

SEVENTEENTH CONGRESS OF THE REPUBLIC }
OF THE PHILIPPINES }
Second Regular Session }



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SENATE
Senate Bill No. **1544**

RECEIVED BY: _____

Introduced by **SENATOR LACSON**

**“AN ACT PROVIDING FOR THE MODERNIZATION OF THE
PHILIPPINE NATIONAL POLICE, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES”**

EXPLANATORY NOTE

The Constitution provides that it is the policy of the State to maintain peace and order, protection of life, liberty, and property, and promotion of the general welfare. Over the years, the Philippine National Police (PNP) has been the country's primary law enforcement agency that serves the Filipino public by maintaining public safety.

While the PNP is at the forefront of ensuring peace and order and public security, there exist challenges that restrain the organization's delivery of police services. Such bottlenecks include, but are not limited to, insufficient funding support, inadequate if not lack of up-to-date equipment, and tedious procurement process.


In addition, recent events have exposed the risk and vulnerability of our country to domestic threats, transnational organized crimes, and even to foreign extremist networks.

With the increasing demands of the modern society, it is therefore paramount to implement a modernization program for the PNP with the end view of transforming it into a highly efficient, capable, and competent national police force.

The primary components of the PNP Modernization Program include organizational and human resource development, infrastructure and facilities upgrading, and equipment acquisition and technology development.

This measure is also geared at strengthening the organization's procurement system and procedures, and providing necessary funding support in line with the objectives of the PNP reorganization and modernization program.

It is for this purpose that the approval of this bill is earnestly sought.


PANFILO M. LACSON
Senator

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“AN ACT PROVIDING FOR THE MODERNIZATION OF THE PHILIPPINE NATIONAL POLICE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “PNP Modernization
2 Act of 2017.”

3
4 **Sec 2. Declaration of Policy.** – It is hereby declared the policy of the State to
5 implement a modernization program for the Philippine National Police (PNP) with the
6 end view of transforming it into a highly efficient, capable, and competent national police
7 force.

8
9 **Sec. 3. Components of the PNP Modernization Program.** - The PNP
10 modernization program shall consist of the following components:

11
12 a. Infrastructure Development and Facilities Upgrading – The objectives
13 of this component are:

14
15 1) upgrading and continuing development of basic facilities like
16 camps, buildings, police stations and police community precincts
17 and support facilities for administrative, investigative, and
18 operational services such as but not limited to crime laboratory,
19 communications systems, research and development centers,
20 training institutions, medical and dental facilities, and quartering
21 facilities that are secure, sustainable, gender sensitive and disaster
22 resilient;

23
24 2) upgrading of facilities to support regulatory functions;

25 3) development, procurement, and management of information and
26 communications technology systems and automated systems to
27 ensure integration and effective coordination; and

1 approved. All items, products, equipment, and technology standards must be
2 responsive to the needs and requirements of the PNP.

3
4 The PNP may resort to direct contracting or any alternative mode of
5 procurement in the following instances:

6
7 1) Contracts for the supply of military and police equipment including any
8 part, component, or sub-assemblies thereof, and special tools and machines which
9 are necessary for the production and maintenance of such equipment.

10
11 “Military and Police Equipment” refers to those specifically
12 designed or adapted, developed, and produced for military and police
13 purposes and intended for use of arms, munitions or combat or war
14 materials. It includes investigative and surveillance equipment such as
15 automated fingerprint identification system (AFIS), audio-visual
16 transmitters, receivers, cameras, global positioning system (GPS) devices,
17 polygraphs, and other similar, accessorial, or allied devices and equipment
18 designed and produced for such purposes: *Provided*, That it shall also
19 include products which, although initially designed for civilian use, are
20 later adapted to military and police purposes to be used as arms, munitions
21 or combat or war materials, such as but not limited to special suits,
22 helmets, and vehicles, sea craft and aircraft with distinguishable military
23 and police technical features that enable them to carry out missions that
24 are clearly military and police work in nature.

25
26 2) Contracts for works and services directly related to military and police
27 equipment such as, but not limited to, repair of equipment for firearms, armored
28 personnel carriers, tanks, aircrafts and ships and construction of test facilities.

29
30 “Directly related” means a close connection between the works
31 and services in question and the equipment, such that without which, the
32 works and services may not be put to a meaningful use to the military or
33 police equipment they are related to. It includes works and services not
34 directly related to military and police equipment but are for specifically
35 military and police purposes, such as but not limited to construction of
36 runways, barracks, air raid and fall-out shelters and depots.

37
38 c. The PNP shall likewise ensure that in awarded contracts or agreements,
39 provision are incorporated with respect to the transfer to the PNP of the principal
40 technology involved including the training of the PNP personnel to operate and
41 maintain the equipment and technology.

