

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
FIFTEENTH CONGRESS
First Regular Session

House Bill No. 3289

Introduced by Honorable Elpidio F. Barzaga, Jr.

EXPLANATORY NOTE

Gambling is not illegal *per se*. What makes it illegal is the State's policy of avoiding the evil effects of excessive gambling, the reliance of people to instant monetary gain instead of giving importance to the value of dignified work, perseverance and thrift. However, betting on *jueteng*, *ending*, *masiao*, *last two* or to a number combination has been a practice and habit of Filipinos. In fact, it has been stamped in our culture since the Spanish times and for several generations, the numbers game continues to thrive in the country.

Despite repeated efforts of the State to curtail the illegal numbers game, its illegality does not prevent the people from betting on it. The imposition of penalties and stringent measures against *jueteng* do not deter the operators and *kubradors* from collecting and soliciting bets from the people.

Jueteng, *masiao* and other numbers game generally cater to the ordinary folks since only small amount of money is involved. With the current setup of government regulation in gambling, it gives the notion that small-time gambling is being prohibited while casinos, horse racing, *jai alai*, cockfighting, etc. are considered lawful gambling. Moreover, to the poor who cannot afford the government-run small town lotteries (STL) and casinos, they resort more to the illegal numbers game wherein a one-peso bet can make him earn as much as seven hundred fifty pesos (P750.00) in a single draw.

Even with the advent of casinos, lotteries and other forms of legal gambling, *jueteng* and the other illegal numbers game remained as the favorite game of the masses. Therefore, the operation of *jueteng*, *masiao*, *swertres* lottery and other numbers game could be tapped as a source of much needed revenues

for the local government. Instead of revenues being used as *payolas*, protection money and earnings of the gambling lords, the local government unit could instead get funds from the operation of the numbers game.

Furthermore, the indigents who obtain their only source of living from the operation of numbers game shall be provided with lawful employment which in turn will result towards their being active participants in the economic development of our country.

Moreover, the draws from these games may be fixed and lack transparency since the draws are being held in an undisclosed place and not subject to public view.

Finally, it is more imminent to stop the resulting corruption of public officers from the proceeds of collection from the underground and illegal operation of the said numbers game. Hence, the practical approach to erase the evil brought about by these illegal numbers games is to institute its operation into the local level under the direct control and supervision of the local government unit with full transparency of the draws.

In light of the foregoing, the approval of this bill is earnestly sought.



ATTY. ELPIDIO F. BARZAGA, JR.
Lone District, City of Dasmariñas,
Province of Cavite

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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FIFTEENTH CONGRESS
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House Bill No. **3289**

Introduced by Honorable Elpidio F. Barzaga, Jr.

AN ACT LEGALIZING THE OPERATION OF *JUETENG*, LOTTERY, *MASIAO*, *SWERTRES*, *FIRST TWO* OR *LAST TWO*, OR ANY VARIANT OF THE NUMBERS GAME IN THE CITIES AND MUNICIPALITIES AND AUTHORIZING THE CITY AND MUNICIPAL GOVERNMENT TO CONDUCT SUCH GAMES

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

SECTION 1. *Title.* – This act shall be known as City and Municipality Lottery Act of 2010.

SECTION 2. *Definition of Terms.*

- a) *Numbers Game.* – Any form of gambling activity which uses numbers or combinations thereof as factors in giving out jackpots.
- b) *Jueteng.* – A numbers game that involves the combination of thirty-seven (37) numbers against thirty-seven (37) numbers from number one (1) to thirty seven (37) serving as a form of local lottery where bets are placed and accepted per combination, and its variants.
- c) *Masiao.* – A numbers game where the winning combination is derived from the results of the last game of Jai Alai or any result thereof based on any Jai Alai game consisting of ten (10) players pitted against one another, and its variants.
- d) *Lottery.* – The drawing of lots in which prizes are distributed to the winners.

e) *Swertres*. – A lottery game introduced by the Philippine Charity Sweepstakes Office (PCSO) involving three-digit combination, which has midday, afternoon and evening draws.

f) *First Two/Last Two*. – A numbers game where the winning combination is derived from the first or last two (2) numbers of the lotto results or the first prize of the winning Sweepstakes ticket from the PCSO draw, and its variants.

g) *Collector or Agent ("Cabo", "Cobrador", "Coriador" or variants thereof)*. – Any person who collects, solicits or produces bets in behalf of the city or municipality for a numbers game.

