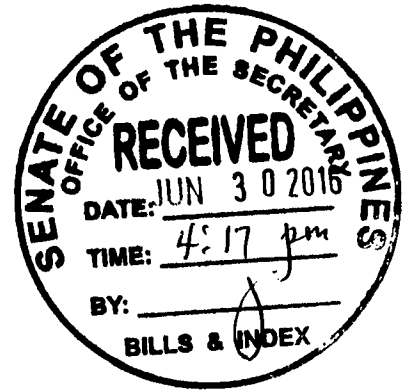


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
S. B. No. 114



Introduced by Senator Aquilino “Koko” Pimentel III

AN ACT
ABOLISHING THE ROAD BOARD CREATED BY VIRTUE OF
REPUBLIC ACT NO. 8794 AND TRANSFERRING ITS POWERS
AND FUNCTIONS TO THE DEPARTMENT OF PUBLIC
WORKS AND HIGHWAYS AND TO THE DEPARTMENT OF
TRANSPORTATION AND COMMUNICATIONS, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 8794

EXPLANATORY NOTE

Republic Act No. 8794 entitled, “*An Act Imposing a Motor Vehicle User’s Charge on Owners of All Types of Motor Vehicles and for Other Purposes*”, created the Road Board to implement the prudent and efficient management and utilization of the special funds collected via Road User’s Tax (“Road Fund”), which are earmarked solely and used exclusively for (1) road maintenance and the improvement of road drainage, (2) installation of adequate and efficient traffic lights and road safety devices, and (3) air pollution control.

The Road Fund was estimated at P90.72 Billion from 2001 to December 2012. Past Commission on Audit (COA) reports showed vestiges of illegal utilization of Road User’s Tax over the years, such as:

(1) In 2004 to 2008, P515.50 Million of the Road Fund was used for payment of salaries, allowances, maintenance, and other operating expenses of the Road Board, which were properly chargeable to the regular budget;


(2) In 2011, P62.52 Million of the Road Fund, which was earmarked for road maintenance and repair, was used for the Road Board’s engineering and administrative overhead expenses; and

(3) In 2013, findings of irregularities in the expenditure of more than P1.66 Billion in funds were uncovered.

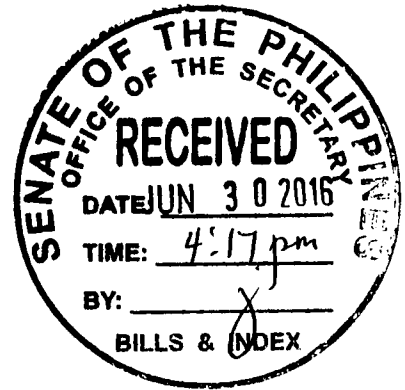
Moreover, COA pointed out that from 2001 to 2010, there were discrepancies amounting to P1.495 Billion in the total collection of Road User's Tax upon reviewing the collections declared by the Land Transportation Office in the amount of P71,887,585,394 as compared to the certification of the Bureau of Treasury that the amount deposited was only P70,392,954,323.

Obviously, the Road Board is just another layer of bureaucracy, which became an avenue for graft and corruption. By abolishing this regulatory agency, the public funds will be re-channeled to the proper government agencies such as the Department of Public Works and Highways and the Department of Transportation and Communication, which will implement the road safety measures and projects.

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


AQUILINO "KOKO" PIMENTEL III

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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 7 of Republic Act No. 8794 is hereby
2 amended to read as follows:

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

9 All such monies collected shall be deposited in four (4)
10 special trust accounts in the National Treasury, namely: (1)
11 Special Road Support Fund; (2) Special Local Road Fund;

1 (3) Special Road Safety Fund; and (4) Special Vehicle
2 Pollution Control Fund. The distribution of collections under
3 this Act shall be as follows:

4 xxxx.

5 The Special Road Support Fund, the Special Local
6 Road Fund, and the Special Road Safety Fund shall be under
7 the DPWH, whereas the Special Vehicle Pollution Control
8 Fund shall be under the DOTC.

9 xxxx.

10 [A Road Board to implement the prudent and efficient
11 management and utilization of the special funds shall be
12 organized by the President of the Philippines. The Road
13 Board shall be composed of seven (7) members, with the
14 Secretary of the DPWH as *ex officio* head, and the secretaries
15 of the Department of Finance, Budget and Management, and
16 the Transportation and Communications, as *ex officio*
17 members. The remaining three (3) members shall come from
18 the transport and motorist organizations which have been in
19 existence and active for the last five (5) years prior to this
20 Act. They shall be appointed for the term of two (2) years
21 each by the President of the Philippines upon the
22 recommendation of the secretaries of the DPWH and the
23 DOTC.]

24 **SECTION 2. Rules and Regulations.**—The secretaries of the
25 Department of Public Works and Highways (DPWH) and the
26 Department of Transportation and Communications (DOTC) shall
27 jointly promulgate within thirty (30) days from the effectivity of this

1 Act, the rules and regulation to implement and carry out the intent,
2 objectives, purposes, and provisions of this Act, including such
3 structural and procedural improvement in the systems and agencies
4 concerned as may be necessary to ensure the prudent, wise, effective,
5 and efficient utilization of the special funds established under Republic
6 Act No. 8794: *Provided*, that the Secretary of the DPWH shall prepare
7 the portion of their implementing rules and regulations pertaining to the
8 Special Road Support Fund, the Special Local Road Fund, and the
9 Special Road Safety Fund, and the Secretary of the DOTC shall prepare
10 the portion of the implementing rules and regulations pertaining to the
11 collection of the motor vehicle's user's charge and on the disposition of
12 the monies accruing to the Special Pollution Control Fund. *Provided*
13 *further*, that the secretaries of the DPWH and the DOTC are proscribed
14 from creating a secretariat and may only be assisted by a minimal
15 number of staff in the administration and implementation of the special
16 funds established under Republic Act No. 8794.

17 **SECTION 3. *Separability Clause.***—Should any provision of this
18 Act or part hereof be declared invalid or unconstitutional, the other
19 provisions or parts not affected thereby shall remain valid and effective.

20 **SECTION 4. *Repealing Clause.***—All laws, decrees, orders, and
21 issuances, or portions thereof, which are inconsistent with the provisions
22 of this Act are hereby repealed, amended, or modified accordingly.

23 **SECTION 5. *Effectivity.***—This Act shall take effect fifteen (15)
24 days from its publication in two (2) newspapers of general circulation.

Approved,