

Republic of the Philippines
Supreme Court
Baguio City

EN BANC

REPUBLIC OF THE
PHILIPPINES and THE
CITY OF BAGUIO,
Petitioners,

G.R. No. 207118

Present:

GESMUNDO, C.J.,
LEONEN, SAJ
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
GAERLAN,
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH,* JJ.

-versus-

THE ASSOCIATION OF
BARANGAY COUNCILS,
represented by its president,
RUFINO M. PANAGAN,
Respondent.

Promulgated:

April 22, 2025

X----------X

DECISION

MARQUEZ, J.:

Can barangays conduct fund-raising activities through bingo games without securing permits from the national government or any local government office or agency?

* On leave.

We believe so, as this is in conformity with the local autonomy of barangays which is enshrined in our fundamental law.

Petitioner Republic of the Philippines contends that only the national government, through the Philippine Amusement and Gaming Corporation (PAGCOR), has the power to regulate gambling, including bingo games.¹

On the other hand, respondent The Association of Barangay Councils (ABC) believes that barangays are vested with authority under Section 391, paragraph 11 of Republic Act No. 7160, or the Local Government Code of 1991, to operate “Bingo sa Barangay” to raise funds for barangay projects without need of securing permits from either the national government or any local government office or agency.²

Thus, before the Court is a Petition for Review on *Certiorari*³ under Rule 45 of the Rules of Court, challenging the Decision⁴ and Resolution⁵ of the Court of Appeals (CA) which affirmed the Decision⁶ of the Regional Trial Court (RTC) that ruled that the barangays in Baguio City are authorized to conduct “Bingo sa Barangay” under Section 391 of the Local Government Code, without the need for permits from any national or local government office or agency.⁷

As summarized by the RTC and adopted by the CA, the facts are as follows:

On February 13, 2006, petitioner [ABC] filed the instant Special Civil Action for Declaratory Relief alleging that it is directly interested and affected by Republic Act No. 7160, otherwise known as the Local Government Code, particularly Section 391 which provides for the powers, duties and functions of the *sangguniang barangay*, among which is to “hold fund-raising activities for barangay projects without the need of securing permits from any national or local office or agency.” The petition further alleged that: (1) the Barangay Councils of Trancoville, Outlook Drive and Military Cut-off passed respective resolutions adopting the “*Bingo sa Barangay*” as a lawful means to raise money for their projects; (2) the game “bingo” is a socially accepted undertaking recognized by the government, church, non-governmental organizations and individuals for leisure and as a past-time activity; (3) the barangays were able to successfully operate the “*Bingo sa Barangay*” and now desire to continue the same as a fund-raising activity; (4) sometime in November 2005, personnel of ABC operating the “*Bingo sa Barangay*” were apprehended by the Baguio City Police for

¹ Rollo, p. 26.

² *Id.* at 191–196.

³ *Id.* at 8–34.

⁴ *Id.* at 35–51. The May 18, 2012 Decision in CA-G.R. CV No. 90980 was penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Hakim S. Abdulwahid and Leoncia R. Dimagiba of the Seventh Division, Court of Appeals, Manila.

⁵ *Id.* at 52–58. The April 22, 2013 Resolution in CA-G.R. CV No. 90980 was penned by Associate Justice Marlene Gonzales-Sison and concurred in by Associate Justices Hakim S. Abdulwahid and Leoncia Real-Dimagiba of the Former Seventh Division, Court of Appeals, Manila.

⁶ Neither party provided a copy of the RTC’s Decision.

⁷ Rollo, pp. 56–57.

alleged violation of Presidential Decree No. 1602 or the Anti-Gambling Law; and (5) the Office of the City Prosecutor issued a Resolution dismissing the cases against the persons apprehended based on [R]esolution No. 08[,] [s]eries of 2005 dated October 20, 2005 issued by the [ABC] which endorsed the conduct of bingo socials in the different barangay[s] in the City of Baguio as fund raising activity for barangay projects for the year 2005. *Petitioner thus seeks a declaration from this Court that the “Bingo sa Barangay” is a valid exercise of the powers granted by this Court to the local government unit to hold fund-raising activities for the barangay projects without the need of securing permits from any national or local office or agency.*

