

# 15 L.P.R.A. § 71

This Session is current through December 2012

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> Chapter 5. Games of Chance

## § 71. Games of chance in licensed gambling rooms, authorized

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- (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, twenty-one, 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 of any of said prohibited games shall incur 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 §§ 71—79 and 85—89 of this title, subject to the conditions and limitations thereof and the regulations prescribed thereunder.

- (b) In addition, notwithstanding the provisions of § 82 of this title and pursuant to § 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 Tourism Company, or

(2) a concessionaire who:

(A) Holds a license in force and effect duly issued by the Commissioner of Financial Institutions of Puerto Rico to operate games of chance, and

(B) holds a license issued by the Tourism Company as provided in § 76a of this title, to operate all slot machines to be placed and operated solely and exclusively in the gambling rooms authorized by the Commissioner of Financial Institutions of Puerto Rico, as provided in §§ 71—79 and 85—89 of this title, and subject to the regulations promulgated by the Tourism Company which do not contravene the provisions of §§ 71—79 and 85—89 of this title.

- (c) It shall be an unavoidable requirement for all licensees who have slot machines owned or leased by the Tourism Company and who wish to introduce slot machines to be used in their gambling rooms, that they, prior to the introduction of the latter:

(1) Acquire, at their book value, those slot machines from the Tourism Company that are located at that time in their gambling rooms.

(2) Assume each and every obligation of the Tourism Company regarding those slot machines located in their gambling rooms and possessed by the Tourism Company on lease under any existing lease contract so that:

(A) The Tourism Company be exempted by the lessor from each and every obligation under said contract, and/or

(B) the Tourism Company be compensated, to its entire satisfaction, for any liability that may have arisen or may arise under the latter.

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

(A) 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;

(B) 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;

- (C) 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 paragraph (B) of this clause;
  - (D) the job offers made by the licensees to the slot machine service technicians and attendants employed by the Tourism Company must include a basic salary at least equal to, or greater than the salary earned by said employees as an employee of the Tourism Company at that moment;
  - (E) 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
  - (F) the licensee shall only discharge or lay off said slot machine service attendant or technician for just cause, as this term is defined in §§ 185a et seq. of Title 29, 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 §§ 185a et seq. of Title 29, 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 Tourism Company, that any person contracted to operate, provide maintenance services or any other service related to the slot machines, holds or shall hold the necessary licenses duly issued by the Tourism Company to work with said slot machines.
- (d) No licensee shall alter the number of slot machines located in his/her gambling rooms as of May 31, 1997, unless the Tourism Company, at its discretion, decides to remove any of its slot machines from any gambling room.
  - (e) The Tourism Company, at its discretion, and at any time, may remove any slot machine, owned or leased by the Tourism Company, located in any licensed gambling room, if after the date of effectiveness of this act the licensee of the gambling room has not acquired all the slot machines of the Tourism Company located in his/her gambling room or has failed to assume the obligations of the Tourism Company under any lease contract thereof, as the case may be.
  - (f) Once a licensee acquires or leases the slot machines of the Tourism Company located in his/her gambling room 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 the Tourism Company shall under no circumstance be liable for, nor assume any cost whatsoever related to the maintenance, repair or 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 Tourism Company shall submit to the Legislature annually, 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 rooms and the permission to advertise and promote the gambling rooms, among others, as these have been authorized.

## History

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—May 15, 1948, No. 221, p. 750, § 2; June 7, 1948, No. 21, p. 64, § 1; July 30, 1974, No. 2, Part 2, p. 587, § 2; July 2, 1985, No. 46, p. 166, § 1; Sept. 3, 1996, No. 185, § 1; June 26, 1997, No. 24, § 1; Sept. 15, 2004, No. 318, § 1.



## 15 L.P.R.A. § 71a

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### § 71a. Slot machine service attendants and technicians

