

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



FIFTEENTH CONGRESS

Second Regular Session

6390

House Bill No. _____

Introduced by **Hon. Mark Aeron H. Sambar**

EXPLANATORY NOTE

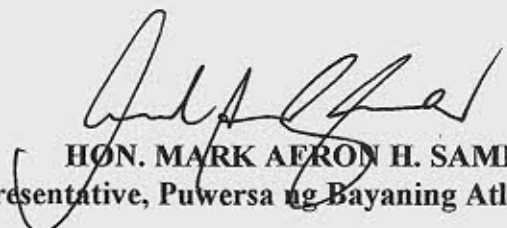
The Philippine Sports Commission (PSC) was created by virtue of Republic Act No. 6847 way back in January of 1990. It was intended as the lead entity that shall oversee, reform, and jumpstart the state of Philippine sports. However, twenty one (21) years after its existence, the expected improvement and development of Philippine sports under the PSC still is wanting.

The PSC failed to neither surpass nor even just approximate the many successes that the country produced in the field of sports with the likes of Akiko Thompson, Lydia De Vega, Elma Muros, Paeng Nepomuceno, Eric Buhain, and Efren "Bata" Reyes, among many others. Issues like lack of a comprehensive national sports program, obsolete training methods, the lack of state-of-the art facilities and modern equipment are seen as the culprit in the country's poor performance in various international competitions.

This bill seeks to create a Department of Sports that shall take the lead in providing the much needed leadership in sports development in the Philippines. The Department of Sports, a cabinet-level agency, shall provide necessary impetus, direction, and policy guidance in order to improve the performance of the country in international sporting events and competitions. Said agency shall likewise take the lead in developing Filipino athletes to their fullest potentials.

It is hoped that once the Department of Sports is established, sports would once again become an integral component of youth development, a galvanizing force for National Unity, and a source of national pride.

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


HON. MARK AERON H. SAMBAR
Representative, Pwersa ng Bayaning Atleta Party List

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House Bill No. **6390**

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AN ACT
CREATING THE DEPARTMENT OF SPORTS, DEFINING ITS POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

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

ARTICLE I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as “*Department of Sports Act of 2012*”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote and sustain fitness, physical education and sports development in the country. As such, it shall maintain and provide equal access to resources, services and facilities related to sports to all Filipinos to foster and promote health and physical fitness, self-discipline, teamwork, excellence, peace and camaraderie, youth development, and people empowerment through sports.

It shall also encourage wider participation of all sectors, including the government and private sector, in amateur sports promotion and development and shall be led by a single, unified and integrated national sports policy-making body.

ARTICLE II
DEPARTMENT OF SPORTS

SEC. 3. *Creation of the Department of Sports.* – There is hereby created the Department of Sports, hereinafter referred to as the “Department”, which shall carry out the above-declared policy and assume the promotion and development of sports and physical fitness in the country.

SEC. 4. *Mandate.* - The Department shall be the primary policy, planning, coordinating, implementing, regulating and administrative entity of the executive branch of the Government that will plan, promote and help develop sports and physical fitness in the country.

SEC. 5. *Objectives of the Department.* – The objectives of the Department are the following:

- a) to prepare, formulate, implement and oversee an integrated sports promotion and development program for the Philippines in consultation with the stakeholders as well as other government agencies, non-government organizations, associations and groups involved in sports;
- b) to promote a nationwide grassroots-based sports development program and strengthen the sports club system;
- c) to encourage the participation of Filipino athletes in regional and international sports competitions including but not limited to the South East Asian Games, the Asian Games, the Olympics, the Paralympics, the Universiade or World University Games as well as international, regional and world competitions staged by other reputable international sports associations, federations and/or organizations;
- d) to provide leadership in the development of sports in the Philippines, formulate the policies and set the priorities and direction of all national amateur sports promotion and development, particularly giving emphasis on grass-roots development and participation;
- e) to encourage wider participation of all sectors, including the government and the private sector, in amateur sports promotion and development especially among the Filipino youth;

- f) to improve the performance of Filipino athletes in regional and international sports competition and develop athletes to become a source of national pride;
- g) to provide resources, services and facilities to enable Filipinos to pursue and achieve excellence in sport while also furthering other aspects of their personal development;
- h) to foster peace and camaraderie within the country thru competitive and recreational sports;
- i) to improve the sporting abilities of Filipinos generally through the improvement of the standard of sports coaches;
- j) to foster cooperation in sports between the Philippines and other countries through the provision of access to resources, services and facilities related to sports; and
- k) to supplement government appropriations for sports promotion and development by encouraging the private sector to contribute in the funding of the various programs of the Department.

