

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7368**



Introduced by HON. ROY M. LOYOLA

EXPLANATORY NOTE

Cockfighting, or "*sabong*" in the local parlance, is a traditional recreational activity that is deeply rooted in Filipino culture that it is considered a national heritage. Cockfighting has permeated Filipino culture that laws were passed to control and regulate the same. In fact, the Cockfighting Law of 1974 recognized cockfighting as "a popular, traditional and customary form of recreation and entertainment among Filipinos."

Over the years, cockfighting has evolved into an industry which comprises breeders from all over the country, and manufacturers of game fowl feed, medicine, and vitamin supplements, among others.

Accordingly, the game of cockfighting presents a viable source of government revenue and livelihood for Filipinos. This proposed bill seeks to harness the full potential of cockfighting as a vital revenue stream to finance priority projects of the National Government and the Local Government Units. The Electronic Commerce Act of 2000 and advances in technology will bring cockfighting in the country to the next level.


HON. ROY M. LOYOLA
5th District, Cavite

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Quezon City, Metro Manila

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House Bill No. **7368**

Introduced by Honorable Roy M. Loyola

**AN ACT GRANTING MANILA COCKERS CLUB, INC.,
A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN COCKPIT
ARENAS IN THE PROVINCES OF CAVITE, LAGUNA, OR BATANGAS; AND
TO ESTABLISH, OPERATE, AND MAINTAIN OFF-COCKPIT BETTING
STATIONS THROUGHOUT THE PHILIPPINES**

1 **SECTION 1.** *Nature and Scope of Franchise.* – Any provision of law to the contrary
2 notwithstanding, there is hereby granted to Manila Cockers Club, Inc., a corporation
3 duly organized and registered under the laws of the Philippines, hereinafter referred
4 to as the Grantee, its successors or assigns, a franchise to perform the following:

5
6 a. Construct, maintain, and operate cockpit arenas in any place within the
7 provinces of Cavite, Laguna, or Batangas;

8
9 b. Stream via online and/or broadcast thru cable or satellite television, the
10 cockfights held at the duly licensed cockpit arenas;

11
12 c. Establish, operate, and maintain off-cockpit betting stations throughout the
13 Philippines, *provided*, that these off-cockpit betting stations shall secure a
14 business permit from the local government unit where they operate;

15
16 d. Hold or conduct cockfights with bettings on the results of cockfights either
17 directly or by means of any mechanical, electronic, digital, wireless, mobile
18 and/or computerized totalizator; and

19
20 e. Carry out all such acts, deeds and things as may be necessary to give effect to
21 the foregoing authority.

22
23 **SECTION 2.** *Authority of the Local Government Unit (LGU).* – The cockpit arena and
24 the cockfights to be conducted by the Grantee shall be under the supervision and

1 regulation of the LGU where the cockpit arena is located. It shall promulgate and
2 enforce the laws, rules and regulations governing cockfighting, including the
3 following:

- 4
5 a. Schedule and betting of cockfights and allocation of prizes for winning
6 gamecocks;
- 7
8 b. Ensure that the Grantee uses a totalizator system to record the bets,
9 and compute the odds and dividends;
- 10
11 c. Appoint auditors/ inspectors to supervise and verify the accuracy of
12 reports of the Grantee with respect to the totalizator receipt and total
13 amount of wagers made on each cockfight event, the dividends and
14 payouts, and other computations;
- 15
16 d. Inspect books, records and accounts of Grantee; and
- 17
18 e. License cockpit officials and personnel.
- 19
- 20

21 **SECTION 3. *Term of Franchise.*** – This franchise shall be for a term of twenty-five (25)
22 years from the date of effectivity of this Act unless sooner revoked or cancelled.

23
24 **SECTION 4. *Offering, Taking or Arranging Bets for Cockfighting.*** – The Grantee or its
25 duly authorized agent or licensee may offer, take or arrange bets for cockfights
26 conducted in its duly-licensed cockpit arena(s), in person or by any other means of
27 communication and processing of transactions, including but not limited to,
28 telephone, fax, internet, or any other online, electronic, digital, wireless or other
29 technology, including smart phones, tablets, and similar devices, or thru other
30 related platforms or mediums which may be created or utilized in the future that
31 will facilitate the placement, receipt, and acceptance of bets, within or outside the
32 Philippines, within or outside the cockpit arena including off-cockpit betting
33 stations, a day in advance of and/or during scheduled cockfights. No other entity or
34 person other than the Grantee or its duly authorized agents or licensees shall offer,
35 take or arrange bets in any cockfight conducted by the Grantee, or maintain or use a
36 totalizator or any other device, method or system to bet on any cockfight held or
37 conducted by the Grantee.

