

DISCLAIMER

The Pennsylvania Department of Revenue has prepared this overview on Pennsylvania's Local Option Small Games of Chance Act, 1988 P.L. 1262, No. 156, as amended, for use by the general public. This overview is for informational purposes only. Nothing contained herein should be considered legal advice. Any person or entity with legal questions regarding the Local Option Small Games of Chance Act should review the provisions of the Act for guidance or consult private legal counsel.

SMALL GAMES OF CHANCE OVERVIEW

INTRODUCTION

The Pennsylvania Crimes Code provides that all forms of gambling are illegal unless the Pennsylvania Legislature specifically authorizes the gambling activity by statute.

Gambling exists when there is a payment of consideration or a fee or something of value for the opportunity for a prize or reward, the winner of which is determined by chance. Effectively, the three elements are: (1) consideration, (2) chance and (3) prize or reward.

Currently, the only authorized and legal forms of gambling in Pennsylvania are:

1. Those gambling activities conducted pursuant to the Race Horse Industry Reform Act.
2. Pennsylvania Lottery (including Powerball and Mega Millions).
3. Bingo conducted pursuant to the Bingo Law.
4. Those gambling activities conducted pursuant to the Pennsylvania Race Horse Development and Gaming Act (Slots and Table Games).
5. Those gambling activities conducted pursuant to the Local Option Small Games of Chance Act.

This Overview discusses the gambling activities conducted pursuant to 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 club licensees), and for-profit taverns to conduct limited types of gambling.

TYPES OF GAMES

Licensed Eligible Organizations

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

1. Pull-tab games
2. Punchboards
3. Raffles (including special permit raffles)
4. Daily drawings
5. Weekly drawings
6. Fifty-fifty (50/50) drawings (including major league sports drawings)
7. Race Night Games
8. Pools, excluding sports pools¹

Tavern Gaming Licensee

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

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

TYPES OF LICENSES

Eligible Organization Licenses

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. See above for the types of games of chance an eligible organization may conduct.

¹ Pools are limited by the Professional and Amateur Sports Protection Act (28 U.S.C. §§ 3701, et seq.), which states as follows:

It shall be unlawful for--

- (1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or
- (2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

Consequently, pools involving professional or amateur athletes are not authorized by the Act.

1. **Regular License:** A regular license is an annual license, and the term runs for a calendar year from the date of issuance. The fee for an annual license is \$125.
2. **Monthly License.** 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. The fee for a monthly license is \$25.
3. **Special Raffle Permits.** 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. As a general rule, 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. For a licensed eligible organization with a regular license, the organization can receive either 10 or 12 special raffle permits during the annual license term. Because a licensed eligible organization that obtains only a monthly license does not have an annual licensed term, such organization may receive no more than 10 or 12 special permits in any calendar year.

Tavern Gaming Licenses

There is only one type of license available to a tavern: a tavern gaming license. Taverns that obtain a tavern gaming license from the Pennsylvania Liquor Control Board (PLCB) are authorized to offer pull-tab games, tavern raffles and tavern daily drawings.

The tavern gaming license is an annual license issued and renewed by the PLCB. For additional information about the tavern gaming licensing process, visit www.lcb.state.pa.us.

ADMINISTRATION AND ENFORCEMENT

Small games of chance law is administered and enforced by several different government entities: licensing authorities, the Department of Revenue, the PLCB, the Pennsylvania Gaming Control Board (PGCB) and law enforcement officials.

Licensing Authorities – The licensing authorities for club licensees and eligible organizations seeking to offer small games of chance 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 city of the first class, the licensing authority is the designee of the governing body. The licensing authority is responsible for licensing eligible organizations to conduct games of chance in the commonwealth and for issuing special raffle permits. For tavern gaming, the PLCB is the licensing authority.

Department of Revenue – The department is charged with several responsibilities under small games of chance law, as follows:

1. Registration of games of chance manufacturers.

2. Reviewing and approving pull-tab games and punchboards for use in the commonwealth.
3. Licensing of distributors to sell pull-tabs, punchboards and race night games for use in the commonwealth.
4. Receipt and retention of games of chance reports from clubs.
5. Random audits of 5 percent of club licensees every two years.
6. Administration of the state and host municipality tavern games taxes.
7. Limited regulatory authority related to manufacturer registration, distributor licensing, games of chance and games of chance records and reports.

