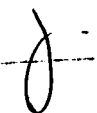


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



16 JUL 19 AIO 58

SENATE

RECEIVED BY: 

S. No. 451

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT

CREATING THE DEPARTMENT OF SPORTS, DEFINING ITS POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

The Philippine Sports Commission (PSC) was created by virtue of Republic Act No. 6847 enacted in January of 1990. It was intended to be the lead agency that shall oversee, reform, and jumpstart the state of Philippine sports. However, twenty six (26) years after its enactment, the expected improvement and development of Philippine sports under the PSC still is wanting.

The PSC failed to neither surpass nor even just approximate the many successes that the country produced in the field of sports with the likes of Akiko Thompson, Lydia De Vega, Elma Muros, Paeng Nepomuceno, Eric Buhain, and Efren "Bata" Reyes, among many others. Issues like lack of a comprehensive national sports program, obsolete training methods, lack of state-of-the-art facilities and modern equipment are seen as the culprit in the country's poor performance in various international competitions.

It is in this light that this bill seeks to create a Department of Sports that shall take the lead in providing the much needed leadership in sports development in the Philippines. The Department of Sports, a cabinet-level agency, shall provide necessary impetus, direction, and policy guidance in order to improve the performance of the country in international sporting events and competitions. Said agency shall likewise take the lead in developing Filipino athletes to their fullest potentials.

It is hoped that once the Department of Sports is established, sports in the Philippines would once again become an integral component of youth development, a galvanizing force for National Unity, and a source of national pride.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV
Senator

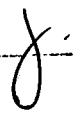


Senate
Office of the Secretary

SEVENTEENTH CONGRESS OF THE)
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S.B. No. 451

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
CREATING THE DEPARTMENT OF SPORTS, DEFINING ITS POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as "*Department of Sports Act of
2016*".

SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote and sustain
fitness, physical education and sports development in the country. As such, it shall maintain
and provide equal access to resources, services and facilities related to sports to all Filipinos
to foster and promote health and physical fitness, self-discipline, teamwork, excellence, peace
and camaraderie, youth development, and people empowerment through sports.

It shall also encourage wider participation of all sectors, including the government
and private sector, in amateur sports promotion and development and shall be led by a single,
unified and integrated national sports policy-making body.

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DEPARTMENT OF SPORTS

SEC. 3. *Creation of the Department of Sports.* – There is hereby created the Department of Sports, hereinafter referred to as the “Department”, which shall carry out the above-declared policy and assume the promotion and development of sports and physical fitness in the country.

SEC. 4. *Mandate.* - The Department shall be the primary policy, planning, coordinating, implementing, regulating and administrative entity of the executive branch of the Government that will plan, promote and help develop sports and physical fitness in the country.

SEC. 5. *Objectives of the Department.* – The objectives of the Department are the following:

- a) to prepare, formulate, implement and oversee an integrated sports promotion and development program for the Philippines in consultation with the stakeholders as well as other government agencies, non-government organizations, associations and groups involved in sports;
- b) to promote a nationwide grassroots-based sports development program and strengthen the sports club system;
- c) to encourage the participation of Filipino athletes in regional and international sports competitions including but not limited to the South East Asian Games, the Asian Games, the Olympics, the Paralympics, the Universiade or World University Games as well as international, regional and world competitions staged by other reputable international sports associations, federations and/or organizations;

- 1 d) to provide leadership in the development of sports in the Philippines, formulate
2 the policies and set the priorities and direction of all national amateur sports
3 promotion and development, particularly giving emphasis on grass-roots
4 development and participation;
- 5 e) to encourage wider participation of all sectors, including the government and the
6 private sector, in amateur sports promotion and development especially among the
7 Filipino youth;
- 8 f) to improve the performance of Filipino athletes in regional and international
9 sports competition and develop athletes to become a source of national pride;
- 10 g) to provide resources, services and facilities to enable Filipinos to pursue and
11 achieve excellence in sports while also furthering other aspects of their personal
12 development;
- 13 h) to foster peace and camaraderie within the country thru competitive and
14 recreational sports;
- 15 i) to improve the sporting abilities of Filipinos generally through the improvement
16 of the standard of sports coaches;
- 17 j) to foster cooperation in sports between the Philippines and other countries through
18 the provision of access to resources, services and facilities related to sports; and
- 19 k) to supplement government appropriations for sports promotion and development
20 by encouraging the private sector to contribute in the funding of the various
21 programs of the Department.

