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SENATE

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S. No. 747

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INTRODUCED BY HON. MANUEL B. VILLAR, JR.

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### EXPLANATORY NOTE

The vesting of duties, responsibilities, and accountabilities in different government instrumentalities or agencies must necessarily be accompanied by the grant of provisions for the appropriation of reasonably adequate resources to ensure the effective discharge of their mandated powers and functions. Most often, the major part of these resources used by these different government offices are sourced from the annual General Appropriations Act.

The Philippine National Police is one of these government agencies largely dependent upon the appropriation of budget passed by Congress. Unfortunately, it is not always that the legislature would approve a sizable appropriation for the PNP.

Obviously, the most disastrous result of a budget slash would be the shelving of a number of important PNP programs and projects especially those that are aimed towards the modernization and professionalization of the police force. To be able to effectively and efficiently perform its general responsibilities in enforcing penal laws and maintaining and controlling peace and order, the Philippine National Police needs more financial resources other than the annual budget appropriations approved by Congress.

As such, this legislative measure seeking to establish a Philippine National Police Trust Fund for the exclusive use of the PNP to implement its priority programs and projects is being proposed.

Among the salient provisions of this proposed bill are the following:

- Establishment of a PNP Trust Fund to be generated from the funding sources enumerated in this proposed bill;
- Creation of a Board of Trustees that shall manage and administer said PNP Trust Fund; and
- The power of the Chief of the PNP to avail of said PNP Trust Fund without the need of securing prior clearance from any government agency or office and utilize the same for the exclusive use of the PNP in accordance with the purposes for which said PNP Trust Fund was established as enumerated by this proposed bill.

The immediate passage of this proposed legislative measure into law is earnestly sought.

  
MANUEL B. VILLAR, JR.

THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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SECRETARY

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**AN ACT ESTABLISHING A PHILIPPINE NATIONAL POLICE TRUST FUND TO BE UTILIZED FOR SPECIFIED PROGRAMS AND PROJECTS, AND FOR OTHER PURPOSES**

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

Section 1. Title - This Act shall be known as the "PNP Trust Fund Act."

Section 2. Declaration of Policy - It shall be the policy of the State to establish a highly efficient and competent police force which is national in scope and civilian in character. To ensure the establishment of a truly professionalized Philippine National Police, it shall be the policy of the State to recognize the imperative need to provide for, and enhance existing, PNP programs and projects aimed towards the modernization of the police force.

Likewise, it shall be the policy of the State to guarantee the efficacy of such PNP programs and projects by assuring the availability of funds necessary for their effective implementation.

Section 3. Statement of Objectives - This Act shall have the following objectives:

- a) To establish a unified and consolidated PNP Trust Fund (PNPTF) to be generated from such sources as may be provided for in this Act;
- b) To maintain a PNPTF that may be readily utilized by the Chief of the PNP in support of such PNP programs and projects enumerated; and

c) To create a Board of Trustees which shall manage and administer such PNPTF in accordance with the provisions of this Act;

Section 4. Liberal Construction - The provisions of this Act shall be liberally constructed to effectuate the policy declared hereunder and the objectives stated herein. -

Section 5. Definition of Terms - For purposes of this Act, the following definition of terms is hereby adopted:

a) PNP shall refer to the "Philippine National Police";

b) PNPTF shall refer to the Philippine National Police Trust Fund";

c) Funding Sources shall refer to such sources of funds as herein enumerated that will comprise the PNPTF;

d) Trust Receipts shall include, but shall not be limited to, the receipts from non-tax sources authorized by law, which are collected/received by a PNP unit in the exercise of its regulatory and statutory functions;

e) PNP Programs and Projects shall refer to such modernization programs and projects to be undertaken by the Chief of the PNP which shall include, but shall not be limited to, the following: Organizational Development; Human Resource Development; Doctrines Development; Equipment, Firearms, Mobility and Communications Development; Information Technology Development; and Infrastructure and Support System Development, as defined under this Act.

Section 6. Establishment of Philippine National Police Trust Fund There shall be established a unified and consolidated Philippine National Police Trust Fund (PNPTF) which shall be generated from such funding sources as provided for in this Act and which shall be utilized by the Chief of the PNP primarily for the implementation of such PNP programs and projects as herein enumerated.

Section 7. Sources of Funds - The Chief of the PNP is hereby authorized to establish a unified and consolidated trust fund to be known as the PNP Trust Fund, the funding sources of which shall include, but shall not be limited to, the following:

A) Trust receipts held as such by the PNP and generated from the fees and charges collected/received by different PNP units from the following income producing activities: \_

1. Issuance of Security agency licenses;
2. Issuance of Security Guard licenses;
3. Issuance of Firearms licenses;
4. Issuance of Permit to Carry Firearms Outside Residence;
5. Issuance of Permits to purchase, store, import or transport explosives and explosive ingredients;
6. Issuance of Motor Vehicle Clearance
7. Issuance of Police Security clearances;
8. Issuance of Police Station clearances;
9. Imposition of fines by different PNP Units as penalties for violations of PNP laws, rules, and regulations;
10. Issuance of clearances for motor vehicle engines being installed on board motor banca, fishing boats and other watercraft; and issuance of clearances for the transport of motor vehicle engine onboard domestic shipping vessels;
11. Issuance of all other licenses, certificates, fines, penalties required by the PNP;
12. Issuance of all other licenses, certificates, fines, penalties that may subsequently be required by law; and

13. Testing and Analysis fees by the PNP Crime Laboratory.

- B) Interest earnings generated from cash bonds;
- C) Donations from domestic or foreign public and private organizations or from concerned citizens: *Provided That*, the donations herein stated shall refer only to those granted to the PNP without any encumbrance: *Provided Further That*, donations, whether in cash or in kind, granted to the PNP for an intended purpose shall not be included in the PNPTF and shall be deemed automatically appropriated for such purpose(s) specified by the donor;
- D) Rental fees collected for the use of the PNP premises, equipment, and facilities;
- E) Fees collected from public and private institutions by different PNP Units for services rendered;
- F) Fees collected from government and private agency-participants in relation to the conduct of seminars, conferences, and training programs; and
- G) Other funding sources as may subsequently be provided by the law.

