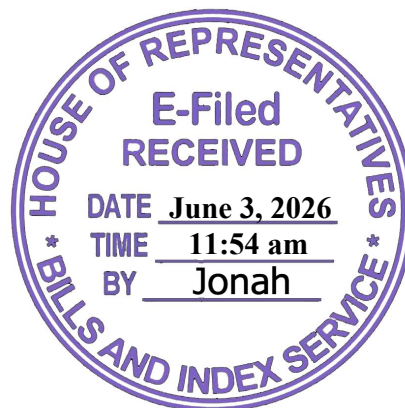


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 441

Submitted by the Committee on Games and Amusements on June 3, 2026.

Re: House Bill No. 9702

Recommending its approval, in substitution of House Bills Numbered 141 and 3237.

Sponsors: Representatives Eric L. Olivarez, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony "Hori" G. Horibata, Terry L. Ridon, and Antonio A. Ferrer

Mr. Speaker:

The Committee on Games and Amusements to which were referred House Bill No. 141, introduced by Rep. Eric L. Olivarez, entitled:

"AN ACT
FIXING THE SHARE OF LOCAL GOVERNMENT UNIT (LGU) HOSTING GAMING
OPERATION LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT AND
GAMING CORPORATION (PAGCOR) IN THE PROCEEDS OF THE FRANCHISE
TAX, FURTHER AMENDING SECTION 12 OF PRESIDENTIAL DECREE NO. 1869,
AS AMENDED"

and House Bill No. 3237, introduced by Representatives Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony "Hori" G. Horibata, and Terry L. Ridon, entitled:

"AN ACT
FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT (LGU) HOSTING
GAMING OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE
AMUSEMENT AND GAMING CORPORATION (PAGCOR) IN THE PROCEEDS OF
THE FRANCHISE TAX, FURTHER AMENDING SECTION 12 OF PRESIDENTIAL
DECREE NO. 1869, AS AMENDED"

has considered the same and recommends that the attached House Bill No. 9702, entitled:

“AN ACT
FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT HOSTING GAMING
OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT
AND GAMING CORPORATION IN THE PROCEEDS OF THE FRANCHISE TAX,
FURTHER AMENDING SECTION 12 OF PRESIDENTIAL DECREE NO. 1869,
AS AMENDED”

be approved in substitution of House Bills Numbered 141 and 3237 with Representatives Eric L. Olivarez, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Antonio A. Ferrer, Maximo B. Rodriguez, Jr., Carmelo G. Lazatin, Jr., Presley C. De Jesus, Johanne Monich G. Bautista, Antonino G. Calixto, Joseph S. Tan, Roy M. Gonzales, Dibu S. Tuan, and Solomon R. Chungalao as authors thereof.

Respectfully submitted,



REP. ANTONIO A. FERRER

Chairperson

Committee on Games and Amusements

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. 9702
(In substitution of House Bills Numbered 141 and 3237)

Introduced by Representatives Eric L. Olivarez, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Antonio A. Ferrer, Maximo B. Rodriguez, Jr., Carmelo G. Lazatin, Jr., Presley C. De Jesus, Johanne Monich G. Bautista, Antonino G. Calixto, Joseph S. Tan, Roy M. Gonzales, Dibu S. Tuan, and Solomon R. Chungalao

AN ACT
FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT HOSTING GAMING OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION IN THE PROCEEDS OF THE FRANCHISE TAX, FURTHER AMENDING SECTION 12 OF PRESIDENTIAL DECREE NO. 1869, AS AMENDED

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

1 **SECTION 1.** Section 12 of Presidential Decree No. 1869, as amended, is
2 hereby further amended to read as follows:

3
4 “SEC. 12. *Special Condition of Franchise.* – After deducting **THE**
5 five percent (5%) [as] Franchise Tax, the fifty percent (50%)
6 **GOVERNMENT’S** share [of the government] in the [aggregate
7 gross earnings] **GROSS GAMING REVENUE** of the Corporation
8 **DERIVED** from this Franchise, or sixty percent (60%) if **SUCH**
9 [the aggregate gross earnings] **GROSS GAMING REVENUE IS**
10 [be] less than P150,000,000.00, shall immediately be set aside
11 and shall accrue to the General Fund to finance the priority
12 infrastructure development projects and to finance the
13 restoration of damaged or destroyed facilities due to calamities,
14 as may be directed and authorized by the Office of the President
15 of the Philippines.