On March 3, 2006, petitioner filed an Urgent Motion for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction alleging that the Philippine National Police (PNP-PRO-CAR, PNP-PROCAR-R2, CIDG-CAR, BCPO), National Bureau of Investigation, among others, in behalf of the respondents, have threatened to close down the operation of the “Bingo sa Barangay” and are threatening to arrest and have in fact arrested the employees of the Petitioner on March 3, 2006 in their legitimate endeavor [...]. Petitioner sought the issuance of a Writ of preliminary injunction or temporary restraining order to restrain respondents and their agents from hampering the legitimate operations of the “Bingo sa Barangay” pending determination of the issue involved in the case at bar.⁸ (Emphasis supplied)

On April 18, 2006, the RTC issued a temporary restraining order.⁹ In an Order¹⁰ dated May 5, 2006, it noted the parties’ agreement to maintain the status quo.¹¹

After trial, the RTC rendered its November 30, 2006 Decision in favor of ABC and disposed of the petition as follows:

WHEREFORE, the Court hereby declares that the Barangay Councils (the “Sangguniang Barangays”) in the City of Baguio and/or the Barangays of Trancoville, Outlook Drive and Military Cut-Off in particular, are *vested with authority under Section 391, par. 11 of the Local Government Code to adopt, hold, and authorize the operation of “Bingo sa Barangay” to raise funds for barangay projects without need of securing permits from the national or local government office or agency.*

SO ORDERED.¹² (Emphasis supplied)

On appeal, the CA affirmed the RTC Decision. The dispositive portion of the May 18, 2012 CA Decision reads as follows:

WHEREFORE, in view of the foregoing, the appeal is **DENIED** for lack of merit. The Decision of the Regional Trial Court of Baguio City, Branch 5 in Special Civil Action No. 6220-R is hereby **AFFIRMED in toto**.

⁸ *Id.* at 36–37.

⁹ *Id.* at 38.

¹⁰ *Id.* at 152.

¹¹ *Id.*

¹² *Id.* at 39.

No pronouncement as to costs.

SO ORDERED.¹³ (Emphasis in the original)

Procedurally, the CA held that even if there were already a prior breach, as argued by the Republic, the conversion of the petition for declaratory relief into an ordinary action is proper under Rule 63, Section 6 of the Rules of Court.¹⁴

On the merits, the CA held that the bingo penalized under Section 1 of Presidential Decree No. 1602 “is the *illegal or unauthorized activities or games of bingo*,”¹⁵ and “[t]he impugned ‘Bingo sa Barangay’ adopted by the barangay councils concerned is a legitimate fund-raising activity, drawing authority from Section 391, paragraph 11 of the Local Government Code.”¹⁶ Moreover, the appellate court found that under Section 1 of Republic Act No. 9487, the authority of PAGCOR to authorize, license, and regulate games of chance, games of cards, and games of numbers “shall not extend to such games of chance, games of cards, and games of numbers like cockfighting, *authorized, licensed[,] and regulated by local government units*.”¹⁷

The CA also held that Section 458¹⁸ of the Local Government Code, which allows the sangguniang panlungsod to prevent or suppress gambling and other prohibited games of chance, “should be read as referring to only illegal gambling which, like the *other* prohibited games of chance, must be prevented or suppressed.”¹⁹ Thus, the CA belabored:

To reiterate, the concerned Barangays are vested with the power to hold fund-raising activities without the need of securing permits from any national or local office or agency. *The right of each local government unit to create its own sources of revenue is guaranteed by no less than the Constitution. This basic right is subject only to such guidelines and limitations as the Congress may provide, consistent with the policy on local autonomy.*²⁰ (Emphasis supplied)

The CA denied petitioners’ respective motions for reconsideration.²¹ Hence, this Petition.

¹³ *Id.* at 50.

¹⁴ *Id.* at 45.

¹⁵ *Id.* at 47. (Emphasis supplied)

¹⁶ *Id.* at 47–48.

¹⁷ *Id.* at 49. (Emphasis supplied)

¹⁸ Section 458(1)(v) of the LOCAL GOV’T CODE empowers the sanggunian panlungsod to: Enact ordinances intended to prevent, suppress and impose appropriate penalties for habitual drunkenness in public places, vagrancy, mendicancy, prostitution, establishment and maintenance of houses of ill repute, gambling and other prohibited games of chance, fraudulent devices and ways to obtain money or property, drug addiction, maintenance of drug dens, drug pushing, juvenile delinquency, the printing, distribution or exhibition of obscene or pornographic materials or publications, and such other activities inimical to the welfare and morals of the inhabitants of the city. Sections 447(1)(v) and 468(1)(v) of the LOCAL GOV’T CODE vest the sangguniang bayan and sangguniang panlalawigan, respectively, with similar authority.

¹⁹ *Rollo*, p. 50. (Emphasis in the original)

²⁰ *Id.* at 49.