PLCB – The PLCB is responsible for licensing taverns to conduct tavern games in the commonwealth, and it may also impose penalties for tavern licensees' violation of small games of chance law, including suspension or revocation of tavern gaming licenses.

PGCB – The PGCB's Bureau of Investigations and Enforcement is responsible for conducting background investigations of each tavern game license applicant.

Law enforcement officials – Commonwealth law enforcement officials – including local police, state police, the Bureau of Liquor Control Enforcement, local district attorneys and the Attorney General – are responsible for overseeing the operation of games of chance and for bringing civil and criminal charges against organizations and individuals for violations of the law.

Information Sharing: The government entities responsible for administering and enforcing small games of chance law are allowed to share information and documentation for purposes of administering and enforcing the law.

SALE/PURCHASE OF GAMES OF CHANCE

Pull-tab games, punchboards and race night games for use in the commonwealth may only be produced by manufacturers registered with the Department of Revenue. Distributors may only purchase small games of chance from registered manufacturers, and taverns and eligible organizations licensed to sell small games of chance must purchase them from distributors licensed by the Department of Revenue. Listings of small games of chance manufacturers and distributors are available at www.revenue.state.pa.us/SGOC.

Tickets and other products used to play other types of games of chance do not have to be purchased from a registered manufacturer or licensed distributor. Only licensed eligible organizations, including club licensees, and tavern gaming licensees may purchase and operate games of chance in the commonwealth.

ELIGIBLE ORGANIZATIONS

An **eligible organization** is one of the following types of entities: a charitable, religious, fraternal or veterans' organization; a club, civic and service association; or an affiliated non-profit organization of a

major league sports team. An eligible organization must be in existence and fulfilling its purpose for one year in order to be eligible for a games of chance license.

An **auxiliary group** of an eligible organization is not an eligible organization and is not eligible for its own small games of chance license. However, an auxiliary group may conduct games of chance using the license of its parent eligible organization so long as the auxiliary group is listed on the eligible organization's license application. All games of chance conducted by the auxiliary group are considered as if they were conducted by the eligible organization.

A **club licensee** is a specific type of eligible organization. Any 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, is a 'club'. If it obtains a games of chance license from the county treasurer, it is a 'club licensee' for small games of chance purposes. 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 operating expenses. Annual reporting requirements apply for club licensees.

TAVERNS

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.

The following are not eligible for tavern gaming licenses: 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 or racing facility conducts games or races; any liquor license held in safekeeping; any liquor license declared to be a nuisance under Section 611 of the Liquor Code; and any liquor license under objection by the PLCB as a nuisance bar.

The PLCB issues tavern gaming licenses. For additional information about the tavern gaming licensing process, visit www.lcb.state.pa.us.

PRIZE LIMITS

Eligible Organizations/Club Licensees

The following **prize limits** apply:

1. A prize for a single chance in any game may not exceed \$2,000.

2. An eligible organization is limited to awarding \$35,000 in prizes during an operating week (seven consecutive, reoccurring operating or non-operating days).
3. No more than \$15,000 may be awarded in raffles during a calendar month.

Limited **exceptions** to the prize limits exist:

1. Raffles conducted under a special permit: Licensed eligible organizations can apply to the county treasurer for special permits. Raffles conducted under a special permit are not subject to the general prize limitations above. Licensed eligible organizations are eligible to receive up to 10 special permits and may award up to \$150,000 from all special permit raffles. Volunteer fire, ambulance, rescue or conservation organizations that are not club licensees are eligible for up to 12 special permits and may award up to \$250,000 from all special permit raffles.
2. Daily and weekly drawing carryovers: Amounts paid out in a carryover daily drawing or a weekly drawing are not subject to the general prize limits. A carryover occurs when there is no winner in the prior daily or weekly drawing and the prize from such drawing is carried over to be included as a prize in the next daily or weekly drawing.
3. 100 percent payout drawings: When a daily or weekly drawing is conducted to award 100 percent of the gross revenue from the game, then the prize does not count against the \$35,000 weekly prize limit.
4. Major league sports drawings. Major league sports drawings are not subject to the general prize limits.

