

REPUBLIC ACT NO. 7953

AN ACT AMENDING REPUBLIC ACT NUMBERED SIXTY-SIX HUNDRED THIRTY-TWO ENTITLED 'AN ACT GRANTING THE PHILIPPINE RACING CLUB, INC., A FRANCHISE TO OPERATE AND MAINTAIN A RACE TRACK FOR HORSE RACING IN THE PROVINCE OF RIZAL', AND EXTENDING THE SAID FRANCHISE BY TWENTY-FIVE YEARS FROM THE EXPIRATION OF THE TERM THEREOF

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

SECTION 1. Republic Act No. 6632 is hereby amended to read as follows:

"SECTION 1. The Philippine Racing Club, Inc., a corporation duly organized and registered under the laws of the Republic of the Philippines, hereinafter called the grantee or its successors is hereby granted the right, notwithstanding any provision of law to the contrary, privilege and authority to construct, operate and maintain, one race track in the Municipality of Makati, Metro Manila, or anywhere within the provinces of Rizal, Laguna and Cavite, establish such branches thereof for booking purposes anywhere in the country, and hold or conduct horse races therein with bettings whether on the results of the races or other forms of gaming derived therefrom, and either directly or by means of mechanical, electric and/or computerized totalizator and to do and carry out all such acts, deeds and things as may be necessary to give effect to the foregoing: *Provided*, That in case of transfer of the race track from Makati, Metro Manila, such transfer shall be subject to the approval of the host province or city/municipality to where it would transfer, through a public hearing to be conducted by the local government unit concerned.

"The races to be conducted by the grantee shall be under the supervision and regulation of the Philippine Racing Commission, which shall enforce the laws, rules and regulations governing horse racing, including the framing and scheduling of races, the construction and safety of the race track, the allocation of prizes of winning horses, and the security of racing as provided in Presidential Decree No. 420, as amended: *Provided*, That the Games and Amusements Board shall continue to supervise and regulate betting in horse races as provided in Section 6, 8, 11, 15 and 24 of Republic Act Numbered Three hundred and nine, as amended, and all the racing officials and personnel to be employed by the grantee shall be duly licensed as such by the said Games and Amusements Board in accordance with Section 5 of the same Act.

"SEC. 2. The term of this franchise is hereby extended to another twenty-five (25) years from the date of expiration of Republic Act No. 6632 which is in October, 1997.

"SEC. 3. The grantee or its duly authorized agent, may offer, take or arrange bets for races conducted in or outside the Philippines in person or by any electronic or other means of processing transactions, anywhere in the Philippines, whether within or outside the place, enclosure, or track where horse races are held, in on-track or off-track betting stations, a day in advance of and/or during scheduled races held or conducted within or outside the Philippines. No other entity or person other than the grantee or its duly authorized agents or licensees shall offer, take or arrange any bet on any horse participating in any race conducted by the same, or maintain or use totalizator or any other device, method or system to bet on any horse within its premises or outside the same enclosure or track in the course of horse races conducted and/or operated by the said grantee.

"SEC. 4. Any person or persons found to have violated the provisions of the aforementioned section shall be punished by a fine of not less than Two thousand pesos (P2,000) but not more than Five thousand pesos (P5,000) or by imprisonment for not less than one month but not more than six months, or both such fine and imprisonment at the discretion of the Court. If the offender is a corporation, partnership or association, the criminal liability

shall devolve upon its president, managing partner or manager responsible for such violation.

"SEC. 5. The grantee shall provide and operate, and is hereby authorized to do and carry out all such acts, deeds and things as may be necessary for the effective conduct of the business under this franchise, and, to achieve an orderly, clean and honest horse racing in the conduct thereof, the grantee shall provide and operate any mechanical, electrical and/or computerized devices, equipment and facilities, including but not limited to: (a) photo patrol and/or other electronic devices or camera; (b) automatic starter; (c) electric totalizator; (d) photo finish devices; (e) machine, directly connected to a computer in a display board, for the sale of tickets, including those sold from off-track stations; (f) facilities or devices for tattoo branding of horses for their proper identification; (g) facilities, laboratories and instrument for 'test for drugs'; (h) weighing machines and devices for measurement of horses; (i) modern sound system and loud speaker facilities; (j) facilities that will bring safety, security, comfort and convenience to the public; (k) modern telecommunications and broadcasting equipment and facilities, whether at the grantee's tracks or off-track betting stations, for receiving and transmitting, whether live or otherwise, messages, signals and pictures by any means now known or which in the future may be developed for the reception and transmission of messages, signals and pictures relating to the betting system, the actual conduct of horse races, the announcement of winning numbers and dividends paid or to be paid thereon, and any other information relating to the conduct and promotion of horse races within or outside the Philippines; (l) continuous and back-up power supply, and such other instruments, devices, equipment, facilities and system; and (m) such other facilities, devices or instrument that will insure clean, orderly and honest racing, within three (3) years from the effectivity of this Act, betting on horse racing, or derivative games. In case of failure to provide and install any of the abovementioned equipment or facilities within the three-year period, the Philippine Racing Commission shall forthwith suspend and prohibit the holding of races by the grantee until such time as the said equipment or facilities are provided and installed.

"The Games and Amusements Board shall assign its auditors and/or inspectors to supervise and regulate the placing of bets, proper computation of dividends and the distribution of wager funds.

