SKILL-BASED CHARITABLE GAMING STANDARDS

Classification Standard

The test that determines which products the SBCGS family applies to, and the measures that make a skill claim testable.

DESIGNATION	PREPARED BY	PUBLISHED BY	LOCATION
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VERSION	SUPERSEDES	STATUS
1.2	v1.1	WORKING DRAFT

PREFATORY NOTE

This is the classification standard in the SBCGS family. It determines which products are subject to the family, and it defines the measures by which a claim of skill is tested. It imposes no operating requirement on anyone.

The family follows the three-layer structure used in Indian gaming regulation, where classification, internal controls, and technical standards are published separately and do different work:

LAYER	DOCUMENT	FEDERAL ANALOGUE	QUESTION ANSWERED
Classification	**SBCGS-C**	25 C.F.R. pt. 502	Is the product in scope?
Minimum internal controls	SBCGS-M	25 C.F.R. pt. 543	What must the organization and the operator do?
Technical standards	SBCGS-T	25 C.F.R. pt. 547	What must the system do, and how is i tested?

A category of gaming product has grown to a scale of several hundred thousand devices in the United States on the strength of a single legal proposition: that where the

skill of the player predominates over chance in determining outcome, the product is not a gambling device, and the regulatory apparatus that attaches to gambling devices does not attach to it. Manufacturers designed to that proposition. Legislatures did not anticipate it. The result is a product that a player encounters in a tavern, a fraternal club, a veterans post, a laundromat, or a convenience store, that takes money and pays money, and that carries almost none of the protections the same player would receive from a licensed operator in the same state.

The predominant factor test is a jurisdictional test. It answers the question of which regulator may act. It cannot answer, and was never designed to answer, the question of what the player in front of the device is exposed to. Two products with identical exposure fall on opposite sides of it. A single feature, engaged by almost nobody, can move a product across it.

This standard therefore asks a different question, and asks it on purpose. It does not ask whether a product is a game of skill, a game of chance, a gambling device, a slot machine, a skill slot machine, a hybrid slot machine, a scheme of chance, a coin operated amusement machine, or lawful gambling under any applicable law. It asks whether a player is exposed to the harms the SBCGS family addresses. A test built on exposure survives the classification dispute regardless of how any jurisdiction resolves it, and can be applied today.

The standard then does something the existing literature does not do. Where a product is represented to a player as depending on skill, § 106 states three measures by which that representation is tested: how much the skill element can move the return, whether an ordinary player can find and use it, and whether players in the field actually do. Each is a quantity that a testing laboratory can determine and an assessor can verify. Existing sources treat the same subject qualitatively. Ohio disqualifies a device where success "is impacted by the exercise of a skill that no reasonable player could exercise." GLI-11 requires disclosure that outcome is affected by skill, and expressly declines to classify. Neither states how much influence the skill element must have, whether the player must be able to find it, or whether anyone uses it. Section 106 states all three as numbers.

The word "charitable" in the title of this family reflects where this category sits rather than a limit on what it covers. Charitable, fraternal, and veterans organizations are among the largest hosts and beneficiaries of these products, charitable gaming

authority is the licensing vehicle in the states that regulate the electronic forms, and a representation that play supports a charitable purpose is itself a representation made to a player at the point of play. Part 100 covers the product wherever it is placed outside a licensed casino gaming floor. Section 107 adds the definitions that apply when a charitable representation is made.

Section 110 and Appendix B set this standard against the classification tests in force or proposed under applicable law. The divergences are deliberate and are identified.

Revision note. Version 1.2 corrects the revision note carried by version 1.1. That note stated that version 1.1 corrected a citation basis. It did not. The citation corrections it referred to were made before version 1.0 was issued, so version 1.0 and every version since carry them, and version 1.1 changed only the license and naming terms and the version lineage on the cover. This version changes no text in the body of the standard. No requirement has been added, removed, or changed in any version, and every section number in version 1.0 carries the same content here.

PART 100

CLASSIFICATION STANDARD

§ 101 Purpose

This standard states the test by which a person determines whether a product is a covered product, and therefore whether the SBCGS family applies to it. It further states the measures by which a representation that a product depends on the skill of the player is determined.

§ 102 Scope and relationship to the other Standards

(a) This standard determines scope. It imposes no requirement on the design, operation, or conduct of any person. Those requirements are stated in SBCGS-M and SBCGS-T.

(b) A reference in SBCGS-M or SBCGS-T to a covered product, a covered device, a covered operator, or a licensed organization is a reference to those terms as determined

under this standard.

