

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **5972**



Introduced by Hon. Jerry P. Treñas

EXPLANATORY NOTE

The Special Education Fund (SEF) was created by Republic Act 7160 or the Local Government Code of 1991 in order to augment the ability of local governments to increase the funding for public schools within their respective jurisdictions. Since the enactment of the said law and the implementation of the SEF, local governments across the country have used the additional collection of 1% of the assessed value of real properties to help fund the various needs of the public schools, such as the construction and repair of school buildings.

However, the local governments and the public schools of the country have been limited by the scope of the application of the SEF under the existing provision (Section 272) of the Local Government Code which enumerates the allowed purposes where the collected funds could be allocated. The said section allows the SEF to be used for the "operation and maintenance of public schools." Unfortunately, ambiguity is generated in the interpretation of this provision, as the use of SEF for the payment of water and electricity bills of schools is being questioned. Electricity and water are public utilities which are vital in the operation and maintenance of our public schools, and the spirit of the SEF definitely contemplates its use for the payment of indispensable school utilities.

It is therefore necessary to amend the existing provision in the Local Government Code to remove the ambiguity of this provision by stating in categorical terms that the SEF could be used for the payment of public utilities of public schools. In view of the foregoing, approval of this legislative measure is earnestly sought.


JERRY P. TREÑAS

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

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16 **AN ACT EXPANDING THE PURPOSE AND APPLICATION OF THE SPECIAL EDUCATION**
17 **FUND (SEF), AMENDING FOR THE PURPOSE SECTION 272 OF REPUBLIC ACT NO. 7160,**
18 **OTHERWISE KNOWN AS THE 'LOCAL GOVERNMENT CODE OF 1991'**
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20 *Section 1.* Section 272 of Republic Act No. 7160 is hereby amended to read as follows:

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22 “SEC. 272. *Application of Proceeds of the Additional One Percent SEF Tax.* – The
23 proceeds from the additional one percent (1%) tax on real property accruing to the Special
24 Education Fund (SEF) shall be automatically released to the local school boards;
25 Provided, That, in case of provinces, the proceeds shall be divided equally between the
26 provincial and municipal school boards: Provided, however, That the proceeds shall be
27 allocated for the operation and maintenance of public schools, **PAYMENT OF PUBLIC**
28 **UTILITIES USED BY PUBLIC SCHOOLS INCLUDING WATER AND**
29 **ELECTRICITY BILLS**, construction and repair of school buildings, facilities and
30 equipment, educational research, purchase of books and periodicals, and sports
31 development as determined and approved by the Local School Board.”
32

33 *Section 2. Separability Clause.* If any provision or part hereof is held invalid or unconstitutional, the
34 remainder of the law or the provision not otherwise affected shall remain valid and subsisting.
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36 *Section 3. Repealing Clause.* Any law, presidential decree or issuance, executive order, letter of
37 instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this
38 Act is hereby repealed, modified, or amended accordingly.
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40 *Section 4. Effectivity Clause.* This Act shall take effect after fifteen (15) days following its publication in
41 a newspaper of general circulation, or in the Official Gazette.
42

43 *Approved,*