

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



'16 JAN 28 P3:47

SENATE
S. No. 3170

RECEIVED BY: *J*

Introduced by Senator Miriam Defensor Santiago

AN ACT
AMENDING REPUBLIC ACT NO. 8794, OTHERWISE KNOWN AS
AN ACT IMPOSING A MOTOR VEHICLE USER'S CHARGE
ON OWNERS OF ALL TYPES OF MOTOR VEHICLES

EXPLANATORY NOTE

The Constitution, Article 2, Sections 27 and 28, provides:

Section 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.

Section 28. Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest.

The Motor Vehicles Users Charge, or more popularly known as Road Users' Tax, was promulgated in 2000. The Road Tax is the government's third largest source of tax revenue, after the Bureau of Internal Revenue and the Bureau of Customs.

As it stands right now, the Road Fund is an automatically appropriated earmarked revenue. It does not need the year-by-year appropriation from Congress. Its budget is not a matter of congressional approval, but a mere matter of mathematical computation. With or without the General Appropriations Act (GAA), the total revenue collected by the Land Transportation Office (LTO) is remitted and deposited to the four accounts, according to the percentages prescribed by law, and are then spent by the Road Board without sufficient safeguards from Congress. Thus, there is a need to change the nature of the funds from one which is automatically appropriated to one which requires distinct and separate appropriations.

Without anyone supervising its activities, the Road Board has become a corrupt and ineffective institution failing to account for its revenues and to achieve its objectives. After almost a decade of implementation and over P60 billion in revenue dedicated to road improvements, the Philippines still lags behind its Asian counterparts with only 20% of the roads paved and only 18% of the roads in good condition.

Failure to properly punish the overloading motor vehicle owners have also led to unnecessary deterioration of our roads without adequate compensation.

This bill seeks to amend R.A. No. 8974 making the Road Board more effective by increasing their membership from the private sector, requiring them to use modern planning tool as a criteria for funding and increasing the penalty for overloading motor vehicle owners. This bill also makes the Road Board more accountable by requiring them to provide information on their projects online and to report to Congress their activities. Finally, this bill also seeks to protect the funds collected by requiring prior appropriations by Congress before the funds earmarked for the purposes of this law are disbursed.¹

Miriam Defensor Santiago
at
MIRIAM DEFENSOR SANTIAGO

¹ This bill was originally filed during the Fourteenth Congress, Third Regular Session and refiled during the Fifteenth Congress, First Regular Session.



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

1 SECTION 1. Section 1 of R.A. No. 8794 is hereby amended to read as follows:

2 Section 1. *Declaration of Policy.* – It is hereby declared as the policy
3 of the State to provide for and ensure the adequate maintenance of national
4 and provincial roads through sufficient funding for the purpose. **THE**
5 **STATE SHALL ENDEAVOR TO PROVIDE FOR FULL**
6 **TRANSPARENCY AND ACCOUNTABILITY WITH RESPECT TO**
7 **THE COLLECTION, DISBURSEMENT AND UTILIZATION OF**
8 **SUCH FUNDING.**

9 SECTION 2. Section 6 of R.A. No. 8794 is hereby amended to read as follows:

10 Section 6. *Penalty for Overloading.* – An amount equivalent to
11 [~~twenty-five percent (25%)~~] **FIFTY PERCENT (50%)** of the MVUC shall
12 be imposed on trucks and trailers for loading beyond their prescribed gross
13 vehicle weight: Provided, That no axle load shall exceed thirteen thousand
14 five hundred kilograms (13,500 kgs).

1 SECTION 3. Section 7 of R.A. No. 8794 is hereby amended to read as follows:

2 Section 7. *Disposition of Monies Collected.* – All monies collected
3 under this Act shall be earmarked solely and used exclusively (1) for road
4 maintenance and the improvement of road drainage, (2) for the installation
5 of adequate and efficient traffic lights and road safety devices, and (3) for
6 air pollution control.

