



HOUSE OF REPRESENTATIVES

H. No. 4474

BY REPRESENTATIVES BAGATSING, BARZAGA, OCAMPO, CALIXTO-RUBIANO,
SACDALAN, SARMIENTO (C.), VILLARICA, CERAFIGA, QUISUMBING,
RAMOS, ANGPING, LOONG, FERRER (J.), ONG AND TAMBUNTING, PER
COMMITTEE REPORT NO. 230

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:*

1 SECTION 1. *Title.* – This Act shall be known as the “Charter of the
2 Philippine Thoroughbred Horse Racing Authority”.

3 SEC. 2. *Declaration of Policy and Objectives.* – It is the declared
4 policy of the State to promote the growth, expansion and development of the
5 thoroughbred horse racing industry in accordance with the following
6 objectives:

7 (a) To promote, ensure and maintain the efficient, honest and fair
8 operation of the thoroughbred horse racing industry;

9 (b) To maintain public confidence in the thoroughbred horse racing
10 sport;

11 (c) To encourage and ensure the professional development of the horse
12 racing personnel;

1 (d) To improve and upgrade the breed of Philippine thoroughbred race
2 horses; and

3 (e) To give impetus to the development of the country's economy by
4 providing opportunities for revenue and employment generation through the
5 horse racing industry.

6 SEC. 3. *Definition of Terms.* –

7 (a) *Horse racing* refers to a contest of speed among thoroughbred
8 horses which are ridden by jockeys and shall include the aspect of sports and
9 betting;

10 (b) *Horse racing industry* refers to the various enterprises that
11 encompass activities related to the racing of thoroughbred horses;

12 (c) *Horse breeding* refers to the activity related to the improvement or
13 development of thoroughbred horses done by selective mating to produce
14 horses for racing and breeding either for domestic use or export;

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

18 (e) *Breeding stock* refers to thoroughbred horses used for selective
19 mating purposes;

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

24 (g) *Race horses* refer to thoroughbred horses used for the activity of
25 horse racing;

26 (h) *Horse owners* refer to people who are duly licensed by the
27 Authority as having the legal right to own race horses and all other rights
28 appertaining thereto;

1 (i) *Trainers* refer to qualified persons who are in charge of
2 conditioning horses in preparation for races and who are duly licensed by the
3 Authority;

4 (j) *Assistant trainers* refer to the qualified assistants of trainers of race
5 horses who are licensed by the Authority;

6 (k) *Jockeys* refer to qualified persons who ride horses professionally in
7 horse races and who are duly licensed by the Authority after having fulfilled
8 the requirements to reach that status and also known as journeymen jockeys;

9 (l) *Apprentice jockeys* refer to qualified persons who ride horses
10 professionally in races, duly licensed as such by the Authority, but deemed as
11 junior in status to journeymen jockeys;

12 (m) *Jockeys' helpers* refer to persons who act as valets for jockeys
13 during races and who are duly licensed by the Authority;

14 (n) *Grooms* refer to persons in charge of and take care of horses and
15 stables and who are duly licensed by the Authority;

16 (o) *Grooms' helpers* refer to persons who assist grooms in the care of
17 horses and stables duly licensed by the Authority;

18 (p) *Racing club* refers to a franchise holder given by Congress the right
19 and privilege to construct, operate and maintain a racetrack in designated
20 areas;

21 (q) *Racetrack* refers to a spacious plot of ground, usually oval, laid out
22 for horse racing;

23 (r) *Race meetings* refer to days during which races are held at a race
24 track;

25 (s) *Stud* refers to a stallion or breeding farm;

26 (t) *Stud book* refers to the official thoroughbred registry indicating the
27 official record of the pedigrees of purebred horses;

1 (u) *Philippine National Stud Book* refers to the officially published
2 records of thoroughbred bloodlines in the Philippines and contains the
3 pedigree and the comprehensive records of breeding activities of
4 thoroughbreds in the Philippines;

5 (v) *Stud fee* refers to the payment given by the breeder to the owner of
6 the stallion for its mating services;

7 (w) *Totalizator* refers to the machinery that records bets as they are
8 made and calculates odds;

9 (x) *Unclaimed dividends* refer to winning tickets which were unclaimed
10 after thirty (30) days; and

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

15 SEC. 4. *Creation of the Philippine Thoroughbred Horse Racing*
16 *Authority.* – There is hereby created a body corporate to be known as the
17 Philippine Thoroughbred Horse Racing Authority, hereinafter referred to as the
18 Authority, which shall be attached to the Office of the President. The
19 Philippine Racing Commission (PRC) created under Presidential Decree
20 No. 420 is hereby abolished.

