

December 9, 1998

Angelo A. Valoroso

Rub-a-Dub Pub

616 Main Street

Towanda, PA 18848

Dear Mr. Valoroso:

**ISSUE:** In your letter dated November 27, 1998, you inquired on behalf of a hotel liquor licensee as to the legality of permitting a proposed 'pitch' tournament to be conducted on hotel licensed premises. According to your letter, the pitch tournament would be conducted as follows. Tournament participants would pay an entry fee to a league. Pairs of participants would compete by playing a number of games with the winner of each pair advancing in the tournament. The total of all entry fees collected by the league would be divided among the top three winning participants. The licensee would receive no revenue from the tournament except for any proceeds collected from the sale of food and beverages during the tournament.

**OPINION:** Generally, a hotel liquor licensee may not conduct events, tournaments or contests on its licensed premises. However, there are several exceptions to this general rule. One of these exceptions permits groups constituting a league to conduct tournaments on hotel licensed premises. A tournament that is conducted by a league must comply with the following requirements. First, the total value of all prizes awarded in conjunction with any tournament cannot exceed \$500 and no more than \$5,000 in total prizes may be awarded in any seven day period. Second, no lewd, immoral or improper conduct may be involved with the tournament. Third, the tournament may not involve the consumption of alcohol by any participants, nor may the entry fee for the tournament entitle the participant or patron to receive alcohol. Finally, there may be no unlawful gambling directly or indirectly associated with the tournament. If a tournament involves unlawful gambling, the licensee could be subject to administrative, as well as criminal penalties, if it permits the tournament on its licensed premises.

Unlawful gambling involves three elements: (1) consideration or paying to play, (2) an element of chance and (3) a prize or reward. If these three elements are present, the tournament could involve unlawful gambling. Since unlawful gambling is a Crimes Code provision about which this office cannot render an opinion, it is suggested that you contact your local police or district attorney or the Pennsylvania State Police to seek an opinion as to whether the proposed pitch tournament constitutes unlawful gambling.

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Should the tournament not be considered unlawful gambling, the proposed pitch tournament could be conducted on hotel licensed premises provided it is conducted according to the requirements set forth in this letter. In addition, please be advised that a hotel licensee must maintain on its licensed premises for two years from the date of the tournament an itemized list of all prizes awarded for the tournament indicating each prize, its value and the name and address of the recipient. Further, I have enclosed a copy of Board Advisory Notice No. 14 regarding events, tournaments and contests for your review.

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

Enclosure

Refer to: (717) 783-9454

FAX: (717) 787-8820

Advisory Opinion No. 98-400