(c) This standard does not determine whether a product is lawful, whether it constitutes gambling, a gambling device, a slot machine, a skill slot machine, a hybrid slot machine, a game of skill, a scheme of chance, a lottery, a coin operated amusement machine, or charitable gaming under any applicable law, or which authority regulates it. A determination under this standard is not evidence on any of those questions.

(d) A determination that a product is not a covered product is not a determination that the product is unregulated, safe, or exempt from any obligation imposed by applicable law.

(e) This standard does not apply to a product offered on the gaming floor of a facility licensed by a gaming regulatory authority to conduct casino gaming, where the product is subject to that authority's device approval and internal control requirements. The exclusion is stated in § 104(g)(1) and is a scope limitation, not a judgment that such products present lesser exposure.

§ 103 Definitions

As used in the SBCGS family:

Affiliate means a person that controls, is controlled by, or is under common control with a covered operator or a licensed organization.

Amount committed means the total value a player transfers to a covered device or to a covered operator in order to obtain plays, whether denominated as cash, credits, points, entries, or otherwise, without deduction for awards.

Base play means the sequence beginning when a player commits consideration for a play and ending when the outcome of that play is displayed, excluding any skill element and any bonus or secondary feature.

Charitable representation has the meaning given in § 107(b).

Charitable yield has the meaning given in § 107(d).

Covered device means the machine, terminal, cabinet, system, or application by which a covered product is offered to a player, together with associated equipment,

communications, and server components on which the outcome, the accounting, or a control required by SBCGS-M or SBCGS-T depends.

Covered operator means a person that places, operates, services, monitors, or receives a share of the proceeds of a covered product, or that manufactures or distributes a covered device for use with a covered product. The term includes a person that provides player-facing access to a covered product offered by another person.

Covered product means a product that satisfies the test in § 104.

Gross gaming revenue means the amount committed in a stated period less the value of awards made to players in that period, before any expense, fee, tax, commission, or allocation.

Host location means the premises on which a covered device is made available to players, and the person in control of those premises.

Licensed organization means an entity that holds a license, permit, registration, or equivalent authorization to conduct charitable, fraternal, religious, veterans, civic, or similar gaming under applicable law, or that would hold one if the applicable law reached the product.

Nominal skill product has the meaning given in § 106(g)(2).

Play means one event from the commitment of consideration by a player until the outcome of that event is determined and displayed, without the commitment of further consideration.

Product means a game, device, contest, arrangement, or offering made available to a player, however denominated by the person offering it.

Rules of play means the statement of how a product operates, what a player must do, what a player may win, and on what terms, as presented to the player on or at the covered device before the player commits consideration.

Skill element means a feature of a product whose operation depends on an act of the player and which, when engaged, can change the value returned to the player on the play in which it is engaged.

Skill representation has the meaning given in § 105.

Skill-represented product means a covered product as to which a skill representation is made.

§ 104 Applicability test

(a) **Purpose.** This section states the test by which a person determines whether a product is a covered product. The test is functional. It does not depend on how the operator characterizes the product, on the operator's regulatory status, on the technology by which the product is delivered, or on whether the product constitutes gambling under any applicable law.

(b) **The test.** A product is a covered product if it satisfies each of the gates in subsections (c) through (f) and is not excluded under subsection (g).

(c) **Gate 1: consideration.** A player must transfer money, or a thing exchangeable for money or having a stated monetary value, in order to obtain a play.

(1) Consideration is present whether the transfer is made to the device, to the host location, to the covered operator, or to any other person, and whether it is denominated as a wager, a purchase, a donation, a membership, an entry fee, or otherwise.

(2) Consideration is present where a product is offered without charge alongside a paid channel of entry, if the free channel is not disclosed on the covered device with equal prominence, is not available at the point of play, or does not confer an opportunity equal in value and in ease of access to the paid channel.

(d) **Gate 2: award of value.** A play must be capable of resulting in an award of money, a thing exchangeable for money, or a thing having a stated monetary value, to the player.

(1) An award is within this gate whether paid in cash, by ticket, voucher, credit, card, electronic transfer, merchandise, or by an increase in a balance available for further play.

(2) An award consisting only of additional plays of the same product is within this gate where the balance of plays is exchangeable, in fact or by practice at the host location, for anything within paragraph (1).

(3) This gate is not satisfied where the maximum award obtainable from a single play does not exceed the greater of ten dollars in wholesale value or the value of a single play, the award is not cash and is not exchangeable for cash, and awards are delivered at the covered device at the time of play.