22 **SEC. 6. *Functions of the Department.*** – The Department shall perform the following
23 functions:

- 24 a) to advise the President on all matters pertaining to sports in general;

- 1 b) to prescribe the criteria and standards for the recognition of national sports
2 associations in different sports in the Philippines;
- 3 c) to prescribe criteria and standards for the participation of athletes and teams in
4 international competitions;
- 5 d) to coordinate the activities of, and to facilitate cooperation among, the various
6 sectors involved in sports, including among others, the National Sports
7 Associations, public and private schools, government corporations and entities,
8 local government units, the Armed Forces of the Philippines, and other sports
9 organizations and private corporations;
- 10 e) to encourage and organize, in consultation with the national sports associations
11 and related organizations, national, regional and international sports competitions,
12 events and games;
- 13 f) to develop and implement programs for the recognition and development of:
- 14 i. persons who excel, or who have the potential to excel, in sport; and
- 15 ii. persons who have achieved, or who have the potential to achieve,
16 standards of excellence as sports coaches, umpires, referees or officials
17 essential to the conduct of sports;
- 18 g) to plan and promote physical education in the Philippines;
- 19 h) to initiate, encourage and facilitate research and development in relation to sports;
- 20 i) to undertake research and development related to sports science and sports
21 medicine and to prepare and publish such reports or periodicals on these matters
22 as it thinks fit;
- 23 j) to provide sports medicine services and sports science services to persons
24 participating in programs of the Department;

- 1 k) to establish, develop and maintain fully-equipped sports facilities and centers in
2 strategic places in the country and, as far as practicable, such modern sports
3 complexes adequate for major international and regional competitions, events and
4 games;
- 5 l) to rationalize and regulate the establishment of publicly-funded sports complexes
6 and supervise the management and maintenance thereof, excluding school or
7 college-owned sports complexes;
- 8 m) to collect and disseminate information, and provide advice, on matters related to
9 the activities of the Department;
- 10 n) to plan and formulate policies and programs and review or evaluate, from time to
11 time, the organizational set-up, projects and programs of the Department;
- 12 o) to assist the proper government agency in the formulation of an industry
13 incentives program for the manufacture in the Philippines of sports equipment and
14 supplies of international standard and quality;
- 15 p) to recommend and propose to the Department of Education, Department of
16 Interior and Local Government and other government agencies and
17 instrumentalities having their own sports programs, to incorporate in their
18 respective annual budgets a separate and specific budget for sports promotion and
19 development;
- 20 q) for the purpose of fostering cooperation in sports between the Philippines and
21 other countries, to provide access to persons from other countries to the resources,
22 services and facilities of the Department;
- 23 r) to provide advice on matters related to sports to persons, bodies or associations
24 involved in sports;

- 1 s) to cooperate with national and international sporting organizations in fostering an
2 environment that is free from the unsanctioned use of performance enhancing
3 drugs and doping methods;
- 4 t) to encourage, promote and sustain the creation and establishment of regional,
5 provincial, municipal and barangay or school district sports promotion and
6 development councils, composed of officials of the Department of Education and
7 Department of Interior and Local Government, local government officials, and
8 representatives of the private sector, which shall initiate, conduct and coordinate
9 sports activities in their respective jurisdictions; and
- 10 u) to exercise such other acts as are necessary or incidental to and/or are appropriate
11 and proper in connection with the creation of the Department.

12 **SEC. 7. Powers of the Department.** - The Department has the power to do all acts
13 and things necessary to be done for or in connection with the performance of its functions,
14 including:

- 15 a) to appoint the officers and other personnel of the Department and fix their
16 compensation subject to existing laws, rules and regulations;
- 17 b) to delegate authority for the performance of any function to officers and
18 employees under its direction;
- 19 c) to appoint committees consisting of persons who may or may not be members of
20 the Department and delegate to such committees such of its functions as the
21 Department may determine;
- 22 d) to enter into contracts;
- 23 e) to recommend minimum standards for participation in international sports
24 competitions and games;
- 25 f) to advise on the planning, promotion and standards of physical education;

