

(H. B. 1777)

(No. 74)

(Approved April 6, 2006)

## **AN ACT**

To establish the Puerto Rico Compulsive Gamblers Assistance Program attached to the Mental Health and Addiction Services Administration; to declare the public policy; to establish the responsibilities, duties and obligations of the Program; to empower the Administrator of the Mental Health and Addiction Services Administration to adopt the necessary regulations for the implementation of this Act; to appropriate and authorize the matching of funds.

### **STATEMENT OF MOTIVES**

Legal games of chance have spread internationally, and the association between games of chance and the prevailing of pathological gambling has become a matter of public health. Until recently, games of chance have been legalized world-wide without considering the potential negative impact that games of chance may have on individuals, families and communities.

For many generations, games of chance have been an essential part of the daily life of many Puerto Ricans. One of the oldest gambling activities in Puerto Rico is cockfighting, a recreational activity introduced by the Spaniards and regulated by the Government for many years. At present, there are approximately 125 cockfighting arenas throughout Puerto Rico and cockfights are held almost daily on the Island. Horse racing was also introduced into the Island by the Spaniards and have been regulated by the Government since the beginning of the 20<sup>th</sup> century. In 1910, horse racing

was legalized in Puerto Rico, and in 1956 off-track bets were authorized by law. Currently, El Comandante Racetrack holds races every week.

Casinos are one of the most recent legal gambling activities in Puerto Rico, constituted under the Games of Chance Act of 1948. Basically, all tourist hotels in Puerto Rico have casinos, where tourists as well as the residents of the Island can play slot machines and gambling games such as blackjack, poker, dice, and roulette.

The first lottery in Puerto Rico was established in 1814, authorized by the King of Spain. However, it was not until 1934 that the Lottery was officially introduced in Puerto Rico. In 1989, the lottery was extended with the electronic lottery modality, known as *Loto* and *Pega 3*. In the electronic lottery, players choose their own numbers, a six-number combination for *Loto*, which began in 1991, and a three-number combination for *Pega 3* which began in 1990.

Charity games, specifically bingo, were legalized in Puerto Rico in 1950. Only churches and non-profit organizations which have operated more than ten years in Puerto Rico are authorized to carry out charity game activities, and each event requires a separate permit. Another game of chance conducted on a lower scale in Puerto Rico is the so-called *picas*, a traditional activity from the times of the Spanish colonization. These and other game activities on a lower scale were permitted in Puerto Rico through an Act in 1927, which was amended at least twice during the 1930s. These games are part of the Patron Saint Festivities held once a year in each municipality of Puerto Rico.

As it may be observed, in Puerto Rico there are countless games in which the citizens have the opportunity to gamble, without including illegal games.

Although game of chance activities in Puerto Rico date back to the period of the Spanish colonization, it is not until 1994 that the Department of the Treasury takes the initiative and sponsors a Compulsive Gambler Assistance Program (*Podemos* Program.)

On 1997, the first poll on the predominance of games of chance and game problems in Puerto Rico was conducted. The main objective of the study was to explore the extension and magnitude of legal and illegal games among the adult population in Puerto Rico and to examine the different patterns of the existing games. The study also sought to establish a base measure on the prevailing problems associated to gambling and to identify the types of gambling games that cause more difficulties to the population.

The study concluded that the difficulties related to gambling may be substantial, not only for individuals with problems, but also for their family members and for the communities where they reside. Compulsive gamblers experience physical and psychological anxiety, high rates of depression, alcohol and drug dependency, and in other cases, suicidal thoughts. The family members, on the other hand, may experience physical and psychological abuse, harassment, and threats from collectors.

It is the responsibility of the Commonwealth to provide the means to preserve and restore the mental health of the citizens, including those who have compulsive gambling problems. Thus, in view of the need for broadening and strengthening the rendering of services to this sector of the population, the Legislature deems it necessary to create through a legislation a Compulsive Gamblers Assistance Program attached to the Mental Health and Addiction Services Administration, which is the government agency responsible for addressing in a comprehensive and efficient manner all matters regarding to mental health and addiction. The Program shall have

the purpose of offering adequate prevention mechanisms and specialized treatment in an articulated manner to improve the quality of life of these fellow citizens who are suffering from gambling addiction problems.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Title of the Act

This Act shall be known as the “Puerto Rico Compulsive Gamblers Assistance Program Act.”

