

SENATE

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S.B. No. 3356

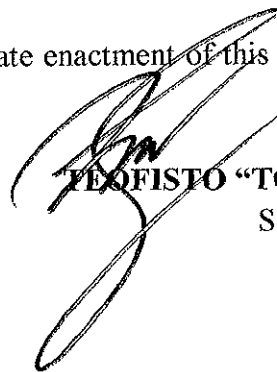
INTRODUCED BY Senator **TEOFISTO "TG" GUINGONA III**

EXPLANATORY NOTE

The Philippine Charity Sweepstakes Office (PCSO) is considered the "principal government agency for raising and providing funds for health programs, medical assistance, and services, and charities of national character."¹ As its primary mandate is to provide funding for charity, the PCSO should not further be saddled with implementing the government's charitable programs.

Charitable programs sponsored by the government should be delegated to government agencies with the expertise in and the familiarity with putting into operation health programs, medical assistance, and charities. To allow PCSO to focus singularly on revenue-generation, the health program should be managed by the Department of Social Welfare and Development. By providing the PCSO more leeway to generate revenues for these programs- without the additional burden of concerning itself with the responsibility of ensuring their implementation – the PCSO will have the opportunity to establish more efficient ways of increasing funding for its charitable pursuit.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.



TEOFISTO "TG" GUINGONA III
Senator

¹ Sec. 1, PCSO Charter, RA 1169

SENATE

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S.B. No. 3356

INTRODUCED BY Senator TEOFISTO "TG" GUINGONA III

AN ACT
TO FURTHER STRENGTHEN THE PCSO CHARTER AMENDING FOR THE
PURPOSE Republic Act 1169, OTHERWISE KNOWN AS "AN ACT
PROVIDING FOR CHARITY SWEEPSTAKES, HORSE RACES, AND
LOTTERIES" AS AMENDED BY B.P. BLDG. 42 AND P.D. NO. 1157

1 SECTION 1. SECTION 1 OF REPUBLIC ACT 1169 HEREBY AMENDED TO
2 READ AS FOLLOWS:

3
4 Section 1. The Philippine Charity Sweepstakes Office – The Philippine
5 Charity Sweepstakes Office, hereinafter designated the Office, WHICH
6 SHALL BE UNDER THE CONTROL AND SUPERVISION OF
7 THE SECRETARY OF THE DEPARTMENT OF FINANCE, IS
8 TASKED TO RAISE AND PROVIDE [the principal government
9 agency for raising and providing for] funds for health programs AND
10 SOCIAL WELFARE AND DEVELOPMENT SERVICES
11 PROVIDED BY THE DEPARTMENT OF HEALTH AND THE
12 DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT,
13 RESPECTIVELY [medical assistance and services, and charities of
14 national character], and as such shall have the general powers conferred
15 in section thirteen of Act Numbered One thousand four hundred fifty-
16 nine, as amended, and shall have the authority:

- 17
18 A. To hold and conduct [charity sweepstakes races,] CHARITY
19 lotteries and other similar activities, in such frequency and manner,
20 as shall be determined, and subject to such rules and regulations as
21 shall be promulgated by the Board of Directors.
22 B. ASIDE FROM THE ACTIVITIES MENTIONED IN
23 PARAGRAPH (A), subject to the approval of the SECRETARY

24 **OF THE DEPARTMENT OF FINANCE,** [Minister of Human
25 Settlements] to [engage in health and welfare-related investments,]
26 **INVEST IN** programs, projects, and activities which **ARE** [may be]
27 profit-oriented, by itself or in collaboration, association, or joint
28 venture with any person, association, company or entity, whether
29 domestic or foreign, [except for the activities mentioned in the
30 preceding paragraph (A)], for the purpose of providing for
31 **ADDITIONAL,** permanent and continuing sources of funds for
32 health programs **AND SOCIAL SERVICES PROVIDED BY**
33 **THE DEPARTMENT OF HEALTH AND THE**
34 **DEPARTMENT OF SOCIAL WELFARE AND**
35 **DEVELOPMENT, RESPECTIVELY.** [including the expansion
36 of existing ones, medical assistance and services, and/or charitable
37 grants: Provided, That such investments will not compete with the
38 private sector in areas where investments are adequate, as may be
39 determined by the National Economic and Development Authority.]
40

41 [C. To undertake any other activity that will enhance its funds
42 generation operations and funds management capabilities, subject to the
43 same limitations provided for in the preceding paragraph.]
44

