

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1581

Introduced by HON. MARCELINO C. LIBANAN

EXPLANATORY NOTE

Graft and corruption in the government comes in many ways and in any form. More often than not, corruption in all levels of the government bureaucracy are consumated by government official and/or employees with the indispensable aid of willing private individuals and entities. Millions, if not billions, of pesos worth of government resources are lost every year to graft and corruption with the government authorities being unable to eliminate, much less, abate.

One such scheme of graft recently discovered is what this bill intends to arrest and anticipate.

Private individuals and/or entities, by way of a legitimate deed, conditionally donates, or in any other manner conditionally transfer, in gratuity, its ownership and physical possession of a certain property to the government, any of its instrumentality, or government-owned or controlled corporation. The deed of conveyance provides that the donee shall introduce improvements, infrastructure or otherwise, to the property, however, with the condition that should the donee violates any of the term and/or conditions of the transfer, the ownership and possession of the property automatically reverts back to the donor, including all the improvements introduced thereto by the donee, which in this case the government.

At face value, this arrangement is perfectly legal and tenable. However, the question of propriety arises when, after the government introduces improvements in the property, the donor influences the concerned government official or employee of the government charged with the administration of the property, or vice versa, or both of them, conspire that violation of the terms and conditions of the deed of conveyance be committed in order that the donor can avail of the reversionary provision in the transfer. Needless to say, the government official or employee cum conspirator gets a share of value of the reverted property and its improvements.

This scheme of graft and corruption is difficult to stop or anticipate under the present system of our laws. Thus, the approval of this bill is highly and earnestly sought.

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AN ACT PROHIBITING THE GOVERNMENT OR ANY OF ITS INSTRUMENTALITY, INCLUDING GOVERNMENT- OWNED OR CONTROLLED CORPORATIONS, FROM INTRODUCING OR CONSTRUCTING ANY KIND OF IMPROVEMENT ON PROPERTIES CONDITIONALLY CONVEYED BY PRIVATE PERSONS AND PROVIDING PENALTIES THEREFOR

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

SECTION 1. The Government or any of its instrumentality, including government-owned or controlled corporations, is prohibited from introducing or constructing any kind of improvement on properties conditionally conveyed to it by private person/s.

SECTION 2. Any provision of law to the contrary notwithstanding, the following terms, as used in this Act, shall mean:

a) "Improvement" refers to any undertaking or activity made by the Government or any of its instrumentality, including government-owned or controlled corporation, on the property which entails spending of government funds or using government properties.

b) "Conditionally conveyed properties" refer to any property, whether real or personal, that a private person, natural or juridical, transfers to the Government or any of its instrumentality, including government owned or controlled corporations, by way of donation, trust, assignment, usufruct or other gratuitous mode of transferring ownership that imposes any condition where violation thereof shall result to the reversion of ownership or title to the private person.

c) "Private person" refers to the original owner, natural or juridical, who conditionally conveyed his property to the Government or any of its instrumentality, including government owned or controlled corporations.

SECTION 3. Improvements introduced contrary hereto on conditionally conveyed properties defined in Section 2(b) hereof shall belong to the private person, provided that the fair market value of the improvement is less than the fair market value of the property, otherwise, the property shall belong to the Government. In addition to the penalty imposed on Section 4 hereof, the public officer or employee who caused the introduction or construction of such improvement shall be made to pay or restitute the fair market value of the improvement to the Government or the fair market value of the property to the private person, as the case may be. In case of insolvency, the public officer or employee shall suffer subsidiary imprisonment as provided for in the Revised Penal Code.

SECTION 4. Any person who violate any provision of this Act shall suffer a fine of not less than One Hundred Thousand Pesos (PhP 100,000.00) but not more than Five Hundred Thousand Pesos (PhP 500,000.00) and/or imprisonment of one less than four (4) years but not more than ten (10) years, at the discretion of the Court.

If such person be a public officer, he shall, in addition to the penalties prescribed herein, be perpetually disqualified from holding any public office, including government owned and controlled corporations.

In case of associations, partnership, or corporations, the penalty shall be imposed on the partner, president, general manager, branch manager, treasurer, officer-in-charge, and employees responsible for the violation.

SECTION 5. If for any reason, any provisions of this Act is declared unconstitutional or invalid, such parts not affected thereby shall remain in full force and effect.

SECTION 6. All laws, decrees, executive orders, letters of instructions, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

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

APPROVED.