Tavern Gaming Licensees

All tavern games are subject to the following prize limits:

1. A prize for a single chance in any tavern game may not exceed \$2,000.
2. A tavern gaming licensee may not award more than \$35,000 in prizes during an operating week (seven consecutive, reoccurring operating or non-operating days).

There are no exceptions to the prize limits for tavern games.

USE OF PROCEEDS OR NET REVENUE

Eligible Organizations'/Club Licensees' Use of Proceeds

Generally, all games of chance **proceeds**, except for proceeds from major league sports drawings, are to be used for public interest purposes. An eligible organization that has as its primary purpose the promotion of a public interest purpose may use small games of chance proceeds to carry out that purpose. "Public interest purpose" is defined as:

One or more of the following:

(1) The activities and operations of a nonprofit benevolent, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental or civic objective [sic].

(2) Initiating, performing or fostering worthy public works or enabling or furthering the erection or maintenance of public structures.

(3) Lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people.

(4) Improving, expanding, maintaining or repairing real property owned or leased by an eligible organization and relating operational expenses used for purposes specified in paragraphs (1), (2) and (3).

The term does not include the erection or acquisition of any real property, unless the property will be used exclusively for one or more of the purposes specified in this definition.

Games of chance proceeds may also be used to purchase games of chance and to pay for eligible organization license fees related to game of chance license applications.

In addition to public interest purposes, a club licensee may use up to 40 percent of its games of chance proceeds per calendar year for expenses of the club licensee. Any proceeds not used for expenses must be used for public interest purposes. So a club licensee must use, at a minimum, 60 percent of its proceeds for public interest purposes. If, however, a club licensee has games of chance proceeds of \$40,000 or less during a calendar, then in the following calendar year the club licensee may use the first \$20,000 of its proceeds for expenses of the club licensee in addition to the 40 percent. The \$20,000 is deducted before calculating the 60/40 split.²

All games of chance proceeds obtained must be expended within a year after the calendar year they were obtained,³ with one exception. A club licensee may set aside some or all of its allotted proceeds that are allocated to pay for expenses, if such proceeds are to be used for a substantial public interest purchase or project. A club licensee is required to notify the department that it is retaining the proceeds for the project. See “Non-Tax Reporting Requirements” for additional information.

Note the rules for use of proceeds do not apply to **major league sports drawings**. Rather, 50 percent of the gross revenue from a major league sports drawing must be paid out as prizes. The remaining 50 percent must be donated to a designated charitable organization (although up to 2 percent may be used to pay administrative expenses associated with the conduct of the drawing).

² Prior to the passage of Act 90 of 2013, the split for use of proceeds was 70/30 and there was not a \$20,000 deduction. Act 90 of 2013 was signed into law in November 2013, effective Jan. 27, 2014. It is the department’s interpretation that the General Assembly intended the 70/30 split and the rules prior to the passage of Act 90 to apply to the entire 2013 calendar year. The new 60/40 split and \$20,000 deduction applies to the 2014 calendar year and calendar years thereafter. In order to determine if the \$20,000 deduction applies, the club looks to its proceeds from the prior calendar year. Therefore, to determine if a club gets the \$20,000 deduction for the 2014 calendar year, the club must look to determine if it had proceeds of \$40,000 or less in the 2013 calendar year. If so, the club gets the \$20,000 deduction in the 2014 calendar year.

³ This applies to proceeds received during the 2014 calendar year and calendar years thereafter. For calendar years 2013 and prior, proceeds had to be expended within the calendar year of receipt.

An eligible organization with proceeds in excess of \$40,000 is required to keep all small games of chance proceeds in a **bank account separate from all other organization funds or accounts**.

