

**MALACAÑANG**  
M a n i l a

**PRESIDENTIAL DECREE No. 420 March 20, 1974**

**CREATING THE PHILIPPINE RACING COMMISSION**

WHEREAS, horse-racing should be given the impetus for development so as to fully take advantage of its revenue-earning and employment-giving aspects;

WHEREAS, the continued growth of horse-racing will inevitably result in the development of related industries which at present are non-existent and/or not fully exploited;

WHEREAS, it is necessary to restore integrity to the sport to make it compatible with the ideals of the sports development under the New Society;

WHEREAS, horse-racing as one of the oldest and universally diversions of man has become highly specialized and sophisticated so as to necessitate more attention of the government; and

WHEREAS, it is imperative that a specialized body be created which shall have a thorough and closer supervision and control of all aspects of the sport in order to insure public benefit;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, pursuant to Proclamation No. 1081, dated September 12, 1972 as amended by Proclamation No. 1104, dated January 17, 1973 and General Order No. 1, dated September 22, 1972 as amended, in order to effect the desired and necessary changes and reforms in the social and economic structure of our society, do hereby order and decree and make as part of the law of the land of the following:

**Section 1.** *Declaration of Policy.* It is the declared policy to promote and direct the accelerated development and continued growth of horse-racing not only in pursuance of the sports development program but also in order to insure the full exploitation of the sport as a source of revenue and employment.

**Section 2.** *Creation of the Philippine Racing Commission.* For the purpose of carrying out the above declared policy, there is hereby created a Philippine Racing Commission, hereinafter referred to as the Commission, which shall be directly under the administrative supervision of the Office of the President of the Philippines.

**Section 3.** *Aims and Objectives.* The Commission shall have the following aims and objectives:

- a. To promote, insure and maintain efficient and unbiased operation of racing, exclusive of the supervision of betting therein;
- b. To raise public confidence in the sport and to minimize infraction of the rules of racing; and
- c. To improve the breed of Philippine horses and to prevent illegal importation of race-horses.

**Section 4. *Membership of the Commission.*** The Commission shall be composed of a chairman and four members to be appointed by the President of the Philippines, upon the recommendation of the Metropolitan Association of Race Horse Owners, Inc.

**Section 5. *Term of Office.*** The term of office of the commissioners shall be four (4) years: Provided, That no vacancy shall be filled except for the unexpired portion of any term; and Provided, further, That any member of the Commission whose term of office has expired shall remain in office until his successor shall have been duly appointed and qualified. The Chairman and members of the Commission may be suspended or removed by the President of the Philippines.

**Section 6. *Meetings and Quorum.*** The Commission shall meet regularly once a week and as often as the exigencies of the service may demand, upon the call of the Chairman or upon the request of two members of the Commission. The vote of at least three (3) members shall be necessary for the adoption of any rule, resolution or decision of the Commission.

**Section 7. *Allowances and Per Diems.*** The Chairman of the Commission shall receive a monthly commutable allowance of One Thousand Pesos and a per diem not to exceed Three Hundred Pesos for each meeting actually attended by him: Provided, That such allowance and per diems shall not exceed Two Thousand Two Hundred Pesos during any one month.

The other members of the Commission shall receive a monthly commutable allowance of Eight Hundred Pesos and a per diem not to exceed Two Hundred Pesos for each meeting actually attended by them: Provided, That such allowance and per diems shall not exceed One Thousand Six Hundred Pesos during any one month for each member.

**Section 8. *Jurisdictions, Powers and Functions.*** Generally, the Commission shall have exclusive jurisdiction and control over every aspect of the conduct of horse-racing, including the framing and scheduling of races, the construction and safety of race tracks, the allocation of prizes, and the security of racing.

The functions of Games and Amusements Board with respect to horse-racing, except those related to the supervision and regulation of betting in horse-racing as provided for in Sections 6, 11, 15, 18 and 24 of Republic Act 309, as amended, are hereby transferred to the Commission.

The Games and Amusements Board shall continue to supervise jai-alai, boxing and wrestling activities as provided in existing applicable laws.

**Section 9. *Specific Powers.*** Specifically, the Commission shall have the power:

- a. To enforce all laws, decrees and executive orders relating to horse-racing that are not expressly or impliedly repealed or modified by this Decree, including all such existing rules and regulations until otherwise modified or amended by the Commission;
- b. To prescribe additional rules and regulations not otherwise inconsistent with this Decree;
- c. To register race horses, horse owners or associations or federations thereof; and to regulate the construction of race tracks and to grant permit for the holding of races;
- d. To issue, suspend or revoked permits and licenses and to imposed or collect fees for the issuance of such licenses and permits to persons required to obtain the same;
- e. To review, modify, approve or disapprove the rules and regulations issued by any person or entity concerning the conduct of horse races held by them;
- f. To supervise all such race meetings to assure integrity at all times. It can order the suspension of any racing event in case of violation of any law, ordinance or rules and regulations.
- g. To prohibit the use of improper devices, drugs, stimulants or other means to enhance or diminish the speed of horse or materially harm their condition;  
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- h. To approve the annual budget of the Commission and such supplemental budgets as may be necessary;
- i. To appoint all personnel, including an Executive Director of the Commission as it may be deem necessary in the exercise and performance of its powers and duties; and
- j. To enter into contracts involving obligations chargeable to or against the funds of the Commission.