7 All such monies collected shall be deposited in four (4) special trust
8 accounts in the National Treasury, namely: (1) Special Road Support Fund;
9 (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4)
10 Special Vehicle Pollution Control Fund. The distribution of collections
11 under this Act shall be as follows:

12 1. Eighty percent (80%) shall be allotted to and placed in the Special
13 Road Support Fund;

14 2. Five percent (5%) shall be allotted to and placed in the Special
15 Local Road Fund;

16 3. Seven and one half percent (7.5%) shall be allotted to and placed
17 in the Special Road Safety Fund.

18 4. Seven and one half percent (7.5%) shall be allotted to and placed
19 in the Special Vehicle Pollution Control Fund.

20 The Special Road Support Fund, the Special Local Road Fund, and
21 the Special Road Safety Fund shall be under the DPWH, whereas the
22 Special Vehicle Pollution Control Fund shall be under the DOTC.

23 Seventy percent (70%) of the Special Road Support Fund shall be
24 used for the maintenance of, and the improvement of drainage of national
25 primary roads. The remaining thirty percent (30%) thereof shall be

1 allocated and used for the maintenance, and improvement of drainage of
2 national secondary roads throughout the country.

3 The cost of installation of adequate and efficient traffic lights and
4 road safety devices throughout the country, where such traffic lights and
5 safety devices are needed, shall be taken from the Special Road Safety
6 Fund.

7 The Special Local Road Fund shall be apportioned to provincial and
8 city governments in accordance with the vehicle population and size of the
9 road network under their respective jurisdictions, and shall be used
10 exclusively for maintenance of local roads, traffic management and road
11 safety devices.

12 A Road Board to implement the prudent and efficient management
13 and utilization of the special funds shall be organized by the President of
14 the Philippines. The Road Board shall be composed of [~~seven-(7)~~] **NINE**
15 **(9)** members, with the secretary of the DPWH as ex officio head, and the
16 secretaries of the Department of Finance, Budget and Management, and
17 Transportation and Communication, as ex officio members. The remaining
18 [~~three-(3)~~] **FIVE (5)** members shall come from transport and motorist
19 organizations, which have been in existence and active for the last five (5)
20 years prior to [~~this—Act~~] **THEIR APPOINTMENT**. They shall be
21 appointed for the term of two (2) years each by the President of the
22 Philippines upon the recommendation of the secretaries of the DPWH and
23 the DOTC. **THE ROAD BOARD SHALL DECIDE THROUGH A**
24 **MAJORITY VOTE OF ALL ITS MEMBERS ON MATTERS**
25 **REQUIRING ITS DISCRETION. THE RESULTS OF THE SAID**
26 **VOTE SHALL NOT BE CONFIDENTIAL IN NATURE.**

1 IN DETERMINING WHICH PROJECTS TO FUND, THE
2 ROAD BOARD SHALL MAKE USE OF THE MODERN PLANNING
3 TOOLS, SUCH AS THE HIGHWAY DEVELOPMENT AND
4 MANAGEMENT VERSION 4 (HDM-4) WHICH IDENTIFIES AND
5 PRIORITIZES PROJECTS FOR FUNDING, USING OBJECTIVE
6 TECHNICAL AND ECONOMIC CRITERIA. THE ROAD BOARD
7 SHALL MEET NO LESS FREQUENTLY THAN ONCE EVERY
8 MONTH.

9 SECTION 4. Section 8 of R.A. No. 8794 is hereby amended to read as follows:

10 Section 8. *Status of the Special Funds.* – The four (4) special funds
11 established under this Act shall be [~~distinct—and—separate~~]
12 **APPROPRIATED DISTINCTLY AND SEPARATELY** from and in
13 addition in any appropriation authorized and granted yearly to the DPWH
14 and the DOTC to cover expenditures for the identified objects of
15 expenditures under this Act. **THE PROPOSED AMOUNT AND**
16 **ALLOCATION FOR THE FOUR FUNDS SHALL FORM PART OF**
17 **THE ANNUAL BUDGET OF EXPENDITURES AND SOURCES OF**
18 **FINANCING AS ONE OF THE LUMP SUM FUNDS. THE FOUR**
19 **SPECIAL FUNDS SHALL BE BROKEN DOWN BY PROJECT**
20 **TYPE AND BY REGION. NO FUNDS SHALL BE DISBURSED**
21 **FROM SUCH SPECIAL FUNDS UNLESS FIRST APPROPRIATED**
22 **BY CONGRESS FOR PURPOSES PROVIDED IN THIS ACT.**
23 Congress shall continue to appropriate an amount in the General
24 appropriations Act for road maintenance of the DPWH: Provided, however,
25 that any savings for each year out of such appropriation shall revert to the