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- (a) Every slot machine service attendant and technician who ceases to work for the Tourism Company as a result of being contracted by a licensee pursuant to the provisions of § 71(c) of this title, shall receive from the Tourism Company for a period of one year, while employed by a licensee as a slot machine service attendant or technician, an additional remuneration equal to forty-five percent (45%) of his/her basic salary as of May 31, 1997, as compensation for the loss of fringe benefits that the slot machine service attendant or technician enjoyed during his term of employment with the Tourism Company. This payment shall be made in twelve (12) monthly payments, provided 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 §§ 71—79 and 85—89 of this title shall have the option to waive his/her right to be employed by a licensee, resign from the Tourism Company. In this case, the Tourism Company shall pay him/her the basic salary equivalent to one year. Every slot machine service attendant or technician wishing to avail him/herself of this option shall have up to sixty (60) days after the approval of this act to file a petition in writing to such effect with the Executive Director of the Tourism Company in order to avail him/herself of this benefit.
- (c) The Tourism Company is expressly exempted from having to extend other benefits to the slot machine service attendants or technicians who cease to work for the Tourism Company due to the approval of this act.
- (d) The Tourism Company shall prepare a list of the employees of the Tourism Company 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 name of the employee, his/her experience and employment qualifications. The licensees must make their job offers to the employees included in said list pursuant to the provisions of this section.

### History

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—May 15, 1948, No. 221, p. 750, added as § 2a on June 26, 1997, No. 24, § 2.

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## 15 L.P.R.A. § 71b

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### § 71b. Untransferable power to remove, collect and enter in the books the moneys obtained from the slot machines

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- (a) The Tourism Company is hereby granted the exclusive and untransferable 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 Tourism Company or a holder of a license to operate games of chance under §§ 71—79 and 85—89 of this title;
  - (2) carry out the distribution of all the moneys produced by the slot machines, as provided in § 74 of this title. 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 §§ 71 et seq. of this title.

### History

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—May 15, 1948, No. 221, p. 750, added as § 2b on June 26, 1997, No. 24, § 2.

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## 15 L.P.R.A. § 72

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### § 72. Games of chance in licensed gambling rooms, authorized—Qualifications for licenses

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- (a) The Commissioner of Financial Institutions is hereby empowered to issue licenses for the operation of gambling rooms for roulette, craps, cards and bingo, where the machines known as slot machines, be they owned or leased by the Tourism Company or a holder of a gambling license, may be installed and operated pursuant to the provisions of §§ 71—79 and 85—89 of this title, to such natural or juridical persons who meet to his/her 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 § 71 of this title shall be located and operated by the Tourism Company or by a holder of a game[s] of chance license, authorized by law to operate in Puerto Rico. The holder of a games of chance license under this section may install and operate, or allow the Tourism Company to operate machines in their gambling halls, in exchange for a share of the profits of the operator, as provided in § 74 of this title, and subject to the payment of the license fees established in § 76 of this title. The share of the profits corresponding to the holder of a license to operate a gambling hall shall be sent by the Tourism Company 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 Company to pay any debt that the operator has accumulated, and pending payment, in regards to the tax on the room occupancy rates.
- (c) The Tourism Company is hereby empowered to discretionally authorize, at the request of a licensee who is the owner or lessor of the slot machines in his/her gambling rooms, up to a maximum of six (6) slot machines for each authorized player seated or standing in the gambling room, in proportion to the number of authorized tables used for other games of chance. In the case of a holder of a license to operate a gambling room where the slot machines are owned and operated by the Tourism Company, the latter is hereby empowered to discretionally authorize, at the request of the licensee, up to a maximum of one point five (1.5) slot machines for each authorized player, seated or standing in the gambling room, 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) per table in roulette. The proportion established by the Tourism Company 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 required by the Tourism Company as a requirement thereof, the latter shall reduce the number of authorized slot machines until a true proportion is reached based on the average number of tables used.

## History

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—May 15, 1948, No. 221, p. 750, § 3; June 7, 1948, No. 21, p. 64, § 1; June 23, 1956, No. 90, p. 582, § 3; July 30, 1974, No. 2, Part 2, p. 587, § 3; Sept. 3, 1996, No. 185, § 2; June 26, 1997, No. 24, § 3; Sept. 9, 2003, No. 272, § 66, eff. 180 days after Sept. 9, 2003.

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## 15 L.P.R.A. § 73

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### **§ 73. Games of chance in licensed gambling rooms, authorized—License applications**

