



## HOUSE OF REPRESENTATIVES

H. No. 5291

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

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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:*

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

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

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

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

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

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

26           SEC. 4. *Computerized and/or Mechanical Devices.* – The grantee shall  
27 provide and operate, and is hereby authorized to do and carry out all such acts,  
28 deeds and things as may be necessary for the effective conduct of the business

1 under this franchise and, to achieve an orderly, clean and honest greyhound  
2 racing, the grantee shall, in particular, provide and operate any mechanical,  
3 electrical and/or computerized devices, equipment and facilities including, but  
4 not limited to:

- 5 (a) Photo patrol and/or other electronic devices or camera;
- 6 (b) Automatic starter;
- 7 (c) Photo finish devices;
- 8 (d) Facilities or devices for tattoo branding of greyhounds for proper  
9 identification;
- 10 (e) Facilities, laboratories and instrument for testing drugs;
- 11 (f) Weighing machines and devices for the measurement of  
12 greyhounds;
- 13 (g) Electric and/or computerized totalizer;
- 14 (h) Machines directly connected to a computer in a display board for  
15 the sale of tickets, including those sold in off-track betting stations;
- 16 (i) Modern sound system and loud speaker facilities;
- 17 (j) Modern telecommunications, satellite facilities and broadcasting  
18 equipment and facilities, whether at the grantee's tracks or off-track betting  
19 stations, for receiving and transmitting, whether live or otherwise, messages,  
20 signals and pictures by any means now known or which in the future may be  
21 developed for the reception and transmission of messages, signals and pictures  
22 relating to the betting system, the actual conduct of greyhound races, the  
23 announcements of winning numbers and dividends paid or to be paid thereon,  
24 and any other information relating to the conduct and promotion of greyhound  
25 races within or outside the Philippines;
- 26 (k) Continuous and back-up power supply, and such other instruments,  
27 devices, equipment, facilities and systems;

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

3 (m) Such other facilities, devices and instruments that will ensure  
4 clean, honest and orderly racing and betting on greyhound races. In case of  
5 failure to provide and install any of the abovementioned equipment or facilities  
6 by the grantee, the Games and Amusements Board or any government agency  
7 specifically tasked to oversee greyhound racing shall forthwith suspend and  
8 prohibit the holding of races by the grantee until such time as the said  
9 equipment or facilities are provided and installed.

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

21 SEC. 6. *Penalties.* – Any person or persons found to have violated the  
22 provisions of the aforementioned section shall be punished by a fine of not less  
23 than Fifty thousand pesos (P50,000.00) but not more than One hundred  
24 thousand pesos (P100,000.00) or by imprisonment of a minimum of six (6)  
25 months and a maximum of one (1) year, or both, at the discretion of the court.  
26 If the offender is a corporation, partnership or association, the criminal liability  
27 shall devolve upon its president, managing partner or manager responsible for  
28 such violation.

1           SEC. 7. *Terms of Betting Tickets.* – The grantee shall publish and  
2 display prominently and in appropriate places the terms and conditions  
3 regarding the sale of betting tickets.

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

7           (a) Eighty percent (80%) shall be distributed in the form of dividends  
8 among the holders of winning tickets, less documentary stamp taxes;

9           (b) Fourteen percent (14%) shall be retained by the grantee as its  
10 commission/fee for conducting greyhound races;

11           (c) Five percent (5%) shall be set aside for the payment of stakes or  
12 prizes of win, place and show of greyhounds; and

13           (d) One percent (1%) shall be set aside for use of the Games and  
14 Amusements Board.

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

19           (a) Fifty percent (50%) for the benefit of the Games and Amusements  
20 Board, subject to the condition that the funds shall be used exclusively for the  
21 payment of additional prizes for races sponsored by the Games and  
22 Amusements Board and for the necessary capital outlays and other  
23 expenditures for the care and comfort of dogs;

24           (b) Twenty-five percent (25%) to the government hospitals located in  
25 the Province of Cebu; and

26           (c) Twenty-five percent (25%) for the rehabilitation of drug addicts, as  
27 provided in Republic Act No. 6425, otherwise known as “The Dangerous  
28 Drugs Act of 1972”.

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

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

14           SEC. 12. *Taxes on Winnings.* – Every person who wins in greyhound  
15 racing shall pay a tax equivalent to ten percent (10%) of his winnings or  
16 dividends, the tax to be based on the actual amount paid to him for every  
17 winning ticket after deducting the cost of the ticket. The taxes herein  
18 prescribed shall be deducted from the dividends corresponding to each winning  
19 ticket or the prize of each winning race greyhound owner and withheld by the  
20 operator, manager or person in charge of the greyhound races before paying  
21 the dividends or prizes to the persons entitled thereto.

22           The operator, manager or person in-charge of greyhound races shall,  
23 within twenty (20) days from the date the tax was deducted and withheld in  
24 accordance with the preceding paragraph, file a true and correct return with the  
25 Commissioner of Internal Revenue in the manner or form prescribed by the  
26 Secretary of Finance, and pay within the same period the total amount of tax so  
27 deducted and withheld.

1           SEC. 13. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not  
2 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights  
3 and privileges acquired hereunder to any person, firm, company, corporation  
4 or other commercial or legal entity, nor shall the controlling interest of the  
5 grantee be transferred to any such private person, firm, company, corporation  
6 or entity without the approval of the Congress of the Philippines: *Provided,*  
7 That the foregoing limitation shall not apply to: (a) any transfer or issuance of  
8 shares to any investor pursuant to or in connection with any increase in the  
9 grantee's authorized capital stock which shall result in the dilution of the  
10 stockholdings of the grantee's then existing stockholders; (b) any transfer or  
11 sale of shares of stock to an investor or investors; (c) any sale, transfer or  
12 assignment by the stockholders of the grantee in favor of a holding company  
13 whose stockholders are identical to the stockholders of the grantee; and (d) any  
14 combination thereof where such transfer, sale or issuance is effected in order to  
15 enable the grantee to raise the necessary capital or financing for the provision  
16 of any service authorized by this Act and/or carry out any of the purposes for  
17 which the grantee has been incorporated or organized. Any person or entity to  
18 which this franchise is sold, transferred or assigned shall be subject to the same  
19 conditions, terms, restrictions and limitations of this Act.

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

26           SEC. 15. *Dispersal of Ownership.* – The grantee shall offer at least  
27 twenty *per centum* (20%) of its outstanding capital stock or higher percentage  
28 that may hereafter be provided by law in any securities exchange in the

1 Philippines within ten (10) years from the time of the effectivity of this Act.  
2 Noncompliance therewith shall render the franchise suspended until  
3 compliance.

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

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

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

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

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

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

Approved,