

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 134

Introduced by **HONORABLE DANILO E. SUAREZ**

EXPLANATORY NOTE

With the recent controversies surrounding the purpose, use and distribution of the Motor Vehicle User's Charge (MVUC) or more popularly known as the Road User's Tax, it has become imperative to revisit Republic Act No. 8794 and ensure a more transparent disbursement of the monies collected from vehicle owners.

The MVUC provides a readily available funding mechanism on the emergency repairs and maintenance of the country's major highways and the National Road Board plays a very crucial role as an accountable agency in the collection and disposition of the MVUC. It is presently divided among 4 trust funds in the National Treasury, namely the Special Road Support Fund, Special Local Road Fund, Special Road Safety Fund and the Special Vehicle Pollution Control Fund. The money pertaining to the Special Road Support Fund is the biggest at 80%, thus the need to be more specific in its use and a scheme of division for its allocation be adopted. Each congressional district must be allocated amounts in accordance with its road coverage and conditions, whether it is concrete, asphalt or all-weather. The role of the National Road Board must likewise be expanded to include oversight functions on conversions of municipal or provincial roads to national roads given the supposed expertise it has and the fact that it is the entity responsible for maintenance and proper upkeep of roads.

Through this proposed legislative measure, it is expected that the MVUC will be used to improve motoring in the country and the National Road Board be more responsible in the disbursement of the fund.

The approval of this bill is thus earnestly requested.


DANILO E. SUAREZ
Representative
Third District, Province of Quezon

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**AN ACT AMENDING SECTION 7 OF REPUBLIC ACT NO. 8794 OTHERWISE KNOWN AS
AN ACT IMPOSING A MOTOR VEHICLE USER'S CHARGE ON OWNERS OF ALL TYPES
OF MOTOR VEHICLES AND FOR OTHER PURPOSES**

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

Section 1. Section 7 of Republic Act No. 8794 is hereby amended to read as follows:

Section 7. Disposition of Monies Collected. — All monies collected under this Act shall be earmarked solely and used exclusively (1) for road maintenance and the improvement of road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for air pollution control.

All such monies collected shall be deposited in four (4) special trust accounts in the National Treasury, namely: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund. The distribution of collections under this Act shall be as follows:

(1) Eighty percent (80%) shall be allotted to and placed in the Special Road Support Fund;

(2) Five percent (5%) shall be allotted to and placed in the Special Local Road Fund;

(3) Seven and one-half percent (7.5%) shall be allotted to and placed in the Special Road Safety Fund; and

(4) Seven and one-half percent (7.5%) shall be allotted to and place in the Special Vehicle Pollution Control Fund.

The Special Road Support Fund, the Special Local Road Fund and the Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DOTC.

Seventy percent (70%) of the Special Road Support Fund shall be used exclusively for the maintenance of, and the improvement of drainage of, national primary roads. The remaining thirty percent (30%) thereof shall be allocated and used for the maintenance, and improvement of drainage of national secondary roads throughout the country. **THE SPECIAL ROAD SUPPORT FUND SHALL BE ALLOCATED TO CONGRESSIONAL DISTRICTS BASED ON ROAD COVERAGE AND ROAD CONDITION, PROVIDED THAT URBAN DISTRICTS SHALL BE ALLOCATED AN AMOUNT EQUIVALENT TO THE AVERAGE CONGRESSIONAL DISTRICT REGARDLESS OF LENGTH AND CONDITION OF ROADS.**

The cost of installation of adequate and efficient traffic lights and road safety devices throughout the country, where such traffic lights and safety devices are needed, shall be taken from the Special Road Safety Fund.

The Special Local Road Fund shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions, and shall be used exclusively for maintenance of local roads, traffic management and road safety devices.

A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of seven (7) members, with the Secretary of the DPWH as ex officio head, and the secretaries of the Departments of Finance, Budget and Management, and Transportation and Communications, as ex officio members. The remaining three (3) members shall come from transport and motorist organizations which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for a term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC. **THE ROAD BOARD, OTHER THAN MANAGING AND DISBURSING THE FUNDS SHALL EXERCISE OVERSIGHT FUNCTIONS ON ANY AND ALL PROPOSALS FOR CONVERSION OF MUNICIPAL/PROVINCIAL ROADS TO NATIONAL ROADS.**

Section 2. Section 8 of Republic Act No. is hereby amended to read as follows:

Section 8. Status of the Special Funds. — The four (4) special funds established under this Act shall be distinct and separate from and in addition to any appropriation authorized and granted yearly to the DPWH and the DOTC and **MEMBERS OF CONGRESS** to cover expenditures for the identified objects of expenditures under this Act. Congress shall continue to appropriate an amount in the General Appropriations Act for road maintenance of the DPWH: Provided, however, That any savings for each year out of such appropriation shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds.

Section 3. Repealing Clause. — All laws, presidential decrees, executive orders, other executive issuances, or parts thereof, which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

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