

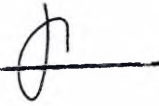
NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'22 AUG -1 P1:58

SENATE

S. No. 973

RECEIVED BY: _____



Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
PROVIDING FOR A MORATORIUM ON RENTAL PAYMENT AND EVICTION
DURING DISASTERS AND OTHER EMERGENCIES

EXPLANATORY NOTE

Disasters and calamities usually cause disruptions to the economic life of our people—temporary closure of businesses, suspension of work, interruption of banking transactions and financial services, among others. These disruptions may cause temporary cash-flow difficulties, especially for minimum wage earners, small business owners, and blue-collar workers, which in turn may lead to delays or temporary inability to meet daily and monthly expenses. During the existence of a disaster or emergency, some may have no capacity to timely meet their obligations on utilities, medical expenses, rental payments, etc. For these times of hardship and difficulty, the government must ensure that adequate protection and assistance are afforded to the poor, vulnerable and disadvantaged sectors of our society. This bill seeks to institutionalize one such form of assistance.

This proposed measure will provide for a moratorium on the enforcement of payment of all fees, charges, and costs relating to rental of residential units, whether covered by a lease or sublease contract, for the entire duration of a national or local state of calamity or emergency and for thirty (30) days from the termination of said State of Calamity of Emergency. There shall also be a moratorium on evictions for the same period regardless of cause, except when a lessee/sublessee perpetrates a criminal act that threatens the life, limb and property of the lessor, sublessor or owner,

or his/her immediate family, other tenants or staff of the property in which the residential unit is located.

At the discretion of the Secretary of the Department of Trade and Industry (DTI), taking into consideration the fact of closure/shutting down of businesses, community quarantine orders, or any other circumstance that may hamper their operations during calamities or emergencies, the benefit of the moratorium on rental payment and eviction may also be applied to commercial or office space rental of Micro, Small and Medium Enterprises (MSMEs).

It bears stressing that this bill is not intended to deprive the lessors of their lawful income from the lease agreements. The intent is to give time to the lessee to regroup and recover from the state of calamity or emergency. This would afford both parties the opportunity to honor their lease obligations and perpetuate their business arrangements.

This bill will also ease the court dockets by providing basis to dismiss premature collection and ejectment cases.

Ang pagbangon po mula sa kalamidad ay sama-sama nating misyon.

In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'22 AUG -1 P1 58

SENATE

S. No. 973

RECEIVED BY: 

Introduced by Senator Manuel "Lito" M. Lapid

1 **AN ACT**

2 **PROVIDING FOR A MORATORIUM ON RENTAL PAYMENT AND EVICTION**
3 **DURING DISASTERS AND OTHER EMERGENCIES**

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

4 SECTION 1. *Short Title.* – This Act shall be known as "Rental Payment and
5 Eviction Moratorium during Disasters and Emergencies Act."

6 Section 2. *Declaration of Policy.* – In the interest of promoting the common
7 good and the general welfare, it is hereby declared the policy of the State to provide
8 adequate relief and protection to those suffering from the ravages of calamities and
9 other emergency situations

10 Section 3. *Definition of Terms.* – For purposes of this Act, these terms are
11 defined as follows:

- 12 a. *"Disaster"* - a serious disruption of the functioning of a community or a society
13 involving widespread human, material, economic or environmental losses and
14 impacts, which exceeds the ability of the affected community or society to cope
15 using its own resources. Disasters are often described as a result of the
16 combination of: the exposure to a hazard; the conditions of vulnerability that
17 are present; and insufficient capacity or measures to reduce or cope with the
18 potential negative consequences, Disaster impacts may include loss of life,

1 injury, disease and other negative effects on human, physical, mental and social
2 well-being, together with damage to property, destruction of assets, loss of
3 services, Social and economic disruption and environmental degradation;

4 b. "*Emergency*" - unforeseen or sudden occurrence, especially danger, demanding
5 immediate action;

6 c. "*State of Calamity*" - a condition involving mass casualty and/or major damages
7 to property, disruption of means of livelihoods, roads and normal way of life of
8 people in the affected areas as a result of the occurrence of natural or human-
9 induced hazard, as may be declared by proper authorities as provided by law;

10 d. "*Rent*" shall mean the amount paid for the use or occupancy of a residential
11 unit whether payment is made on a monthly or other periodic basis;

12 e. "*Residential unit*" shall refer to an apartment, house and/or land on which
13 another's dwelling is located and used for residential purposes and shall include
14 not only building houses, dormitories, rooms and bedspaces offered for rent by
15 their owners, except motels, motel rooms, hotels, hotel rooms, but also those
16 used for home industries, retail stores or other business purposes if the owner
17 thereof and his or her family actually live therein and use it principally for
18 dwelling purposes;

19 f. "*Lessee*" shall mean the person renting a residential unit;

20 g. "*Owner/Lessor*" shall include the owner or administrator or agent of the owner
21 of the residential unit;

22 h. "*Sublessor*" shall mean the person who leases or rents out a residential unit
23 leased to him by an owner;

24 i. "*Sublessee*" shall mean the person who leases or rents out a residential unit
25 from a sublessor.

