

(H. B. 2022)
(Reconsidered)

(No. 96)

(Approved May 16, 2006)

AN ACT

To require all government agencies, public corporations, instrumentalities, advertising agencies, television stations, radio stations, newspapers, movie theaters and filmmaking companies that schedule, produce, publish, transmit or broadcast advertisements in the press, radio, or television, or through any other communications media, to advertise any game of chance authorized under the laws of Puerto Rico, including the Traditional Lottery, Additional Lottery and any other game of chance, as defined by Law, promoted by the Government of Puerto Rico or the private sector, to include as a part of the publication a message that promotes responsible gambling and warns against the risks of compulsive gambling; to require that in all game rooms or establishments in which such activities are held, as well as in all establishments that sell Electronic Lottery tickets, a message and warning to the public to such effects shall be displayed, to provide penalties and to authorize the Department of Consumer Affairs to regulate the implementation of these provisions in coordination with the Mental Health and Addiction Services Administration and the entities that regulate games of chance.

STATEMENT OF MOTIVES

In Puerto Rico there is an old tradition which authorizes games of chance from diverse origins. The Commonwealth itself has authorized and promoted gambling in our society as a means to collect revenues for the treasury and to promote economic development.

Act No. 221 of May 15, 1948, as amended, legalized and authorized the Tourism Company of Puerto Rico to operate slot machines in game rooms through franchises issued by the Secretary of the Treasury. Likewise, for more than fifty (50) years, Traditional Lottery drawings have been authorized by legislation. In

fact, in fiscal years 2001 to 2004, it was estimated that Puerto Ricans gambled around one billion five hundred fifty-five million three hundred six thousand eight hundred seventy-five (1,555,306,875) dollars in Traditional Lottery drawings only, a figure that increases every year. The Additional Lottery System, which promotes games of *Pega Dos* (Match Two), *Pega Tres* (Match Three), *Pega Cuatro* (Match Four), *Loto* (Lotto), and *Revancha* (Rematch), was established in 1989, through Act No. 10 of May 24. Furthermore, other games, such as cockfights and horseraces, have been tolerated and allowed.

In spite of the well known harmful effects on the health and saving habits of gamblers, the Government of Puerto Rico has failed to encourage responsible gambling as part of the public policy of the Island. In 1997, the first survey on the prevalence of games of chance and problem gambling in Puerto Rico was performed. The main purpose of the study was to explore the extent and magnitude of legal and illegal gambling among the adult population in Puerto Rico, and to analyze the various existing gambling patterns. The study also intended to establish a measure based on the prevalence of problems associated to gambling and to identify the types of gambling that create the most problems for the population.

The study concluded that problems associated to gambling may be considerable, not only for the individuals with the problem, but also for their relatives and the communities in which they live. Compulsive gamblers can suffer physical and psychological anxiety, depression, suicidal tendencies and financial problems. Moreover, their relatives can suffer physical and psychological abuse, harassment, and the financial consequences of indiscriminate gambling.

In the last few years, the Government of Puerto Rico has acted as a principal agent in the promotion of gambling through massive advertising campaigns. Advertising campaigns subsidized by the Government depict gambling as the

means for solving people's most important financial problems, discouraging savings.

It is the responsibility of the Commonwealth to develop the means to preserve and restore the mental health of the citizens, including those with compulsive gambling problems, as well as to encourage savings. It is the intention of this Legislature to require that all government agencies, public corporations, instrumentalities, advertising agencies, television stations, radio stations, newspapers, movie theaters and filmmaking companies that schedule, produce, publish, transmit or broadcast advertisements in the press, radio, television, or any other communications media to promote any game of chance that is authorized under the laws of Puerto Rico, including the Traditional Lottery, Additional Lottery and any other games of chance, as defined by Law, sponsored by the Government of Puerto Rico or the private sector, include as a part of the publication, a message that exhorts responsible gambling and warns against the risks of compulsive gambling.