(e) **Gate 3: uncertainty at commitment.** At the moment the player commits consideration for a play, the value the player will receive from that play must not be known to the player.

(1) This gate is satisfied where the value depends on the operation of a random number generator, on a predetermined finite pool of outcomes, on an event external to the player, or on the player's performance of a task whose result is not certain at the time of commitment.

(2) A feature that discloses the outcome of a forthcoming play before the player commits consideration for that play does not defeat this gate as to any play for which the outcome was not so disclosed, and does not defeat this gate where the player cannot alter the disclosed outcome.

Basis: the preview feature described in In re: Three Pennsylvania Skill Amusement Devices, No. 50 MAP 2024, slip op. at 11 (Pa. June 15, 2026).

(f) **Gate 4: presentation.** At least one of the following must be true:

(1) A skill representation is made as to the product, as determined under § 105; or

(2) The product presents outcomes to the player using a form conventionally used by gambling devices, including spinning or rolling reels or wheels, combinations of symbols evaluated against a published table of awards, a display of an award schedule keyed to symbol combinations, or a progressive or accumulating award pool.

(g) **Exclusions.** A product is not a covered product where any of the following applies:

(1) The product is offered on the gaming floor of a facility licensed to conduct casino gaming, and the covered device is subject to the approval requirements and internal control requirements of the authority that licenses that facility.

(2) The award is determined solely by the comparative performance of two or more human participants in a contest that has a defined start and a defined conclusion,

published rules fixed before entry, an entry fee fixed before entry and not variable during the contest, and an award schedule published before entry.

(3) The product is a drawing, raffle, or paper ticket game conducted without an electronic device that determines, reveals, or represents the outcome to the player.

(4) The product is a lottery game conducted by, or under the direct authority of, a state lottery, and is subject to that lottery's device approval and internal control requirements.

(5) The product presents no opportunity for an award within gate 2, taking subsection (d)(3) into account.

(h) **Anti-avoidance.** In applying this section:

(1) The characterization of a product by the person offering it, including a characterization advanced in litigation or in a regulatory filing, does not control.

(2) Two or more features offered on a single covered device are a single product where a player commits consideration once and the features operate on that consideration in sequence. A feature is not a separate product because it is separately named, separately described, or separately reached.

(3) A product does not fall outside a gate because a feature that would satisfy the gate is disabled, hidden, or unavailable in a particular configuration, if the feature can be enabled without replacement of the covered device.

(4) Where a covered operator offers a product to a player through an intermediary, both the operator and the intermediary are covered operators as to that product.

§ 105 Skill representation

(a) A skill representation is made as to a product where any of the following states or implies to a player, or to a regulator, that the value a player receives depends on the skill, knowledge, dexterity, judgment, memory, or other ability of the player:

(1) The name of the product, the name of a feature of the product, or the name under which the product is marketed;

(2) Text, graphics, audio, or video presented on or at the covered device, including the rules of play and any attract sequence;

(3) Marketing, advertising, signage, or a statement by the covered operator, the host location, or the licensed organization;

(4) A statement to a regulatory or judicial authority, including a position advanced in a license application, an administrative proceeding, or litigation, that the product is a game of skill or that skill predominates in determining its outcome; or

(5) A statement by the manufacturer of the covered device to a testing laboratory or to a purchaser or lessee of the device.

(b) A skill representation is made as to the whole product. It is not confined to the feature in which the skill element resides.

> **NOTE**
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> Paragraph (a)(4) is the operative provision. A person who tells a court or a regulator that a product is a game of skill has made a skill representation to the player, and the measures in § 106 apply. The alternative would allow a product to be a skill game for the purpose of avoiding gambling regulation and not a skill game for the purpose of substantiating what the player was told.

§ 106 Measures of a skill representation

(a) **Purpose.** This section states the measures by which a skill representation is tested. Each measure is determined for a covered product under SBCGS-T and is stated in the classification record required by § 108. The measures are not a test of legality and do not determine whether skill predominates over chance under any applicable law.

(b) **Return at optimal skill.** The return at optimal skill is the expected value returned to a player, expressed as a percentage of the amount committed, on the assumption that the player engages every skill element on every play on which it is available and applies it without error, over the configuration submitted for determination.

Basis: Nev. Gaming Comm'n Reg. 14.010(10) and (14) define a game of skill and a hybrid game by the dominant factor affecting outcome over a period of continuous play; Reg. 14.040(1)(a) sets a floor of 75 percent on theoretical payout for each wager; GLI-11 v3.0 § 4.20.3 recognizes that the style or method of play may take the return below that floor.

