



## HOUSE OF REPRESENTATIVES

H. No. 4487

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BY REPRESENTATIVES NOGRALES, GARCIA (V.), LAPUS AND ALMARIO

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AN ACT GRANTING THE MINDANAO JOCKEY AND COUNTRY CLUB, INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN A RACETRACK FOR HORSE RACING IN DAVAO CITY

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

1           SECTION 1. *Nature and Scope of Franchise* – Any provision of law to  
2 the contrary notwithstanding, there is hereby granted to the Mindanao Jockey  
3 and Country Club, Inc., a corporation duly organized and registered under the  
4 laws of the Philippines, hereinafter referred to as the grantee, its assigns or  
5 successors, the right, privilege and authority to construct, operate and maintain  
6 one racetrack in Davao City, establish such branches thereof for booking  
7 purposes anywhere in the Philippines, and hold or conduct horse races with  
8 bettings on the results of the races, either directly or by means of any  
9 mechanical, electrical and/or computerized totalizator, including, but not

1 limited to, satellite wagering, and to do and carry out all such acts, deeds and  
2 things as may be necessary to give effect to the foregoing: *Provided*, That the  
3 establishment of off-track betting stations anywhere in the country shall be  
4 subject to the approval consent of the local government units where the off-  
5 track betting station shall be established, and in case of a municipality or  
6 component city, approval or consent of the provincial government shall  
7 likewise be obtained.

8       SEC. 2 *Authority of the Philippine Racing Commission and the Games*  
9 *and Amusement Board (GAB)* – The races to be conducted by the grantee  
10 shall be under the supervision and regulation of the Philippine Racing  
11 Commission, which shall enforce the laws, rules and regulations governing  
12 horse racing, including the framing and scheduling of races, the construction  
13 and safety of racetracks, the allocation of prices for winning horses and the  
14 security of racing. All racing officials and personnel of the grantee shall be  
15 duly licensed by the Philippine Racing Commission pursuant to Presidential  
16 Decree No. 420, as amended: *Provided*, That the personnel directly involved  
17 in betting shall be licensed by the GAB, and the GAB shall continue to  
18 supervise and regulate the betting in horse races as provided in Sections 6, 11,  
19 15, 18 and 24 of Republic Act No. 309 or the Act to Regulate Horse Racing in  
20 the Philippines, as amended.

1           SEC. 3. *Term of Franchise.* -- This franchise shall be for a term of  
2 twenty-five (25) years from the date of effectivity of this Act. The grantee  
3 shall secure from the Department of Environment and Natural Resources, the  
4 Department of Land Reform and such other government agencies concerned  
5 the necessary environmental compliance certificate and other permits for the  
6 construction of its racetrack within three years from the effectivity of this Act.  
7 The grantee shall commence operation within three years from the start of such  
8 construction.

9           SEC. 4. *Computerized and or Mechanical Devices.* -- The grantee shall  
10 provide and operate, and is hereby authorized to do and carry out all such acts,  
11 deeds and things as may be necessary for the effective conduct of the business  
12 under this franchise, and to achieve an orderly, clean and honest horse racing  
13 in the conduct thereof, the grantee shall in particular, provide and operate any  
14 mechanical, electrical and/or computerized devices, equipment and facilities,  
15 including, but not limited to:

16           (a) Photo patrol and or other electronic devices or camera;

17           (b) Automatic starter;

18           (c) Photo finish devices.

19           (d) Facilities or devices for tattoo branding of horses for proper  
20 identification;

21           (e) Facilities, laboratories and instruments for testing drugs;

1 (f) Weighing machines and devices for measurement of horses;

2 (g) Electric and/or computerized totalizator;

3 (h) Machines directly connected to a computer in a display board for  
4 the sale of tickets including those sold in off-track betting stations;

5 (i) Modern sound system and loud speaker facilities,

6 (j) Modern telecommunications, satellite facilities and broadcasting  
7 equipment and facilities, whether at the grantee's tracks or off-track betting  
8 stations, for receiving and transmitting, whether live or otherwise, messages,  
9 signals and pictures by any means now known or which in the future may be  
10 developed for the reception and transmission of messages, signals and pictures  
11 relating to the betting system, the actual conduct of horse races, the  
12 announcements of winning numbers and dividends paid or to be paid thereon,  
13 and any other form of information relating to the conduct and promotion of  
14 horse races within or outside the Philippines;

15 (k) Continuous and back-up power supply, and such other instruments,  
16 devices, equipment, facilities and systems;

17 (l) Facilities that will bring safety, security, comfort and convenience  
18 to the public; and

19 (m) Such other facilities, devices and instruments that will ensure clean,  
20 honest and orderly racing, betting on horse races. In case of failure to provide  
21 and install any of the abovementioned equipment or facilities within the three-

1 year period, the Philippine Racing Commission shall forthwith suspend and  
2 prohibit the holding of races by the grantee until such time as the said  
3 equipment or facilities are provided and installed.

4 The GAB shall assign its auditors and/or inspectors to supervise and  
5 regulate the placing of bets, the proper computation of dividends and the  
6 distribution of wager funds.