- 1 g) to acquire, use and control any land, building, facilities, equipment, instruments,
2 tools and rights required or otherwise necessary for the accomplishment of the
3 purposes of the Department;
- 4 h) to acquire, own, possess and dispose of any real or personal property;
- 5 i) to regulate the acquisition, procurement, distribution and use of sportswear,
6 equipment, instruments, tools and other sports necessities necessary and required
7 for training of a national pool of athletes;
- 8 j) to assist and support national sports associations in the implementation of Section
9 37 of this Act;
- 10 k) to confer, extend and grant awards, benefits and privileges to athletes, coaches and
11 officials for outstanding performances in national and international competitions;
- 12 l) to confer, extend and grant support or assistance to sports associations which are
13 in good standing with the Department;
- 14 m) to exercise supervisory and visitorial powers over the national sports associations
15 in connection with their sports promotion and development programs with respect
16 to which financial assistance is extended by the Department;
- 17 n) to accept donations, gifts, bequests, and grants for the purposes of the Department;
- 18 o) to ensure the implementation by various government departments and agencies of
19 their sports promotion and development programs as indicated in their respective
20 annual budgets;
- 21 p) to impose sanctions upon any national sports association, institution, association,
22 body, entity, team, athlete and sports official for violation of its policies, rules and
23 regulations; and
- 24 q) to perform any and all other acts incident to or required by virtue of its creation.

1 **SEC. 8. *Composition of the Department.*** – The Department of Sports shall be headed

2 by a Secretary. The Department proper shall be composed of the Office of the Secretary, the
3 offices of the Undersecretaries and the Assistant Secretaries.

4 **SEC. 9. *Secretary of Sports.*** – The Secretary shall be appointed by the President,

5 subject to confirmation by the Commission on Appointments.

6 The Secretary shall have the following functions:

7 a) Provide executive direction and supervision over the entire operations of the
8 Department and its attached agencies;

9 b) Establish policies and standards for the effective, efficient and economical
10 operation of the Department, in accordance with the programs of the Government;

11 c) Rationalize delivery systems necessary for the effective attainment of the
12 objectives of the Department in accordance with the programs of the Government;

13 d) Review and approve request for financial and manpower resources of all
14 operating offices of the Department;

15 e) Designate and appoint officers and employees of the Department, excluding
16 the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional
17 Directors, in accordance with the Civil Service laws, rules and regulations;

18 f) Coordinate with LGUs, other agencies and public and private interests groups,
19 including non-government organizations (NGOs) and people's organizations (POs) on
20 Department policies and initiatives;

21 g) Advice the President on the promulgation of executive and administrative
22 orders and regulatory and legislative proposals on matters pertaining to the promotion and
23 development of sports and physical fitness in the country;

24 h) Formulate such rules and regulations, and exercise such other powers as may
25 be required to implement the objectives of this Act;

i) Perform such other tasks as may be provided by Law or assigned by the President from time to time.

SEC. 10. *Undersecretaries.* - The Secretary shall be assisted by three (3) Undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary: *Provided*, That one (1) of the Undersecretaries shall be a career officer coming from ranks of existing government institution or office on sports or qualified individuals in the private sector who actively supports the promotion and development of sports in the country.

SEC. 11. *Assistant Secretaries.* - The Secretary shall be assisted by three (3) Assistant Secretaries who shall be career officers appointed by the President upon the recommendation of the Secretary.

SEC. 12. *Qualifications.* - No person shall be appointed Secretary, Undersecretary or Assistant Secretary of the Department unless he/she is a citizen and resident of the Philippines, publicly-recognized personalities in the field of sports, at least thirty (30) years of age, of good moral character, and of proven integrity.

SEC. 13. *Regional Offices.* - The Department shall be authorized to establish, operate, and maintain Regional Office in each of the administrative regions of the country as the need arises. The regional office shall be headed by a Regional Director, who may be assisted by one (1) Assistant Regional Director. The Regional Offices shall have, within their respective administrative regions, the following functions:

- a) Implement laws, policies, plans, programs, projects, rules and regulations of the Department;
- b) Provide efficient and effective service to the people;
- c) Coordinate with regional offices of other departments, offices, and agencies;
- d) Coordinate with LGUs;

1 e) Perform such other functions as may be provided by law or assigned by the
2 Secretary.

