

(H.B. 1719)

(No. 45)

(Approved January 27, 2006)

AN ACT

To add a clause (4) and to amend the last paragraph of subsection (e) of Section 3.3 of Act No. 12 of July 24, 1985, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico;” to amend subsection (11) of Section 2 of Act No. 10 of May 24, 1989, as amended, known as the “Act to Authorize the Additional Lottery System,” in order to exempt from the provisions of Act No. 12, *supra*, public employees and their family members who enter into contracts with the Department of the Treasury to sell or operate the Additional Lottery game system.

STATEMENT OF MOTIVES

Part of the funds for the Housing Rental and Improvement Subsidy Program proceed from the distribution of the net income of the Additional Lottery created by virtue of Act No. 10 of May 24, 1989, as amended. Subsection (4) of Section 14 of said Act appropriates the amount of four million (4,000,000) dollars annually from the Additional Lottery System net income to the Housing Rental and Improvement Subsidy Program. The Department of the Treasury is the entity that contracts vendors of wagers to operate Additional Lottery machines. With regard to this matter, Section 2 of Act No. 10, *supra*, as amended, establishes that the provisions of Act No. 12 of July 24, 1985, known as the “Ethics in Government Act,” which require the obtaining of a dispensation to execute the contract, shall apply when contracting with public employees and their family members.

The power to grant dispensations falls on the Governor of Puerto Rico, with the previous recommendation of the Secretaries of the Department of the Treasury and Justice or the head of the Office of Government Ethics. The Governor has delegated this power to the Office of the Commissioner of Municipal Affairs when the contracting parties include a municipality, consortium, or municipal corporation; or to the Department of State when contracting with Executive Agencies. The process to request the opinion of these public officers in a dispensation process so that a public official or employee be able to sell Additional Lottery wagers easily takes months.

The Ethics in Government Act already establishes among its exceptions to the dispensation requirement, the lease contracts for housing provided by or to be financed, or whose financing is guaranteed or secured by a government agency and the benefit or incentive programs sponsored by government agencies. In these cases, the contracting agency issues a certification thereto when dealing with contracts accessible to any citizen; eligibility requirements are of general application, the public official who meets all the eligibility requirements does not receive preferential treatment; and the public official does not participate in the decision-making for awarding contracts.

Through this Act, its availability is extended to those public officials who enter into contracts with the Department of the Treasury to sell or operate the Additional Lottery game system. In this manner, the public employee and his/her family members shall be able to obtain an additional legal remuneration which shall help them to bear the burden of their financial responsibilities.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Section 3.3 of Act No. 12 of July 24, 1985, as amended, is hereby amended to add a clause (4) and amend the last paragraph of subsection (e) to read as follows:

“Section 3.3- Related to other employment, contract, or business

(a) ...

...

(e) ...

(1) ...

....

(4) Contracts executed with the Department of the Treasury to operate Electronic Lottery terminals.

In the cases specified in clauses (2), (3), and (4) of this subsection, the contracting agency shall authorize these contract, through a certification to that effect, transactions, provided that the following requirements concur:

(A) ...

...”

Section 2.- Subsection (11) of Section 2 of Act No. 10 of May 26, 1989, as amended, is hereby amended to read as follows:

“Section 2.- Definitions.-

For the purposes of this Act, the following terms and phrases shall have the meaning stated hereinbelow:

(1) ...

...

(11) Vendor of Wages or Vendor means any person authorized to sell tickets or shares for the additional lottery under the license provided

in this Chapter. In cases of public employees and their families the provisions and exemptions provided in Act No. 12 of July 24, 1985, known as the Ethics in Government Act, as amended, shall apply.

Section 3.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 45 (H.B. 1719) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to add a clause (4) and to amend the last paragraph of subsection (e) of Section 3.3 of Act No. 12 of July 24, 1985, known as the “Ethics in Government Act of the Commonwealth of Puerto Rico;” to amend subsection (11) of Section 2 of Act No. 10 of May 24, 1989, as amended, known as the “Act to Authorize the Additional Lottery System,” in order to exempt from the provisions of Act No. 12, *supra*, public employees and their family members who enter into contracts with the Department of the Treasury to sell or operate the Additional Lottery game system,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 2nd of November of 2006.

Francisco J. Domenech
Director