²¹ *Id.* at 57.

Accordingly, the issues for the Court's resolution are:

1. Whether an action for declaratory relief was the proper remedy; and
2. Whether the CA erred in affirming the RTC's Decision, which upheld the right of the barangay councils of Trancoville, Outlook Drive, and Military Cut-Off, Baguio City, to adopt, hold, and authorize the operation of "Bingo sa Barangay" to raise funds for barangay projects without need of securing permits from any national or local government office or agency.

The Republic argues that a petition for declaratory relief is not proper when there is a prior breach or violation, and it cannot be converted into an ordinary action. In this case, prior breach or violation had already been committed by the operatives of ABC, and ABC judicially admitted that its personnel were apprehended for violation of Presidential Decree No. 1602, or the Anti-Illegal Gambling Law. Conversion is only proper when the breach or violation takes place after the filing of an action for declaratory relief.²²

Further, the Republic argues that the barangay councils of Trancoville, Outlook Drive, and Military Cut-off, Baguio City, in particular are not vested with authority under the Local Government Code to conduct "Bingo sa Barangay" without securing permits from the national government through PAGCOR. According to the Republic, Presidential Decree No. 1869, as amended, vests PAGCOR with the sole power and authority to regulate and supervise all games of chance and gambling, including bingo.²³

In addition, while Section 391 of the Local Government Code permits barangays to conduct fund-raising activities, these must comply with the national policy standards and regulations on morals, health, and safety of participating individuals. There is nothing in Section 391 of the Local Government Code, which expressly grants local government units the authority to operate "Bingo sa Barangay," and Section 391 must be read with Section 458, which authorizes the sangguniang panlungsod to prevent or suppress gambling and other prohibited games of chance.²⁴

On the other hand, ABC argues that under the Constitution and the Local Government Code, barangays have the power and the authority to raise funds without securing permits from either local or national offices. And, assuming that there is doubt regarding the authority of barangays to conduct fund-raising activities, Section 5 of the Local Government Code provides that such doubt must be resolved in favor of the local government units. Moreover, "[t]here is a presumption of validity which the law grants upon the activities of [ABC] as indeed the Local Government Code is very specific in the grant

²² *Id.* at 27-29.

²³ *Id.* at 18-26, 208-209.

²⁴ *Id.* at 18-19, 205-206.

of the power to raise funds and revenues,”²⁵ and “[t]o allow the state or its instrumentalities at this point to stop [ABC] from conducting their lawful activity, would cause prejudice and damage to raise funds for much needed projects, as unfortunately government cannot sustain funding for each and every barangay all over the country.”²⁶

We first resolve the procedural issue.

A petition for declaratory relief under Rule 63 of the Rules of Court is:

... an action by any person interested in a deed, will, contract, or other written instrument, executive order, or resolution, to determine any question of construction or validity arising from the instrument, executive order, regulation, or statute, and for a declaration of [the person’s] rights and duties thereunder. The only issue that may be raised in such a petition is the construction or validity of the provisions in an instrument or statute.²⁷

As explained in *Department of Trade and Industry v. Steelasia Manufacturing Corp.*,²⁸ citing *Municipality of Tupi v. Faustino*²⁹ and *Aquino v. Municipality of Aklan*:³⁰

An action for declaratory relief presupposes that there has been no actual breach of the instruments involved or of the rights arising thereunder. Since the purpose of an action for declaratory relief is to secure an authoritative statement of the rights and obligations of the parties under a statute, deed, or contract for their guidance in the enforcement thereof, or compliance therewith, *and not to settle issues arising from an alleged breach thereof, it may be entertained before the breach or violation of the statute*, deed or contract to which it refers. A petition for declaratory relief gives a practical remedy for ending controversies that have not reached the state where another relief is immediately available; and supplies the need for a form of action that will set controversies at rest before they lead to a repudiation of obligations, an invasion of rights, and a commission of wrongs.³¹ (Emphasis in the original)

In this case, ABC filed the petition for declaratory relief before the RTC precisely to “secure an authoritative statement of [its] rights and obligations [...] under a statute”—Section 391 of the Local Government Code. The petition for declaratory relief did not seek to “settle issues arising from an alleged breach thereof,” as in fact there was no breach of Section 391 at the time it was filed. The arrest of ABC’s personnel in November 2005, as adverted to by the Republic, was based on a purported violation of the Anti-Gambling Law and not Section 391 of the Local Government Code.

²⁵ *Id.* at 196.