Tavern Gaming Licensees' Use of Net Revenue

The revenue from tavern games is considered business income of the tavern gaming licensee and may be used by the tavern licensee for any legal purpose subject to the following:

1. Tavern raffles: At least 50 percent of net revenue from tavern raffles must be donated to a designated charity within seven days of the tavern raffle. The remaining 50 percent of net revenue is then subject to the state and host municipality tavern games taxes.
2. State tavern games tax: 60 percent of net revenue from tavern games must be transmitted to the Department of Revenue as a state tax.
3. Host municipality tax: 5 percent of net revenue from tavern games must be transmitted to the Department of Revenue as a local tax for the host municipality where the tavern gaming licensee is located.

See "Tavern Games Taxes" for additional information.

A tavern gaming licensee is required to keep all net revenue from tavern games in a **bank account separate from all other organization funds or accounts**.

TAVERN GAMES TAXES

A state tavern games tax and a local host municipality tavern games tax are imposed on the net revenue of all tavern games. The state tax is 60 percent, and the host municipality tax is 5 percent of net revenue from tavern games.

Tax on Pull-Tab Games

Pull-tab games must be purchased from licensed distributors. Taverns pay state and local tavern games taxes at the time the pull-tab game is purchased from the distributor. The distributor is responsible for collecting the taxes and remitting them to the department.

For purposes of calculating the tax due, net revenue is the net/ideal profit from the pull-tab game as indicated by the manufacturer on the pull-tab game flare.

Example: A pull-tab game with a 1,000 pulls at \$1 per pull and a 70 percent payout has a net/ideal profit of \$300: $(1,000 \times \$1) - \700 in prizes = \$300. The 60 percent state tavern games tax collectable at the time the pull-tab game is purchased from the distributor is \$180 $(\$300 \times 0.6)$. The 5 percent host municipality tavern games tax collectable at the time the pull-tab game is purchased from the distributor is \$15 $(\$300 \times 0.05)$.

Pull-tab games purchased by for-profit taverns are also subject to sales tax, which is 6 percent of the cost of the pull-tabs before tavern games tax is imposed (additional 1 percent local sales tax in Allegheny County and 2 percent local sales tax in Philadelphia). Sales tax is also collected from the tavern and remitted to the department by the distributor.

Tax on Other Tavern Games

Tavern raffles and tavern daily drawings do not have to be purchased from licensed distributors. Therefore, the state and local taxes on these games are paid by the tavern gaming licensee.

For purposes of calculating tax due, net revenue is the difference between the gross revenue collected from the sale of chances in the game less the cost of prizes awarded in the game and the cost to purchase the game.

Example 1: A tavern sells 500 daily drawing tickets for \$1 each for a prize of 50 percent of ticket sales. Cost of the game is \$5 for a roll of tickets. Net revenue is \$245: \$500 - \$250 prize - \$5. Tavern tax is imposed on \$245: state tax of \$147 (60 percent of \$245) and municipality tax of \$12.25 (5 percent of \$245).

Example 2: A tavern sells \$1 tickets for a daily drawing prize equaling 100 percent of ticket sales. In such case, there is no net revenue and therefore no tavern tax due.

Example 3: A tavern gaming licensee runs a tavern raffle with 50 percent of the revenue to benefit the local food bank. 1,000 tickets are sold for \$1 each over a course of the month for total gross revenue of \$1,000. One winner receives a prize of \$400. The raffle ticket printing costs total \$10. Therefore, the remaining revenue is \$590: \$1,000 – \$400 – \$10. \$295 (50 percent of the remaining \$590) is given to the food bank as a charitable donation. The state and local tax is imposed on the other \$295: state tax of \$177 (60 percent of \$295) and host municipality tax of \$14.75 (5 percent of \$295).

Tax Payment and Reporting Requirements

Licensed distributors must file tavern games tax returns and remit tax on a monthly basis. Returns and tax for each month are due on the 20th of the following month.

Tavern gaming licensees must file tavern gaming tax returns and remit tax on a quarterly basis. Returns and tax for each calendar quarter are due on the 20th of the month following the close of each calendar quarter: April 20, July 20, October 20 and January 20.

Tax payments of \$1,000 or more must be remitted electronically.

Tavern tax returns must be filed electronically, and the filing system will be accessible by March 20, 2014, at www.revenue.state.pa.us/SGOC.

