

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4466



Introduced by **Representative ANA CRISTINA SIQUIAN-GO**

AN ACT
ABOLISHING THE ROAD BOARD AND TRANSFERRING ITS POWERS AND
FUNCTIONS TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND
THE DEPARTMENT OF TRANSPORTATION AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8794, THE LAW IMPOSING THE MOTOR VEHICLE USER'S
CHARGE

EXPLANATORY NOTE

The Road Board was organized by virtue of Section 7 of Republic Act No. 8794, the law which institutionalized the imposition of the Motor Vehicle User's Charge. As intended, the Road Board was created to implement the prudent and efficient management and utilization of the special funds collected by the imposition of the Road User's tax. The special funds are to be strictly earmarked solely and used exclusively for road maintenance and improvement of the road drainage, installation of adequate and efficient traffic lights and road safety devices and for air pollution control.

The sixteen year history of the Road Board however is defined by recurring complaints of inefficiency and imprudent utilization and use of the special funds entrusted to the board. It was also repeatedly pointed out that the Road Board has practically functioned as just a burdensome bureaucratic layer as the projects pursued have been implemented anyway by the DPWH and the DOTr. Worse, the utilization of the special funds by the Road Board was regularly evaluated as tainted with anomalies and profligacy.

The Road User's taxes collected were recorded at P90.72 Billion as of December 2012. In various audits of the Commission on Audit however, it was found out that the use and utilization of the special funds have not been efficient and judicious. The COA has uncovered that at least a billion of the funds had been diverted to cover salaries, allowances, maintenance and other operating expenses of the Board. In 2013 alone, irregularities attended the dispensation and utilization of at least P1.66 Billion of the special funds.

The COA has also recorded discrepancies of almost P1.5 Billion in the recorded collections from 2001 to 2010 and in the actual amount deposited to the National Treasury. These irregularities and illegal utilization of the special funds could have been prevented had it been mandated that the funds will go directly to the implementing agencies. The additional bureaucratic layer has only added another occasion for graft and corruption to thrive.

In view of the above, the immediate passage of this Bill is earnestly sought.



ANA CRISTINA SIQUIAN-GO

Representative
2nd District, Isabela

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USER'S CHARGE

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:

Section 7. *Disposition of Monies Collected.* All monies collected under this Act shall be earmarked solely and used exclusively (1) for road maintenance and the improved of the road drainage, (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%) 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%) shall be allotted to and placed in the Special Vehicle Pollution Control Fund;

The Special Road Support Fund, the Special Local Road Fund shall be under the DPWH; whereas the Special Vehicle Pollution Control Fund shall be under the DOTr.

Seventy percent (70%) of the Special Road Support Fund shall be used for the maintenance of, and the improvement of drainage of national primary roads. The remaining thirty- percent (30%) thereof shall be allocated and use for the maintenance, and improved 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 devices.

[A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of seven (7) members,

with the secretary of the DPWH as ex officio head, and the secretaries of the Department of Finance, Budget and management, and the Department of Transportation and Communication, as ex officio members. The remaining three (3) members shall come from transport and motorist organization, which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for the term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC.]

SECTION 2. Section 9 of Republic Act No. 8794 is hereby amended to read as follows:

Section 9. Rules and Regulations. – The secretaries of the Department of Public Works and Highways and the Department of TRANSPORTATION (DOTr) shall jointly promulgate within thirty (30) days from the effectivity of this Act, the rules and regulation to implement and carry out the intent, objectives, purposes, and provisions of this Act, including such structural and procedural in the systems and agencies concerned as may be necessary to ensure the prudent, wise, effective, and efficient utilization of the special funds established under Republic Act No. 8794: **Provided,** That the secretary of the DPWH shall prepare the portion of their implementing rules and regulation pertaining to the Special Road Support Fund, the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the DOTr shall prepare the portion of the implementing rules and regulation pertaining to the collection of the

MVUC staffed under Section 3 of this Act and on the disposition of the monies acquiring to the Special Pollution Control Fund. ***Provided further,*** THAT THE SECRETARIES OF THE DPWH AND THE DOTR ARE PROSCRIBED FROM CREATING A SECRETARIAT AND MAY ONLY BE ASSISTED BY A MINIMAL NUMBER OF STAFF IN THE ADMINISTRATION AND IMPLEMENTATION OF THE SPECIAL FUNDS ESTABLISHED UNDER REPUBLIC ACT NO. 8794.

SECTION 3. *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.

SECTION 4. *Separability Clause* – If any provision of this act is judicially declared invalid or unconstitutional, the remaining provisions of this Act not affected thereby shall continue to be in full force and effect.

SECTION 7. *Effectivity Clause* – This act shall take effect fifteen (15) days following its publication in two (2) newspaper of general circulation.

Approved.