

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 224

Introduced by : **HONORABLE AMADO S. BAGATSING**

EXPLANATORY NOTE

The Philippine Racing Commission was created on March 20, 1974 through Presidential Decree No. 420 in order to have a thorough and closer supervision and control of all aspects of the sport as well as to insure and safeguard the benefits to the public. With the passage of PD 420, this sustained the recognition of the State in acknowledging the potential of horseracing as an industry aimed at generating much needed revenues and employment for the country.

Thirty six years have lapsed and the time has come to review and update the law that created the Philippine Racing Commission to make it catch up with technology changes as well as meet the increasing need for better government support to the industry. As one of the oldest and universally popular diversions of man, horseracing has become highly specialized and sophisticated reaching the level of quality sport such that its operations and regulatory requirements need to be given more attention by the government.

Thoroughbred horse racing and horse breeding in the country today is still far from ideal. Although we enjoy more than a hundred years' head start on organized Thoroughbred horse racing compared to most of Asian countries, still we lag behind in introducing innovations in the industry to the point that we have been overtaken by other countries. A renewed vision for the industry will give it the clear direction it needs for it to progress. As the situation calls for it, the stakeholders have started to anticipate the growth demanded by the industry and they have, on their own initiative, set-up plans for expansion.

With the continuous growth and expansion of the Thoroughbred horseracing industry, it is most imperative that we integrate all aspects of horseracing under one body which will orchestrate the activities of the entire sector to include not just horse racing operations and its betting aspects but also that of horse-breeding and the licensing of the personnel involved in the sport.

Taking note of the challenges facing the country, the growth of the industry has to be steered by a viable government organization which will promote and encourage investments, act as regulator and be the leader in securing the future of the stakeholders. The attainment of these ends will be best achieved by a separate and

autonomous corporate body that will closely supervise all aspects of Thoroughbred horse racing.

Considering the great potential of the Thoroughbred horse racing industry as a revenue and employment provider for the country, this bill seeks to address the much needed legislation which will respond to the demands of the industry stakeholders. It is therefore urgently requested that the early passage of this bill be considered by this Congress.



AMADO S. BAGATSING

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session
00000 224
HOUSE BILL NO. _____

Introduced by Representative AMADO S. BAGATSING

AN ACT
CREATING THE PHILIPPINE THOROUGHBRED HORSERACING
AUTHORITY PROVIDING FUNDS THEREFOR AND FOR OTHER
PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

1 **SECTION 1. Title.** This Act shall be known as the "Charter of the Philippine
2 Thoroughbred Horseracing Authority."

3 **SEC. 2. Declaration of Policy and Objectives.** - It is the declared policy of
4 the State to promote the growth, expansion and development of the Thoroughbred
5 horseracing industry in accordance with the following objectives:

- 6 a. To promote, ensure and maintain the efficient, honest, and fair operation of
7 the thoroughbred horseracing industry;
8 b. To maintain public confidence in the Thoroughbred horseracing sport;
9 c. To encourage and insure the professional development of the horseracing
10 personnel;
11 d. To improve and upgrade the breed of Philippine Thoroughbred racehorses;
12 and
13 e. To give impetus to the development of the country's economy by providing
14 opportunities for revenue and employment generation through the horseracing
15 industry.

16 **SEC. 3. Definition of Terms.** -

- 17 a. Horse Racing – refers to a contest of speed among thoroughbred horses which
18 are ridden by jockeys and shall include the aspect of sport and betting.
19 b. Horseracing Industry – refers to the various enterprises that encompass
20 activities related to the racing of Thoroughbred horses.

