



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

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 898

Introduced by Honorable Ramon "Red" H. Durano VI

EXPLANATORY NOTE

This bill seeks to grant the local government units the power to regulate and control the use of motorcycles-for hire in the rural and remote areas within their territorial jurisdiction.

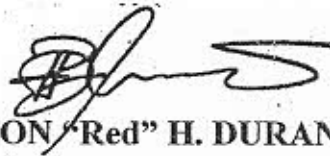
In the countryside, motorcycles are frequently used and patronized by the people as means of public transportation. These are considered as an alternative to the perennial problem of lack of transportation in the countryside where the roads are not passable by four wheeled motor vehicles and in other places with inadequate transport such as the mining areas.

The use of motorcycle as transportation bears several names in the islands of Visayas and Mindanao, where they are commonly known as "*habal-habal*, *sputniks*, *skylab*" and the like. While these motorcycles are not registered vehicle for-hire, these are being used and commonly accepted as public transport vehicles. Thus, the operation of *habal-habal* is considered illegal.

Moreover, the said business is not covered by any kind of insurance. Hence, parties cannot claim any benefit or reimbursement whatsoever for injuries suffered while using this type of vehicle. Further, the lack of franchise opens the opportunity for traffic enforcers to harass, mulct and fleece the operator of *habal-habal*.

Appropriately, it is also being proposed that the local government units shall regulate and grant franchise for the operation of *habal-habal* or similar transport system. Further, it is proposed that it shall be utilized only in remote areas within the territorial jurisdiction of the local government unit that are not reached by four wheeled public utility vehicles. This shall ensure the safety of the passengers using such form of transportation in penetrating narrow trails and passageways, as well as offering rural folk cheaper means of transportation.

In view of the foregoing, the approval of this bill is urgently requested.

A handwritten signature in black ink, appearing to be 'Red' H. Durano VI, written in a cursive style.

RAMON "Red" H. DURANO VI



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AN ACT
DEVOLVING THE REGULATORY AND FRANCHISING
POWERS OVER THE OPERATION OF MOTORCYCLE-FOR-
HIRE, OR HABAL-HABAL TO CITIES AND MUNICIPALITIES,
AMENDING FOR THE PURPOSE SECTION 447 AND 458 OF
REPUBLIC ACT No. 7160, AS AMENDED, OTHERWISE KNOWN
AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 447 (a) (3) (vi) and 458 (3) (vi) of Republic Act No. 7160 otherwise known as the Local Government Code of 1991 are hereby amended to read as follows:

"Sec. 447. Powers, Duties, Functions and Compensation –

(a) The sangguniang bayan, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code, and shall:

- (1) Approve ordinances and pass resolutions necessary for an efficient and effective municipal government, and in this connection shall:

XXX

XXX

XXX

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

XXX

XXX

XXX

- (vi) Subject to the guideline prescribed by the Department of Transportation and Communications, regulate the operation of HABAL-HABALS OR MOTORCYCLES FOR HIRE AND tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the municipality.

XXX

XXX

XXX

“Sec. 458. Powers, Duties, Functions and Compensation –

- (a) The sangguniang panglungsod, 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) Approve ordinances and pass resolutions necessary for an efficient and effective municipal government, and in this

connection shall:

XXX

XXX

XXX

- (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:

XXX

XXX

XXX

- (vi) Subject to the guideline prescribed by the Department of Transportation and Communications, regulate the operation of HABAL-HABALS OR MOTORCYCLES FOR HIRE AND tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the city.”

SEC. 2. *Inventory/Survey.* – The local chief executive of the local government unit where motorcycle-for-hire of habal-habal is used shall conduct a comprehensive inventory/survey of all the existing and actually operating motorcycle-for-hire or habal-habal in the city or municipality, including the routes which are traditionally used by them.

SEC. 3 *Application.* – The local government unit shall receive, process and evaluate all applications for franchise for the operation of motorcycle-for-hire within the territorial jurisdiction of the city or municipality, subject to the guidelines prescribed by the Department of Transportation an Communications. It shall also conduct an actual

physical inspection of the motorcycle unit with concentration on the body configurations and fitness to operate as a public utility vehicle.

All applications for franchise of motorcycle-for hire or habal-habal shall be submitted to the local government unit where they are operating or where the applicant is a resident.

SEC. 4. **Documentation.** – Any person applying for the franchise of a motorcycle-for-hire shall submit the following:

- a. Certification of the Punong Barangay attesting that the applicant is a bonafide resident of the barangay within the city or municipality;
- b. Certificate of registration and official receipt of registration payment for the said motorcycle unit; and
- c. A Deed of Undertaking by the owner that the unit applied for will be operated in the said city or municipality.

SEC. 5. **Franchise.** – After favorable consideration of the application, the same shall be endorsed to the sangguniang bayan or sangguniang panlungsod for the issuance of a franchise for the operation of motorcycle-for-hire or habal-habal within the jurisdiction of the city or municipality. The franchise shall indicate the place or route where the motorcycle-for-hire or habal-habal is authorized to operate.

SEC. 6. **Issuance of Plate** – Upon receipt of the franchise issued by the city or municipality, the applicant shall bring the motorcycle unit to the Land Transportation Office (LTO) for the issuance of a new “for-hire” plate. In case, however, the motorcycle unit concerned was

previously issued a plate of different classification, such plate shall first be surrendered before issuing the new "for-hire" plate.

SEC. 7. *Administrative Boundaries.* – The authority granted to local government unit to regulate the operation of motorcycle-for-hire or habal-habal shall be limited or confined only to the city or municipality, which issued the franchise. The local government unit may only grant franchise to motorcycles operated within the city or municipality and owned by residents hereof.

In cases where travel between two (2) local government units can be done by motorcycle-for-hire or habal-habal in the absence of any higher mode of public transportation, the city or municipality concerned may enter into a Memorandum of the Agreement (MOA) to allow motorcycle-for-hire or habal-habal to transverse beyond the franchise route and within the boundary of another local government unit, which is a party to the MOA.

SEC. 8. *Limits of Operations.* – Motorcycle-for-hire or habal-habal is authorized to operate on any road within the city or municipality. However, it is prohibited to operate, except to cross along the national highway or on any road which allows a maximum speed greater than forty kilometer per hour, especially on well-paved, high speed roads, unless special lanes on the shoulder are provided.

The local government unit concerned may limit and fix the routes by adopting a scheme of boundaries as they may heretofore impose.

SEC. 9. *Insurance Coverage.* – For purposes of passenger safety, the motorcycle owner shall, upon registration, procure the necessary insurance for third party liability.

SEC. 10. *Rules and Regulations.* – The Department of Transportation and Communications (DOTC) and the Leagues of Municipalities shall, within sixty (60) days after the effectivity of this Act, issue the necessary rules and regulations to implement the provisions of this Act.

SEC. 10. *Effectivity.* – This act shall take effect within fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,