

[«español»](#)

**“Games of Chance and Gambling Devices in Casinos Authorization Act”**

Act No. 221 of May 15, 1948, as amended

(Contains amendments incorporated by:

Act No. 21 of June 7, 1948  
Act No. 24 of June 7, 1948  
Act No. 343 of May 14, 1949  
Act No. 90 of June 23, 1956  
Act No. 373 of May 8, 1951  
Act No. 25 of April 5, 1952  
Act No. 10 of June 18, 1970  
Act No. 2 of July 30, 1974  
Act No. 76 of June 19, 1974  
Act No. 5 of June 16, 1976  
Act No. 141 of June 3, 1976  
Act No. 13 of June 26, 1980  
Act No. 115 of June 12, 1980  
Act No. 46 of July 2, 1985  
Act No. 33 of July 20, 1989  
Act No. 185 of September 3, 1996  
Act No. 24 of June 26, 1997  
Act No. 100 of June 25, 1998  
Act No. 138 of July 1, 1999  
Act No. 170 of August 11, 2002  
Act No. 272 of September 9, 2003  
[Act No. 11 of January 8, 2004](#)  
[Act No. 192 of August 4, 2004](#)  
[Act No. 318 of September 15, 2004](#)  
[Act No. 36 of July 29, 2005](#)  
[Act No. 72 of July 2, 2010](#)  
[Act No. 48 of June 30, 2013](#)  
[Act No. 166 of August 9, 2016](#)  
[Act No. 141 of July 10, 2018](#)  
[Act No. 81 of July 29, 2019](#))

To authorize, subject to specific regulation and strict surveillance, certain games of chance in Puerto Rico; to empower the Economic Development Administration *[Note: Replaced by the Commissioner of Financial Institutions of Puerto Rico]* to impose license fees for the operation thereof; to fix the minimum requirements for obtaining such licenses; to divide the island into zones and to allocate the license fees payable in each zone; to regulate such games; to empower the Secretary of the Treasury of Puerto Rico *[Note: Replaced by the Government of Puerto Rico Gaming Commission]* to regulate and collect sale license fees and to make periodic examinations of that receipts deriving from the

operation of the gambling place hereby authorized; to empower and require of the Administrator of the Economic Development Administration *[Note: Replaced by the Government of Puerto Rico Gaming Commission]* to exercise surveillance and supervise betting into casinos and to enforce the law and regulations.

*Be it enacted by the Legislature of Puerto Rico:*

**Section 1. — Statement of Motives.** (15 L.P.R.A. § 71 note)

The purpose of this Act is to contribute toward the development of tourism by authorizing certain games of chance customary in recreation resorts in famous tourist centers throughout the world, and by the government’s regulating and exercising strict surveillance over said games with a view to ensure tourists all possible safeguards and at the same time affording the Secretary of the Treasury of Puerto Rico and additional source of revenue

**Section 2. — Games of Chance in Licensed Gambling Halls, Authorized.** (15 L.P.R.A. § 7)

(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 halls operated under a license issued according to the terms of this Act, and the games and methods authorized by the [Government of Puerto Rico Gaming Commission Act](#), subject to the conditions and limitations thereof and the regulations prescribed hereunder.

(B) In addition, notwithstanding the provisions of Section 3 of [Act No. 11 of August 22, 1933, as amended](#), and pursuant to Section 2 of the act known as the “[Federal Gambling Devices Act of 1962](#)”, as amended, the acquisition and/or leasing, transportation to, introduction, possession, use, maintenance and operation of the machines known as slot machines, are hereby exempted from the corresponding restraints, and are authorized and legalized in the Commonwealth of Puerto Rico solely and exclusively when introduced by:

- (1) The Government of Puerto Rico Gaming Commission, or
- (2) a licensee who:

- (i) Holds a valid license duly issued by the Commissioner of Financial Institutions of Puerto Rico to operate games of chance, and

- (ii) Holds a license issued by the Government of Puerto Rico Gaming Commission as provided in Section 7-A of this Act, to operate all slot machines to be placed and operated solely and exclusively in the gambling halls authorized by the Commissioner of Financial Institutions of Puerto Rico, as provided in this Act, and subject to the regulations promulgated by the Government of Puerto Rico Gaming Commission which are not inconsistent with the provisions of this Act.

**(C)** It shall be an unavoidable requirement for all licensees having slot machines owned or leased by the Government of Puerto Rico Gaming Commission, who wish to introduce slot machines to be used in their gambling halls, prior to the introduction of the latter, to:

**(1)** Acquire, at book value, those slot machines from the Government of Puerto Rico Gaming Commission that are located at that time in their gambling halls;

**(2)** Assume any and all obligations of the Government of Puerto Rico Gaming Commission regarding the slot machines located in their gambling halls and held by the Government of Puerto Rico Gaming Commission on lease under any existing lease agreement so that:

**(i)** The Government of Puerto Rico Gaming Commission be exempt by the lessor from any and all obligations under said agreement, and/or

**(ii)** The Government of Puerto Rico Gaming Commission be compensated, to its entire satisfaction, for any liability that may have arisen or may arise thereunder;

**(3)** Offer employment to the slot machine service attendants and technicians under the following conditions:

**(i)** Offer employment and contract at least one service attendant for every forty-seven (47) slot machines located in their gambling rooms as of May 31, 1997 or at said time, whichever is greater;

**(ii)** offer employment and contract at least one slot machine technician for every two hundred ninety (290) slot machines located in their gambling rooms as of May 31, 1997 or at said time, whichever is greater;

**(iii)** two (2) or more licensees may share the services of the slot machine technicians provided said licensees contract said slot machine technicians in a proportion not lower than that provided in the preceding subsection (ii);

**(iv)** the job offers made by the licensees to the slot machine service technicians and attendants employed by the Government of Puerto Rico Gaming Commission must include a basic salary at least equal to, or higher than the salary earned by said employees as employees of the Government of Puerto Rico Gaming Commission at that time;

**(v)** the licensee shall require that the slot machine service attendant and slot machine technician contracted under this provision comply with the same regulations and norms that apply to the rest of his/her employees; Provided, That said employees shall be deemed as new employees of the licensee, and

**(vi)** the licensee shall only discharge or lay off said slot machine service attendant or technician for just cause, as this term is defined in Act No. 80 of May 30, 1976, as amended [29 L.P.R.A. §§ 185a et seq.], during the first year of employment of the slot machine service attendants or technicians. Should a licensee discharge a slot machine service attendant or technician without just cause, a competent court may provide as remedy, in addition to the month's pay provided by the aforementioned Act No. 80, the payment of the salaries unearned by the employee for the first year of unemployment; Provided, That under no circumstance shall this remuneration exceed the salary for one year.

**(4)** Prove, to the satisfaction of the Government of Puerto Rico Gaming Commission, that any person contracted to operate, provide maintenance services, or any other service

relating to slot machines, holds or shall hold the necessary licenses duly issued by the Government of Puerto Rico Gaming Commission to work with said slot machines.

(D) No licensee shall alter the number of slot machines located in his gambling hall as of May 31, 1997, unless the Government of Puerto Rico Gaming Commission, at its discretion, decides to remove any of its slot machines from any gambling hall.

(E) The Government of Puerto Rico Gaming Commission, at its discretion, and at any time, may remove any slot machine, owned or leased by the Government of Puerto Rico Gaming Commission, located in any licensed gambling hall, if after the effective date of this Act the licensee of the gambling hall has not acquired all the slot machines of the Government of Puerto Rico Gaming Commission located in his gambling hall or has failed to assume the obligations of the Government of Puerto Rico Gaming Commission under any lease agreement thereof, as the case may be.

(F) Once a licensee acquires or assumes the lease of slot machines of the Government of Puerto Rico Gaming Commission located in his gambling hall pursuant to the provisions of subsection (c) of this Section, the licensee shall be solely and exclusively liable for the maintenance and repair of any slot machine thus acquired or leased and of those slot machines the licensee may decide to acquire or lease in the future; provided, that under no circumstance the Government of Puerto Rico Gaming Commission shall be held liable for nor assume any cost whatsoever related to the maintenance, repair, and operation of a slot machine owned or leased by a licensee.

