

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

HOUSE BILL No. 2124

HOUSE OF REPRESENTATIVES	
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Introduced by Honorable Rosenda Ann Ocampo

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#### **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 insecure 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.

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



ROSENDA ANN OCAMPO

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**AN ACT**

**CREATING THE PHILIPPINE THOROUGHBRED HORSE RACING AUTHORITY, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

**SECTION 1. Title** - This Act shall be known as the ***"Charter of the Philippine Thoroughbred Horse Racing Authority"***.

**SECTION 2. Declaration of Policy and Objectives** - It is the declared policy of the State to promote the growth, expansion and development of the thoroughbred horse racing industry in accordance with the following objectives:

- (a) To promote, ensure and maintain the efficient, honest and fair operation of the thoroughbred horse racing industry;
- (b) To maintain public confidence in the thoroughbred horse racing sport;
- (c) To encourage and ensure the professional development of the horse racing personnel;
- (d) To improve and upgrade the breed of Philippine thoroughbred race horses; and
- (e) To give impetus to the development of the country's economy by providing opportunities for revenue and employment generation through the horse racing industry.

**SECTION 3. Definition of Terms** -

- (a) **Horse Racing** refers to a contest of speed among thoroughbred horses which are ridden by jockeys and shall include the aspect of sports and betting;
- (b) **Horse Racing Industry** refers to the various enterprises that encompass activities related to the racing of thoroughbred horses;

- (c) **Horse Breeding** refers to the activity related to the improvement or development of thoroughbred horses done by selective mating to produce horses for racing and breeding either for domestic use or export;
- (d) **Thoroughbred** refers to a horse specifically bred for racing than can trace its lineage back to three (3) original sires, namely: Darley Arabian; Godolphin Arabian and Byerley Turk;
- (e) **Breeding Stock** refers to thoroughbred horses used for selective mating purposes;
- (f) **Quarantine** refers to a period of detention or isolation imposed on horses upon arrival at a port or place to screen them for infectious or contagious diseases before they are allowed to be transported elsewhere within the country;
- (g) **Race Horses** refer to thoroughbred horses used for the activity of horse racing;
- (h) **Horse Owners** refer to people who are duly licensed by the Authority as having the legal right to own race horses and all other rights appertaining thereto;
- (i) **Trainers** refer to qualified persons who are in charge of conditioning horses in preparation for races and who are duly licensed by the Authority;
- (j) **Assistant Trainers** refer to the qualified assistants of trainers of race horses who are licensed by the Authority;
- (k) **Jockeys** refer to qualified persons who ride horses professionally in horse races and who are duly licensed by the Authority after having fulfilled the requirements to reach that status and also known as journeymen jockeys;
- (l) **Apprentice Jockeys** refer to qualified persons who ride horses professionally in races, duly licensed as such by the Authority, but deemed as junior in status to journeymen jockeys;
- (m) **Jockeys' Helpers** refer to persons who act as valets for jockeys during races and who are duly licensed by the Authority;
- (n) **Grooms** refer to persons in charge of and take care of horses and stables and who are duly licensed by the Authority;
- (o) **Grooms' Helpers** refer to persons who assist grooms in the care of horses and stables duly licensed by the Authority;
- (p) **Racing Club** refers to a franchise holder given by Congress the right and privilege to construct, operate and maintain a racetrack in designated areas;
- (q) **Racetrack** refers to a spacious plot of ground, usually oval, laid out for horse racing;
- (r) **Race Meetings** refer to days during which Races are held at a race track;
- (s) **Stud** refers to a stallion or breeding farm;
- (t) **Stud Book** refers to the official thoroughbred registry indicating the official record of the pedigrees of purebred horses;
- (u) **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;
- (v) **Stud Fee** refers to the payment given by the breeder to the owner of the stallion for its mating services;
- (w) **Totalizator** refers to the machinery that records bets as they are made and calculates odds;
- (x) **Unclaimed Dividends** refer to winning tickets which were unclaimed after thirty (30) days; and

- (y) **Unclaimed Refundable Tickets** refer to tickets that should be refunded due to unavoidable circumstances such as, but not limited to, scratch of entry of horses and false start and which were not claimed after thirty (30) days.

**SECTION 4. Creation of the Philippine Thoroughbred Horse Racing Authority** - There is hereby created a corporate body to be known as the **Philippine Thoroughbred Horse Racing Authority**, hereinafter referred to as the Authority, which shall be attached to the Office of the President.

The Philippine Racing Commission (PRC) 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 conduct of its operations and business.

