

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 3934

Introduced by Honorable Emil L. Ong and Honorable Tomas Apacible

EXPLANATORY NOTE

This bill seeks to grant Agricultural Beneficiary Association Community Assistance, Inc. (ABACA) a franchise to construct, operate and maintain a Greyhound Racetrack and Breeding Facility in the Philippines.

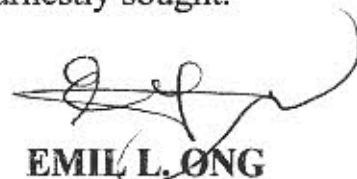
Greyhound racing has gained immense popularity all over the world in which trained greyhounds chase a lure or bait down a straight stretch of course. The dog that crosses the finish line first is declared the winner. It is being conducted in many countries as it is a good source of revenue for the government, particularly in attracting foreign investors and tourists.

Greyhound breeding on the other hand, will strengthen the import and export of outstanding race dogs, not to mention the technology transfer and training of personnel to become experts in the management of greyhounds not only in the country but worldwide.

The operation of the proposed racetrack for dog racing shall be subject to the supervision and regulation of the Games and Amusements Board. The Bureau of Animal Industry, on the other hand, will supervise and regulate the breeding of said dogs. Once the racetrack becomes operational, there is no doubt that the local greyhound racing and breeding will realize their full potential. At the same time, the well-being and safety of the dogs will be assured.

In view of the foregoing, approval of this bill is earnestly sought.


TOMAS APACIBLE


EMIL L. ONG

December 13, 2010

FOR : HON. EMIL L. ONG
Representative
2nd District, Northern Samar

**SUBJECT: BILL ENTITLED, "AN ACT GRANTING THE
AGRICULTURAL BENEFICIARY ASSOCIATION
COMMUNITY ASSISTANCE, INC. (ABACA) A
FRANCHISE TO CONSTRUCT, OPERATE AND
MAINTAIN A GREYHOUND RACETRACK AND
BREEDING FACILITY IN ANY PLACE WITHIN
THE PHILIPPINES."**

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AN ACT

**GRANTING THE AGRICULTURAL BENEFICIARY ASSOCIATION
COMMUNITY ASSISTANCE, INC. (ABACA) A FRANCHISE TO
CONSTRUCT, OPERATE AND MAINTAIN A GREYHOUND
RACETRACK AND BREEDING FACILITY IN ANY PLACE WITHIN THE
PHILIPPINES**

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

SECTION 1. *Nature and Scope of Franchise.* – Any provision of law to the contrary notwithstanding, there is hereby granted to Agricultural Beneficiary Association Community Assistance, Inc. (ABACA), a corporation duly organized and registered under the laws of the Philippines, hereinafter called the grantee, its successors or assigns, the right, privilege and authority to construct, operate and maintain a greyhound racetrack and breeding facility in the Philippines, to establish such branches thereof for booking purposes anywhere in the Philippines, and hold or conduct greyhound racing with bettings on the results of the races, either directly or by means of any mechanical, electrical or computerized

totalizator, including, but not limited to, satellite wagering and to do and carry out all such acts, deeds and things as may be necessary to give effect to the foregoing: *Provided*, That the establishment of off-track betting stations anywhere in the country shall be subject to the approval and consent of the local government unit where the off-track betting station shall be established.

SEC. 2. *Authority of the Games and Amusements Board and the Bureau of Animal Industry.* – The races to be conducted by the grantee, as well as the betting in greyhound racing, shall be under the supervision and regulation of the Games and Amusements Board which shall enforce the laws, rules and regulations governing greyhound racing, including the framing and the scheduling of races, the construction and safety of racetracks, the allocation of prices for the winning greyhound and the security of racing. All racing officials and personnel to be employed by the grantee shall be duly licensed by the Games and Amusements Board.

Breeding operations and other activities related thereto shall be under the supervision and regulation of the Bureau of Animal Industry (BAI) which shall formulate and enforce the laws, rules and regulations governing greyhound breeding, including treatment, confinement and maintenance of facilities related thereto, as well as the transport of dogs in any public or private transportation facility. The BAI shall ensure that no injury is inflicted upon the greyhounds at all

times.

