

SIXTEENTH CONGRESS
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 304

Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

Controversies surrounding the use and distribution of the Motor Vehicles User's Charge (MVUC) make it important to restructure the distribution of the proceeds. Years after Republic Act 8794 was enacted, the inequity of distribution of funds by the Road Board is still being questioned. Considering that the MVUC provides a readily available funding mechanism on the emergency repairs and maintenance of the country's major highways, it is hoped that through the proposed measure, the MVUC will be used to improve roads in the country, as originally intended.

The bill seeks to amend the provisions of RA 8794 to give justice to the original intention of the framers of this law, which is to provide funds for the maintenance of provincial roads. By directing all monies collected to the general fund of the national government and having the Congress of the Philippines judiciously allocate the money, the distribution of the MVUC funds will be made transparent and accountable.

A handwritten signature in black ink, appearing to read "SUSAN A. YAP".

SUSAN A. YAP
Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 304

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AN ACT
RECONFIGURING THE DISPOSITION OF THE MONIES COLLECTED
AND DELINEATING THE STATUS OF THE SPECIAL FUNDS,
AMENDING FOR THE PURPOSE SECTIONS 7 AND 8 OF REPUBLIC ACT
NO. 8794, OTHERWISE KNOWN AS THE MOTOR VEHICLE USER'S
CHARGE LAW, 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:

"SEC. 7. *Disposition of Monies Collected.* - All monies collected under this Act shall be earmarked solely and used exclusively (1) for road maintenance, **REPAIR**, [and the] improvement **AND CONCRETING** of [road] **ALL ROADS AND/OR** drainage[,] **PROJECTS**, (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%)] **EIGHTY-FIVE PERCENT** (85%) 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%)] **FIVE PERCENT** (5%) shall be allotted to and placed in the Special Road Safety Fund; and

"(4) [Seven and one-half percent (7.5%)] **FIVE PERCENT** (5%) shall be allotted to and placed 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 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

1 governments in accordance with the vehicle population and size of the road
2 network under their respective jurisdictions, and shall be used exclusively for
3 maintenance of local roads, traffic management and road safety devices.

4 "A Road Board to implement the prudent and efficient management and
5 utilization of the special funds shall be organized by the President of the
6 Philippines. The Road Board shall be composed of seven (7) members, with the
7 Secretary of the DPWH *as ex officio* head, and the secretaries of the
8 Departments of Finance, Budget and Management, and Transportation and
9 Communications, as *ex officio* members. The remaining three (3) members shall
10 come from transport and motorist organizations which have been in existence and
11 active for the last five (5) years prior to this Act. They shall be appointed for
12 a term of two (2) years each by the President of the Philippines upon the
13 recommendation of the secretaries of the DPWH and the DOTC. "THE
14 SPECIAL ROAD SUPPORT FUND SHALL BE ALLOCATED TO
15 EACH CONGRESSIONAL DISTRICT INCLUDING CONSTITUENCIES
16 OF PARTY-LIST REPRESENTATIVES IN EQUAL AMOUNTS
17 OF TWENTY MILLION PESOS (P20,000,000.00) PER
18 CONGRESSIONAL DISTRICT AND PARTY-LIST
19 CONSTITUENCIES AND SIXTY MILLION PESOS (P60,000,000.00)
20 FOR THE NATIONAL CONSTITUENCIES PER SENATOR. IT SHALL
21 BE INTENDED FOR THE MAINTENANCE, REPAIR, IMPROVEMENT
22 AND CONCRETING OF ALL ROADS AND DRAINAGE WHETHER
23 NATIONAL PRIMARY AND NATIONAL SECONDARY ROAD,
24 PROVINCIAL, CITY, MUNICIPAL OR BARANGAY ROADS. THE
25 REMAINING UNDISTRIBUTED AMOUNT OF THE SPECIAL ROAD
26 SUPPORT FUND SHALL BE DISTRIBUTED TO CONGRESSIONAL
27 DISTRICTS BASED ON ROAD COVERAGE AND CONDITION:
28 **PROVIDED**, THAT URBAN DISTRICTS SHALL BE ALLOCATED AN
29 AMOUNT OF THIRTY MILLION PESOS (P30,000,000.00). FIFTEEN
30 PERCENT (15%) OF THE SPECIAL ROAD SUPPORT FUND SHALL BE
31 ALLOCATED AS CONTINGENCY FUND THAT THE ROAD BOARD
32 SHALL MANAGE."

33 SECTION 2. Section 8 of Republic Act No. 8794 is hereby amended to read as follows:

34 "SEC. 8. *Status of the Special Funds.* - The four (4) special funds established
35 under this Act shall be distinct and separate from and in addition to any
36 appropriation authorized and granted yearly to the DPWH, [and] the DOTC
37 AND THE CONSTITUENCIES OF MEMBERS OF CONGRESS to cover
38 expenditures for the identified objects of expenditures under this Act. Congress
39 shall continue to appropriate an amount in the General Appropriations Act for
40 road maintenance of the DPWH: *Provided, however*, That any savings for each year
41 out of such appropriation shall revert to the General Fund. Any savings from the
42 special funds created herein shall accrue to these respective special funds."

43
44 SECTION 3. *Repealing Clause.* - All laws, presidential decrees, executive orders, other executive
45 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed, amended or
46 modified accordingly.

47 SECTION 4. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at
48 least two (2) newspapers of general circulation.

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Approved,