

Mailing Date: August 23, 1996

Telephone: 717-783-9454

FAX: 717-787-8820

August 23, 1996

Leonard Schwartz
HOTEL WAYNE
1202 Main Street
Honesdale, PA 18431

Dear Mr. Schwartz:

ISSUE: In your letter dated June 28, 1996, you requested an opinion on behalf of Hotel Wayne, holder of hotel license No. H-1628, as to the legality of two tournaments you wish to conduct on the licensed premises.

OPINION: First, you wish to conduct a pool tournament whereby participants would be charged an entry fee of \$5 to \$10. At the conclusion of the tournament, the winner would be awarded a cash prize of less than \$500 per tournament. The winner would be determined based on the participant's skill.

The second tournament you wish to conduct would be to determine the most skillful player of pinball machines and/or video games. Tournament participants would have to pay the amount necessary to activate the game machine. The winner would receive a maximum prize of \$500 per tournament.

As you correctly stated in your letter, Section 5.32 of the Board's regulations, a copy of which is enclosed, was recently revised to permit hotel licensees to conduct self-sponsored tournaments, events or contests on their own licensed premises. [40 Pa. Code Section 5.32]. Regarding all events, tournaments and contests conducted on licensed premises, there may not be unlawful gambling directly or indirectly associated with any activity on the licensed premises. Any admission charge to an event, tournament or contest may not include a charge for alcoholic beverages or entitle a patron to receive any alcoholic beverages anywhere on the licensed premises except for alcoholic beverages included in a meal package offering. The total value of all prizes for any event, tournament or contest may not exceed \$500 and the total value of all prizes awarded in any seven day period may not exceed \$5,000. However, pocket billiard tournaments are excepted from the price value restrictions.

Advisory Notice No. 14, a copy of which is enclosed, states that it would be permissible for retail licensees to award prizes to video game contestants provided it is a competitive endeavor between players who are not required to pay in order to compete and does not involve gambling devices as described therein. Provided the proposed tournaments are conducted within the above outlined parameters, they would be permissible.

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,
FRANCIS X. O'BRIEN, JR.
CHIEF COUNSEL

cc: Bureau of Liquor Control Enforcement,
Pennsylvania State Police
Enclosures
Refer to: (717) 783-9454
FAX: (717) 787-8820

Advisory Opinion No. 96-204