SEC. 3. *Term of Franchise.* – This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act. This franchise shall be deemed suspended in the event that the grantee fails to comply with any of the following conditions:

a. Commence construction of the racetrack, breeding facility and its accessories within three (3) years after all pertinent government permits shall have been secured; and

b. Commence operation within three (3) years after the completion of the foregoing construction of the racetrack, breeding facility and its accessories.

The grantee shall secure from the Department of Environment and Natural Resources (DENR), and such other government agencies, the necessary Environmental Compliance Certificate and other permits for the construction of its racetrack and breeding facility. The grantee shall likewise secure from the Department of Agriculture (DA) the necessary permits for the breeding and importation of the greyhounds.

SEC. 4. *Computerized and Mechanical Devices.* – The grantee shall provide and operate, and is hereby authorized to do and carry-out all such acts, deeds and things as may be necessary for the effective conduct of the business under this franchise and, to achieve an orderly, clean and honest greyhound racing,

the grantee shall, in particular, provide and operate any mechanical, electrical or computerized devices, equipment and facilities including, but not limited to:

- a. Photo patrol or other electronic devices or camera;
- b. Automatic starter;
- c. Photo finish devices;
- d. Facilities or devices for tattoo branding of greyhounds for proper identification;
- e. Facilities, laboratories and instrument for testing drugs;
- f. Weighing machines and devices for the measurement of greyhounds;
- g. Electric or computerized totalizator;
- h. Machines directly connected to a computer in a display board for the sale of tickets, including those sold in off-track betting stations;
- i. Modem sound system and loud speaker facilities;
- j. Modem telecommunications, satellite facilities and broadcasting equipment and facilities, whether at the grantee's tracks or off-track betting stations, for receiving and transmitting, whether live or otherwise, messages, signals and pictures by any means now known or which in the future may be developed for the reception and transmission of messages, signals and pictures relating to the betting system, the actual conduct of greyhound races, the announcements of winning numbers and dividends paid or to be paid thereon, and

any other information relating to the conduct and promotion of greyhound races *within or outside the Philippines*;

k. Continuous and back-up power supply, and such other instruments, devices, equipment, facilities and systems;

l. Facilities that will bring safety, security, comfort and convenience to the public; and

m. Such other facilities, devices and instruments that will ensure clean, honest and orderly racing and betting on greyhound races. In case of failure to provide and install any of the abovementioned equipment or facilities by the grantee, the Games and Amusements Board or any government agency specifically tasked to oversee greyhound racing shall forthwith suspend and prohibit the holding of races by the grantee until such time as the said equipment or facilities are provided and installed.

SEC. 5. *Offering, Taking or Arranging Bets for Races.* –The grantee or its duly authorized agent may offer, take or arrange bets for greyhound races conducted in the racetrack, in person or by any electronic or other means of processing transactions, anywhere in the Philippines, whether within or outside the place, enclosure or track where greyhound races are held, in on-track or off-track betting stations, in advance of and during scheduled races held or conducted in the Philippines. No other entity or person other than the grantee or its duly authorized

agents or licensees shall offer, take or manage any bets on any greyhound participating in any race conducted by the same, or maintain or use a totalizator or any other device, method or system to bet on any greyhound races conducted or operated by the same grantee.

SEC. 6. *Penalties.* – Any person found to have violated the provisions of the aforementioned section shall be punished by a fine of not less than Fifty thousand pesos (₱50,000.00) but not more than One hundred thousand pesos (₱100,000.00) or by imprisonment for a minimum of six (6) months and a maximum of one (1) year, or both, at the discretion of the court. If the offender is a corporation, partnership or association, the criminal liability shall devolve upon its president, managing partner or manager responsible for such violation.

SEC. 7. *Terms of Betting Tickets.* – The grantee shall publish and display prominently and in appropriate places the terms and conditions regarding the sale of betting tickets.

SEC. 8. *Distribution of Total Wager Funds or Gross Receipts.* – The total wager funds or gross receipts from the sale of betting tickets shall be apportioned as follows:

- a. Eighty percent (80%) shall be distributed in the form of dividends among the holders of winning tickets, less documentary stamp taxes;
- b. Fourteen percent (14%) shall be retained by the grantee as its commission

fee for conducting greyhound races;

c. Five percent (5%) shall be set aside for the payment of stakes or prizes of win, place and show of greyhounds; and

d. One percent (1%) shall be set aside for use of the Games and Amusements Board.

