

## **EVENTS, TOURNAMENTS OR CONTESTS**

*Please be advised that it is the Pennsylvania State Police, Bureau of Liquor Control Enforcement (BLCE), and not the Pennsylvania Liquor Control Board (PLCB), which enforces the liquor laws in Pennsylvania. Further, information provided below is not binding on the BLCE and is offered for information and guidance only.*

Please note that [section 5.32](#) of the PLCB's Regulations and [Board Advisory Notice No. 14](#) provide information for Events, Tournaments or Contests. 40 Pa. Code § 5.32; Board Advisory Notice No. 14.

### **1) Is beer pong permissible on the licensed premises?**

A licensee must adhere to the [rules](#) for events, tournaments or contests, which include no unlawful [gambling](#) associated with the event; the event must not involve the consumption of alcoholic beverages; the price of a ticket or admission may not include a charge or assessment for alcoholic beverages or entitle the attendee to receive alcoholic beverages on the licensed premises; and alcohol may not be awarded as a prize.

Therefore, beer pong on the licensed premises would not be permissible because it involves the consumption of beer. However, if the event utilized cups filled with water, instead of beer, and did not involve the consumption of beer, then as long as the [rules](#) for events, tournaments, or contests are followed, a water pong event would be permissible. Please note that section 498(b) of the Liquor Code, 47 P.S. § 4-498(b), provides that it is unlawful for an advertisement to be false, deceptive, or misleading, if you plan on advertising the water pong.

### **2) What is a small games of chance permit?**

Be advised 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.

The Local Option Small Games of Chance Act ("the Act"), 10 P.S. §§ 328.101-328.707, regulates what type of games may be conducted by holders of a small games of chance permit, how they may be conducted, and what prizes may be awarded. The PLCB does not regulate small games of chance, and interpretation of the Act falls outside of the scope of authority of the PLCB. Therefore, it is recommended that you contact your county treasurer's office and/or the Pennsylvania Department of Revenue, Miscellaneous Tax Division, at (717) 783-9354 with any questions or concerns about small games of chance.

3) **What qualifies as a “small game of chance?”**

Pursuant to the Local Option Small Games of Chance law, the only "games of chance" which are permitted by law are punchboards, daily and weekly drawings, raffles and pull tabs.

The Act allows certain nonprofit organizations, known as “eligible organizations,” to conduct small games of chance for the purpose of raising funds for the promotion of “public interest purposes.”

The Department of Revenue promulgated regulations pursuant to the Act that were adopted and appear at 61 Pa. Code § 901.1 *et seq.* These regulations, along with all Pennsylvania Regulations, are accessible on-line at <http://www.pacode.com/>.

The Local Option Small Games of Chance Act is quite specific regarding the games of chance that are allowed and the manner in which they may be conducted. You should contact the Pennsylvania Department of Revenue, Miscellaneous Tax Division at (717) 783-9354 for more information about small games of chance.

4) **Who is permitted to host an event, tournament or contest on the licensed premises?**

[Section 5.32](#) of the PLCB’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, a retail liquor licensee may permit events on the licensed premises which are sponsored by groups constituting a league or which are 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 Purpose Act, 10 P.S. §§ 162.1-162.24, and, if applicable, the Local Option Small Games of Chance Act, 10 P.S. §§ 328.101-328.707, and Bingo Law, 10 P.S. §§ 308-308.1. 40 Pa. Code § 5.32(d)(4)(ii); Board Advisory Notice No. 14.

Pursuant to Act 39 of 2016, catering club licensees may hold a maximum of twelve self-sponsored catered events during their two-year licensing term, with no more than one event in any calendar month. 47 P.S. § 4-406(h).

5) **Is it permissible to host an event, tournament or contest on the unlicensed portion of the licensee's premises?**

It would not be permissible if the activity in question is deemed unlawful [gambling](#); however, if the activity is lawful, then it would be permissible to hold such an event, tournament or contest on an unlicensed portion of the premises. 40 Pa. Code. § 5.32(e).

Events held on an unlicensed portion of a premises that has an interior connection to a licensed business are prohibited unless the Board gives prior approval. [Section 3.52](#) of the PLCB's Regulations prohibits an inside passage or communication to or with any other business conducted by the licensee or other persons except as approved by the PLCB. 40 Pa. Code § 3.52.