1 General Fund. Any savings from the special funds created herein shall
2 accrue to these respective special funds.

3 SECTION 5. Sections 9, 10, and 11 are hereby inserted after Section 8 of R.A. No.
4 8794, which shall read as follows:

5 SECTION 9. *ONLINE INFORMATION.* - ALL
6 INFORMATION REGARDING THE PROJECTS FUNDED UNDER
7 THIS ACT SHALL BE POSTED IN A DESIGNATED WEBSITE TO
8 BE MAINTAINED BY THE ROAD BOARD AND UPDATED NO
9 LESS FREQUENTLY THAN ONCE A MONTH. THE
10 INFORMATION POSTED SHALL INCLUDE, AMONG OTHERS,
11 THE PROJECT NAME, BRIEF DESCRIPTION, ESTIMATED
12 PROJECT COST, DATE OF START AND EXPECTED
13 COMPLETION DATE AND THE NAME OF THE CONTRACTOR.
14 THE SAID WEBSITE SHALL BE LINKED TO THE RESPECTIVE
15 WEB SITES OF THE DPWH, DOF, DOTC, DBM AND THE OFFICE
16 OF THE PRESIDENT. THE INFORMATION POSTED SHALL
17 CONSTITUTE *PRIMA FACIE* EVIDENCE AS REGARDS TO THE
18 ACCURACY OF THEIR CONTENT. THE ROAD BOARD SHALL
19 PROVIDE FOR SUFFICIENT SECURITY TO MAINTAIN THE
20 INTEGRITY OF THE INFORMATION POSTED.

21 SECTION 10. *REPORTING.* - NOT LATER THAN THE LAST
22 DAY OF APRIL, AUGUST, OCTOBER, AND JANUARY EACH
23 YEAR, THE ROAD BOARD SHALL SUBMIT TO THE
24 APPROPRIATE COMMITTEES IN THE SENATE AND THE
25 HOUSE OF REPRESENTATIVES A REPORT THAT SHALL

1 DESCRIBE THE STATUS OF THE PROJECTS AND OTHER
2 EXPENDITURES FUNDED UNDER THIS ACT. SUCH
3 COMMITTEES MAY CONDUCT PUBLIC HEARINGS TO
4 CLARIFY ANY INFORMATION CONTAINED IN THE REPORTS.

5 SECTION 11. *ROAD BOARD SECRETARIAT.* – THE ROAD
6 BOARD SHALL MAINTAIN A SUFFICIENT CONTINGENT OF
7 STAFF, HEADED BY A DIRECTOR, WHO SHALL PERFORM
8 THE ADMINISTRATIVE RESPONSIBILITIES NECESSARY TO
9 CARRY OUT THIS ACT, INCLUDING MONITORING THE
10 PROJECTS FUNDED UNDER THIS ACT, THROUGH THE
11 BUREAUS OF CONSTRUCTION AND MAINTENANCE UNDER
12 THE DPWH, PREPARATION OF THE REPORTS AND THE
13 MAINTENANCE AND UPDATING OF THE ROAD BOARD
14 WEBSITE.

15 SECTION 6. Sections 9, 10, 11, 12, and 13 of R.A. No. 8794 shall be renumbered
16 as Sections 12, 13, 14, 15, and 16, respectively.

17 SECTION 7. *Separability Clause.* – If any provision of this Act is held invalid or
18 unconstitutional, the same shall not affect the validity and effectivity of the other
19 provisions hereof.

20 SECTION 8. *Repealing Clause.* – All laws, decrees, orders, and issuances, or
21 portions thereof, which are inconsistent with the provisions of this Act, are hereby
22 repealed, amended or modified accordingly.

1 **SECTION 9. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after
2 its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

/ml8Dec2015