- 1 c. Horse Breeding – refers to the activity related to the improvement or
2 development of Thoroughbred horses done by selective mating to produce
3 horses for racing and breeding either for domestic use or export.
- 4 d. Thoroughbred – refers to a horse specifically bred for racing that can trace
5 their lineage back to three original sires namely Darley Arabian, Godolphin
6 Arabian and Byerley Turk.
- 7 e. Breeding Stock – refers to Thoroughbred horses used for selective mating
8 purposes.
- 9 f. Quarantine – refers to a period of detention or isolation imposed on horses
10 upon arrival at a port or place to screen them for infectious or contagious
11 diseases before they are allowed to be transported elsewhere within the
12 country.
- 13 g. Race Horses – refer to Thoroughbred horses used for the activity of horse
14 racing.
- 15 h. Horse Owners – refer to people who are duly licensed by the Authority as
16 having the legal right to own race horses and all other rights appertaining
17 thereto.
- 18 i. Trainers – refer to qualified persons who are in charge of conditioning horses
19 in preparation for races and who are duly licensed by the Authority.
- 20 j. Assistant Trainers – refer to the qualified assistants of trainers of race horses
21 who are licensed by the Authority.
- 22 k. Jockeys – also called journeymen jockeys, refer to qualified persons who ride
23 horses professionally in horse races and who are duly licensed by the
24 Authority after having fulfilled the requirements to reach that status.
- 25 l. Apprentice Jockeys – refer to qualified persons who ride horses
26 professionally in races, duly licensed as such by the Authority, but deemed as
27 junior in status to journeymen jockeys.
- 28 m. Jockeys' Helpers – refer to persons who act as valets for jockeys during races
29 and who are duly licensed by the Authority.
- 30 n. Grooms – refer to persons in charge of and take care of horses and stables
31 and who are duly licensed by the Authority.
- 32 o. Grooms' Helpers – refer to persons who assist grooms in the care of horses
33 and stables duly licensed by the Authority.

- p. Racetrack – refers to a spacious plot of ground, usually oval, laid out for horse racing.
- q. Race Meetings – refer to days during which races are held at a race track.
- r. Stud – Refers to a stallion or breeding farm.
- s. Stud Book - refers to the official Thoroughbred registry indicating the official record of the pedigrees of purebred horses.
- t. Philippine National Stud Book – refers to the officially published records of Thoroughbred bloodlines in the Philippines and contains the pedigree and the comprehensive records of breeding activities of Thoroughbreds in the Philippines.
- u. Stud Fee – refers to the payment given by the breeder to the owner of the stallion for its services.
- v. Totalizator – refers to the machinery that records bets as they are made and calculates odds.

SEC. 4 *Creation of the Philippine Thoroughbred Horseracing Authority.* –

There is hereby created a body corporate to be known as the Philippine Thoroughbred Horseracing Authority, hereinafter referred to as the Authority, which shall be attached to the Office of the President. The Philippine Racing Commission created under Presidential Decree No. 420 is hereby abolished.

The Authority shall have its principal place of business in Metro Manila and it may establish other offices elsewhere in the Philippines as may be necessary for the efficient and effective conduct of its operations and business.

SEC. 5. *Corporate Powers and Functions.* - The Authority shall be vested with quasi-judicial functions and shall have exclusive jurisdiction in the supervision and control over all aspects of the conduct of Thoroughbred horseracing and horse breeding, including the importation and exportation of breeding stock, framing and scheduling of races, ownership, construction and safety of racetracks, allocation of prizes, and security of horseracing: *Provided*, That the veterinary quarantine of horses shall be a function of the Bureau of Animal Industry of the Department of Agriculture.

The Authority shall have the following powers and functions:

- (a) Formulate an integrated development framework for Thoroughbred horseracing and horse breeding;