(G) The introduction and use of slot machines with a maximum denomination of up to twenty-five dollars (\$25) is hereby authorized. The Government of Puerto Rico Gaming Commission shall submit to the Legislative Assembly every year, within the first thirty (30) days of each Regular Session, a report and an evaluation regarding the impact of the slot machine legislation on the hotel sector and the tourist industry; provided, that said report and evaluation shall include the impact, if any, caused by measures such as the extension of the gambling hours, the sale of alcoholic beverages in the gambling halls, and the permission to advertise and promote the gambling halls, among others, as these have been authorized.

(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 his act and any orders, resolutions, or guidelines issued thereunder is hereby authorized.

**Section 2-A. — Slot Machine Service Attendants and Technicians.** (15 L.P.R.A. § 71a)

(A) Every slot machine service attendant and technician who ceases to work for the Government of Puerto Rico Gaming Commission as a result of being contracted by a licensee pursuant to the provisions of Section 2(C) of this Act, shall receive from the Government of Puerto Rico Gaming Commission for a period of one year, while employed by a licensee as a slot machine service attendant or technician, an additional compensation equal to forty-five percent (45%) of his basic salary as of May 31, 1997, to compensate the loss of fringe benefits that the slot machine service attendant or technician enjoyed during his term of employment with the Government of Puerto Rico Gaming Commission. This payment shall be made in twelve (12) monthly installments; provided, that the employee continues working for a licensee as a slot machine service attendant or technician.

(B) Every slot machine service attendant or technician affected by this Act shall have the option to waive his right to be employed by a licensee, and resign from the Government of Puerto Rico Gaming Commission. In this case, the Government of Puerto Rico Gaming Commission shall pay him the basic salary equivalent to one year. Every slot machine service attendant or technician wishing to avail himself of this option shall have up to sixty (60) days after the approval of this Act to file a written petition to such effect with the Government of Puerto Rico Gaming Commission in order to avail himself of this benefit.

(C) The Government of Puerto Rico Gaming Commission is expressly exempt from having to offer other benefits to the slot machine service attendants or technicians who cease to work for the Government of Puerto Rico Gaming Commission and by reason of the approval of this Act.

(D) The Government of Puerto Rico Gaming Commission shall prepare a list of the employees of the Government of Puerto Rico Gaming Commission who are eligible to fill the positions of slot machine service attendant or technician, to be distributed among the licensees. This list shall include the employee’s name, experience, and employment qualifications. Licensees shall make their job offers to the employees included in said list pursuant to the provisions of this Section.

**Section 2-B. — Non-delegable Power to Remove, Collect, and Enter in the Books the Moneys from the Slot Machines.**

(A) The Government of Puerto Rico Gaming Commission is hereby granted the sole and non-delegable authority to:

- (1) Remove, collect, and enter in the books all the moneys and/or tokens obtained from the slot machines, regardless of whether the slot machines are owned by or under the control of the Government of Puerto Rico Gaming Commission or a licensee under this Act;
- (2) carry out the distribution of all the moneys produced by the slot machines, as provided in Section 5 of this Act. The Commissioner of Financial Institutions and the holder of a license for said gambling room shall, at their discretion, take part in removing the moneys and/or tokens from the slot machines located in their gambling rooms and in the process of verifying the amount of the funds generated by said machines;
- (3) verify and certify the deposit in any payment cylinder and any jackpot prize;
- (4) fulfill any other responsibilities needed to comply with the purposes of this Act.

**Section 3. — Games of Chance in Licensed Gambling Halls, Authorized—Qualifications for Licenses.** (15 L.P.R.A. § 72)

(A) The Commissioner of Financial Institutions is hereby empowered to issue licenses for the operation of gambling halls for roulette, craps, cards, and bingo, where the machines known as slot machines, be they owned or leased by the Government of Puerto Rico Gaming Commission or a holder of a gambling license, may be installed and operated pursuant to the provisions of this Act, to such natural or juridical persons that meet to his full satisfaction the following conditions:

- (1) Own and/or manage a hotel which allows tourists the use of its facilities, where the gambling rooms shall be established.
- (2) Not having been convicted of a felony or misdemeanor involving moral turpitude, and enjoy a good reputation. In the case of juridical persons, all shareholders or partners shall

meet this requirement. In any case, this requirement shall be applicable to the true owners and not merely to the nominal owners of the business or of any interest or share therein.

(3) Have the means and the organization to establish a gambling room suitable for tourists at the hotel owned or managed by him/her and which allows tourists the use of its facilities.

(B) It is hereby provided that the slot machines authorized in Section 2 of this Act shall be located and operated by the Government of Puerto Rico Gaming Commission or by a holder of a gambling license, authorized by law to operate in Puerto Rico. The holder of a gambling license under this Section may install and operate, or allow the Government of Puerto Rico Gaming Commission to operate machines in his gambling halls, in exchange for a share of the profits of the Operator, as provided in Section 5 of this Act, and subject to the payment of the license fees established in Section 7 of this Act. The share of the profits corresponding to the holder of a license to operate a gambling hall shall be sent by the Government of Puerto Rico Gaming Commission to the Secretary of the Treasury during the term that may be necessary to pay off any tax debt already assessed and due for collection at the internal revenue offices, which the holder of a license to operate a gambling hall may have pending. In addition, the share of the profits from the slot machines corresponding to the holder of a license to operate a gambling hall may be withheld by the Government of Puerto Rico Gaming Commission to pay any debt that the licensee has accumulated, and is pending payment, in regards to the room occupancy rate tax.

(C) The Government of Puerto Rico Gaming Commission is hereby empowered to discretionally authorize, at the request of a licensee who is the owner or lessor of the slot machines in his gambling hall, up to a maximum of eight (8) machines for each authorized player seated or standing in the gambling hall, in proportion to the number of authorized tables used for other games of chance. Under no circumstances shall the increase in the number of machines entail the loss of tables. In such case, the casino shall not qualify for the increase in machines. In the case of a holder of a license to operate a gambling hall where the slot machines are owned and operated by the Government of Puerto Rico Gaming Commission, the latter is hereby empowered to discretionally authorize, at the request of said licensee, up to a maximum of one point five (1.5) machines for each authorized player, seated or standing in the gambling hall, in proportion to the number of authorized tables used for other games of chance. The basis for computing authorized players shall be the annual average number of players authorized according to the formula described; provided, that at present, seven (7) players are allowed in the authorized card game known as “21” or Blackjack, up to eighteen (18) players at the craps table, and seven (7) players per table in roulette. The proportion established by the Government of Puerto Rico Gaming Commission pursuant to the rules established herein shall be revised every six (6) months; provided, that should the licensee fail to comply at any time after the authorization with the proportion established by the Government of Puerto Rico Gaming Commission as an authorization requirement, the latter shall reduce the number of authorized slot machines until a true proportion is reached based on the average number of tables used.

The Government of Puerto Rico Gaming Commission is hereby empowered to authorize, at its discretion, the operation of slot machines in gambling halls located at the airport and port terminals of Puerto Rico; provided, that these are located beyond security checkpoints.

