

NEWS & INSIGHTS

Pennsylvania skill games ruling creates compliance challenges for liquor licensees

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JUNE 19, 2026



On June 15, 2026, the Pennsylvania Supreme Court [issued a significant ruling](#) addressing the legal status of so-called “skill game” machines across the Commonwealth. The Court held that the devices at issue are “slot machines” under Pennsylvania’s Gaming Act and are also subject to the Crimes Code provisions governing unlawful gambling devices.

The ruling reverses prior Commonwealth Court decisions that allowed skill games to operate in a legally ambiguous area outside the reach of both the Gaming Act and the Crimes Code. For Pennsylvania liquor license holders, including bars, restaurants and social clubs, the decision is especially important because these machines have become common in licensed establishments.

The Court recognized that many businesses relied on earlier court decisions when placing or operating skill games. For that reason, the Court delayed the effect of its ruling for 120 days. During that period, the Court stated that law enforcement agencies may not take adverse action against owners or operators of skill game devices based on the new opinion. Unless the General Assembly acts or another legal development occurs, that safe-harbor period is expected to end in mid-October 2026.

The decision does not create a new licensing path for bars, restaurants or clubs to continue legally operating these machines, as under the Gaming Act, there is no licensing option available to unlicensed establishments. Instead, the Court emphasized that Pennsylvania law already regulates slot machines through licensed gaming facilities and that unlicensed operation outside that framework is not beyond enforcement. The Court also made clear that any broader policy decision about whether to legalize, tax or regulate skill games in other establishments belongs to the General Assembly.

Business holding liquor licenses should treat the next several months as a planning period. Specifically, establishments with skill games should:

- Review vendor agreements for removal obligations and revenue clawback provisions.
- Assess liquor license exposure if machines remain after the stay expires.
- Consult counsel before the October deadline to understand their options.

Frequently Asked Questions

Can I keep skill games in my establishment during the 120-day safe harbor?

Yes, for now. The Court's stay prohibits adverse law enforcement action against skill game owners and operators during the 120-day period following the June 15, 2026, decision. That window is expected to close around October 13, 2026.

What happens after the 120-day period ends?

Unless the General Assembly enacts legislation to legalize or regulate skill games in unlicensed establishments, operating these devices after the stay expires would expose owners, operators, and potentially liquor licensees to enforcement under the Gaming Act and Pennsylvania's Crimes Code. Liquor license holders face the additional risk of administrative action tied to their license.

Why did the Court rule that skill games are slot machines?

In 2017, the General Assembly amended the Gaming Act to add two new categories: “skill slot machine” and “hybrid slot machine”, directly to the definition of “slot machine.” Those definitions incorporate the very skill-versus-chance distinction that skill game operators had relied upon to argue their devices were legal. The Court held that after those amendments, no amount of skill, chance, or combination of the two removes a device from the definition of a slot machine under Pennsylvania law.

Does this affect my liquor license?

It can. Businesses with a liquor license who continue operating skill games after the stay expires face potential enforcement exposure that goes beyond the skill game machines themselves. The Pennsylvania Liquor Control Board has broad authority over licensed premises, and activities that violate the Gaming Act or Crimes Code can result in a liquor license being revoked. The specifics depend on your circumstances, which is why early consultation with counsel is advisable.

Could the General Assembly change this?

Yes. The Court explicitly noted that it was applying existing statutory law and that the General Assembly remains free to take legislative action at any time. Whether and when the legislature will act is uncertain. Licensees should not assume that legislative relief will arrive before the October deadline.

If you have questions about how the Pennsylvania Supreme Court’s decision may affect your liquor-licensed business, vendor agreements, or next steps during the 120-day safe-harbor period, please contact [Kenneth J. McDermott](#) or any member of the [Saxton & Stump Liquor Licensing and Alcohol Group](#).

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