OTHER REPORTING REQUIREMENTS

Under federal law, games of chance winnings payments must be reported via W-2G when the amount paid is \$600 or more and at least 300 times the amount of the wager. The original W-2G is to be presented to the winner, a copy of each W-2G must be provided to the Department of Revenue and the IRS, and the tavern should keep a copy of each W-2G for its records (see “Record-Keeping Requirements”).

Additional information and W-2G forms are available at <http://www.irs.gov/uac/Form-W-2G,-Certain-Gambling-Winnings>.

Club Licensees

All club licensees with proceeds in excess of \$20,000 in a calendar year are required to submit annual reports to the Department of Revenue by Feb. 1, for the preceding calendar year.

Annual report filing information will be accessible at www.revenue.state.pa.us/SGOC when available.

Club licensees’ annual reports will require the following information:

- proceeds received by the club licensee from each game of chance conducted, itemized by week
- amount of prizes paid from all games of chance, itemized by week
- other costs incurred related to the conduct of games of chance
- verification and itemization of amounts distributed for public interest

A club licensee that retains games of chance proceeds for a substantial public interest purchase or project is required to give **notice of the retention** to the department via the club licensee’s annual report.

Tavern Gaming Licensees

All tavern gaming licensees must submit an annual report to the PLCB and the Department of Revenue by Jan. 20, for the previous calendar year.

Annual report filing information will be accessible at www.revenue.state.pa.us/SGOC when available, and the department will provide a spreadsheet to facilitate proper record-keeping for taverns.

Tavern gaming licensees’ annual reports will require the following information:

- For **pull-tab games**: number of W-2Gs, gross winnings reported from W2-Gs, total gross revenue, total payable prizes, total net revenue, state/municipality tavern tax
- For **tavern daily drawings & tavern raffles**: type of game, number of W-2Gs, gross winnings reported from W2-Gs, total gross revenue, total prizes paid, total net revenue, total amount donated (raffles) and state/municipality tavern gaming tax

RECORD-KEEPING REQUIREMENTS

Licensed Eligible Organizations and Club Licensees:

A licensed eligible organization is required to keep records related to games of chance activity sufficient to demonstrate the organization's compliance with the law upon inspection or audit. A licensed eligible organization must retain its records for at least two years. A club licensee must maintain its records for at least five years.

Records must include the following:

1. All sales invoices.
2. Gross receipts from the conduct of each game of chance.
3. The cost of each game of chance and other expenses related to the conduct of each game of chance.
4. The total of prizes paid out for each game of chance and each prize's cost or fair market value.
5. The proceeds from the conduct of each game of chance.
6. Totals for items enumerated in items 2 through 5 above for each operating day, operating week, calendar month, calendar year and licensed term.
7. Details as to how proceeds from games of chance were used or disbursed by the eligible organization.
8. A record of any prize for which the licensed eligible organization is required to make a W-2G report to the IRS.
9. A list of winners' names and addresses for prizes in excess of \$600.
10. For merchandise prizes, the licensed eligible organization is required to obtain a sales invoice showing the purchase price of the prize, or if the prize was donated to the licensed eligible organization, a written statement from the donor indicating the fair market value of the prize.

A licensed eligible organization must also maintain records relating to the printing or purchase of materials to be used for raffles and daily and weekly drawings. Records should include an invoice or receipt from the place of purchase that shows the cost and number or amount of the materials purchased.

The Pennsylvania State Police Bureau of Liquor Control Enforcement makes available various record-keeping tools on its website to facilitate proper record-keeping.

Tavern Gaming Licensees

Record-keeping requirements for tavern gaming licensees have yet to be formally established. In the meantime, taverns are advised to keep records similar to those identified above in order to facilitate tax filing and other reporting requirements, as well as to demonstrate compliance with small games of chance law. Additionally, the department will provide a spreadsheet to facilitate proper record-keeping for taverns at www.revenue.state.pa.us/SGOC.