SEC. 6. *Functions of the Department.* – The Department shall perform the following functions:

- a) to advise the President on all matters pertaining to sports in general;
- b) to prescribe the criteria and standards for the recognition of national sports associations in different sports in the Philippines;
- c) to prescribe criteria and standards for the participation of athletes and teams in international competitions;
- d) to coordinate the activities of, and to facilitate cooperation among, the various sectors involved in sports, including among others, the National Sports Associations, public and private schools, government corporations and entities, local government units, the Armed Forces of the Philippines, and other sports organizations and private corporations;
- e) to encourage and organize, in consultation with the national sports associations and related organizations, national, regional and international sports competitions, events and games;
- f) to develop and implement programs for the recognition and development of:
 - i. persons who excel, or who have the potential to excel, in sport; and
 - ii. persons who have achieved, or who have the potential to achieve, standards of excellence as sports coaches, umpires, referees or officials

- essential to the conduct of sports;
- g) to plan and promote physical education in the Philippines;
 - h) to initiate, encourage and facilitate research and development in relation to sports;
 - i) to undertake research and development related to sports science and sports medicine and to prepare and publish such reports or periodicals on these matters as it thinks fit;
 - j) to provide sports medicine services and sports science services to persons participating in programs of the Department;
 - k) to establish, develop and maintain fully-equipped sports facilities and centers in strategic places in the country and, as far as practicable, such modern sports complexes adequate for major international and regional competitions, events and games;
 - l) to rationalize and regulate the establishment of publicly-funded sports complexes and supervise the management and maintenance thereof, excluding school or college-owned sports complexes;
 - m) to collect and disseminate information, and provide advice, on matters related to the activities of the Department;
 - n) to plan and formulate policies and programs and review or evaluate, from time to time, the organizational set-up, projects and programs of the Department;
 - o) to assist the proper government agency in the formulation of an industry incentives program for the manufacture in the Philippines of sports equipment and supplies of international standard and quality;
 - p) to recommend and propose to the Department of Education, Department of Interior and Local Government and other government agencies and instrumentalities having their own sports programs, to incorporate in their respective annual budgets a separate and specific budget for sports promotion and development;
 - q) for the purpose of fostering cooperation in sports between the Philippines and other countries, to provide access to persons from other countries to the resources, services and facilities of the Department;
 - r) to provide advice on matters related to sports to persons, bodies or associations involved in sports;
 - s) to cooperate with national and international sporting organizations in fostering an environment that is free from the unsanctioned use of performance enhancing

1 drugs and doping methods;

- 2 t) to encourage, promote and sustain the creation and establishment of regional,
3 provincial, municipal and barangay or school district sports promotion and
4 development councils, composed of officials of the Department of Education,
5 Department of Interior and Local Government, local government officials, and
6 representatives of the private sector, which shall initiate, conduct and coordinate
7 sports activities in their respective jurisdictions; and
8 u) to exercise such other acts as are necessary or incidental to and/or are appropriate
9 and proper in connection with the creation of the Department.

