

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

EIGHTEENTH CONGRESS
First Regular Session



House Bill No. 2521

Introduced by Honorable Jericho Jonas B. Nograles

EXPLANATORY NOTE

This bill seeks to create the Department of Sports, the government entity primarily responsible for implementing policies on the promotion and development of sports and health fitness programs in the country.

On January 24, 1990, Congress enacted Republic Act No. 6847, otherwise known as the "*Philippine Sports Commission Act*" which created the Philippine Sports Commission (PSC). RA 6847 mandated the PSC to provide the leadership, formulate the policies and set the priorities and direction of all national amateur sports promotion and development, particularly giving emphasis on grass-roots participation; encourage wide participation of all sectors, government and private, in amateur sports promotion and development; and supplement government appropriations for sports promotion and development.

After more than 20 years since the creation of the PSC, there is much to be desired in the state of Philippine sports. Over the years, the state of Philippine sports appears to have worsened rather than improved. Since Mansueto Velasco won a silver medal in boxing during the 1996 Atlanta Olympics, the Philippines has not won a single medal in the succeeding editions of the Summer Olympics. When the Philippines won its first ever overall championship in the Southeast Asian Games during the 2005 edition held in Manila, Philippine sports seemed to have reached its threshold. Unfortunately, the experiences and the lessons learned in earning that victory were not sustained.

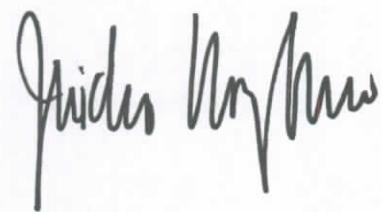
The Philippines is rich in talent as can be proven by the many sports heroes that the country has produced in various sports disciplines. Arguably, the

most recognizable Filipino today is a sportsman, the Honorable Emmanuel D. Pacquiao, who has brought pride to the country with his many victories in the boxing ring. Filipinos are also known for our passion for sports. With the many sporting events, whether local or international, being held in the country in recent years, Filipinos have impressed foreign sports personalities and sports associations and federations with our remarkable achievements.

This measure intends to address the various challenges that confront Philippine sports. This bill proposes the creation of a Department of Sports, a cabinet-level agency that will provide leadership in the promotion and development of sports in the country and set the parameters to address the needs of our athletes, coaches, trainers and sports officials. The Department of Sports will be responsible for promulgating policies that will help the country improve its performance in international competitions. Equally important is its role in finding solutions to the problems besetting Philippine sports including the lack of a comprehensive national sports program, the need to enhance the partnership with various sectors involved in sports, obsolete training methods, lack of modern and high quality training facilities, equipment, and sports venues.

It is now high time for the government to prioritize sports in the national agenda, and consider sports as an integral factor in nation building. The approval of this proposed measure is a step in the right direction.

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

A handwritten signature in black ink, appearing to read "Miriam Defensor Santiago".

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AN ACT

CREATING THE DEPARTMENT OF SPORTS, DEFINING ITS POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR

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

CHAPTER I

GENERAL PROVISIONS

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

14 SEC. 2. ***Declaration of Policy.*** – It is hereby declared the policy of the
15 State to promote physical education and encourage sports programs, league
16 competitions, and amateur sports, including training for international
17 competitions to foster self-discipline, teamwork and excellence for the
18 development of a healthy and alert citizenry. The State also recognizes that
19 sports foster patriotism and nationalism, accelerate social progress, and promote
20 total human development. Toward this end, it is imperative to establish a

1 single, unified and integrated national sports body responsible for the promotion
2 and development of sports, promotion of the welfare of people involved in
3 sports, promotion of ethical practices in sports, ensuring the wider participation
4 of all sectors of society in the national sports program, and helping Filipino
5 athletes attain their fullest potential.

CHAPTER II

DEPARTMENT PROPER

9 SEC. 3. *Department of Sports.* – The Department of Sports, hereinafter
10 referred to as the Department, is hereby created to carry out the above-declared
11 policy. It shall be the primary policy-making, planning, coordinating,
12 implementing and regulating entity of the government in the promotion and
13 development of sports, physical education and physical fitness in the country.

