

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

FIFTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 1878

Introduced by Honorable AURORA ENERIO-CERILLES

EXPLANATORY NOTE

The Philippine Charity Sweepstakes Office (PCSO) was created way back in 1934. Its Charter provides that it shall be the principal government agency for raising and providing funds for health programs, medical assistance and charities of national character.

Unlike the previous fundamental laws, the present Constitution has now made the right to health as one of the basic rights of the people that the State must protect and promote. In view thereof, there is a need to revise the Charter of the PCSO to be in line with the priorities laid down in the present Constitution.

Our present fundamental law affirms the autonomy of our local government so that they may be responsive to the needs of our people through the system of decentralization. Through devolution, powers and responsibilities have been allocated to local governments to ensure that the basic rights of our people (especially the right to health) are protected and promoted. Ideal as the vision may be, not enough resources have been provided to our local governments to effect this thrust. Funds for health programs are still centralized and bureaucratic red-tape caused delays in the flow of funds to where they are needed.

To this end, this Bill seeks to equitably and immediately distribute to the local governments the Charity Fund of the PCSO, consistent with the principle of local autonomy and the protection and promotion of the right to health of the people.

Early approval of this Bill is earnestly sought.


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AN ACT
TO STRENGTHEN LOCAL AUTONOMY BY EQUITABLY DISTRIBUTING TO
THE LOCAL GOVERNMENTS THE CHARITY FUND OF THE PHILIPPINE
CHARITY SWEEPSTAKES OFFICE

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

SEC. 1. Section 1 of the Republic Act No. 1169, as amended, is hereby further
amended to read as follows:

“SECTION 1. *The Philippine Charity Sweepstakes Office.* – The Philippine
Charity Sweepstakes Office, hereinafter designated the Office, shall be the principal
government agency for raising and providing for funds for health programs, medical
assistance and services and charities of national character, and as such shall have the
general powers conferred in Section Thirteen of Act Numbered One Thousand four
hundred fifty-nine, as amended, and shall have the authority:

“A. To hold and conduct charity sweepstakes races, lotteries, and
other similar activities, in such frequency and manner, as shall be determined, and subject
to such rules and regulations as shall be promulgated by the Board of Directors;

“B. Subject to the approval of the SECRETARY OF HEALTH
[Minister of Human Settlements], to engage in health and welfare-related investments,
programs, projects and activities which may be profit-oriented, by itself or in
collaboration, association or joint venture with any person, association, company or
entity, whether domestic or foreign, except for the activities mentioned in the preceding
paragraph A, for the purpose of providing for permanent and continuing sources of funds
for health programs, including the expansion of existing ones, medical assistance and
services, and/or charitable grants: *Provided*, That such investments are adequate, as may
be determined by the National Economic and Development Authority.

“C. To undertake any other activity that will enhance its funds
generation operations and funds management’s capabilities, subject to the same
limitations provided for in the preceding paragraph.

“It shall have a Board of Directors, hereinafter designated the
Board, composed of five (5) members who shall EACH HAVE A TERM OF THREE (3)

YEARS [be appointed], and whose compensation [and term of office] shall be fixed, by the President.

SEC. 2. Section 6 of the Republic Act No. 1169, as amended, is hereby further amended to read as follows:

“SEC. 6. Allocation of Net Receipts FROM METRO MANILA AND HIGHLY URBANIZED CITIES. – From the gross receipts from the SALE FROM METRO MANILA AND HIGHLY URBANIZED CITIES of sweepstakes tickets, whether for sweepstakes races, lotteries or similar activities, shall be deducted the printing cost of [such] ALL tickets, which in no case shall exceed two percent of [such] gross receipts FROM ALL SOURCES to arrive at the net receipts.

The Net Receipts shall be allocated as follows:

“A. Fifty-five percent (55%) shall be set aside for prize fund for the payment of prizes, including for the owners, jockeys of running horses, and sellers of winning tickets.