²⁶ *Id.*

²⁷ *Metropolitan Bank and Trust Co. v. Spouses Uy*, 909 Phil. 32, 42 [Per J. Inting, Second Division], citing *Ferrer, Jr., et al. v. Mayor Roco, Jr., et al.* 637 Phil 310, 317 (2010) [Per J. Mendoza, Second Division]. 890 Phil. 238 (2020) [Per J. Lazaro-Javier, Second Division].

²⁸ 860 Phil. 363 (2019) [Per J. Lazaro-Javier, *En Banc*].

²⁹ 744 Phil. 497 (2014) [Per J. Velasco, Jr., Third Division].

³⁰ *Department of Trade and Industry v. Steelasia Manufacturing Corp.*, 890 Phil. 238, 256 (2020) [Per J. Lazaro-Javier, Second Division].

Moreover, neither the validity nor the effects of this arrest were issues under the petition for declaratory relief. Accordingly, the CA did not err in upholding the propriety of the remedy pursued by ABC.

We now address the substantive issue.

In *David v. COMELEC*,³² the Court briefly discussed the historical background of a barangay:

As a unit of government, the barangay antedated the Spanish conquest of the Philippines. The word “barangay” is derived from the Malay “balangay,” a boat which transported them (the Malays) to these shores. Quoting from Juan de Plasencia, a Franciscan missionary in 1577, Historian Conrado Benitez wrote that the barangay was ruled by a *dato* who exercised absolute powers of government. [. . .]

After the Americans colonized the Philippines, the barangays became known as “barrios.” For some time, the laws governing barrio governments were found in the Revised Administrative Code of 1916 and later in the Revised Administrative Code of 1917. Barrios were granted autonomy by the original Barrio Charter, [Republic Act No. 2370], and formally recognized as quasi-municipal corporations by the Revised Barrio Charter, [Republic Act No. 3590]. During the martial law regime, barrios were “declared” or renamed “barangays” — a reversion really to their pre-Spanish names — by [Presidential Decree No. 86] and [Presidential Decree No. 557]. Their basic organization and functions under [Republic Act No. 3590], which was expressly “adopted as the Barangay Charter,” were retained. However, the titles of the officials were changed to “barangay captain,” “barangay councilman,” “barangay secretary” and “barangay treasurer.”³³

As can be gleaned, since time immemorial, barrios, later on barangays, were granted autonomy and recognized as quasi-municipal corporations endowed with powers for the performance of government functions. This was institutionalized under Republic Act No. 2370, otherwise known as the Barrio Charter Act of 1959,³⁴ followed by the Revised Barrio Charter of 1963,³⁵ which gave barrios greater independence and autonomy as local government bodies. The Revised Barrio Charter of 1963 recognized that the “people in the barrios of the Philippines are the backbone of the nation” and “it is necessary that [barrios] be granted greater autonomy and incentive for self-help.”³⁶

The 1973 Constitution recognized the barrio as a territorial and political subdivision of the Philippines³⁷ and ensured its local autonomy. Article II, Section 10 of the 1973 Constitution provided:

³² 337 Phil. 534 (1997) [Per J. Panganiban, *En Banc*].

³³ *Id.* at 542–544.

³⁴ Republic Act No. 2370 (1959), An Act Granting Autonomy to Barrios of the Philippines.

³⁵ Republic Act No. 3590 (1963), An Act to Amend and Revise Republic Act Numbered Twenty-Three Hundred and Seventy, Otherwise Known as “The Barrio Charter.”

³⁶ Republic Act No. 3590 (1963).

³⁷ CONST. (1973), art. XI, sec. 1.

SEC. 10. The State shall guarantee and promote the autonomy of local government units, especially the barrio, to ensure their fullest development as self-reliant communities.³⁸

This constitutional recognition was reflected in Batas Pambansa Blg. 337, or the Local Government Code,³⁹ enacted in 1983, which defined the powers and responsibilities of local government units, including barangays.

Similarly, the 1987 Constitution recognizes the barangay as one of the territorial and political subdivisions of the country which shall enjoy local autonomy.⁴⁰ The 1987 Constitution explicitly mandates that the State shall ensure the autonomy of local governments.⁴¹

The principle of local autonomy is further manifested in the Local Government Code of 1991, which defines the barangay as the basic political unit responsible for the “primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community.”⁴² Expressly provided is the power to hold fund-raising activities for barangay projects “without the need of securing permits from any national or local office or agency.”⁴³ Section 391, paragraph 11 of the Local Government Code is as clear as day:

Section 391. Powers, Duties, and Functions. -

(a) The sangguniang barangay, as the legislative body of the barangay, shall:

....

