

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5431**



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Article II, Section 28 of the 1987 Constitution declares that subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full disclosure of all its transactions involving public interest. In response to this, this bill seeks to provide for the creation of a single, searchable Internet website that retains and displays data and information on the local government units' annual revenues, expenditures, and total bonded indebtedness. With the supervision of the Department of Interior and Local Government and the assistance of the Department of Information and Communications Technology, the Municipal or City Treasurer shall design and develop a local government public finance website, and to maintain and operate the site, without charge, every fiscal year.

The bill, establishes an accessible, user-friendly source of information to track local revenues and expenditures and to gauge the local government units' past and present levels of bonded indebtedness. Furthermore, this legislation helps facilitate transparency and accountability in governance and in the bureaucracy, identifying waste, and eliminating abuse at the local level. It is hoped that this bill will empower local residents by reinforcing their right to follow the allocation and spending of their hard-earned taxes, and hold their local leaders responsible for every fiscal transaction in their behalf.

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


GARY C. ALEJANO

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AN ACT
PROMOTING TRANSPARENCY IN GOVERNMENT BY ESTABLISHING A
LOCAL GOVERNMENT FINANCE WEBSITE

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

1 **SECTION 1. *Short Title.*** -This Act shall be known as the "*Local Government*
2 *Transparency Act of 2017*".

3
4 **SEC. 2. *Definition of Terms.*** - For the purposes of this Act, the following terms have
5 the following meaning:

6 1. "*Searchable website*" shall mean an Internet website that allows the general public to
7 search and aggregate data and information. The term shall include requirements that
8 the website offer the general public the ability to search and display data, and
9 ascertain the total amounts of:

10 a. Revenues and expenditures of funds established within the local government
11 treasury;

12 b. Compensation paid to public employees of local government agencies; and

13 c. Bond debt as specified in this Act, in an aggregate or summary form in a manner
14 determined by the Municipal or City Treasurer, in consultation with the
15 Department of Interior and Local Government, here in after referred to as the
16 DILG, and the Department of Information and Communications Technology,
17 hereinafter referred to as the DICT.

18 2. "*Local government agency*" or "*agency*" shall mean any of the principal departments
19 in the Executive Branch and any division, board, bureau, office, commission, or other
20 instrumentality within or created by such principal department; the Municipal or City

1 Government and any office, board, bureau, or commission within or created by the
2 Municipal or City Government; and any independent State authority, commission,
3 instrumentality, or agency.

4
5 **SEC. 3. Public Finance Website. –**

6 1. The Municipal or City Treasurer, with the supervision of the DILG, and in
7 consultation with the CICT, shall design, develop, and maintain a single, searchable
8 Internet. Website that is accessible to the general public without charge and that
9 includes data and information on the following:

10 a. annual agency expenditures, as determined by the Municipal or City Treasurer and
11 as available within the accounting system and municipal or city payroll system,
12 which shall include but not be limited to:

- 13 (1) Disbursements by an agency from funds established within the municipal
14 or city treasury;
15 (2) bond debt services including, but not limited to, amounts of bond debt or
16 interest paid and sources of funds for bond issues;
17 (3) salaries and wages including, but not limited to, compensation paid to
18 employees of local government agencies;
19 (4) contractual service purchases including, but not limited to, amounts
20 paid to vendors;
21 (5) commodity purchases including, but not limited to, amounts paid to
22 vendors;
23 (6) capital outlay and improvements including, but not limited to, amounts
24 paid to vendors;
25 (7) aid to local units of government including, but not limited to, amounts
26 paid to individual units of local government for aid programs; and
27 (8) additional forms of assistance and benefits deemed relevant by the
28 Municipal or City Treasurer.

29 b. annual local revenues, as determined by the Municipal or City Treasurer and as
30 available within the central accounting system, which shall include but not be
31 limited to:

- 32 (1) receipts and deposits by any State agency into funds established within the
33 State treasury;

- (2) taxes including, but not limited to, compulsory contributions imposed by the State for the purpose of financing services;
 - (3) agency earnings including, but not limited to, amounts collected by each agency for merchandise sold, services performed, licenses, and permits issued, or regulation;
 - (4) revenue for the use of money and property including, but not limited to, amounts received for compensation for the use of State-owned money and property;
 - (5) gifts, donations, and federal grants including, but not limited to, amounts received from public and private entities to aid in support of a specific function or other governmental activity;
 - (6) other revenue including, but not limited to, receipts not classified elsewhere; and
 - (7) non-revenue receipts including, but not limited to, all receipts that do not constitute revenue.
- c. annual local government bonded indebtedness, as determined by the Municipal or City Treasurer and as available within the central accounting system, which shall include but not be limited to:
- (1) amount of the total original obligation stated in terms of principal and interest;
 - (2) term of the obligation;
 - (3) source of funding for repayment of the obligation;
 - (4) amounts of principal and interest previously paid to reduce the obligation
 - (5) remaining balance of the obligation;
 - (6) data and information related to refinancing of the obligation; and
 - (7) cited statutory or constitutional authority to issue such bonds .
- d. any other data or information specified by the Municipal or City Treasurer after Consulting with and seeking the advice of the CICT.
2. The public finance website shall include all data and information enumerated in subsection a. of this section for each fiscal year. Such data and information posted on the website may be periodically updated, but shall not be subject to removal.

- 1 3. All data and information that is available in the accounting and local payroll systems
2 shall be made available on the public finance website as soon as practicable, but not
3 later than forty-five (45) days after the last day of the preceding fiscal year.
- 4 4. The Municipal or City Treasurer shall develop policies and procedures to make data
5 and information available from any other source.
- 6 5. Notwithstanding any other law to the contrary, the State Treasurer shall not be
7 required to provide data and information on the public finance website that is not
8 available in the central accounting system and the State payroll system at the time of
9 the website's initial implementation.
- 10 6. All municipal or city offices are directed to cooperate with the Municipal or City
11 Treasurer, and the CICT in compiling the data and information necessary to comply
12 with the provisions of this act.
- 13 7. Nothing in this act shall require the disclosure of information deemed private,
14 personal, or confidential by national law.

15
16 **SEC. 4. *Implementing Rules and Regulations.*** - The Department of Interior and
17 Local Government shall, within sixty (60) days after the approval of this Act, shall prepare
18 and issue the necessary guidelines to implement the same.

19
20 **SEC. 5. *Separability Clause.*** If any provision or part hereof is held invalid or
21 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
22 valid and subsisting.

23
24 **SEC. 6. *Repealing Clause.*** Any law, presidential decree or issuance, executive order,
25 letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with,
26 the provisions of this Act, is hereby repealed, modified, or amended accordingly.

27
28 **SEC. 7. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
29 complete publication in the Official Gazette or in at least two (2) newspapers of general
30 circulation

Approved,