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SUMMARY OF SENATE BILL ON SECOND READING* Third Regular Session, Eighteenth Congress

S. NO. 2247 AN ACT AMENDING REPUBLIC ACT NO. 4566, AS AMENDED BY PRESIDENTIAL DECREE NO. 1746, OTHERWISE KNOWN AS THE CONTRACTORS' LICENSE LAW

(In Substitution of Senate Bill. Nos. 1008,1809,1889 and 2091, taking into consideration House Bill No. 7808)

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Referred to: Committee on Trade, Commerce and Entrepreneurship

Key words: contractor, prohibited acts, contractor's license, constructing business

This bill provides for the terms and conditions under which a contractor's license may be issued or renewed; it enumerates prohibited acts and prescribes sanctions and fines for violation of this measure; it updates the amount of fees for a new license and its renewal, and stipulates examination fee of the applicant.

This bill states that the contractor shall engage in business only after payment of application fee to the Contractors Board and the latter's approval of its application and issuance of license to operate. The Contractors Board may require examination and investigation of the applicant prior to approval of its application. Filing of application may be done either in person or online, not earlier than ninety days prior to expiration of license, but not later than thirty (30) days before said expiration.

Further, the bill cites that the contractor shall be permitted to operate within one year from the date of issuance of the license. However, if the contractor has been operating and in good standing for twenty-five (25) years or more, the license may be renewed every three (3) years; If the contractor is in good standing and operating for ten (10) years but less than twenty-five (25) years, the license

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may be renewed every two (2) years; If he/ she is in good standing but operating for less than ten (10) years, he/ she shall renew the license every year.

Under this measure, following are the prohibited acts, the corresponding fines, and other penalties:

Prohibited Acts	Fines	Other Penalties
No license to engage in the business of contracting, while submitting bid to construct; contracting to undertake construction work or supervisory role in construction project	<ul style="list-style-type: none"> • not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00); and • One-tenth of one percent (0.1%) of the project cost 	<ul style="list-style-type: none"> • prohibition to obtain a license for one year from the time contractor is found guilty of this Act
No additional license to undertake joint venture in case of two or more contractors which has been only issued separate licenses as contractor	<ul style="list-style-type: none"> • not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00); and • One-tenth of one percent (0.1%) of the project cost 	<ul style="list-style-type: none"> • automatic revocation of license of offending parties; • prohibition to obtain a license for one year from the time offenders are found guilty of this Act
Individually engaging in construction business or as individual contractor without license- this applies to the managing partner, officer or employee of a licensed partnership, corporation, firm, association, or other organization	<ul style="list-style-type: none"> • not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00) 	<ul style="list-style-type: none"> • prohibition to obtain a license for one year from the time offender is found guilty of this act
Presenting or filing the license certificate of another, giving false evidence to the board or any member to obtain certificate or license, impersonating, or using expired or revoked certificate or license	<ul style="list-style-type: none"> • not less than five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00) 	<ul style="list-style-type: none"> • imprisonment of not less than one (1) year but not more than six (6) years

Further, this bill sets the amount of five thousand pesos (P5,000.00) as fee for an original license; the same amount for renewal fee; and six thousand pesos (P6,000.00) as fee for the examination of an applicant.

The Board shall be authorized to collect, retain, and utilize or apply all fees, fines, and other charges collected by it under this act to augment its accreditation and licensing operations. It shall also be authorized to adjust the fees only once every three (3) years, and said adjustment shall not amount to an increase of more than fifteen percent (15%).