(c) **Return at absent skill.** The return at absent skill is the expected value returned to a player, expressed as a percentage of the amount committed, on the assumption that the player does not engage any skill element on any play, over the same configuration.

(1) Where the product cannot proceed unless the player performs an act, the return at absent skill is computed on the assumption that the player performs the act in the manner requiring the least time and the least information, and not on an assumption of optimal performance.

(d) **Skill influence range.** The skill influence range is the return at optimal skill less the return at absent skill, stated in percentage points.

> **NOTE**
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> The skill influence range is the quantity a player is entitled to know and that no framework in force requires anyone to state. Nevada sets a floor on theoretical payout and requires a device to say that outcome is affected by player skill. GLI-11 acknowledges that the method of play moves the return. Neither requires the two ends of the range to be computed, and the lower end is the return that a player who never finds the skill element actually receives.

(e) **Skill accessibility.** A skill element is accessible only if all of the following are true:

(1) The skill element is described in the rules of play, including how it is reached, what the player must do, and what the player receives for performing it, and the description is available to the player before the player commits consideration for a play;

(2) The skill element can be reached by a player using only information presented on or at the covered device;

(3) Where the skill element is offered following a play, the opportunity to engage it remains available to the player for a period not shorter than the greater of fifteen seconds or the period for which the opportunity to commit consideration for a further play is available; and

(4) The skill time cost ratio does not exceed 20, where the skill time cost ratio is the median elapsed time required by a proficient player to complete the skill element divided by the median elapsed time required to complete a base play.

Basis: Ohio Rev. Code § 2915.01(UU)(2)(e) and (f) disqualify a device where success is determined by game features not visible or known to the player, or is impacted by the exercise of a skill that no reasonable player could exercise. This subsection states those disqualifications as observable conditions.

(f) **Skill realization rate.** The skill realization rate is the number of plays in a measurement period on which a player engaged an available skill element to completion, divided by the number of plays in that period on which a skill element was available, determined from records of play by players in the field and not from laboratory play.

(1) A measurement period is not less than ninety consecutive days and not fewer than fifty thousand plays across the covered devices to which the determination applies.

(2) The skill realization rate is determined separately for each product and each configuration of that product for which the skill influence range differs.

(g) **Classification of a skill representation.** A skill-represented product is classified as follows:

(1) **Demonstrated skill product.** The product is a demonstrated skill product if the skill influence range is not less than five percentage points, every skill element is accessible under subsection (e), and the skill realization rate is not less than 0.20.

(2) **Nominal skill product.** The product is a nominal skill product if a skill representation is made and the product is not a demonstrated skill product.

(3) A classification under this subsection is provisional until a skill realization rate has been determined under subsection (f). Until that determination, a product satisfying subsections (d) and (e) is classified as a provisional demonstrated skill product.

(h) **Consequences.** The classification under subsection (g) does not affect whether a product is a covered product. It determines the disclosure and representation obligations stated in SBCGS-M § 304 and the certification obligations stated in SBCGS-T § 811.

> **NOTE**

> The thresholds in subsection (g)(1) are stated as values, not as a range, because a threshold that each assessor sets for itself is not a standard. The Institute invites comment on each of the three, and on whether the skill realization rate should be expressed as a proportion of plays or as a proportion of players. See Appendix C.

§ 107 Charitable representation and charitable yield

(a) **Purpose.** This section states the definitions that apply where a covered product is offered under charitable authority or is represented to a player as supporting a charitable purpose. It imposes no requirement. The requirements are stated in SBCGS-M Part 500.

(b) **Charitable representation.** A charitable representation is made as to a covered product where any of the following states or implies to a player that play supports a charitable, fraternal, religious, veterans, civic, educational, or similar purpose:

(1) The name, mark, or logo of a licensed organization or of a beneficiary, presented on or at the covered device or in the area in which the covered device is placed;

(2) A statement on or at the covered device, on signage at the host location, or in marketing;

(3) The conduct of the product under a license, permit, or registration issued under charitable gaming authority; or

(4) Placement of the covered device on premises owned, leased, or operated by a licensed organization, where the organization's charitable, fraternal, or veterans character is identified to the public at those premises.

(c) **Beneficiary.** A beneficiary is the person or purpose to which amounts described in subsection (d) are applied.