6) **What prizes may be offered in regard to lawful events, tournaments, or contests on the licensed premises and are there limitations for the prizes that may be awarded?**

Initially, [section 5.32\(e\)\(2\)](#) specifies there can be no unlawful gambling, directly or indirectly, associated with any event, tournament or contest or activity on the licensed premises. If there is unlawful gambling, the licensee will be held strictly liable for such activity and could be cited for violations of the Liquor Code and the PLCB's Regulations. 40 Pa. Code § 5.32(e)(2).

[Section 5.32\(e\)\(7\)](#) specifies the total value of prizes for any given event, tournament or contest on retail licensed premises may not exceed \$1,000.00. The total value of all prizes awarded in any seven-day period may not exceed \$25,000.00. 40 Pa. Code § 5.32(e)(7).

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

Please note that any subsequent event that grows out of an event or tournament (i.e., second tournament on/off-premises) will have its prize values attributed to the first tournament for purposes of section 5.32 of the PLCB's Regulations.

Also, it should be noted that the Small Games of Chance Act has different record retention requirements.

7) **Do subsequent prize offerings after an initial tournament, such as a trip to Las Vegas for continued play, count towards the prize limitations?**

Yes. If an individual is required to compete in the licensed premises' tournament in order to successfully advance to the subsequent competition, the subsequent prizes must be included within the established limitations.

8) **May a licensee offer prizes that have been donated by a third party?**

There is nothing in the Liquor Code or the PLCB's Regulations that prohibits a licensee from awarding prizes that have been donated by individuals or entities that are not manufacturers of alcoholic beverages or other PLCB licensees, so long as the donation would not constitute "sponsorship" of the event.

[Section 13.51](#) of the PLCB's Regulations, 40 Pa. Code § 13.51, prohibits in-state and out-of-state manufacturers of alcoholic beverages from contributing, directly or indirectly, to another licensee or group of licensees of a different class anything of value by means of advertisements, contributions, sale of tickets, donations or by any device for any purpose. There is, however, an exception that permits licensees or manufacturers to give to licensees advertising novelties, such as pens, t-shirts or ball caps, which have a wholesale value of \$15.00 or less and bear advertising matter. These advertising novelties may be conditioned on a purchase of alcohol. 47 P.S. § 4-493(24); [40 Pa. Code § 13.52](#).

As long as the items donated by the third party were given to the licensee with the idea that it was for the licensee's use as it wished, and there were no strings attached to any particular event or to the sale of alcoholic beverages, then use of the donated items as prizes for an event sponsored by the licensee would be permissible.

Once again, the total value of prizes for any given event, tournament or contest may not exceed \$1,000.00. The total value of all prizes awarded in any seven-day period may not exceed \$25,000.00. [40 Pa. Code § 5.32\(e\)\(7\)](#).

Act 39 of 2016 added another exception which allows a manufacturer or licensee and its officers, directors, shareholders, servants, agents or employees to contribute, and a manufacturer or licensee and its officers, directors, shareholders, servants, agents or employees to accept money or other things of value - solely for the administration of RAMP training for alcohol service personnel. The money or other things of value may be provided by or to a manufacturer or licensee and its officers, directors, shareholders, servants, agents, or employees, directly by or to a trade organization consisting, in whole or part, of a group of licensees. 47 P.S. §§ 4-411(f)(1), 4-443(h)(1).

The manufacturer, licensee and trade organization associated with the person providing the money or other things of value must keep a record of the value of the money or other things of value provided, the date provided, and the entity to whom

it was provided, as part of the records required under section 493(12) of the Liquor Code. 47 P.S. §§ 4-411(f)(2), 4-443(h)(2).

Lastly, the manufacturer, licensee and trade organization associated with the person receiving money or other things of value must keep a record of the value of the money or other things of value used, as part of the records required under section 493(12) of the Liquor Code. 47 P.S. §§ 4-411(f)(3), 4-443(h)(3).

