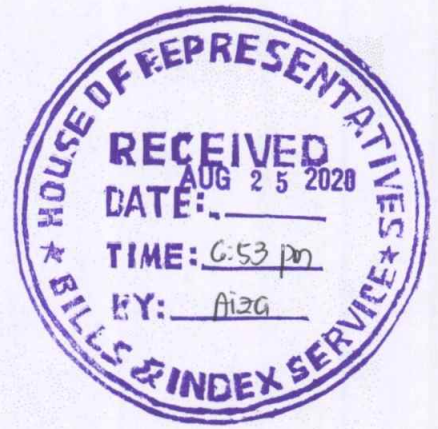


Republic of the Philippines
THE HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7497



Introduced by: Hon. Arnolfo 'Arnie' A. Teves, Jr.

EXPLANATORY NOTE

Cockfighting, or "*sabong*" in local parlance, is a traditional recreational activity that is deeply rooted in the Filipino culture, and 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 feeds, medicine, and vitamin supplements, among others.

Accordingly, 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 to the National Government, and of Local Government Units.

The Electronic Commerce Act of 2000 and advances in technology will bring cockfighting in the country to the next level.


Hon. Arnolfo 'Arnie' A. Teves, Jr.
3RD District, Negros Oriental

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**AN ACT GRANTING VISAYAS COCKERS CLUB, INC.
A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN COCKPIT
ARENAS OR STUDIOS IN THE PROVINCES OF NEGROS ORIENTAL,
NEGROS OCCIDENTAL AND CEBU, AND TO ESTABLISH, OPERATE, AND
MAINTAIN OFF-COCKPIT BETTING STATIONS THROUGHOUT THE
PHILIPPINES**

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

- a. Construct, maintain, and operate cockpit arenas in any place within the provinces of Negros Oriental, Negros Occidental, or Cebu;
- b. Stream via internet and/or broadcast thru cable or satellite television, the cockfights held at the duly licensed cockpit arenas or studios;
- c. Establish, operate, and maintain off-cockpit betting stations throughout the Philippines, *provided*, that these off-cockpit betting stations shall secure a business permit from the local government unit where they operate;

- d. Hold or conduct cockfights with bettings on the results of cockfights either directly or by means of any mechanical, electronic, digital, wireless, mobile and/or computerized totalizator; and
- e. Carry out all such acts, deeds and things as may be necessary to give effect to the foregoing authority.

SECTION 2. *Authority of the Local Government Unit (LGU).* - The cockpit arena or studio, and the cockfights to be conducted by the Grantee shall be under the supervision and regulation of the LGU where the cockpit arena or studio is located. It shall promulgate and enforce the laws, rules and regulations governing cockfighting, including the following:

- a. Schedule and betting of cockfights, and allocation of prizes for winning gamecocks;
- b. Ensure that the Grantee uses a totalizator system to record the bets, compute the odds, and distribute dividends;
- c. Appoint auditors/ inspectors to supervise and verify the accuracy of reports of the Grantee with respect to the totalizator receipt and total amount of wagers made on each cockfight event, the dividends and payouts, and other computations;
- d. Inspect books, records and accounts of Grantee; and
- e. License cockpit or studio officials and personnel.

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

SECTION 4. *Offering, Taking or Arranging Bets for Cockfighting.* - The Grantee or its duly authorized agent or licensee may offer, take or arrange bets for cockfights conducted in its duly-licensed cockpit arena(s) or studio, in person or by any other means of communication and processing of transactions, including but not limited to, telephone, fax, internet, or any other online, electronic, digital, wireless, or other technology, including smart phones, tablets, and similar devices, or thru other related platforms or medium which may be created or utilized in the future that will facilitate the placement, receipt, and acceptance of bets, within or outside the stations, a day in advance of and/or during scheduled cockfights. No other entity or person other than the Grantee or its duly authorized agents or licensees shall offer,

take or arrange bets in any cockfight conducted by the Grantee, or maintain or use a totalizator or any other device, method or system to bet on any cockfight held or conducted by the Grantee.