**Section 4. — Games of Chance in Licensed Gambling Halls, Authorized—License Applications.** (15 L.P.R.A. § 73)

Every person interested in obtaining a license under the provisions of this Act shall file a sworn application before the Commissioner of Financial Institutions showing that he meets the requirements established in Section 7 of this Act. Said application shall be enclosed with the sum of fifteen thousand dollars (\$15,000) to defray the investigation expenses incurred by the Commissioner of Financial Institutions to determine whether the applicants qualify for the license they are applying for. Provided, that said amounts shall be deposited in the funds of the Office of the Commissioner of Financial Institutions. If the application is denied, the amount paid shall be nonrefundable. Before considering the application, the Commissioner of Financial Institutions shall cause to be published in one of the newspapers of general circulation in the Government of Puerto Rico, once a week for four (4) weeks, a notice of the application stating the name of the applicant and the hotel where the gambling hall is to be established. Fifteen (15) days after the publication of the final notice, the Commissioner of Financial Institutions may consider and definitely approve or reject the application; provided, that no application shall be approved unless previously approved by the Government of Puerto Rico Gaming Commission. In the exercise of its powers under the provisions of this Act, and the provisions of Section 3 of this Act notwithstanding, the Government of Puerto Rico Gaming Commission may take into consideration the number of licenses, the location of the licensees, and the type and quality of the facilities offered by the licensees, which shall best achieve the purposes of these provisions, namely fostering and providing tourist attractions and amenities on a par with international standards and which shall best serve to promote tourism. The Government of Puerto Rico Gaming Commission may provide recommendations under the condition that the licensee meets specific requirements as to the establishment, expansion, or improvement of particular tourist attractions and amenities, whether at the same place where the hotel of the applicant is already established, or at any other place in Puerto Rico, and the licenses granted on the basis of such conditional recommendations shall be revoked if the conditions set forth are not complied with. The tourist attractions referred to in this Section may include, but not be limited to, hotels and restaurants. Said tourist attractions shall not necessarily have to be operated directly by the licensee who owns them. The Government of Puerto Rico Gaming Commission shall have discretion to grant a reasonable term for the licensee to invest in the tourist attractions and amenities that the Government of Puerto Rico Gaming Commission establishes as a condition for granting a license, taking into consideration the nature of the investment and the works to be carried out when granting said term; provided, that it shall not be necessary that the total investment be made by the license applicant. The Government of Puerto Rico Gaming Commission shall adopt regulations setting the requirements and policies to be used as its basis when considering license applications. Said regulations, as well as any amendments thereto, shall be subject to the approval of the Governor of Puerto Rico pursuant to the provisions of Section 8 of Act No. 10 of June 18, 1970.

The Commissioner of Financial Institutions and the Government of Puerto Rico Gaming Commission may draft regulations for the issuance, temporary suspension, or cancellation of the licenses provided by this Section and any other licenses required by this Act.

The licensee of a gambling room is hereby empowered to forbid admittance to or remove from the casino premises and/or hotel of any person who in his/her judgment is a hindrance to the

operation thereof, or who affects the well-being and peace of mind, or annoys the patrons or employees of the gambling rooms; Provided, That the regulations which determine the admittance to the casinos shall not discriminate on the basis of race, color, religion or social condition.

**Section 5. — Games of Chance in Licensed Gambling Halls, Authorized—Payment and Collection of License Fees; Revenue Investigations.** (15 L.P.R.A. § 74)

(A) Any license issued under this Act shall be subject to payment by the licensee to the Secretary of the Treasury, of the license fees determined pursuant to the provisions of Section 7 of this Act, and said fees shall be paid quarterly, in advance. The revenues collected on account of said licenses shall be covered into the General Fund of the Commonwealth Treasury. The Commissioner of Financial Institutions is hereby empowered to prescribe such regulations as he/she may deem necessary or convenient for the collection of the license fees fixed under this Act title and may proceed to collect such fees using the administrative or judiciary procedures provided by law.

(B) The gross income produced by the slot machines shall be electronically calibrated to yield a maximum of seventeen percent (17%) of the volume of the machines as profit for the Operator; provided, that the share of profit for the player shall never be less than eighty-three percent (83%), which share shall be measured throughout a reasonable period of time to be established by regulations. The foregoing notwithstanding, any licensee that wishes to operate any slot machines with a share of profit for the player higher than eighty-three percent (83%) shall obtain the prior authorization of the Government of Puerto Rico Gaming Commission.

(C) For fiscal years beginning before Fiscal Year 1997-98, the annual net income shall be distributed according to the following rules: The income produced by the slot machines shall be deposited in a special account of the Tourism Office of the Department of Economic Development and Commerce, separate from its general funds. The amortized cost and the operating cost of the slot machines shall be deducted from the annual gross income produced by the slot machines and received by the operator. The difference shall be the annual net income.

(1) Seventeen percent (17%) of the annual net income shall be deposited in a Special Fund each month in the name, and for the benefit of the Tourism Office of the Department of Economic Development and Commerce to discharge its duties pertaining to specialized matters of the sector and defray its expenses.

(2) Twenty percent (20%) of the annual net income shall be considered as a tax on slot machine transactions, which shall replace the one percent (1%) tax on the face value of the chips or any other substitute for them as provided by Act No. 2 of January 20, 1956, as amended, in Section 40A of subsection (b) of Section 11, in Section 40A of Part B of Chapter 111 and in subsection (g) of Section 61 thereof, which are hereby repealed by this Act. This twenty percent (20%) of the annual net income, which constitutes the proceeds of the tax collected from the operation of the slot machines, shall be forwarded to the Secretary of the Treasury who shall wholly cover it into the Educational Fund.

(3) Another twenty percent (20%) of the annual net income shall be covered annually into the General Fund of the University of Puerto Rico.

(4) Thirty-four percent (34%) of the annual net income shall be remitted monthly to licensees or, if Section 3 of this Act regarding the licensee tax debts already assessed and to be collected by the Internal revenue offices were applicable, to the Secretary of the



Treasury. The thirty-four percent (34%) net annual income shall be distributed in the same proportion that the slot machines located in each casino have generated revenues with respect to the total proceeds of all slot machines in all of the casinos.

(5) The remaining nine percent (9%) of net annual income shall be remitted monthly to a special fund, separate from the general funds of the Tourism Office of the Department of Economic Development and Commerce denominated the ‘Puerto Rico Tourism Industry Development Fund,’ which shall be administered by the Tourism Office of the Department of Economic Development and Commerce. Said fund shall be devoted to the strengthening and development of the tourism industry. An annual appropriation of five hundred thousand dollars (\$500,000) from said fund shall be allocated to the Horse Racing Industry and Sport Administration to be used to defray the prizes and broadcasting of the events related to the *Clásico Internacional del Caribe*. Provided, that the funds shall only be appropriated when said events are held in Puerto Rico.

(D) For Fiscal Year 1997-98 and subsequent fiscal years, the annual net income shall be determined according to the following rules:

(1) The income produced by the slot machines, whether owned or possessed by the Government of Puerto Rico Gaming Commission or the licensees, shall be deposited in a special fund in the Government of Puerto Rico Gaming Commission, separate from its general funds. From the annual gross income produced by the slot machines and received by the Operator, there shall be deducted:

(i) Monthly, all the operating costs of the slot machines of the Government of Puerto Rico Gaming Commission, including, but not limited to, the salaries, compensation, and any other benefits received by those employees of the Government of Puerto Rico Gaming Commission whose functions are related to slot machines; provided, that when an employee of the Government of Puerto Rico Gaming Commission performs other functions unrelated to slot machines besides those related to the operation of the slot machines, said amount shall also be deducted from his salary, compensation, and any other benefits corresponding to the functions related to the operation of the slot machines;

(ii) Monthly, all of the amortization, leasing, operating, and maintenance costs related to the slot machines owned by the Government of Puerto Rico Gaming Commission for such month;

(iii) an amount to be paid monthly to the licensees equal to the monthly cost for the amortization of the slot machines owned by them or the monthly cost for leasing the slot machines leased by them for said month; Provided, That:

(aa) The cost of the slot machines must be amortized for a minimum term of three (3) years, and

(bb) in no case shall the amount to be paid to the licensees on account of the amortization or leasing costs of the slot machines exceed the annual sum of two thousand five hundred dollars (\$2,500) per machine. This payment shall only be allowed during fiscal years 1997-98, 1998-99 and 1999-00. No payment whatsoever shall be made to the licensees after this period.

The difference between the annual gross income and the above mentioned deductions shall be the annual net income.

**(E)** The annual net income determined pursuant to Section 5(D) shall be distributed as follows:

**(1)** For fiscal years 1997-98, 1998-99 and 1999-00:

**(i)**

**(a)** Thirty-four percent (34%) of the Base Period Income, as defined in Section 5(F)(1) of this Act, shall be distributed to Group A, as defined in Section (F)(2)(i) of this Act, and

**(b)** sixty-six percent (66%) of the Base Period income shall be distributed as follows:

**(aa)** Group B, as defined in Section 5(F)(2)(ii) of this Act shall receive up to the amount received by Group B in fiscal year 1996-97, and

**(bb)** the surplus, if any, shall be received each quarter by the General Fund of the Commonwealth Treasury pursuant to the provisions of this Act.

