

[REPUBLIC ACT NO. 11505, December 20, 2020]

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO METRO MANILA TURF CLUB, INC. UNDER REPUBLIC ACT NO. 7978, ENTITLED "AN ACT GRANTING THE METRO MANILA TURF CLUB, INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN A RACE TRACK IN THE CITY OF KALOOKAN", AS AMENDED BY REPUBLIC ACT NO. 8298

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

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted to Metro Manila Turf Club, Inc., hereunder referred to as the grantee, its successor or assignees, under Republic Act No. 7978, as amended by Republic Act No. 8298, to construct, operate and maintain one racetrack in the City of Kalookan, or anywhere within the provinces of Batangas, Cavite, Laguna, Rizal, and Quezon, establish branches thereof for booking purposes, and hold or conduct horse races with betting, on the results of the races either directly or by means of any mechanical, electrical, and/or computerized totalizator, and to do and carry out such acts, deeds and things as may be necessary to give effect to the foregoing, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SEC. 2. *Authority of the Philippine Racing Commission and the Games and Amusement Board-* The races to be conducted by the grantee shall be under the supervision and regulation of the Philippine Racing Commission (PHILRACOM), which shall enforce the laws, rules and regulations governing horse racing, including the framing and scheduling of races, the construction and safety of racetracks, the allocation of prizes for winning horses, and the security of racing as provided in Presidential Decree No. 420, otherwise known as "Creating the Philippine Racing Commission," as amended: *Provided*, That the Games and Amusement Board (GAB) shall continue to supervise and regulate betting in horse races as provided in Sections 6, 8, 11, 15, and 24 of Republic Act No. 309, otherwise known as "An Act to Regulate Horse-racing in the Philippine," as amended.

SEC. 3. *Offering, Taking or Arranging Bet for Races.* - 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 bets on any horse participating in any race conducted by the same, or maintain or use a totalizator or

other device, method or system to bet any horse within its premises or outside the place, enclosure or track in the course of horse races conducted or operated by the grantee.

SEC. 4. *Penalties.* - Any person or persons found to have violated the provisions of the preceding section shall be punished by a fine of not less than Twenty thousand pesos (P20,000.00) but not more than One hundred thousand pesos (P100,000.00), or by imprisonment of not more than six (6) months, or both, at the discretion of the court. If the offender is a partnership, corporation, or association, the criminal liability shall devolve upon its president, managing partner or manager responsible for the violation.

SEC. 5. *Use of Computerized and/or Mechanical Devices .* - The grantee 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 granted under this franchise in an orderly, clean and honest manner, and, in particular, to provide and operate any mechanical, electrical, electronic, or computerized devices, equipment and facilities, including the following:

- (a) Photo patrol and other electronic device or cameras;
- (b) Automatic starter;
- (c) Electrical, electronic and computerized totalizator;
- (d) Photo finish devices;
- (e) machines 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 instruments for testing for drugs;
- (h) Weighing machines and devices for measurement of horses;
- (i) Modern sound systems and loud speaker facilities;
- (j) Facilities that will bring safety, security, comfort and convenience to the public;
- (k) Modern telecommunications and broadcast 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 announcements 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 systems; and
- (m) Such other facilities, devices or instruments that will ensure clean, honest racing, betting on horse races or derivative games within three (3) years from the effectivity of this Act.

In case of the grantee's failure to provide and install any of the aforementioned equipment or facilities within three-year period, the PHILRACOM shall forthwith suspend and prohibit the holding of races until such time as the equipment or facilities are provided and installed.

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

SEC. 6. *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. 7. *Distribution of Total Wager Funds or Gross Receipts.* - The total wager funds or gross receipts from the sale of betting tickets will be apportioned as follows:

(a) Eighty-two percent (82%) shall be distributed in the forms of dividends among the holders of winning tickets whether from *pari-mutuel*, daily double, forecast, llave, quinella, trifecta, exotics or any other manner of betting:

(b) Eight and one-half percent (8 1/2%) shall be retained by the grantee as its commission 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 bonuses for jockeys;

(d) One-half percent (1/2%) shall be set aside for use of the PHILRACOM: *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 GAB, to be shared equally with the Jockeys and Horse Trainers' Injury, Disability and Death Compensation Fund created under Republic Act No. 309, as amended; and

(e) One-half percent (1/2%) shall be set aside for the operation of drug testing facilities for personnel, jockeys, trainers and horses and rehabilitation of the racing facilities of the grantee.

SEC. 8. *Breakage.* - The receipts from 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%) to be used by the PHILRACOM exclusively for the payment of additional prizes for races that it sponsor, and for the necessary capital outlay and expenditures relative to the horse breeding activities of the National Stud Farm;

(b) Twenty-five percent (25%) to the city/municipal hospitals where the race track is located; 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," as amended.

SEC. 9 . *Schedule of Races.* - The provision of any existing law to the contrary notwithstanding, the grantee is hereby authorized to hold horse races on at least two (2) days during the week as may be determined by the PHILRACOM, and on all Saturdays, Sundays, and official holidays of the year, except on those official