SECTION 5. Penalties. – Any person or persons found to have violated the aforementioned section shall be punished by a fine of not less than Twenty Thousand Pesos (P20,000.00) but not more than One Hundred Thousand Pesos (P100,000.00) or by imprisonment of a minimum of six (6) months and 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.

SECTION 6. Computerized, Electronic and/or Mechanical Devices, Equipment and Facilities. – 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 conduct of cockfight. The Grantee shall, in particular, provide and operate computerized, digital, wireless, electronic and/or mechanical devices, equipment and facilities, including but not limited to:

- (a) Photo and Video cameras;
- (b) Weighing machines and devices for measurement of gamecocks;
- (c) Facilities or devices for branding of gamecocks for proper identification;
- (d) Facilities, laboratories and instruments for testing for drugs;
- (e) Betting Terminals located at the off-cockpit betting stations;
- (f) Desktop computers, Laptops, Smart Phones, Tablets, and other communication devices;
- (g) Modem/routers;
- (h) Computerized and/or electronic totalizator;
- (i) Machines directly connected to a computer in a display board for the sale of betting tickets in the off-cockpit betting stations;
- (j) Modern sound system and loud speaker facilities;

- (k) Modern telecommunications, audio/video/data streaming and broadcasting equipment and facilities, whether at the Grantee's duly authorized cockpit arena or off-cockpit betting stations, for receiving and transmitting, whether live or otherwise, any and all data, messages, signals, pictures, and videos by any means now known or which in the future may be developed for the reception and transmission of any and all data, messages, signals, pictures, and videos relating to the betting system on cockfights, the actual conduct of the cockfights, the announcement of winners and dividends paid or to be paid thereon, and any other form of information relating to the conduct and promotion of cockfights within or outside the Philippines;
- (l) Continuous and back-up power supply, and such other related instruments, devices, equipment, facilities, and system;
- (m) Facilities that will bring safety, security, comfort and convenience to the public; and
- (n) Such other devices, equipment and facilities that will ensure clean, orderly and honest cockfights and betting on cockfight,

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

SECTION 7. *Terms of Betting Tickets or Credits.* – The Grantee shall publish and display prominently and in appropriate places the terms and conditions regarding the sale of betting tickets or credits.

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

SECTION 9. *Breakage.* – The receipts from betting corresponding to the fraction of less than ten centavo (P0.10) eliminated from the dividends paid to the winning tickets (hereinafter, the “Breakage”), shall be set aside as follows:

- a. Fifty percent (50%) for the benefit of the local government hospital in the LGU where the cockpit arena or studio is located and where the cockfights are held; and
- b. Fifty percent (50%) to fund the establishment and operation of a drug rehabilitation facility in the LGU where the cockpit arena is located and where the cockfight are held. In the absence of a drug rehabilitation facility in the LGU, the breakages shall be for the benefit of an educational institution or educational projects of programs located in the LGU where the cockpit arena is located and where the cockfights are held.

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

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

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

SECTION 12. *Non-Transferability of Franchise.* – The Grantee shall not sell, lease, transfer, assign, grant the usufruct of, or otherwise dispose of, this franchise, or the rights and privileges acquired thereunder, to any person,

corporation, partnership, association or other commercial or legal entity, nor merge with any other corporation or entity organized for the same purpose without the prior approval of the Congress of the Philippines. 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. Any transfer of franchise in violation of this section shall render the franchise *ipso facto* revoked.

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

SECTION 14. *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.

SECTION 15. *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.

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

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

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

Approved.

Speaker of the House of
Representatives

President of the Senate

This Act which is a Senate Bill No. _____ and House Bill No
_____ was finally passed by the Senate and the House of Representatives On

Secretary General House of
Representatives

Secretary of the Senate

Approved:

President of the Philippines