Section 8. Power to Create/ Broaden Sources of Revenue – The Chief of the PNP shall have the power to create additional and broaden existing PNP sources of revenue including, but not limited to, the levy of additional fees, charges, and collection for issuances of other licenses, certificates, permits, and the like which shall accrue exclusively to the PNPTF.

The PNP shall have the power and authority to acquire, develop, lease, encumber, alienate, or otherwise dispose of such real or personal property held by it in its propriety capacity and to apply their revenues and assets generated therefrom for the purposes herein enumerated.

Section 9. Remittance – The funding sources herein enumerated as the PNPTF shall be deposited in full, as a combo account, only in such government depository bank, without further requirement to remit to the National Treasury. The interest income thereof shall accrue to the Income collected and accruing to the PNPTF .

Section 10. Revolving Fund of the PNP Revenue Generating Offices – All fees and charges collected by the different PNP offices shall accrue the PNPTF: *Provided That*, any PNP RGO may, subject to the approval of the PNP, utilize twenty (20%) percent of its gross collection as revolving fund within a given period subject to the accepted accounting and auditing rules and to support its direct cost of operation.

Section 11. Disbursement – Increments of or the whole amount of the fund shall be made available to the Chief of the PNP to fund such PNP programs and projects hereunder enumerated. Availment of the PNPTF by the of the PNP shall be made only in such authorized government depository. *Provided That*, availment thereof shall not require any prior clearance or from any other government agency. *Payments out of the PNPTF shall be made solely in accordance with the purposes specified under this Act, and subject to existing government accounting and auditing rules and regulations.*

Section 12. Multi-Year Contracts and Other Contractual Arrangements – Notwithstanding any provision to the contrary, the Chief of the PNP may, making into considerations the gross earnings of the PNPTF for the preceding year, enter into multi-year contracts and other contractual arrangements in order to effect the purposes herein enumerated for which the PNPTF was created.

Section 13. Forward Obligating Authority – In entering into such multi-year contracts and other contractual arrangements, the Chief of the PNP has the power to exercise of his forward obligating authority: *Provided That*, the obligation to be incurred in any given calendar year shall in no case exceed twenty-five (25) of the projected earnings of the PNPTF for such calendar year.

Section 14. Purposes of PNPTF – The PNPTF shall be utilized by the Chief of the PNP to fund the following PNP programs and projects:

a) Organizational Development – which shall include, but shall not be limited to, programs and projects that shall entail the re-structuring and streamlining of the PNP units and

offices; avoid overlapping of functions; facilitate police deployment; and simplify police procedures.

b) Human Resource Development – which shall include, but shall not be limited to, programs and projects aimed towards manpower development, professional and career development.

c) Doctrines Development – which shall include, but shall not be limited to, programs and projects that shall generate, evaluate, consolidate and finalize organizational doctrines, as well as disseminate the same at all levels of units/ offices; conduct periodic review through field application, testing and exercises to ensure effectivity thereof.

d) Equipment/ Firearms/ Mobility/ Communications Development – which shall include, but shall not be limited to, programs and projects aimed towards the development of police capabilities to immediately and effectively respond to current and future threats to peace and order.

e) Information Technology Development – which shall include, but shall not be limited to, programs and projects aimed towards the enhancement of information dissemination within the police organization to ensure that the point of decision is as close as possible to the point of action.

f) Infrastructure and Support System Development – which shall include, but shall not be limited to, programs and projects that will ensure efficient police facilities, units, offices, stations, equipment, training complexes, crime laboratories, information management systems, communications systems, hospitals, dispensaries, and housing units.

g) PNP Scholarship Program – which shall refer to the grant of educational assistance to qualified dependents of both uniformed and non-uniformed PMP personnel, who are either in active duty or were killed or totally and permanently incapacitated in the line of duty.

Section 15. Creation of Board of Trustees – Within sixty (60) days from the effectivity of this Act, the Chief of the PNP shall undertake the creation of a Board of Trustees which shall be responsible for the management and administration of the PNPTF.

Section 16. Formulation of Implementing Rules and Regulations – Within thirty (30) days from its creation, the Board of Trustees herein provided shall, subject to the approval of the Chief of the PNP, formulate such rules and regulations implementating this Act.

Section 17. Annual Report – Not later than the end of the first quarter of the succeeding year, the Chief of the PNP, shall submit to the President and Congress an annual report on the progress of the implementation of the provisions of this Act containing the following information:

- a) gross annual earnings accruing to the PNPTF;
- b) gross annual availments of disbursements from the PNPTF;
- c) the specific purposes for which the PNPTF was allocated; and
- d) balance amount of the PNPTF at the close of the preceding year.

Section 18. Separability Clause – should any provision of this act be held unconstitutionally or invalid, the remaining provisions shall not be affected thereby and shall remain in full force and effect.

Section 19. Repealing Clause – All laws, executive orders, rules and regulations inconsistent with or contrary to this Act are hereby accordingly repealed or modified. Provided That, the provisions of R.A. No. 6963, as amended which are not in consonance with the provisions of this Act are hereby expressly repealed.

Section 20. Effectivity Clause – This Act shall take effect fifteen (15) days from its publication in at least two (2) newspapers of general circulation.

Approved,