



# Small Games of Chance in Pennsylvania

Dear Friend,

The Pennsylvania Crimes Code (Title 18) provides that all forms of gambling are illegal unless the Pennsylvania Legislature specifically authorizes the gambling activity by statute. Currently, the only authorized and legal forms of gambling in Pennsylvania are:

- Pari-mutuel betting under the Race Horse Industry Reform Act;
- A lottery game of the Pennsylvania Lottery (including instant ticket games, Powerball and Mega Millions, etc.);
- Bingo, under the Bingo Law;
- Casino gambling activities (slots and table games) conducted pursuant to the Pennsylvania Race Horse Development and Gaming Act;
- Games of chance conducted pursuant to the Local Option Small Games of Chance Act.

This brochure is intended to provide a brief overview of the Local Option Small Games of Chance Act. The Pennsylvania Local Option Small Games of Chance Act was passed in 1988 and has been amended several times since its enactment, most notably by Acts 2 and 184 of 2012 and Acts 90 and 92 of 2013.

The small games of chance law authorizes certain non-profit organizations, known as “eligible organizations” (including a “club licensee”), and for-profit taverns to conduct limited types of gambling. More detailed information, including tax and reporting requirements, is available online at:

[http://www.revenue.state.pa.us/portal/server.pt/community/small\\_games\\_of\\_chance/14500](http://www.revenue.state.pa.us/portal/server.pt/community/small_games_of_chance/14500).

# Eligible Organizations and Clubs and Licenses

## Who can apply for a small games of chance license?

State law permits certain eligible organizations to offer small games of chance in a municipality that has authorized small games of chance by voter referendum. The entities must be in existence and fulfilling its purpose for at least one year in order to be eligible for a games of chance license.

“Eligible organization” entities include: a charitable, religious, fraternal or veterans’ organization; a club licensee, or civic and service association.

An auxiliary group of an eligible organization is not eligible for its own license, but may conduct games of chance using the license of its parent eligible organization as long as the auxiliary group is listed on the eligible organization’s license application.

A “club licensee” is a specific type of eligible organization that is an ‘exempt organization’ under the Internal Revenue Code Section 501(c) or 527, which is licensed to sell liquor under Section 404 of the Pennsylvania Liquor Code. Club licensees, unlike other licensed eligible organizations that can only use games of chance proceeds for public interest purposes, can use some games of chance proceeds for certain specified operating expenses.

## What licenses are available?

The licensing authorities for club licensees and eligible organizations are the county treasurers in each of Pennsylvania’s 67 counties. Where there is no county treasurer, such as in a home-rule county or in Philadelphia, the licensing authority is the designee of the governing body.

There are two types of licenses available to eligible organizations: a regular license and a monthly license. An eligible organization may conduct all forms of games of chance under either license type.

A regular license is an annual license, and the term runs for a calendar year from the date of issuance. A monthly license is valid for 30 consecutive days from the date of issuance. There is no restriction on the number of monthly licenses an eligible organization may obtain, but the licenses may not overlap.

Special raffle permits are available to regular and monthly licensees. The special raffle permit authorizes a holder to conduct a raffle that exceeds the normal prize limits applicable to games of chance. A licensed eligible organization may obtain up to 10 special raffle permits. Total prizes awarded under all special raffle permits may not exceed \$150,000.

Volunteer fire, ambulance, rescue or conservation organizations may obtain up to 12 special raffle permits and award up to \$250,000 in prizes.

## What games are permitted and what are the prize limits?

Licensed eligible organizations are authorized to conduct the following games of chance:

- Pull-tab games;
- Punchboards;
- Raffles;
- Daily drawings;
- Weekly drawings;
- Fifty-fifty (50/50) drawings;
- Race Night Games;
- Pools, excluding sports pools.

The following prize limits apply: a prize for a single chance in any game may not exceed \$2,000; an eligible organization is limited to awarding \$35,000 in prizes during an operating week; and generally no more than \$15,000 may be awarded in raffles during a calendar month.



# Tavern Gaming Licenses

The tavern gaming license is an annual license issued and renewed by the PLCB. For specific information about the tavern gaming licensing process, visit [www.lcb.state.pa.us](http://www.lcb.state.pa.us).

A tavern eligible for a tavern gaming license is defined as a hotel, restaurant, privately owned public golf course, brew pub or microbrewery with a valid license to sell alcohol under the Liquor Code and which is located in a municipality that allows small games of chance.

Those not eligible for the license include:

- eating place retail dispenser (“E”) licensees;
- limited wineries (“LK”); limited distilleries (“AL”);
- any tavern located in a municipality that has not authorized small games of chance;

- a grocery store, including a restaurant with an interior connection to a grocery store;
- a restaurant where the sale of liquid fuels or oil is conducted;
- a hotel or restaurant located in a casino;
- a business on the grounds of a public venue facility where a major league sports team plays;
- any liquor license held in safe-keeping;
- any liquor license declared to be a nuisance under Section 611 of the Liquor Code;
- any liquor license under objection by the PLCB as a nuisance bar.

## What games are permitted?

Tavern gaming licensees are authorized to conduct the following types of games, known as “tavern games:”

- Pull-tab games;
- Tavern raffles, which are limited to once a month and must designate at least half of net revenue to a designated charity;
- Tavern daily drawings.

