

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5570**



Introduced by **Rep. MARIO VITTORIO "MARVEY" A. MARIÑO**
5th District, Batangas

EXPLANATORY NOTE

The Land Transportation Office (LTO), a national government agency, is mandated to impose a Road User's Tax or Motor Vehicle User's Charge (MVUC) on all motor vehicles, including those owned by the government pursuant to Republic Act No. 8794. The said tax or MVUC is the third biggest source of revenues next to tax collections of the Bureau of Internal Revenue and the Bureau of Customs.¹ As it stands today, the collection from these charges are allocated for the road maintenance and improvement of national and secondary roads including drainage of national primary roads, maintenance of local roads, traffic management and road safety devices, and prevention control and management of air pollution from mobile sources. Nevertheless, energy costs for the use of these street lights, traffic lights and other road safety devices, particularly in national roads, are shouldered by the local government units (LGUs), specifically the municipalities, considering that these national roads are within their respective jurisdictions. Herein lies the anomaly—municipalities, especially the poor municipalities, are given the responsibility to answer for energy costs of facilities provided by and are within the supervision of the national government.

Indeed, LGUs are mandated by law to provide basic services and facilities which includes public infrastructures in their respective jurisdictions. Under the Local Government Code, LGUs shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. LGUs shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities.² However, public works and infrastructure projects funded by the national government under the General Appropriations Act, other special laws, pertinent executive orders, and those wholly or partially funded from foreign sources are not covered, except in those cases where

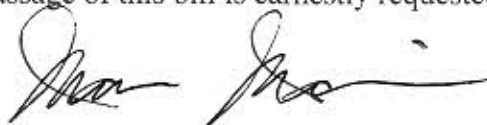
¹ Facts in Figures, December 2016. Congressional Policy and Budget Research Department, House of Representatives.

² Section 17 (a), Local Government Code of 1991

the local government unit concerned is duly designated as the implementing agency for such projects, facilities, programs, and services.³

In the case of MVUC, the mandate to impose said taxes and/or charges is given to the LTO, a national government agency, and was never designated to the LGUs. Also, the supervision, maintenance, improvement, and repair of the national roads and its facilities remain with the national government. Therefore, it is only just that the national government allocate funds for and shoulder the energy costs of the street lights, traffic lights and other safety devices installed in national roads.

In view of the foregoing, the early passage of this bill is earnestly requested.



MARIO VITTORIO "MARVEY" A. MARIÑO

³ Section 17 (c), Local Government Code of 1991

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AN ACT PROVIDING FUNDS FOR THE PAYMENT OF ENERGY COSTS OF STREET LIGHTS, TRAFFIC LIGHTS, AND OTHER ROAD AND SAFETY DEVICES INSTALLED IN NATIONAL ROADS, AMENDING FOR THE PURPOSE SECTION 7 OF REPUBLIC ACT NO. 8794 ENTITLED AN ACT IMPOSING A MOTOR VEHICLE USER'S CHARGE ON OWNERS OF ALL TYPES OF MOTOR VEHICLES AND FOR OTHER PURPOSES

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

SECTION 1. Section 1 of Republic Act No. 8794, is hereby amended to read as follows:

SECTION 1. *Declaration of Policy.* – It is hereby declared the policy of the State to provide for and ensure the adequate maintenance of national and provincial roads through sufficient funding for the purpose.

IT IS, ALSO, HEREBY DECLARED THE POLICY OF THE STATE TO PROVIDE THE NECESSARY FUNDS TO PAY FOR THE ENERGY COSTS OF ROAD SAFETY AND TRAFFIC DEVICES IN NATIONAL ROADS, THEREBY AFFORDING ADEQUATE FINANCIAL ASSISTANCE ESPECIALLY FOR POOR MUNICIPALITIES.

SECTION 2. Section 7 is 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 improvement of the road drainage, (2) for the installation of adequate and efficient traffic lights and road safety devices, (3) FOR PAYMENT OF ENERGY COSTS OF STREET LIGHTS, TRAFFIC LIGHTS AND OTHER ROAD SAFETY

DEVICES INSTALLED IN NATIONAL ROADS, and (3) for the 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 DOTC.

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 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 ENERGY COST OF STREET LIGHTS, TRAFFIC LIGHTS AND ROAD SAFETY DEVICES IN NATIONAL ROADS SHALL, LIKEWISE, BE TAKEN FROM THE SPECIAL ROAD SAFETY FUND.

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SECTION 3. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.