

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

FIRST REGULAR SESSION  
Fifteenth Congress

HOUSE BILL NO. **3492**

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Introduced by: **HONORABLE AMADO S. BAGATSING**

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**EXPLANATORY NOTE**

The 1987 Constitution is abundant with provisions which are designed to promote, to the fullest extent, the growth and development of local government units.

Section 25, Article 11 provides:

"The State shall ensure the autonomy of local governments."

Likewise, Section 2, Article X, provides that the territorial and political subdivisions, namely, provinces, cities, municipalities and *barangays*, shall enjoy local autonomy. Section 6, Article X provides that: "Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them."

Aside from giving local government units a just share in national taxes, the Constitution also provides that local governments shall be entitled to an equitable share in the proceeds of the utilization and development of national wealth within their respective areas including sharing the same with the inhabitants by way of direct benefits.

The attached bill initially pursues these goals as mandated by the Constitution by giving provinces, cities, and municipalities, a just share in the national taxes to enable them to accelerate their growth and development and thus make them self-reliant communities. The bill, herein introduced, proposes to give local government units a certain percentage of the gross income of casinos established by the Philippine Amusement and Gaming Corporation in provinces, cities, or municipalities where these casinos are located to fulfill the long-felt need to give local governments the required financial support to foot the implementation of projects that will hasten their full flowering as self-sustaining communities.

For reasons explained, the approval of this bill is earnestly requested.

  
**AMADO S. BAGATSING**

**HOUSE BILL NO. 3492**

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**Introduced by: HONORABLE AMADO S. BAGATSING**

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**AN ACT**  
**GRANTING PROVINCES, CITIES, MUNICIPALITIES AND**  
**CONGRESSIONAL DISTRICTS A SHARE IN THE GROSS REVENUES OF**  
**CASINOS DULY ESTABLISHED UNDER THE PHILIPPINE AMUSEMENT**  
**AND GAMING CORPORATION (PAGCOR)**

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

**SECTION 1.** Provinces, cities or municipalities where casinos are presently located and established under the Philippine Amusement and Gaming Corporation (PAGCOR), shall be granted a minimum of ten percent (10%) share in the gross revenue of casinos within their respective jurisdictions which shall be computed based on the gross revenue after deducting the five percent (5%) franchise tax and fifty percent (50%) of the ninety five percent (95%) balance due the National Treasury, but in no case shall it be less than the present amount given by PAGCOR as host city's share of its casino.

**Sec. 2.** - All congressional districts, including party list organizations, shall be granted by PAGCOR the amount of One Million Two Hundred Thousand Pesos (P1,200,000.00) each district/party list per annum.

**Sec 3.** - The share in PAGCOR revenue granted under Section 1 hereof shall be allocated to fund the infrastructure, economic, and socio-civic projects of the province, city or municipality concerned, in accordance with the following schedule:

|     |                                                        |
|-----|--------------------------------------------------------|
| 20% | Education                                              |
| 20% | Health and sanitation                                  |
| 15% | Peace and Order                                        |
| 15% | Housing, rural and urban development projects          |
| 10% | Barangay community projects                            |
| 5%  | Special projects of the province, city or municipality |

5% Social amelioration projects

5% Livelihood projects

5% Sports development

**Sec. 4. -** The share in PAGCOR revenue, as specified in Section 1 hereof, granted to provinces, cities or municipalities shall be automatically released and remitted to the local government unit concerned on a quarterly basis without the need of any further authorization: *Provided*, That, where a duly established casino is located in a municipality or component city of a province, the share in PAGCOR revenue shall equally be divided between the province and the city, or the municipality, as the case may be: *Provided, further*, That, the same shall be allocated and used to fund the projects specified in Section 3 hereof.

**Sec. 5. -** The amount granted by PAGCOR to each congressional district and all other areas of special concerns of party list representatives specified in Section 2 hereof shall be automatically remitted on the first month of each year by the former to the Department of Public Works and Highways to augment their infrastructure fund for allocation to the different priority development project in each district.

**Sec. 6. -** The Department of Finance, in coordination with PAGCOR, shall promulgate rules and regulations necessary for the effective implementation of this Act.

**Sec. 7. -** All laws, executive order, proclamations, rules and regulations which are inconsistent with this Act are hereby repealed and or modified accordingly.

**Sec. 8. -** This Act shall take effect upon its approval.

*Approved.*