10 **SEC. 7. Powers of the Department.** - The Department has the power to do all acts
11 and things necessary to be done for or in connection with the performance of its functions,
12 including:

- 13 a) to appoint the officers and other personnel of the Department and fix their
14 compensation subject to existing laws, rules and regulations;
15 b) to delegate authority for the performance of any function to officers and
16 employees under its direction;
17 c) appoint committees consisting of persons who may or may not be members of the
18 Department and delegate to such committees such of its functions as the
19 Department may determine;
20 d) to enter into contracts;
21 e) recommend minimum standards for participation in international sports
22 competitions and games;
23 f) advise on the planning, promotion and standards of physical education;
24 g) to acquire, use and control any land, building, facilities, equipment, instruments,
25 tools and rights required or otherwise necessary for the accomplishment of the
26 purposes of the Department;
27 h) to acquire, own, possess and dispose of any real or personal property;
28 i) to regulate the acquisition, procurement, distribution and use of sportswear,
29 equipment, instruments, tools and other sports necessities necessary and required
30 for training of a national pool of athletes;
31 j) to assist and support national sports associations in the implementation of Section
32 37 of this Act;
33 k) to confer, extend and grant awards, benefits and privileges to athletes, coaches and

- officials for outstanding performances in national and international competitions;
- l) to confer, extend and grant support or assistance to sports associations which are in good standing with the Department;
 - m) to exercise supervisory and visitorial powers over the national sports associations in connection with their sports promotion and development programs with respect to which financial assistance is extended by the Department;
 - n) to accept donations, gifts, bequests, and grants for the purposes of the Department;
 - o) to ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets;
 - p) to impose sanctions upon any national sports association, institution, association, body, entity, team, athlete and sports official for violation of its policies, rules and regulations; and
 - q) to perform any and all other acts incident to or required by virtue of its creation.

SEC. 8. *Composition of the Department.* – The Department of Sports shall be headed by a Secretary. The Department proper shall be composed of the Office of the Secretary, the offices of the Undersecretaries and the Assistant Secretaries.

SEC. 9. *Secretary of Sports.* – The Secretary shall be appointed by the President, subject to confirmation by the Commission on Appointments.

The Secretary shall have the following functions:

- a) Provide executive direction and supervision over the entire operations of the Department and its attached agencies;
- b) Establish policies and standards for the effective, efficient and economical operation of the Department, in accordance with the programs of the Government;
- c) Rationalize delivery systems necessary for the effective attainment of the objectives of the Department in accordance with the programs of the Government;
- d) Review and approve request for financial and manpower resources of all operating offices of the Department;
- e) Designate and appoint officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with the Civil Service laws, rules and regulations;
- f) Coordinate with LGUs, other agencies and public and private interests groups,

1 including non-government organizations (NGOs) and people's organizations (POs) on
2 Department policies and initiatives;

3 g) Advice the President on the promulgation of executive and administrative
4 orders and regulatory and legislative proposals on matters pertaining to the promotion and
5 development of sports and physical fitness in the country;

6 h) Formulate such rules and regulations and exercise such other powers as may
7 be required to implement the objectives of this Act;

8 i) Perform such other tasks as may be provided by Law or assigned by the
9 President from time to time.

10 **SEC. 10. *Undersecretaries.*** - The Secretary shall be assisted by three (3)
11 Undersecretaries, who shall be appointed by the President upon the recommendation of the
12 Secretary; provided that one (1) of the Undersecretaries shall be a career officer coming from
13 ranks of existing government institution or office on sports or qualified individuals in the
14 private sector who actively supports the promotion and development of sports in the country.

15 **SEC. 11. *Assistant Secretaries.*** - The Secretary shall be assisted by three (3)
16 Assistant Secretaries who shall be career officers appointed by the President upon the
17 recommendation of the Secretary.

18
19 **SEC. 12. *Qualifications.*** - No person shall be appointed Secretary, Undersecretary or
20 Assistant Secretary of the Department unless he is a citizen and resident of the Philippines,
21 publicly-recognized personalities in the field of sports, at least thirty (30) years of age, of
22 good moral character, and of proven integrity.

23 **SEC. 13. *Regional Offices.*** - The Department shall be authorized to establish,
24 operate, and maintain Regional Office in each of the administrative regions of the country as
25 the need arises. The regional office shall be headed by a Regional Director, who may be
26 assisted by one (1) Assistant Regional Director. The Regional Offices shall have, within their
27 respective administrative regions, the following functions:

28 a) Implement laws, policies, plans, programs, projects, rules and regulations of
29 the Department;

30 b) Provide efficient and effective service to the people;

31 c) Coordinate with regional offices of other departments, offices, and agencies;

- d) Coordinate with LGUs;
- e) Perform such other functions as may be provided by law or assigned by the Secretary.