(11) Hold fund-raising activities for barangay projects *without the need of securing permits from any national or local office or agency*. The proceeds from such activities shall be tax-exempt and shall accrue to the general fund of the barangay: *Provided*, That in the appropriation thereof, the specific purpose for which such fund-raising activity has been held shall be first satisfied: . . . *Provided, finally*, That said fund-raising activities shall comply with national policy standards and regulations on morals, health, and safety of the persons participating therein.⁴⁴ (Emphasis supplied)

Likewise clear as day are the regulatory powers and authorities of PAGCOR plainly spelled out in its charter, Presidential Decree No. 1869,⁴⁵ as

³⁸ CONST. (1973), art. II, sec. 10.

³⁹ Batas Pambansa Blg. 337 (1983), An Act Enacting a Local Government Code.

⁴⁰ CONST. (1987), art. X secs. 1 and 2.

⁴¹ CONST. (1987), art. II, sec. 25.

⁴² Republic Act No. 7160 (1991), sec. 384, Local Government Code of 1991.

⁴³ Republic Act No. 7160 (1991), sec. 391(a)(11).

⁴⁴ Republic Act No. 7160 (1991), sec. 391, par. 11.

⁴⁵ Presidential Decree No. 1869 (1983), Consolidating and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399 and 1632, Relative to the Franchise and Powers of the Philippine Amusement and Gaming Corporation (PAGCOR).

amended by Section 1 of Republic Act No. 9487,⁴⁶ the third paragraph of which in part provides:

The authority and power of the PAGCOR to authorize, license and regulate games of chance, games of cards and games of numbers shall *not* extend to: . . . (3) games of chance, games of cards and games of numbers like cockfighting, authorized, licensed and regulated by local government units.⁴⁷ (Emphasis supplied)

Republic Act No. 9487, which amended the PAGCOR Charter in 2007, is now synchronized with the Local Government Code of 1991. Unlike its original charter, Republic Act No. 9487 explicitly recognized the authority of local government units to authorize, license, and regulate games of chance to the exclusion of PAGCOR. As succinctly pointed out by Senior Associate Justice Marvic M.V.F. Leonen (SAJ Leonen) in his Concurring Opinion, *Evangelista v. Philippine Amusement and Gaming Corp.*⁴⁸ held that the “exceptions [under Republic Act No. 9487] are expressly mandated to be outside PAGCOR’s licensing authority and regulatory powers.”⁴⁹

As such, while Republic Act No. 9487, which amended PAGCOR’s franchise, explicitly confers to PAGCOR the regulation of bingo games nationwide, the same amendatory act likewise excludes from PAGCOR’s authority and powers “games of chance, games of cards and games of numbers... authorized, licensed and regulated by local government units.”⁵⁰

In the instant case, the barangays of Trancoville, Outlook Drive, and Military Cut-off themselves passed resolutions adopting the “Bingo sa Barangay” as a fund-raising activity.⁵¹ It is the barangay itself which “authorized, licensed, and regulated”⁵² the “Bingo sa Barangay,” a game of chance. Hence, it “shall be outside the licensing authority and regulatory powers of the PAGCOR.”⁵³ When the law is clear, there is no need for interpretation, only application.

This Court is not limiting the powers and authorities of PAGCOR. Its own charter did. Neither are we expanding the powers of the local government units to authorize, license, and regulate games of chance, games of cards, and games of numbers like cockfighting. The instant case is confined simply to the conduct of the “Bingo sa Barangay” by the barangay as a fund-raising activity which does not need the approval of PAGCOR.

⁴⁶ Republic Act No. 9487 (2007), An Act Further Amending Presidential Decree No. 1869, Otherwise Known as PAGCOR Charter.

⁴⁷ Presidential Decree No. 1869 (1983), sec. 10, as amended by Republic Act No. 9487 (2007).

⁴⁸ 941 Phil. 342 (2023) [Per J. Lopez, J., *En Banc*].

⁴⁹ *Id.* at 348.

⁵⁰ Republic Act No. 9487 (2007), sec. 1.

⁵¹ *Rollo*, pp. 99–103.

⁵² Presidential Decree No. 1869 (1983), sec. 10, as amended by Republic Act No. 9487 (2007).