3 **SEC. 14. *Transfer of Agencies and Personnel.*** – The Philippine Sports Commission
4 (PSC) is hereby abolished, and their powers and functions, applicable funds and
5 appropriations, records, equipment, property, and personnel shall be transferred to the
6 Department.

7 The laws and rules on government reorganization as provided for in Republic Act No.
8 6656, otherwise known as the Reorganization Law, shall govern the reorganization process of
9 the Department.

10 **SEC. 15. *Separation from Service.*** - Employees separated from the service as a result
11 of this reorganization shall, within ninety (90) days therefrom, receive the separation and
12 retirement benefits to which they may be entitled under Executive Order No. 366. Provided
13 that such separation pay and retirement benefits shall have priority of payment out of the
14 savings of the department or agency.

15 **SEC. 16. *Structure and Staffing Pattern.*** - The Department shall determine its
16 organizational structure and create new divisions or units as it may deem necessary, and shall
17 appoint officers and employees of the Department in accordance with the Civil Service Law,
18 rules, and regulations.

19 **SEC. 17. *Regular Bureaus, Divisions and Offices.*** - The Department shall organize
20 bureaus, divisions, and offices in such manner as would best carry out the declared policies
21 and objectives enunciated herein and consistent with the provisions of civil service laws,
22 rules, and regulations. There shall be an administrative services bureau, which shall be
23 primarily responsible for providing services related to financial management, personnel,
24 records, supplies and equipment, and a support services bureau, which shall be primarily
25 responsible for plans and programs formulation, research, EDP and system management,

1 public information and production, transportation, communications and such other functions
2 and responsibilities as may be necessary and required by the Department.

3 **SEC. 18. *Specialized Bureaus.*** – In addition, there are hereby created two (2)
4 specialized bureaus under the Department to ensure the proper implementation of this Act:
5 (a) the Amateur Sports Development Bureau, and (b) the International Sports Development
6 Bureau, both of which shall be headed by Deputy Executive Directors.

7 **ARTICLE III**

8 **AMATEUR SPORTS DEVELOPMENT BUREAU**

9 **SEC. 19. *Amateur Sports Development Bureau.*** - The Amateur Sports
10 Development Bureau shall be primarily responsible for the promotion and development of
11 amateur sports in the Philippines. The Division of Amateur Sports shall have authority over
12 all matters relating to amateur sports.

13 **SEC. 20. *Functions.*** - The Amateur Sports Development Bureau shall have the
14 following functions:

- 15 a) Plan, implement and encourage a mass-based sports and physical fitness program
16 for the youth, senior citizens, the disabled and the entire citizenry, through the
17 promotion of a sports club system and of amateur sports in formal and informal
18 setting;
- 19 b) Promote social and cultural integration through the revival of traditional and
20 indigenous games and sports;
- 21 c) Identify and nurture sports talents for further development and promote excellence
22 in sports, traditional games and other physical activities;
- 23 d) Recommend to the Department the formulation of policies and programs that will
24 foster the development of amateur sports in the grassroots level;
- 25 e) Impose sanctions on any national sports association, institution, association, body,

entity, team, athlete and sports official engaged in amateur sports for violation of its policies, rules and regulation.

- f) Exercise supervisory powers over the national sports associations in connection with their sports promotion and development programs where financial assistance is extended by the Department; and
- g) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets.

SEC. 21. Divisions under the Amateur Sports Development Bureau. - To ensure efficiency and specialization, there shall be established two main divisions under the Amateur Sports Development Bureau: (a) the Grassroots Sports Development Division and (b) the Local and National Sports Competition Division.