SEC. 14. *Transfer of Agencies and Personnel.* – The Philippine Sports Commission (PSC) is hereby abolished, and their powers and functions, applicable funds and appropriations, records, equipment, property, and personnel shall be transferred to the Department.

The laws and rules on government reorganization as provided for in Republic Act No. 6656, otherwise known as the Reorganization Law, shall govern the reorganization process of the Department.

SEC. 15. *Separation from Service.* - Employees separated from the service as a result of this reorganization shall, within ninety (90) days therefrom, receive the separation and retirement benefits to which they may be entitled under Executive Order No. 366. Provided that such separation pay and retirement benefits shall have priority of payment out of the savings of the department or agency.

SEC. 16. *Structure and Staffing Pattern.* - The Department shall determine its organizational structure and create new divisions or units as it may deem necessary, and shall appoint officers and employees of the Department in accordance with the Civil Service Law, rules, and regulations.

SEC. 17. *Regular Bureaus, Divisions and Offices.* - The Department shall organize bureaus, divisions, and offices in such manner as would best carry out the declared policies and objectives enunciated herein and consistent with the provisions of civil service laws, rules, and regulations. There shall be an administrative services bureau, which shall be primarily responsible for providing services related to financial management, personnel, records, supplies and equipment, and a support services bureau, which shall be primarily responsible for plans and programs formulation, research, EDP and system management, public information and production, transportation, communications and such other functions and responsibilities as may be necessary and required by the Department.

SEC. 18. *Specialized Bureaus.* – In addition, there are hereby created two (2)

specialized bureaus under the Department to ensure the proper implementation of this Act:
(a) the Amateur Sports Development Bureau, and; (b) the International Sports Development Bureau, both of which shall be headed by Deputy Executive Directors.

ARTICLE III AMATEUR SPORTS DEVELOPMENT BUREAU

SEC. 19. *Amateur Sports Development Bureau.* - The Amateur Sports Development Bureau shall be primarily responsible for the promotion and development of amateur sports in the Philippines. The Division of Amateur Sports shall have authority over all matters relating to amateur sports.

SEC. 20. *Functions.* - The Amateur Sports Development Bureau shall have the following functions:

- a) Plan, implement and encourage a mass-based sports and physical fitness, program for the youth, senior citizens, the disabled and the entire citizenry, through the promotion of a sports club system and of amateur sports in formal and informal setting;
- b) Promote social and cultural integration through the revival of traditional and indigenous games and sports;
- c) Identify and nurture sports talents for further development and promote excellence in sports, traditional games and other physical activities;
- d) Recommend to the Department the formulation of policies and programs that will foster the development of amateur sports in the grassroots level;
- e) Impose sanctions on any national sports association, institution, association, body, entity, team, athlete and sports official engaged in amateur sports for violation of its policies, rules and regulation.
- f) Exercise supervisory powers over the national sports associations in connection with their sports promotion and development programs where financial assistance is extended by the Department; and
- g) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets.

1 **SEC. 21. Divisions under the Amateur Sports Development Bureau.** - To ensure
2 efficiency and specialization, there shall be established two main divisions under the Amateur
3 Sports Development Bureau: (a) the Grassroots Sports Development Division and (b) the
4 Local and National Sports Competition Division.

5 **SEC. 22. Grassroots Sports Division.** - The Grassroots Sports Development
6 Division shall have the following functions:

- 7 a) Formulate and implement (i) a physical fitness testing and evaluation program to
8 determine, monitor and establish a fitness profile of the different sectors of
9 society, and (ii) a grassroots developmental program in order to encourage,
10 improve and enhance the physical fitness and participation in sports of the citizens
11 at the city, town and barangay level;
- 12 b) Support the formation of sports clubs in schools, workplaces, cities and towns,
13 communities and barangays and the conduct of activities aimed at encouraging the
14 citizens to participate and successfully compete in sports and various physical
15 activities;
- 16 c) Provide technical assistance to grassroots sports stakeholders;
- 17 d) Coordinate with and assist the basic, tertiary and technical education institutions
18 in the implementation of their physical education and school sports development
19 curriculum, policies and programs;
- 20 e) Assist public and private educational institutions in the implementation of their
21 intramural sports program and encourage competition activities of between and
22 among grassroots sports clubs; and
- 23 f) Develop the criteria for and implement an awards and incentives scheme to
24 encourage mass grassroots sports participation, sustained involvement and
25 excellent performance in grassroots sports activities.

