

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**First regular Session
Thirteenth Congress**

HOUSE BILL NO. 1656

Introduced by HON. VICTOR S. DOMINGUEZ



EXPLANATORY NOTE

This bill proposes to regulate Filipino lottery (Jueteng, Daily Double, Masiao, Last Two Digits and similar numbers game of chance gambling), providing penalties for violation thereof.

Government policy to tap numbers game of chance gambling as additional source of revenue for the government has become more pronounced with the Philippine Charity Sweepstakes' conduct and operations of Lotto.

Lotto, however, is principally of urban character and is a new foreign game introduced into the country with foreign partners who benefit from it. Filipino numbers games mentioned are local, native, have general acceptance and are ingrained in the Filipino way of life and culture as the affordable and accessible entertainment and relief to the lowly and poor folks of our countryside. They comprise the majority of our people but mostly will have no access or cannot afford Lotto. Only Filipinos will benefit from these games.

Across the years these games have proliferated and remained unstopped. Left unsupervised, unregulated and unsanctioned by law, they have spawned problems that erode the morals of both government men and citizens who conspire in adventure to continue these games by circumventing the law. In the process graft and corruption takes place.

This bill aims to solve these problems and further provide additional employment, open additional source of substantial revenue for the government and relieve our peace officers of wasteful burdens and make them concentrate in their peace keeping duties. Regulated, the problem attendant to the clandestine operations of these numbers games will be eliminated.

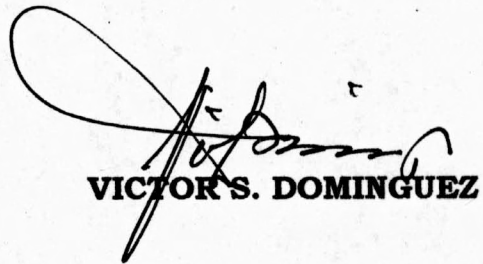
Lotto, which, as pointed out is urban in character and has mostly higher bracket clientele, will not eliminate "jueteng, daily double, masiao or last two digits" which are the poor, lowly folks games, the only affordable and accessible entertainment and opportunity for them. To deprive them – the great unwashed, so to speak – of their affordable and accessible entertainment would be compounding the miseries of the already miserable life they live. Disparity, discrimination, double-standard between the "haves and have-nots" would become glaring and maybe taken as the hallmark of the Ramos administration – with lotto sanctioned and operated by the government while the great majority of

our poor people in the countryside are forbidden to play the games they cherish and can afford.

This bill, in sense, will level the playing field between the rich and the poor.

The government would find a complimentary program for Lotto, a foreign game, and these local numbers game of chance which will result in incremental advantages and benefits that will accrue to our government and people.

Foregoing considered, approval of this bill is earnestly recommended.



VICTOR S. DOMINGUEZ

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AN ACT

**TO REGULATE FILIPINO LOTTERY, PROVIDING THE PENALTIES
FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES.**

Be it enacted by the Senate and the House of Representatives in Congress assembled:

Section 1. Title - This Act shall be known as "Filipino Lottery Act of 2004".

Section 2. Scope - This Act shall govern the establishment, operation, maintenance, regulation and supervision of Filipino Lottery such as "jueteng, masiao, daily double, last two digits" and other forms of clandestine number games, except the lottery for charity of the Philippine Charity Sweepstakes.

Section 3. Declaration of Policy - It is hereby declared a policy of the State to centralize and regulate, supervise and integrate the establishment, operation and maintenance of Filipino Lottery under one corporate entity, do away with the immoral influence upon society of its clandestine, unsupervised operations, eliminate graft and corruption identified with it are more importantly avail of the revenue it generates for socio-economic projects beneficial to the people.

Section 4. Definition of Terms - The term Filipino Lottery as used in the Act, shall include number games known as "jueteng, masiao, daily double last two digits" and other equivalent or similar forms of clandestine number games which have prevalence in the Philippines.

Section 5. Regulatory Agency - The Philippine Amusement and Gaming Corporation herein referred as PAGCOR shall be the governing regulatory agency charged with the establishment, operation, maintenance, regulation and the supervision of Filipino Lottery. Specifically, for the purpose of effectively implementing the provisions of this Act, PAGCOR shall set up a division under s Senior Executive Officer solely in charge of the operations of the lottery and

with separate books of accounts and records distinct from its casino operators.

In areas where PAGCOR can not effectively operate or refuses to operate the lottery for one reason or another, Congress may grant a franchise to a corporation that will operate the lottery in said areas.

Section 6. Powers and Functions - For the purpose stated in Section 5 hereof, PAGCOR, in addition to the present powers and functions shall:

- a. promulgate rules and regulations governing the operation of Filipino Lottery pursuant to Section 2 hereof;
- b. appoint the necessary personnel therefore;
- c. remove, separate or dismiss every personnel.

Section 7. Conditions for the Operation of Lottery - The operation of the lottery shall be subject to the following conditions:

- a. The operation of lottery and related activities shall be under the direct supervision of PAGCOR.
- b. The operation of lottery shall be conducted on a district or provincial level or as may be determined by PAGCOR.
- c. Lottery draws shall be held in public, in the city or municipality plaza or in any public place designated by PAGCOR in coordination with the local government chief executives concerned;
- d. Lottery tickets shall be numbered and registered in accordance with the provisions of the National Internal Revenue Code.