Section 2.- Statement of Public Policy

It is hereby established as the public policy of the Government of Puerto Rico to stimulate the social and economic development of the family, in order to attain its maximum progress and emotional stability. For this, it is necessary to implement strategies geared towards detecting compulsive gamblers to provide them as well as their family members with professional mental health and counseling services in order to reduce pathological gambling in Puerto Rico.

The priority of the Compulsive Gamblers Assistance Programs shall be to provide education, counseling, treatment, and rehabilitation services to the affected persons.

Section 3.- Definitions.

The following terms and phrases contained in this Act shall have the meanings stated below:

- (a) “Administration” – the Mental Health and Addiction Services Administration.
- (b) “Program” – the Compulsive Gamblers Assistance Program.
- (c) “Administrator” – the administrator of the Mental Health and Addiction Services Administration.

#### Section 4.- Creation of the Program

The Program is hereby created attached to the Administration. The Program shall use the resources designated thereto through this Act, in order to prepare procedures, forms, strategies, and other necessary procedures, to guarantee the implementation and development of the services that are to be provided to the affected persons.

#### Section 5.- Duties and Powers of the Program

The Program shall have, among others, the following duties and powers:

- (a) Manage the funds appropriated for said project within the laws and regulations in effect.
- (b) Procure additional funds through proposals and take any other steps before federal, Commonwealth, municipal or private sector agencies or programs to defray expenses related to this Act.
- (c) Offer guidance workshops on the consequences of uncontrolled gambling.
- (d) Offer counseling services and referrals to specialized treatment for those persons who thus request it.
- (e) Prepare a separate, confidential register of the persons who request assistance to the program. The confidentiality of the register shall be guaranteed and any non-therapeutic use shall be prohibited.
- (f) Create and implement prevention, treatment and rehabilitation strategies that are necessary to attain the purposes of this Act, and establish quality controls thereof.

- (g) Establish a committee, which shall be presided by the Administrator of the Mental Health and Addiction Services Administration (in Spanish ASSMCA), and that shall be composed of the Secretary of the Department of the Treasury, the Director of the Electronic and Traditional Lottery, the Administrator of the Puerto Rico Tourism Company, the Administrator of the Horse Racing Industry, the Secretary of the Sports and Recreation Department, to ensure the adequate functioning of the Program.

#### Section 6.- Reports

The Administrator shall submit to the Legislature, within a term of sixty (60) work days, at the end of each fiscal year, a report on the development and progress of the Program. Said report shall include used funds, persons assisted, and an evaluation of the measures that shall be implemented to achieve the purposes of this Act.

#### Section 7.- Powers to Regulate

The Administrator is hereby empowered to adopt the necessary regulations to achieve the purposes of this Act, pursuant to the provisions of Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedures Act of the Commonwealth of Puerto Rico.”

#### Section 8.- Appropriation of Funds

The necessary funds to achieve the purposes of this Act shall originate annually from the following sources:

- (a) \$250,000.00 – from the gross income of *Pool* wagers, originating from the application of Act No. 83 of July 2, 1987, as amended, known as “Puerto Rico Horse Racing Industry and Sport Act.”

(b) \$250,000.00 – from the gross income produced by slot machines originating from the application of Act No. 221 of May 15, 1948, as amended.

(c) \$ 250,000.00 – from the Lottery Fund into which the income for the sale of lottery tickets is covered, originating from the application of Act No. 465 of May 15, 1947, as amended, known as the “Puerto Rico Lottery Act.”

(d) \$ 250,000.00 – from the net operating income originating from the application of Act No. 10 of May 24, 1989, as amended, known as the “Act to Authorize the Additional Lottery System.”

#### Section 9.- Authorization for the Matching of Funds

The Administration is hereby authorized to match the appropriated funds with federal, Commonwealth, municipal or private sector contributions.

#### Section 10.- Severability Clause

If any Section, subsection, part, paragraph, or clause of this Act or its application to any person or circumstance, is declared unconstitutional or null by a Court, said judgment shall not affect or invalidate the remaining provisions thereof.

#### Section 11.- Effectiveness.-

This Act shall take effect after July 1, 2007.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 74 (H.B. 1777) of the 3<sup>rd</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to establish the Puerto Rico Compulsive Gamblers Assistance Program attached to the Mental Health and Addiction Services Administration; to declare the public policy; to establish the responsibilities, duties and obligations of the Program; to empower the Administrator of the Mental Health and Addiction Services Administration to adopt the necessary regulations for the implementation of this Act; to appropriate and authorize the matching of funds,

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

In San Juan, Puerto Rico, today 22<sup>nd</sup> of January of 2007.

Francisco J. Domenech  
Director