



For years, Pennsylvania residents have enjoyed participating in small games of chance at their local fire companies, VFWs, American Legions and other nonprofit organizations. Those who participate play, not only to win, but because they know that their money is going to a good cause – supporting fire companies and veteran organizations, sponsoring youth sports, refurbishing local parks, and giving out grants and scholarships to students.

For more than two decades, these organizations have been operating under the Local Option Small Games of Chance Act that was signed into law in 1988. This outdated law contained low payout awards, causing many groups to struggle to finance their operating expenses and still contribute to their local communities.

Recently enacted legislation amends Pennsylvania's small games of chance law, creating new definitions, increasing prize limits, providing additional licensing rules and regulations for organizations, and amending enforcement provisions.



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Small Games of Chance

What you need to know.



Preserving the role that local organizations have in our communities.

**Act 2 of 2012
and
Act 184 of 2012**

Small Games of Chance Act

“Preserving the role that local organizations have in our communities.”

General Info

Small games of chance are operated by licensed, eligible organizations such as a charitable, religious, fraternal or veterans’ organization; a club; or civic and service association. Limited types of games, including punchboards, raffles, 50/50, daily and weekly drawings and pull-tabs, fall under the authority of Pennsylvania’s Small Games of Chance Act.

All small games of chance are subject to general prize limits, as follows:

- **\$1,000 maximum** on single chance in any game.
- **\$25,000 maximum** in prize payouts during an operating week (the seven consecutive, reoccurring operating or non-operating days).
- **\$10,000 maximum** may be awarded in raffles during a calendar month.

Separate Bank Accounts

All eligible organizations are now required to keep all games of chance proceeds in a bank account separate from all other organization funds or accounts.

Distribution of Proceeds

Under the new law, a club licensee, which is an eligible organization with a liquor license, may distribute the proceeds as follows:

- No less than 70 percent may be distributed for a public interest purpose. A public interest purpose is defined as the activities and operations of a non-profit, benevolent, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental or civic objective.
- No more than 30 percent may be used for general operating expenses of the club. Operating expenses include real property taxes, utility and fuel costs, heating and air conditioning equipment and repair, water and sewer costs, mortgage payments, interior and exterior repair costs, new facility construction, entertainment equipment, and other expenses as regulated by the Pennsylvania Department of Revenue.

Proceeds may not be used for wages, alcohol or food purchases, or fines levied against the organization.

Recording and Reporting

All licensed eligible organizations are required to keep records related to games of chance activity. Recording and reporting regulations vary depending on the type of licensee.

A licensed, eligible organization must retain its small games of chance records for at least two years. Club licensees are required to maintain records for at least five years.

All organizations are required to file reports detailing their small games of chance activity, with the exception of organizations that make less than \$2,500 in a calendar year. Reports may be filed electronically through the department’s website, <http://www.revenue.state.pa.us/sgoc>.

EFFECTIVE 2014:

- All licensed eligible organizations except club licensees are required to submit annual reports by Feb. 1 detailing games of chance activities during the prior calendar year.
- Club licensees are required to submit semi-annual reports to the department detailing its games of chance activities. Reports detailing the six-month period beginning July 1 and ending Dec. 31 must be submitted by Feb. 1. Reports detailing activity between Jan. 1 and June 30 must be submitted by Aug. 1.

Questions?

- If you are a club licensee and you have questions regarding conducting games of chance, please contact Pennsylvania Liquor Control Enforcement at (717) 540-7410.
- If you have questions regarding reporting requirements, please contact the Pennsylvania Department of Revenue at (717) 787-8275.
- Questions regarding licensing to conduct small games of chance should be directed to the county treasurer in the county where the organization is located.

Reporting forms and additional details about the law can be found at: www.revenue.state.pa.us/sgoc.