

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 33



Introduced by: **Hon. RODOLFO W. ANTONINO**

EXPLANATORY NOTE

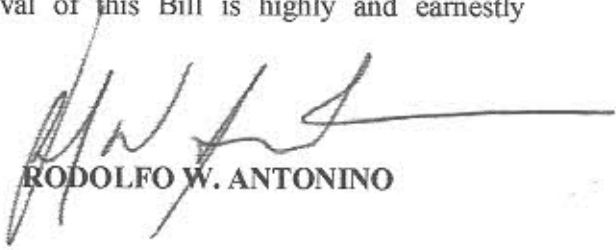
This Bill seeks to effectively restore the "Power of the Purse" to the Legislative branch of Government by amending Presidential Decree 1177.

After the imposition of Martial Law, The late President Ferdinand Marcos issued Presidential Decree 1177 whose provisions effectively transferred the "Power of the Purse" to the Executive Branch of Government through provisions contained therein authorizing the President to withhold the release or to realign expenditure items in the General Appropriations Act which is passed into law every year by the Congress of the Philippines.

In any truly democratic system of government in the world, one of the pillars of democracy is the system of Checks and Balances between the various branches of Government. While the 1987 Constitution under Art VI Section 24 and Art VII Section 22 clearly defines the roles of both the Executive and Legislative branches in the National Budget process, the role of the legislative branch is severely weakened by the continued effectivity of Presidential Decree 1177.

Through the amendments proposed in this Bill, an equal system of checks and balances will be restored in the National Budget process which would result in the strengthening of our Democratic State.

In view of the foregoing, approval of this Bill is highly and earnestly recommended


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"AN ACT REVISING THE BUDGET AND NATIONAL EXPENDITURE PROCESS IN ORDER THAT CONGRESS RE-ACQUIRES THE ULTIMATE RESPONSIBILITY FOR THE PREPARATION, LEGISLATION, EXECUTION, AND ACCOUNTABILITY OF THE NATIONAL BUDGET."

WHEREAS, Article 7, Section 22 of the 1987 Constitution states that "The President shall submit to congress, within 30 days from the opening of every regular session as the basis of the general appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures."

WHEREAS, Article 6, Section 23 of the 1987 Constitution provides that "All appropriation, revenue, and tariff bills shall originate exclusively in the House of Representatives, but the Senate may propose and concur with amendments."

WHEREAS, In a Presidential Bi-Cameral form of Government as enshrined in the provisions of the 1987 Constitution, the "power of the purse" should effectively reside with the Congress of the Philippines.

WHEREAS, After the imposition of Martial Law on September 21, 1972, Presidential Decree no. 1177, even as further amended by RA 6670, effectively divested the then National Congress (Batasang Pambansa) of the "power of the purse" and effectively transferred that power to the executive Branch.

WHEREAS, The ratification of the 1987 Constitution provided the basis for the present bicameral Congress as the Legislative branch of the Government.

WHEREAS, To restore the equitable system of checks and balances necessary to the full restoration of the democratic processes in our country, amendments of PD 1177 are required.

SECTION 1. - Title – This Act shall be known as “Budget Reform Act of 2010.”

SECTION 2. - Section 43 of PD 1177 is hereby amended to read as follows:

Section 43 – Suspension of Expenditure of Appropriations – the president shall have no authority to suspend or otherwise stop any expenditure of funds allotted for any agency, or any other expenditure authorized in the General Appropriations Act without the consent of the majority of members of the House of Representatives and the Senate voting separately.

SECTION 3. – Section 44 of the same decree is hereby amended to read as follows:

Section 44 – Authority to Approve Fund Transfer – The President shall have no authority to transfer any fund authorized in the General Appropriations Act appropriated for the different departments, bureaus, offices, and agencies of the National Government to any other program, project, or activity of the National Government without the consent of a majority of the members of the House of Representatives and the Senate voting separately.

SECTION 4. = Section 53 of the same decree is hereby amended to read as follows:

Section 53 – Administration of Lump Sum Funds – The Department of Budget and Management shall administer the execution of expenditures under the Lump Sum Funds appropriated in the General Appropriations Act. The Department has no authority to release such funds unless the utilization of said funds shall have been fully itemized and submitted for concurrence by a majority of the members of the House of Representatives and the Senate voting separately.

SECTION 5. –Section 55 of the same decree is hereby amended as follows:

Section 53 – Authority to Use Savings – Savings in the appropriations provided in the General Appropriations Act may be used for settlement of other obligations of the National Government incurred during a current fiscal year or previous fiscal years provided that a majority of the members of the House of Representatives and the Senate shall concur, voting separately.

SECTION 6. – Section 88 of the same decree is hereby repealed

SECTION 7. – Amendments – No Amendments can be made to this Act by way of language inserted in a General Appropriations Act.

SECTION 8. – Rules and Regulation – Both the House of Representatives and the Senate, Through their respective standing committees, shall formulate and issue the rules and regulations governing the implementation of this Act which shall be made a part of their respective Rules.

SECTION 9. – Repealing Clause – All laws, decrees, executive orders, rules and regulations or parts there of which are inconsistent with the provisions of this Act are hereby repealed and/or modified accordingly.

SECTION 10. – Separability Clause – If for any reason, any section or provisions thereof which not effected thereby shall continue in full force and effect.

SECTION 11. – This Act shall take effect immediately.

Approved,