**(ii)**

**(a)** Any annual net income in excess of the base period income shall be distributed as follows:

**(aa)** Ninety percent (90%) of such excess shall be quarterly transferred to the General Fund of the Commonwealth Treasury, pursuant to the provisions of this Act until the annual amount received by the General Fund of the Commonwealth Treasury under preceding clause (i) and this clause(ii)(a) is thirty million dollars (\$30,000,000) annually; and

**(bb)** the remaining ten percent (10%) shall be distributed to Group A.

**(b)** Should the General Fund of the Commonwealth Treasury fail to receive the annual amount of thirty (30) million dollars [sic], then the income that the Tourism Company may have received on account of an increase, if any, of the percentage of the tax on room rates of seven percent (7%) to nine percent (9%) for hotels, apartment hotels, guest houses and motels, and of nine percent (9%) to eleven percent (11%) for the hotels authorized by the Commissioner of Financial Institutions to operate gambling rooms as provided in subsection (a) of Section 2051 and in subsection (a)(5) of Section 2084 of Act No. 120 of October 31, 1994, as amended, which have been destined for a special account separate from the general funds of the Tourism Company, denominated as Special Account I, if any, shall be added to the amounts received by the General Fund of the Commonwealth Treasury pursuant to the provisions of the preceding clause (i) and the preceding clause (ii)(a) until the General Fund of the Commonwealth Treasury has received the amount of thirty million (30,000) dollars [sic].

**(iii)** Any annual net income in excess of the amounts distributed under clauses (i) and (ii) above, shall be distributed as follows: sixty percent (60%) to Group A and forty percent (40%) to Group B.

- (2)** For fiscal years 2000-2001 to 2009-2010:
- (i)** Thirty-four percent (34%) of the Base Period Income, as defined in Section 5(F)(1) of this Act, shall be distributed to Group A, as defined in Section 5(F)(2)(i) of this Act, and sixty-six percent (66%) of the Base Period Income shall be distributed to Group B, as defined in Section 5(F)(2)(ii) of this Act.
  - (ii)** Any annual net income in excess of the base period income shall be distributed as follows: sixty percent (60%) to Group A and forty percent (40%) to Group B.
- (3)** For Fiscal Year 2010-2011:
- (i)** The first three hundred and fifteen million (315,000,000) dollars annual net income shall be distributed as follows:
    - (a)** Thirty-four percent (34%) of the base period income, as defined in subsection (F)(1) of this Section, shall be distributed to Group A, as defined in subsection (F)(2)(A) of this Section, and sixty-six percent (66%) of the base period income shall be distributed to Group B, as defined in subsection (F)(2)(ii) of this Section.
    - (b)** Any annual net income in excess of the base period income shall be distributed as follows: sixty percent (60%) to Group A and forty percent (40%) to Group B.
  - (ii)** The next forty-five million (45,000,000) dollar annual net income shall be distributed as follows:
    - (a)** Nine percent (9%) to Group A, as defined in subsection (F)(2)(i) of this Section;
    - (b)** nine percent (9%) to the Puerto Rico Tourism Company;
    - (c)** twenty percent (20%) to the General Fund of the University of Puerto Rico, and
    - (d)** sixty-two percent (62%) to the General Fund of the Commonwealth Treasury.
  - (iii)** Any annual net income in excess of three hundred sixty million (360,000,000) shall be distributed as follows:
    - (a)** Eighty percent (80%) to Group A, as defined in subsection (F)(2)(i) of this Section, and
    - (b)** twenty percent (20%) to Group B, as defined in subsection (F)(2)(ii) of this Section.
- (4)** For fiscal year 2011-2012 and subsequent fiscal years:
- (i)** The first three hundred fifteen million dollar (\$315,000,000) annual net income shall be distributed as follows:
    - (a)** Thirty-four percent (34%) of the base period income, as defined in subsection (F)(1) of this Section, shall be distributed to Group A, as defined in subsection (F)(2)(i) of this Section, and sixty-six percent (66%) of the base period income shall be distributed to Group B, as defined in subsection (F)(2)(ii) of this Section.
    - (b)** Any annual net income in excess of the base period income shall be distributed as follows: sixty percent (60%) to Group A and forty percent (40%) to Group B.

**(ii)** Any annual net income in excess of three hundred fifteen million dollars (\$315,000,000) shall be distributed as follows:

**(a)** Eighty percent (80%) to Group A, as defined in subsection (F)(2)(i) of this section, and

**(b)** twenty percent (20%) to Group B, as defined in subsection (F)(2)(ii) of this Section.

**(5)** For Fiscal Year 2013-2014 and subsequent fiscal years:

**(i)** The first three hundred fifteen million dollars (\$315,000,000) annual net income shall be distributed as follows:

**(a)** Thirty-four percent (34%) of the base period income, as defined in subsection (F)(1) of this Section, shall be distributed to Group A, as defined in subsection (F)(2)(i) of this Section, and sixty-six percent (66%) of the base period income shall be distributed to Group B, as defined in subsection (F)(2)(ii) of this Section.

**(b)** Any annual net income in excess of the base period income shall be distributed as follows: sixty percent (60%) to Group A and forty percent (40%) to Group B.

**(ii)** Any annual net income in excess of three hundred fifteen million dollars (\$315,000,000) up to four hundred ninety-five million dollars (\$495,000,000) shall be distributed as follows: fifty-five percent (55%) to the General Fund under the custody of the Secretary, and the remaining forty-five percent (45%) to Group A, as defined in subsection (F)(2)(i) of this Section.

**(iii)** Any annual net income in excess of four hundred ninety-five million dollars (\$495,000,000) shall be distributed as follows: eighty percent (80%) to Group A, and the remaining twenty percent (20%) to Group B, as defined in subsection (F)(2)(ii) of this Section.

**(F)**

**(1)**

**(i)** The base period income shall be equal to an amount equivalent to the net annual income per slot machine for fiscal year 1996-97, as determined pursuant to the provisions of clause (ii) infra, multiplied by the adjusted number of slot machines for fiscal year 1997-98, as determined pursuant to the provisions of clause (iii) infra; Provided, That the Base Period Income shall not be less than the net annual income produced by all slot machines for fiscal year 1996-97.

**(ii)** The net annual income per slot machine for fiscal year 1996-97 shall be the total annual net income for fiscal year 1996-97 divided by the adjusted number of slot machines installed during fiscal year 1996-97.

**(iii)** In order to compute the adjusted number of slot machines in operation during any fiscal year, those slot machines which have been in operation during a full twelve (12)-month period during said fiscal year shall be assigned a value of one (1), and those slot machines which have been in operation for a period of less than twelve (12) months during said fiscal year shall be assigned a value which shall be determined by a fraction whose numerator shall be the total number of full months

in which each slot machine has been in operation during said fiscal year, and the denominator shall be equal to twelve (12).

(2)

(i) Group A shall be constituted by all licensees who possess slot machines in their gambling rooms, and the annual net income distributable to Group A shall be distributed to each licensee pursuant to the rules established by Section (G) of this Act.

(ii) For the 1998-99 fiscal year and subsequent fiscal years, Group B shall be composed of funds indicated below, and the annual net income distributable to Group B shall be distributed as follows:

(a) Twenty-five point eight percent (25.8%) shall be covered monthly into the Special Fund mentioned in Section 5(G)(1) of this Act.

(b) Fifteen point fifteen percent (15.15%) shall be remitted to the Secretary of the Treasury, who shall deposit the total sum in the General Fund of the Commonwealth Treasury.

(c) Thirteen point six percent (13.6%) shall be covered monthly into the “Puerto Rico Tourist Industry Development Fund”.

(d) Forty-five point forty-five percent (45.45%) shall be covered into the General Fund of the University of Puerto Rico on a monthly basis.

(G) For Fiscal Year 1997-98 and subsequent fiscal years, the annual net income to be distributed to Group A shall be distributed among licensees as follows:

(1) The annual net income to be distributed to each licensee shall be determined by subtracting the cost of the slot machines attributable to said licensee from the gross income attributable to said licensee.

(2) The gross income attributable to each licensee shall be determined pursuant to the rules provided in this paragraph. The gross income of Group A shall be determined by multiplying the gross income of all slot machines by a fraction whose numerator shall be equal to the annual net income distributed to Group A, as determined under subsection (E) of this Section, and the denominator shall be equal to the total annual net income distributed to Group A, Group B, and the General Fund of the State’s Treasury and the General Fund of the University of Puerto Rico and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act. The gross income attributable to each licensee shall be determined by multiplying the gross income of Group A by a fraction whose numerator shall be the gross income generated by slot machines placed in the gambling hall of said licensee, and the denominator shall be the gross income generated by all slot machines in all gambling halls.

