

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

SECOND REGULAR SESSION

HOUSE BILL NO. **5337**



Introduced by REPS. MARCELINO R. TEODORO, GIORGIDI B. AGGABAO, ARTURO B. ROBES
and JECI A. LAPUS

EXPLANATORY NOTE

Republic Act No. 9487, approved in 2007, has extended PAGCOR's franchise for another twenty-five (25) years and granted PAGCOR the authority to operate and license gambling casinos, gaming clubs, and other similar recreation or amusement places and gaming pools. Consequently, the law delegated more powers to PAGCOR compared to its original mandate - that of operating and maintaining casinos.

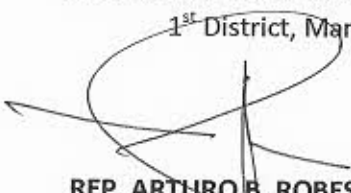
Since then, PAGCOR has issued a number of licenses to various companies to operate casinos and gaming clubs in different parts of the country. The procedures of licensing being implemented by the agency were not transparent including the laying down of the terms of reference (TOR) for each licensee in the past administration. Because of the grant of the delegated authority in licensing, the mandates of Congress in terms of franchising relatively diminished. A consequence also is the extension of the franchise of PAGCOR to its affiliates and licensees.

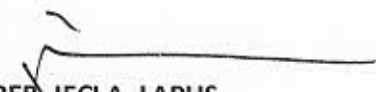
Clearly, with the given additional mandate, PAGCOR has encroached with Congressional mandates as provided by the 1987 Constitution. This bill therefore seeks to rectify the situation and proposes to revoke the authority of PAGCOR to license casino and gaming club operators. In addition, it also seeks to give back to Congress its supervisory oversight with PAGCOR by mandating that the contracts entered by PAGCOR, in whatever form, will be subject to the approval of Congress.

The expeditious approval of this amendatory bill to the PAGCOR Charter is earnestly sought.


REP. MARCELINO "MARCY" R. TEODORO
1ST District, Marikina City


REP. GIORGIDI B. AGGABAO
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3RD District, Tarlac

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Introduced by **REPS. MARCELINO R. TEODORO, GIORGIDI B. AGGABAO,**
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AN ACT
AMENDING REPUBLIC ACT 9487, OTHERWISE KNOWN AS THE PAGCOR
CHARTER, AS AMENDED

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

SECTION 1. Section 10 of the Philippine Amusement and Gaming Corporation (PAGCOR) franchise granted under Republic Act 9487, otherwise known as the PAGCOR Charter, is hereby amended to read as follows:

"Section 10: *Nature and Term of Franchise* –Subject to the terms and conditions established in this Decree, the Corporation is hereby granted from the expiration of its original term on July 11, 2008, another twenty-five (25) years, renewable for another twenty-five (25) years, the rights, privileges and authority to operate and [license] MAINTAIN gambling casinos, gaming clubs and other similar recreation or amusement places, gaming pools, i.e. basketball, football, bingo, etc., except jai-alai, whether on land or sea, within territorial jurisdiction of the Republic of the Philippines: *Provided*, that the Corporation shall obtain the consent of the

local government unit that has territorial jurisdiction over the area chosen as the site for any of its operations.

"The operation of slot machines and other gambling paraphernalia and equipment, shall not be allowed in establishments open or accessible to the general public unless the site of operations are three-star hotels and resorts accredited by the Department of Tourism authorized by the corporation and by the local government unit concerned."

"The authority and power of PAGCOR to [authorize, license and] regulate the games of chance, games of cards and games of numbers shall not extend to:

- (1) games of chance authorized, licensed and regulated or to be authorized, licensed and regulated by, in, and under existing franchises or other regulatory bodies;
- (2) games of chance, games of cards and games of numbers authorized, licensed, regulated by, in, and under special laws such as Republic Act No. 7922; and
- (3) games of chance, games of cards and games of numbers like cockfighting, authorized, licensed and regulated by local government units. The conduct of such games of chance, games of cards and games of numbers covered by existing franchises, regulatory bodies or special laws, to the extent of the jurisdiction and powers granted under such franchise and special laws, shall be outside the licensing authority and regulatory powers of the PAGCOR."

SEC. 2. Section 3(h) is hereby amended to read as follows:

"SEC. 3. Corporate Powers –

"x x x

"(h) to enter into, make, conclude, perform, and carry out contracts of every kind and nature and for any lawful purpose which are necessary, appropriate, proper or incidental to any business or purpose of the PAGCOR, including but not limited to investment agreements, whether as principal or as an agent, manpower supply agreements, or any other similar agreements or arrangements with any person, firm, association or corporation WITH THE PRIOR APPROVAL OF CONGRESS"

SEC. 3. *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.

SEC. 4. *Effectivity Clause*. – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

Approved.