

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1494

Introduced by: REP. MEL SENEN S. SARMIENTO

EXPLANATORY NOTE

Under our system of government, Congress has the power of the purse. We alone have the authority to approve appropriations and expenditures needed by the Government to perform its duties, and provide services for the people.

It is, however, lamentable that the power of Congress over the State's purse has systematically deteriorated. Foremost is our power to appropriate expenditures for interest payment and principal amortization of the Government's loans and borrowings. Section 31 of Presidential Decree No. 1177 and Section 26, Book VI of Executive Order No. 292, series of 1987 effectively emasculated the Congressional power of the purse. The automatic appropriations for interest payments and principal payments for public debts and borrowings precluded Congress from reviewing and accounting for the use of public money.

Governance is a joint effort between the Executive and the Legislature. While it is the President who implements policies enacted by the Congress, we have a sworn duty as representatives of the people to account for the actions of the Executive Branch, especially if it involves the expenditure of public funds. Foremost of these duties is to ensure the judicious appropriation and expenditure of public funds drawn from the people through taxes and tariffs. Public monies should be spent in pursuance of State policies. Taxation without representation is bad policy, and thus cannot be the basis of a vibrant democracy. As representatives of the people, we therefore claim what is rightfully a congressional power.

To bring back the power of the purse to the Congress and to strengthen this institution as a genuine representative of the people, approval of this measure is earnestly sought.


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AN ACT
GIVING CONGRESS BACK THE POWER OF THE PURSE, AMENDING FOR THE
PURPOSE SECTION 31 OF PRESIDENTIAL DECREE 1177 AND SECTION 26,
BOOK VI OF EXECUTIVE ORDER NO. 292.

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

1 **SECTION 1. Title.** – This Act shall be known as the “**Power of the Purse Act of 2010.**”

2
3 **SECTION 2. Declaration of Policy.** – It is a declared State policy that Congress shall have
4 the power to approve appropriations and expenditures of Government.

5
6 Pursuant to the mandate of the Constitution, Congress, as guardian of the State’s purse, shall
7 ensure the judicious use of all public monies. It shall account for the use and expenditure of
8 the same by the Government.

9
10 **SECTION 3. Review of Appropriations.** – (a) All appropriations submitted by the President
11 to Congress, including appropriations for interest payments and principal amortization of debt
12 servicing shall pass through the review and approval of the Congress. No interest payments

1 and principal amortization of debt servicing shall be made without the concurrence of
2 Congress.

3 (b) Congress may adjust the levels of expenditures appropriated for interest payments
4 and principal amortization of debt servicing: *Provided*, that it may not increase the said
5 appropriations above those recommended by the President in the General Appropriations Act.
6

7 For this purpose, Section 31 (2) and (3) of Presidential Decree No. 1177 and Section
8 26 (2) and (3), Book VI of Executive Order No. 292, series of 1987 are hereby repealed.
9

10 **SECTION 4. Congressional Oversight in Contracting Loans.** – At the beginning of each
11 fiscal year, the President shall submit to the Congress a list of loans to be contracted or
12 guaranteed for specific projects and programs, the interest rate and amortization period for
13 the said loans, and the sources of revenues to support the payment of these loans. The
14 Congress, through a concurrent resolution, shall approve or amend the list in its entirety or
15 parts thereof.
16

17 **SECTION 5. Separability Clause.** – If any provision of this Act is declared
18 unconstitutional, the same shall not affect the validity and effectivity of the other provisions
19 not affected thereby.
20

21 **SECTION 6. Repealing Clause.** – All laws, decrees, rules and regulations, and other
22 issuances inconsistent with the provisions of this Act are hereby repealed or modified
23 accordingly.
24

25 **SECTION 7. Effectivity Clause.** – This Act shall take effect fifteen (15) days after
26 publication in newspapers of general circulation.

1

2 Approved,