

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

OFFICE OF THE SECRETARY

10 JUL 21 P4:49

SENATE
S. No. 1792

RECEIVED BY: 2

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, states:

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

SEC. 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, 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. 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.*

ors

MIRIAM DEFENSOR SANTIAGO

* This bill was originally filed in the third regular session of the 14th Congress.

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

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

5 SECTION 1. Section 1 of R.A. 8794 is hereby amended as follows:

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

12 SECTION 2. Section 6 of R.A. 8794 is hereby amended as follows:

13 "Sec. 6. *Penalty for Overloading.* — An amount equivalent to FIFTY
14 percent (50%) of the MVUC shall be imposed on trucks and trailers for loading
15 beyond their prescribed gross vehicle weight: Provided, That no axle load shall
16 exceed thirteen thousand five hundred kilograms (13,500 kgs.)."

17 SECTION 3. Section 7 of R.A. 8794 is hereby amended as follows:

18 "Sec. 7. *Disposition of Monies Collected.* — All monies collected under
19 this Act shall be earmarked solely and used exclusively (1) for road maintenance

1 and the improvement of road drainage, (2) for the installation of adequate and
2 efficient traffic lights and road safety devices, and (3) for air pollution control.

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

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

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

12 (3) Seven and one-half percent (7.5%) shall be allotted to and placed in
13 the Special Road Safety Fund; and

14 (4) Seven and one-half percent (7.5%) shall be allotted to and place in the
15 Special Vehicle Pollution Control Fund.

16 The Special Road Support Fund, the Special Local Road Fund and the
17 Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle
18 Pollution Control Fund shall be under the DOTC.

19 Seventy percent (70%) of the Special Road Support Fund shall be used
20 exclusively for the maintenance of, and the improvement of drainage of, national
21 primary roads. The remaining thirty percent (30%) thereof shall be allocated and
22 used for the maintenance, and improvement of drainage of national secondary
23 roads throughout the country.

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

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

5 A Road Board to implement the prudent and efficient management and
6 utilization of the special funds shall be organized by the President of the
7 Philippines. The Road Board shall be composed of NINE (9) members, with the
8 Secretary of the DPWH as ex officio head, and the secretaries of the Departments
9 of Finance, Budget and Management, and Transportation and Communications, as
10 *ex officio* members. The remaining FIVE (5) members shall come from transport
11 and motorist organizations which have been in existence and active for the last
12 five (5) years prior to THEIR APPOINTMENT. They shall be appointed for a
13 term of two (2) years each by the President of the Philippines upon the
14 recommendation of the secretaries of the DPWH and the DOTC. THE ROAD
15 BOARD SHALL DECIDE THROUGH A MAJORITY VOTE OF ALL ITS
16 MEMBERS ON MATTERS REQUIRING ITS DISCRETION. THE RESULTS
17 OF THE SAID VOTE SHALL NOT BE CONFIDENTIAL IN NATURE.

18 IN DETERMINING WHICH PROJECTS TO FUND, THE ROAD
19 BOARD SHALL MAKE USE OF THE MODERN PLANNING TOOLS, SUCH
20 AS THE HIGHWAY DEVELOPMENT AND MANAGEMENT VERSION 4
21 (HDM-4), WHICH IDENTIFIES AND PRIORITIZES PROJECTS FOR
22 FUNDING, USING OBJECTIVE TECHNICAL AND ECONOMIC CRITERIA.

23 THE ROAD BOARD SHALL MEET NO LESS FREQUENTLY THAN
24 ONCE EVERY MONTH.”

25 SECTION 4. Section 8 of R.A. 8794 is hereby amended as follows

1 “Sec. 8. *Status of the Special Funds.* — The four (4) special funds
2 established under this Act shall be APPROPRIATED DISTINCTLY AND
3 SEPARATELY from and in addition to any appropriation authorized and granted
4 yearly to the DPWH and the DOTC to cover expenditures for the identified
5 objects of expenditures under this Act. THE PROPOSED AMOUNT AND
6 ALLOCATION FOR THE FOUR FUNDS SHALL BE FORM PART OF THE
7 ANNUAL BUDGET OF EXPENDITURES AND SOURCES OF FINANCING
8 AS ONE OF THE LUMP SUM FUNDS. THE FOUR SPECIAL FUNDS SHALL
9 BE BROKEN DOWN BY PROJECT TYPE AND BY REGION. NO FUNDS
10 SHALL BE DISBURSED FROM SUCH SPECIAL FUNDS UNLESS FIRST
11 APPROPRIATED BY CONGRESS FOR PURPOSES PROVIDED IN THIS
12 ACT. Congress shall continue to appropriate an amount in the General
13 Appropriations Act for road maintenance of the DPWH: Provided, however, that
14 any savings for each year out of such appropriation shall revert to the General
15 Fund. Any savings from the special funds created herein shall accrue to these
16 respective special funds.”

17 SECTION 5. Sections 9, 10 and 11 is hereby inserted after Section 8 of R.A. 8794, which
18 shall read as follows:

19 “Sec. 9. *Online Information.* – All information regarding the projects
20 funded under this Act shall be posted in a designated website to be maintained by
21 the Road Board and updated no less frequently than once a month. The
22 information posted shall include, among others, the project name, brief description,
23 *estimated project cost, date of start and expected completion date and the name of*
24 *the contractor.* The said website shall be linked to the respective websites of the
25 DPWH, DOF, DOTC, DBM and the Office of the President. The information
26 posted shall constitute *prima facie* evidence as regards to the accuracy of their
27 content. The Road Board shall provide for sufficient security to maintain the
28 integrity of the information posted.

1 Sec. 10. *Reporting.* - Not later than the last day of April, August, October
2 and January each year, the Road Board shall submit to the appropriate Committees
3 in the Senate and the House of Representatives a report that shall describe the
4 status of the projects and other expenditures funded under this Act. Such
5 Committees may conduct public hearings to clarify any information contained in
6 the reports.

7 Sec. 11. *Road Board Secretariat.* - The Road Board shall maintain a
8 sufficient contingent of staff, headed by a director, who shall perform the
9 administrative responsibilities necessary to carry out this Act, including
10 monitoring the projects funded under this act, through the Bureaus of Construction
11 and Maintenance under the DPWH, preparation of the reports and the maintenance
12 and updating of the Road Board website.”

13 SECTION 6. Sections 9, 10, 11, 12 and 13 of R.A. 8794 shall be renumbered as Sections
14 12, 13, 14, 15 and 16, respectively.

15 SECTION 7. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or parts
16 thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified
17 accordingly.

18 SECTION 8. *Separability Clause.* – If, for any reason, any provision of this Act is
19 declared to be unconstitutional or invalid, the other sections or provisions hereof which are not
20 affected thereby shall continue to be in full force and effect.

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

Approved,