

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS

First Regular Session

House Bill No. 506

Introduced by **Hon. Rodolfo G. Biazon**

EXPLANATORY NOTE

This bill seeks to further amend the Charter of the Philippine Charity Sweepstakes Office (PCSO) by proposing that any part of its income that is not spent for its operations and in paying for the prizes of winners shall be remitted to the Bureau of Treasury. Section 6 of Republic Act No. 1169, as amended, provides that after deducting the cost of printing tickets, income from the sale of sweepstakes tickets, whether for sweepstakes races, lotteries, or similar activities of the PCSO shall be allocated as follows: (a) Fifty-five percent (55%) to the prize fund for the payment of prizes, including those for the owners, jockeys of running horses, and sellers of winning tickets; (b) Thirty percent (30%) to the charity fund; and (c) Fifteen (15%) percent to the operating expenses and capital expenditures of the Office.

Recent developments have shown that the charity fund, or 30% of the PCSO's income, is susceptible to abuse. It is either diverted, that is, it is allocated to something that it is not intended for (e.g. used for operating expenses of the agency), or misallocated, that is, it is allocated based on the whims and caprices of the members of the seating board. This misallocation can be gleaned from the fact that some towns, districts, provinces or even regions which did not exactly need that magnitude of assistance from the PCSO, got more than those towns, districts, provinces or regions which actually needed more assistance from the PCSO.

It is submitted that the charity fund may be better utilized for the benefit of our marginalized countrymen if it is in the care of the national government. Hopefully, in this manner, this fund will be judiciously allocated and utilized for the purpose or purposes that it was intended.

Due to the foregoing, early passage of this bill is earnestly sought.


RODOLFO G. BIAZON

Representative
Lone District, Muntinlupa City

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AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 1169 ENTITLED "AN ACT
PROVIDING FOR CHARITY SWEEPSTAKES, HORSE RACES, AND
LOTTERIES," AS AMENDED, AND FOR OTHER PURPOSES

SECTION ONE. Section 6 (b) of Republic Act No. 1169 is hereby further amended to read as follows:

"B. Thirty percent (30%) shall be set aside **AND REMITTED TO THE BUREAU OF TREASURY** as contributions to [the] A charity fund **WHICH SHALL BE A SPECIAL TRUST FUND** from which **CAN BE DRAWN FUNDS TO SUPPORT** [the Board of Directors, in consultation with the Ministry of Human Settlement on identified] priority programs, needs, and requirements in specific communities and [with approval of the Office of the President (Prime Minister), 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] **DEPARTMENT OF BUDGET AND MANAGEMENT** may, from time to time, establish and promulgate. The Board, **WITH THE APPROVAL OF THE PRESIDENT**, 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."

Sec. 2. *Repealing Clause.* – All laws, executive orders, rules and regulations inconsistent with or contrary to this Act, are hereby deemed accordingly repealed or amended.

Sec. 3. *Separability Clause.* – If, for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

Sec. 4. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days from its publication in at least two (2) newspapers of national circulation.

Approved,