

September 2, 1998

George M. Patterson II, Esquire
McClain & Young
909 Eighth Avenue
P.O. Box 19
Beaver Falls, PA 15010

Dear Mr. Patterson:

ISSUE: In your letter dated July 30, 1998, you inquired on behalf of your client, a licensee, as to the legality of conducting a slot machine tournament on its licensed premises. According to your letter, the proposed tournament would be conducted as follows:

Each tournament participant would receive a certain number of free tokens and the participant holding the most tokens at the end of the allotted time period would win a predetermined prize supplied by the licensee. The slot machines possessed by the licensee have been declared legal since they do not possess knock down switches and cannot be reset.

OPINION: While your letter does not specify, it is assumed that your client is a retail licensee. Retail licensees are permitted to conduct self-sponsored tournaments, events and contests on their own licensed premises so long as there is no unlawful gambling; no lewd, immoral, or improper conduct; and no consumption of alcoholic beverages involved with the event, tournament or contest. [40 Pa. Code Section 5.32]. Since the tokens are provided free of charge to the tournament participants and since it is assumed that the tournament participants do not have to pay anything to participate in the tournament, it appears that the proposed tournament does not constitute unlawful gambling. A total value of all prizes for any tournament conducted by a retail licensee may not exceed \$500.00, and the total value of all prizes in any seven day period may not exceed \$5,000.00. Retail licensees must also maintain on the licensed premises, for a two year period from the date of the tournament, an itemized list of all prizes for each tournament indicating each prize, its value and the name and address of the recipient. Provided the slot machines are not gambling devices per se and the tournament is conducted according to the requirements listed in this paragraph, your proposed tournament 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,

FAITH S. DIEHL

CHIEF COUNSEL

cc: Bureau of Liquor Control Enforcement,

Pennsylvania State Police

Refer to: (717) 783-9454

Fax: (717) 787-8820

Advisory Opinion No. 98-283