



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 2782

Introduced by HON. DANILO E. SUAREZ

EXPLANATORY NOTE

Since the enactment of Republic Act No. 8794, imposing a motor vehicle user's charge (MVUC) to motor vehicles and its subsequent implementation in 2001, more than P 16 billion of revenues were already generated for its earmarked purpose - maintenance of national and provincial roads.

The country's road system has improved a lot, making each user responsible for the wear and tear of the road network through the payment of the MVUC. However, one prime mover that causes damage to our road network which has not been captured in the MVUC because of its nature is heavy equipment. The transport of these heavy equipment cause harm to our national and local roads and should correspondingly be made liable also. It is on this premise that this bill is being proposed - to impose an annual MVUC rate for heavy equipment, issue registration plates to these equipment for purposes of monitoring and to generate revenues for our cash-strapped government. It would remain unfair to all motorists, especially light passenger vehicle owners, if they are imposed an MVUC while these heavy equipment are not.

Heavy equipment are defined in this measure as any machine/mechanical equipment with engine or electric motor as prime mover used either for lifting, excavating, leveling, drilling, compacting, transporting and breaking works in the construction site, such as but not limited to crane, bulldozer, backhoe, grader, road compactor, prime mover and trailer, with minimum operating weight and horsepower rating of 1,000kg and 10 hp, respectively.

Though the use and frequency of transport of these equipment is limited from garage to project site, their weights plus that of their carriers create great damage to the

road network, especially if to be transported in long distances. We really need to correct the discrepancy of treatment among road users while raising the much needed revenues for the government.

In addition to the above-cited arguments, compulsory registration of heavy equipment could curb, if not totally eliminate, the practice of unscrupulous contractors who leave their projects unfinished or disappear after obtaining the initial mobilization fee for a particular infrastructure project.

This proposed bill would also prevent the practice of leasing the same heavy equipment to two or more different contractors who are working on different projects on the same dates but different sites. Such practice usually delays the completion of most infrastructure and public works projects. Registering heavy equipment would also prevent any or all misrepresentation by the contractor with regards to ownership of heavy equipment. With registration, owners or lessees of heavy equipment will be properly identified. Any unscrupulous practice can be averted.

With the two-pronged arguments on the registration of heavy equipment, early approval of this bill is earnestly sought.



HON. DANILO E. SUAREZ

Representative

3rd District, Quezon

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AN ACT
MANDATING FOR THE COMPULSORY REGISTRATION OF HEAVY
EQUIPMENT, AMENDING REPUBLIC ACT NO. 8794, AND FOR OTHER
PURPOSES

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

SECTION 1. *Compulsory Registration of Heavy Equipment.* - The provision of any existing law to the contrary notwithstanding, all heavy equipment referred herein as any machine/mechanical equipment with engine or electric motor as prime mover used either for lifting, excavating, leveling, drilling, compacting, transporting and breaking works in the construction site, such as but not limited to crane, bulldozer, backhoe, grader, road compactor, prime mover and trailer, with minimum operating weight and horsepower rating of 1,000kg and 10 hp, respectively, operated on or upon any part of the Philippines must be registered with the Land Transportation Office (LTO) for the current year in accordance with the provision under Republic Act No. 8794.

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

“SEC. 2. *Coverage.* - In lieu of the registration fee under Section 8 of Republic Act No. 4136, as amended by Batas Pambansa Bilang 74, and the Private Motor Vehicle Tax under Executive Order No. 43, series of 1986, there is hereby imposed on every motor vehicle AND HEAVY EQUIPMENT, whether for hire or for private use, including government motor vehicles AND HEAVY EQUIPMENT as more fully provided in Section 3 hereof, a Motor Vehicle User’s Charge (MVUC) which shall be collected from and paid by the owner of the motor vehicle OR HEAVY EQUIPMENT.”

SEC. 3. Sec. 3 of the same Act is hereby amended to read as follows:

“SEC. 3. Rates of the Motor Vehicle User’s Charge. - (a) x x x”

“(b) x x x : *Provided*, That the MVUC rate for sports utility vehicles shall be fifteen (15%) higher than the MVUC herein set for private utility vehicles:

Provided, further, That motorcycles for hire with sidecars shall not pay more than Three hundred pesos (P300.00).

"Type of Vehicle	Base Rates
"I. Private and Government	
"A. x x x"	
"B. x x x"	
"C. x x x"	
"D. x x x"	
"E. x x x"	
"F. x x x"	
"G. HEAVY EQUIPMENT	
GW 1,000 KGS. AND MORE	P48 PER 100 KGS OF GROSS WEIGHT"
"II. For Hire	
"A. x x x"	
"B. x x x"	
"C. x x x"	
"D. x x x"	
"E. x x x"	
"F. x x x"	
"G. HEAVY EQUIPMENT	
GW 1,000 KGS. AND MORE	P48 PER 100 KGS OF GROSS WEIGHT"

SEC. 4. *Implementing Rules and Regulations.* – The secretaries of the Department of Public Works and Highways (DPWH) and the Department of Transportation and Communications (DOTC) shall jointly within thirty (30) days from

the effectivity of this Act, promulgate the rules and regulations to implement and carry out the intent, objectives, purposes and provisions of this Act.

SEC. 5. *Effectivity.* - This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspaper of general circulation.

Approved,