

**FOURTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)**

OFFICE OF THE SECRETARY

9 MAY 21 P2:34

SENATE

RECEIVED BY 

COMMITTEE REPORT NO. 409

Submitted by the Committee on Public Services on
MAY 21 2009

RE : **H. B. No. 5291**

Recommending the approval of **H. B. No. 5291** without amendment.

Sponsor : **Senator Revilla, Jr.**

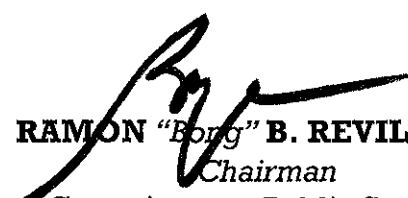
MR. PRESIDENT:

The Senate Committee on Public Services to which was referred H. B. No. 5291, introduced by Representatives Salimbangon, Soon-Ruiz and Biron, *entitled:*

**"AN ACT
GRANTING THE FOX NEW MILLENIUM AMUSEMENT CLUB,
INC. (FNMACI) A FRANCHISE TO CONSTRUCT, OPERATE AND
MAINTAIN A GREYHOUND RACETRACK IN ANY PLACE WITHIN
THE CITY OF MANDAUE, PROVINCE OF CEBU."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the **H. B. No. 5291** be approved without amendment with Senator Revilla, Jr. as sponsor thereof.

Respectfully submitted:


RAMON "Bong" B. REVILLA, JR.
Chairman
Committee on Public Services

MEMBERS:

Edg
EDGARDO J. ANGARA

Gringo
GREGORIO "Gringo" B. HONASAN, II

my amend
RICHARD J. GORDON

may amend
PANFILO "Ping" M. LACSON, SR.

MAR ROXAS

FRANCIS "Chiz" G. ESCUDERO

J.P. Arroyo
JOKER P. ARROYO

ALAN PETER "Compañero" S. CAYETANO

FRANCIS N. PANGILINAN

EX- OFFICIO MEMBERS:

J.P. Estrada
JINGGOY P. EJERCITO ESTRADA
President Pro-Tempore

I need a copy. may amend.
AQUILINO O. PIMENTEL, JR.
Minority Floor Leader

JUAN MIGUEL F. ZUBIRI
Majority Floor Leader

JUAN PONCE ENRILE
Senate President
Pasay City



HOUSE OF REPRESENTATIVES

H. No. 5291

BY REPRESENTATIVES SALIMBANGON, SOON-RUIZ AND BIRON, PER COMMITTEE
REPORT NO. 1393

AN ACT GRANTING THE FOX NEW MILLENIUM AMUSEMENT CLUB,
INC. (FNMACI) A FRANCHISE TO CONSTRUCT, OPERATE AND
MAINTAIN A GREYHOUND RACETRACK IN ANY PLACE
WITHIN THE CITY OF MANDAUE, PROVINCE OF CEBU

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

SECTION 1. *Nature and Scope of Franchise.* – Any provision of law to the contrary notwithstanding, there is hereby granted to Fox New Millenium Amusement Club, Inc. (FNMACI), a corporation duly organized and registered under the laws of the Philippines, hereinafter called the grantee, its successors or assigns, the right, privilege and authority to construct, operate and maintain a greyhound racetrack in the City of Mandaue, Province of Cebu, to establish such branches thereof for booking purposes anywhere in the Philippines, and hold or conduct greyhound racing with bettings on the results of the races, either directly or by means of any mechanical, electrical and/or computerized totalizator, including, but not limited to, satellite wagering and to do and carry out all such acts, deeds and things as may be necessary to give effect to the foregoing: *Provided*, That the establishment of off-track betting stations anywhere in the country shall be subject to the approval/consent of

the local government unit where the off-track betting station shall be established.

SEC. 2. Authority of the Games and Amusements Board. -- The races to be conducted by the grantee, as well as the betting in greyhound racing, shall be under the supervision and regulation of the Games and Amusements Board or of a government agency specifically tasked to oversee greyhound racing, which shall enforce the laws, rules and regulations governing greyhound racing, including the framing and the scheduling of races, the construction and safety of racetracks, the allocation of prices for the winning greyhound and the security of racing. All racing officials and personnel to be employed by the grantee shall be duly licensed by the Games and Amusements Board or of a government agency specifically tasked to oversee greyhound racing.

SEC. 3. Term of Franchise. -- This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act. This franchise shall be deemed suspended in the event that the grantee fails to comply with any of the following conditions:

(a) Commence construction of the racetrack and its accessories within three (3) years after all pertinent government permits shall have been secured; and

(b) Commence operation within three (3) years after the completion of the foregoing construction of the racetrack and its accessories.

The grantee shall secure from the Department of Environment and Natural Resources (DENR), and such other government agencies concerned, the necessary Environmental Compliance Certificate and other permits for the construction of its racetrack. The grantee shall likewise secure from the Department of Agriculture (DA) the necessary permits for the importation of the greyhounds.

SEC. 4. *Computerized and/or Mechanical Devices.* — 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 greyhound racing, the grantee shall, in particular, 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) Photo finish devices;
- (d) Facilities or devices for tattoo branding of greyhounds for proper identification;
- (e) Facilities, laboratories and instrument for testing drugs;
- (f) Weighing machines and devices for the measurement of greyhounds;
- (g) Electric and/or computerized totalizator;
- (h) Machines directly connected to a computer in a display board for the sale of tickets, including those sold in off-track betting stations;
- (i) Modern sound system and loud speaker facilities;
- (j) Modern telecommunications, satellite facilities 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 greyhound races, the announcements of winning numbers and dividends paid or to be paid thereon,

and any other information relating to the conduct and promotion of greyhound races within or outside the Philippines;

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

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

(m) Such other facilities, devices and instruments that will ensure clean, honest and orderly racing and betting on greyhound races. In case of failure to provide and install any of the abovementioned equipment or facilities by the grantee, the Games and Amusements Board or any government agency specifically tasked to oversee greyhound racing 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.

