

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 5683**



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Introduced by Representatives Angelina "Helen" D.L. Tan, M.D., Sol Aragones,  
Rose Marie "Baby" J. Arenas, Maria Vida E. Bravo, Evelina G. Escudero,  
Cheryl P. Deloso-Montalla and Estrellita "Ging" B. Suansing

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**AN ACT ABOLISHING THE ROAD BOARD AND TRANSFERRING ITS  
POWERS AND FUNCTIONS TO THE DEPARTMENT OF PUBLIC AND  
WORKS AND HIGHWAYS AND TO THE DEPARTMENT OF  
TRANSPORTATION, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.  
8794, OTHERWISE KNOWN AS THE MOTOR VEHICLES USER'S CHARGE**

**EXPLANATORY NOTE**

The Road Board was created by virtue 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". The law aims to implement the prudent and efficient management and utilization of the special funds collected via Road User's Tax, which are earmarked solely and used exclusively for the maintenance of roads and the improvement of road drainages, including the installation of adequate and efficient traffic lights and road safety devices and air pollution control.

The Commission on Audit (COA) has reported discrepancies amounting to P1.495 Billion in the total collection of Road User's Tax from 2001 to 2010 as stated in the respective certifications of the Land Transportation Office and the Bureau of Treasury<sup>1</sup>. The collection from the road user's tax was estimated at P90.72 Billion from 2001 to December 2012<sup>2</sup>.

In its various audit reports, COA has observed irregularities involving the use of MVUC funds: In 2011, COA reported that the P62.52 Million fund of the Road Board earmarked for road maintenance and repair was illegally diverted to highly questionable projects. In 2013, COA uncovered numerous irregularities in the expenditure of more than P1 Billion in funds. In 2015, COA observed that fund transfers to various national government agencies and local government units aggregating to more than P1 Billion remained unliquidated.

Of the total allotments from the MVUC Fund for CY 2015 amounting to P14,405,135,957, only 80.34% or P11,573,349,489 was obligated, hence, allotments intended for road repair and maintenance, road safety and vehicle pollution control in the amount of P2,831,741,468 have expired.

Significantly, COA discovered that out of the "520 MVUC projects programmed for implementation in CY 2015, 127 or 24.42% were completed, 150 or 28.85% were on-going, and 243 or 46.73% were not implemented as of December 2015." Likewise, "sample validation of 16 on-going projects and eight completed projects in 15 DPWH

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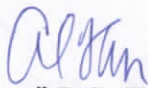
<sup>1</sup> COA finds P1.49B 'discrepancy' in road users' tax balance, October 27, 2011, GMA News Online (<http://www.gmanetwork.com/news/story/236681/news/nation/coa-finds-p1-49b-discrepancy-in-road-users-tax-balance>)

<sup>2</sup> Pimentel: Road Board an 'avenue of graft, corruption', May 6, 2015, Inquirer.net (<http://newsinfo.inquirer.net/689588/pimentel-road-board-an-avenue-of-graft-corruption>)

offices disclosed that only two projects are on-going within contract schedule, while the implementation/completion of 22 projects were delayed due to inefficient planning and supervision, as evident by unresolved Right-of-Way, clearance/permit, funding and construction issues. Hence, government funds were already allotted but the intended projects could not be completed."

Clearly, the Road Board has become another layer of bureaucracy that has made the road user's tax as a milking cow for corrupt government officials. This measure seeks to abolish the Road Board and re-channel its funds to proper government agencies such as the Department of Public Works and Highways and the Department of Transportation, which will be tasked to implement the road safety measures and projects in the country.

Hence, immediate approval of this bill is earnestly requested.



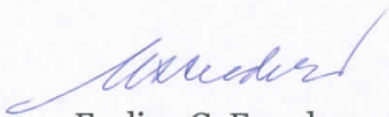
Angelina "Helen" D.L. Tan, M.D.

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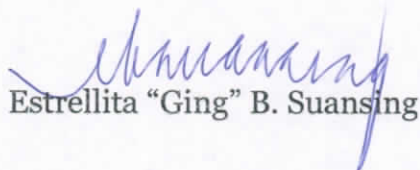
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**AN ACT ABOLISHING THE ROAD BOARD AND TRANSFERRING ITS POWERS AND FUNCTIONS TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND TO THE DEPARTMENT OF TRANSPORTATION, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8794, OTHERWISE KNOWN AS THE MOTOR VEHICLES 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 improvement of 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:

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The Special Road Support Fund, the Special Local Road Fund and the Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DEPARTMENT OF TRANSPORTATION (DOTR).

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[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 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.]

THE SPECIAL ROAD SUPPORT FUND, THE SPECIAL LOCAL ROAD FUND AND THE SPECIAL ROAD SAFETY FUND SHALL BE UNDER THE MANAGEMENT AND DISPOSAL OF THE DPWH, WHEREAS THE SPECIAL VEHICLE POLLUTION CONTROL FUND SHALL BE UNDER THE MANAGEMENT AND DISPOSAL OF THE DOTR

SEC. 2. *Rules and Regulations.* - The DPWH and the DOTr shall, within thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to implement and carry out the rules and regulations to implement and carry out the intent of this Act. *Provided*, that the Secretary of the DPWH shall prepare the portion of the implementing rules and regulations 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 regulations pertaining to the collection of the motor vehicle's user's charge and on the disposition of the monies accruing 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.

SEC. 3. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. *Effectivity.* - This act shall take effect fifteen (15) days alter its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,