

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

SIXTEENTH CONGRESS
FIRST REGULAR SESSION



House Bill No. 91

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 nine 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 horseracing 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 horseracing 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 a 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 expansions.

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.

This bill is a refiled bill of House Bill No. 224 entitled "An Act Creating The Philippine Thoroughbred Horseracing Authority Providing Funds Therefor And For Other Purposes", authored by the undersigned during the 15th Congress and was substituted by House Bill No. 6329 with the following additional authors: Representatives Calimbas-Villarosa, Gullas, Fabian and Lopus, per Committee Report No. 2253.

It is therefore urgently requested that the early passage of this bill be considered by this Congress.



AMADO S. BAGATSING

Representative
5th District, Manila

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House Bill No. _____

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**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
2 Philippine Thoroughbred Horseracing Authority”.

3 SEC. 2. *Declaration of Policy and Objectives.* – It is the declared policy of the
4 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 ensure 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 sports and betting.

1 (b) *Horseracing Industry* refers to the various enterprises that encompass
2 activities related to the racing of thoroughbred horses.

3 (c) *Horse Breeding* refers to the activity related to the improvement or
4 development of thoroughbred horses done by selective mating to produce horses for
5 racing and breeding either for domestic use or export.

6 (d) *Thoroughbred* refers to a horse specifically bred for racing that can trace its
7 lineage back to three (3) original sires, namely: Darley Arabian, Godolphin Arabian
8 and Byerley Turk.

9 (e) *Breeding Stock* refers to thoroughbred horses used for selective mating
10 purposes.

11 (f) *Quarantine* refers to a period of detention or isolation imposed on horses
12 upon arrival at a port or place to screen them for infectious or contagious diseases
13 before they are allowed to be transported elsewhere within the country.

14 (g) *Race Horses* refer to thoroughbred horses used for the activity of horse
15 racing.

16 (h) *Horse Owners* refer to people who are duly licensed by the Authority as
17 having the legal right to own race horses and all other rights appertaining 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* refer to qualified persons who ride horses professionally in horse
23 races and who are duly licensed by the Authority after having fulfilled the requirements
24 to reach that status and also known as journeymen jockeys.

25 (l) *Apprentice Jockeys* refer to qualified persons who ride horses professionally
26 in races, duly licensed as such by the Authority, but deemed as junior in status to
27 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 and
31 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 mating 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, jockeys' helpers, grooms, grooms' helpers and associations thereof
3 including racing clubs and their racing operation personnel;

4 (c) Regulate the construction and safety of race tracks including equipment and
5 facilities appurtenant thereto to ensure safety and security of horse racing, the welfare
6 of the participants and the welfare of horses;

7 (d) Handle the framing and scheduling of races taking into consideration the
8 respective operations of the franchise holders;

9 (e) Allocate funds for prizes and to winning entries;

10 (f) Grant permits for the holding of races;

11 (g) Supervise all race meetings to assure integrity of the races at all times and
12 order the suspension of any racing event in case of violation of any law, ordinance, or
13 rules and regulations;

14 (h) Spearhead the promotion and marketing of all aspects of the Philippine
15 thoroughbred horseracing industry;

16 (i) Upon petition of any party or on its own discretion and after giving notice
17 and conducting a hearing, modify, suspend or revoke any permit or license for failure
18 to comply with and/or for violation of any provision of law or any order, rule or
19 regulation issued therewith: *Provided, however,* That the Authority may, without
20 notice, order the temporary suspension of such permit/license whenever, in its
21 judgment it finds it necessary and it is for the best interest of the horseracing industry;

22 (j) Except in cases where summary actions are taken in the settlement of dispute
23 and other problems connected with the conduct of horseracing, the Authority shall act
24 as a quasi-judicial body, and all hearings and investigations before it shall be governed
25 by the rules of procedure as may be adopted by it: *Provided,* That orders, rulings and
26 decisions may be appealed to the President of the Philippines within fifteen (15) days
27 from receipt of such order, ruling and decision;

28 (k) Issue *subpoena ad testificandum* or *subpoena duces tecum* or require the
29 production of documents material to the investigation of any case;

30 (l) Impose fines, penalties and forfeitures to erring parties under its rules and
31 regulations, which fines, penalties and forfeitures shall accrue to the funds of the
32 Authority;

1 (m) Review, modify, approve or disapprove the rules and regulations issued by
2 any person or entity concerning the conduct of horse races held by them;