1 d. The Chief, PNP pursuant to the PNP Reorganization and Modernization
2 Program Projects and Appropriations approved by Congress may, subject to the
3 approval of the President and consistent with the provisions of existing laws and
4 regulations, including those of the Commission on Audit's and under such terms
5 and conditions most favorable to the government, enter into multi-year contracts
6 and other contractual arrangements.

7 e. For multi-year contracts and other contractual arrangements, lease,
8 lease-purchase agreements and similar agreement, Congress shall, upon issuance
9 of a multi-year obligation authority by the Department of Budget and
10 Management and certification by the President, make the corresponding
11 appropriation for the ensuing fiscal year: *Provided*, That the Department of the
12 Interior and Local Government and the Department of Budget and Management
13 shall issue the implementing guidelines to ensure consistency with the PNP
14 Modernization Program and existing guidelines in the contracting of multi-year
15 projects. It shall only appropriate such funds as may be necessary to pay any
16 unpaid amount where the funds appropriated for the current fiscal year are not
17 sufficient or available to meet such payment in full or in part:
18

19 f. The Chief, PNP shall submit to the Congressional Oversight Committee
20 created under this Act, the Secretary of Finance and the Secretary of Budget and
21 Management, copies of these multi-year contracts and other agreements to enable
22 Congress to appropriate funds. The funds to be appropriated for the PNP
23 Reorganization and Modernization Program under this Act shall be treated by the
24 Secretary of the Interior and Local Government and Chairperson of the
25 NAPOLCOM as a distinct and separate budget item from the regular
26 appropriations of the Department of the Interior and Local Government.
27

28 ***Sec. 6. PNP Modernization Act Trust Fund*** – The PNP shall institute reforms
29 and promote responsible fiscal policies in line with the objectives of the PNP
30 reorganization and modernization program. For this purpose, there shall be created a trust
31 fund, to be known as the PNP Modernization Act Trust Fund, which shall not include
32 salaries and allowances. It shall be used exclusively for the PNP reorganization and
33 modernization program and shall be funded out from:
34

35 a. Appropriation for the PNP Reorganization and Modernization
36 Program which is distinct and separate from the PNP appropriations with an
37 initial fund of at least P10 Billion to be included in the modernization budget for
38 the next year following the approval of this Act;
39

40 b. Minimum of P5 Billion modernization fund annually to be
41 appropriated by Congress in the budget of the PNP within the duration of the PNP
42 modernization;

1 c. Shares of the PNP from the proceeds of sale of Military Camps, lease,
2 joint development, build-operate-transfer scheme and other schemes involving
3 PNP real properties, including such immovable and other facilities as may be
4 found therein;

5
6 d. Funds from budgetary surplus, if any, subject to the provision of
7 Section 7 hereof;

8
9 e. Donations from local or foreign sources specifically earmarked for
10 PNP Modernization;

11
12 f. Ninety (90%) percent of the total service fees generated from financial
13 institutions which avail of the automatic salary and pension deduction system of
14 the PNP; and

15
16 g. Trust receipts subject to the provision of Section 9 of this Act.
17

18 *Sec. 7. Austerity and Use of Savings.* – Upon the approval of this Act, the
19 Secretary of the Interior and Local Government/Chairperson, NAPOLCOM shall submit
20 to Congress, within the first quarter of the succeeding year, a report on:

21
22 a. The amount of all unused or undisbursed funds, other than unused
23 appropriations for salaries and benefits of the PNP personnel, remaining from all
24 previous PNP appropriations; and

25
26 b. The amount of savings from austerity measures which are hereafter to
27 be pursued by all services and units of the PNP generated in the previous fiscal
28 year;

29
30 The saving generated under this Section will be used to augment the funds for the
31 PNP Reorganization and Modernization Program.
32

33 *Sec. 8. Exemption from Value Added Tax And Customs Duties* - The sale to the
34 PNP of vehicles, weapon, equipment and ammunitions, to include the proceeds from
35 lease, joint development, build-operate-transfer scheme and other schemes involving
36 PNP real properties, which are directly and exclusively used for its projects,
37 undertakings, activities and programs under the PNP Reorganization and Modernization
38 Act, shall be exempted from the value-added tax.

39
40 Any importation by the PNP pertaining to modernization, shall likewise be
41 exempted from the value-added tax and customs duties.
42

1 Local and foreign donations in support to the PNP Modernization program shall
2 likewise be exempted from value-added tax, custom duties and donors tax.