GAMES REGULATED BY THE DEPARTMENT

The department regulates pull-tab games and punchboards sold for use in the commonwealth. All pull-tab games and punchboards must be pre-approved by the department before being offered for sale and use in the commonwealth. Although manufacturers and distributors of race night games must be registered and/or licensed with the department, race night games do not have to be pre-approved before being offered for sale or use in the commonwealth

Pull-tab Game and Punchboard Definitions and Requirements

- A *pull-tab game* is a deal of pull-tabs and its corresponding flare.
- A *pull-tab* is a game piece in a pull-tab game made completely of paper or paper products with concealed numbers or symbols that must be exposed by the player to reveal pre-determined winning numbers or symbols.
- A *punchboard* is a board, placard or other device comprised of receptacles, usually laid out in a grid or column pattern, containing a deal of hidden punches and its corresponding flare.
- A *punch* is a crimped strip of paper that is enclosed in a punchboard receptacle that contains pre-determined winning or losing numbers or symbols.
- A *deal* is a set of pull-tabs or punches.
- A *flare* is a card, graphic, illustration or other document that identifies the rules for the game, the prize structure, payout percentages and winning and losing numbers or symbols.

A **pull-tab game** must comply with the following:

1. At least 65 percent of the maximum potential gross receipts from the sale of pull-tabs must be payable as prizes.
2. A prize on an individual pull-tab may not exceed \$2,000.
3. An individual pull-tab deal may not contain more than 4,000 individual pull-tabs.
4. The flare advertising prizes available from the pull-tab deal must be made by the manufacturer and may only be altered by the eligible organization to indicate that merchandise of equivalent value will substitute for a cash prize.
5. Only one flare may be displayed for each deal and must be placed on the face or on the top of the dispenser used to dispense pull-tabs.
6. The flare must display the winning numbers or symbols for all prizes in the amount of \$5 or more, the manufacturer's name or logo and the cost per play.
7. The pull-tab game must be manufactured by a registered manufacturer, approved by the Department of Revenue for use in the commonwealth and purchased from a licensed distributor.

A **punchboard** must comply with the following:

1. At least 60 percent of the maximum potential gross receipts from the sale of punches in a punchboard must be payable as prizes.
2. A prize on an individual punch may not exceed \$2,000.
3. The flare advertising prizes available from the operation of the punch board must be made by the manufacturer and may only be altered by the eligible organization to indicate that merchandise of equivalent value will substitute for a cash prize.
4. Only one flare may be displayed and must be on the face or on top of the punchboard.
5. The flare must display the winning numbers or symbols for all prizes in the amount of \$5 or more, the manufacturer's name or logo and the cost per play.
6. The punchboard must be manufactured by a registered manufacturer, approved by the Department of Revenue for use in the commonwealth and purchased from a licensed distributor.



**ELIGIBLE ORGANIZATION
GAMES OF CHANCE
APPLICATION**

**FOR LICENSING AUTHORITY
USE ONLY**

Licensing Authority – Enter County
Name or Governing Authority Name,
Address and Telephone Number

Please Print or Type.

IMPORTANT: READ INSTRUCTIONS ON PAGE 4 BEFORE COMPLETING APPLICATION

1 Check Appropriate Block:

☐ Initial Application

☐ Annual Application

☐ Change of Data

The licensing authority must be notified of changes to the information included on this application within 15 days of the change.

2 Submit a check, cashier's check or money order payable to the licensing authority named above for the fee due.

TYPE OF APPLICATION

FEE

EXPLANATION

☐ Game of Chance License

\$125.00

Required for application.

☐ Monthly License

\$25.00

Required for application.

☐ Replacement License



Issued only if original is defaced, destroyed or lost. Contact the licensing authority for current fee.

3 Name of Municipality (city, borough, incorporated town or township)

4 a Liquor Identification Number (LID)

4 b Liquor License Number (if applicable)

5 Indicate Type of Organization (See instructions on Page 4.)

6 ☐ If incorporated, check here and attach copy of articles of incorporation.