(3) In the case of slot machines owned or possessed by licensees, the cost of machines attributable to the licensee shall be determined according to the following rules:

(i) The gross cost of the slot machines located in the gambling hall of each licensee shall be the sum of:

(a) The deductible amount under Section 5(D)(1)(iii) of this section for the slot machines located in the gambling room of said licensee plus

**(b)** the proportion of the expenses of the Government of Puerto Rico Gaming Commission under Section 5(D)(1)(i) attributable to said machines. The proportion of said expenses is determined by multiplying the expenses of the Government of Puerto Rico Gaming Commission under Section 5(D)(1)(i) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(F)(1)(iii), of the slot machines located in the gambling hall of the licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii), of all the slot machines located in all the gambling halls. After Fiscal Years 1997-98, 1998-99, and 1999-00, no deduction shall be allowed under Section 5(D)(1)(iii).

**(ii)** The cost of slot machines attributable to licensees shall be equal to the gross cost of the machines located in their gambling hall multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under Section 5(E) of this Act, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the State’s Treasury and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act.

**(4)** In the case of slot machines owned or possessed by the Government of Puerto Rico Gaming Commission, the cost of machines attributable to licensees shall be determined pursuant to the following rules:

**(i)** The gross cost of the slot machines of the Government of Puerto Rico Gaming Commission located in the gambling hall of each licensee shall be the sum of:

**(a)** the Government of Puerto Rico Gaming Commission’s cost under Section 5(D)(1)(ii) attributable to the machines located in the gambling hall of said licensee; plus

**(b)** the proportion of the expenses of the Government of Puerto Rico Gaming Commission under Section 5(D)(1)(i) attributable to said machines. The cost of the Government of Puerto Rico Gaming Commission under Section 5(D)(1)(ii) attributable to the machines located in the gambling hall of the licensee shall be calculated by multiplying the costs of the Government of Puerto Rico Gaming Commission under Section 5(D)(1)(ii) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(D)(1)(iii), of the slot machines of the Government of Puerto Rico Gaming Commission located in the gambling hall of said licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii), of the slot machines of the Government of Puerto Rico Gaming Commission located in all the gambling halls. The proportion of the expenses of the Government of Puerto Rico Gaming Commission attributable to the licensee is calculated by multiplying the expenses of the Government of Puerto Rico Gaming Commission’s Tourism Office under Section 5(D)(1)(i) by a fraction whose numerator shall be the adjusted number, as provided in Section 5(F)(1)(iii), of the slot machines of the Government of Puerto Rico Gaming Commission located in the gambling

hall of said licensee, and the denominator shall be the total adjusted number, as provided in Section 5(F)(1)(iii), of all slot machines located in all the gambling halls.

(ii) The cost of the slot machines of the Government of Puerto Rico Gaming Commission attributable to the licensee shall be equal to the gross cost of the machines of the Government of Puerto Rico Gaming Commission located in his gambling hall, multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under Section 5(E) of this Act, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the State’s Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they shall receive direct allocations from these funds pursuant to this Act.

(5) If a slot machine is owned by the Government of Puerto Rico Gaming Commission for a portion of a fiscal year, and by the licensee for the rest of said fiscal year, the cost of said slot machine shall be computed for that portion of the fiscal year in which the slot machine was owned by the Government of 62 Puerto Rico Gaming Commission according to the rules provided in Section 5(G)(4) of this Act, and the cost of said slot machine shall be computed according to the rules provided in Section 5(G)(3) if this Act.

(6) If the annual net income of any licensee is less than zero, it shall then be understood that the annual net income of said licensee equals zero. The excess of the costs of said licensee shall be added to the costs of those licensees with an annual net income greater than zero in a proportion equal to the number of slot machines of each licensee whose annual net income is greater than zero and the total number of slot machines located in the gambling rooms of all the licensees whose annual net income is greater than zero, in order to determine the annual net income which they shall receive.

(7) Whenever the deficiency of all the licensees whose annual net income is less than zero is distributed in the manner provided in the preceding subsection (6), the annual net income of any licensee diminishes to an amount of less than zero, said deficiency shall then be deducted from the annual net income of every licensee whose annual net income remains greater than zero in the same proportion that the number of slot machines located in his/her gambling room and the total number of slot machines located in the gambling rooms of all the licensees whose annual net income remains greater than zero, until the deficiency is wholly absorbed so that the total amount to be distributed among all the licensees is equal to the annual net income received by Group A pursuant to the provisions of Section 5(E).

(H)

(1) The proportion corresponding to each group and the General Fund of the State’s Treasury shall be paid to these according to the provisions of this Section, based on an estimate of the annual net income calculated by the Government of Puerto Rico Gaming Commission. Every month, the Government of Puerto Rico Gaming Commission shall tentatively allocate to Group A, Group B, and the General Fund of the State’s Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, one twelfth (1/12) of the amounts

to be distributed among these, pursuant to Section 5(E) of this Act, in those fiscal years in which they are to receive direct allocations from these funds.

(2) Every monthly allocation may be modified by the Government of Puerto Rico Gaming Commission, at its discretion, to adjust any payments made in previous months that were in excess of or below the correct amount, to any group, including the General Fund of the State’s Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they are to receive direct allocations from these funds pursuant to this Act. After adjusting the monthly allocations, the Government of Puerto Rico Gaming Commission shall proceed to make the monthly payments required in this Act. Every three (3) months, the Government of Puerto Rico Gaming Commission shall make the required payments to the General Fund of the State’s Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they are to receive direct allocations from these funds pursuant to this Act. At the close of every fiscal year, the Government of Puerto Rico Gaming Commission shall make those payments required under this Act. The payments made pursuant to the provisions of this subsection are estimates; therefore, the Government of Puerto Rico Gaming Commission may withhold, during the last three (3) months of the year, all or part of those payments that must be made monthly or quarterly, so as to ensure that the total amount of the payments made to each entity shows the final payment required by paragraph (5) of this subsection.

(3) Within ninety (90) days after June 30 of each year, the Government of Puerto Rico Gaming Commission shall conduct a final liquidation of the funds distributed to Group A, Group B, and the General Fund of the State’s Treasury, and to the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they are to receive direct allocations from these funds pursuant to this Act. Should there be an excess in the funds collected during the fiscal year, the Government of Puerto Rico Gaming Commission shall transfer to each group and the General Fund of the State’s Treasury, and the General Fund of the University of Puerto Rico, and the Tourism Office of the Department of Economic Development and Commerce, in those fiscal years in which they are to receive direct allocations from these funds pursuant to this Act, any corresponding amount from such excess. If during the fiscal year, amounts have been transferred that were in excess of those corresponding to any of the groups or the General Fund of the State’s Treasury, or for Fiscal Year 2010-2011 and thereafter, to the General Fund of the University of Puerto Rico, pursuant to such final liquidation, the Government of Puerto Rico Gaming Commission shall withhold from such amounts to be transferred in the following fiscal year, the amounts necessary to recover such excess, regardless of whether the payments in excess were made by the Government of Puerto Rico Gaming Commission.

(i) None of the members of Group A, Group B, or the General Fund of the State’s Treasury, or for Fiscal Year 2010-2011 and thereafter, the General Fund of the University of Puerto Rico, may claim deficiencies or errors in the computation of the amounts that they have received during any specific fiscal year unless they file



a claim with the Government of Puerto Rico Gaming Commission to that effect within one hundred eighty (180) days after the close of such fiscal year.

(I) None of the members of Group A, Group B, or the General Fund of the State’s Treasury may claim deficiencies or errors in the computation of the amounts that they have received during any specific fiscal year unless they file a claim with the Government of Puerto Rico Gaming Commission to that effect within one hundred eighty (180) days after the close of such fiscal year.

(J) Likewise, the Commissioner of Financial Institutions is hereby empowered to conduct periodic investigations of the income derived from the operation of gambling halls and the operation of slot machines authorized by this Act as such income is generated. The Commissioner of Financial Institutions is hereby empowered to prescribe regulations as deemed necessary or convenient to comply with the provisions of this Section.