38
39 **SECTION 5. *Penalties.*** – Any person or persons found to have violated the
40 aforementioned section shall be punished by a fine of not less than Twenty
41 Thousand Pesos (₱20,000.00) but not more than One Hundred Thousand Pesos
42 (₱100,000.00) or by imprisonment of a minimum of six (6) months and a maximum
43 of one (1) year, or both, at the discretion of the court. If the offender is a corporation,
44 partnership or association, the criminal liability shall devolve upon its President,
45 Managing Partner or Manager responsible for such violation.

1 **SECTION 6.** *Computerized, Electronic and/or Mechanical Devices, Equipment and*
2 *Facilities.* – The Grantee shall provide and operate, and is hereby authorized to do
3 and carry out all such acts, deeds and things as may be necessary for the effective
4 conduct of the business under this franchise, and to achieve an orderly, clean and
5 honest conduct of cockfights, the Grantee shall, in particular, provide and operate
6 computerized, digital, wireless, electronic and/or mechanical devices, equipment
7 and facilities, including but not limited to:

- 8
- 9 (a) Photo and Video cameras;
- 10
- 11 (b) Weighing machines and devices for measurement of gamecocks;
- 12
- 13 (c) Facilities or devices for branding of gamecocks for proper identification;
- 14
- 15 (d) Facilities, laboratories and instruments for testing for drugs;
- 16
- 17 (e) Betting Terminals located at the off-cockpit betting stations;
- 18
- 19 (f) Desktop computers, Laptops, Smart Phones, Tablets, and other
20 communication devices;
- 21
- 22 (g) Modem/routers;
- 23
- 24 (h) Computerized and/or electronic totalizator;
- 25
- 26 (i) Machines directly connected to a computer in a display board for the sale of
27 betting tickets in the off-cockpit betting stations;
- 28
- 29 (j) Modern sound system and loud speaker facilities;
- 30
- 31 (k) Modern telecommunications, audio/video/data streaming and broadcasting
32 equipment and facilities, whether at the Grantee's duly authorized cockpit
33 arena or off-cockpit betting stations, for receiving and transmitting,
34 whether live or otherwise, any and all data, messages, signals, pictures,
35 and videos by any means now known or which in the future may be
36 developed for the reception and transmission of any and all data,
37 messages, signals, pictures, and videos relating to the betting system on
38 cockfights, the actual conduct of the cockfights, the announcement of
39 winners and dividends paid or to be paid thereon, and any other form of
40 information relating to the conduct and promotion of cockfights within or
41 outside the Philippines;
- 42
- 43 (l) Continuous and back-up power supply, and such other related instruments,
44 devices, equipment, facilities, and system;

1 (m) Facilities that will bring safety, security, comfort and convenience to the
2 public; and
3

4 (n) Such other devices, equipment and facilities that will ensure clean, orderly
5 and honest cockfights and betting on cockfights,
6

7 within one (1) year from the effectivity of this Act. In case of failure to provide and
8 install any of the abovementioned devices, equipment or facilities within the
9 aforementioned one-year period, the relevant LGU having territorial jurisdiction
10 over the cockpit arena or off-cockpit betting stations shall forthwith suspend and
11 prohibit the holding and conduct of cockfights by the Grantee until such time as the
12 said devices, equipment or facilities are provided installed.
13

14
15 **SECTION 7. *Terms of Betting Tickets.*** – The Grantee shall publish and display
16 prominently and in appropriate places the terms and conditions regarding the sale
17 of betting tickets.
18

19 **SECTION 8. *Commissions for the conduct of cockfights.*** – The Grantee shall be entitled
20 to retain a maximum commission of seven and a half percent (7.5%) from all win
21 bets in cockfights conducted by the Grantee, *provided*, that in case of daily double, pic
22 4, pic 5, winner take all, karambola, and other exotic bets, the Grantee shall be
23 entitled to retain a commission of ten percent (10%) from all bets.
24