(d) **Charitable yield.** The charitable yield of a covered product, for a stated period and a stated set of covered devices, is the amount actually applied to a charitable purpose in that period, divided by gross gaming revenue for the same period and the same devices, expressed as a percentage.

(1) Amounts applied to a charitable purpose are amounts disbursed to, or irrevocably committed to, a beneficiary or a use that qualifies as a charitable purpose

under applicable law. They do not include:

(i) Any amount retained by, paid to, or credited to a covered operator, a distributor, a manufacturer, a host location, or an affiliate of any of them;

(ii) Any amount applied to the acquisition, lease, service, communications, monitoring, or financing of a covered device;

(iii) Any amount applied to the general operating costs of the licensed organization, including premises, utilities, insurance, and compensation, except to the extent applicable law expressly treats such costs as a charitable purpose and the treatment is disclosed under SBCGS-M § 502; or

(iv) Any tax, fee, or assessment payable to a government.

(2) Charitable yield is computed on gross gaming revenue, not on net proceeds, profit, or any measure that has already deducted expense. Where applicable law defines net proceeds or an equivalent term, that measure is reported in addition to charitable yield and does not replace it.

> **NOTE**
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> The denominator is the point of this definition. Every state measure the Institute reviewed computes the charitable share after expenses, which makes the share appear large while the fraction of the player's money that reaches the purpose remains unstated. Charitable yield states that fraction. It is the number a player would need in order to understand what the representation in subsection (b) means.

§ 108 Classification determination and record

(a) A determination under this standard is made by the person that offers the covered product to players, before the product is first made available to a player, and is documented in a classification record.

(b) The classification record states:

(1) The product, the covered device, the manufacturer, the software identification of each component on which outcome or accounting depends, and the configuration to which the determination applies;

(2) The determination under § 104, gate by gate, with the basis for each;

(3) Whether a skill representation is made, identifying each representation under § 105;

(4) For a skill-represented product, the return at optimal skill, the return at absent skill, the skill influence range, each element of accessibility under § 106(e), the skill realization rate or a statement that it has not yet been determined, and the resulting classification under § 106(g);

(5) Whether a charitable representation is made, identifying each representation under § 107(b), and the beneficiary; and

(6) The date of determination and the person responsible for it.

(c) The classification record is retained for not less than five years after the covered product ceases to be offered, and is produced on request to a regulatory authority, to an assessor engaged under SBCGS-M § 701, and to a licensed organization for whose benefit the product is offered.

(d) A determination under § 106 is made on the basis of a report of an independent testing laboratory meeting SBCGS-T § 881. A determination made without such a report is provisional and is identified as provisional in the record.

§ 109 Reclassification

(a) A determination is reviewed and, where necessary, made again upon any of the following:

(1) A change to the covered device, its software, or its configuration that affects outcome, award schedule, accounting, or any skill element;

(2) A change to the rules of play, to marketing, or to any other statement that would create or withdraw a skill representation or a charitable representation;

(3) The first determination of a skill realization rate, and each subsequent determination;

(4) A change in the allocation of proceeds that changes charitable yield by more than two percentage points; or

(5) Twenty four months from the date of the most recent determination.

(b) Where a product ceases to be a demonstrated skill product, the covered operator withdraws every skill representation as to that product within thirty days, or ceases to offer the product.

(c) A reclassification does not have retrospective effect on the lawfulness of past conduct under this standard, and does not excuse a failure to have made a determination when one was required.

§ 110 Relationship to classification tests under applicable law

(a) **Purpose.** This section identifies the classification tests against which this standard is most likely to be compared, and states where this standard diverges and why. Appendix B sets out the comparison in full.

(b) **The predominant factor test.** Under the predominant factor test as applied in Pennsylvania and in most jurisdictions that have addressed the question, a product is a gambling device where consideration, chance, and reward are present, and chance rather than skill is the predominant factor determining outcome. The test is binary, is applied by a tribunal after the fact, and does not require the influence of the skill element to be quantified. This standard does not apply the predominant factor test, does not purport to predict its outcome, and does not treat a determination under this standard as evidence on it.

Basis: Commonwealth v. Two Elec. Poker Game Machines, 465 A.2d 973 (Pa. 1983); In re: Three Pennsylvania Skill Amusement Devices, No. 50 MAP 2024 (Pa. June 15, 2026).