9) **During what hours may an event be held on licensed premises?**

An event, tournament or contest can be held only during the hours permitted for the sale of alcohol. For a restaurant or hotel liquor licensee, or eating place malt beverage licensee, these hours are 7:00 a.m. until 2:00 a.m. the following day, Monday through Saturday. 47 P.S. § 4-406(2).

Restaurant, hotel, municipal golf course restaurant liquor, and privately-owned public golf course licensees with a Sunday sales permit may sell alcohol on Sundays between 9:00 a.m. and 2:00 a.m., with or without a meal. 47 P.S. § 4-406(a)(3). Sunday hours for eating place malt beverage licensees are from 11:00 a.m. until 2:00 a.m., assuming that the licensee has obtained a Sunday sales permit. Eating place malt beverage licensees with a Sunday sales permit may also sell alcohol on Sundays between 9:00 a.m. and 11:00 a.m. if they offer a meal (defined as food prepared on the premises sufficient to constitute, breakfast, lunch, or dinner) beginning at 9:00 a.m. 47 P.S. § 4-432(f).

All patrons must vacate the premises by 2:30 a.m. 47 P.S. § 4-499. However, if a licensee holds an extended hours food permit, the licensee may remain open between the hours of 2:00 a.m. and 7:00 a.m. for the purpose of selling food on any day. 47 P.S. § 4-499(b). Therefore, the event may not be held beyond 2:30 a.m. unless an establishment has received an extended hours food permit issued by the PLCB.

Please note that club licensees may sell alcohol daily between 7:00 a.m. and 3:00 a.m. the following day, including Sundays. 47 P.S. § 4-406(a)(4).

10) **What is the age requirement for entrants to events, tournaments, or contests?**

There is no age requirement in the Liquor Code for entrants to events, tournaments, or contests; however, minors (persons younger than twenty-one years of age) may not be present on licensed premises unless they are permitted to be present under at least one of the following exceptions:

1. Minors with parents (“Parent exception”)

If a minor is with one or both of the minor's parents, then the minor is permitted to be on the premises. The minor and parent(s) can sit anywhere on the premises, including the bar area, and alcoholic beverages can be served to the parent(s) or to any other adult with the minor.

2. Minors with legal guardians ("Guardian exception")

If a minor is with a legal guardian, then the minor is permitted to be on the premises. The minor and the legal guardian can sit anywhere on the premises, including the bar area, and alcoholic beverages can be served to the guardian or to any other adult with the minor.

3. Minors under proper supervision ("Proper supervision exception")

If a minor is present under proper supervision, then the minor is permitted to be on the premises. Section 102 of the Liquor Code defines proper supervision as someone who is at least twenty-five years of age, who is directly responsible for the care and conduct of the minor while on the premises, and who keeps the minor within his or her sight or hearing. Proper supervisors are generally unpaid volunteers. However, licensees or their employees are allowed to act as proper supervisors as long as they are not performing any other employment-related duties at the same time. 47 P.S. § 1-102.

If a minor is in the premises under proper supervision, the minor can sit anywhere on the premises, including the bar area, and alcoholic beverages can be served to any adults with the minor.

Proper supervisors can only supervise a limited number of minors. In Philadelphia, that number is five. In the rest of Pennsylvania, the number is twenty, i.e., one proper supervisor can supervise up to twenty minors. Notwithstanding the above limitations, if the minors are on the premises as part of a school-endorsed function, each proper supervisor can supervise up to fifty minors.

4. Minors attending a social gathering ("Social gathering exception")

If a minor is attending a social gathering, then the minor is permitted to be on the premises. A social gathering is an event marketed to or catering to minors, in whole or in part, for which at least forty-eight hours advance notice has been given to the Pennsylvania State Police, Bureau of Liquor Control Enforcement ("Bureau"). No alcohol can be served to anyone, even

adults, at a social gathering and all alcohol must be removed from or secured by lock and key at the licensed premises.

5. Minors at food-oriented establishments (“Pizza Hut exception”)

*Please note that this exception does not apply to club licensees.*

If a restaurant, hotel, or retail dispenser licensed premises has gross sales of food and non-alcoholic beverages equal to 50% or more of its combined gross sales of both food and alcoholic beverages, then minors are permitted on the premises. The presence of a parent, legal guardian, or proper supervisor is not necessary.