"SEC. 6. The grantee shall publish and display prominently and in appropriate places the terms and conditions regarding the sale of betting tickets. The total wager funds or gross receipts from the sales of betting tickets shall be apportioned as follows:

"(a) Eighty-two *per centum* (82%) shall be distributed in the form of dividends among the holders of winning tickets whether from *pari-mutuel*, daily double, forecast, *llave*, *quenella*, *trifecta*, or any other manner of betting;

"(b) Eight and one-half percent (8 1/2%) shall be retained by the grantee as its commission/fee for conducting the horse races;

"(c) Eight and one-half percent (8 1/2%) shall be set aside for the payment of stakes or prizes of win, place and show horses and the authorized bonus for jockeys; and

"(d) One percent (1%) shall be set aside for use of the Philippine Racing Commission: *Provided*, That in the case of gross receipts derived from the total sale for *pari-mutuel* races, the one half-percent (1/2%) government share shall be set aside for use of the Games and Amusements Board, to be shared equally with the jockeys' and horse trainers' injury, disability and death compensation fund created under Republic Act No. 309, as amended.

"The receipts from betting corresponding to the fractions of less than ten centavos eliminated from the dividends paid to the winning tickets, commonly known as breakage, shall be set aside as follows: twenty-five per cent (25%) to the provincial or city/municipal hospitals where the race track is located, twenty-five per cent (25%) for the rehabilitation of drug addicts, as provided in Republic Act Numbered Six thousand four hundred twenty-

five, and twenty-five percent (25%) for the benefit of the Philippine Racing Commission, subject to the condition that the funds shall be used exclusively for the payment of additional prizes for races sponsored by the Philippine Racing Commission and for the necessary capital outlays, and twenty-five percent (25%) for expenditures relative to horse breeding activities of the National Stud Farm.

"SEC. 7. The provisions of any existing law, executive or administrative order to the contrary notwithstanding, the grantee is hereby authorized to hold horse races on two (2) days during the week as may be determined by the Philippine Racing Commission, and on all Saturdays, Sundays and official holidays of the year, except on those official holidays where the law expressly provides that no horse races are to be held. The grantee may also conduct races on the eve of any public holiday to start not earlier than five-thirty (5:30) o'clock in the afternoon but not to exceed five days a year.

"The grantee shall allocate racing days pursuant to the provisions of Republic Act Numbered Three hundred and nine, as amended.

"SEC. 8. On each horse racing ticket, there shall be collected a documentary stamp tax of Ten centavos (₱0.10): *Provided*, That if the cost of the ticket exceeds One peso (₱1.00), an additional tax of Ten centavos (₱0.10) on every One peso (₱1.00) or fractional part thereof shall be collected: *Provided, further*, That in case of double, forecast/*quenella* and *trifecta* bets, the tax shall be Five centavos (₱0.05) on every One peso (₱1.00) worth of ticket.

"SEC. 9. In consideration of the franchise and rights herein granted to the Philippine Racing Club, Inc., the grantee shall pay into the National Treasury a franchise tax equal to twenty-five *per centum* (25%) of its gross earnings from the horse races authorized to be held under this franchise which is equivalent to the eight and one-half *per centum* (8 1/2%) of the total wager funds or gross receipts on the sale of betting tickets during the racing days as mentioned in Section 6 hereof, allotted as follows: (a) National Government, five *per centum* (5%); the province or city/municipality where the race track is located, five *per centum*

(5%); (b) Philippine Charity Sweepstakes Office, seven *per centum* (7%); (c) Philippine Anti-Tuberculosis Society, six *per centum* (6%); and (d) White Cross, two *per centum* (2%). The said tax shall be paid monthly and shall be in lieu of any and all taxes, except the income tax, of any kind, nature and description levied, established or collected by any authority whether barangay, municipality, city, provincial or national, on its properties, whether real or personal, from which taxes the grantee is hereby expressly exempted.

"SEC. 10. Every person who wins in horse racing shall pay a tax equivalent to ten percent (10%) of his winnings or dividends, the tax to be based on the actual amount paid to him for every winning ticket after deducting the cost of the ticket: *Provided*, That in the case of winnings from double, forecast/*quenella* and *trifecta* bets, the tax shall be four percent (4%), in the case of winning race horses, the tax shall be ten percent (10%) of the prize.

"The taxes herein prescribed shall be deducted from the dividends corresponding to each winning ticket or the prize of each winning race horse owner and withheld by the operator, manager or person in charge of the horse races before paying the dividends or prizes to the persons entitled thereto.

"The operator, manager or person in charge of horse races shall, within twenty (20) days from the date of the tax was deducted and withheld in accordance with the Commissioner of Internal Revenue in the manner or form prescribed by the Secretary of Finance, and pay within the same period the total amount of tax so deducted and withheld.

"SEC. 11. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights, privileges or authority acquired to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company or corporation organized for the same purpose without the approval of the Congress of the Philippines.

"SEC. 12. The provisions of Republic Act Numbered Three hundred and nine not inconsistent with this Act shall be deemed

incorporated herein, provided that any and all provisions of any act, executive order and administrative regulation which are inconsistent with the provisions of this Act are deemed automatically repealed."

SEC. 2. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation in the Philippines.

Lapsed into law on March 30, 1995 without the President's signature, pursuant to Sec. 27(1), Article VI of the Constitution.