



HOUSE OF REPRESENTATIVES

H. No. 6329

BY REPRESENTATIVES BAGATSING, CALIMBAS-VILLAROSA, GULLAS, FABIAN
AND LAPUS, PER COMMITTEE REPORT NO. 2253

AN ACT CREATING THE PHILIPPINE THOROUGHBRED
HORSERACING 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 Horseracing 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 horseracing industry in accordance with the following objectives:

6 (a) To promote, ensure and maintain the efficient, honest and fair
7 operation of the thoroughbred horseracing industry;

8 (b) To maintain public confidence in the thoroughbred horseracing
9 sport;

10 (c) To encourage and ensure the professional development of the
11 horseracing personnel;

12 (d) To improve and upgrade the breed of Philippine thoroughbred
13 racehorses; and

1 (e) To give impetus to the development of the country's economy by
2 providing opportunities for revenue and employment generation through the
3 horseracing industry.

4 SEC. 3. *Definition of Terms.* –

5 (a) *Horse Racing* refers to a contest of speed among thoroughbred
6 horses which are ridden by jockeys and shall include the aspect of sports and
7 betting.

8 (b) *Horseracing Industry* refers to the various enterprises that
9 encompass activities related to the racing of thoroughbred horses.

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

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

16 (e) *Breeding Stock* refers to thoroughbred horses used for selective
17 mating purposes.

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

22 (g) *Race Horses* refer to thoroughbred horses used for the activity of
23 horse racing.

24 (h) *Horse Owners* refer to people who are duly licensed by the
25 Authority as having the legal right to own race horses and all other rights
26 appertaining thereto.

27 (i) *Trainers* refer to qualified persons who are in charge of
28 conditioning horses in preparation for races and who are duly licensed by the
29 Authority.

1 (j) *Assistant Trainers* refer to the qualified assistants of trainers of race
2 horses who are licensed by the Authority.

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

6 (l) *Apprentice Jockeys* refer to qualified persons who ride horses
7 professionally in races, duly licensed as such by the Authority, but deemed as
8 junior in status to journeymen jockeys.

9 (m) *Jockeys' Helpers* refer to persons who act as valets for jockeys
10 during races and who are duly licensed by the Authority.

11 (n) *Grooms* refer to persons in charge of and take care of horses and
12 stables and who are duly licensed by the Authority.

13 (o) *Grooms' Helpers* refer to persons who assist grooms in the care of
14 horses and stables duly licensed by the Authority.

15 (p) *Racetrack* refers to a spacious plot of ground, usually oval, laid out
16 for horse racing.

17 (q) *Race Meetings* refer to days during which races are held at a race
18 track.

19 (r) *Stud* refers to a stallion or breeding farm.

20 (s) *Stud Book* refers to the official thoroughbred registry indicating the
21 official record of the pedigrees of purebred horses.

22 (t) *Philippine National Stud Book* refers to the officially published
23 records of thoroughbred bloodlines in the Philippines and contains the
24 pedigree and the comprehensive records of breeding activities of
25 thoroughbreds in the Philippines.

26 (u) *Stud Fee* refers to the payment given by the breeder to the owner of
27 the stallion for its mating services.

1 (v) *Totalizator* refers to the machinery that records bets as they are
2 made and calculates odds.

3 SEC. 4. *Creation of the Philippine Thoroughbred Horseracing*
4 *Authority.* – There is hereby created a body corporate to be known as the
5 Philippine Thoroughbred Horseracing Authority, hereinafter referred to as the
6 Authority, which shall be attached to the Office of the President. The
7 Philippine Racing Commission created under Presidential Decree No. 420 is
8 hereby abolished.

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

12 SEC. 5. *Corporate Powers and Functions.* – The Authority shall be
13 vested with quasi-judicial functions and shall have exclusive jurisdiction in the
14 supervision and control over all aspects of the conduct of thoroughbred
15 horseracing and horse breeding, including the importation and exportation of
16 breeding stock, framing and scheduling of races, ownership, construction and
17 safety of racetracks, allocation of prizes, and security of horseracing:
18 *Provided,* That the veterinary quarantine of horses shall be a function of the
19 Bureau of Animal Industry of the Department of Agriculture.

20 The Authority shall have the following powers and functions:

21 (a) Formulate an integrated development framework for thoroughbred
22 horseracing and horse breeding;

23 (b) Register race horses, horse owners, trainers, assistant trainers,
24 jockeys, apprentice jockeys, jockeys' helpers, grooms, grooms' helpers and
25 associations thereof including racing clubs and their racing operation
26 personnel;

1 (c) Regulate the construction and safety of race tracks including
2 equipment and facilities appurtenant thereto to ensure safety and security of
3 horse racing, the welfare of the participants and the welfare of horses;

4 (d) Handle the framing and scheduling of races taking into
5 consideration the respective operations of the franchise holders;

6 (e) Allocate funds for prizes and to winning entries;

7 (f) Grant permits for the holding of races;

8 (g) Supervise all race meetings to assure integrity of the races at all
9 times and order the suspension of any racing event in case of violation of any
10 law, ordinance, or rules and regulations;

11 (h) Spearhead the promotion and marketing of all aspects of the
12 Philippine thoroughbred horseracing industry;

13 (i) Upon petition of any party or on its own discretion and after giving
14 notice and conducting a hearing, modify, suspend or revoke any permit or
15 license for failure to comply with and/or for violation of any provision of law
16 or any order, rule or regulation issued therewith: *Provided, however,* That the
17 Authority may, without notice, order the temporary suspension of such
18 permit/license whenever, in its judgment it finds it necessary and it is for the
19 best interest of the horseracing industry;