26 **SEC. 23. Local and National Sports Competition Division.** - The Local and
27 National Sports Competition Division shall have the following functions;

- 28 a) Plan and conduct regular formal and informal sports competitions at the local and
29 national levels;
- 30 b) Establish and implement a system for identifying and developing athletic talents
31 for inclusion in the Developmental Athletes' Pool; and

- 1 d) Plan, implement and administer all aspects of the training program and the
2 preparation and participation for international competition of the Developmental
3 Athletes' Pool.

4 **ARTICLE IV**

5 **INTERNATIONAL SPORTS DEVELOPMENT BUREAU**

6 **SEC. 24. *Establishment of International Sports Development Bureau.*** - A
7 special sports bureau to be known as the International Sports Development Bureau is hereby
8 established and created. It shall have the following functions:

- 9 a) Formulate and recommend the adoption of a national training and development
10 program for athletes participating in international competitions in all relevant
11 sports, in coordination and cooperation with the concerned national sports
12 associations;
13 b) Plan, implement and administer all aspects to ensure successful participation of
14 the country in regional and international sporting events, games and competitions;
15 c) To coordinate private and public sector support for the country's athletes who are
16 participating in international competitions; and
17 d) Ensure the availability of adequate budget, funds and resources for said purposes.
18

19 **SEC. 25. *Divisions of the International Sports Development Bureau.*** - The
20 Division of the International Sports Development Bureau shall be composed of: (a) the
21 National Sports Association Affairs Division and (b) the International Sports Competition
22 Division.

23 **SEC. 26. *Functions of the National Sports Association Affairs Division.*** - The
24 National Sports Association Affairs Division shall have the following functions:

- 25 a) Process, facilitate and oversee agreements and transactions conducted between
26 and among the Department, National Sports Associations and other local and
27 international sports institutions, federations, associations and organizations to
28 ensure their compliance with the policies and programs of the Department;
29 b) Facilitate all necessary arrangements for the participation of national teams in
30 international competition;

- c) Develop, prescribe and ensure the observance of criteria and standards for athletes and athletic teams representing the country in international competitions;
- d) Prescribe the criteria for selecting individuals, associations or clubs entitled to financial and/or other forms of support to enable their participation in international conferences, seminars, clinics, competitions and similar programs; and
- e) Establish appropriate linkages with international sports bodies.

SEC. 27. *The International Sports Competition Division.* - The following shall be the functions of the International Sports Competition Division:

- a) Oversee the preparation and training of the members of the National Athletes' Pool in consultation and cooperation with the national sports associations concerned;
- b) Develop, prescribe, and monitor the implementation of criteria for the selection and retention of members of the National Athletes' Pool supported by the Department;
- c) Monitor and conduct the time trials and periodic evaluation of members of the National Athletes' Pool;
- d) Assist in the selection of national teams for international competitions; and
- e) Identify and recommend athletes, coaches and international sports participants who may qualify for awards and incentives.

ARTICLE V

TRANSITORY AND FINAL PROVISIONS

SEC. 28. *National Sports Associations.* - National Sports Associations organized for their respective sports in the Philippines and affiliated with their respective international institutions, federations, associations or organizations, shall be recognized as such by the Department in accordance with the standards and criteria prescribed by the Department after ensuring that their charters, constitutions and by-laws and their policies and programs conform to the policies laid down in this Act; *provided*, that the Department shall also recognize special national sports associations to represent the differently-abled and school-based sports associations which shall, for all intents and purposes, have the same status,

1 privileges and obligations as regular national sports associations.

2 The national sports associations recognized by the Department shall be autonomous
3 and shall have exclusive technical control over the promotion and development of the
4 particular sport for which they are organized, subject however to the supervisory and
5 visitorial powers of the Department.