Any person interested in obtaining a license under the provisions of §§ 71—79 and 85—89 of this title shall file a sworn application before the Commissioner of Financial Institutions showing that he/she meets the requirements established in § 76 of this title. Said application shall be accompanied by 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 covered into the Commissions of Financial Institutions Office funds. In case the application is denied, there will be no right for the refund of the amount paid. Before considering the application, the Commissioner of Financial Institutions shall cause to be published in one of the newspapers of general circulation in the Commonwealth of Puerto Rico, once a week for four (4) weeks, a notice stating the fact of the application, the name of the applicant and of the hotel where the gambling room is to be established. Fifteen (15) days from 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 Tourism Company. In the exercise of its powers under the provisions of §§ 71—79 and 85—89 of this title, and notwithstanding, the provisions of § 72 of this title, the Tourism Company may take into consideration the number of licenses, the location of the licensee, and the kind and quality of the facilities provided by the licensees which shall best serve the purposes of these provisions, which are those of fostering and providing tourist attractions and accommodations at par with international standards and which will best serve to promote tourism. The Tourism Company may make its recommendations under the condition that the licensee comply with specific requirements as to the establishment, expansion or improvement of particular tourist attractions and accommodations, 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 Tourism Company shall have the discretion to grant a reasonable term for the licensee to make the investment in tourist attractions and accommodations demanded by the Tourism Company as a condition for granting a license, taking into consideration when granting said term, the nature of the investment and the works to be carried out; Provided, That it shall not be necessary that the total investment be made by the applicant for the license. The Tourism Company shall adopt regulations setting the requirements and policies by which it shall be guided in 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 § 671g of Title 23.

The Commissioner of Financial Institutions and the Executive Director of the Tourism Company may draft regulations for the issuing, temporary suspension or cancellation of the licenses provided by this section and any other licenses required by §§ 71—79 and 85—89 of this title.

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.

### **History**

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—May 15, 1948, No. 221, p. 750, § 4; June 7, 1948, No. 24, p. 72, § 2; May 14, 1949, No. 343, p. 1038, § 1; June 23, 1956, No. 90, p. 582, § 4; June 26, 1997, No. 24, § 4; Jan. 8, 2004, No. 11, § 1.



# 15 L.P.R.A. § 74

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## § 74. Games of chance in licensed gambling rooms, authorized—Payment and collection of license fees; investigation of revenues

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- (a) Any license issued under §§ 71–79 and 85–89 of this title shall be subject to payment by the licensee to the Secretary of the Treasury, of the license fees determined pursuant to the provisions of § 76 of this title, 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 §§ 71–79 and 85–89 of this 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 proportion 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. Notwithstanding the above, any licensee who wishes to operate any slot machines with a share of profit for the player greater than eighty-three percent (83%) shall obtain the prior authorization of the Tourism Company.
- (c) For fiscal years commencing prior to 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 in the Tourism Company, 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 covered into a Special Fund each month in the name, and for the benefit of the Tourism Company to carry out its corporate purposes.
- (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 § 40A of subsection (b) of § 11, in § 40A of Part B of Chapter 111 and in subsection (g) of § 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 the provisions of § 72 of this title apply, regarding the licensee tax debts already assessed and to be collected, 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) Nine percent (9%) surplus of net annual income shall be remitted monthly into a special fund, separated from the general funds of the Tourism Company denominated the “Puerto Rico Tourism Industry Development Fund”. The fund shall be devoted to the strengthening and development of the tourism industry. The

disposition, use or accounting of this fund shall require, in all cases, the approval of the Board of Directors of the Tourism Company, except for an annual appropriation of five hundred thousand dollars (\$500,000) from said fund to be appropriated to the Horse Racing Industry and Sport Administration to be used to defray the prizes and broadcasting of the events related to *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, be they the property of or owned by the Tourism Company or the licensees, shall be covered into a special fund in the Tourism Company, separate from its general funds. From the annual gross income produced by the slot machines and received by the operator, there shall be deducted:
    - (A) Monthly, all the operating costs of the slot machines of the Tourism Company, including, but not limited to, the salaries, remuneration and any other benefits received by those employees of the Tourism Company whose functions are related to the operation of the slot machines; Provided, That when an employee of the Tourism Company performs other functions unrelated to the operation of the slot machines besides those related to the operation of the slot machines, the amount shall also be deducted from his/her salary, remuneration and any other benefits corresponding to the functions related to the operation of the slot machines;
    - (B) monthly, all costs for the amortization, leasing, operation and maintenance of the slot machines possessed by the Tourism Company for said month, and
    - (C) 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:
      - (i) The cost of the slot machines must be amortized for a minimum term of three (3) years, and
      - (ii) 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 subsection (d) of this section shall be distributed as follows:
- (1) For fiscal years 1997-98, 1998-99 and 1999-00:
    - (A)
      - (i) 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
      - (ii) sixty-six percent (66%) of the base period income shall be distributed as follows:
        - (I) Group B, as defined in subsection (f)(2)(B) of this section shall receive up to the amount received by Group B in fiscal year 1996-97, and
        - (II) the surplus, if any, shall be received each quarter by the General Fund of the Commonwealth Treasury pursuant to the provisions of §§ 71-79 and 85-89 of this title.
    - (B)
      - (i) Any annual net income in excess of the base period income shall be distributed as follows:
        - (I) Ninety percent (90%) of such excess shall be quarterly transferred to the General Fund of the Commonwealth Treasury, pursuant to the provisions of §§ 71-79 and 85-89 of this title until

