

(H. B. 2990)

**(No. 166-2016)**

(Approved August 9, 2016)

**AN ACT**

To add subsection (d) to Section 5.003 of Act No. 222-2011, as amended, known as the “Puerto Rico Political Campaign Financing Oversight Act”; amend Section 2 of Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act”; amend Section 14 of Act No. 465 of May 15, 1947, as amended, known as the “Puerto Rico Lottery Act,” in order to provide that raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding shall be treated as allowed contributions; authorize the Office of the Election Comptroller to issue Orders, Resolutions, or Guidelines, as are necessary to implement the provisions of this Act; and for other purposes.

**STATEMENT OF MOTIVES**

On May 24 2016, the Office of the Election Comptroller (OEC) issued information bulletin OCE-BI-2016-08 on the lawfulness of raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees subject to the provisions of Act No. 222-2011, as amended, known as the “Puerto Rico Political Campaign Financing Oversight Act,” (hereinafter, Act No. 222-2011). Said communication establishes that these activities are not consistent with the legislation in effect. In order to make such a determination, OEC sent a letter to the Secretary of the Department of the Treasury whereby it requested an advisory opinion to learn about the public policy on certain fundraising activities traditionally carried out by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees, or more specifically, on raffles, draws, and bingos.

The Secretary of the Treasury issued Advisory Opinion Number 2015-2016. Said opinion states that its intent was to clarify any doubts as to whether the raffles, draws, and bingos held by the aforementioned persons or entities, which are subject to supervision and oversight under Act No. 222-2011, are prohibited by law, since these activities may constitute games of chance. Said opinion established that raffles, draws, and bingos are considered games of chance, because: (1) a payment or bid is required to participate in the game of chance; (2) the prize is won as a result of chance or luck; and (3) the prize involves an item of monetary value that the person receives directly or is entitled to receive it.

The Secretary of the Treasury concludes his opinion by stating that:

In accordance with the aforementioned, the particularities of the activities held by political parties, candidates, and aspirants that are under your consideration, warrant an evaluation in order to determine whether the aforesaid requirements are present. If so, said activities would be prohibited by law, thus requiring legislative action to allow such activities and establish the parameters under which the same may be held. [Translation supplied]

Traditionally, activities such as raffles, draws, and bingos have been held to raise campaign funds. Usually, a great number of people participate in these activities making small contributions that traditionally have been treated as allowed contributions. Insofar as we encourage the people in general to make small contributions for election-related purposes, we discourage large financial interests from making contributions that, as we all know, seek to exert influence on the selection of candidates who, in their judgment, may further their particular interests.

This Legislative Assembly deems it necessary to amend Act No. 222-2011, Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act,” and Act No. 465 of May 15, 1947, as amended, known as the “Puerto Rico Lottery Act,” in order to provide that raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding shall be treated as allowed contributions under the code of laws in effect.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1.- Section 5.003 of Act No. 222-2011, as amended, is hereby amended to read as follows:

“Section 5.003.- Anonymous Contributions

(a) Any contribution in excess of two hundred dollars (\$200) shall require the identification of the contributor with his name and last name, mailing address, name of the person or entity to whom the contribution is made, and an identification number such as: voter identification number issued by the State Election Commission, Puerto Rico driver’s license number, or in the absence thereof, the number of an identification issued by the State or Federal government containing the person’s full legal name, date of birth, the person’s gender, driver’s license or identification card number, a digital photograph of the person, the person’s principal residence address, the person’s signature, physical security features designed to prevent any kind of tampering, counterfeiting, or duplication of the document for fraudulent purposes.

(b) The total anonymous contributions that may be deposited by a party and its candidate for governor for matching in the Special Fund for Election Campaign Financing shall not exceed six hundred thousand dollars (\$600,000) annually.

(c) Segregated committees and political action committees shall not receive anonymous contributions or contributions in cash.

(d) There shall be classified as allowed contributions raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding, in accordance with the terms of this Act and any Orders, Resolutions, or Guidelines issued thereunder.”

Section 2.- Section 2 of Act No. 221 of May 15, 1948, as amended, is hereby amended to read as follows:

“Section 2.- Games of Chance in Licensed Gambling Rooms, Authorized

(A) Any person who plays, takes part in, establishes, opens, prompts the opening of, or directs, as principal or employee, through lease or otherwise, any game of faro, monte, roulette, fan tan, poker, seven-up, Blackjack, hokey pokey or any game of chance played with cards, dice or of any other kind, for money, checks, credit or chips representing value, as well as any person who plays or bets in favor of or against any of said prohibited games shall be guilty of a misdemeanor.

However, the games of chance of roulette, craps, cards, and bingo are hereby authorized in gambling rooms operated under a license issued according to the terms of this Act, subject to the conditions and limitations thereof and the regulations prescribed hereunder.

...

(H) The holding of raffles, draws, and bingos by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding, pursuant to this Act and any Orders, Resolutions, or Guidelines issued thereunder is hereby authorized.”

Section 3.- Section 14 of Act No. 465 of May 15, 1947, as amended, is hereby amended to read as follows:

“Section 14.- Illegal Lotteries

The establishment, maintenance, and exploitation of lotteries in Puerto Rico, except in the manner provided in this Act, is prohibited in Puerto Rico. Any person who invents, prepares, establishes or plays any illegal lottery in violation of the provisions of this Act, or who sells, assigns, or otherwise supplies or transfers to another or a third party, any ticket, chance, share or interest, or any paper, certificate or instrument presumed or understood to be or to represent any ticket, chance or share or interest in any lottery in violation of the provisions of this Act or which depends on the result thereof shall be guilty of a misdemeanor.

Raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political party committees for the purpose of supplementing their political campaign funding, in accordance with the terms of this Act and of any Orders, Resolutions, or Guidelines issued hereunder, are hereby excluded.”

Section 4.- The Office of the Election Comptroller is hereby authorized to issue within thirty (30) days as of the effective date of this Act, Orders, Resolutions, or Guidelines as are necessary to implement the provisions of this Act, in order to provide that raffles, draws, and bingos carried held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding, shall be treated as allowed contributions under the code of laws in effect.

Section 5.- Effectiveness

This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 166-2016 (H. B. 2990)** of the **7<sup>th</sup> Regular Session** of the **17<sup>th</sup> Legislative Assembly of Puerto Rico**:

**AN ACT** to add subsection (d) to Section 5.003 of Act No. 222-2011, as amended, known as the "Puerto Rico Political Campaign Financing Oversight Act"; amend Section 2 of Act No. 221 of May 15, 1948, as amended, known as the "Games of Chance Act"; amend Section 14 of Act No. 465 of May 15, 1947, as amended, known as the "Puerto Rico Lottery Act," in order to provide that raffles, draws, and bingos held by aspirants, candidates, elected officials, political parties, their respective committees, and other political committees for the purpose of supplementing their political campaign funding shall be treated as allowed contributions; authorize the Office of the Election Comptroller to issue Orders, Resolutions, or Guidelines, as are necessary to implement the provisions of this Act; and for other purposes.

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

In San Juan, Puerto Rico, on this 31<sup>st</sup> day of January, 2017.

Roger J. Iglesias-Sepúlveda, Esq.  
Director