45 It shall have a Board of Directors, hereinafter designated the Board,
46 composed of five members who shall be appointed, and whose
47 compensation and term of office shall be fixed, by the President (Prime
48 Minister). [Amended by Batas Pambansa Blg. 42 dated 24 September
49 1979]
50

51 **SECTION 2. SECTION 3 OF REPUBLIC ACT 1169, AS AMENDED, IS**
52 **HEREBY REPEALED.**

53
54 **SECTION 3. SECTIONS 4 AND 6 OF REPUBLIC ACT 1169, AS AMENDED,**
55 **ARE HEREBY REPEALED.**

56
57 **SECTION 4. SECTION 6 OF REPUBLIC ACT 1169, AS AMENDED, IS**
58 **HEREBY AMENDED TO READ AS FOLLOWS:**

59
60 Section 6: Allocation of Net Receipts – [From] The gross receipts **OF**
61 **ITS OPERATIONS AND INVESTMENTS SHALL BE**
62 **ALLOCATED, ON A MONTHLY BASIS, AS FOLLOWS** [from the
63 sale of sweepstakes tickets, whether for sweepstakes races, lotteries, or
64 similar activities, shall be deducted the printing cost of such tickets,
65 which in no case shall exceed two percent of such gross receipts to arrive
66 at the net receipts. The net receipts shall be allocated as follows]:
67

68 A. [Fifty-five (55%)] **THIRTY PERCENT (30%)** shall be set aside as a
69 prize fund for the payment of prizes [including those] for the owners [jockeys of
70 running horses, and sellers] of winning tickets. **THE USE AND MANAGEMENT OF**
71 **THIS FUND SHALL BE UNDER THE CONTROL OF THE DEPARTMENT OF**
72 **FINANCE.**

73
74 Prizes not claimed by the public within one year from date of draw shall
75 be considered forfeited, and shall form part of the charity fund for
76 disposition as stated below.

77
78 B. [Thirty] **FORTY** percent **(40%)** [(30%)] shall be set aside as
79 contributions to the charity fund **AND THE USE AND MANAGEMENT**
80 **THEREOF SHALL BE UNDER THE CONTROL OF THE**
81 **DEPARTMENT OF HEALTH AND THE DEPARTMENT OF**
82 **SOCIAL WELFARE AND DEVELOPMENT: 20% FOR THE DOH**
83 **AND 20% FOR THE DSWD. THIS FUND SHALL BE USED FOR**
84 **THE HEALTH PROGRAMS AND SOCIAL WELFARE AND**
85 **DEVELOPMENT SERVICES OF THE DEPARTMENTS**
86 **MENTIONED.**

87
88 [from which the Board of Directors, in consultation with the Ministry of
89 Human Settlement on identified priority programs, needs, and
90 requirements, in specific communities and with approval of the Office of
91 the President (Prime Minister), shall make payments or grants for health
92 programs, including the expansion of existing ones, medical assistance and
93 services and/or charities of national character, such as the Philippine
94 National Red Cross, under such policies and subject to such rules and
95 regulations as the Board may from time establish and promulgate. The
96 Board may apply part of the contributions to the charity fund to approved
97 investment of the Office pursuant to Section 1(B) hereof, but in no case
98 shall such application to investments exceed ten percent (10%) of the net
99 receipts from the sale of sweepstakes tickets in any given year.]

100
101 Any property acquired by an institution or organization with funds given
102 to it under this Act shall not be sold or otherwise disposed of without the
103 approval of the Office of the President (Prime Minister), and that in the
104 event of its dissolution all such property shall be transferred to and shall
105 automatically become the property of the Philippine Government.

106
107 C. [Fifteen (15%)] **THIRTY** percent **(30%)** shall be set aside as contributions
108 to the operating expenses and capital expenditures of the Office.

109
110 **THE BOARD MAY APPLY PART OF THIS FUND TO APPROVED**
111 **INVESTMENTS OF THE OFFICE PURSUANT TO SECTION 1(B)**

112 **HEREOF, BUT IN NO CASE SHALL SUCH APPLICATION TO**
113 **INVESTMENT EXCEED TEN PERCENT (10%) OF THIS PORTION OF**
114 **THE FUND.**

- 115
116 D. All balances, **ACCRUED AT THE END OF YEAR**, of any funds in the
117 Philippine Charity Sweepstakes Office shall revert to and form part of the
118 charity fund provided for in paragraph (B), and shall be subject to disposition as
119 above stated.