7 Name of Organization

8 Date Organization was Formed

9 Location of Organization and Licensed Premises

A. Address of Normal Business or Operating Site

Street

County

City

State

ZIP Code

Telephone Number
()

Email Address

B. Mailing Address ☐ Check if same as 9a

Street

County

City

State

ZIP Code

Telephone Number
()

C. Licensed Premises ☐ Check if same as 9a

Street

County

City

State

ZIP Code

Telephone Number
()

Licensed Premises is (check applicable box)

☐ Owned by organization

☐ Leased by organization

☐ Owned or leased by another licensed eligible organization and leased to or used by the organization

☐ Other (Explain)

10 A. Eligible organization's operating day

B. Eligible organization's operating week

11 As the executive officer or secretary of the eligible organization, I certify, under penalties of perjury and falsification found in 18 Pa. C.S.A. §4901 et seq., that:

- A.** No person under 18 years of age shall be permitted to operate or play games of chance.
- B.** No person who will manage, set up, supervise or participate in the operation of games of chance has been convicted of a felony, a violation of the Bingo Law, or the Local Option Small Games of Chance Act.
- C.** The facility in which games of chance are to be played has adequate means of ingress and egress and adequate sanitary facilities available in the area and meets all Department of Health and other local or federal sanitary requirements.
- D.** The eligible organization is the owner of the premises upon which the games of chance are played; or, if it is not, the organization is not leasing such premises from the owner under an oral agreement, nor is it leasing such premises from the owner under a written agreement as a rental which is determined by the amount of receipts realized from the playing of games of chance or by the number of people attending, except for a banquet where a per head charge is applied connecting to the serving of a meal.
- E.** The organization has not been convicted of a violation of the Act of Dec. 19, 1988 (P.L. 1262, No. 156), known as the Local Option Games of Chance Act.

I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, all information provided is true, correct and accurate.

Signature of Officer Preparing Application	Date of Birth	Title	Date
Print Name	Social Security Number (Optional)		Telephone Number
	- -		()

12 COMMONWEALTH OF PENNSYLVANIA

COUNTY OF _____

Before me this day personally appeared _____, who, being duly sworn according to law, deposes and says that the statements contained in the foregoing application are true and correct.

Subscribed and sworn to before me this date:

Month Day Year

(Seal)

Notary Signature

My commission expires on _____.

FALSE OR FRAUDULENT APPLICATION IS PUNISHABLE BY A FINE OF \$1,000, IMPRISONMENT FOR ONE YEAR OR BOTH.

THE FOLLOWING DOCUMENTS MUST BE ATTACHED TO THE APPLICATION (use 8 1/2" X 11" sheets where possible).

1. Check, cashier's check or money order in the amount of the total application fee payable to the licensing authority named on Page 1 of this application.
2. Schedule Sheet.
3. If incorporated, a copy of the applicant's articles of incorporation. If not incorporated, a copy of bylaws or other legal documents that define the organization's structure and purposes. Documentation indicating the organization has been fulfilling its purpose for one year prior to applying for a license is required.
4. A copy of the applicant's Internal Revenue Service tax exemption approval letter or official documentation indicating the applicant is a non-profit charitable organization.
5. Details and copies of all written lease or rental arrangements between the applicant and the owner of premises upon which the games of chance will be conducted, if such premises are leased or rented. If premises are owned, provide a copy of the deed.
6. Effective Feb 1, 2015, each application for a club license with proceeds in excess of \$20,000 must include the most recent report filed with the department.

SCHEDULE SHEET FOR ELIGIBLE ORGANIZATION GAMES OF CHANCE LICENSING

Please Print or Type All Information.

SCHEDULE A - Check which type(s) of games of chance the organization will conduct:

- | | | | |
|--|---|---|----------------------------------|
| <input type="checkbox"/> Daily/Weekly Drawings | <input type="checkbox"/> Pull-tab games | <input type="checkbox"/> Punchboards | <input type="checkbox"/> Raffles |
| <input type="checkbox"/> Race Night Games | <input type="checkbox"/> Pools | <input type="checkbox"/> 50/50 Drawings | |

SCHEDULE B - List the following data for all officers, directors, owners and partners. If incorporated, list all officers and shareholders controlling 10 percent or more of outstanding stock. If organized as a partnership, list data for all partners. For all other entities, list data of any other financially responsible person.

Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional) - -
Email Address			Telephone Number ()
Complete Mailing Address			

Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional) - -
Email Address			Telephone Number ()
Complete Mailing Address			

SCHEDULE C - List all persons who will be responsible for operation of games of chance, including employees, bar personnel and organizational members or auxiliary members who will obtain and coordinate use of games of chance.

Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional) - -
Complete Mailing Address			Telephone Number ()
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional) - -
Complete Mailing Address			Telephone Number ()
Full Name	Date of Birth	Title or Relationship	Social Security Number (Optional) - -
Complete Mailing Address			Telephone Number ()

SCHEDULE D - List distributors with which the organization anticipates doing business:

Name of Distributor and distributor license number	Complete Mailing Address	Telephone Number
		()
		()
		()
		()

SCHEDULE E - List all auxiliary groups of the applicant conducting games of chance under the applicant's license:

1. _____
2. _____
3. _____
4. _____
5. _____

INSTRUCTIONS FOR COMPLETING ELIGIBLE ORGANIZATION GAMES OF CHANCE APPLICATION

The licensing authority (County Treasurer, or in any home-rule county where there is no elected treasurer, the designee of the governing authority) should enter the county name or governing authority name, address and telephone number in the space provided at the top of the application prior to making application forms available to the local eligible organizations.

Questions regarding games of chance and this application should be referred to the licensing authority on Page 1 at the top of the application. If the information is missing, refer to the government section of your local telephone book to determine the name and address of your county licensing authority.

APPLICATION INSTRUCTIONS

- SECTION 1** - Applicant must check the appropriate block to indicate the type of application the organization is submitting.
- SECTION 2** - Check type of application.
 - Games of Chance License - A games of chance license authorizes the licensee to conduct games of chance during the eligible organization's licensing term. A licensee is eligible to apply for special raffle permits.
 - A monthly license authorizes an eligible organization to conduct games of chance for a 30 consecutive day period.
 - Enclose the application fee (check, cashier's check or money order) payable to the county licensing authority identified on Page 1.
- SECTION 3** - The municipality where the organization's licensed premise is physically located.
- SECTION 4 - 8** - Enter specific information regarding the organization. Enter in Section 5 the type of organization applying for license: charitable organization, religious organization, civic and service association, club, fraternal organization and veteran's organization, etc. If your organization qualifies as more than one type list all that applies. If you qualify as a club you must provide the information in 4a and 4b.
- SECTION 9** - Generally, if an eligible organization owns or leases a premises as its normal business or operating site, that premises shall be the licensed premise for purposes of operating games of chance. If an eligible organization does not own or lease a premises upon which normal business or operations is conducted, it may, by agreement, use the licensed premises of another licensed eligible organization or make other arrangements for a licensed premises. Leases for licensed premiseses must be in writing.
 - A.** - The organization must provide the address of the physical location where normal business operation is conducted. Typically this will be the organization's mailing address and/or licensed premises, and it may be indicated as such by marking the boxes in B and C.
 - If no normal place of business, enter NONE.
 - B.** - If the organization has a different mailing address than the address provided in A (such as a Post Office Box), the organization must provide the mailing address in this item.
 - C.** - If an organization does not own or lease a normal business or operating site, has a normal business operating site with multiple structures or has multiple business or operating sites, it must indicate in this section the location it will use as its premises for conducting games of chance.
 - Information on this line is required for a complete application.
- SECTION 10** - Indicate the eligible organization's hours of operation, dates or days of week and times games are to be played.
 - Operating day - The period of time during any 24-hour period when an eligible organization conducts its normal activities or holds itself open to its members.
 - Nonoperating day - A period of time equivalent to an eligible organization's operating day except that the eligible organization is closed to normal activities or to its members during that period of time.
 - Operating week - Seven consecutive operating days or nonoperating days.
- SECTION 11** - The executive officer or secretary of an organization must certify statements A through E by completing the personal data required in Section 11 and by signing the application.
- SECTION 12** - Applicant must check the appropriate block to indicate if their organization received small games of chance proceeds in excess of \$2,500 in the prior calendar year.
- SECTION 13** - Application must be notarized.

Complete the schedule sheet and enclose other documents listed at the bottom of Page 2 of the application. Social Security numbers are optional.

Forward the application, payment and other related documents to the licensing authority to obtain your license to conduct and operate games of chance.