**SECTION 5. Corporate Powers and Functions** - The Authority shall be vested with quasi-judicial functions and shall have exclusive jurisdiction in the supervision and regulation over:

- (a) All aspects of the conduct of thoroughbred horse racing, except those functions given to the racing clubs by this Act or by their respective franchises, and of horse breeding, including the importation and exportation of breeding stock;
- (b) All aspects of the conduct of thoroughbred horse racing, including the framing and scheduling of races, allocation of prizes, and security of horse racing; and
- (c) All aspects of ownership, construction and safety of racetracks: *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 horse racing and horse breeding;
- (b) Register race horses, horse owners, trainers, assistant trainers, handicappers, jockeys, apprentice jockeys, jockeys' helpers, grooms, grooms' helpers and association thereof including racing clubs and their racing operation personnel;
- (c) Regulate the safety of race tracks including equipment and facilities appurtenant thereto to ensure safety and security of horse racing, the welfare of the participants, and the welfare of horses;
- (d) Handle the framing and scheduling of races taking into consideration the franchise holders in determining their own handicapping system and race program as they may deem necessary which shall, however, not be in conflict with the rules promulgated by the Authority;
- (e) Allocate funds for prizes and to winning entries;
- (f) Grant permits for the holding of races;

- (g) Supervise all race meetings to assure integrity of the races at all times and order the suspension of any racing event in case of violation of any law, ordinance, or rules and regulations;
- (h) Spearhead the promotion and marketing of all aspects of the Philippine thoroughbred horse racing industry and allocate funds for such purpose;
- (i) Upon petition of any party or on its own discretion and after giving notice and conducting a hearing, modify, suspend or revoke any permit or license issued by the Authority for failure to comply with and/or for violation of any provision of law or any order, rule or regulation issued by the Authority: *Provided, however,* That the Authority may, without notice, order the temporary suspension of such permit/license issued by the Authority whenever, in its judgement, finds it necessary and is for the best interest of the horse racing industry;
- (j) Except in cases where summary actions are taken in the settlement of dispute and other problems connected with the conduct of horse racing, the Authority shall act as a quasi-judicial body, and all hearings and investigations before it shall be governed by the rules of procedure as may be adopted by it: *Provided,* that orders, rulings and decisions may be appealed to the President of the Philippines within fifteen (15) days from receipt of such order, ruling and decision;
- (k) Issue *subpoena ad testificandum* or *subpoena duces tecum* or require the production of documents material to the investigation of any case;
- (l) Impose fines, penalties and forfeitures to erring parties under its rules and regulations, which fines, penalties and forfeitures shall accrue to the funds of the Authority;
- (m) Review, modify, approve or disapprove the rules and regulations issued by any person or entity concerning the conduct of horse held by them;
- (n) Maintain the Philippine National Stud Book;
- (o) Prescribe such rules and regulations, procedures and guidelines in the governance of thoroughbred horse breeding and horse racing;
- (p) Enforce the provisions of this Act and all rules and regulations related to horse racing: *Provided,* that, the Games and Amusements Board (GAB) shall continue to exercise its supervisory and regulatory powers over the betting aspect of thoroughbred horse racing;
- (q) Form, establish, organize and maintain a subsidiary corporation or corporations;
- (r) To sue and be sued, enter into contracts, acquire, purchase, hold, lease, transfer, dispose of property of any kind or nature necessary to carry out the purposes of this Act;
- (s) Receive and administer donations, contributions, grants, bequests or gifts in cash or in kind from foreign governments, international agencies, private entities, and other sources, subject to existing laws, rules and regulations;
- (t) Require the racing club to immediately remit the unclaimed dividends and/or unclaimed refundable tickets to the Authority, which shall be spent in favour of the horse racing industry;
- (u) Prescribe, alter and repeal its bylaws; determine and make its operating policies; and promulgate rules and regulations as may be necessary and expedient for the conduct of its operations and business;
- (v) Obtain insurance for or require the insurance of, any property, movable or immovable, belonging to the Authority; and



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

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

**SECTION 6. Board of Directors** - The corporate powers and functions of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of a Chairperson, who shall be a member in good standing of the Integrated Bar of the Philippines or a non-lawyer who has at least five (5) years of experience in arbitration and/or dispute resolution and/or a knowledgeable horse racing aficionado, and six (6) members who shall be appointed by the President of the Philippines: *Provided*, That of the six (6) appointive members, one (1) shall represent the racing clubs, one (1) shall represent the horse owners' association, one (1) shall represent the trainers' association, and one (1) shall represent the jockeys' association: *Provided, further*, That the Chairperson and members of the Board, including the representatives to the Board of the racing clubs, the horse owners' association, the trainers' association and the jockeys' association, shall all meet the fit and proper rule as defined in Republic Act No. 10149, otherwise known as the "GOCC" Governance Act of 2011", and that all of them shall be appointed by the President from a shortlist prepared by the Governance Commission for Government-Owned or Controlled Corporations (GCG).