“Prizes WON BY TICKETS SOLD IN METRO MANILA AND HIGHLY URBANIZED CITIES not claimed by the [public within] WINNER AFTER one year from date of draw shall be considered forfeited, and shall form part of the charity fund for disposition as stated below.

“B. Thirty percent (30%) shall be set aside for contributions to the charity fund from which the Board of Directors, in consultation with the [Ministry of Human Settlements] SECRETARY OF HEALTH on identified priority programs, needs and requirements in specific communities and with the approval of the office of the President, shall make payments or grants for health programs, including the expansion of existing ones, medical assistance and services and/or charities of national character, such as the Philippine National Red Cross, under such policies and subject to such rules and regulations as the Board may from time to time establish promulgate.

“The Board may apply part of the contributions to the charity fund to approved investments of the Office pursuant to Section 1 B hereof, but in no case shall such application to investments exceed ten percent (10%) of the net receipts from the sale of sweepstakes tickets in any given year;

“Any property acquired by an institution or organization with funds given to it under this Act shall not be sold or otherwise disposed of without the approval of the Office of the President, and that in the event of its dissolution all such property shall be transferred to and shall automatically become the property of the Philippine Government.

“C. Fifteen percent (15%) shall be set aside as contributions to operating expenses and capital expenditure of the Office.

“D. All balances of the funds in the Philippine Charity Sweepstakes Office shall revert to and form part of the charity fund provided for in paragraph B, and shall be subject to disposition as above stated.

“The disbursements of the allocation herein authorized shall be subject to the usual auditing rules and regulations.”

SEC. 3. A new Section 7 and Section 8 shall be inserted after Section 6 of Republic Act No. 1169, herein further amended, to read as follows:

"SEC. 7. ALLOCATION OF GROSS RECEIPTS FROM PROVINCES – AN AMOUNT EQUIVALENT TO THE GROSS RECEIPTS FROM EACH PROVINCE SHALL BE GIVEN TO THE RESPECTIVE PROVINCIAL GOVERNMENT AS ITS PROVINCIAL CHARITY FUND, FIFTY PERCENT (50%) OF THE PROVINCIAL CHARITY FUND SHALL BE USED BY THE RESPECTIVE PROVINCIAL GOVERNMENT FOR ITS HEALTH PROGRAMS, MEDICAL ASSISTANCE AND SERVICES TO INDIGENTS AND THE OTHER FIFTY PERCENT (50%) SHALL BE DISTRIBUTED BY THE PROVINCE TO ITS COMPONENT CITIES AND MUNICIPALITIES IN PROPORTION TO THE GROSS RECEIPTS FROM SUCH COMPONENT CITIES AND MUNICIPALITIES TO BE USED FOR THEIR RESPECTIVE HEALTH PROGRAMS, MEDICAL ASSISTANCE AND SERVICES TO INDIGENTS, INCLUDING ENROLLMENT OF INDIGENTS IN PHILHEALTH.

"PRIZES WON BY TICKETS SOLD IN THE PROVINCES NOT CLAIMED BY THE WINNER AFTER ONE YEAR FROM THE DATE OF DRAW SHALL BE CONSIDERED FORFEITED, AND SHALL FORM PART OF CHARITY FUND OF THE RESPECTIVE PROVINCE FOR DISPOSITION AS STATED ABOVE.

"SEC. 8. THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE SHALL PROVIDE EACH PROVINCE WITH SUFFICIENT SUPPLY OF TICKETS, WHETHER FOR SWEEPSTAKES RACES, LOTTERIES OR SIMILAR ACTIVITIES, ONCE A WEEK FOR THREE CONSECUTIVE WEEKS IN A NEWSPAPER OR GENERAL CIRCULATION IN THE PHILIPPINES."

SEC. 4. The sections of Republic Act No.1169, as amended, affected by the insertion of the foregoing provisions are hereby renumbered accordingly.

SEC. 5. All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 6. This Act shall take effect immediately upon its approval.

Approved,