⁵³ Presidential Decree No. 1869 (1983), sec. 10, as amended by Republic Act No. 9487 (2007). (Emphasis supplied)

The Dissenting Opinion of Justice Alfredo Benjamin S. Caguioa, to which Justice Amy C. Lazaro-Javier joins, submits that “[t]he import of the exception in the third paragraph of Section 10 of PD No. 1869, as amended, is to recognize that the games of chance, games of cards and games of numbers may, indeed, be authorized, licensed and regulated by local government units (only) **when** such jurisdiction and powers are accorded by law.”⁵⁴ The same view is shared by Justice Henri Jean Paul B. Inting and Justice Maria Filomena D. Singh.

With all due respect to their considered view, there is however **nothing** in the exception that says, nay even infers, an implementing law or a special law is still needed to carry out the exception expressly granted to local government units. **Absolutely nothing.**

Let us carefully examine the last paragraph of Section 1 of Republic Act No. 9487, which amended Section 10 of Presidential Decree No. 1869:

The authority and power of the PAGCOR to authorize, license and regulate games of chance, games of cards and games of numbers shall not extend to: (1) games of chance authorized, licensed and regulated or to be authorized, licensed and regulated by, in, and under existing franchises or other regulatory bodies; (2) games of chance, games of cards and games of numbers authorized, licensed, regulated by, in, and under special laws such as Republic Act No. 7922; and (3) games of chance, games of cards and games of numbers like cockfighting, authorized, licensed and regulated by local government units. The conduct of such games of chance, games of cards and games of numbers covered by existing franchises, regulatory bodies or special laws, to the extent of the jurisdiction and powers granted under such franchises and special laws, shall be outside the licensing authority and regulatory powers of the PAGCOR.⁵⁵

Plainly, Section 1 excludes from the coverage of PAGCOR: (1) those authorized, licensed, and regulated or to be authorized, licensed, and regulated by, in, and **under existing franchises or other regulatory bodies**; (2) those authorized, licensed, regulated by, in, and **under special laws** such as Republic Act No. 7922; and (3) those authorized, licensed and **regulated by local government units.**

Unmistakably, the qualification in the last sentence of Section 1, i.e., “[t]he conduct of such games of chance, games of cards and games of numbers **covered by existing franchises, regulatory bodies or special laws**, to the extent of the jurisdiction and powers granted under such franchises and special laws, shall be outside the licensing authority and regulatory powers of the PAGCOR,” refers to the exemptions in paragraphs (1) and (2), or those under franchises, regulatory bodies, and special laws. It has no reference whatsoever to the exemption in paragraph (3) or those regulated by the local government units.

⁵⁴ J. Caguioa, Dissenting Opinion, p. 7. (Emphasis in the original)

⁵⁵ Presidential Decree No. 1869 (1983), sec. 10, as amended by Republic Act No. 9487 (2007).

There being no reference to an implementing law or special law for those regulated by the local government units, unlike those covered by franchises, regulatory bodies or special laws, we should not put any. *Expressio unius est exclusio alterius*. The express mention of one thing implies the exclusion of another.⁵⁶ Hence, when a list is mentioned, other things not mentioned are excluded.

As ruled by the CA, Section 391 of the Local Government Code expressly allows barangay councils to conduct fund-raising activities.⁵⁷ Presidential Decree No. 1602,⁵⁸ which prescribed stiffer penalties on illegal gambling, only penalizes illegal or unauthorized activities or games of bingo and does not include in its scope the “Bingo sa Barangay” adopted by the concerned barangay councils, a legitimate fund-raising endeavor under Section 391 of the Local Government Code.⁵⁹

In addition, this Court has explained that Section 458(1)(v) of the Local Government Code excludes games of chance, which are permitted by law:

We begin by observing that *under Sec. 458 of the Local Government Code, local government units are authorized to prevent or suppress, among others, “gambling and other prohibited games of chance.” Obviously, this provision excludes games which are not prohibited but are in fact permitted by law.* The petitioners are less than accurate in claiming that the Code could have excluded such games of chance but did not. In fact it does. The language of the section is clear and unmistakable. Under the rule of *noscitur a sociis*, a word or phrase should be interpreted in relation to, or given the same meaning of, words with which it is associated. *Accordingly, we conclude that since the word “gambling” is associated with “and other prohibited games of chance,” the word should be read as referring to only illegal gambling which, like the other prohibited games of chance, must be prevented or suppressed.*⁶⁰ (Emphasis supplied)

As expounded by SAJ Leonen, gambling only becomes illegal or unauthorized if they are expressly defined to be so. Although bingo games are mentioned in Section 1 of Presidential Decree No. 1602,⁶¹ it was merely an

⁵⁶ *Ang Nars Party List v. Executive Secretary*, 864 Phil. 607, 649 [Per J. Carpio, *En Banc*].

