Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7096

Introduced by HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

EXPLANATORY NOTE

Cockfighting, or “sabong” is a traditional recreational activity that is long-entrenched in Filipino culture and considered a part of national heritage. Being recognized as part of Filipino culture, laws were enacted to supervise and regulate cockfighting. In effect, the Cockfighting Law of 1974 established that cockfighting is “a popular, traditional and customary form of recreation and entertainment among Filipinos.”

Over the years, cockfighting has been through several evolution. Joining the whirl of trends of online casinos, electronic games, and sports betting, “e-sabong” is the live streaming of actual cockfighting events, where the collection of bets is wired electronically. Especially during this pandemic where social gatherings and mass assemblies are discouraged, bettors have resorted to this kind of gaming and recreation.

In view of that, the game of cockfighting stages a viable source of government revenue and livelihood for Filipinos. To harness the full potential of cockfighting as a vital revenue stream for both National Government and Local Government Units, the granting of legislative franchise is just but proper, which shall include tax provisions, its terms and scope, and providing the regulating authority of Games and Amusement Board (GAB) over it.

Accordingly, through Department of Justice (DOJ) OPINION No. 25 Series of 2006, DOJ stated that the proposed operation of “Tele-Sabong” further requires an enactment of such a law by Congress granting franchise to tele-sabong since the Local Government Code limits the authority of the local sanggunians to the
establishment, operation and maintenance of cockpits and regulation of cockfighting and commercial breeding of gamecocks. Adding that the proper authority over tele-sabong should be conferred by the legislature.

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

LUIS RAYMUND "LRAY" F. VILLAFUERTE JR.,
Introduced by HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

AN ACT GRANTING LUCKY 8 STAR QUEST INC., A FRANCHISE TO BROADCAST LIVE AND DATA STREAMED COCKFIGHTING ACTIVITIES AND DERBIES, THROUGH ON-LINE OR OTHER SIMILAR MODERN MEANS, ANYWHERE IN THE PHILIPPINES

SECTION 1. Nature and Scope of Franchise. - Subject to the provisions of the Constitution and the applicable laws, rules and regulations, there is hereby granted to Lucky 8 Star Quest Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to broadcast live and data streamed cockfighting activities and derbies, through on-line or other similar modern means, anywhere in the Philippines, as well as to construct, establish, operate and maintain on-cockpit and off-cockpit betting stations for the bettings on the result of the cockfights, either directly or by means of any mechanical, electrical and/or computerized totalizator, 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-cockpit betting stations anywhere in the country shall be subject to the approval/consent of the local government units where the off-cockpit betting station shall be established, and in case of a municipality or component city, approval or consent of the provincial government shall likewise be obtained.

SEC. 2. Authority of the Games and Amusement Board (GAB). - The cockfighting events to be conducted by the grantee shall be under the supervision and regulation of the Games Amusement Board, which shall enforce the laws, rules and regulations governing cockfighting events.
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 unless sooner revoked or cancelled. From the time the grantee accepts this franchise, its business operation shall be exclusive within the next five (5) years in order that it may recuperate from all its expenses and investments, and no other franchise shall be granted to any person or entity within the said period.

The grantee shall secure from local government units and such other government agencies concerned the necessary licenses and other permits for the construction, establishment, operation and maintenance of its on-cockpit and off-cockpit betting stations.

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 cockfighting events in the conduct thereof, the grantee shall in particular, provide and operate any mechanical, electrical and/or computerized devices, equipment and facilities, including, but not limited to: (a) Electric and/or computerized totalizer; (b) Machines directly connected to a computer in a display board for the sale of tickets including those sold in off-cockpit betting stations; (c) Modern sound system and loud speaker facilities; (d) Modern telecommunications, and broadcasting equipment and facilities, whether at the grantee’s off-cockpit 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 cockfighting events, the announcements of winning numbers and dividends paid or to be paid thereon, and any other form of information relating to the conduct and promotion of cockfighting events within or outside the Philippines; (e) Continuous and back-up power supply, and such other instruments, devices, equipment, facilities and systems; (f) Facilities that will bring safety, security, comfort and convenience to the public; and (g) Such other facilities, devices and instruments that will ensure clean, honest and orderly betting on cockfighting events.

SEC. 5. Offering, Taking or Arranging Bets for Cockfight Events. - The grantee or its duly authorized agent may offer, take or arrange bets for cockfighting events conducted in or outside the Philippines, in person or by any electronic, on-line or other means of processing transactions, anywhere in the Philippines, whether within or outside the place, enclosure of the cockpit where the cockfight events are held, in on-cockpit or off-cockpit betting stations. 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 cockfighting events participating in any cockpit arenas conducted by the same, or maintain or use a totalizer or any other device, method or system to bet on any cockfights within its premises or outside the same
enclosure, in the course of cockfighting events 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 Twenty thousand pesos (P20,000.00) but not more than One hundred thousand pesos (P100,000.00) or by imprisonment of a minimum of six months and a maximum of one 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. Tax Provision.** In consideration of the franchise and rights herein granted, the grantee shall pay to the National Treasury a franchise tax equivalent to five percent (5%) of its gross receipts less total number of payouts. The said tax shall be paid monthly and be in lieu of any and all taxes, except income tax, of any kind, nature and description levied, established or collected by any authority whether city, municipality, provincial or national, on its properties, whether real or personal, from which taxes the grantee is hereby expressly exempted.

**SEC. 9. Non-transferability of Franchise.** The grantee shall not lease, transfer, grant the usufruct of, sell nor assign or otherwise dispose of the rights and privileges acquired hereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity organized for the same purpose without the approval of the Congress of the Philippines. 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. Any transfer of franchise in violation of this section shall render the franchise ipso facto revoked.

**SEC. 10. 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 property or persons, caused by the construction or operation of the off-cockpit betting station of the grantee.

**SEC. 11. 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. Non-acceptance shall render the franchise void.

**SEC. 12. 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. 13. Equality Clause. - Any advantage, favor, privilege, exemption or immunity granted under existing franchises or may hereafter be granted shall ipso facto become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: Provided, however, That any advantage, favor, privilege, exemption or immunity granted under this franchise shall also ipso facto become part of existing and future franchises: Provided, further, That the foregoing shall neither apply to nor affect the provisions concerning territory covered by the franchise and the life span of the franchise.

SEC. 14. 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. 15. Repealability and Non-Exclusivity 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. 16. Effectivity. - This Act shall take effect fifteen (15) days from the date of its publication in at least two newspapers of general circulation in the Philippines.