the annual amount received by the General Fund of the Commonwealth Treasury under preceding paragraph (A) and this paragraph reaches thirty million dollars (\$30,000,000) annually; and

- (II) the remaining ten percent (10%) shall be distributed to Group A.
- (ii) 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, 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 paragraph (A) and the preceding subparagraph (i) of this paragraph until the General Fund of the Commonwealth Treasury has received the amount of thirty million (30,000) dollars [sic].
- (C) Any annual net income in excess of the amounts distributed under paragraph (A) and (B) of this clause, 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:
  - (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)(B) 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.
- (3) For Fiscal Year 2010-2011:
  - (A) The first three hundred and fifteen million (315,000,000) dollars annual net income shall be distributed as follows:
    - (i) 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)(B) of this section.
    - (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.
  - (B) The next forty-five million (45,000,000) dollar annual net income shall be distributed as follows:
    - (i) Nine percent (9%) to Group A, as defined in subsection (f)(2)(A) of this section;
    - (ii) nine percent (9%) to the Puerto Rico Tourism Company;
    - (iii) twenty percent (20%) to the General Fund of the University of Puerto Rico, and
    - (iv) sixty-two percent (62%) to the General Fund of the Commonwealth Treasury.
  - (C) Any annual net income in excess of three hundred sixty million (360,000,000) shall be distributed as follows:
    - (i) Eighty percent (80%) to Group A, as defined in subsection (f)(2)(A) of this section, and
    - (ii) twenty percent (20%) to Group B, as defined in subsection (f)(2)(Bi) of this section.

- (4) For fiscal year 2011-2012 and subsequent fiscal years:
    - (A) The first three hundred fifteen million dollar (\$315,000,000) annual net income shall be distributed as follows:
      - (i) 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)(Bi) of this section.
      - (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.
    - (B) Any annual net income in excess of three hundred fifteen million dollars (\$315,000,000) shall be distributed as follows:
      - (i) Eighty percent (80%) to Group A, as defined in subsection (f)(2)(A) of this section, and
      - (ii) twenty percent (20%) to Group B, as defined in subsection (F)(2)(B) of this section.
- (f)
- (1)
    - (A) 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 paragraph (B) of this clause, multiplied by the adjusted number of slot machines for fiscal year 1997-98, as determined pursuant to the provisions of paragraph (C) of this clause; 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.
    - (B) 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.
    - (C) 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)
    - (A) 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 subsection (g) of this section.
    - (B) 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:
      - (i) Twenty-five point eight percent (25.8%) shall be covered monthly into the Special Fund mentioned in subsection (c)(1) of this section.
      - (ii) 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.
      - (iii) Thirteen point six percent (13.6%) shall be covered monthly into the “Puerto Rico Tourist Industry Development Fund”.
      - (iv) 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 clause. 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 Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title. 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 room of said licensee, and the denominator shall be the gross income generated by all slot machines in all gambling rooms.
- (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:
  - (A) The gross cost of the slot machines located in the gambling room of each licensee shall be the sum of:
    - (i) The deductible amount under subsection (d)(1)(C) of this section for the slot machines located in the gambling room of said licensee plus
    - (ii) the proportion of the expenses of the Tourism Company under subsection (d)(1)(A) of this section attributable to said slot machines. The proportion of said expenses is determined by multiplying the expenses of the Tourism Company under subsection (d)(1)(A) of this section by a fraction whose numerator shall be the adjusted number, as provided in subsection (f)(1)(C) of this section, of the slot machines located in the gambling room of the licensee, and the denominator shall be the total adjusted number, as provided in subsection (f)(1)(C) of this section, of all the slot machines located in all the gambling rooms. After fiscal years 1997-98, 1998-99 and 1999-2000, no deduction shall be allowed under subsection (d)(1)(C) of this section.
  - (B) The cost of slot machines attributable to licensees shall be equal to the gross cost of machines located in his/her gambling room multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under subsection (e) of this section, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, in those fiscal years in which they shall receive direct allotments from these funds pursuant to §§ 71-79 and 85-89 of this title.
- (4) In the case of slot machines owned or possessed by the Tourism Company, the cost of machines attributable to licensees shall be determined pursuant to the following rules:
  - (A) The gross cost of the slot machines of the Tourism Company located in the gambling room of each licensee shall be the sum of:
    - (i) The Tourism Company's cost under subsection (d)(1)(B) of this section attributable to the slot machines located in the gambling room of said licensee plus,
    - (ii) the proportion of the expenses of the Tourism Company under subsection (d)(1)(A) of this section attributable to said slot machines. The cost of the Tourism Company under subsection (d)(1)(B) of this section attributable to the slot machines located in the gambling room of the licensee shall be calculated by multiplying the costs of the Tourism Company under subsection (d)(1)(B) of this section by a fraction whose numerator shall be the adjusted number, as provided in subsection (f)(1)(C) of this section, of the slot machines of the Tourism Company located in the gambling room of said licensee, and the denominator shall be the total adjusted number, as provided in subsection (f)(1)(C) of this section, of the slot machines of the Tourism Company located in all the gambling rooms. The proportion of the expenses of the Tourism Company attributable to the licensee is calculated by multiplying the expenses of the Tourism Company under subsection (d)(1)(A) of this

