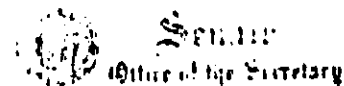


SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



'15 DEC 16 P1:19

SENATE

S. B. No. 3036

RECEIVED BY: 

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Introduced by Senator TEOFISTO "TG" GUINGONA III

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**AN ACT**  
**EXEMPTING WATER DISTRICTS FROM THE PROVISIONS OF R.A. NO. 7656**  
**WHICH REQUIRED GOVERNMENT-OWNED AND CONTROLLED**  
**CORPORATIONS TO REMIT 50% OF THEIR ANNUAL NET EARNINGS TO**  
**THE NATIONAL GOVERNMENT**

**EXPLANATORY NOTE**

Republic Act No. 7656 requires local water districts to remit 50% of their annual net earnings to the National Government. This poses a threat to the viability and financial stability of local water districts. It limits the purposes on which local water districts are created under Presidential Decree No. 198, especially in the expansion, improvement and maintenance of water supply system and in the operation and maintenance of waste water collection treatment and disposal facilities.

Understanding the plight of local water districts, Congress recently passed Republic Act No. 10026, exempting local water districts from income taxes, recognizing that savings to be derived thereof shall be utilized for water expansion services. But this is not enough.

Water is the most fundamental of all human needs. Water supply is a primary concern and responsibility of the government. Local water districts are the conduits of the government in undertaking such great responsibility. They should be given full support in handling this most essential function of government.

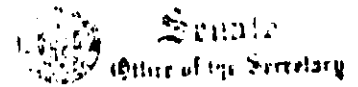
In view of the foregoing considerations, amendments to Republic Act No. 7656 is called for to include local water districts among those exempted from remitting 50% of their annual net earnings to the National Government.

In view of the foregoing, the passage of this bill is earnestly sought.



TEOFISTO "TG" GUINGONA III  
Senator

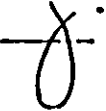
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1 AN ACT

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3 WHICH REQUIRED GOVERNMENT-OWNED AND CONTROLLED  
4 CORPORATIONS TO REMIT 50% OF THEIR ANNUAL NET EARNINGS TO  
5 THE NATIONAL GOVERNMENT  
6

7 *Be it enacted in the Senate and the House of Representatives of the Philippines in*  
8 *Congress assembled:*  
9

10 SECTION 1. Water districts shall be exempted from the provisions of R.A. 7656  
11 requiring government-owned and controlled corporations (GOCCs) to remit 50% of  
12 their annual net earnings to the National Government, *Provided*, That the amount  
13 supposed to be remitted, is utilized by the water district concerned, for the  
14 continuing expansions and improvement of its system.  
15

16 SECTION 2. All unpaid remittances to the National Government or any portion  
17 thereof due from local water districts for the period starting August 15, 1996 until the  
18 effectivity of this Act, are hereby condoned.  
19

20 SECTION 3. Any law, presidential decree or issuance, executive order, letter of  
21 instruction, administrative order, rule or regulation inconsistent with this Act is  
22 hereby repealed, modified, or amended accordingly.  
23

24 SECTION 4. This Act shall take effect fifteen (15) days after its publication in the  
25 Official Gazette or in a newspaper of general circulation.  
26

27 Approved,