**Section 10. *Other Powers and Duties.***

- a. The Commission may impose fines, penalties and forfeitures to erring parties under the rules and regulations of the Commission, which fines, penalties and forfeitures shall accrue to the funds of the Commission;
- b. The Commission may, in its discretion or upon petition of any interested party, after notice and hearing, modify, suspend or revoke any permit or license for failure to comply with and/or for violation of any provision of law or any order, rules or regulations issued thereunder: Provided, That the Commission may for good cause and without notice and hearing, order the temporary suspension of such permit/license whenever such step, in the judgment of the Commission, shall be necessary and for the best interest of racing;
- c. Except in cases where summary actions are taken, in the settlement of dispute and other problems connected with the conduct of horse-racing, the Commission shall act as a body and all hearings and investigations before it shall be governed by the rules of procedures as may be adopted by it: Provided, That orders, rulings and decisions may be appealed to the President of the Philippines within seventy-two hours from receipt of such orders, rulings and decisions;
- d. For the purpose of carrying out the provisions of this Decree, the Commission may summon parties, issue subpoena or require the production of such books, papers, contracts, records, or statement of accounts as may be material to a just determination of any matter under investigation. The Commission may designate any of its members or officers to conduct hearings and investigations on any matter pending before it; and
- e. The Commission shall perform such other duties and exercise all other powers incidental or necessary to the accomplishment of the aims and objectives of the Commission.

**Section 11. *Funding.*** In order to provide the necessary funds to cover the expenses of the Commission and such other purposes authorized under this Decree, one per centum of the gross receipt derived from the total sale of tickets for daily double, llave, forecast, jackpot and other similar events is hereby constituted as a special fund to be used by the Commission: Provided, however, That the one per centum of the gross receipts derived from the total sale of the tickets for pari mutuel races, shall continue to be retained as special fund for use of the Games and Amusements Board: Provided, further, That to promote clean and honest horse-racing, licensed jockeys or trainers who are suspended by the Commission for violation of existing rules on horse racing shall be temporarily suspended from all benefits other than medical and hospitalization expenses during the period of suspension.

**Section 12. *Audit.*** The Commission on Audit shall appoint a representative who shall be the Auditor of the Commission and the necessary personnel to assist said representative in the performance of his duties.

**Section 13. *Applicability of the Civil Service Law and Exemption from WAPCO Coverage.*** All personnel of the Commission are subject to the provisions of the Civil Service Law, rules and regulations. However, the regular professional and technical personnel are exempt from the coverage of the Wage and Position Classification Office.

**Section 14. *Supplies and Services Other than Personnel.*** All purchases and supplies or contracts for services, except for personal services, entered into by the Commission shall be done through competitive public bidding: Provided, That bidding shall not be required when (1) on emergency, as certified by the Chairman, requires immediate delivery of the supplies or performance of the services, and (2) the aggregate amount involved in any one purchase of supplies or procurement of services does not exceed Ten Thousand Pesos, in which case, such purchase or procurement may be made in the usual course of business: Provided, further, That the Commission's emergency purchase of supplies and services shall not exceed the amount of Fifty Thousand Pesos for any one month; Provided, finally, That in comparing bids and in making awards, the Commission shall consider such factors as the cost and relative quality and adaptability of supplies or services; the bidder's financial responsibility, skill, experience, integrity, and ability to furnish repairs and maintenance services; the time and delivery or performance offered; and the bidder's compliance with the specifications desired.

**Section 15. *Transitory Provision.*** Pending the organization of the Commission, the Games and Amusements Board shall continue to exercise the duties and functions transferred to the Commission. The personnel of the Games and Amusements Board whose functions and duties are transferred to the Commission may be retained in the Board; but those not so retained shall be transferred to the Commission, unless the Commission determines otherwise. Those not retained in the Board nor transferred to the Commission shall be considered separated from the service: Provided, That the separated personnel who are entitled to retire under existing retirement laws shall be so retired: Provided, further, That those who shall not be retired under existing laws shall be entitled to and paid a gratuity equivalent to one month salary for every year of service in the government on the basis of the highest salary received by them, subject to availability of funds.

The Commission is hereby authorized to reorganize the National Stud Farm and such reorganization shall be submitted to the President for approval within six months from the promulgation of this Decree. Pending the reorganization, the Farm shall be under the supervision and control of the Commission.

**Section 16. *Repealing Clause.*** The provisions of Republic Act No. 309, as amended and all other acts, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Decree are hereby either repealed or modified accordingly.

**Section 17. *Separability Clause.*** The provisions of this Decree are hereby declared to be separable and in the event any one or more of such provisions are held unconstitutional, the validity of other provisions shall not be affected.

**Section 18.** *Effectivity.* This Decree shall take effect immediately.

DONE in the City of Manila, this 20th day of March, in the year of Our Lord, nineteen hundred and seventy-four.