section by a fraction whose numerator shall be the adjusted number, as provided in subsection (f)(1)(C) of this section, of the slot machines of the Tourism Company located in the gambling room of said licensee, and the denominator shall be the total adjusted number, as provided in subsection (f)(1)(C) of this section, of the slot machines of the Tourism Company located in all the gambling rooms.

- (B) The cost of the slot machines of the Tourism Company attributable to the licensee shall be equal to the gross cost of the machines of the Tourism Company located in their gambling rooms, multiplied by a fraction whose numerator shall be the annual income distributed to Group A, as determined under subsection (e) of this section, and the denominator shall be the annual net income distributed to Group A, Group B, and the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title.
- (5) If a slot machine is the property of the Tourism Company for a part of a fiscal year, and 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 the property of the Tourism Company according to the rules provided in clause (4) of this subsection, and the cost of said slot machine shall be computed according to the rules provided in clause (3) of this subsection.
- (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 clause (6) of this subsection, 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 subsection (e) of this section.
- (1) The proportion corresponding to each group and the General Fund of the Commonwealth 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 Tourism Company. Every month, the Tourism Company shall tentatively allocate to Group A, Group B, and the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, one twelfth (1/12) of the amounts to be distributed among these, pursuant to subsection (e) of this section, in those fiscal years in which they shall receive direct allocations from these funds.
- (2) Every monthly allocation can be modified by the Tourism Company, at its discretion, to adjust any payments made in previous months that was in excess of or below the correct amount, to any group, including the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title. After adjusting the monthly assignments, the Tourism Company shall proceed to make the monthly payments required in §§ 71-79 and 85-89 of this title. Every three (3) months, the Tourism Company shall make the required payments to the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico, and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title. At the close of every fiscal year, the Tourism Company shall make those payments required under §§ 71-79 and 85-89 of this title. Payments made pursuant to the provisions of this subsection are estimates; therefore, the Tourism Company 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 clause (5) of this subsection.

- (3) Within ninety (90) days after June 30 of each year, the Tourism Company shall conduct a final liquidation of the funds distributed to Group A, Group B, and the General Fund of the Commonwealth Treasury, and to the General Fund of the University of Puerto Rico, and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title. Should there be an excess in the funds collected during the fiscal year, the Tourism Company shall transfer to each group and the General Fund of the Commonwealth Treasury and the General Fund of the University of Puerto Rico and the Tourism Company, in those fiscal years in which they shall receive direct allocations from these funds pursuant to §§ 71-79 and 85-89 of this title, 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 Commonwealth Treasury, or for Fiscal Year 2010-2011 and subsequent fiscal years, to the General Fund of the University of Puerto Rico, pursuant to such final liquidation, the Tourism Company 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 Tourism Company.
- (i) None of the members of Group A, Group B, or the General Fund of the Commonwealth Treasury, or for Fiscal Year 2010-2011 and subsequent fiscal years, 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 Tourism Company 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 the gambling rooms and the operation of the slot machines authorized by this chapter as such income is received. The Commissioner of Financial Institutions is hereby empowered to prescribe such regulations as he/she may deem necessary or convenient to comply with the provisions of this subsection.
- (k) Licensees under §§ 71—79 and 85—89 of this title and the Tourism Company shall be bound to permit the inspection of their income in the manner the Commissioner of Financial Institutions shall determine.