14 SEC. 4. *Objectives.* – The objectives of the Department are as follows:

15 a) Prepare, formulate, implement and oversee an integrated sports
16 promotion and development program in consultation with the various
17 stakeholders including other government agencies, non-governmental
18 organizations, associations and groups involved in sports;

19 b) Initiate and promote a nationwide grassroots-based sports
20 development program and strengthen the sports club system;

21 c) Encourage and support the participation of Filipino athletes in
22 regional and international sports competitions including the Southeast Asian
23 Games, the Asian Games, the Olympics, the Paralympics, the *Universiade* or
24 World University Games, as well as international, regional and world

1 competitions staged by other reputable international sports associations,
2 federations and organizations;

3 d) Provide leadership in the development of sports in the country,
4 formulate the policies, and set the priorities and direction of all national amateur
5 sports promotion and development programs, particularly giving emphasis on
6 grass-roots development and participation;

7 e) Encourage wider participation of all sectors including the
8 government and private sector in amateur sports promotion and development
9 especially among the youth;

10 f) Improve the performance of Filipino athletes in regional and
11 international sports competitions and develop athletes to become a source of
12 national pride;

13 g) Provide resources, services and facilities to enable Filipinos to
14 pursue and achieve excellence in sports;

15 h) Foster peace and camaraderie within the country through
16 competitive and recreational sports;

17 i) Improve the sporting abilities of Filipinos generally through the
18 improvement of the standards of coaching in the different sport disciplines;

19 j) Foster cooperation in sports between the Philippines and other
20 countries through the provision of access to resources, services and facilities
21 related to sports;

1 k) Initiate measures for the elimination of unethical and unfair
2 practices in sports and any other measure necessary in furtherance of public
3 interest and in consonance with the Olympic Charter; and

4 l) Supplement government appropriations for sports promotion and
5 development by encouraging the private sector to contribute to the funding of
6 the various programs of the Department.

7 **SEC. 5. *Duties and Functions.*** – The Department shall have the
8 following duties and functions:

9 a) Inform and advise the President on the activities, programs, plans
10 and all other matters relating to sports promotion and development;

11 b) Plan, implement and oversee an integrated sports promotion and
12 development program of the country, in coordination with the various sectors
13 involved in sports, including the Philippine Olympic Committee (POC),
14 national sports associations, public and private schools, government
15 corporations and entities, local government units (LGUs), Armed Forces of the
16 Philippines, and other sports organizations and private corporations;

17 c) Establish and maintain linkages with international sports
18 federations, national sports organizations of other countries and international
19 non-governmental organizations whose main objectives relate to sports;

20 d) Establish, develop and maintain fully-equipped sports facilities and
21 centers in strategic places in the country and, as far as practicable, include
22 modern sports complexes adequate for major international competitions;

1 e) Rationalize and regulate the establishment of publicly funded
2 sports facilities or complexes and supervise the management and maintenance
3 thereof, excluding school or college-owned sports facilities or complexes;

4 f) Plan and formulate other programs to be undertaken by the
5 Department pursuant to the objectives of this Act and review or evaluate the
6 organizational set-up, projects and programs of the Department;

7 g) Delineate and define areas of responsibilities of all sectors involved
8 in sports promotion and development, respecting the individual set-up,
9 priorities, structure and competence of the different government agencies and
10 private institutions;

11 h) Assist the proper government agency in the formulation of an
12 industry incentives program for the manufacture of sports equipment and
13 supplies which comply with international standards and quality;

14 i) Provide such incentives, recognitions and awards to deserving
15 associations, athletes, game officials, coaches, trainers and other persons or
16 entities involved in or supporting sports development in accordance with
17 existing laws;

18 j) Recommend and propose to the Department of Education
19 (DepEd), Department of the Interior and Local Government (DILG) and other
20 government agencies and instrumentalities which conduct sports programs, to
21 incorporate in their respective annual budget a separate and specific budget for
22 sports promotion and development;