3 (n) Maintain the Philippine National Stud Book;

4 (o) Prescribe such rules and regulations, procedures and guidelines in the
5 governance of thoroughbred horse breeding and horseracing;

6 (p) Enforce the provisions of this Act and all rules and regulations related to
7 horseracing: *Provided, That*, the Games and Amusements Board shall continue to
8 exercise its supervisory and regulatory powers over the betting aspect of thoroughbred
9 horseracing;

10 (q) Form, establish, organize and maintain a subsidiary corporation or
11 corporations;

12 (r) To sue and be sued, enter into contracts, acquire, purchase, hold, lease,
13 transfer, dispose of property of any kind or nature necessary to carry out the purposes
14 of this Act;

15 (s) Receive and administer donations, contributions, grants, bequests or gifts in
16 cash or in kind from foreign governments, international agencies, private entities, and
17 other sources, subject to existing laws, rules and regulations;

18 (t) Prescribe, alter and repeal its bylaws; determine and make its operating
19 policies; and promulgate rules and regulations as may be necessary and expedient for
20 the conduct of its operations and business;

21 (u) Obtain insurance for or require the insurance of any property, movable or
22 immovable, belonging to the Authority; and

23 (v) Exercise all powers of a corporation under the Corporation Code insofar as
24 they are not inconsistent with the provisions of this Act.

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

28 SEC. 6. *Board of Directors.* – The corporate powers and functions of the
29 Authority shall be vested in and exercised by a Board of Directors, hereinafter referred
30 to as the Board, which shall be composed of a Chairperson and six (6) members who
31 shall be appointed by the President of the Philippines: *Provided, That* of the six (6)
32 appointive members, one (1) shall represent the horse owners' association, one (1)
33 shall represent the trainers' association, and one (1) shall represent the jockeys'

1 association: *Provided, further,* That the Chairperson and members of the Board,
 2 including the representatives to the Board of the horse owners' association, the
 3 trainers' association and the jockeys' association, shall all meet the fit and proper rule
 4 as defined in Republic Act No. 10149, otherwise known as the "GOCC Governance
 5 Act of 2011", and that all of them shall be appointed by the President from a shortlist
 6 prepared by the Governance Commission for Government-Owned or -Controlled
 7 Corporations (GCG).

8 SEC. 7. *Term of Office.* – The term of office of the Chairperson and members
 9 of the Board shall be one (1) year unless sooner removed for cause: *Provided,* That the
 10 members shall only be reappointed by the President after the members are nominated
 11 by the GCG based on a performance score obtained under a performance criteria set by
 12 the GCG: *Provided, further,* That the members shall continue to hold office until their
 13 successors shall have been appointed and duly qualified. All vacancies, prior to the
 14 expiration of the terms, shall be filled for the unexpired term only.

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

21 SEC. 9. *Per Diems.* – The Chairperson and the members of the Board shall be
 22 entitled to *per diems* in accordance with Section 23 of Republic Act No. 10149.

23 SEC. 10. *Powers, Functions and Duties of the Board of Directors.* – The Board
 24 shall have the following powers, functions and duties:

25 (a) Formulate policies, guidelines and programs to effectively implement and
 26 carry out the purposes, objectives and powers of the Authority;

27 (b) Prescribe and periodically review and revise the amount of the fees, charges
 28 and fines as well as the penalties and forfeitures imposed on erring parties;

29 (c) Adopt bylaws consistent with the provisions of this Act and amend, repeal or
 30 alter the same;

31 (d) Promulgate such rules and regulations, after the conduct of a public hearing,
 32 as may be necessary and proper for the effective exercise of the powers and functions,

1 as well as the discharge of the duties and responsibilities of the Authority, its officers
2 and employees;

3 (e) Authorize such expenditures of the Authority as may be necessary and proper
4 for its effective management, operation and administration; ,

5 (f) Upon the recommendation of the General Manager of the Authority, to
6 determine and approve its organization and administrative structure or pattern, and fix
7 the compensation scheme of the officers and employees of the Authority, in
8 accordance with the Revised Compensation and Position Classification System;

9 (g) Approve the annual and supplemental budget of receipts and expenditures of
10 the Authority;

11 (h) Appoint, promote, transfer, remove, suspend or otherwise discipline the
12 officers of the Authority occupying executive and senior management positions,
13 subject to existing laws, rules and regulations; and

14 (i) Exercise such other powers and functions as may be necessary and proper for
15 the attainment of the purposes and objectives of the Authority.