120
121 The disbursements of the allocation herein authorized shall be subject to the
122 usual auditing rules and regulations. [As amended by Batas Pambansa Blg. 42
123 dated 24 September 1979].

124
125 **SECTION 5. SECTION 8 OF REPUBLIC ACT 1169, AS AMENDED, IS**
126 **HEREBY AMENDED TO READ AS FOLLOWS:**

127
128 Section 8. Acts penalized—

129
130 (8.1) The following shall be punished by imprisonment of not less than
131 one month and not more than three years:

- 132
133 (a) Any person who, without being a duly authorized agent of the Office,
134 sell tickets of the Office, or, being such agent, sell tickets, fractions or
135 coupons thereof not issued by the Office, representing or tending to
136 represent an interest in tickets issued by the Office.
137 (b) Any person who sells tickets issued by the Office at a price greater
138 than the price stated on the ticket.
139 (c) Any officer or employee of a hospital or other charitable or hygienic
140 institution or organization who uses funds obtained from the Office
141 under this Act for purposes other than those herein authorized.

142
143 **(8.2) MEMBERS OF THE BOARD AND ACCOUNTABLE**
144 **OFFICERS OF PCSO, WHO VIOLATE THEIR FIDUCIARY**
145 **DUTIES AS TRUSTEES OF A CHARITABLE TRUST SHALL BE**
146 **DISCIPLINED ADMINISTRATIVELY, WITHOUT PREJUDICE**
147 **TO THE FILING OF CRIMINAL CHARGES AGAINST THEM.**

148
149 **ANY OFFICER OF EMPLOYEE WHO VIOLATES AND/OR**
150 **CAUSES ANOTHER TO VIOLATE ANY PROVISION OF**
151 **REPUBLIC ACT 1169 AND ITS AMENDMENTS SHALL BE**
152 **PUNISHED WITH IMPRISONMENT FOR NOT LESS THAN ONE**
153 **YEAR NOR MORE THAN TEN YEARS, PERPETUAL**
154 **DISQUALIFICATION FROM PUBLIC OFFICE, AND**
155 **CONFISCATION OR FORFEITURE IN FAVOR OF THE**

156 **GOVERNMENT OF ANY PROHIBITED INTEREST AND**
157 **UNEXPLAINED WEALTH MANIFESTLY OUT OF PROPORTION**
158 **TO HIS SALARY AND OTHER LAWFUL INCOME.**

159
160 **SECTION 6. SECTION 10 OF REPUBLIC ACT 1169, AS AMENDED, IS**
161 **HEREBY AMENDED TO READ AS FOLLOWS:**

162
163 Section 10. The Board of Directors of the **OFFICE**, with the approval of the
164 **SECRETARY OF THE DEPARTMENT OF FINANCE**, [President of the
165 Philippines,] shall promulgate rules and regulations for **ITS** [the holding of] **CHARITY**
166 **lotteries AND OTHER SIMILAR ACTIVITIES, AND ITS INVESTMENT**
167 **ENDEAVORS.** [shall fix the number and price of the tickets for the same and number
168 of tickets usually given gratis to the ticket vendors; fix the number and amount of
169 prizes; fix the date when the sale of tickets shall close; and designate the dates and place
170 or places where such lotteries shall be held.]

171
172 **SECTION 7. REPEALING CLAUSE. ALL LAWS, DECREES, EXECUTIVE**
173 **ORDERS, RULES AND REGULATIONS, OR PARTS THEREOF AS ARE**
174 **INCONSISTENT WITH THIS ACT, ARE HEREBY REPEALED, AMENDED**
175 **OR MODIFIED ACCORDINGLY.**

176
177 **SECION 8. SECTION 11 OF REPUBLIC ACT 1169, AS AMENDED, IS**
178 **HEREBY REPEALED.**

179
180 **SECTION 9. DATE OF EFFECTIVITY. – THIS ACT SHALL TAKE EFFECT**
181 **FIFTEEN (15) DAYS AFTER ITS COMPLETE PUBLICATION IN THE**
182 **OFFICIAL GAZETTE OR IN AT LEAST TWO (2) NATIONAL NEWSPAPERS**
183 **OF GENERAL CIRCULATION.**

184
185 Approved,
186