20 (j) Except in cases where summary actions are taken in the settlement
21 of dispute and other problems connected with the conduct of horseracing, the
22 Authority shall act as a quasi-judicial body, and all hearings and investigations
23 before it shall be governed by the rules of procedure as may be adopted by it:
24 *Provided,* That orders, rulings and decisions may be appealed to the President
25 of the Philippines within fifteen (15) days from receipt of such order, ruling
26 and decision;

- 1 (k) Issue *subpoena ad testificandum* or *subpoena duces tecum* or
2 require the production of documents material to the investigation of any case;
- 3 (l) Impose fines, penalties and forfeitures to erring parties under its
4 rules and regulations, which fines, penalties and forfeitures shall accrue to the
5 funds of the Authority;
- 6 (m) Review, modify, approve or disapprove the rules and regulations
7 issued by any person or entity concerning the conduct of horse races held by
8 them;
- 9 (n) Maintain the Philippine National Stud Book;
- 10 (o) Prescribe such rules and regulations, procedures and guidelines in
11 the governance of thoroughbred horse breeding and horseracing;
- 12 (p) Enforce the provisions of this Act and all rules and regulations
13 related to horseracing: *Provided*, That, the Games and Amusements Board
14 shall continue to exercise its supervisory and regulatory powers over the
15 betting aspect of thoroughbred horseracing;
- 16 (q) Form, establish, organize and maintain a subsidiary corporation or
17 corporations;
- 18 (r) To sue and be sued, enter into contracts, acquire, purchase, hold,
19 lease, transfer, dispose of property of any kind or nature necessary to carry out
20 the purposes of this Act;
- 21 (s) *Receive and administer donations, contributions, grants, bequests or*
22 *gifts in cash or in kind from foreign governments, international agencies,*
23 *private entities, and other sources, subject to existing laws, rules and*
24 *regulations;*
- 25 (t) Prescribe, alter and repeal its bylaws; determine and make its
26 operating policies; and promulgate rules and regulations as may be necessary
27 and expedient for the conduct of its operations and business;

1 (u) Obtain insurance for or require the insurance of any property,
2 movable or immovable, belonging to the Authority; and

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

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

8 SEC. 6. *Board of Directors.* – The corporate powers and functions of
9 the Authority shall be vested in and exercised by a Board of Directors,
10 hereinafter referred to as the Board, which shall be composed of a Chairperson
11 and six (6) members who shall be appointed by the President of the
12 Philippines: *Provided*, That of the six (6) appointive members, one (1) shall
13 represent the horse owners' association, one (1) shall represent the trainers'
14 association, and one (1) shall represent the jockeys' association: *Provided*,
15 *further*, That the Chairperson and members of the Board, including the
16 representatives to the Board of the horse owners' association, the trainers'
17 association and the jockeys' association, shall all meet the fit and proper rule
18 as defined in Republic Act No. 10149, otherwise known as the "GOCC
19 Governance Act of 2011", and that all of them shall be appointed by the
20 President from a shortlist prepared by the Governance Commission for
21 Government-Owned or -Controlled Corporations (GCG).

22 SEC. 7. *Term of Office.* – The term of office of the Chairperson and
23 members of the Board shall be one (1) year unless sooner removed for cause:
24 *Provided*, That the members shall only be reappointed by the President after
25 the members are nominated by the GCG based on a performance score
26 obtained under a performance criteria set by the GCG: *Provided, further*, That

1 the members shall continue to hold office until their successors shall have been
2 appointed and duly qualified. All vacancies, prior to the expiration of the
3 terms, shall be filled for the unexpired term only.

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

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

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

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

18 (b) *Prescribe and periodically review and revise the amount of the fees,*
19 *charges and fines as well as the penalties and forfeitures imposed on erring*
20 *parties;*

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

23 (d) *Promulgate such rules and regulations, after the conduct of a public*
24 *hearing, as may be necessary and proper for the effective exercise of the*
25 *powers and functions, as well as the discharge of the duties and responsibilities*
26 *of the Authority, its officers and employees;*

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

1 (f) Upon the recommendation of the General Manager of the
2 Authority, to determine and approve its organization and administrative
3 structure or pattern, and fix the compensation scheme of the officers and
4 employees of the Authority, in accordance with the Revised Compensation and
5 Position Classification System;

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 and Duties of the General Manager.* – The General
24 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 the rules and regulations as may be necessary to implement the
16 provisions of this Act. All rules and regulations issued in accordance with the
17 provisions of this Act shall be formally promulgated and periodically reviewed
18 and updated by the Board. Pending the promulgation of such new rules and
19 regulations, the current rules and regulations shall continue to apply.

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

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

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

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

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

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

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

22 SEC. 21. *Transitory Provisions.* –

23 (a) *Transfer of Assets.* – All existing assets, buildings, rights, interest
24 and other properties, whether movable or immovable, belonging to the
25 Philippine Racing Commission are hereby transferred to the Authority.

26 (b) *Transfer of Liabilities and Debts.* – Upon transfer to and acceptance
27 by the Authority of the existing assets, building and other properties, movable
28 and immovable, referred to in the preceding section, all liabilities, debts and

1 obligations of the Philippine Racing Commission shall be assumed by the
2 Authority.

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

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

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

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

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

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

Approved,