1 k) Encourage, promote and sustain the creation and establishment of
2 regional, provincial, municipal and barangay or school district sports promotion
3 and development councils, composed of officials of the DepEd, DILG, LGUs
4 and representatives of the private sector, which shall initiate, conduct and
5 coordinate sports activities in their respective jurisdictions;

6 l) Encourage and organize, in consultation with the national sports
7 associations and related organizations, national, regional and international
8 sports competitions, events and games;

9 m) Collect and disseminate information and provide advice on matters
10 related to the activities of the Department;

11 n) Provide access to persons from other countries to the resources,
12 services and facilities of the Department for the purpose of fostering
13 cooperation in sports between the Philippines and other countries;

14 o) Cooperate with national and international sports organizations and
15 federations in promoting ethical standards in sports and foster an environment
16 that is free from the unsanctioned use of performance enhancing drugs and
17 doping methods; and

18 p) Exercise such other duties and functions as may be necessary or
19 incidental to attain the objectives of this Act.

20 SEC. 6. ***Powers of the Department.*** – The Department shall exercise the
21 following powers:

- 1 a) Appoint the officers and other personnel of the Department and fix
- 2 their compensation subject to existing laws, rules and regulations;
- 3 b) Delegate authority for the performance of any function to officers
- 4 and employees under its direction;
- 5 c) Enter into contracts;
- 6 d) Acquire, use and control any land, building, facilities, equipment,
- 7 instruments, tools and rights required or otherwise necessary for the
- 8 accomplishment of the objectives of the Department;
- 9 e) Acquire, own, possess and dispose of any real or personal property;
- 10 f) Regulate the acquisition, procurement, distribution and use of
- 11 sportswear, equipment, instruments, tools and other sports essentials necessary
- 12 and required for training of national pool athletes;
- 13 g) Confer, extend and grant awards, benefits and privileges to athletes
- 14 and officials for outstanding performances in national and international
- 15 competitions;
- 16 h) Confer, extend and grant support or assistance to national sports
- 17 associations which are in good standing with the Department;
- 18 i) Exercise supervisory and visitorial powers over the national sports
- 19 associations in connection with their sports promotion and development
- 20 programs with respect to which financial assistance is extended by the
- 21 Department;

1 j) Accept donations, gifts, bequest and grants for the purposes of the
2 Department;

3 k) Ensure the implementation by various government departments and
4 agencies of their sports promotion and development programs as indicated in
5 their respective annual budgets;

6 l) Impose sanctions upon any national sports association, institution,
7 organization, body, entity, team, athletes and sports official for violation of its
8 policies, rules and regulations; and

9 m) Perform any and all other acts incidental to or required by virtue of
10 its creation.

11 SEC. 7. *Secretary of Sports.* – The authority and responsibility for the
12 discharge of its power and functions shall be vested in the Secretary of Sports,
13 hereinafter referred to as the Secretary, who shall have supervision and control
14 of the Department. The Secretary shall be appointed by the President of the
15 Philippines subject to the confirmation by the Commission on Appointments.

16 SEC. 8. *Powers and Functions of the Secretary.* – The Secretary shall
17 exercise the following powers and functions:

18 a) Exercise over-all supervision and direction over the entire
19 operations of the Department and its attached agencies;

20 b) Establish policies and standards for the effective, efficient and
21 economical operation of the Department in accordance with the programs of the
22 government;

- 1 c) Review and approve request for financial and manpower resources
- 2 of all operating offices of the Department;
- 3 d) Designate and appoint officers and employees of the Department in
- 4 accordance with civil service laws, rules and regulations;
- 5 e) Advise the President on the promulgation of executive and
- 6 administrative orders, regulatory and legislative proposals on matters pertaining
- 7 to the promotion and development of sports and physical fitness in the country;
- 8 f) Implement and enforce policies, decisions, orders, rules and
- 9 regulations issued by the Department;
- 10 g) Execute contracts, incur obligations, acquire and dispose of assets
- 11 and deliver documents on behalf of the Department;
- 12 h) Approve the organizational structure, staffing pattern, operating
- 13 and capital expenditures of the Department; and
- 14 i) Exercise such other powers and functions and perform such other
- 15 duties as may be authorized, delegated, or assigned by law.