## History

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—May 15, 1948, No. 221, p. 750, § 5; May 8, 1951, No. 373, p. 888, § 2; Apr. 5, 1952, No. 25, p. 60, § 1; June 23, 1956, No. 90, p. 582, § 5; July 30, 1974, No. 2, Part 2, p. 587, § 4; June 16, 1976, No. 5, p. 656, § 1; June 26, 1980, No. 13, p. 895, § 1; July 2, 1985, No. 46, p. 166, § 2; Sept. 3, 1996, No. 185, § 3; June 26, 1997, No. 24, § 5; June 25, 1998, No. 100, § 12; July 1, 1999, No. 138, § 11; Aug. 11, 2002, No. 170, § 2; Aug. 4, 2004, No. 192, § 1; July 29, 2005, No. 36, § 1, July 2, 2010, No. 72, § 1.

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## 15 L.P.R.A. § 75

This Session is current through December 2012

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> Chapter 5. Games of Chance

### § 75. Games of chance in licensed gambling rooms, authorized—Terms of license; change of ownership

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Any license issued by the Commissioner of Financial Institutions under §§ 71—79 and 85—89 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 § 73 of this title. 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.

### History

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—May 15, 1948, No. 221, p. 750, § 6; June 23, 1956, No. 90, p. 582, § 6; July 30, 1974, No. 2, Part 2, p. 587, § 5; June 26, 1997, No. 24, § 6.

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# 15 L.P.R.A. § 76

This Session is current through December 2012

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> Chapter 5. Games of Chance

## § 76. Games of chance in licensed gambling rooms, authorized—License fees; zones

The license fees that according to § 74 of this title, must be paid by the licensees who operate facilities for games of chance covered by the provisions of §§ 71—79 and 85—89 of this title, 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 Tourism Company 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/her tax year, each licensee must submit a copy of his/her certified financial statements to the Commissioner of Financial Institutions, accompanied by a special opinion of the authorized public accountant who certified them, in which the total amount gambled during the year is certified.

Notwithstanding the provisions of § 7 of Title 13, which creates the “Fund for the Investigation and Audit of Financial Institutions and Gambling Casinos”, and the provisions of §§ 2007 and 2018 of Title 7, the revenues on account of the license fees to operate gambling rooms shall be covered into the General Fund of the Commonwealth Treasury.

## History

—May 15, 1948, No. 221, p. 750, added as § 7 on July 20, 1989, No. 33, p. 108, § 2; June 26, 1997, No. 24, § 7.

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## 15 L.P.R.A. § 76a

This Session is current through December 2012

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### § 76a. Supervision of gambling rooms; personnel licenses; regulations

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- (a) The Tourism Company is hereby empowered and required to supervise and inspect the bets and operations of the games of chance in the casinos authorized to operate them and to enforce the provisions of §§ 71—79 and 85—89 of this title and the regulations established thereunder.
- (b) The Tourism Company 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 §§ 71—79 and 85—89 of this title, 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 §§ 71—79 and 85—89 of this title.
- (c) The Tourism Company is hereby empowered to regulate the gambling rooms operated under the provisions of §§ 71—79 and 85—89 of this title and the sale and leasing of the slot machines, their component parts and the equipment and other devices used in a gambling room in order to safeguard and protect their patrons; and to establish the regulations which shall govern the various 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 Tourism Company for each slot machine pursuant to the regulations adopted for such purposes by the Tourism Company.
- (d) The Tourism Company shall adopt regulations setting the requirements to be met by those persons engaged in any activity related to the operation of the gambling rooms and the requirements to be met by those persons who wish to obtain and do obtain a license to perform any work in the gambling rooms, 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 room without having first obtained a license to such effect from the Tourism Company, which shall be issued pursuant to the said regulations.
- (e) Any manufacturer, vendor and distributor of slot machines and any equipment related to games of chance, shall obtain a license from the Tourism Company to be able to sell or lease slot machines and/or their component parts and/or any equipment related to games of chance to be used in Puerto Rico.
- (f) Any person employed by a licensee to exercise any responsibility related to gambling, shall have to obtain a license from the Tourism Company before beginning to exercise said functions.
- (g) The Tourism Company may charge a reasonable sum from any applicant for any license required by §§ 71—79 and 85—89 of this title, except from an applicant for a gambling license, to defray the investigation costs incurred by the Tourism Company.
- (h) The regulations promulgated by the Tourism Company to implement the provisions of §§ 71—79 and 85—89 of this title 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 Tourism Company shall charge any applicant of a license as manufacturer, vendor or distributor, or any other license to be granted by the Tourism Company.