⁵⁷ *Rollo*, p. 46.

⁵⁸ Prescribing Stiffer Penalties on Illegal Gambling.

⁵⁹ *Rollo*, p. 46–48.

⁶⁰ *Magtajas v. Pryce Properties Corp., Inc.*, 304 Phil. 428, 442 (1994) [Per J. Cruz, *En Banc*].

⁶¹ SECTION 1. *Penalties*. — The following penalties are hereby imposed:

....

(1) Any person other than those referred to in the succeeding sub-sections who in any manner, shall directly or indirectly take part in any illegal or unauthorized activities or games of cockfighting, jueteng, jai-alai or horse racing to include bookie operations and game fixing, numbers, bingo and other forms of lotteries; cara y cruz, pompiang and the like; 7-11 and any game using dice; black jack, lucky nine, poker and its derivatives, monte, baccarat, cuajo, pangguingue and other card games; paik que, high and low, mahjong, domino and other games using plastic tiles and the like; slot machines, roulette, pinball and other mechanical contraptions and devices; dog racing, boat racing, car racing and other forms of races, basketball, boxing, volleyball, bowling, pingpong and other forms of individual or team contests to include game fixing, point shaving and other machinations; banking or percentage game, or any other

example of gambling activities, which may be deemed illegal or unauthorized. Furthermore, Section 2⁶² of Executive Order No. 13⁶³ underscores that the key factor in determining illegal gambling is the conduct of a game scheme that lacks authority or license from a duly empowered government agency. Thus, applying Presidential Decree No. 1602 and Executive Order No. 13, bingo games, as a game of chance, are not illegal per se and will only become illegal gambling if it lacks the requisite license or authority from the appropriate agency or if it contravenes the agency's regulations.

And the authority of the barangay to conduct fund-raising activities, including bingo games, is not limitless. The last proviso of Section 391, paragraph 11 of the Local Government Code itself provides that "said fund-raising activities shall comply with national policy standards and regulations on morals, health, and safety of the persons participating therein." But this does not imply that barangays have to obtain any prior approval from PAGCOR or any national agency, as no law or regulation mandates it. For sure, getting a permit from any national agency is not a national policy standards and regulations on morals, health, and safety.

In fine, the "fund-raising activities (or every local government unit for that matter) shall comply with the national policy standards and regulations on morals, health, and safety of the persons participating therein." Section 16 of the Local Government Code is explicit:

SECTION 16. *General Welfare.* — Every local government unit shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. *Within their respective territorial jurisdictions, local government units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants.* (Emphasis supplied)

game or scheme, whether upon chance or skill, wherein wagers consisting of money, articles of value or representative of value are at stake or made[.]

⁶² SECTION 2. *Illegal Gambling Defined.* — Pursuant to existing laws, "illegal gambling" is committed by any person who, in any manner, shall directly or indirectly take part in any game scheme, regardless of whether winning thereat is dependent upon chance or skill or both, wherein wagers consisting of money, articles of value or representative of value are at stake or made, when such game scheme is not authorized or licensed by the government agency duly empowered by law or its charter to license or authorize the conduct of such games, or is conducted in a manner that violates the terms and conditions duly prescribed by the said government agency.

⁶³ Strengthening the Fight Against Illegal Gambling and Clarifying the Jurisdiction and Authority of Concerned Agencies in the Regulation and Licensing of Gambling and Online Gaming Facilities, and for Other Purposes (2017).

By exercising this power, local government units ensure that activities conducted within their jurisdiction adhere to national standards designed to protect the well-being of the public, including those fund-raising activities.

We are likewise not pitting PAGCOR against the barangay as to which government instrumentality can better regulate bingo games. This is not an issue.

In any case, any doubt as to the powers of the barangay shall be resolved in its favor. Section 5 of the Local Government Code of 1991 specifically provides:

Section 5. *Rules of Interpretation.* — In the interpretation of the provisions of this Code, the following rules shall apply:

(a) Any provision on a power of a local government unit shall be liberally interpreted in its favor, and in case of doubt, *any question thereon shall be resolved in favor of devolution of powers and of the lower local government unit.* Any fair and reasonable doubt as to the existence of the power shall be interpreted in favor of the local government unit concerned;

....