SEC. 5. Offering, Taking or Arranging Bets for Races. – The grantee or its duly authorized agent may offer, take or arrange bets for greyhound races conducted in the racetrack, 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 greyhound races are held, in on-track or off-track betting stations, in advance of and/or during scheduled races held or conducted in the Philippines. No other entity or person other than the grantee or its duly authorized agents or licensees shall offer, take or arrange any bets on any greyhound participating in any race conducted by the same, or maintain or use a totalizator or any other device, method or system to bet on any greyhound races conducted and/or operated by the same grantee.

SEC. 6. Penalties. – Any person or persons found to have violated the provisions of the aforementioned section shall be punished by a fine of not less than Fifty thousand pesos (P50,000.00) but not more than One hundred thousand pesos (P100,000.00) or by imprisonment of a minimum of six (6)

months and a maximum of one (1) year, or both, 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. 7. *Terms of Betting Tickets.* – The grantee shall publish and display prominently and in appropriate places the terms and conditions regarding the sale of betting tickets.

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

- (a) Eighty percent (80%) shall be distributed in the form of dividends among the holders of winning tickets, less documentary stamp taxes;
- (b) Fourteen percent (14%) shall be retained by the grantee as its commission/fee for conducting greyhound races;
- (c) Five percent (5%) shall be set aside for the payment of stakes or prizes of win, place and show of greyhounds; and
- (d) One percent (1%) shall be set aside for use of the Games and Amusements Board.

SEC. 9. *Breakage.* – The receipts from the betting corresponding to the fractions of less than Ten centavos (P0.10) eliminated from the dividends paid to the winning tickets, commonly known as breakage, shall be set aside as follows:

- (a) Fifty percent (50%) for the benefit of the Games and Amusements Board, subject to the condition that the funds shall be used exclusively for the payment of additional prizes for races sponsored by the Games and Amusements Board and for the necessary capital

outlays and other expenditures for the care and comfort of dogs;

- (b) Twenty-five percent (25%) to the government hospitals located in the Province of Cebu; and
- (c) Twenty-five percent (25%) for the rehabilitation of drug addicts, as provided in Republic Act No. 6425, otherwise known as "The Dangerous Drugs Act of 1972".

SEC. 10. *Schedule of Races.* – The provision of any existing law to the contrary notwithstanding, the grantee is hereby authorized to hold races for at least two (2) days during the week as may be determined by the Games and Amusements Board, and all Saturdays, Sundays and official holidays of the year, excluding Thursdays and Fridays of the Holy Week, and those official holidays where the law expressly provides that no races are to be held. The grantee may also conduct races on the eve of any public holiday to start not earlier than five o'clock in the afternoon.

SEC. 11. *Documentary Stamps.* – On each greyhound racing ticket, there shall be collected a documentary stamp tax of Ten centavos (P0.10): *Provided,* That if the cost of the ticket exceeds One peso (P1.00), an additional tax of Ten centavos (P0.10) on every One peso (P1.00) or fractional part thereof shall be collected.

SEC. 12. *Taxes on Winnings.* – Every person who wins in greyhound 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. The taxes herein prescribed shall be deducted from the dividends corresponding to each winning ticket or the prize of each winning race greyhound owner and withheld by the operator,

manager or person in charge of the greyhound races before paying the dividends or prizes to the persons entitled thereto.

The operator, manager or person in-charge of greyhound races shall, within twenty (20) days from the date the tax was deducted and withheld in accordance with the preceding paragraph, file a true and correct return 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. 13. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired hereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest of the grantee be transferred to any such private person, firm, company, corporation or entity without the approval of the Congress of the Philippines: *Provided*, That the foregoing limitation shall not apply to: (a) any transfer or issuance of shares to any investor pursuant to or in connection with any increase in the grantee's authorized capital stock which shall result in the dilution of the stockholdings of the grantee's then existing stockholders; (b) any transfer or sale of shares of stock to an investor or investors; (c) any sale, transfer or assignment by the stockholders of the grantee in favor of a holding company whose stockholders are identical to the stockholders of the grantee; and (d) any combination thereof where such transfer, sale or issuance is effected in order to enable the grantee to raise the necessary capital or financing for the provision of any service authorized by this Act and/or carry out any of the purposes for which the grantee has been incorporated or organized. Any person or entity to which this franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SEC. 14. *Equality Clause.* – In the event that any competing individual, partnership or corporation receives or enjoys or shall receive similar permit or franchise with terms, provisions and/or privileges more favorable than those herein granted or which tend to place the herein grantee at any disadvantage, then such terms and/or provisions shall be deemed part hereof *ipso facto* and shall operate equally in favor of the herein grantee.

SEC. 15. *Dispersal of Ownership.* – The grantee shall offer at least twenty *per centum* (20%) of its outstanding capital stock or higher percentage that may hereafter be provided by law in any securities exchange in the Philippines within ten (10) years from the time of the effectivity of this Act. Noncompliance therewith shall render the franchise suspended until compliance.

SEC. 16. *Warranty in Favor of National and Local Governments.* – The grantee shall hold the national, provincial and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to persons, caused by the construction or operation of the racetracks of the grantee.

SEC. 17. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing within sixty (60) days after the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SEC. 18. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 19. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

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

SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,

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