26 Section 4. *Scope of Application.* – This Act shall cover disasters and other kinds
27 of emergencies which are: (1) national in scope, as declared through a State of
28 Calamity or State of National Emergency by the President of the Philippines, and (2)
29 provincial, city or municipal in scope, as declared through a State of Calamity or
30 Emergency by the appropriate local government unit.

1 Section 5. *Moratorium on Rental Payments.* – There shall be a moratorium on
2 the enforcement of payment of all fees, charges, and costs relating to the rental of
3 residential units, whether in a lease or sublease arrangement and whether reduced in
4 a written form or not, for the duration of the State of Calamity or Emergency
5 mentioned in Section 4 of this Act and for thirty (30) days from the termination of said
6 State of Calamity of Emergency; *Provided*, that if the covered period exceeds a total
7 of sixty (60) days, the payment of the deferred fees, charges and costs shall be spread
8 out for a six-month period of equal installments; *Provided further*, That no penalties
9 or interests shall be collected on the payments by virtue of this Act.

10 The benefit of this moratorium on rental payment may be applied to commercial
11 or office space rental of Micro, Small and Medium Enterprises (MSMEs), at the
12 discretion of the Secretary of the Department of Trade and Industry (DTI), taking into
13 consideration the fact of closure/shutting down of businesses, community quarantine
14 orders, or any other circumstance that may hamper their operations.

15 Nothing in this Act shall prevent the contractual parties from mutually agreeing
16 on other forms of payment relief or assistance, or from voluntarily waiving the benefit
17 of the moratorium on rental payments.

18 Section 6. *Moratorium on Eviction.* – During the same period stated in Section
19 5 of this Act, the lessor, sublessor or owner of a residential unit may not make, or
20 cause to be made, any eviction or similar legal proceeding to recover possession of
21 the residential unit from the lessee/sublessee regardless of cause, except when a
22 lessee/sublessee perpetrates a criminal act that threatens the life, limb and property
23 of the lessor, sublessor or owner, or his/her immediate family, other tenants or staff
24 of the property in which the residential unit is located.

25 The benefit of this moratorium on eviction may be applied to commercial or
26 office space rental of Micro, Small and Medium Enterprises (MSMEs), at the discretion
27 of the Secretary of the Department of Trade and Industry (DTI), taking into
28 consideration the fact of closure/shutting down of businesses, community quarantine
29 orders, or any other circumstance that may hamper their operations.

1 Section 7. *Relief for Lessors and Sublessors.* – Lessors and sublessors who
2 complied with the moratorium under this Act may obtain a certification of such
3 compliance from Department of Human Settlements and Urban Development
4 (DHSUD) and Department of Trade and Industry (DTI), as the case may be.

5 The Lessors and Sublessors, upon presentment of such certification, shall be
6 granted corresponding moratorium by their creditors to the extent of the amount that
7 they granted to the lessees and sublessees under this Act and under the same terms.

8 Section 8. *Implementing Rules and Regulations.* – Within sixty (60) days from
9 the effectivity of this Act, the DTI and DHSUD, in consultation with other relevant
10 government agencies and stakeholders, shall issue the necessary rules and regulations
11 to implement the provisions of this Act.

12 Section 9. *Repealing Clause.* — All laws, presidential decrees, executive orders,
13 proclamations, rules and regulations, or any part thereof, which are inconsistent with
14 the provisions of this Act are hereby repealed or modified accordingly.

15 Section 10. *Separability Clause.* – If any provision or part of this Act, or the
16 application thereof to any person or circumstance, is held unconstitutional or invalid,
17 the remainder of this Act shall not be affected thereby.

18 Section 11. *Effectivity Clause.* — This Act shall take effect fifteen (15) days
19 from its publication in the Official Gazette or in at least two (2) newspapers of general
20 circulation.

21 *Approved,*