Minors present under the Pizza Hut exception are not permitted to sit in the bar section of the premises. Further, no alcoholic beverages can be served to any adult at the table or booth where the minor is seated (unless the minor is also there with a parent, legal guardian, or proper supervisor), without risk of citation by the Bureau for having minors frequent the premises.

Pennsylvania law defines a minor as a “person under the age of 21 years.” 1 Pa. C.S. § 1991. Minors are not permitted on licensed premises unless they fall under one of the above-listed exceptions. Be advised that it does not matter if a minor is age eighteen, nineteen, or twenty; the same rules apply. It should also be noted that an establishment is permitted to make house rules that place additional limits as to when and where minors are allowed on the premises.

11) **Are non-members of a licensed club (VFW, Elks, sportsmen’s club, etc.) who attend a specific event permitted to participate in events, tournaments or contests?**

There is nothing in the Liquor Code or PLCB’s Regulations that limits participation to members only. Limiting participation in the proposed event, tournament or contest to members and eligible guests would be evaluated in accordance with the club’s constitution and bylaws.

[Section 5.81](#) of the PLCB's Regulations requires that a club licensee adhere to the provisions of its constitution and bylaws. 40 Pa. Code § 5.81. Therefore, if limiting participation in the proposed tournament to members and eligible guests would be required under the club’s constitution and bylaws, the club must enforce that limitation.

12) **May a licensee hold a “ladies’ night” for an event?**

The Pennsylvania Human Relations Act prohibits discrimination on the basis of gender and/or sex. 43 P.S. § 951 *et seq.*. It would be unlawful to offer only one sex a benefit, such as charging a cover only to male patrons. Therefore, a ladies' night promotion in which females receive a benefit that is not also offered to men is not permissible. Both men and women must receive the same benefit.

13) **Whom may I contact for further information regarding the Crimes Code?**

Your local police, county district attorney, and the Pennsylvania State Police, are all authorized to interpret the Crimes Code. You may also contact a private attorney.

14) **Whom may I contact if I suspect there is illegal activity occurring at a licensed location?**

The BLCE issues citations against licensees for violations of the laws of the Commonwealth of Pennsylvania, certain federal laws, and the PLCB's Regulations. 47 P.S. § 4-471(a). A citation requires a licensee to appear before an Administrative Law Judge ("ALJ") to show cause why it should not receive a penalty. *Id.* If the ALJ sustains the citation based upon the evidence presented at the hearing, he/she has the authority to impose a fine and/or suspend or revoke the license. 47 P.S. § 4-471(a)-(b). A citation history follows a license/licensee, and can be considered when imposing later penalties, or when renewal of the subject license is under consideration. 47 P.S. §§ 4-470(a.1)(2), 4-471(c).

In 1990, the PLCB established a Nuisance Bar Program. When a particular licensee is scheduled for renewal, Licensing, among other things, seeks responses from the community and various enforcement and government jurisdictions about any adverse activity which has been occurring on or about licensed establishments. The activity could include arrests involving the licensed premises or allegations of other violations of the law, as well as convictions. For more information, please log on to the PLCB's website at [www.lcb.pa.gov](http://www.lcb.pa.gov), click on "Licensing," then "Topics of Interest," then "Nuisance Bar Program."

Licensing will notify the licensee about its objections to the renewal of its license. 47 P.S. § 4-464. Based upon Licensing's objections, a hearing is held before a hearing examiner appointed by the Governor, at which Licensing will present its reasons for objecting to the renewal of the license, and the licensee may present evidence to the contrary. *Id.* The hearing examiner thereafter makes a recommendation to the three-member Board, which ultimately determines whether the license should be renewed. *Id.* If the license is not renewed, the licensee no longer has the authority to sell and serve alcoholic beverages, and the license ceases to exist once the appeal period has lapsed.



Finally, under section 611 of the Liquor Code, 47 P.S. § 6-611, local, county and state governing bodies, enforcement agencies, and/or citizens may bring actions to enjoin licensed operations that are deemed nuisances.

You may contact the BLCE via telephone by dialing (800) 932-0602 regarding your concerns with a licensee.