennsylvania Department of Revenue, Miscellaneous Tax Division at (717) 787-8275 to determine what activities are permissible with such a permit and what prize limits are permissible. Finally, you may wish to contact the local police, the Pennsylvania State Police, or the County District Attorney's Office for an official opinion concerning whether the raffles you have proposed would constitute unlawful gambling.

You may also wish to contact your County Treasurer or the Pennsylvania Department of Revenue, Miscellaneous Tax Division at (717) 787-8275 to determine what activities are permissible with such a permit and what prize limits are permissible. Finally, you may wish to contact the local police, the Pennsylvania State Police, or the County District Attorney's Office for an official opinion concerning whether the raffles you have proposed would constitute unlawful gambling.

It should be noted that even if the raffle itself is lawful, the giving of alcohol as a prize is not. Pursuant to section 493(24) of the Liquor Code [47 P.S. § 4-493(24)], Board Advisory Notice No. 10 (6th Revision) and section 5.32(h) of the Board Regulations [40 Pa. Code § 5.32(h)], alcoholic beverages may not be included as part of a prize.

Accordingly, as a licensee, any fundraising must be conducted in compliance with the aforementioned; the assessment of the legality of raffles falls within the SGOC Act and/or the Crimes Code; and charitable organizations are defined/registered by the Department of State.

Should you have any other questions and/or issues related to the Liquor Code or the Board's Regulations, please feel free to once again contact this office.

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,

RODRIGO J. DIAZ
EXECUTIVE DEPUTY 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. 15-476