(c) **The Pennsylvania statutory definitions.** The Pennsylvania Race Horse Development and Gaming Act defines a skill slot machine as a slot machine in which the skill of the player rather than the element of chance is the predominant factor in affecting the outcome, and a hybrid slot machine as one in which a combination of skill and chance affects the outcome, and includes both within the definition of a slot machine. The Supreme Court of Pennsylvania held on June 15, 2026 that those definitions make the skill element of the devices before it legally insignificant. This standard reaches a product whether or not any such definition applies to it.

Basis: 4 Pa.C.S. § 1103; 18 Pa.C.S. § 5513.

(d) **The Ohio definition of a skill-based amusement machine.** Ohio defines a skill-based amusement machine by reference to the form and value of the award and disqualifies a device on six grounds, including where success is impacted by the exercise of a skill that no reasonable player could exercise. The Ohio definition excludes any device that pays cash. This standard adopts the substance of the Ohio disqualifications in § 106(e) and states them as measurable conditions, and does not exclude cash products, because a cash product is the product that presents the exposure the family addresses.

Basis: Ohio Rev. Code § 2915.01(UU); Ohio Admin. Code 3772-50-24 app. A.

(e) **GLI-11 section 4.20.** GLI-11 defines a game with skill as one containing elements that can be leveraged by a player to impact the return percentage, and states requirements for disclosure, player versus player advantage features, virtual opponents, player advice, recall, and interruption. It expressly declines to classify a game as a skill game or to serve as a legal basis for classification. It requires disclosure that outcome is affected by skill only where the style or method of play could take the return below 75 percent, which acknowledges that the return moves with the method of play without requiring anyone to say by how much. This standard supplies the classification GLI-11 declines to supply, and requires the influence to be quantified rather than disclosed as a fact.

Basis: GLI-11 v3.0 §§ 4.20.1, 4.20.3.

(f) **Charitable gaming measures.** State charitable gaming statutes measure the charitable share after the deduction of prizes and of some or all expenses, under terms such as net proceeds or adjusted gross receipts. Section 107(d) diverges by computing charitable yield on gross gaming revenue. Both measures are reported. The divergence is deliberate and is the subject of Appendix C.

APPENDIX A

APPLICATION OF THE § 104 TEST

The following applications are illustrative. Each assumes the facts stated and no others. None is a determination as to any actual product, and none states a view on the lawfulness of any product under any applicable law.

PRODUCT	GATE 1	GATE 2	GATE 3	GATE 4	EXCLUDED	CO
Cash-paying device with virtual reels, a paytable, and a memory-test feature offered after a losing spin, placed in a tavern	Yes	Yes	Yes	Yes	No	Ye
The same device with the memory-test feature disabled in the deployed configuration	Yes	Yes	Yes	Yes, on presentation	No	Ye
Electronic pull tab terminal at a veterans post, outcomes drawn from a finite deal, cash redemption	Yes	Yes	Yes	Yes, on presentation	No	Ye
The same terminal offering an open-all reveal of every symbol on one input	Yes	Yes	Yes	Yes	No	Ye
Crane machine awarding a plush toy of five dollars wholesale value, delivered at the machine	Yes	No	Yes	No	Gate 2	No
Class B coin operated amusement machine, points redeemable only for replays, lottery tickets, and gift cards	Yes	Yes	Yes	Yes	No	Ye
Bar-top device requiring the player to complete a dexterity task, awarding merchandise of eight dollars wholesale value at the device	Yes	No	Yes	Yes	Gate 2	No
Skill-based slot on a licensed casino floor, approved by the licensing authority	Yes	Yes	Yes	Yes	§ 104(g)(1)	No
Darts league with a fixed entry fee, published rules, published prize schedule, human opponents	Yes	Yes	Yes	Yes	§ 104(g)(2)	No

PRODUCT	GATE 1	GATE 2	GATE 3	GATE 4	EXCLUDED	CO
Paper pull tab sold across a bar at a fraternal club, no electronic device	Yes	Yes	Yes	Yes	§ 104(g)(3)	No
Paper pull tab whose result is revealed to the player by a terminal at the club	Yes	Yes	Yes	Yes	No	Ye
Sweepstakes kiosk offering internet time, results revealed on a reel display, cash redemption, free entry available only by mailed request	Yes	Yes	Yes	Yes	No	Ye
State lottery monitor game in a licensed lottery retailer, subject to lottery device approval	Yes	Yes	Yes	Yes	§ 104(g)(4)	No
Charity raffle drawn at an annual dinner, tickets sold on paper	Yes	Yes	Yes	No	§ 104(g)(3)	No
Trivia terminal in a tavern, entry fee, cash prize, questions drawn at random from a bank, no comparative contest	Yes	Yes	Yes	Yes	No	Ye

Notes on selected examples

The device with the skill feature disabled. Gate 4 is satisfied on presentation alone, and § 104(h)(3) prevents a covered operator from leaving the classification by shipping a configuration in which the feature is switched off. The disabled configuration is material to § 106, not to § 104. Its return at absent skill and its return at optimal skill are the same number, its skill influence range is zero, and it is a nominal skill product for so long as any skill representation is made about it.