7 *SEC. 5. Offering, Taking or Arranging Bets for Races.* – The grantee or  
8 its duly authorized agent may offer, take or arrange bets for races conducted in  
9 or outside the Philippines, in person or by any electronic or other means of  
10 processing transactions, anywhere in the Philippines, whether within or outside  
11 the place, enclosure, or track where horses are held, in on-track or off-track  
12 betting stations, a day in advance of and/or during scheduled races held or  
13 conducted within or outside the Philippines. No other entity or person other  
14 than the grantee or its duly authorized agents or licensees shall offer, take or  
15 arrange any bets on any horse participating in any race conducted by the same,  
16 or maintain or use a totalizator or any other device, method or system to bet on  
17 any horse races conducted and/or operated by the same grantee.

18 *SEC. 6. Penalties* – Any person or persons found to have violated the  
19 provisions of the aforementioned section shall be punished by a fine of not less  
20 than Twenty thousand pesos (P20,000.00) but not more than One hundred  
21 thousand pesos (P100,000.00) or by imprisonment of a minimum of six months

1 and a maximum of one year, or both, at the discretion of the court. If the  
2 offender is a corporation, partnership or association, the criminal liability shall  
3 devolve upon its president, managing partner or manager responsible for such  
4 violation

5 SEC. 7. *Terms of Betting Tickets.* - The grantee shall publish and  
6 display prominently and in appropriate places the terms and conditions  
7 regarding the sale of betting tickets.

8 SEC. 8. *Distribution of Total Wager Funds or Gross Receipts* - The  
9 total wager funds or gross receipts from the sale of betting tickets shall be  
10 apportioned as follows:

11 (a) Eighty-two percent (82%) shall be distributed in the form of  
12 dividends among the holders of the winning tickets whether from pari-mutuel,  
13 daily double, forecast, *hove*, *quinella*, *trifecta*, or any other manner of betting;

14 (b) Eight and one-half percent (8 ½%) shall be retained by the grantee  
15 as its commission fee for conducting the horse races;

16 (c) Eight and one-half percent (8 ½%) shall be set aside for the  
17 payment of stakes or prizes of win, place and show horses, and the authorized  
18 bonus of jockeys; and

19 (d) One percent (1%) shall be set aside for the use of the Philippine  
20 Racing Commission: *Provided*, That in the case of gross receipts derived from

1 that no races are to be held. The grantee may also conduct races on the eve of  
2 any public holiday to start not earlier than five o'clock in the afternoon, but not  
3 to exceed five days in a year. The grantee shall allocate racing days pursuant  
4 to the provisions of Republic Act No. 309, as amended.

5 SEC. 11. *Tax Provision.* – The grantee, its successors or assigns shall  
6 be liable to pay income tax under the National Internal Revenue Code and all  
7 other tax laws applicable under the Tax Reform Act of 1997.

8 SEC. 12. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall not  
9 lease, transfer, grant the usufruct of, sell nor assign or otherwise dispose of the  
10 rights and privileges acquired hereunder to any person, firm, company,  
11 corporation or other commercial or legal entity, nor merge with any other  
12 corporation or entity organized for the same purpose without the approval of  
13 the Congress of the Philippines. Any person or entity to which this franchise  
14 is sold, transferred or assigned shall be subject to the same conditions, terms,  
15 restrictions and limitations of this Act.

16 SEC. 13. *Dispersal of Ownership.* – The grantee shall offer at least  
17 thirty percent (30%) of its outstanding capital stock or a higher percentage that  
18 may hereafter be provided by law in any securities exchange in the Philippines  
19 within ten (10) years from the time of the effectivity of this Act.  
20 Noncompliance therewith shall render the franchise *ipso facto* revoked.

1           SEC. 14. *Warranty in Favor of National and Local Governments.* --

2           The grantee shall hold the national, provincial and municipal governments of  
3           the Philippines free from all claims, accounts, demands or actions arising out  
4           of accidents or injuries, whether to property or persons, caused by the  
5           construction or operation of the racetracks of the grantee.

6           SEC. 15. *Acceptance and Compliance* -- Acceptance of this franchise  
7           shall be given in writing within sixty (60) days after the effectivity of this Act.

8           Upon giving such acceptance, the grantee shall exercise the privileges granted  
9           under this Act. Nonacceptance shall render the franchise void.

10          SEC. 16. *Reportorial Requirement* -- The grantee shall submit an  
11          annual report to the Congress of the Philippines on its compliance with the  
12          terms and conditions of the franchise and on its operations within sixty (60)  
13          days from the end of every year.

14          SEC. 17. *Separability Clause.* -- If any of the sections or provisions of  
15          this Act is held invalid, all the other provisions not affected thereby shall  
16          remain valid.

17          SEC. 18. *Repealability and Nonexclusivity Clause.* -- This franchise  
18          shall be subject to amendment, alteration or repeal by the Congress of the  
19          Philippines when the public interest so requires and shall not be interpreted as  
20          an exclusive grant of the privileges herein provided for.



1           SEC. 19. *Effectivity* – This Act shall take effect fifteen (15) days from  
2 the date of its publication in at least two newspapers of general circulation in  
3 the Philippines.

Approved,

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