16 **SEC. 9. *Undersecretaries and Assistant Secretaries.*** – The Secretary
17 shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries
18 all of whom shall be appointed by the President upon the recommendation of
19 the Secretary.

20 One (1) of the Undersecretaries shall be a career officer coming from the
21 ranks of existing government agencies or offices involved in sports or qualified

1 individuals in the private sector who actively support the promotion and
2 development of sports in the country.

3 The Undersecretaries shall exercise the powers and functions as provided
4 under Section 10, Chapter 2, Book IV of the Administrative Code of 1987 while
5 the Assistant Secretaries shall perform such duties and functions as may be
6 assigned by the Secretary or provided for by law.

7 SEC. 10. ***Qualifications.*** – The Secretary, Undersecretaries and Assistant
8 Secretaries of the Department must be citizens of the Philippines, publicly
9 recognized personalities in the field of sports, at least thirty (30) years of age, of
10 good moral character and of proven integrity.

11 SEC. 11. ***Compensation.*** – The Secretary, Undersecretaries and
12 Assistant Secretaries shall be entitled to compensation and to other benefits and
13 privileges provided under existing laws.

14 SEC. 12. ***Regional Offices.*** – The Department is authorized to establish,
15 operate and maintain a regional office in each of the administrative regions of
16 the country. The regional office shall be headed by a regional director and
17 assisted by an assistant regional director.

18 The regional offices shall, within their respective administrative regions,
19 exercise the following functions:

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

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

- 1 c) Coordinate with regional offices of other departments, offices, and
2 agencies;
- 3 d) Coordinate with the LGUs; and
- 4 e) Perform such other functions as may be provided by law or
5 assigned by the Secretary.

6 SEC. 13. ***Structure and Staffing Pattern.*** – The organizational
7 framework and staffing pattern of the Department shall be prescribed and
8 approved by the Secretary within ninety (90) days after the approval of this Act
9 and the authorized positions created therein shall be filled by regular
10 appointments by the President or Secretary as the case may be. In filling of
11 positions created, preferences shall be given to the incumbent personnel of the
12 Philippine Sports Commission: *Provided*, That such individuals comply with
13 the qualification standards set by the Civil Service Commission for the positions
14 that they shall be appointed to: *Provided, however*, That if such individuals
15 possess the same qualifications, the more senior personnel shall be given
16 priority.

17 SEC. 14. ***Secretariat.*** – The Department shall organize bureaus,
18 divisions, and offices in such manner as would best carry out the declared
19 policies and objectives enunciated herein and consistent with the provisions of
20 civil service laws, rules, and regulations.

21 There shall be an administrative services bureau, which shall be primarily
22 responsible for providing services related to financial management, personnel,

1 records, supplies and equipment, and a support services bureau, which shall be
2 primarily responsible for plans and programs formulation and development,
3 sports facilities and maintenance, engineering, sports medicine and such other
4 functions and responsibilities as may be necessary and required by the
5 Department.

6 SEC. 15. ***Specialized Bureaus.*** – To ensure the proper and efficient
7 implementation of this Act, the following specialized bureaus under the
8 Department, are hereby created:

- 9 a) Amateur Sports Development Bureau; and
10 b) International Sports Development Bureau.

11 SEC. 16. ***Amateur Sports Development Bureau.*** – The Amateur Sports
12 Development Bureau shall be headed by an executive director and shall be
13 primarily responsible for the promotion and development of amateur sports in
14 the country.