**SECTION 7. Term of Office** - The term of office of the Chairperson and members of the Board shall be one (1) year unless sooner removed for cause: *Provided*, that the members shall only be reappointed by the President after the members are nominated by the GCG based on a performance criteria set by the GCG: *Provided, further*, that the members shall continue to hold office until their successors shall have been appointed and duly qualified. All vacancies, prior to the expiration of the terms, shall be filled for the unexpired term only.

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

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

**SECTION 10. Power, Function and Duties of the Board of Directors** - The Board shall have the following powers, functions and duties:

- (a) Formulate policies, guidelines and programs to effectively implement and carry out the purposes, objectives and powers of the Authority;
- (b) Prescribe and periodically review and revise the amount of the fees, charges and fines as well as the penalties and forfeitures imposed on erring parties;

- (c) Adopt by-laws consistent with the provisions of this Act and amend, repeal or alter the same;
- (d) Promulgate such rules and regulations, after the conduct of a public hearing, as may be necessary and proper for the effective exercise of the powers and functions, as well as the discharge of the duties and responsibilities of the Authority, its officers and employees;
- (e) Authorize such expenditures of the Authority as may be necessary and proper for its effective management, operation and administration;
- (f) Upon the recommendation of the General Manager of the Authority, to determine and approve its organization and administrative structure or pattern: *Provided*, that any Board-approved organizational corporation shall only be implanted upon approval of the same by the GCG, and fix the compensation scheme of the officers and employees of the Authority: *Provided, further*, that the salaries, emoluments, benefits and other forms of compensation of the officers and employees of the Authority shall be in accordance with the Compensation and Position Classification System (CPCS) and other relevant rules and regulations issued by the GCG and the provisions of Republic Act No.10149;
- (g) Approve the annual and supplemental budget of receipts and expenditures of the Authority;
- (h) Appoint, promote, transfer, remove, suspend or otherwise discipline the officers of the Authority occupying executive and senior management positions, subject to existing laws, rules and regulations; and
- (i) Exercise such other powers and functions as may be necessary and proper for the attainment of the purposes and objectives of the Authority.

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

**SECTION 12. *Powers, Functions and Duties of the General Manager*** - The General Manager shall have the following powers, functions and duties:

- (a) Implement, enforce and apply the policies, programs, guidelines, procedures, decisions, rules and regulations promulgated, prescribed, issued or adopted by the Board;
- (b) Manage the day-to-day affairs of the Authority and ensure its operational efficiency;
- (c) Sign contracts, approve expenditures and payments within the budget provisions and perform any or all acts for the proper operation of the Authority; and
- (d) Perform such other duties as the Board may assign from time to time.

**SECTION 13. *Charges and Fees*** - The board, after a public hearing, shall determine, fix, impose, collect or receive reasonable charges, fees, dues or assessments with respect to



issuances of licenses and permits. All charges and fees shall be formally promulgated as well as amendments and changes thereto. Pending the promulgation of such new schedule of charges and fees, the current charges and fees shall continue to apply.

**SECTION 14. *Implementing Rules and Regulation*** - The Board shall prepare and issue the rules and regulations necessary to implement the provisions of this Act within sixty (60) day from its effectivity. All rules and regulations issued in accordance with the provisions of this Act shall be formally promulgated and periodically reviewed and updated by the Board. Pending the promulgation of such new rules and regulations, the current rules and regulations shall continue to apply.

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

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

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

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

**SECTION 19. *Legal Counsel*** - The Office of the Government Corporate Counsel shall be the Legal Counsel of the Authority: *Provided*, the Authority shall establish its own legal department to handle the day-to-day matters affecting the affairs of the Authority.

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

## **SECTION 21. *Transitory Provisions* -**

- (a) ***Transfer of Assets*** – All existing assets, buildings, rights, interests and other properties, whether movable or immovable, belonging to the PRC are hereby transferred to the Authority.
- (b) ***Transfer of Liabilities and Debts*** – Upon transfer to and acceptance by the Authority of the existing assets, building and other properties, movable and immovable, referred to in the preceding section, all liabilities, debts and obligations of the PRC shall be assumed by the Authority.
- (c) ***Transfer of Personnel*** – Officials and employees of the PRC shall be absorbed by the Authority on the basis of merit and fitness: *Provided*, that employees who shall be separated by reason of this Act shall be given all the benefits they may be entitled to under existing laws.
- (d) ***Holdover Status of Incumbent Board*** – The members of the incumbent Board shall continue performing their duties on holdover capacity until the new members shall have been duly appointed under this Act.

**SECTION 22. *Enforcement of this Act*** - The Authority shall call on the support of all law enforcement agencies, both national and local, to enforce the provisions of this Act.

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

**SECTION 24. *Repealing Clause*** - Presidential Decree No.420, Presidential Decree No.1095 and Republic Act No.7324 are hereby repealed. All other laws, presidential decrees, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SECTION 25. *Effectivity*** - This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

APPROVED.