The open-all electronic pull tab. The open-all reveal was the subject of litigation and then legislation in Minnesota because it made an electronic pull tab present like a reel spin. Under this standard the feature is not what brings the product into scope. The product is covered either way, and open-all is relevant to the presentation requirements in SBCGS-T Part 820 rather than to classification.

The crane machine and the dexterity device. Both fail gate 2 under § 104(d)(3) on the stated facts, which is the amusement exclusion. It is a narrow exclusion by design. Raise the award above ten dollars, make it exchangeable for cash, or deliver it anywhere other than at the device at the time of play, and the product is covered. This is the boundary Ohio drew and it is the right boundary.

The Class B coin operated amusement machine. Georgia narrowed permitted redemption effective July 1, 2026 to replays, lottery products, and gift cards. Gift cards are things exchangeable for money within § 104(d)(1), and lottery tickets are things having a stated monetary value. Narrowing redemption does not remove the product from scope. It changes what the player carries out of the store, not what the player was exposed to inside it.

The sweepstakes kiosk. Gate 1 is satisfied through § 104(c)(2). A free channel that requires a mailed request is not available at the point of play and is not equal in ease of access to inserting a bill.

The trivia terminal. Skill is genuinely present and may well predominate. That is not the question this standard asks. The product takes money, pays money, resolves in a way the player cannot know in advance, and is placed where a player encounters it without any of the protections in SBCGS-M. It is covered, and § 106 will then measure how much the trivia element actually moves the return.

The darts league. Excluded under § 104(g)(2) because the award turns on comparative performance among human participants under published rules with a fixed entry. The exclusion is drawn narrowly on purpose. A product does not enter it by adding a leaderboard to a device on which each player plays alone against the house.

APPENDIX B

COMPARISON WITH CLASSIFICATION TESTS UNDER APPLICABLE LAW

TEST	SOURCE	FORMULATION	QUESTION IT ANSWERS	RELATIONSHIP TO SBCGS-
Predominant factor	Pa. common law; most	Consideration, reward, and	Whether the device is a gambling device	Not applied. Binary, retrospective,

TEST	SOURCE	FORMULATION	QUESTION IT ANSWERS	RELATIONSHIP TO SBCGS-
	states	chance predominating over skill in determining outcome	subject to criminal prohibition	unquantified
Skill slot machine	4 Pa.C.S. § 1103	Slot machine in which skill rather than chance is the predominant factor affecting outcome	Whether the device is a slot machine under the Gaming Act	Broader in reach. SBCG covers the device what the answer
Hybrid slot machine	4 Pa.C.S. § 1103	Slot machine in which a combination of skill and chance affects outcome	Same	Same
Skill-based amusement machine	Ohio Rev. Code § 2915.01(UU)	Awards only merchandise prizes at or below ten dollars wholesale, delivered at the device, subject to six disqualifiers	Whether the device is outside the definition of a scheme of chance	Substance of the disqualifiers adopted 106(e) and quantified. Cash exclusion not ado
Class B coin operated amusement machine	O.C.G.A. tit. 50 ch. 27	Machine of skill rewarding non-cash redemption within permitted categories	Whether the machine may be licensed by the Georgia Lottery Corporation	Narrower. Redemption t does not determine coverage
Game of skill	Neb. Rev. Stat. ch. 77 art. 30	Mechanical amusement device producing an outcome predominantly caused by skill and not chance	Whether the device is taxable and registrable as a mechanical amusement device	Not applied. Same defe as the predominant fac test
Game with skill	GLI-11 v3.0 § 4.20.1	A game containing one or more elements that can be leveraged by a player to impact	Which technical requirements apply to the device	Adopted as the startin point in § 103 and the quantified in § 106. G 11 expressly declines classify