SECTION 3. *Specific Authority of Cities and Municipalities.* – All cities and municipalities are hereby authorized to operate *jueteng, masiao, swertres, first two* or *last two* or any other variants of the numbers game except lotto within its territorial jurisdiction.

SECTION 4. *One Numbers Game per City or Municipality.* – The City or Municipality shall implement only one (1) numbers game within its respective jurisdiction after due public consultation and deliberation.

SECTION 5. *Non-Transferability of Authority.* – The City or Municipality cannot assign, cede, contract, convey, franchise, or transfer, in any way, the operation of the numbers game. The City or Municipality shall directly operate the numbers game. All collectors or agents shall be considered as city or municipal employees.

SECTION 6. *Conduct of Draws.* – The draw shall be public and shall be held in the City or Municipal Hall or any place open to the public and under the auspices of the local government unit concerned. The City or Municipality is allowed to conduct draw at a maximum frequency of three (3) times a day.

SECTION 7. *Distribution of Revenues.* – The revenues collected from the numbers game shall be distributed as follows:

- a) 55% of the Gross of Proceeds - Prize fund of the city or municipality for the numbers game;
- b) 5% of the Gross of Proceeds - To the *Barangays* within the City or Municipality, 50% of which shall be used as additional

remuneration of the *barangay* officials, justices, *tanods*, and other persons being employed by the *barangay* and the remaining 50% to be used primarily for the establishment and/or enhancement of day care centers and for educational purposes;

- c) 5 % of the Gross of Proceeds - To the local PNP assigned within the City or Municipality, to be used as additional remuneration not to exceed the equivalent of their three (3) month-salary per annum and the remaining shall be used for operational expenses;
- d) 2 % of the Gross of Proceeds - To the Provincial Government, to be used as additional remuneration of the provincial employees not exceeding the equivalent of their three (3) month-salary per annum and the remaining balance shall be used exclusively for educational purposes within the province;
- e) 2 % of the Gross of Proceeds - To the Provincial PNP, to be used as additional remuneration not exceeding the equivalent of their three (3) month-salary per annum and the remaining balance shall be used for operational expenses;
- f) 5% of the Gross of Proceeds - To the National Government, to be used exclusively for educational purposes, particularly to fund the establishment of new educational institutions and state universities;

The remaining 26% shall belong to the city or municipality operating the numbers game and to be used as additional remuneration of the city or municipal employees not exceeding the equivalent of their three (3) month-salary per annum. Any remainder thereof shall be used for the establishment of additional classrooms in public elementary and high schools, hiring of public school teachers, purchase of school equipment, and for other educational purposes.

Independent and highly-urbanized cities which do not form part of the jurisdiction of the province shall not make any remittance to the Provincial Government and also to the Provincial PNP. In such case, the share intended for the Provincial Government and the Provincial PNP shall belong to the independent or highly-urbanized city subject to the provisions of the immediately preceding paragraph.

SECTION 8. *Operating Fund.* – The city or municipality through their respective *Sanggunian* shall set aside a portion of its budget to be used as initial operating fund of the city or municipality for the numbers game.

SECTION 9. *Trust Fund.* – The share of the local government units and/or government entities indicated hereunder shall form part of the Trust Fund of the agencies concerned and shall be used exclusively for the purposes indicated herein.

SECTION 10. *Prohibition.* – The Philippine Charity Sweepstakes Office (PCSO) is prohibited from conducting any numbers game which the city or municipality shall operate pursuant to the provisions of this law.

SECTION 11. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Department of Interior and Local Government (DILG) shall promulgate the implementing rules and regulations, as may be necessary to ensure the efficient and effective implementation of the provisions of this Act.

SECTION 12. *Separability Clause.* – If for any reason any section or provision of this Act, or any portion thereof, or the application of such section, provision or portion thereof to any person, group or circumstance is declared invalid or unconstitutional, the remaining provisions of this Act shall not be affected by such declaration and shall remain in force and effect.

SECTION 13. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations and other issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified.

SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from the date of its publication, in at least two newspapers of general circulation in the Philippines.

Approved,