

AN ACT TO AUTHORIZE THE HOLDING OF CHARITY LOTTERIES, CREATE A PUBLIC CORPORATION TO ATTEND TO IT, AND DEFINE ITS POWERS.

Commonwealth Act No. 227, November 30, 1936

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. A public corporation is hereby created which shall be known as National Charity Lottery and shall have authority to raise funds for charitable and public purposes by issuing tickets and distributing prizes among the same by means of drawings, in accordance with the provisions of this Act.

SEC. 2. The Board of Directors of the Corporation shall be composed of three members who shall be appointed every three years by the President of the Philippines, with the consent of the Commission on Appointments of the National Assembly. If the appointees are public officers or officer? of any of the companies of the Commonwealth, they shall not receive extra compensation of any kind.

SEC. 3. The Corporation shall have power to sue and be sued, acquire property, make contracts, and, in general, exercise the power? prescribed for corporations by the Corporation Law and necessary or incidental to the carrying out of the purposes for which it has been created.

SEC. 4. The Board of Directors, with the approval of the President of the Philippines, shall appoint a manager and fix his salary. The manager shall appoint the personnel in accordance with the plan previously approved by the Board of Directors of the Corporation.

The Corporation shall have an auditor who shall be appointed by the Auditor General and shall be paid by the Corporation a salary to be fixed by it. The expenses of the office of the auditor of the Corporation and the salaries of the employees thereof shall be paid by the Corporation which shall make the necessary appropriations for said purpose. The auditor of the Corporation shall after each drawing submit to the Board of Directors of the Corporation, the Secretary of Finance, and the Auditor General a report on the financial condition and operations of the Corporation.

The Corporate Counsel Division of the Department of Justice shall attend to the legal work of the Corporation in consideration of an annual contribution which shall from time to time be stipulated by both entities or, in case of disagreement, fixed by the President of the" Philippines.

SEC. 5. The Corporation shall determine the number,-class, dates, and places of the drawings, the number, form, and price of the tickets in each drawing, the number and amount of the prizes, the date of closing the sale of tickets, the manner of holding the drawings, the number, qualifications, and remuneration of the agencies for the sale of tickets, in the country and abroad, and such other matters as may be necessary for the proper performance of its functions.

SEC. 6. The tickets shall be printed in the Bureau of-Printing- and shall each bear a two-centavo internal revenue stamp to be paid for by the purchasers of tickets. - Each number may consist of only one ticket or of several

tickets representing fractions of the same number, in the discretion of the Corporation. The bearers of tickets shall be considered as owners thereof, except in the case of tickets sent abroad which shall be considered as belonging to the registered owners or, in default thereof, to the bearers of such tickets.

SEC. 7. The proceeds of the sale of the tickets in each drawing shall be divided into three parts: Ten per centum for administration expenses, thirty per centum for charitable and public purposes, and sixty per centum for prizes. Unsold tickets shall not be included in the drawing, and prizes not collected within one year after the drawing shall accrue to the part for charitable purposes; but if not all the -tickets issued for a drawing are sold, the parts for charity and administration expenses shall be reduced proportionally in order that the prizes announced in the prospectus may remain intact.

SEC. 8. The part of the proceeds available for administration expenses shall be disbursed in accordance with the budget previously prepared by the Board of Directors. For -this purpose, the manager, during the month of December of each year, shall submit to the Board of Directors an estimate of expenses for the ensuing year but such estimate shall not take effect until it shall have been approved by the said Board.

SEC. 9. The part for charitable purposes shall be distributed by the Board of Directors to hospitals and charitable and public welfare institutions or organizations in the Philippines, after considering the recommendations of the Health and Public Welfare Commissioner and taking into account the respective needs and social importance of the work of each: Provided, however. That fifty per centum of the net proceeds shall accrue to the funds of the Philippine Anti-tuberculosis Society The part set aside for public mimoses can only be disposed of by the President of the Philippines.

Funds given under this section to any institution or organization shall be used exclusively for the purpose authorized by the Corporation.

SEC. 10. The portion for prizes shall be distributed by-means of drawings in accordance with the prospectus issued.

The right to collect prizes shall expire one year after the drawing. There shall be no more than two ordinary nor more than one special drawings each year and prizes in excess of fifty thousand pesos shall not be offered in any of them except in the Christmas and special drawings, in which a prize in a greater sum may be offered. Prizes for persons not residing in the Philippines shall be delivered or sent to the persons in whose names the tickets are registered, or to their legal representatives. Prizes for residents of the Philippines shall be delivered to the lawful bearers of the winning tickets.

SEC. 11. The Corporation may, when necessary, secure loans from the National Bank and the National Loan and Investment Board which may be made at such interest as may be stipulated by the parties or, in case of disagreement, fixed by the Secretary of Finance.

SEC. 12. The Corporation shall, during the month of January of each year, submit to the President and to the National Assembly of the Philippines, a detailed report of its financial condition and of its activities during the preceding year.

SEC. 13. The penalty of imprisonment for not less than one month nor more than three years shall be imposed upon the following:

- Any person who, for the purpose of profiting thereby or causing damage, shall falsify, alter, take, destroy, or mutilate any ticket issued in accordance with this Act.
- Any person who, knowingly, shall be found in the possession of, or dealing in, false or altered tickets.

- Any person selling lottery tickets of the Corporation without being a duly authorized agent thereof or who, being such agent, sells tickets, fractions or coupons not issued by the Corporation, representing or tending to represent an interest in tickets issued by the Corporation.
- Any person selling tickets issued by the Corporation at a price greater than the price stated on the ticket.
- Any person having in his possession, or dealing in, other domestic or foreign lottery or sweepstake tickets or tickets in any game of chance. Jueteng lists shall be considered as lottery tickets and jueteng bankers and collectors shall be considered as dealing in such tickets.
- Any person attempting to secure or raise funds by the distribution of prizes based on guessing or by other means in which chance is in part a factor.
- Any officer or employee of a hospital or other charitable or hygienic institution or organization using funds obtained from the Corporation under this Act for purposes other than those herein authorized.
- Any officer or employee of the Corporation defrauding the same or any holder of a ticket issued by the Corporation.

SEC. 14. This Act shall take effect for two years only upon its approval.

Enacted, without Executive approval, November 30, 1936.

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