15 The Amateur Sports Development Board shall exercise the following
16 functions:

- 17 a) Plan, implement and oversee an integrated amateur sports
18 promotion and development program for the country in coordination with
19 various sports sectors, which among others include the public and private
20 schools, government corporations and entities, the LGUs, the Armed Forces of
21 the Philippines and such other sectors involved in sports;

- 1 b) Encourage and promote the creation and establishment of regional,
2 provincial, municipal and barangay sports promotion and development councils,
3 which shall initiate, conduct and coordinate sports activities in their respective
4 jurisdiction;
- 5 c) Provide the leadership and set the priorities and direction of all
6 national amateur sports promotion and development, giving emphasis on
7 grassroots participation;
- 8 d) Encourage wide participation of all sectors, whether government or
9 private, in amateur sports promotion and development;
- 10 e) Promote social and cultural integration through the revival of
11 indigenous games and sports;
- 12 f) Identify and nurture sports talents for further development and
13 promote excellence in sports, traditional games and other physical activities;
- 14 g) Recommend the formulation of policies and programs that will
15 foster the development of amateur sports specially in the grassroots level;
- 16 h) Impose sanctions upon any national sports association, institution,
17 organization, body, entity, team, athlete or sports official engaged in amateur
18 sports for violation of its policies, rules and regulations;
- 19 i) Encourage the implementation by various government departments
20 and agencies of their sports promotion and development programs as indicated
21 in their respective annual budgets; and

1 j) Perform acts which are necessary or incidental to the proper
2 exercise of its functions.

3 **SEC. 17. *Divisions under the Amateur Sports Development Board.*** –
4 To ensure efficiency and specialization, there shall be two divisions established
5 under the Amateur Sports Development Board, as follows:

- 6 a) Grassroots Sports Development Division; and
7 b) National and Local Sports Competition Division.

8 **SEC. 18. *Grassroots Sports Development Division.*** – The Grassroots
9 Sports Development Division shall have the following functions:

10 a) Formulate and implement a physical fitness testing and evaluation
11 program to determine, monitor and establish a fitness profile of the different
12 sectors of society, and a grassroots development program in order to encourage,
13 improve and enhance the physical fitness and participation in sports of the
14 citizens at the city, municipality and barangay level;

15 b) Support the formation of sports club in schools, workplaces, cities,
16 municipalities and barangays and the conduct of activities aimed at encouraging
17 the citizens to participate and successfully compete in sports and various
18 physical activities;

19 c) Provide technical assistance to grassroots sports stakeholders;

20 d) Coordinate with and assist the basic, tertiary and technical
21 education institutions in the implementation of their physical education and
22 school sports development curriculum, policies and programs;

1 e) Assist public and private educational institutions in the
2 implementation of the intramural sports program and encourage competitive
3 activities between and among grassroots sports clubs; and

4 f) Develop the criteria for and implement an awards and incentives
5 scheme to encourage mass grassroots sports participation, sustained
6 involvement and excellent performance in grassroots sports activities.

7 **SEC. 19. *National and Local Sports Competition Division.*** – The
8 National and Local Sports Competition Division shall have the following
9 functions:

10 a) Plan and conduct regular formal and informal sports competitions
11 at the national and local levels; and
12 b) Establish and implement a system for identifying and developing
13 athletic talents for inclusion in the developmental athletes pool.

14 **SEC. 20. *International Sports Development Bureau.*** – The International
15 Sports Development Bureau to be headed by an executive director shall have
16 the following functions:

17 a) Formulate and recommend the adoption of a national training and
18 development program for athletes participating in international competitions in
19 all relevant sports, in coordination and cooperation with the concerned national
20 sports associations;

- 1 b) Plan, implement and administer all aspects to ensure successful
2 participation of the country in regional and international sporting events, games
3 and competitions;
- 4 c) Coordinate the activities of the private and public sectors
5 supporting the athletes who participate in international competitions; and
- 6 d) Ensure the availability of adequate budget and resources for said
7 purposes.

8 **SEC. 21. *Divisions under the International Sports Development***

9 **Bureau.** – There shall be established two divisions under the International
10 Sports Development Bureau, as follows:

- 11 a) National Sports Association Affairs Division; and
12 b) International Sports Competition Division.