## **History**

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—May 15, 1948, No. 221, p. 750, added as § 7(a) on June 23, 1956, No. 90, p. 582, § 7; June 26, 1997, No. 24, § 8.

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## 15 L.P.R.A. § 76b

This Session is current through December 2012

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### § 76b. Requirements for granting licenses to slot machine service technicians and attendants

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- (a) The Tourism Company shall not grant any license whatsoever to slot machine service technicians or attendants to work in a gambling room until the applicant for said license proves to the satisfaction of the Tourism Company, that the holder of the license of the gambling room where he/she intends to work has offered employment to all slot machine service technicians or attendants employed by the Tourism Company.
- (b) The Tourism Company shall adopt those regulations it deems necessary and convenient to comply with the purposes of this section.

### History

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—May 15, 1948, No. 221, p. 750, added as § 7(a) on June 26, 1997, No. 24, § 9.

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## 15 L.P.R.A. § 77

This Session is current through December 2012

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### § 77. Supervision of gambling rooms—Promotion and advertising; prohibition to admit persons under 18 years of age

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- (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 §§ 71—79 and 85—89 of this title include, but is not limited to the following:
  - (1) Advertisements or promotions to be distributed or placed in:
    - (A) Airplanes that have landed in Puerto Rico;
    - (B) cruise ships sailing the territorial waters of Puerto Rico;
    - (C) areas restricted for passengers in an airport, and
    - (D) 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 Tourism Company is hereby authorized to determine through regulations, the requirements that must be met by the advertisements of a gambling room pursuant to the provisions of this section.

### History

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—May 15, 1948, No. 221, p. 750, § 8; June 26, 1997, No. 24, § 10.

## 15 L.P.R.A. § 78

This Session is current through December 2012

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> Chapter 5. Games of Chance

### § 78. Supervision of gambling rooms—Personnel licensing, penalties, franchise and/or license cancellation

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- (a) The Commissioner of Financial Institutions may revoke or suspend any franchise or license granted under §§ 71—79 and 85—89 of this title to any person who:
- (1) Has obtained the franchise through fraud or deceit;
  - (2) fails to meet the requirements of § 72 of this title;
  - (3) fails to meet the requirements of the Puerto Rico Tourism Company pursuant to its powers under §§ 71—79 and 85—89 of this title; or due to a change of circumstances in accordance with the requirements established in § 73 of this title for the granting of franchises, except when previous authorization from the Commissioner is obtained;
  - (4) fails to pay or evades payment of the license fee when due;
  - (5) 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;
  - (6) promotes the use of slot machines by allowing free gambling in said machines;
  - (7) violates any of the provisions of §§ 71—79 and 85—89 of this title or the regulations prescribed to complement them, and
  - (8) restricts, hides, denies or submits fraudulent or deceiving information to the Department of Games of Chance and/or the Office of the Commissioner of Financial Institutions, or both.

The Office of the Commissioner of Financial Institutions may impose administrative fines on the concessionaire, and/or any of its employees in any of the cases previously referred to or in a sum of not less than two thousand dollars (\$2,000) and not more than twenty thousand dollars (\$20,000) for each violation. The amount of the fine shall be covered into the General Fund of the Commonwealth Treasury and if payment is not made within thirty (30) days as of the notice of the fine to the concessionaire, the Commissioner of Financial Institutions may revoke or suspend any franchise, license or proceed with the collection of the fine, for which he/she may use the same procedures used for the collection of franchise fees.

