



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

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REC'D

SENATE

S. B. No. 2208

Introduced by Senator Aquilino "Koko" Pimentel III

**AN ACT
 ABOLISHING THE SPECIAL FUNDS CREATED PURSUANT
 TO REPUBLIC ACT NO. 8794 AND REQUIRING THE
 MONIES COLLECTED AS MOTOR VEHICLE USER'S
 CHARGE BE DEPOSITED INTO THE GENERAL FUND**

EXPLANATORY NOTE

In the year 2000, Republic Act No. 8794 was enacted to put in place a Motor Vehicle User's Charge (MVUC) that would replace the registration fee and the private motor vehicle tax. The monies collected as MVUC are special funds earmarked solely 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.

Over the years, the Commission on Audit has flagged the illegal utilization of these funds under the Road Board, the entity created under R. A. 8794 to implement the prudent and efficient management and utilization of these special funds. Thus, legislative measures have been filed to abolish the Road Board.

As a complementary bill to the abolition of the road board, this bill seeks to merge these special funds into the general fund to fund priority programs and projects of the government and the allocation will be decided by Congress through the annual general appropriations act.

With these proposed changes, we expect a more transparent and accountable use of public funds and we ensure a steady funding source for vital government programs and projects.

In view of the foregoing, 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:

SECTION 1. *Amendment in the Disposition of Monies Collected.*

— Section 7 of R. A. 8794 is hereby amended to read as follows:

SEC. 7. Disposition of Monies Collected. - All monies collected under this Act shall [be earmarked solely and used exclusively (1) for road maintenance and the improved of the road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for air pollution control.

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

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

1
2 (2) Five percent (5%) shall be allotted to and placed
3 in the Special Local Road Fund; and
4

5 (3) Seven and one-half percent (7.5%) shall be
6 allotted to and placed in the Special Vehicle
7 Pollution Control Fund.
8

9 The Special Road Support Fund, the Special Local
10 Road Fund shall be under the DPWH, whereas the Special
11 Vehicle Pollution Control Fund shall be under the DOTC.
12

13 Seventy percent (70%) of the Special Road Support
14 Fund shall be used for the maintenance of, and the
15 improvement of drainage of, national primary roads. The
16 remaining thirty percent (30%) thereof shall be allocated
17 and used for the maintenance, and improvement of
18 drainage of national secondary roads throughout the
19 country.
20

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

26 The Special Local Road Fund shall be apportioned to
27 provincial and city governments in accordance with the
28 vehicle population and size of the road network under their
29 respective jurisdictions, and shall be used exclusively for
30 maintenance of local roads, traffic management and road
31 safety devices.
32

33 A Road Board to implement the prudent and efficient
34 management and utilization of the special funds shall be
35 organized by the President of the Philippines. The Road
36 Board shall be composed of seven (7) members, with the
37 Secretary of the DPWH as *ex officio* head, and the
38 secretaries of the Department of Finance, Budget and
39 Management, and Transportation and Communications, as
40 *ex officio* members. The remaining three (3) members shall
41 come from transport and motorist organizations which have
42 been in existence and active for the last five (5) years prior

1 to this Act. They shall be appointed for a term of two (2)
2 years each by the President of the Philippines upon the
3 recommendation of the secretaries of the DPWH and the
4 DOTC] **ACCRUE TO THE GENERAL FUND TO**
5 **FINANCE PRIORITY PROGRAMS AND PROJECTS**
6 **OF THE GOVERNMENT WHICH SHALL BE**
7 **ALLOCATED IN THE ANNUAL GENERAL**
8 **APPROPRIATIONS ACT.**

9
10 **SEC. 2. *Repeal.*** — Section 8 of R. A. 8794 is hereby repealed.

11
12 [SEC. 8. *Status of the Special Funds.* — The four (4)
13 special funds established under this Act shall be distinct
14 and separate from and in addition to any appropriation
15 authorized and granted yearly to the DPWH and the DOTC
16 to cover expenditures for the identified objects of
17 expenditures under this Act. Congress shall continue to
18 appropriate an amount in the General Appropriations Act
19 for road maintenance of the DPWH: *Provided, however,*
20 That any savings for each year out of such appropriation
21 shall revert to the General Fund. Any savings from the
22 special funds created herein shall accrue to these respective
23 special funds.]
24

25 **SEC. 3. *Implementing Rules and Regulations.*** — Within thirty
26 (30) days from the effectivity of this Act, the Department of Public
27 Works and Highways, Department of Transportation, Department of
28 Budget and Management, Department of Finance, and the Bureau of
29 Treasury shall jointly promulgate the rules and regulations necessary for
30 its effective implementation.

31
32 **SEC. 4. *Repealing Clause.*** — All other laws, rules and
33 regulations, or parts thereof that are inconsistent with this Act are hereby
34 repealed, amended, or modified accordingly.

35
36 **SEC. 5. *Effectivity Clause.*** — This Act shall take effect fifteen
37 (15) days after its complete publication in two (2) newspapers of general
38 circulation.

Approved,