The effect of this Act shall be that in all messages directed toward advertising gambling and in all gambling establishments the citizens shall be duly advised of the need to maintain the appropriate restraint and moderation when gambling for entertainment.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Applicability

This Act shall apply to all government agencies, public corporations, instrumentalities, advertising agencies, television stations, radio stations, newspapers, movie theaters and filmmaking companies that schedule, produce, publish, transmit or broadcast advertisements in the press, radio, or television, or through any other communications media to promote any game of chance that is authorized under the laws of Puerto Rico, including the Traditional Lottery,

Additional Lottery and any other games of chance, as defined by Law, sponsored by the Government of Puerto Rico or the private sector, whose advertising is distributed within the jurisdiction of Puerto Rico. Excepted from this Act are advertisements produced outside of Puerto Rico over which the local publicity or transmission media do not have the power to intervene and enforce this Act, as well as advertising directed exclusively toward the foreign markets, pursuant to the provisions in Act No. 221 of May 15, 1948, as amended.

Section 2.-Duty to notify

Any advertisement produced in Puerto Rico or outside of Puerto Rico at the request of any government agency, public corporation, instrumentality, advertising agency, television station, radio station, newspaper, movie theater and filmmaking company that schedules, produces, publishes, transmits or broadcasts advertisements in the press, radio, television, or any other communications media to advertise any game of chance that is authorized under the laws of Puerto Rico, including the Traditional Lottery, Additional Lottery and any other games of chance, as defined by Law, promoted by the Government of Puerto Rico or the private sector, shall include a message to urge gamblers to do so responsibly and warn them of the risks of compulsive gambling. All operators of casinos, cockpits, gambling rooms, racetracks and off-track betting agencies in the Island, as well as all establishments where Electronic Lottery tickets are sold, are hereby required to display a sign that is legible and visible to all those persons who use their facilities, exhorting gamblers to do so responsibly and to warn them of the risks of compulsive gambling.

Section 3.-Penalties

All advertising contracts for the promotion of games of chance or activities that include games of chance in which a government agency, public corporation or government instrumentality is a party, or that is executed under its sponsorship or

the use of public funds shall be null if it fails to include a clause providing the compulsory inclusion of the message or warning on gambling and the penalties for failing to include the same. The Department of Consumer Affairs may direct the removal of any public or private advertisement of any games of chance from the communications media that does not comply with the provisions of this Act. The Secretary of the Department of Consumer Affairs may impose administrative fines up to the maximum authorized by the provisions of the Organic Act of the Department on any natural or juridical person who fails to comply with the provisions in this Act.

Section 4.-Supervision

The Department of Consumer Affairs shall oversee compliance with this Act and shall approve Regulations for its implementation that shall include, without it being understood as a limitation: the specific text, format and placement features of the message or warning to be displayed; the amount of the fines to be imposed for noncompliance; a mechanism for coordinating with the Tourism Company, the Department of the Treasury and the Horse Racing Industry and Sport Administration for the monitoring game rooms under the jurisdiction of these entities and with the Mental Health and Addiction Services Administration with respect to the warning on the risks of compulsive gambling, and any other provisions needed for compliance with this Act, in accordance with the Organic Act of the Department and the provisions in Act No. 170 of August 8, 1988, as amended. The Department of Consumer Affairs shall establish the Regulations within a term of six (6) months immediately after the approval of this Act.

Section 5.-This Act shall take effect eight (8) months immediately after its approval and shall have prospective effect.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 96 (H.B. 2022) (Reconsidered) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to require all government agencies, public corporations, instrumentalities, advertising agencies, television stations, radio stations, newspapers, movie theaters and filmmaking companies that schedule, produce, publish, transmit or broadcast advertisements in the press, radio, or television, or through any other communications media, to advertise any game of chance authorized under the laws of Puerto Rico, including the Traditional Lottery, Additional Lottery and any other game of chance, as defined by Law, promoted by the Government of Puerto Rico or the private sector, to include as a part of the publication a message that promotes responsible gambling and warns against the risks of compulsive gambling; to require that in all game rooms or establishments in which such activities are held, as well as in all establishments that sell Electronic Lottery tickets, a message and warning to the public to such effects shall be displayed, to provide penalties and to authorize the Department of Consumer Affairs to regulate the implementation of these provisions in coordination with the Mental Health and Addiction Services Administration and the entities that regulate games of chance,

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

In San Juan, Puerto Rico, today 11th of September of 2006.

Francisco J. Domenech
Director