- 1 (b) Register race horses, horse owners, trainers, assistant trainers, jockeys,
2 apprentice jockeys, jockey's helpers, grooms, grooms' helpers and
3 associations thereof including racing clubs and their racing operation
4 personnel;
- 5 (c) Regulate the construction and safety of race tracks including
6 equipment and facilities appurtenant thereto to ensure safety and
7 security of horse racing, the welfare of the participants, and the welfare
8 of horses;
- 9 (d) Handle the framing and scheduling of races taking into consideration
10 the respective operations of the franchise holders
- 11 (e) Allocate prizes and grant permits for the holding of races;
- 12 (f) Supervise all race meetings to assure integrity of the races at all times
13 and order the suspension of any racing event in case of violation of any
14 law, ordinance, or rules and regulations;
- 15 (g) Spearhead the promotion and marketing of all aspects of the Philippine
16 Thoroughbred horseracing industry;
- 17 (h) Upon petition of any party or on its own discretion, after giving notice
18 and conducting a hearing, modify, suspend or revoke any permit or
19 license for failure to comply with and/or for violation of any provision
20 of law or any order, rules or regulations issued therewith: *Provided,*
21 *however,* That the Authority may, without notice, order the temporary
22 suspension of such permit/license whenever, in its judgment it finds it
23 necessary and it is for the best interest of the horseracing industry;
- 24 (i) Except in cases where summary actions are taken in the settlement of
25 dispute and other problems connected with the conduct of horseracing,
26 the Authority shall act as a body, and all hearings and investigations
27 before it shall be governed by the rules of procedures as may be
28 adopted by it: *Provided,* That orders, rulings and decisions may be
29 appealed to the President of the Philippines within fifteen (15) days
30 from receipt of such order, ruling and decision.
- 31 (j) Issue *subpoena duces tecum* or *subpoena ad testificandum* or require
32 the production of documents material to the investigation of any case;

- 1 (k) Impose fines, penalties and forfeitures to erring parties under its rules
2 and regulations, which fines, penalties and forfeitures shall accrue to
3 the funds of the Authority;
- 4 (l) Review, modify, approve or disapprove the rules and regulations
5 issued by any person or entity concerning the conduct of horse races
6 held by them;
- 7 (m) Maintain the Philippine National Stud Book;
- 8 (n) Prescribe such rules and regulations, procedures and guidelines in the
9 governance of Thoroughbred horse-breeding and horseracing;
- 10 (o) Enforce the provisions of this Act and all rules and regulations related
11 to horseracing: *Provided, That*, the Games and Amusements Board
12 shall continue to exercise its supervisory and regulatory powers over
13 the betting aspect of Thoroughbred horseracing as provided for under
14 Sections 6, 11, 15, 18 and 24 of Republic Act No. 309, otherwise
15 known as An Act to Regulate Horse Racing in the Philippines, and
16 embodied under Section 8 of Presidential Decree No. 420, otherwise
17 known as An Act Creating the Philippine Racing Commission;
- 18 (p) To sue and be sued, enter into contracts, acquire, purchase, hold, lease,
19 transfer, dispose of property of any kind or nature necessary to carry
20 out the purposes of this Act;
- 21 (q) Receive and administer donations, contributions, grants, bequest or
22 gifts in cash or in kind from foreign governments, international
23 agencies, private entities, and other sources, subject to existing laws,
24 rules and regulations;
- 25 (r) Prescribe, alter and repeal its by-laws; determine and make its
26 operating policies; and promulgate rules and regulations as may be
27 necessary and expedient for the conduct of its operations and business;
- 28 (s) Obtain insurance for or require the insurance of any property, movable
29 or immovable belonging to the Authority;
- 30 (t) Exercise all powers of a corporation under the Corporation Code
31 insofar as they are not inconsistent with the provisions of this Act.

1 The Authority shall strictly observe the requirements of due process in all its
2 proceedings affecting any person or entity under its supervision, especially the giving
3 of notices and opportunities to be heard.

4 **SEC. 6. Board of Directors.** - The corporate powers and functions of the
5 Authority shall be vested in and exercised by a Board of Directors, hereinafter
6 referred to as the Board, which shall be composed of a Chairman and six (6) members
7 who shall be appointed by the President of the Philippines: *Provided*, That of the six
8 (6) appointive members, one (1) of whom shall represent the horse owners'
9 association, one (1) of whom shall represent the trainers' association, and one (1) of
10 whom shall represent the jockeys' association.