6 Each national sports association shall, by its constitution and by laws, determine its
7 organization and membership: Provided, however, That no team, school, club, organization
8 or entity shall be admitted as a voting member of a national sports association unless sixty
9 percent (60%) of the athletes composing said team school, club, organization or entity are
10 Filipino citizens.

11 The Department recognizes the following functions, powers, duties and
12 responsibilities of the various national sports associations:

- 13 a) To adopt a Constitution and by laws not inconsistent with the 1987 Philippine
14 Constitution and the provisions of this Act;
- 15 b) To raise funds by donations, benefits and other means for their purposes;
- 16 c) To purchase, sell, lease or otherwise encumber property, real or personal, for the
17 accomplishment of their respective purposes;
- 18 d) To conduct competitions for the promotion of their respective sports;
- 19 e) To decide all questions on the status and discipline of the athletes and officials
20 connected with the associations as well as the members thereof and all disputes
21 between members;
- 22 g) To select the athletes, coaches and other officials for their national teams in
23 accordance with the standards and criterion prescribed by the Department, taking
24 into consideration not only their athletic abilities but also their discipline, moral
25 character, aptitude and attitude;
- 26 i) To keep accurate records of all official marks, scores and results attained by the
27 athletes in the associations in all competitions, as well as all results of sports
28 competitions, recognize and confirm the same and furnish copies thereof to the
29 Department;
- 30 j) To qualify and license referees, umpires and other game officials who shall
31 officiate in competitions in their respective sports; and
- 32 k) To perform such other acts as may be necessary for the proper accomplishment of
33 their purposes.

1 **SEC. 29. *Tax Exemption on the Use of Sports Facilities.*** — To encourage popular
2 participation in amateur sports, no tax of any kind shall be levied on the use of sports
3 facilities, whether the tax be on the user, owner or operator of the sports facility.

4 **SEC. 30. *Tax Deduction or Exemption of Donations and Contributions.*** — All
5 donations and contributions to the Department in connection with its fund-raising projects
6 and its continuing sports development programs shall be exempt from the donor's taxes, and
7 shall be deductible in full in the computation of the taxable net income of the donor.
8 Donations and contributions to the various national sports certified by the Department to be
9 pursuant to the development of sports in the country shall likewise be exempt from the
10 payment of the donor's and estate taxes and shall be deductible in full in computing the
11 taxable net income of the donor.

12 **SEC. 31. *Sports Delegations.*** — The Department and its delegation or representatives
13 to any international sports competitions, convention, conference, meeting and events, and
14 athletes, coaches and other officials to any international competition shall be exempt from the
15 payment of travel tax, airport tax and any other travel related taxes or fees now or hereafter
16 imposed by law or regulation.

17 **SEC. 32. *Presidential Land Grant.*** — The provisions of any existing law to the
18 contrary notwithstanding the President may, upon the recommendation of the Secretary of
19 Environment and Natural Resources, grant by donation, sale, lease or otherwise, to the
20 Department portions of the land of the public domain as may be necessary for the
21 establishment of regional training centers in all the regions of the country and for the
22 accomplishment of any of its purposes.

23 **SEC. 33. *Sports Facilities.*** — The administration and full control of all existing
24 sports facilities, including land, buildings and equipment, owned by the national government
25 as well as those owned by government-funded foundations, associations and entities except
26 liabilities, shall be transferred to the Department: Provided, That the sports facilities owned
27 by the local government units, state colleges and universities, or public schools shall remain
28 with the said institutions or entities.

1 All rental income from the sports equipment and facilities owned and operated by the
2 Department shall be remitted directly to the Department to be used exclusively for the
3 operation and maintenance of said equipment and facilities.

4 **SEC. 34. Assistance by the Government Entities.** — The Department may call upon
5 any government entity for assistance in the performance of its functions and duties. All heads
6 of departments, agencies, corporations and offices of the government are hereby enjoined to
7 render full assistance and cooperation to the Department to ensure the attainment of its
8 objectives and the success of the national sports development program.