(K) Licensees under this Act and the Government of Puerto Rico Gaming Commission shall be required to allow for the oversight of their income as determined by the Commissioner of Financial Institutions.

**Section 6. — Games of chance in licensed gambling rooms, authorized—Terms of license; change of ownership.** (15 L.P.R.A. § 75)

Any license issued by the Commissioner of Financial Institutions under this Act of this title shall state the name of the licensee and the hotel where the operation of a gambling hall is authorized. No person other than the licensee and his/her employees shall operate a gambling room, nor shall the same be located at a place other than the one designated in the license. No transfer, assignment or cession of any share of or interest in the license shall be carried out without having previously obtained the written approval of the Commissioner of Financial Institutions and paid the amount of fifteen thousand dollars (\$15,000) to defray the costs of the investigation incurred by the Commissioner of Financial Institutions pursuant to the provisions of Section 4 of this Act. Any transfer, cession or assignment without the prior approval provided hereinbefore, or the concealment in any way of the real owner of the gambling room; or of any share or participation in the person holding a license, shall entail the cancellation of the license.

**Section 7. — Games of Chance in Licensed Gambling Halls, Authorized—License Fees; Zones.** (15 L.P.R.A. § 76)

The license fees that according to Section 5 of this Act, must be paid by the licensees who operate facilities for games of chance covered by the provisions of this Act, are hereby fixed in the amounts established below:

TOTAL GAMBLED ANNUALLY	FRANCHISE FEES
Less than 25 million	\$50,000
In excess of \$25 million up to \$50 million	\$100,000
In excess of \$50 million up to \$100 million	\$150,000
In excess of \$100 million	\$200,000

The Government of Puerto Rico Gaming Commission shall determine the gambling equipment that may be used in said facilities through the payment of such fees as well as the various types of games of chance authorized for each licensee. At the close of his tax year, each licensee must submit a copy of his certified financial statements to the Commissioner of Financial Institutions, enclosed with a special opinion of the certified public accountant who certified them, in which the total amount gambled during the year is certified.

Notwithstanding the provisions of Section 1 of Act No. 20 of April 9, 1976, as amended [13 L.P.R.A. § 7] “Fund for the Investigation and Audit of Financial Institutions and Gambling Casinos”, and the provisions of Sections 7 and 18 of Act No. 4 of October 11, 1985, as amended [7 L.P.R.A. §§ 2007 and 2018], the revenues on account of the license fees to operate gambling rooms shall be covered into the General Fund of the Commonwealth Treasury.

**Section 7-A. — Supervision of Gambling Halls; Personnel Licensing.** (15 L.P.R.A. § 76a)

(A) The Government of Puerto Rico Gaming Commission is hereby empowered and required to supervise and oversee the bets and operations of the games of chance in the casinos authorized to operate them, and to enforce the provisions of this Act and the regulations established thereunder.

(B) The Government of Puerto Rico Gaming Commission may:

(1) Inspect and examine any gambling room or games of chance facility or any place where slot machines, gambling equipment or devices are manufactured, sold or distributed at any time.

(2) Inspect all the equipment and supplies in or around any gambling rooms or facilities, or where games of chance are operated, or where slot machines, gambling equipment or devices are manufactured, sold or distributed.

(3) Inspect, examine, photocopy, audit and demand access to all documents, books and files of every applicant, licensee or holder of any license granted under this Act, be it in its facilities or where more practical, and in the presence of the applicant, grantee of a gambling license or holder of a license, or his/her agents, in connection with the gross income produced by any business related to games of chance; and require verification of the income, and any other matter which may affect compliance with the public policy or any of the provisions of this Act.

(C) The Government of Puerto Rico Gaming Commission is hereby empowered to regulate the gambling halls operated under the provisions of this Act and the sale and leasing of the slot machines, their component parts, and the equipment and other devices used in a gambling hall in order to safeguard and protect their patrons; and to establish the rules which shall govern the various 66 games. Provided, that any licensee who wishes to acquire or lease any slot machine, prior to said acquisition or lease, shall obtain a license from the Government of Puerto Rico Gaming Commission for each slot machine pursuant to the regulations adopted for such purposes by the Government of Puerto Rico Gaming Commission.

(D) The Government of Puerto Rico Gaming Commission shall adopt regulations setting the requirements to be met by those persons engaged in any activity related to the operation of gambling halls and the requirements to be met by those persons who wish to obtain and do obtain a license to perform any work in gambling halls, among others, but without being limited to, licenses to act as managers, cashiers, croupiers, and slot machine service attendants and

technicians. No person may perform any work whatsoever in a gambling hall without having first obtained a license to such effect from the Government of Puerto Rico Gaming Commission, which shall be issued pursuant to the said regulations.

(E) Any manufacturer, vendor, and distributor of slot machines and any games of chance-related equipment, shall obtain a license from the Government of Puerto Rico Gaming Commission to be able to sell or lease slot machines and/or their component parts and/or any games of chance-related equipment to be used in Puerto Rico.

(F) Any person employed by a licensee to assume any gambling-related responsibility shall be required to obtain a license from the Government of Puerto Rico Gaming Commission before beginning to discharge said functions.

(G) The Government of Puerto Rico Gaming Commission may charge any applicant a reasonable sum for any license required by this Act, except for an applicant for a gambling license, in order to defray the investigation costs incurred by the Government of Puerto Rico Gaming Commission.

(H) The regulations promulgated by the Government of Puerto Rico Gaming Commission to implement the provisions of this Act shall include, but not be limited to:

(1) Establish the types of slot machine that may be acquired, leased or otherwise possessed or operated by the holder of a gambling license in effect duly issued by the Commissioner of Financial Institutions;

(2) establish the requirements under which the manufacturers, vendors and distributors of slot machines and/or any of their component parts may sell or lease slot machines and/or any of their component parts to be used in Puerto Rico, and

(3) establish the sum which the Government of Puerto Rico Gaming Commission shall charge any applicant for a manufacturer, vendor, or distributor license, or any other license to be granted by the Government of Puerto Rico Gaming Commission.

**Section 7-B. — License Requirements for Slot Machine Service Technicians and Attendants.**  
(15 L.P.R.A. § 76b)

(A) The Government of Puerto Rico Gaming Commission shall not grant any license whatsoever to slot machine service technicians or attendants to work in a gambling hall until the applicant for said license proves to the satisfaction of the Government of Puerto Rico Gaming Commission, that the holder of the license of the gambling hall where he intends to work has made a job offer to all slot machine service technicians or attendants employed by the Government of Puerto Rico Gaming Commission.

(B) The Government of Puerto Rico Gaming Commission shall adopt regulations as are necessary and convenient to achieve the purposes of this Section.

**Section 8. — Supervision of Gambling Halls; (Personnel Licensing)—Promotion and Advertising; Prohibition to Admit Persons under 18 Years of Age.** (15 L.P.R.A. § 77)

(A) No person under eighteen (18) years of age shall be admitted to any gambling room.

(B) It shall be illegal for any holder of a gambling license or his/her agents or employees to advertise or offer any gambling room to the public in any other way, except when the publicity is directed to the foreign tourists and not to the residents of Puerto Rico. Provided, however, That an

advertisement directed to the foreign tourists shall not be illegal should it incidentally reach the residents of Puerto Rico.

(C) The type of advertisements permitted by this Act include, but is not limited to the following:

(1) Advertisements or promotions to be distributed or placed in:

- (i) Airplanes that have landed in Puerto Rico;
- (ii) cruise ships sailing the territorial waters of Puerto Rico;
- (iii) areas restricted for passengers in an airport, and
- (iv) tourist piers;

(2) advertisements or promotions of gambling rooms published in magazines whose distribution in Puerto Rico is directed mainly to foreign tourists, even though said magazines may also be available to the residents of Puerto Rico;

(3) advertisements or promotions in the movies, television, radio, newspapers and magazines which are published, recorded or filmed to promote foreign tourism, regardless of whether these may be incidentally shown or distributed in Puerto Rico, and

(4) advertisements or promotions of the gambling rooms on the hotel premises.

(D) Under no circumstance shall it be understood that the above list limits any other type of advertisement or promotion, provided said advertisement or promotion complies with the public policy of promoting foreign tourism.