11 **SEC. 7. Term of Office.** -The term of office of the members of the Board
12 shall be six (6) years: *Provided*, That, the term of the first six (6) members of the
13 Board shall be four (4), five (5) and six (6) years for every two (2) members,
14 respectively: *Provided*, further, That they shall continue to hold office until their
15 successors shall have been appointed and duly qualified. All vacancies, prior to the
16 expiration of the terms, shall be filled for the unexpired term only.

17 **SEC. 8. Meetings of the Board.** - The members of the Board shall meet
18 regularly once a week and as often as the exigencies of the service may demand.
19 The Board shall be convoked by the chairman or upon the written request of at least
20 three (3) of its members. The presence of a majority of the members of the Board
21 shall constitute a quorum, and the vote of a majority of the members present shall be
22 necessary for the adoption of any rule, resolution, decision or any other corporate act.

23 **SEC. 9. Per Diems.** - The chairman and the members of the Board shall
24 receive *per diems* for each meeting actually attended at such amount as may be fixed
25 by the Board in accordance with existing laws, rules and regulations.

26 **SEC. 10. Powers, Functions and Duties of the Board of Directors.-**

27 The Board shall have the following powers, functions and duties:

- 28 a. Formulate policies, guidelines and programs to effectively implement and
29 carry out the purposes, objectives and powers of the Authority;
- 30 b. Prescribe and periodically review and revise the amount of the fees, charges
31 and fines as well as the penalties and forfeitures imposed on erring parties;
- 32 c. Adopt by-laws consistent with the provisions of this Act and amend, repeal or
33 alter the same;

- d. Promulgate such rules and regulations, after the conduct of a public hearing, as may be necessary and proper for the effective exercise of the powers and functions, as well as the discharge of the duties and responsibilities of the Authority, its officers and employees;
- e. Authorize such expenditures of the Authority as may be necessary and proper for its effective management, operation and administration;
- f. Upon the recommendation of the General Manager of the Authority, to determine and approve its organization and administrative structure or pattern, and fix the compensation scheme of the officers and employees of the Authority, in accordance with the revised compensation and position classification system;
- g. Approve the annual and supplemental budget of receipts and expenditures of the Authority;
- h. Appoint, promote, transfer, remove, suspend or otherwise discipline the officers of the Authority occupying executive and senior management positions, subject to existing laws, rules and regulations; and
- i. Exercise such other powers and functions as may be necessary and proper for the attainment of the purposes and objectives of the Authority.

SEC. 11. *Organization of the Authority.* - The Authority shall be headed by a General Manager who shall be appointed by the President of the Philippines. He/she must be a citizen of the Philippines, a publicly-recognized personality in the field of horseracing, at least thirty (30) years of age, a college graduate and of good moral character, and whose term shall be co-terminus with the Chairman of the Board. He/she shall be entitled to salary and allowances to be determined by the Board in accordance with the salary standardization law. All other officials and employees of the authority shall be appointed on the basis of merit and fitness based on a comprehensive and progressive merit system to be established by the Authority immediately upon its organization and consistent with Civil Service rules and regulations. The recruitment, transfer, promotion and dismissal of all personnel of the Authority, including temporary workers, shall be governed by such merit system.

SEC. 12. *Powers and Duties of the General Manager.* - The General Manager shall have the following powers, functions and duties:

- a. Implement, enforce and apply the policies, programs, guidelines, procedures, decisions, rules and regulations promulgated, prescribed, issued or adopted by the Board;
- b. Manage the day to day affairs of the Authority and ensure its operational efficiency;
- c. Sign contracts, approve expenditures and payments within the budget provisions and perform any or all acts for the proper operation of the Authority; and
- d. Perform such other duties as the Board may assign from time to time.

SEC. 13. *Setting of Charges and Fees.* - The Board, after a public hearing, shall determine, fix, impose, collect or receive reasonable charges, fees, dues or assessments with respect to issuance of licenses and permits. All charges and fees shall be formally promulgated as well as amendments and changes thereto. Pending the promulgation of such new schedule of charges and fees, the current charges and fees shall continue to apply.