9 **SEC. 35. Integration of the Philippine Sports Commission.** - The Philippine Sports
10 Commission created and established under Republic Act 6847 shall be integrated with the
11 Department of Sports within sixty (60) days from the enactment of this law. All power,
12 functions, duties and responsibilities of the Philippine Sports Commission not inconsistent
13 with the provisions of this Act shall continue to be exercised and performed by the
14 Department. Forthwith, the Philippine Sports Commission shall conduct an inventory of its
15 assets and liabilities, and shall turn over the same together with the inventory to the
16 Department of Sports.

17 All programs, contracts and projects of the Philippine Sports Commission, which are
18 inconsistent with the policies and provisions of this Act shall be terminated on or before six
19 (6) months from the enactment of this law; *Provided*, that contracts, programs and projects
20 which cannot be unilaterally terminated shall remain in force and effect and the Department
21 shall negotiate for the rescission of the contract or termination of the project or program for a
22 period earlier than what has been previously agreed upon.

23 **SEC. 36. Funding.** - In order to provide the necessary funds required for the
24 organizational and initial calendar year of operational expenditures of the Department, the
25 amount of One hundred seventy eight million, two hundred seventy thousand pesos
26 (P178,273,000.00) from the National Treasury is hereby appropriated: *Provided*, That
27 operating expenses for the Department itself shall not exceed twenty percent (20%) of the
28 annual appropriation and that at least eighty percent (80%) of said annual appropriation and
29 all of the national sports development funds, as hereinafter provided, shall be disbursed for
30 the national sports program, particularly in support of the identification, recruitment and

1 training of athletes in pre-regional, regional, national and international competitions.

2 To finance the country's integrated sports development program, including the
3 holding of the national games and all other sports competitions at all levels throughout the
4 country as well as to carry out well-planned preparations to sustain the complete needs of
5 national and development athletes during the country's preparation and participation at
6 international sports competitions, such as, but not limited to the Olympics, Asian Games,
7 Southeast Asian Games, Paralympics, Universiade or World University Games and other
8 international competitions sanctioned by international sports institutions, federations,
9 organizations and associations, thirty percent (30%) of the charity fund of the representing
10 the proceeds of six (6) lottery draws per annum of the Philippine Charity Sweepstakes
11 Offices, taxes on horse races from ten (10) racing days to be determined by the Philippine
12 Racing Commission and the Department, five percent (5%) of the gross income before taxes
13 of the Philippine Amusement and Gaming Corporation, the proceeds from the sale of stamps
14 as hereinafter provided shall be automatically remitted directly to the Department by the
15 concerned entity and are hereby constituted as the National Sports Development Fund.
16 Further, the Philippine Postal Corporation is hereby authorized to print paper and gold stamps
17 which shall depict sporting events and such other motif as the Philippine Postal Service
18 Office and the Department may agree on, at the expense of the Department. Any deficiency
19 in the financial requirements of the Department for its national sports development program
20 shall be covered by an annual appropriation passed by Congress.

21 **SEC. 37. *Implementing Rules and Regulations.*** - The Department shall, within
22 ninety (90) days after the approval of this Act, issue the necessary rules and regulations to
23 implement the provisions hereof.

24 **SEC. 38. *Annual Report.*** - The Department shall, within ninety (90) days after the
25 end of every fiscal year, submit to Congress an annual report on its compliance with, or
26 accomplishments under this act, together with its plans and recommendations to improve and
27 develop its capability to enforce the provisions of this Act, and a complete accounting of
28 transactions with respect to any funds received under this Act.

29 **SEC. 39. *Separability Clause.*** If any provision or part hereof is held invalid or
30 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
31 valid and subsisting.

1 **SEC. 40. *Repealing Clause.*** – Republic Act No. 6847, otherwise known as the “*The*
2 *Philippines Sports Commission Act*” is hereby repealed. All other laws, rules, regulations,
3 orders, circulars, and memoranda inconsistent with any provisions of this Act are hereby
4 repealed or modified accordingly.

5 **SEC. 41. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
6 complete publication in the *Official Gazette* or in at least two (2) newspapers of general
7 circulation.

Approved,