25 **SECTION 9. *Breakage.*** – The receipts from betting corresponding to the fraction of
26 less than Ten centavos (₱0.10) eliminated from the dividends paid to the winning
27 tickets (hereinafter, the “Breakage”), shall be set aside as follows:
28

29 (a) Fifty percent (50%) for the benefit of the local government hospital in the LGU
30 where the cockpit arena is located and where the cockfights are held; and
31

32 (b) Fifty percent (50%) to fund the establishment and operation of a drug
33 rehabilitation facility in the LGU where the cockpit arena is located and where
34 the cockfights are held. In the absence of a drug rehabilitation facility in the
35 LGU, the breakages shall be for the benefit of an educational institution or
36 educational projects of programs located in the LGU where the cockpit arena
37 is located and where the cockfights are held.
38

39 **SECTION 10. *Tax Provision.*** – The Grantee, its successors or assigns, shall pay a
40 franchise tax equivalent to five percent (5%) of the gross revenues derived by the
41 Grantee from its cockfighting operations to be remitted to the national government.
42 The Grantee shall further pay a municipal business tax not exceeding three percent
43 (3%) of the gross revenues of the Grantee from its cockfighting operations to be
44 remitted to the LGU where the cockpit arena is located and where the cockfights are
45 held.

1 The franchise tax and municipal business tax prescribed herein shall be in lieu of any
2 and all taxes including income tax, duties, fees and charges of any kind, nature or
3 description levied, established or collected by any authority whatsoever, including
4 but not limited to, city, municipal, provincial or national, from which the Grantee is
5 hereby expressly exempted from the date of the effectivity of this Act.

6
7 **SECTION 11.***Equality of Treatment in Cockfighting.* – Any advantage, favor, privilege,
8 exemption or immunity granted under existing franchises, or may hereafter be
9 granted, shall ipso facto become part of previously granted cockfighting franchises
10 and shall be accorded immediately and unconditionally to the Grantees of such
11 franchises: Provided, however, That the foregoing shall neither apply to nor affect
12 provisions of cockfighting franchises on the following: (i) nature and scope of
13 franchise, and (ii) term of the franchises.

14
15 **SECTION 12.***Non-Transferability of Franchise* – The Grantee shall not sell, lease,
16 transfer, assign, grant the usufruct of, or otherwise dispose of, this franchise, or the
17 rights and privileges acquired thereunder, to any person, corporation, partnership,
18 association or other commercial or legal entity, nor merge with any other
19 corporation or entity organized for the same purpose without the prior approval of
20 the Congress of the Philippines. Any person or entity to which this franchise is sold,
21 transferred or assigned shall be subject to the same conditions, terms, restrictions
22 and limitations of this Act. Any transfer of franchise in violation of this section shall
23 render the franchise *ipso facto* revoked.

24
25 **SECTION 13.***Warranty in Favor of National and Local Governments.* – The Grantee shall
26 hold the national, provincial and municipal governments of the Philippines free and
27 harmless from all claims, accounts, demands or actions arising out of accidents or
28 injuries, whether to property or to persons, caused by the establishment or operation
29 of the off-cockpit betting stations of the Grantee.

30
31 **SECTION 14.***Acceptance and Compliance.* – Acceptance of this franchise shall be given
32 in writing within sixty (60) days after the effectivity of this Act. Upon giving such
33 acceptance, the Grantee shall exercise the privileges granted under this Act. Non-
34 acceptance shall render the franchise void.

35
36 **SECTION 15.***Reportorial Requirement.* – The Grantee shall submit an annual report to
37 the Congress of the Philippines on its compliance with the terms and conditions of
38 the franchise and on its operations within sixty (60) days from the end of every year.

39
40 **SECTION 16.***Separability Clause.* – If any of the sections or provisions of this Act is
41 held invalid, all the other provisions not affected thereby shall remain valid.

42
43 **SECTION 17.***Repealability and Non-Exclusivity Clause.* – This franchise shall be subject
44 to amendment, alteration or repeal by the Congress of the Philippines when the
45 public interest so requires.

1 **SECTION 18. *Effectivity.*** – This Act shall take effect fifteen (15) days from the date of
2 its publication in at least two (2) newspapers of general circulation.

3
4 *Approved.*