21 The Authority shall have its principal place of business in Metro Manila
22 and it may establish other offices elsewhere in the Philippines as may be
23 necessary for the efficient and effective conduct of its operations and business.

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

27 (a) All aspects of the conduct of thoroughbred horse racing, except
28 those functions given to the racing clubs by this Act or by their respective

1 franchises, and of horse breeding, including the importation and exportation of
2 breeding stock;

3 (b) All aspects of the conduct of thoroughbred horse racing, including
4 the framing and scheduling of races, allocation of prizes, and security of horse
5 racing; and

6 (c) All aspects of ownership, construction and safety of racetracks:
7 *Provided*, That the veterinary quarantine of horses shall be a function of the
8 Bureau of Animal Industry of the Department of Agriculture.

9 The Authority shall have the following powers and functions:

10 (1) Formulate an integrated development framework for thoroughbred
11 horse racing and horse breeding;

12 (2) Register race horses, horse owners, trainers, assistant trainers,
13 handicappers, jockeys, apprentice jockeys, jockeys' helpers, grooms, grooms'
14 helpers and associations thereof including racing clubs and their racing
15 operation personnel;

16 (3) Regulate the safety of race tracks including equipment and
17 facilities appurtenant thereto to ensure safety and security of horse racing, the
18 welfare of the participants, and the welfare of horses;

19 (4) Handle the framing and scheduling of races taking into
20 consideration the respective operations of the franchise holders in determining
21 their own handicapping system and race program as they may deem necessary
22 which shall, however, not be in conflict with the rules promulgated by the
23 Authority;

24 (5) Allocate funds for prizes and to winning entries;

25 (6) Grant permits for the holding of races;

26 (7) Supervise all race meetings to assure integrity of the races at all
27 times and order the suspension of any racing event in case of violation of any
28 law, ordinance, or rules and regulations;

1 (8) Spearhead the promotion and marketing of all aspects of the
2 Philippine thoroughbred horse racing industry and allocate funds for such
3 purposes;

4 (9) Upon petition of any party or on its own discretion and after
5 giving notice and conducting a hearing, modify, suspend or revoke any permit
6 or license issued by the Authority for failure to comply with and/or for
7 violation of any provision of law or any order, rule or regulation issued by the
8 Authority: *Provided, however,* That the Authority may, without notice, order
9 the temporary suspension of such permit/license issued by the Authority
10 whenever, in its judgment, finds it necessary and is for the best interest of the
11 horse racing industry;

12 (10) Except in cases where summary actions are taken in the settlement
13 of dispute and other problems connected with the conduct of horse racing, the
14 Authority shall act as a quasi-judicial body, and all hearings and investigations
15 before it shall be governed by the rules of procedure as may be adopted by it:
16 *Provided,* That orders, rulings and decisions may be appealed to the President
17 of the Philippines within fifteen (15) days from receipt of such order, ruling
18 and decision;

19 (11) Issue *subpoena ad testificandum* or *subpoena duces tecum* or
20 require the production of documents material to the investigation of any case;

21 (12) Impose fines, penalties and forfeitures to erring parties under its
22 rules and regulations, which fines, penalties and forfeitures shall accrue to the
23 funds of the Authority;

24 (13) Review, modify, approve or disapprove the rules and regulations
25 issued by any person or entity concerning the conduct of horse races held by
26 them;

27 (14) Maintain the Philippine National Stud Book;

1 (15) Prescribe such rules and regulations, procedures and guidelines in
2 the governance of thoroughbred horse breeding and horse racing;

3 (16) Enforce the provisions of this Act and all rules and regulations
4 related to horse racing: *Provided, That*, the Games and Amusements Board
5 (GAB) shall continue to exercise its supervisory and regulatory powers over
6 the betting aspect of thoroughbred horse racing;

7 (17) Form, establish, organize and maintain a subsidiary corporation or
8 corporations;

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

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

16 (20) Require the racing club to immediately remit the unclaimed
17 dividends and/or unclaimed refundable tickets to the Authority, which shall be
18 spent in favor of the horse racing industry;