SEC. 22. Grassroots Sports Division. - The Grassroots Sports Development Division shall have the following functions:

- a) Formulate and implement: (i) a physical fitness testing and evaluation program to determine, monitor and establish a fitness profile of the different sectors of society; and (ii) a grassroots developmental program in order to encourage, improve and enhance the physical fitness and participation in sports of the citizens at the city, town and barangay level;
- b) Support the formation of sports clubs in schools, workplaces, cities and towns, communities and barangays and the conduct of activities aimed at encouraging the citizens to participate and successfully compete in sports and various physical activities;
- c) Provide technical assistance to grassroots sports stakeholders;
- d) Coordinate with and assist the basic, tertiary and technical education institutions

1 in the implementation of their physical education and school sports development
2 curriculum, policies and programs;

3 e) Assist public and private educational institutions in the implementation of their
4 intramural sports program and encourage competition activities between and
5 among grassroots sports clubs; and

6 f) Develop the criteria for and implement an awards and incentives scheme to
7 encourage mass grassroots sports participation, sustained involvement and
8 excellent performance in grassroots sports activities.

9 **SEC. 23. *Local and National Sports Competition Division.*** - The Local and
10 National Sports Competition Division shall have the following functions;

11 a) Plan and conduct regular formal and informal sports competitions at the local and
12 national levels;

13 b) Establish and implement a system for identifying and developing athletic talents
14 for inclusion in the Developmental Athletes' Pool; and

15 d) Plan, implement and administer all aspects of the training program and the
16 preparation and participation for international competition of the Developmental
17 Athletes' Pool.

18 **ARTICLE IV**

19 **INTERNATIONAL SPORTS DEVELOPMENT BUREAU**

20 **SEC. 24. *Establishment of International Sports Development Bureau.*** - A
21 special sports bureau to be known as the International Sports Development Bureau is hereby
22 established and created. It shall have the following functions:

23 a) Formulate and recommend the adoption of a national training and development
24 program for athletes participating in international competitions in all relevant

1 sports, in coordination and cooperation with the concerned national sports
2 associations;

3 b) Plan, implement and administer all aspects to ensure successful participation of
4 the country in regional and international sporting events, games and competitions;

5 c) To coordinate private and public sector support for the country's athletes who are
6 participating in international competitions; and

7 d) Ensure the availability of adequate budget, funds and resources for said purposes.

8 **SEC. 25. *Divisions of the International Sports Development Bureau.*** - The

9 Division of the International Sports Development Bureau shall be composed of: (a) the
10 National Sports Association Affairs Division and (b) the International Sports Competition
11 Division.

12 **SEC. 26. *Functions of the National Sports Association Affairs Division.*** - The

13 National Sports Association Affairs Division shall have the following functions:

14 a) Process, facilitate and oversee agreements and transactions conducted between
15 and among the Department, National Sports Associations and other local and
16 international sports institutions, federations, associations and organizations to
17 ensure their compliance with the policies and programs of the Department;

18 b) Facilitate all necessary arrangements for the participation of national teams in
19 international competition;

20 c) Develop, prescribe and ensure the observance of criteria and standards for athletes
21 and athletic teams representing the country in international competitions;

22 d) Prescribe the criteria for selecting individuals, associations or clubs entitled to
23 financial and/or other forms of support to enable their participation in
24 international conferences, seminars, clinics, competitions and similar programs;

25 and

1 e) Establish appropriate linkages with international sports bodies.

2 **SEC. 27. *The International Sports Competition Division.*** - The following shall
3 be the functions of the International Sports Competition Division:

4 a) Oversee the preparation and training of the members of the National Athletes'
5 Pool in consultation and cooperation with the national sports associations
6 concerned;

7 b) Develop, prescribe, and monitor the implementation of criteria for the selection
8 and retention of members of the National Athletes' Pool supported by the
9 Department;

10 c) Monitor and conduct the time trials and periodic evaluation of members of the
11 National Athletes' Pool;

12 d) Assist in the selection of national teams for international competitions; and

13 e) Identify and recommend athletes, coaches and international sports participants
14 who may qualify for awards and incentives.

15 **ARTICLE V**

16 **TRANSITORY AND FINAL PROVISIONS**

17 **SEC. 28. *National Sports Associations.*** - National Sports Associations organized for
18 their respective sports in the Philippines and affiliated with their respective international
19 institutions, federations, associations or organizations, shall be recognized as such by the
20 Department in accordance with the standards and criteria prescribed by the Department after
21 ensuring that their charters, constitutions and by-laws, and their policies and programs
22 conform to the policies laid down in this Act; *Provided*, that the Department shall also
23 recognize special national sports associations to represent the differently-abled and school-
24 based sports associations which shall, for all intents and purposes, have the same status,
25 privileges and obligations as regular national sports associations.