(E) None of the above shall be interpreted as to prevent that the name of a hotel includes the word “casino” or any other word implying that said hotel has a gambling room.

(F) The Government of Puerto Rico Gaming Commission is hereby authorized to establish through regulations the requirements that gambling hall advertisements shall meet pursuant to the provisions of this section.

**Section 9. — Supervision of Gambling Halls—Penalties, Franchise and/or License Cancellation.** (15 L.P.R.A. § 78)

(A) The Commissioner of Financial Institutions may revoke or suspend any franchise or license granted under this Act to any person who:

- (a) Has obtained the franchise through fraud or deceit;
- (b) fails to meet the requirements of Section 3 of this Act;
- (c) fails to meet the requirements set forth by the Government of Puerto Rico Gaming Commission pursuant to its powers under this Act; or due to a change of circumstances, in accordance with the requirements established in Section 4 of this Act for the granting of licenses, except when previous authorization from the Commissioner is obtained;
- (d) fails to pay or evades payment of the license fee when due;
- (e) has tax debts on any account already assessed and to be collected by the internal revenue offices or violates any payment plan agreed upon with and by the Secretary of the Treasury while operating the hotel or establishment where the gambling room is located and while holding a license to operate said gambling room;
- (f) promotes the use of slot machines by allowing free gambling in said machines;
- (g) violates any of the provisions of this Act or the regulations prescribed to complement them, and

**(h)** restricts, hides, denies, or submits fraudulent or deceiving information to the Government of Puerto Rico Gaming Commission and/or the Office of the Commissioner of Financial Institutions, or both. ...

**(B)** No gambling device, including slot machines, shall be possessed, maintained, or exhibited by any person on the premises of a hotel and casino complex, except in the casino itself and in secured areas used to inspect, repair, or store such devices, and specifically designated for such purposes by the licensee with the approval of the Government of Puerto Rico Gaming Commission. No gambling device, including slot machines, shall be possessed, maintained, exhibited, brought into, or removed from an authorized gambling hall by any person, unless said device is necessary for the operation of an authorized gambling hall, and has an identification number or symbol authorized by the Government of Puerto Rico Gaming Commission permanently fixed, printed, or engraved upon it, and is under the exclusive control of the licensee or his authorized employees. The removal of any gambling device, including slot machines, must be previously approved by the Government of Puerto Rico Gaming Commission.

**(C)** Any person, licensee or patron of a gambling room, who introduces or uses or attempts to use in a casino, any gambling device which is different in nature or with specifications other than those prescribed by law or by the regulations approved under the laws authorizing and regulating games of chance, or who, with the criminal intent of stealing money in cash or its equivalent, in any way alters the odds or the operation of the slot machines, or in any way interferes with the acquisition of, transportation to, introduction, possession, use and/or operation of slot machines in Puerto Rico, in violation of the law or the regulations adopted by the authorization of said machines in Puerto Rico, shall be guilty of a felony and upon conviction thereof shall be punished with imprisonment for a minimum term of five (5) years and a maximum term often (10) years.

**(D)** The regulations drafted by the Government of Puerto Rico Gaming Commission to regulate all matters concerning the games of chance shall be approved pursuant to the procedure established in Section 14 of this Act. Any person violating any of the provisions of Section 2 of this Act or the regulations of the Government of Puerto Rico Gaming Commission, except as otherwise provided therein, shall be punished upon conviction with a fine of not less than one hundred dollars (\$100) nor more than ten thousand dollars (\$10,000), or with imprisonment for a term of not less than one (1) month nor more than six (6) months, or both penalties, at the discretion of the court.

**(E)** Regardless of the penalties prescribed in this Act, the Government of Puerto Rico Gaming Commission and the Commissioner of Financial Institutions are hereby empowered to impose civil penalties for all violations of their orders and regulations, namely the temporary suspension or revocation of the rights and 70 privileges enjoyed by the natural or juridical person guilty of a violation in the operation of the Games of Chance; provided, that the Government of Puerto Rico Gaming Commission may also impose civil fines for violations of their orders and regulations which shall not exceed ten thousand dollars (\$10,000). **(F)** The Commissioner of Financial Institutions or the Government of Puerto Rico Gaming Commission may temporarily suspend or permanently cancel the franchises, licenses, rights, and privileges enjoyed by any natural or juridical person under this Act, or the “Games of Chance Act.”

**Section 9-A. — Sanctions.** (15 L.P.R.A. § 78a)

**(A)** Any person who conducts or facilitates the following:

**(1)** The introduction in a gambling casino, or the use or attempt to use in the same, an electronic, electric or mechanic gambling device, designed or built, or programmed specifically to obtain an advantage not contemplated by the law and regulations in effect on games of chance, when playing any game in a casino.

**(2)** Through a hand trick or movement, or fraud, or a fraudulent scheme, with cards, chips, dice or devices, be it for himself or for another, wins or tries to win money or property, or reduce a losing bet, increase a winning bet or attempts to increase a winning bet in connection with gambling in a casino.

**(3)** Through a hand trick or movement, or fraud, or a fraudulent scheme takes chips, money or tokens, credit in slot machines, or cards of the casino club belonging to a client or to the casino for him/herself.

**(4)** Through a hand trick or movement, or fraud, or a fraudulent scheme takes for him/herself bills, or coins, or tokens, or any other document representing a value to bearer from a client of the casino or of the casino, removed from the bill acceptor of slot machines, or money boxes from the gambling tables, chip-holding trays of slot machines or gambling tables, hoppers from slot machines, or buckets from slot machines, or bill boxes of gambling tables, chips, coins or tokens, belonging to a client or to the casino.

**(5)** Through a fraudulent scheme involving one or more persons tries to obtain, or obtains, an economic and/or personal benefit for him/herself or for another or for persons at gambling tables, slot machines or any other operating area of the casino.

**(6)** When opening a slot machine for the purpose of filling a hopper or for any other purpose, such as fixing a malfunctioning machine, pours the coins outside the same or of any other area inside the machine, with the intention of personally benefiting or benefiting some other person or persons.

**(7)** Under threat or bribery, aggression, or intimidation, obtains or tries to obtain economic or personal benefit, from an employee of a casino or government who works in the casino.

**(8)** Any person who, under an agreement, threat or bribe, aggression, intimidation, obtains or tries to obtain economic or personal benefit by making an employee of the casino or of the Government of Puerto Rico violate the provisions of law or of the regulations germane to the games of chance laws.

**(9)** Intentionally uses false or altered, chips or bills, or any other document representing a value to the bearer, when gambling or in a slot machine; or intentionally substitutes and uses, or both, in any game of cards, roulette, dice or any other gambling equipment and related devices, including, without limitation, equipment that has previously been altered or manipulated.

**(10)** Uses or possesses within the hotel or casino premises, a device with the intent to defraud or deceive, or to alter chance as established by the law and regulations.

**(11)** Uses illegal currency, other than United States currency, or uses a currency denomination different from the one used by the slot machine, except those approved by the casino, the Government of Puerto Rico Gaming Commission, and the Commissioner of Financial Institutions; or

**(12)** Possesses or uses, within the premises of the hotel and its casino, any fraudulent device, including, but not limited to tools, drills, coins or wire tied to a string, or wire, or electronic or magnetic devices to facilitate removal of money from a slot machine or from money boxes on tables, or their contents, except when an authorized casino employee or an employee of the Government of Puerto Rico Gaming Commission does so as part of his duties at the casino; or.

**(13)** Negotiates, conducts, operates or displays, for gambling any game or device that has been in any way altered, marked, or put in such conditions or operated in such a way that the result deceives the public or tends to alter the normal chance of gambling.

**(14)** Possesses marked cards, altered dice or altered machines or devices, knowing the conditions of the same.

**(15)** Possesses a device, equipment or material that he/she knows has been manufactured, distributed, sold or altered, or to cheat in casino gambling.

**(16)** Deliberately, or with another person, a casino employee includes false information on the rating cards with the purpose of defrauding the casino or of obtaining free offers or discounts for him/herself or for another person.

**(17)** Any person who intentionally alters, falsifies, hides or destroys official documents on the operation of the casino, with the intention of defrauding the casino or of hiding mismanagement.