(c) The general welfare provisions in this Code shall be *liberally interpreted to give more powers to local government units* in accelerating economic development and upgrading the quality of life for the people in the community[.] (Emphasis supplied)

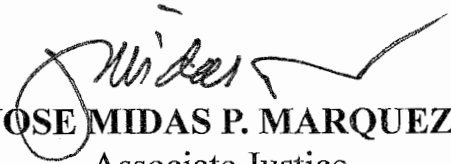
This is also not to belittle Memorandum Circular No. 2023-074⁶⁴ issued by the Department of the Interior and Local Government (DILG) directing local government units to discontinue all forms of unauthorized “Bingo sa Barangay” or other illegal number games. The DILG’s intent to prevent illegal gambling and maintain public order is commendable. However, rather than empowering and championing local government units, the DILG’s campaign appears to undermine the principle of local autonomy. In fine, it is not the province of the DILG to interpret the law and the Constitution. That belongs to the courts.

To reiterate, barangays, as the basic political unit, are vested with powers to initiate and manage activities that foster community engagement and generate local revenues, provided these activities comply with existing laws. Barangays must be empowered. To allow barangays to conduct “Bingo sa Barangay” as a fund-raising activity for barangay projects without the need to secure permits from PAGCOR or any national or local office or agency is to breathe life to the constitutional mandate of the State to ensure the local autonomy of barangays. This is the duty of this Court.


⁶⁴ DILG Memorandum Circular No. 2023-074 (2023), Intensifying the Campaign Against the Proliferation of Bingo sa Barangay (BSB)/Barangay Lucky Bingo (BLB), Among Other Illegal Numbers, Operated by the LGUs.


ACCORDINGLY, the instant Petition is **DENIED**. The Decision dated May 18, 2012 and the Resolution dated April 22, 2013 of the Court of Appeals in CA-G.R. CV No. 90980 are **AFFIRMED**.

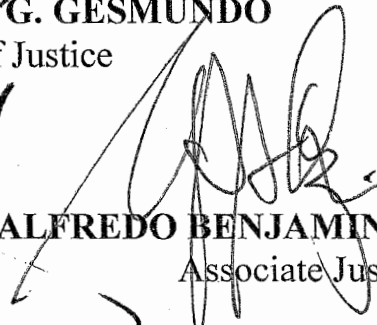
SO ORDERED.

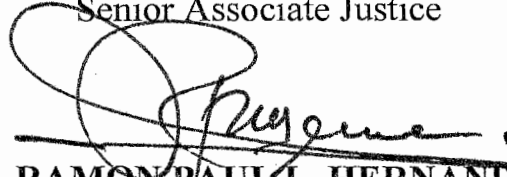

JOSE MIDAS P. MARQUEZ
 Associate Justice

WE CONCUR:


ALEXANDER G. GESMUNDO
 Chief Justice

7 concur. Dissent quorum

MARVIC M.V.F. LEONEN
 Senior Associate Justice

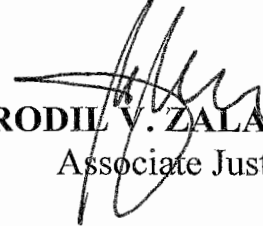

ALFREDO BENJAMIN S. CAGUIOA
 Associate Justice

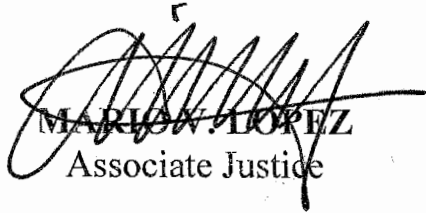

RAMON PAUL L. HERNANDO
 Associate Justice



AMY C. LAZARO-JAVIER
 Associate Justice


See Dissenting Opinion


HENRI JEAN PAUL B. INTING
 Associate Justice


RODIL V. ZALAMEDA
 Associate Justice

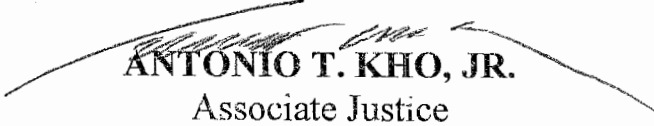

MARION LOPEZ
 Associate Justice


SAMUEL H. GAERLAN
 Associate Justice



RICARDO R. ROSARIO
 Associate Justice


JHOSEP Y. LOPEZ
 Associate Justice


JAPAR B. DIMAAMPAO
 Associate Justice

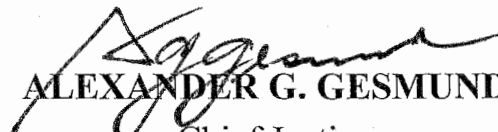

ANTONIO T. KHO, JR.
 Associate Justice

(On leave but left dissenting vote)


MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court.


ALEXANDER G. GESMUNDO
Chief Justice