1 THE ABOVE FIVE PERCENT (5%) FRANCHISE TAX SHALL
2 BE REMITTED AS FOLLOWS: THREE PERCENT (3%) TO
3 THE NATIONAL GOVERNMENT AND TWO PERCENT (2%)
4 TO THE LOCAL GOVERNMENT UNIT (LGU) WHERE
5 PAGCOR-OPERATED OR LICENSED GAMING
6 OPERATIONS SUCH AS, BUT NOT LIMITED TO, LAND-
7 BASED CASINOS, ONLINE CASINOS, BINGO, ELECTRONIC
8 GAMES (E-GAMES) AND ELECTRONIC BINGO (E-BINGO),
9 ARE LOCATED: *PROVIDED*, THAT THE TWO PERCENT (2%)
10 SHARE SHALL BE PAID DIRECTLY TO THE LGU
11 CONCERNED.”

12
13 **SEC. 2.** If any provision of this Act is declared invalid or unconstitutional, the
14 other provisions not affected thereby shall remain valid and subsisting.

15
16 **SEC. 3.** Section 12 of Presidential Decree No. 1869, entitled: “Consolidating
17 and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399, and 1632,
18 Relative to the Franchise and Powers of the Philippine Amusement and Gaming
19 Corporation (PAGCOR)”, as amended by Presidential Decree No. 1993, entitled:
20 “Amending Section Twelve of Presidential Decree No. 1869 Consolidating and
21 Amending Presidential Decrees Nos. 1067-A, 1067-B, 1067-C, 1399, and 1632,
22 Relative to the Franchise and Powers of the Philippine Amusement and Gaming
23 Corporation (PAGCOR)”, and all laws, executive orders, memorandum circulars,
24 guidelines, and other issuances or parts thereof, which are inconsistent with this Act,
25 are hereby repealed or modified accordingly.

26
27 **SEC. 4.** This Act shall take effect fifteen (15) days after its publication in the
28 *Official Gazette* or in a newspaper of general circulation.

29
30 ***Approved,***

House of Representatives
Committee Affairs Department

FACT SHEET

House Bill No. 9702

(In substitution of House Bills Numbered 141 and 3237)

(Approved by the Committee on 18 February 2026)

“AN ACT

FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT HOSTING GAMING OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION IN THE PROCEEDS OF THE FRANCHISE TAX, FURTHER AMENDING SECTION 12 OF PRESIDENTIAL DECREE NO. 1869, AS AMENDED”

Introduced by: Representatives Eric L. Olivarez, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Antonio A. Ferrer, Maximo B. Rodriguez, Jr., Carmelo G. Lazatin, Jr., Presley C. De Jesus, Johanne Monich G. Bautista, Antonino G. Calixto, Joseph S. Tan, Roy M. Gonzales, Dibu S. Tuan, and Solomon R. Chungalao

*Committee Referral: **COMMITTEE ON GAMES AND AMUSEMENTS***

*Committee Chairperson: **Rep. Antonio A. Ferrer***

OBJECTIVES:

- To ensure a fair, fixed, and defined share from the revenue derived from gaming operations operated and licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) in favor of the local government units that shoulder substantial responsibility to maintain peace and order, regulate business compliance, manage traffic and tourism impact, provide public services, and address social concerns associated with gaming activities within their respective territorial jurisdictions.
- To strengthen fiscal predictability, promote transparency in revenue allocation, and reinforce the constitutional principle of local autonomy.

KEY PROVISIONS:

- Changes the base for computing the 50% or 60% share of the government, from aggregate gross earnings to gross gaming revenue;
- Mandates that the five percent (5%) franchise tax remitted by PAGCOR be distributed as follows: three percent (3%) to the National Government and two

percent (2%) to the local government units where PAGCOR-owned or licensed gaming operations are located; and

- Provides that the two percent (2%) share be paid directly to the local government units.

AGENCIES INVOLVED:

- Department of the Interior and Local Government
- Department of Finance
- Bureau of Internal Revenue
- Philippine Amusement and Gaming Corporation
- Office of the Government Corporate Counsel

RELATED LAWS:

- Presidential Decree No. 1869, entitled, “CONSOLIDATING AND AMENDING PRESIDENTIAL DECREE NOS. 1067-A, 1067-B, 1067-C, 1399, AND 1632, RELATIVE TO THE FRANCHISE AND POWERS OF THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)”
- Presidential Decree No. 1993, entitled, “AMENDING SECTION TWELVE OF PRESIDENTIAL DECREE NO. 1869 CONSOLIDATING AND AMENDING PRESIDENTIAL DECREES NOS. 1067-A, 1067-B, 1067-C, 1399, AND 1632, RELATIVE TO THE FRANCHISE AND POWERS OF THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)”