**(18)** Intentionally takes economic advantage or personal benefit for him/herself or for another, of the malfunctioning of an electronic device or slot machine.

**(19)** Claims, picks up or takes or tries to claim, pick up or take money or any other thing of value, benefit or prize from or by means of a gambling table or slot machine with the intention of defrauding, without having placed the bet corresponding to said money or thing or value, benefit or prize.

**(20)** With the intention of defrauding, manipulates any component of gambling equipment so that it functions differently from the purpose of its normal operation and the component's design, knowing that such manipulation affects the result of the game.

**(21)** Possesses in a gambling hall with the intent to defraud or obtain a personal benefit, a device to calculate probabilities, project the game's result, keep tabs on cards played (to count cards), analyze probabilities that an event related to the game shall happen, or analyze the play or betting strategy to be used in the game, except those devices authorized by the Government of Puerto Rico Gaming Commission.

Any person who violates any of the provisions described in this section shall be guilty of a felony in the fourth degree.

**(B)** Any person who obstructs the filing of an accusation for any of the aforementioned crimes shall incur a misdemeanor.

**(C)** Any person who incurs a conduct which constitutes the crimes described above, or is convicted of any other felony or misdemeanor involving moral depravity, shall have his/her license revoked and shall not be eligible for a game of chance license.

**Section 9-B. — Violations.** (15 L.P.R.A. § 78b)

In cases where a person violates any of the subsections of Section 9-A of this Act, once the violation has occurred, the games of chance inspector, or other officer authorized by the Government of Puerto Rico Gaming Commission, shall be immediately notified, so that he may notify the Puerto Rico Police for the pertinent action and, if necessary, the corresponding complaint shall be filed at the Puerto Rico Police. In turn, the inspector or any other authorized officer of the Government of Puerto Rico Gaming Commission shall report the incident to his supervisor who shall immediately notify the Government of Puerto Rico Gaming Commission. The Commission shall conduct an investigation and draft a report of the incident in order to take pertinent action upon the conclusion of the investigation.

**Section 10. — Vacancy.**

**Section 11. — Alcoholic Beverages, Business Hours; Prohibition Against Opening on Good Friday; Shows and Entertainment.** (15 L.P.R.A. § 85)

**(A)**

(1) The licensees of all gambling rooms operated through a license issued according to the terms of this Act are hereby authorized to serve alcoholic beverages provided they have obtained an alcoholic beverage retail sales license pursuant to the provisions of Act No. 143 of June 30, 1969, as amended [13 L.P.R.A. §§ 6001 et seq.], and subject to the provisions of Section 163 of Act No. 115 of July 22, 1974, as amended [33 L.P.R.A. § 4246], known as the “Penal Code of the Commonwealth of Puerto Rico”, and any other applicable law.

(2) None of the restrictions and prohibitions related to the periods that alcoholic beverages may be sold or served shall be applied to the gambling rooms, whether they are statutory, administrative or municipal nature or of any other type, including but not limited to those provided in Section 229 of Act No. 62 of June 23, 1969, as amended [25 L.P.R.A. § 2080], known as the “Puerto Rico Military Code”, and similar provisions.

(3) During the effectiveness of any of the prohibitions or restrictions described in paragraph (2) of this subsection, no gambling hall shall serve, alcoholic beverages to any person who is not a guest of the hotel where said gambling hall is located subject to the restrictions provided in paragraph (1) of this subsection. The Government of Puerto Rico Gaming Commission shall determine through regulations the mechanisms to be implemented by the gambling halls to faithfully comply with the provisions of this paragraph.

(4) The provisions of paragraph (A) clause (2) of this Section notwithstanding, in the event that, according to the law, executive order or administrative determination the closing of any gambling room is ordered, the latter shall neither be authorized to nor shall it serve alcoholic beverages to any person.

**(B)**

(1) As of the effective date of this Act, any licensee of a gambling hall operated under a license issued in accordance with this Act, shall request the Government of Puerto Rico



Gaming Commission’s approval of the business hours of his gambling hall before beginning operations.

(2) Any modification that a licensee may wish to make to the approved business hours shall also be approved by the Government of Puerto Rico Gaming Commission before its implementation. Provided, that the closing hour approved shall not be altered without having first posted a public notice thereof in a conspicuous place at every gambling table at the beginning of the gambling period. Once the notice has been posted, said hour shall not be altered.

(3) Any gambling hall operated under a license issued according to the terms of this Act, may operate twenty-four (24) hours a day, seven (7) days a week, subject to the above terms. Provided, that every gambling hall must cease operations on Good Friday from 12:01 a.m. (midnight) on Friday until 12:01 p.m. (noon) on the following day (Saturday). Provided further, that any gambling hall which operates for twenty-four (24) hours a day shall have a counting room and any other facility required by the Government of Puerto Rico Gaming Commission for counting and safekeeping the money in cash, coins, and chips obtained in the operation of the games of chance.

(4) Every gambling hall authorized by the Government of Puerto Rico Gaming Commission to operate during the period between 4:00 a.m. and 12:00 p.m. (noon), may operate its slot machines without being required to have gambling tables available to the public.

(5) The Government of Puerto Rico Gaming Commission is hereby authorized to establish through regulations all the procedures and requirements it may deem necessary to comply with the provisions of this subsection.

(C) Every gambling hall operated under a license issued in accordance with this Act may present on its premises variety shows and entertainment as authorized by the Government of Puerto Rico Gaming Commission through regulations.

**Section 12. — New Types of Games.** (15 L.P.R.A. § 86)

The following games of chance are hereby authorized:

- (1) Caribbean Stud Poker,
- (2) Let it Ride,
- (3) Big Six Wheel, and
- (4) Pai-Gow

To be played in duly authorized gambling halls in Puerto Rico. These types of games which are hereby authorized are added to the other types of games of chance which to the present have been duly approved by the Government of Puerto Rico Gaming Commission through regulations.

**Section 13. — Maximum Betting Limits Allowed.** (15 L.P.R.A. § 87)

The maximum betting limits that the Government of Puerto Rico Gaming Commission may currently allow for each game, shall be the following:

- (1) Blackjack, Caribbean Stud Poker, Let it Ride, Pai-Gow and Craps—\$10,000.00;
- (2) Roulette—\$1,000.00;

(3) Big Wheel Six—\$500.00, and

(4) Baccarat—\$25,000.00.

The maximum betting limits that the Government of Puerto Rico Gaming Commission may allow at present for each game, shall be the following:

#### **Section 14. — Regulations and Interpretation.**

(a) The Commissioner of Financial Institutions and the Government of Puerto Rico Gaming Commission, in accordance with their powers and faculties under this Act, and within their respective areas of jurisdiction, shall adopt, amend, or revoke the regulations deemed necessary or convenient to achieve the purposes of this Act.

(b) The Government of Puerto Rico Gaming Commission and the Commissioner of Financial Institutions shall use the procedure established in Act No. 38-2017, as amended, or any similar successor law, and shall comply with their respective enabling acts.

(c) The regulations thus approved shall become effective once filed with the Department of State, in accordance with Act No. 38-2017, as amended, or any similar successor law.

(d) This Act shall be interpreted and applied in such a manner that the public interest prevails. None of the provisions of this Act shall be understood to limit the powers and faculties granted to the Commissioner of Financial Institutions under Act No. 4 of October 11, 1985, as amended, known as the “Financial Institutions Commissioner’s Office Act,” and the powers of the Government of Puerto Rico Gaming Commission under its organic law or any other applicable laws.

#### **Section 15. — General Fund of the Commonwealth Treasury**

A maximum amount of up to thirty million dollars (\$30,000,000) shall be remitted annually to the General Fund of the Commonwealth Treasury to be collected pursuant to the provisions of Section 5 of this Act during fiscal years 1997-98, 1998-99 and 1999-00.

**Section 16.** — This Act, shall take effect August 15, 1948.

Note. This compilation was prepared by the [Puerto Rico Office of Management and Budget](#) staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text and the collection of Laws of Puerto Rico Annotated LPRC. The state links acts are property of [Legislative Services Office](#) of Puerto Rico. The federal links acts are property of [US Government Publishing Office GPO](#). Compiled by the Office of Management and Budget Library.

See also the [Original version Act](#), as approved by the Legislature of Puerto Rico.