13 **SEC. 22. *National Sports Association Affairs Division.*** – The National
14 Sports Association Affairs Division shall have the following functions:

- 15 a) Process, facilitate and oversee agreements and transactions
16 conducted between and among the Department, national sports associations and
17 other local and international sports institutions, federations, associations and
18 organizations to ensure their compliance with the policies and programs of the
19 Department;
- 20 b) Facilitate all necessary arrangements for the participation of
21 national athletes in international competitions;

1 c) Develop, prescribe and ensure the observance of criteria and
2 standards for athletes and sports teams representing the country in international
3 competitions;

4 d) Prescribe the criteria for selecting individuals, associations or clubs
5 entitled to financial and other forms of support to enable their participation in
6 international conferences, seminars, clinics, competitions and similar programs;
7 and

8 e) Establish appropriate linkages with international sports bodies.

9 **SEC. 23. *International Sports Competition Division.*** – The International
10 Sports Competition Division shall have the following functions:

11 a) Coordinate with the national sports associations and the Philippine
12 Olympic Committee for the preparation and training of the members of the
13 national athletes' pool;

14 b) Develop, prescribe, and monitor the implementation of criteria for
15 the selection and retention of members of the national athletes' pool supported
16 by the Department;

17 c) Coordinate with the national sports association in monitoring and
18 conducting periodic evaluation of members of the national athletes' pool;

19 d) Assist the national sports associations in the selection of national
20 team members for international competitions; and

21 e) Identify and recommend athletes, coaches and international sports
22 participants who may qualify for awards and incentives.

CHAPTER III

NATIONAL OLYMPIC COMMITTEE

4 SEC. 24. *Philippine Olympic Committee.* – The Philippine Olympic
5 Committee which is affiliated with the International Olympic Committee shall
6 continue to be recognized as the National Olympic Committee for the
7 Philippines. It is autonomous in character.

8 The Philippine Olympic Committee shall maintain its primary
9 responsibilities for activities pertaining to the country's participation in the
10 Olympic Games, Asian Games, Southeast Asian Games and other international
11 athletic competitions in accordance with the rules and regulations of the
12 International Olympic Committee, the Olympic Council of Asia, the Southeast
13 Asian Games Federation and other international sports bodies.

CHAPTER IV

NATIONAL SPORTS ASSOCIATIONS

17 SEC. 25. *National Sports Associations.* — The national sports
18 associations (NSAs), organized for their respective sports in the Philippines and
19 affiliated with their respective international federations which are recognized by
20 the International Olympic Committee, shall be recognized as such by the
21 Department in accordance with the standards and criteria prescribed by the
22 Department.

23 The charters, constitutions and by-laws of NSAs and their policies and
24 programs shall conform to the policies laid down in this Act. The Department
25 shall also recognize special national sports associations to represent the

1 differently-abled and school-based sports associations which shall, for all intent
2 and purposes, have the same status, privileges and obligations as regular NSAs.

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

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

12 SEC. 26. ***Powers and Functions of NSAs.*** – The Department recognizes
13 the following powers and functions of the various NSAs:

14 a) Adopt a constitution and by-laws not inconsistent with the
15 constitution and by-laws of the Philippine Olympic Committee;

16 b) Raise funds by donations, benefits and other means for their
17 purposes;

18 c) Purchase, sell, lease or otherwise encumber property, real or
19 personal, for the accomplishment of their respective purposes;

20 d) Affiliate with international or regional sports associations;

21 e) Conduct competitions for the promotion of their respective sports;

22 f) Appoint their representative to the Philippine Olympic Committee;

- 1 g) Decide all questions on the amateur status and discipline of the
2 athletes and officials connected with the associations as well as the members
3 thereof and all disputes between members;
- 4 h) Adopt, in coordination with the Philippine Olympic Committee, a
5 training program for the development of the athletes and their preparation for
6 international competitions;
- 7 i) Select the athletes, coaches and other officials for their national
8 teams taking into consideration not only their athletic abilities but also their
9 discipline, moral character, aptitude and attitude;
- 10 j) Keep accurate records of all official marks, scores and results
11 attained by the athletes in all competitions, as well as all results of sports
12 competitions, recognize and confirm the same and furnish copies to the
13 Department;
- 14 k) Qualify and license referees, umpires and other game officials who
15 shall officiate in competitions in their respective sports; and
- 16 l) Perform such other acts as may be deemed necessary for the proper
17 accomplishment of their objectives.

