

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



FIFTEENTH (15th) CONGRESS
Second Regular Session

House Bill No. 6046

Introduced by **Hon. Pastor M. Alcover Jr.**

EXPLANATORY NOTE

This Bill seeks to grant the Local Government Units in the rural areas the power to regulate the operation of motorcycles-for-hire locally known as "habalhabal" amending for the purpose Section 447 (a) (3) (vi) of Republic Act No. 7160, otherwise known as "The Local Government Code of 1991."

It is of common knowledge that in the rural areas of the country, particularly in remote places where the roads are not passable by four-wheeled vehicles, motorcycles-for-hire or "habalhabal" has become the accepted mode of transportation. These motorcycles-for-hire are two-wheeled vehicles which have been modified to accommodate more passengers operated to render transportation services to the general public for a fee. This mode of transportation has become a viable and very important alternative not only for carrying passengers from remote and hardly accessible places, but also in bringing their farm products to the markets.

While it may be true that this mode of transportation is not safe and illegal, there is also the need to recognize and respect the people's initiative to solve their transportation problem and compensate the Government's failure to provide them with decent roads where they could safely transport their farm products to market places. To strike a happy balance between these two conflicting issues, it is imperative that Local Government Units are empowered to regulate the operations of motorcycles-for-hire or "habalhabal" to protect both the operator and the riding public.

Therefore, in view of the foregoing, approval of this Bill is earnestly sought.


PASTOR M. ALCOVER JR.

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AN ACT

GRANTING THE LOCAL GOVERNMENT UNITS IN THE RURAL AREAS THE POWER TO REGULATE THE OPERATION OF MOTORCYCLES-FOR-HIRE OR "HABALHABAL" WITHIN THEIR TERRITORIAL JURISDICTIONS AMENDING FOR THE PURPOSE SECTION 447 (A) (3) (VI) OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991" AND FOR OTHER PURPOSES

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

SECTION 1. Title – This Act shall be known as "The Motorcycle-for-hire Regulation Act of 2012."

SEC. 2. Declaration of Policy – It is hereby declared the policy of the State to recognize and respect the initiative of the people in the rural areas to solve their transportation problems by operating motorcycles for hire or "habalhabal" with the end view of instituting effective management thereof. Towards this end, Local Government Units in the rural areas are hereby empowered to regulate the said mode of transportation in the countryside.

SEC. 3. Applicability of this Act – The provisions of this Act shall apply only to Local Government Units situated in the rural areas.

SEC. 4. Definition of Terms – for purposes of this Act, the following terms and phrases shall mean as follows:

- a) **Local Government Unit** – refers to a Municipality situated in the rural areas.
- b) **Motorcycle-for-Hire** – refers to a two-wheeled motor vehicle which has been modified to accommodate more passengers operated to render transportation services to the general public for a fee.
- c) **Operator** – refers to the person, natural or juridical, granted with the operator's permit.

- d) **Operator's Permit** – refers to the franchise document issued to a person, natural or juridical, permitting such person to operate a motorcycle-for-hire within the territorial jurisdiction of the issuing Local government Unit.

SEC. 5. *Application for Operator's Permit* – The Local Government Units shall receive, evaluate and process all applications for the grant of franchise to operate motorcycles-for-hire within their territorial jurisdiction.

Any person applying for the grant of a Permit to operate a motorcycle-for-hire shall submit and comply with the following requirements:

- a) Only Filipino citizens, partnerships, cooperatives and corporations with sixty percent (60%) Filipino equity are qualified to be motorcycle-for-hire operators;
- b) Franchise to operate motorcycle-for hire is valid only for one motorcycle unit;
- c) Proof of ownership of motorcycle-for-hire such as the Certificate of Registration and Official Receipt from the Land Transportation Office, among others, must be presented by the applicant and made an integral part of the supporting documents for the Operator's Permit;
- d) Operator's Permit shall be issued only to residents of the Local Government Unit where the application is made: Provided that, priority shall be given to applicants actually residing within the zone where he intends to operate the motorcycle-for-hire unit. In case a question of residency arises, the applicant must submit any of the following:
 - 1) Barangay Certification attesting that the applicant is a resident of the Barangay within the Local Government Unit including the length of residency;
 - 2) Voter's Certification from the Commission on Elections (COMELEC);
 - 3) Joint Affidavit of two disinterested persons who are residents of the Barangay where the applicant is allegedly residing.
- e) A deed of undertaking by the owner that the unit applied for will be operated only within the territorial jurisdiction of the issuing Local Government Unit.

SEC. 7. *Approval of the Application* – After a favorable consideration of the application, the same shall be indorsed to the Sangguniang Bayan or any Board or Agency that the Local Government Unit may create which is delegated with the tasked to handle the processing and issuance of Operator's Permit for motorcycle-for-hire within the territorial jurisdiction of the said Local Government Unit. The Operator's Permit shall indicate the route where the grantee is authorized to operate.

SEC. 8. *Issuance of Plates or Stickers* – Upon approval of the Operator's Permit, the grantee shall receive the Operator's Permit together with a plate or sticker signifying that an

Operator's Permit has been duly issued for the operation of motorcycle-for-hire which shall be conspicuously placed in any part of the vehicle.

SEC. 9. *Limits of Operation* – The authority granted to Local Government Units to regulate motorcycles-for-hire under this Act shall be limited to, and confined within the boundaries of its territorial jurisdictions.

The grantee of the franchise to operate motorcycles-for-hire shall be authorized to operate on any road within the territorial jurisdiction of the Local Government Units that issued its Operator's Permit and must carry not more than four passengers or loads not exceeding three hundred kilograms (300kg) on its every trip.

In cases where travel between two Municipalities can only be done by motorcycle-for-hire, in the absence of any other means of public transportation, the Municipalities traversed by the motorcycle-for-hire shall agree between and among themselves through a Memorandum of Agreement how incursions of motorcycle-for-hire belonging to another Municipality shall be treated.

SEC. 10. *Insurance Coverage* – For the protection and safety of the passengers, the owner or operator of the motorcycles-for-hire shall, upon registration, procure the necessary insurance for third party liability.

SEC. 11. *Establishment of Terminals* – All Local government Units covered by the provisions of this Act shall establish or designate a place to be used as terminal for motorcycles-for-hire where they shall load or unload their passengers, goods, farm products or any cargo that they are hired to transport.

SEC. 12. *Amendment of Section 447 (a)(3)(vi) of R.A. No. 7160* – For purposes of this Act, Section 447 (a)(3)(vi) of Republic Act No. 7160, otherwise known as "The Local Government Code of 1991" is 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 shall:

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

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- (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 for the inhabitants of the municipality, and pursuant to this legislative authority shall:

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

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SEC. 13. *Penalty* – The owner of motorcycle-for-hire who fails to register its operation shall be penalized with a fine not less than three thousand pesos (Php 3,000.00) but not more than five thousand pesos (Php 5,000.00) or an imprisonment of three (3) months but not more than six (6) months or both at the discretion of the courts, and the motorcycle-for-hire shall be impounded until registered.

SEC. 14. *Repealing Clause* – All laws, decrees, executive orders, letters of instructions, rules and regulations or parts thereof which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SEC. 15. *Effectivity Clause* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

APPROVED