



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



Thirteenth Congress  
First Regular Session

HOUSE BILL NO. 3519

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**Introduced by Honorable Prospero C. Nograles**

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**EXPLANATORY NOTE**

This bill seeks to provide city governments, through its' Sangguniang Panglungsod, regulatory and franchising powers over the operation of public utility jeepneys plying routes exclusively within a city's territorial jurisdiction, amending for the purpose the Local Government Code of 1991.

The operation of public utility vehicles (PUVs) serve the public's convenience by transporting people and cargo to their destinations for a fee.

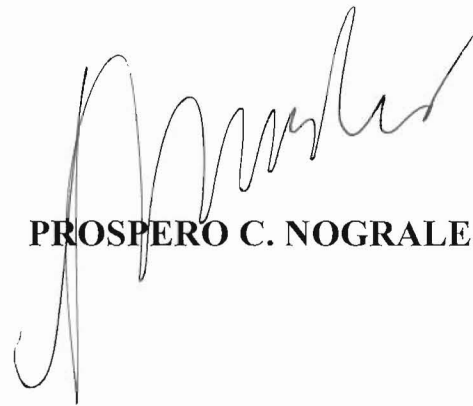
However, a large volume of PUVs such as buses, jeepneys, taxis, tricycles and even pedicabs contribute substantially to vehicular traffic congestion in a city. PUVs are likewise the most frequent road users hence, the main cause of road deterioration.

The construction and maintenance of city roads, PUVs terminals, waiting sheds, including the lighting and sanitation requirements of city roads, are paid for from city funds. Giving the cities the regulatory and franchising powers over public utility jeepneys (PUJs) plying routes exclusively within a city's territorial jurisdiction would generate additional revenue for the city it may use to defray, among others, expenses for the construction and maintenance of city roads. Traffic within cities will likewise be decongested.

Operation of illegal or “colorum” PUJs shall also be curtailed because city officials will be at a vantage position to monitor, regulate and determine the issuance of the franchise for PUJs plying the routes within the city.

This measure also pursues the state policy declared in Section 2 of the Local Government Code of 1991 that “ territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals; and towards this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units shall be given more powers, authority and resources.’

In view of the foregoing considerations approval of this bill is earnestly encouraged.



**PROSPERO C. NOGRALES**

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**AN ACT**  
**PROVIDING CITY GOVERNMENTS REGULATORY AND**  
**FRANCHISING POWERS OVER OPERATIONS OF PUBLIC**  
**UTILITY JEEPNEYS PLYING ROUTES EXCLUSIVELY WITHIN**  
**THE CITY'S TERRITORIAL JURISDICTION, AMENDING FOR**  
**THE PURPOSE THE LOCAL GOVERNMENT CODE OF 1991**

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

SECTION 1. Section 458, paragraph 3 (vi) of the Republic Act No. 7160, as amended, otherwise known as the "Local Government Code of 1991" is hereby amended to read as follows:

"SEC.458. *Powers, Duties, Functions and Compensation.*- (a) The Sangguniang Panlungsod, as the legislative body of the city, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the city and its inhabitants pursuant to Section 16 of this Code

and in the proper exercise of the corporate powers of the city as provided for under Section 22 of this Code, and shall:

(1) x x x

(2) x x x

(3) Subject to the provisions of Book II of this Code, enact ordinances granting franchises and authorizing the issuance of permits or licenses, upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the city and pursuant to this legislative authority shall:

(i) x x x

(ii) x x x

(iii) x x x

(iv) x x x

(v) x x x

(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles AND PUBLIC UTILITY JEEPNEYS (PUJ) and grant franchises for the operation thereof within the territorial jurisdiction of the city.

x x x.”

SEC. 2. The Department of Transportation and Communications shall promulgate rules and regulations for the effective implementation of this Act.

SEC. 3. All laws, decrees, orders, proclamations, rules and regulations which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,