18 SEC. 27. ***Incentives and Other Non-monetary Benefits.*** – The
19 Department shall grant incentives, cash and other non-monetary benefits to all
20 national athletes, coaches and trainers who bring honor and recognition to the
21 country by winning in international competitions pursuant to Republic Act No.
22 9064, otherwise known as “*Sports Benefits and Incentives Act of 2001.*”

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5 **CHAPTER V**
6 **MISCELLANEOUS PROVISIONS**
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9 SEC. 28. *Tax Exemption.* – To encourage popular participation in
10 amateur sports, no tax of any kind shall be levied on the use of sports facilities,
11 whether the tax be on the user, owner or operator of the sports facility.

12 SEC. 29. *Donations and Contributions.* – All donations and
13 contributions to the Department in connection with its fund-raising projects and
14 its continuing sports development programs shall be exempt from the donor's
15 taxes, and shall be deductible in full in the computation of the taxable net
16 income of the donor. Donations and contributions to the various national sports
17 certified by the Department pursuant to the development of sports in the country
18 shall likewise be exempt from the payment of the donor's and estate taxes and
shall be deductible in full in computing the taxable net income of the donor.

19 SEC. 30. *Exemption from Travel Taxes.* – The Department and its
20 delegation or representatives to any international sports competitions,
21 convention, conference, meeting and events, and athletes, coaches and other
22 officials to any international competition shall be exempt from the payment of
23 travel tax, airport tax and any other travel related taxes or fees now or hereafter
24 imposed by law or regulation.

25 SEC. 31. *Presidential Land Grant.* – The provisions of any existing law
26 to the contrary notwithstanding, the President may, upon the recommendation of

1 the Secretary of Environment and Natural Resources, grant by donation, sale,
2 lease or otherwise, to the Department portions of the land of the public domain
3 as may be necessary for the establishment of regional training centers in all the
4 regions of the country and for the accomplishment of any of its purposes.

5 SEC. 32. *Sports Facilities.* – The administration and full control of all
6 existing sports facilities, including land, buildings and equipment, owned by the
7 national government as well as those owned by government-funded
8 foundations, associations and entities shall be transferred to the Department.
9 The sports facilities owned by the local government units, state colleges and
10 universities, or public schools shall remain with these institutions or entities.

11 All rental income from the sports equipment and facilities owned and
12 operated by the Department shall be remitted directly to the Department to be
13 used exclusively for the operation and maintenance of these equipment and
14 facilities.

15 SEC. 33. *Assistance by Government Entities.* – The Department may
16 call upon any government entity for assistance in the exercise of its powers and
17 the performance of its functions. All heads of departments, agencies,
18 corporations and offices of the government are hereby enjoined to render full
19 assistance and cooperation to the Department to ensure the attainment of its
20 objectives and the success of the national sports development program.

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CHAPTER VI

TRANSITORY PROVISIONS

SEC. 34. *Abolition of the Philippine Sports Commission.* – The

5 Philippine Sports Commission created under Republic Act No. 6847, also
6 known as the "*Philippine Sports Commission Act,*" is hereby abolished. The
7 powers and functions, applicable funds and appropriations, records, equipment,
8 property and personnel of the Philippine Sports Commission shall be transferred
9 to the Department.

10 The Philippine Sports Commission shall conduct an inventory of its
11 assets and liabilities and must turn over all their properties, together with the
12 inventory, to the Department and wind up their respective affairs within six (6)
13 months after the effectivity of this Act.