1 The national sports associations recognized by the Department shall be autonomous
2 and shall have exclusive technical control over the promotion and development of the
3 particular sport for which they are organized, subject however to the supervisory and
4 visitorial powers of the Department.

5 Each national sports association shall, by its constitution and by laws, determine its
6 organization and membership: *Provided*, however, That no team, school, club, organization
7 or entity shall be admitted as a voting member of a national sports association unless sixty
8 percent (60%) of the athletes composing said team, school, club, organization or entity are
9 Filipino citizens.

10 The Department recognizes the following functions, powers, duties and
11 responsibilities of the various national sports associations:

- 12 a) To adopt a Constitution and by laws not inconsistent with the 1987 Philippine
13 Constitution and the provisions of this Act;
- 14 b) To raise funds by donations, benefits and other means for their purposes;
- 15 c) To purchase, sell, lease or otherwise encumber property, real or personal, for the
16 accomplishment of their respective purposes;
- 17 d) To conduct competitions for the promotion of their respective sports;
- 18 e) To decide all questions on the status and discipline of the athletes and officials
19 connected with the associations as well as the members thereof and all disputes
20 between members;
- 21 g) To select the athletes, coaches and other officials for their national teams in
22 accordance with the standards and criteria prescribed by the Department, taking
23 into consideration not only their athletic abilities but also their discipline, moral
24 character, aptitude and attitude;

- 1 i) To keep accurate records of all official marks, scores and results attained by the
2 athletes in the associations in all competitions, as well as all results of sports
3 competitions, recognize and confirm the same and furnish copies thereof to the
4 Department;
- 5 j) To qualify and license referees, umpires and other game officials who shall
6 officiate in competitions in their respective sports; and
- 7 k) To perform such other acts as may be necessary for the proper accomplishment of
8 their purposes.

9 **SEC. 29. *Tax Exemption on the Use of Sports Facilities.*** — To encourage popular
10 participation in amateur sports, no tax of any kind shall be levied on the use of sports
11 facilities, whether the tax be on the user, owner or operator of the sports facility.

12 **SEC. 30. *Tax Deduction or Exemption of Donations and Contributions.*** — All
13 donations and contributions to the Department in connection with its fund-raising projects
14 and its continuing sports development programs shall be exempt from the donor's taxes, and
15 shall be deductible in full in the computation of the taxable net income of the donor.
16 Donations and contributions to the various national sports certified by the Department to be
17 pursuant to the development of sports in the country shall likewise be exempt from the
18 payment of the donor's and estate taxes and shall be deductible in full in computing the
19 taxable net income of the donor.

20 **SEC. 31. *Sports Delegations.*** — The Department and its delegation or representatives
21 to any international sports competitions, convention, conference, meeting and events, and
22 athletes, coaches and other officials to any international competition shall be exempt from the
23 payment of travel tax, airport tax and any other travel related taxes or fees now or hereafter
24 imposed by law or regulation.

1 **SEC. 32. *Presidential Land Grant.*** — The provisions of any existing law to the
2 contrary notwithstanding the President may, upon the recommendation of the Secretary of the
3 Department of Environment and Natural Resources (DENR), grant by donation, sale, lease or
4 otherwise to the Department portions of the land of public domain as may be necessary for
5 the establishment of regional training centers in all the regions of the country and for the
6 accomplishment of any of its purposes.

7 **SEC. 33. *Sports Facilities.*** — The administration and full control of all existing
8 sports facilities, including land, buildings and equipment, owned by the national government
9 as well as those owned by government-funded foundations, associations and entities except
10 liabilities, shall be transferred to the Department: *Provided,* That the sports facilities owned
11 by the local government units, state colleges and universities, or public schools shall remain
12 with the said institutions or entities.

13 All rental income from the sports equipment and facilities owned and operated by the
14 Department shall be remitted directly to the Department to be used exclusively for the
15 operation and maintenance of said equipment and facilities.

16 **SEC. 34. *Assistance by the Government Entities.*** — The Department may call upon
17 any government entity for assistance in the performance of its functions and duties. All heads
18 of departments, agencies, corporations and offices of the government are hereby enjoined to
19 render full assistance and cooperation to the Department to ensure the attainment of its
20 objectives and the success of the national sports development program.