SEC. 14. *Issuance of Implementing Rules and Regulations.* - The Board shall prepare the rules and regulations as may be necessary to implement the provisions of this Act. All rules and regulations issued in accordance with the provisions of this Act shall be formally promulgated and periodically reviewed and updated by the Board. Pending the promulgation of such new rules and regulations, the current rules and regulations shall continue to apply.

SEC. 15. *Annual Budget.* - The Board shall cause to be prepared and shall adopt an annual budget of income and expenditures as well as the capital outlay for the ensuing year.

SEC. 16. *Retention of Income and Special Trust Fund.* - The sum equivalent to one percent (1%) of the gross receipts derived from the total sale of tickets for all racing events shall be retained by the Authority. All dues, fees, charges, and other sums imposed and collected by the Authority shall form part of a Special Trust Fund and will be used for its operational expenses and shall be disposed of in accordance with the provisions of this Act: *Provided, That*, at least sixty percent (60%) of the retention income shall be allocated for prizes.

SEC. 17. *Investment of Funds.* - The Authority, may, from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or

1 in the discharge of the functions of the Authority, in such government deposits and/or
2 securities as approved by the Board.

3 **SEC. 18. Auditor.** - In consonance with existing laws and regulations, the
4 Commission on Audit (COA) shall appoint a representative who shall be the Auditor
5 of the Authority, as well as the necessary personnel to assist said representative in
6 the performance of his/her duties.

7 **SEC. 19. Legal Counsel.** - The Office of the Government Corporate Counsel
8 shall be the Legal Counsel of the Authority: *Provided, That*, the Authority shall
9 establish its own legal department to handle the day-to-day matters affecting the
10 affairs of the Authority.

11 **SEC. 20. Annual Report.** - The Board shall submit to the President of the
12 Philippines, and to both Houses of Congress, together with the Auditor's Report, an
13 annual report generally dealing with the activities and operations of the Authority
14 during the preceding year and containing such information relating to the operations
15 of the Authority.

16 **SEC. 21. Transitory Provisions.** -

- 17 a. **Transfer of Assets.** - All existing assets, buildings, rights, interest and
18 other properties, whether movable or immovable, belonging to the
19 Philippine Racing Commission are hereby transferred to the Authority.
- 20 b. **Transfer of Liabilities and Debts.** - Upon transfer to and acceptance by
21 the Authority of the existing assets, building and other properties,
22 movable and immovable, referred in the preceding section, all liabilities,
23 debts, and obligations of the Philippine Racing Commission shall be
24 assumed by the Authority.
- 25 c. **Transfer of Personnel.** - Officials and employees of the Philippine
26 Racing Commission shall be absorbed by the Authority on the basis of
27 merit and fitness: *Provided, That*, employees who shall be separated by
28 reason of this Act shall be given all the benefits they maybe entitled to
29 under existing laws.
- 30 d. **Holdover Status of Incumbent Board .-** The members of the incumbent
31 Board shall be on a holdover status until the new members shall have
32 been duly appointed under this Act.

1 **SEC. 22. *Enforcement of This Act.*** – The Authority shall call on the
2 support of all law enforcement agencies both national and local to enforce the
3 provisions of this Act.

4 **SEC. 23. *Separability Clause.*** - If any part or provision of this Act shall be
5 declared unconstitutional, the other parts or provisions hereof which are not affected
6 thereby shall continue in full force and effect.

7 **SEC. 24. *Repealing Clause.*** - Presidential Decree No. 420, except the powers
8 and functions of the Games and Amusements Board embodied under Section 8 and
9 the Funding Provision under Section 11 thereof, is hereby repealed. All laws,
10 presidential decrees, executive orders, rules and regulations or parts thereof
11 inconsistent with the provisions of this Act are hereby repealed or modified
12 accordingly.

13 **SEC. 25. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
14 complete publication in the *Official Gazette* or in at least two (2) national newspapers
15 of general circulation.

16 Approved,