14 The abolition of the Philippine Sports Commission and the organization
15 of the Department shall be governed by the law, rules and regulations as
16 provided for in Republic Act No. 6656, entitled "*An Act to Protect the Security*
17 *of Tenure of Civil Service Officers and Employees in the Implementation of*
18 *Government Reorganization.*"

19 All programs, contracts and projects of the Philippine Sports
20 Commission, which are inconsistent with the policies and provisions of this Act,
21 shall be terminated on or before six (6) months after the approval of this Act.
22 Contracts, programs and projects which cannot be unilaterally terminated shall
23 remain in full force and effect. The Department shall negotiate for the

1 rescission of the contract or termination of the project or program for a period
2 earlier than what has been previously agreed upon.

3 SEC. 35. *Separation from Service.* – Employees separated from the
4 service as a result of this reorganization shall, within ninety (90) days
5 therefrom, receive the separation or retirement benefits to which they are
6 entitled under the law. The separation pay or retirement benefits shall have
7 priority of payment out of the savings of the agency.

8 SEC. 36. *Funding.* – In order to provide the necessary funds required for
9 the organization and initial calendar year of operational expenditures of the
10 Department, the amount of Two hundred million pesos (P200,000,000.00) from
11 the National Treasury is hereby appropriated. The operating expenses for the
12 Department itself shall not exceed twenty percent (20%) of the annual
13 appropriation and that at least eighty percent (80%) of the annual appropriation
14 and all of the national sports development funds, as hereinafter provided, shall
15 be disbursed for the national sports program, particularly in support of the
16 identification, recruitment and training of athletes in pre-regional, regional,
17 national and international competitions.

18 To finance the integrated sports development program, including the
19 holding of the national games and all other sports competitions at all levels
20 throughout the country as well as to carry out well-planned preparations to
21 sustain the complete needs of national and developmental athletes during the
22 preparation and participation at international sports competitions, such as, but

1 not limited to the Olympics, Asian Games, Southeast Asian Games,
2 Paralympics, *Universiade* or World University Games and other international
3 competitions sanctioned by international sports institutions, federations,
4 organizations and associations, thirty percent (30%) of the charity fund
5 representing the proceeds of six (6) lottery draws per annum of the Philippine
6 Charity Sweepstakes Offices, taxes on horse races from ten (10) racing days to
7 be determined by the Philippine Racing Commission and the Department, five
8 percent (5%) of the gross income before taxes of the Philippine Amusement and
9 Gaming Corporation, the proceeds from the sale of stamps as hereinafter
10 provided shall be automatically remitted directly to the Department by the
11 concerned entity and are hereby constituted as the National Sports Development
12 Fund.

13 Further, the Philippine Postal Corporation is hereby authorized to print
14 paper and gold stamps which shall depict sporting events and such other motif
15 as the Philippine Postal Corporation and the Department may agree at the
16 expense of the Department. Any deficiency in the financial requirements of the
17 Department for its annual sports development program shall be covered by an
18 annual appropriation passed by Congress.

19 SEC. 37. ***Implementing Rules and Regulations.*** – Within ninety (90)
20 days from the effectivity of this Act, the Secretary of Sports shall issue the
21 necessary rules and regulations for the effective implementation of this Act.

1 SEC. 38. *Annual Report.* – The Secretary of Sports shall submit to
2 Congress an annual report generally dealing with the activities and operations of
3 the Department, together with the audit report of the relevant accounts.

CHAPTER VII FINAL PROVISIONS

7 SEC. 39. *Separability Clause.* – If any provision or part of this Act is
8 declared invalid or unconstitutional, the remaining parts or provisions not
9 affected shall remain in full force and effect.

10 SEC. 40. ***Repealing Clause.*** – Republic Act No. 6847, otherwise known
11 as the “*Philippine Sports Commission Act*” is hereby repealed. All other laws,
12 rules, regulations, executive orders, circulars, and other issuances or parts
13 thereof, which are inconsistent with the provisions of this Act are hereby
14 repealed or amended accordingly.

15 SEC. 41. *Effectivity.* – This Act shall take effect fifteen (15) days after
16 its publication in the *Official Gazette* or in a newspaper of general circulation.

17 Approved,