16 SEC. 11. *Organization of the Authority.* – The General Manager shall be
17 elected annually by the members of the Board from among its ranks, shall be subject to
18 the disciplinary powers of the Board, and may be removed by the Board for cause. All
19 other officials and employees of the Authority shall be appointed on the basis of merit
20 and fitness based on a comprehensive and progressive merit system to be established
21 by the Authority immediately upon its organization and consistent with civil service
22 rules and regulations. The recruitment, transfer, promotion and dismissal of all
23 personnel of the Authority, including temporary workers, shall be governed by such
24 merit system.

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

27 (a) Implement, enforce and apply the policies, programs, guidelines, procedures,
28 decisions, rules and regulations promulgated, prescribed, issued or adopted by the
29 Board;

30 (b) Manage the day-to-day affairs of the Authority and ensure its operational
31 efficiency;

32 (c) Sign contracts, approve expenditures and payments within the budget
33 provisions and perform any or all acts for the proper operation of the Authority; and

1 (d) Perform such other duties as the Board may assign from time to time.

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

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

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

17 SEC. 16. *Retention of Income and Special Trust Fund.* – The sum equivalent to
18 one percent (1%) of the gross receipts derived from the total sale of tickets for all
19 racing events shall be retained by the Authority: *Provided*, That one percent (1%) of
20 the gross receipts derived from the total sale of tickets for pari-mutuel races shall
21 continue to be retained as a special fund for the use of the Games and Amusements
22 Board. All dues, fees, charges and other sums imposed and collected by the Authority
23 shall form part of a Special Trust Fund and will be used for its operational expenses
24 and shall be disposed of in accordance with the provisions of this Act: *Provided*,
25 *further*, That, at least sixty percent (60%) of the retention income shall be allocated for
26 prizes.

27 SEC. 17. *Investment of Funds.* – The Authority may, from time to time, invest
28 any of its funds not immediately required to be expended in meeting its obligations or
29 in the discharge of the functions of the Authority, in such government deposits and/or
30 securities as approved by the Board.

31 SEC. 18. *Auditor.* – In consonance with existing laws and regulations, the
32 Commission on Audit (COA) shall appoint a representative who shall be the Auditor of
33 the Authority, as well as the necessary personnel to assist said representative.

1 SEC. 19. *Legal Counsel.* – The Office of the Government Corporate Counsel
2 shall be the Legal Counsel of the Authority: *Provided,* That the Authority shall
3 establish its own legal department to handle the day-to-day matters affecting the affairs
4 of the Authority.

5 SEC. 20. *Annual Report.* – The Board shall submit to the President of the
6 Philippines, and to both Houses of Congress, together with the Auditor's Report, an
7 annual report generally dealing with the activities and operations of the Authority
8 during the preceding year and containing such information relating to the operations of
9 the Authority.

10 SEC. 21. *Transitory Provisions.* –

11 (a) Transfer of Assets. – All existing assets, buildings, rights, interest and other
12 properties, whether movable or immovable, belonging to the Philippine Racing
13 Commission are hereby transferred to the Authority.

14 (b) Transfer of Liabilities and Debts. – Upon transfer to and acceptance by the
15 Authority of the existing assets, building and other properties, movable and
16 immovable, referred to in the preceding section, all liabilities, debts and obligations of
17 the Philippine Racing Commission shall be assumed by the Authority.

18 (c) Transfer of Personnel. – Officials and employees of the Philippine Racing
19 Commission shall be absorbed by the Authority on the basis of merit and fitness:
20 *Provided,* That, employees who shall be separated by reason of this Act shall be given
21 all the benefits they may be entitled to under existing laws.

22 (d) Holdover Status of Incumbent Board. – The members of the incumbent
23 Board shall continue performing their duties on holdover capacity until the new
24 members shall have been duly appointed under this Act.

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

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

31 SEC. 24. *Repealing Clause.* – Presidential Decree No. 420, Presidential Decree
32 No. 1095 and Republic Act No. 7324 are hereby repealed. All other laws, presidential

1 decrees, executive orders, rules and regulations or parts thereof inconsistent with the
2 provisions of this Act are hereby repealed or modified accordingly.

3 SEC. 25. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after
4 its complete publication in the *Official Gazette* or in at least two (2) newspapers of
5 general circulation.

Approved,