

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

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 2322



Introduced By: REPRESENTATIVE HENRY S. OAMINAL

EXPLANATORY NOTE

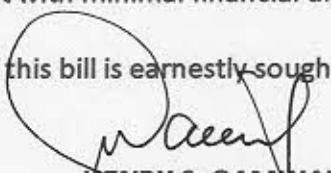
Severe lack of transportation facilities, particularly in distant areas, has compelled people to devise alternative modes of transportation that is practicable to own and operate with low maintenance costs. The use of motorcycles to transport passengers and small cargo, commonly called *habal-habal*, has already gained popular acceptance in numerous regions.

However, these motorcycles are not registered vehicles-for-hire and their operation, although accepted by the traveling public, is considered illegal under our laws.¹ Further, passengers hurt or injured via this mode of transportation cannot claim benefits or reimbursements because this industry is not covered by insurance. Present-day operators and drivers face a real threat to their livelihood as they remain vulnerable to harassment and mulcting by unscrupulous traffic enforcers.

Thus, there is a need to harmonize existing laws with the economic reality of modern times and the day-to-day transportation requirements of the public specifically in remote areas.

This bill therefore seeks to regulate the operation of *habal-habal* and to authorize the municipalities and cities to grant franchises for their operation in their respective area of jurisdiction. The paramount objective is to ensure the safety of the traveling public while maintaining a functional yet low-cost means of transport with minimal financial disruption.

In view of the foregoing reasons, the approval of this bill is earnestly sought.


HENRY S. OAMINAL
Representative
2nd District, Misamis Occidental

¹ Republic Act No. 4136 (June 20, 1964).

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AN ACT

REGULATING THE OPERATION OF MOTORCYCLE-FOR-HIRE OR HABAL-HABAL AND AUTHORIZING THE MUNICIPALITIES AND CITIES TO GRANT FRANCHISES FOR THEIR OPERATION, AMENDING FOR THE PURPOSE SECTIONS 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. Definition. – For purposes of this Act, “*habal-habal*” shall mean any two-wheeled motorcycle-for-hire, customized and designed to carry persons, goods and other small cargo for a fee as a common carrier, found to be operating the inner-most parts of some rural areas and mountainous barangays where jeepneys, tricycles, and other forms of public transportations cannot pass through.

SECTION 2. Item (vi), Sub-paragraph (a) (3), Section 447 of Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

“SECTION 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:

x x x

x x x

x x x



(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:

x x x

x x x

x x x

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

SECTION 3.Item (vi), Sub-paragraph (a) (3), Section 458 of Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

"SECTION 458. Powers, Duties, Functions and Compensation. – (a) The sangguniang panlungsod, 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 city government, and in this connection, shall:

x x x

x x x

x x x

(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:

x x x

x x x

x x x

(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of MOTORCYCLES-FOR-HIRE OR HABAL-HABAL AND tricycles and



grant franchises for the operation thereof within the territorial jurisdiction of the city; and"

SECTION 4. *Inspection of Units and Routes.* –The Local Government Unit (LGU) concerned shall conduct an account of all units actually existing and operating therein as well as a comprehensive inspection of the routes traditionally used by the motorcycles-for-hire or *habal-habal*.

SECTION 5. *Registration.* – All owners and/or operators of motorcycles-for-hire or *habal-habal* shall apply for registration with the LGU where they reside, subject to the guidelines prescribed by the Department of Transportation and Communications (DOTC). The LGU shall conduct an exhaustive physical examination of all motorcycles-for-hire or *habal-habal* to be registered, in order to determine the safety and fitness of each unit to operate as a public vehicle.

SECTION 6. *Insurance Coverage Requirement.* – To ensure the safety of the public, the motorcycle owner shall be required to obtain insurance coverage for third party liability prior to application of the franchise to operate a motorcycle-for-hire or *habal-habal*.

SECTION 7. *Documents Required.* – Any person applying for the franchise to operate a motorcycle-for-hire shall submit the following:

- a. Certification from the Punong Barangay that the applicant is a bonafide resident of the barangay within the city or municipality;
- b. Official Receipt and Certificate of Registration for the motorcycle unit;
- c. Insurance coverage for third party liability; and
- d. An undertaking by the owner and/or operator that the unit applied for will be operated only within the said city or municipality.

SECTION 8. *Franchise Issuance and Limitations.* – The application, after a careful and thorough evaluation by the LGU, shall be endorsed to the sangguniang bayan or sangguniang panlungsod for the issuance of the franchise to operate the motorcycles-for-hire or *habal-habal* duly registered. The franchise shall be limited or confined to the city or municipality concerned and shall specify the authorized route, the number of allowable passengers, the maximum cargo weight limit, and the legal fares to be charged.

This does not preclude LGUs from entering into separate agreements allowing the motorcycles-for-hire or *habal-habal* to traverse and operate within their respective jurisdictions, even beyond the normal authorized routes, should there be no other available mode of transportation between said LGUs.

SECTION 9. *Issuance of Plate.* – The Land Transportation Office (LTO) shall issue the new "for-hire" plate upon the surrender of any previously issued plate, as the case may be, and upon the receipt of the franchise to operate duly issued by the city or municipality.



SECTION 10. *Prohibitions.* – The motorcycle-for-hire or *habal-habal* shall be prohibited from operating along national highways or other roads allowing for a maximum speed greater than forty (40) kilometers per hour, in particular high-speed well paved roads, except to cross the same. However, they may be allowed to operate along these said highways or roads if special lanes are available to accommodate the use and operation of these motorcycles-for-hire or *habal-habal*. In such cases, they shall be strictly limited to these special lanes.

SECTION 11. *Implementing Rules and Regulations.* – The Department of Transportation and Communications (DOTC) and the Leagues of Cities and 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.

SECTION 12. *Separability Clause.* – If any section or provision of this Act shall be declared invalid, other provisions not affected thereby shall remain in full force and effect.

SECTION 13. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,