Section 8. Prohibitions -

A. Individuals Not Allowed to Play or Bet

The following individuals shall not be allowed to play or bet in any of the number games comprising the Filipino lottery:

- a. Government officials and employees directly connected with the operation of the lottery game;
- b. Officers and members of the armed Forces of the Philippines and the Philippine National Police;
- c. Individuals under 18 years of age, and students of any school, college or university of the Philippines.

B. Individuals Not Allowed to Work

The following individuals shall not be allowed to work directly with operation of the lottery:

- a. Individuals under 18 years of age.

Section 9. Personnel - PAGCOR may draw from its existing personnel for assignment to its new gaming networks in addition to its new recruits. However, continuance of the services of said personnel to the Filipino Lottery, wherever he/she is assigned shall mean transfer of said personnel with compensation to be charged to the said network.

Section 10. Winning Numbers - the determination of winning numbers and/or combinations shall be open to the general public in no case shall be held within the 200 meter perimeter distance from any schools or churches.

Section 11. Frequency of draws, scope and site of operations - PAGCOR shall determine the frequency of draws, scope and site of operations. Provided that, it shall designate at least two (2) permanent sites which shall be rotated on an alternate basis every two (2) months during the conduct of draws. Provided further that the public shall be informed as to the specific site chosen before the scheduled draws are held.

Section 12. Allocation of Gross Receipts - The local gross receipts shall be allocated as follows:

1. Local Shares (shares pertaining to the local government units - LGU's)
 - a. 2% to local government unit for local projects.
 - b. 1% for local education, youth and sports development projects.
 - c. 1% for local PNP for peace and order.
2. National Shares (Shares pertaining to the National Government)
 - a. 10 % to cobradores
 - b. 2 % to cabos
 - c. 5 % for franchise tax
 - d. 2 % for infrastructure and other developmental projects/offices of the different districts.

Provided, however, that for equitable apportionment, the 2 % for the infrastructure and other developmental projects/offices of the different districts shall be computed from the cumulative national gross receipts;

Provided, further, that amounts collected and accruing to the above allocates shall be considered automatically appropriated for the purposes authorized herein;

Provided, finally, that PAGCOR may make upward adjustments in the operating expenses when the need arises.

Section 13. Collection of Remittance Schemes - All collections shall be under the responsibility of the municipality/city treasurer who shall remit the same within five (5) days in accordance with the following schemes of remittance:

- a. The shares of the city/municipality and province shall be remitted directly to them and in turn distributed following the allocations provided for in Section 12;
- b. The municipality/city treasurer shall likewise remit directly the national shares to PAGCOR which in turn shall automatically distribute the same in accordance with Section 12, the details/mechanics of which shall be provided for in the implementing rules and regulations.

Section 14. Taxes - Income and other taxes shall be assessed and collected from the PAGCOR in accordance with the rates prescribed in the National Internal Revenue Code.

Section 15. Auditing of Funds - The PAGCOR shall maintain a book of accounts of its daily operations in the form prescribed by the Bureau of Internal Revenue for tax purposes.

Section 16. Prohibitions and Penalties - In addition to the criminal attachment of property, the following penalties shall be imposed to any person, financiers, bookies and all those who will encourage the participation of the betting public through illegal means:

a. The penalty of prision mayor in its minimum period and a fine of One Hundred Thousand pesos (P100, 000.00) for the first offense; the penalty of prision mayor in its minimum period and a fine of Two Hundred Thousand pesos (P200, 000.00) for the second offense; and the penalty of prision mayor in its minimum period and a fine of Five Hundred Thousand pesos (P500, 000.00) for the third or subsequent offenses shall be imposed upon:

1. Any person who in any manner, shall directly or indirectly take part in any illegal or unauthorized activities related to the lottery;
 2. Any person who shall knowingly permit any form of lottery to be carried out in an inhabited or uninhabited place or in any building, vessel or other means of transportation owned or controlled by him. If the place where gambling is carried on has a reputation of a gambling place or that prohibited lottery is frequently carried on therein, or the place is a public or government building or barangay hall, the malefactor shall be punished by prision mayor in its minimum period and a fine of Five Hundred Thousand pesos (P500,000.00).
- c. The penalty of prision mayor in its minimum period and a fine of One Hundred Thousand pesos (P100, 000.00) shall be imposed upon the maintainer or conductor of the above

gambling schemes. If the scope of his gambling operation is province – wide, the prison term to be imposed shall be prison mayor in its maximum period;

- d. The penalty of perpetual special disqualification shall be imposed upon any barangay, municipal or city officials or any peace officer who, with knowledge of the existence of illegal gambling in his area of responsibility fails to abate the same or take appropriate action in connection herewith.
- e. The penalty of prison mayor in its minimum period and a fine of One Hundred Thousand pesos (P100,000.00) shall be imposed upon any security officer, security guard, watchman, private or house detective of hotels, villages, buildings, enclosures and the like where illegal Filipino lottery are being held.

Section 17. Separability Clause - In case any provision or part of this Act is declared unconstitutional, the portion or part thereof not affected thereby shall remain valid and operative.

Section 18. Repealing Clause - Article 195 of the Revised Penal Code on gambling and such other laws, decrees, orders, letters of instructions, rules and regulations, other issuances or parts thereof, inconsistent with this Act are hereby repealed, amended or modified accordingly.

Section 19. Effectively - This act shall take effect upon its approval.