SEC. 9. **Breakage.** – The receipts from the betting corresponding to the fractions of less than Ten centavos ($\square 0.10$) eliminated from the dividends paid to the winning tickets, commonly known as breakage, shall be set aside as follows:

a. Fifty percent (50%) for the benefit of the Games and Amusements Board, subject to the condition that the funds shall be used exclusively for the payment of additional prizes for races sponsored by the Games and Amusements Board and for the necessary capital outlays and other expenditures for the care and comfort of dogs;

b. Twenty-five percent (25%) for barangay health centers in the locality where the racetrack is situated; and

c. Twenty five percent (25%) for the rehabilitation of drug addicts, as provided in Republic Act No. 6425, as amended, otherwise known as “*The Dangerous Drugs Act of 1972.*”

SEC. 10. **Schedule of Races.** – The provision of any existing law to the contrary notwithstanding, the grantee is hereby authorized to hold races for at least

two (2) days during the week as may be determined by the Games and Amusements Board, and all Saturdays, Sundays and official holidays of the year, excluding Thursdays and Fridays of the Holy Week, and those official holidays where the law expressly provides that no races are to be held. The grantee may also conduct races on the eve of any public holiday to start not earlier than five o'clock in the afternoon.

SEC. 11. *Documentary Stamps.* – On each greyhound racing ticket, there shall be collected a documentary stamp tax of Ten centavos (₱0.10); *Provided*, That if the cost of the ticket exceeds One peso (₱1.00), an additional tax of Ten centavos (₱0.10) on every One peso (₱1.00) or fractional part thereof shall be collected.

SEC. 12. *Taxes on Winnings.* – Every person who wins in greyhound racing shall pay a tax equivalent to ten percent (10%) of his winnings or dividends, the tax to be based on the actual amount paid to him for every winning ticket after deducting the cost of the ticket. The taxes herein prescribed shall be deducted from the dividends corresponding to each winning ticket or the prize of each winning race greyhound owner and withheld by the operator, manager or person in charge of the greyhound races before paying the dividends or prizes to the persons entitled thereto.

The operator, manager or person in-charge of greyhound races shall, within

twenty (20) days from the date the tax was deducted and withheld in accordance with the preceding paragraph, file a true and correct return with the Commissioner of Internal Revenue in the manner or form prescribed by the Secretary of Finance, and pay within the same period the total amount of tax so deducted and withheld.

SEC. 13. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired hereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest of the grantee be transferred to any such private person, firm, company, corporation or entity without the approval of the Congress of the Philippines: *Provided*, That the foregoing limitation shall not apply to: (a) any transfer or issuance of shares to any investor pursuant to or in connection with any increase in the grantee's authorized capital stock which shall result in the dilution of the stockholdings of the grantee's then existing stockholders; (b) any transfer or sale of shares of stock to an investor or investors; (c) any sale, transfer or assignment by the stockholders of the grantee in favor of a holding company whose stockholders are identical to the stockholders of the grantee; and (d) any combination thereof where such transfer, sale or issuance is effected in order to enable the grantee to raise the necessary capital or financing for the provision of any service authorized by this Act and or carry out any of the purposes for which the grantee has been incorporated or organized. Any

person or entity to which this franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SEC. 14. ***Equality Clause.*** – In the event that any competing individual, partnership or corporation receives or enjoys or shall receive similar permit or franchise with terms, provisions and privileges more favorable than those herein granted or which tend to place the herein grantee at any disadvantage, then such terms or provisions shall be deemed part hereof *ipso facto* and shall operate equally in favor of the herein grantee.

SEC. 15. ***Dispersal of Ownership.*** – The grantee shall offer at least twenty *per centum* (20%) of its outstanding capital stock or higher percentage that may hereafter be provided by law in any securities exchange in the operation of the racetracks of the grantee.

SEC. 16. ***Warranty in Favor of National and Local Governments.*** – The grantee shall hold the national, provincial and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to persons, caused by the construction or operation of the racetracks of the grantee.

SEC. 17. ***Acceptance and Compliance.*** – Acceptance of this franchise shall be given in writing within sixty (60) days after the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted

under this Act. Non-acceptance shall render the franchise void.

SEC. 18. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 19. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 20. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,

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GEN-1501-120810-0510
ong.emilgreyhoundracing.