TEST	SOURCE	FORMULATION	QUESTION IT ANSWERS	RELATIONSHIP TO SBCGS-
		the return percentage		
Covered device	Pa. H.B. 2557, § 5102 (2026)	Device accepting value, offering a payout, simulating or operating similarly to a slot machine, with eight exclusions	Which devices a proposed Pennsylvania consumer protection regime would reach	Closest in purpose of anything reviewed. Confined to one state, keyed to slot machine similarity rather than exposure, silent on sk measurement and on charitable proceeds
Class II and class III gaming	25 U.S.C. § 2703; 25 C.F.R. pt. 502	Bingo and instant bingo including electronic aids, against all other forms of gaming	Whether tribal gaming requires a compact	Not applied. Structura model only

Where the tests diverge, and why

Every test above except one asks who may regulate. The predominant factor test, the Pennsylvania definitions, the Ohio definition, the Georgia and Nebraska definitions, and the class II and class III definitions are jurisdictional. They allocate authority. A product may satisfy any of them and still be offered to a player with no age verification, no exclusion, no limit, no disclosure of return, and no statement of what reaches the charity. That is the gap SBCGS-C is drawn to close, and it is why the gates in § 104 are stated in terms of what the player transfers, what the player may receive, what the player can know, and how the product is presented.

The one exception is H.B. 2557, introduced in Pennsylvania on May 29, 2026 as the Skill Game Consumer Protection Act. It defines a covered device in order to attach consumer protection requirements, which is the same purpose this standard has. Three differences matter. It keys coverage to whether a device simulates or operates in a manner similar to a slot machine, which imports the presentation question and leaves out a product that takes money and pays money without reel imagery. It reaches one state. And it does not test the skill representation at all, which means a device may satisfy every requirement in it while telling the player something about skill that is not true.

On the cash line. Ohio and Georgia both draw the boundary at the form of the award: no cash, and in Ohio no more than ten dollars of merchandise. That boundary works for the purpose those states have, which is to separate amusement from gambling. It does not work for the purpose this family has. The exposure that SBCGS-M and SBCGS-T address arises from the size and the repeatability of the loss, not from what the winner carries home. Section 104(d)(3) keeps a narrow amusement exclusion on the Ohio pattern and then covers everything above it.

APPENDIX C

MATTERS ON WHICH COMMENT IS INVITED

1. **The three thresholds in § 106(g)(1).** A skill influence range of five percentage points, full accessibility, and a skill realization rate of 0.20. Comment is invited on each. The Institute is particularly interested in evidence bearing on the realization rate, which is the measure for which no public data exists.
2. **Skill realization as plays or as players.** Section 106(f) measures the proportion of eligible plays. An alternative measures the proportion of players who ever engage the skill element. The two differ sharply where a small number of players engage a skill element heavily. Comment is invited on which better serves the purpose.
3. **The measurement period in § 106(f)(1).** Ninety days and fifty thousand plays. Comment is invited on whether these are attainable for a small licensed organization operating a handful of devices, and on whether aggregation across operators should be permitted.
4. **The amusement exclusion in § 104(d)(3).** The ten dollar figure is taken from Ohio. Comment is invited on whether it should be indexed, whether it should vary with the price of a play, and whether delivery at the device at the time of play should remain a condition.
5. **The casino floor exclusion in § 104(g)(1).** Comment is invited on whether the exclusion should turn on the existence of a comprehensive framework rather than on the character of the venue, and on how the standard should treat a licensed facility whose framework does not in fact reach skill elements.

6. **Charitable yield on gross gaming revenue.** Section 107(d) computes the charitable share on gross gaming revenue rather than on net proceeds. Comment is invited from licensed organizations and from state charitable gaming regulators on the burden of computing and reporting both, and on whether a further measure stated per dollar committed by the player would be more useful at the point of play.

7. **Treatment of organization operating costs.** Section 107(d)(1)(iii) excludes the general operating costs of a licensed organization from amounts applied to a charitable purpose except where applicable law expressly treats them as charitable and the treatment is disclosed. For a veterans post whose building is its mission, that exclusion may be wrong. Comment is invited.

8. **Products delivered other than by a device.** The family is drawn around a covered device. Comment is invited on whether a covered product delivered through a personal mobile application under charitable gaming authority should be brought within Part 100 in version 1.1, and on what in SBCGS-T would have to change.

9. **The anti-avoidance rule in § 104(h)(2).** The rule treats separately named features reached from a single commitment of consideration as one product. Comment is invited on whether it reaches products that ought to be treated separately, in particular linked progressive awards shared across devices.

Comments may be submitted through the contact form at iegm.org. The Institute intends to publish a summary of comments received and to identify each change made in response.

End of SBCGS-C Version 1.2 Working Draft.

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