

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
First Regular Session

HOUSE BILL NO. 791

Introduced by Representative Abayon

EXPLANATORY NOTE

The Constitution provides that the power of the purse is fully reposed in Congress.

In consonance with the afore cited mandate, the proposed bill would require all government-owned and/or controlled corporations and enterprises to submit to Congress for approval their respective annual budget of expenditures and sources of financing.

In R.A. No. 7638, entitled "An Act creating the Department of Energy and rationalizing the organization and functions of government agencies related to energy", the law provides that the annual budgets of the Philippine National Oil Company (PNOC), the National Power Corporation (NPC) and the National Electrification Administration (NEA), shall be submitted to Congress for approval.

Hence, approval of the attached bill is earnestly requested.

HARLIN CAST. ABAYON

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AN ACT REQUIRING GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS TO SUBMIT THEIR ANNUAL BUDGETS TO CONGRESS AND FOR OTHER PURPOSES.

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

SECTION 1. Declaration of Policy. – It is herein declared the policy of the State pursuant to Congress' power of the purse to require all government-owned and/or controlled corporations/enterprises to submit their annual budget for Congressional scrutiny and approval.

SECTION 2. Government-owned and/or Controlled Corporations Budget. – The finances of the government shall analyzed and determined as to the aggregate of revenue, expenditure and debt of all units of government.

The National Government budget shall be evolved within the framework of the total impact of government activity on the national economy.

The budget of government –owned and/or controlled corporations/enterprises shall be consistent in form and timing with that of the National Government to facilitate comprehensive evaluation, except as those maybe modified to suit the pecularies of individual corporations. Those budgets shall be formulated on the basis of an obligations authority and/or a cash basis of accounting or variations thereof as may be duly approved under pertinent laws.

SECTION 3. Congressional Approval. – The annual budgets of government-owned and/or controlled corporations/enterprises shall be submitted to Congress for approval within thirty (30) days from opening of every regular session.

No government- owned and/or controlled corporations/enterprises shall incur obligations or make payments for current operating or capital expenditures after the beginning of each calendar year without a budge t approved by Congress and signed by the President.

If by the end of any fiscal year, the Congress shall have failed to pass the annual budget for the ensuing fiscal year of any government-owned and/or controlled corporations/enterprises, the annual budget for the preceding year shall be deemed reenacted and shall remain in force and effect until the annual budget for the ensuing fiscal year is passed.

SECTION 4. Repealing Clause. – All laws, presidential decrees, executive orders, and rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 5. Rules and Regulations. – The Department of Budget and Management shall issue the rules and regulations governing the implementation of this Act.

SECTION 6. Separability Clause – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 7. Effectivity Clause – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,