- (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 by the licensee for that purpose with the approval of the Tourism Company. No gambling device, including slot machines, shall be possessed, maintained, exhibited, brought into or removed from an authorized gambling room by any person unless said device is necessary for the operation of an authorized gambling room and has an identification number or symbol authorized by the Tourism Company permanently fixed, printed or engraved upon it and is under the exclusive control of the licensee or his/her authorized employees. The removal of any gambling device, including slot machines, must be previously approved by the Tourism Company.
- (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 Tourism Company to regulate all matters concerning the games of chance shall be approved pursuant to the procedure established in § 88 of this title. Any person violating any of the provisions of § 71 of this title or the regulations of the Tourism Company, except as otherwise provided therein, shall be sentenced upon conviction thereof, with a fine of not less than one hundred dollars (\$100) nor more than ten thousand dollars (\$10,000), or of 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 §§ 71—79 and 85—89 of this title, the Tourism Company and the Commissioner of Financial Institutions are hereby empowered to administratively punish all violations of their orders and regulations with the temporary suspension or revocation of the rights and privileges enjoyed by the natural or juridical person guilty of the violation in the operation of the games of chance; Provided, That the Tourism Company may also administratively punish the violations of their orders and regulations with a fine that shall not exceed ten thousand dollars (\$10,000).
- (f) The Commissioner of Financial Institutions or the Tourism Company may temporarily suspend or permanently cancel the franchises, licenses, rights and privileges enjoyed by any natural or juridical person under §§ 71—79 and 85—89 of this title, also known as the “Games of Chance Act”.

## History

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—May 15, 1948, No. 221, p. 750, § 9; June 23, 1956, No. 90, p. 582, § 8; July 30, 1974, No. 2, Part 2, p. 587, § 7; June 16, 1976, No. 5, p. 656, § 2; June 12, 1980, No. 115, p. 392, §§ 1, 2; June 26, 1997, No. 24, § 11; Jan. 8, 2004, No. 11, § 2.

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# 15 L.P.R.A. § 78a

This Session is current through December 2012

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## § 78a. Sanctions

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- (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, not from the United States, or uses a currency of a denomination different from the one used by the slot machine, except those approved by the casino, the Chance Games Division and the Commissioner of Financial Institutions.
  - (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 Games of Chance Division does so as part of his/her duties at the casino.

- (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 room with the intention of defrauding or obtaining a personal benefit, a device to calculate probabilities, project the game's result, keep tabs on cards played (to count cards), to analyze probabilities that an event related to the game will happen, or to analyze the play or betting strategy to be used in the game, except those devices authorized by the Puerto Rico Tourism Company Games of Chance Division.

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.

## History

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—May 15, 1948, No. 221, p. 750, added as § 9a on Jan. 8, 2004, No. 11, § 3; Sept. 15, 2004, No. 318, § 2.

# 15 L.P.R.A. § 78b

This Session is current through December 2012

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## § 78b. Violations

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In cases in which a person violates any of the subsections of § 78a of this title, once the violation has occurred, the Games of Chance Inspector, or other officer authorized by the Tourism Company, shall be immediately notified, so that he/she may notify the Puerto Rico Police for the pertinent action and, if necessary, the corresponding complaint shall be filed at the Puerto Rico Police. At the same time, the Inspector or any other authorized officer shall make a report of the incident to the Games of Chance Executive Director of the Tourism Company. Likewise, the Executive Director of the Tourism Company shall be notified by the Executive Director of the Games of Chance of the Tourism Company, who in turn, shall conduct an investigation and make a report of the incident which, after concluded, shall be remitted to the office of the Executive Director of the Puerto Rico Tourism Company for pertinent action.

## History

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—May 15, 1948, No. 221, p. 750, added as § 9b on Jan. 8, 2004, No. 11, § 4.

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## 15 L.P.R.A. § 79

This Session is current through December 2012

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### § 79. Supervision of gambling rooms; licensing of personnel—Personnel

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The Tourism Company shall appoint any personnel which in its judgment is needed for the enforcement of §§ 71—79 and 85—89 of this title and its regulations, and said personnel shall not be included under Act No. 5 of October 14, 1975.

### History

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—May 15, 1948, No. 221, p. 750, § 10; June 23, 1956, No. 90, p. 582, § 9; June 26, 1997, No. 24, § 12.

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## 15 L.P.R.A. § 79a

This Session is current through December 2012

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> Chapter 5. Games of Chance**

### **§ 79a. Effectiveness of 1974 amendment; restrictions**

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This act shall take effect immediately after its approval and its effectiveness shall be extended indefinitely as of July 30, 1974. The Legislature of Puerto Rico shall carry out an evaluation of the public policy established herein every five (5) years after the date of approval of this act.

### **History**

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—July 30, 1974, No. 2, Part 2, p. 587, § 11; June 16, 1976, No. 5, § 4; June 26, 1980, No. 13, p. 895, § 2; July 30, 1982, No. 1, p. 213; July 2, 1985, No. 46, p. 166, § 3.

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