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

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

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

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

1 SEC. 6. *Board of Directors.* – The corporate powers and functions of
2 the Authority shall be vested in and exercised by a Board of Directors,
3 hereinafter referred to as the Board, which shall be composed of a
4 Chairperson, who shall be a member in good standing of the Integrated Bar of
5 the Philippines or a non-lawyer who has at least five (5) years of experience in
6 arbitration and/or dispute resolution and/or a knowledgeable horse racing
7 aficionado, and six (6) members who shall be appointed by the President of the
8 Philippines: *Provided,* That of the six (6) appointive members, one (1) shall
9 represent the racing clubs, one (1) shall represent the horse owners’
10 association, one (1) shall represent the trainers’ association, and one (1) shall
11 represent the jockeys’ association: *Provided, further,* That the Chairperson
12 and members of the Board, including the representatives to the Board of the
13 racing clubs, the horse owners’ association, the trainers’ association and the
14 jockeys’ association, shall all meet the fit and proper rule as defined in
15 Republic Act No. 10149, otherwise known as the “GOCC Governance Act of
16 2011”, and that all of them shall be appointed by the President from a shortlist
17 prepared by the Governance Commission for Government-Owned or
18 -Controlled Corporations (GCG).

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

27 SEC. 8. *Meetings of the Board.* – The members of the Board shall
28 meet regularly once a week and as often as the exigencies of the service may

1 demand. The Board shall be convened by the Chairperson or upon the written
2 request of at least three (3) of its members. The presence of a majority of the
3 members of the Board shall constitute a quorum, and the vote of a majority of
4 the members present shall be necessary for the adoption of any rule, resolution,
5 decision or any other corporate act.

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

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

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

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

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

18 (d) Promulgate such rules and regulations, after the conduct of a public
19 hearing, as may be necessary and proper for the effective exercise of the
20 powers and functions, as well as the discharge of the duties and responsibilities
21 of the Authority, its officers and employees;

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

24 (f) Upon the recommendation of the General Manager of the
25 Authority, to determine and approve its organization and administrative
26 structure or pattern: *Provided, That* any Board approved organizational
27 corporation shall only be implemented upon approval of the same by the GCG,
28 and fix the compensation scheme of the officers and employees of the

1 Authority: *Provided, further*, That the salaries, emoluments, benefits and other
2 forms of compensation of the officers and employees of the Authority shall be
3 in accordance with the Compensation and Position Classification System
4 (CPCS) and other relevant rules and regulations issued by the GCG and the
5 provisions of Republic Act No. 10149;

6 (g) Approve the annual and supplemental budget of receipts and
7 expenditures of the Authority;

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

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

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

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

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

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

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

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

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

14 SEC. 14. *Implementing Rules and Regulations.* – The Board shall
15 prepare and issue the rules and regulations necessary to implement the
16 provisions of this Act within sixty (60) days from its effectivity. All rules and
17 regulations issued in accordance with the provisions of this Act shall be
18 formally promulgated and periodically reviewed and updated by the Board.
19 Pending the promulgation of such new rules and regulations, the current rules
20 and regulations shall continue to apply.

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

24 SEC. 16. *Retention of Income and Special Trust Fund.* – The sum
25 equivalent to one percent (1%) of the gross receipts derived from the total sale
26 of tickets for all racing events shall be retained by the Authority; *Provided,*
27 That one percent (1%) of the gross receipts derived from the total sale of tickets
28 for pari-mutuel races shall continue to be retained as a special fund for the use

1 of the GAB. All dues, fees, charges and other sums imposed and collected by
2 the Authority shall form part of a Special Trust Fund and will be used for its
3 operational expenses and shall be disposed of in accordance with the
4 provisions of this Act: *Provided, further,* That, at least sixty percent (60%) of
5 the retention income shall be allocated for prizes.

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

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

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

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

23 SEC. 21. *Transitory Provisions.* –

24 (a) *Transfer of Assets.* – All existing assets, buildings, rights, interests
25 and other properties, whether movable or immovable, belonging to the PRC
26 are hereby transferred to the Authority.

27 (b) *Transfer of Liabilities and Debts.* – Upon transfer to and acceptance
28 by the Authority of the existing assets, building and other properties, movable

1 and immovable, referred to in the preceding section, all liabilities, debts and
2 obligations of the PRC shall be assumed by the Authority.

3 (c) Transfer of Personnel. – Officials and employees of the PRC shall
4 be absorbed by the Authority on the basis of merit and fitness: *Provided, That,*
5 employees who shall be separated by reason of this Act shall be given all the
6 benefits they may be entitled to under existing laws.

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

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

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

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

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

Approved,