3
4 ***Sec. 9. PNP Trust Receipts.*** - The accrued income of the PNP from its operations
5 and exercise of various regulatory functions is declared as PNP Trust Receipts and shall
6 be exempted from Section 50 of Presidential Decree 1177, Executive Order 338, General
7 Appropriations Acts and other pertinent laws. The full amount of the cited income shall
8 be deposited in full in an authorized government depository bank. Increments of the
9 whole amount thereof shall be made available to the Chief, PNP to augment PNP
10 appropriations without complying with the requirements of a special budget per
11 provisions of Section 5 of Presidential Decree 1177.

12
13 The PNP is authorized to collect payment for the direct cost of operation from the
14 various government agencies and private entities requesting for the use of PNP
15 equipment and facilities. The utilization of the income described herein shall be in
16 accordance with the preceding paragraph.

17
18 The share of the AFP, Bureau of Fire Protection, and Bureau of Jail Management
19 and Penology in the scholarship fund allotted from the twenty (20%) percent of the net
20 proceeds of the firearms fees shall be redirected and utilized for the PNP Reorganization
21 and Modernization Program.

22
23 ***Sec. 10. Fund Augmentation from Provincial, City, and Municipal***
24 ***Governments for Local Police Stations.*** - It shall be mandatory for the provincial, city,
25 and municipal governments to automatically allocate five (5%) percent of its annual
26 appropriations earmarked for local development projects, sourced from its internal
27 revenue allocation (IRA), as its annual fund augmentation to support priority projects and
28 activities of local police stations, embodied in their respective provincial public safety
29 plans or integrated area/community public safety plan, as the case may be, which should
30 be aligned with the objectives of the PNP modernization program under this Act.

31
32 ***Sec. 11. Prioritization of PNP Projects and Activities.*** - Within ninety (90) days
33 from the effectivity of this Act, the PNP, through the NAPOLCOM, shall submit to
34 Congress, for its consideration and approval, the schedule of priority projects and
35 activities, as well as the yearly estimated average cost, by phases, to serve as basis for
36 appropriate executive and legislative actions to enable immediate implementation until
37 full realization. This schedule may include infrastructure and equipment acquisition and
38 modernization and human resource development of NAPOLCOM.

39
40 ***Sec. 12. Appropriation for the PNP Modernization Program.*** - The amount
41 necessary for the implementation of this Act shall be treated as a distinct and separate

1 budget item from the regular appropriation of the Department of the Interior and Local
2 Government (DILG) and the PNP.

3
4 *Sec. 13. Period of Implementation.* – The PNP Reorganization and
5 Modernization Program shall be implemented over a period of ten (10) years. The
6 payment for amortization of outstanding multi-year contract obligations incurred under
7 this Act may extend beyond such period.

8
9 *Sec. 14. Congressional Oversight Committee.* –There is hereby created a
10 Congressional Oversight Committee to monitor and oversee the implementation of the
11 provisions of this Act. The committee shall be composed of six (6) members from the
12 Senate and six (6) members from the House of Representatives with the Chairpersons of
13 the Committee on Public Order and Illegal Drugs and the Committee on Public Order and
14 Safety of both Houses as Joint Chairpersons. The five (5) other members from each
15 Chamber shall be designated by the Senate President and the Speaker of the House of
16 Representatives, respectively.

17
18 The Minority shall have at least two (2) representatives from both Chambers.

19
20 *Sec. 15. Annual Reports.* – Not later than the end of the first quarter of every year
21 of implementation, the Chief, Philippine National Police shall:

22
23 a. Submit to the President and Congress an annual report on the status of
24 the PNP Modernization Act Trust Fund, as provided for in Section 6 of this Act;

25
26 b. Submit to the President and Congress, through the Secretary of the
27 Interior and Local Government (SILG) and Chairman, NAPOLCOM, an annual
28 report containing the progress of the implementation of the PNP modernization
29 program under this Act.

30
31 *Sec. 16. Review.* – Within five (5) years after the effectivity of this Act, the
32 Congressional Oversight shall conduct a review or systematic evaluation of the
33 accomplishments and impact of the PNP Reorganization and Modernization Program, as
34 well as the performance and organizational structure of the implementing agencies, for
35 purposes of determining remedial legislations.

36
37 *Sec. 17. Implementing Rules and Regulations.* – The Chief, PNP, in
38 coordination with the National Police Commission and the Secretary of Budget and
39 Management, shall promulgate the necessary rules and regulations within one hundred
40 eighty (180) days from the approval of this Act for its effective implementation.

1 *Sec. 18. Separability Clause.* – If any provision of this Act shall be held
2 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
3 force and effect.

4
5 *Sec. 19. Repealing Clause.* – All laws, executive orders, rules and regulations
6 inconsistent with or contrary to this Act, are hereby deemed accordingly repealed or
7 modified.

8
9 *Sec. 20. Effectivity Clause.* – This Act shall take effect after fifteen (15) days
10 following its publication in the Official Gazette or in at least two (2) newspapers of
11 national circulation.

12
13 Approved.