21 **SEC. 35. *Integration of the Philippine Sports Commission.*** - The Philippine Sports
22 Commission created and established under Republic Act 6847 shall be integrated with the
23 Department of Sports within sixty (60) days from the enactment of this law. All power,
24 functions, duties and responsibilities of the Philippine Sports Commission not inconsistent
25 with the provisions of this Act shall continue to be exercised and performed by the

1 Department. Forthwith, the Philippine Sports Commission shall conduct an inventory of its
2 assets and liabilities, and shall turn over the same together with the inventory to the
3 Department of Sports.

4 All programs, contracts and projects of the Philippine Sports Commission, which are
5 inconsistent with the policies and provisions of this Act shall be terminated on or before six
6 (6) months from the enactment of this law: *Provided*, That contracts, programs and projects
7 which cannot be unilaterally terminated shall remain in force and effect and the Department
8 shall negotiate for the rescission of the contract or termination of the project or program for a
9 period earlier than what has been previously agreed upon.

10 **SEC. 36. Appropriations.** - In order to provide the necessary funds required for the
11 organizational and initial calendar year of operational expenditures of the Department, the
12 amount of One Hundred Seventy Eight Million, Two Hundred Seventy Thousand pesos
13 (P178,273,000.00) from the National Treasury is hereby appropriated: *Provided*, That
14 operating expenses for the Department itself shall not exceed twenty percent (20%) of the
15 annual appropriation and that at least eighty percent (80%) of said annual appropriation and
16 all of the national sports development funds, as hereinafter provided, shall be disbursed for
17 the national sports program, particularly in support of the identification, recruitment and
18 training of athletes in pre-regional, regional, national and international competitions.

19 To finance the country's integrated sports development program, including the
20 holding of the national games and all other sports competitions at all levels throughout the
21 country as well as to carry out well-planned preparations to sustain the complete needs of
22 national and development athletes during the country's preparation and participation at
23 international sports competitions, such as, but not limited to the Olympics, Asian Games,
24 Southeast Asian Games, Paralympics, Universiade or World University Games and other
25 international competitions sanctioned by international sports institutions, federations,

1 organizations and associations, thirty percent (30%) of the charity fund representing the
2 proceeds of six (6) lottery draws per annum of the Philippine Charity Sweepstakes Offices,
3 taxes on horse races from ten (10) racing days to be determined by the Philippine Racing
4 Commission and the Department; five percent (5%) of the gross income before taxes of the
5 Philippine Amusement and Gaming Corporation; and the proceeds from the sale of stamps as
6 hereinafter provided shall be automatically remitted directly to the Department by the
7 concerned entity are hereby constituted as the National Sports Development Fund. Further,
8 the Philippine Postal Corporation is hereby authorized to print paper and gold stamps which
9 shall depict sporting events and such other motif as the Philippine Postal Service Office and
10 the Department may agree on, at the expense of the Department. Any deficiency in the
11 financial requirements of the Department for its national sports development program shall be
12 covered by an annual appropriation passed by Congress.

13 **SEC. 37. *Implementing Rules and Regulations.*** - The Department shall, within
14 ninety (90) days after the approval of this Act, issue the necessary rules and regulations to
15 implement the provisions hereof.

16 **SEC. 38. *Annual Report.*** - The Department shall, within ninety (90) days after the
17 end of every fiscal year, submit to Congress an annual report on its compliance with, or
18 accomplishments under this act, together with its plans and recommendations to improve and
19 develop its capability to enforce the provisions of this Act, and a complete accounting of
20 transactions with respect to any funds received under this Act.

21 **SEC. 39. *Separability Clause.*** If any provision or part hereof is held invalid or
22 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
23 valid and subsisting.

24 **SEC. 40. *Repealing Clause.*** - Republic Act No. 6847, otherwise known as the "*The*
25 *Philippines Sports Commission Act*" is hereby repealed. All other laws, rules, regulations,

1 orders, circulars, and memoranda inconsistent with any provisions of this Act are hereby
2 repealed or modified accordingly.

3 **SEC. 41. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
4 complete publication in the *Official Gazette* or in at least two (2) newspapers of general
5 circulation.

Approved,