



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **6236**



Introduced by:
Representatives Rodolfo C. Fariñas and Pantaleon D. Alvarez

AN ACT
ABOLISHING THE ROAD BOARD CREATED BY REPUBLIC ACT
NO. 8794 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

EXPLANATORY NOTE

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*", created the Road Board to implement the prudent and efficient management and utilization of the special funds collected via Road User's Tax ("Road Fund"), which are earmarked solely and used exclusively for (1.) road maintenance and the improvement of road drainage, (2.) installation of adequate and efficient traffic lights and road safety devices, and (3.) air pollution control.

The Road Fund was estimated at P90.72 Billion from 2001 to December 2012. Past Commission on Audit (COA) reports showed vestiges of illegal utilization of Road User's Tax over the years, such as:

(1) In 2004 to 2008, P515.50 Million of the Road Fund was used for payment of salaries, allowances, maintenance, and other operating

expenses of the Road Board, which were properly chargeable to the regular budget;

(2) In 2011, P62.52 Million of the Road Fund, which was earmarked for road maintenance and repair, was used for the Road Board's engineering and administrative overhead expenses; and

(3) In 2013, findings of irregularities in the expenditure of more than P1.66 Billion in funds were uncovered.

Moreover, COA pointed out that from 2001 to 2010, there were discrepancies amounting to P1.495 Billion in the total collection of Road User's Tax upon reviewing the collections declared by the Land Transportation Office in the amount of P71,887,585,394 as compared to the certification of the Bureau of Treasury that the amount deposited was only P70,392,954,323.

Obviously, the Road Board is just another layer of bureaucracy, which became an avenue for graft and corruption. By abolishing this regulatory agency, the public funds will be re-channeled to the National Treasury and shall be appropriated to the proper government departments such as the Department of Public Works and Highways and the Department of Transportation, which will implement the road safety measures and projects, as well as the Department of Environment and Natural Resources which shall utilize the funds dedicated to air pollution control for the development of solid waste management systems in areas dedicated to tourism.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



RODOLFO C. FARIÑAS



PANTALEON D. ALVAREZ



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*Be it enacted by the Senate and the 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 **REMITTED TO THE**
NATIONAL TREASURY AND SHALL BE
APPROPRIATED TO THE PROPER GOVERNMENT
DEPARTMENTS, SUCH AS THE DEPARTMENT OF
PUBLIC WORKS AND HIGHWAYS AND THE
DEPARTMENT OF TRANSPORTATION, WHICH WILL
IMPLEMENT THE ROAD SAFETY MEASURES AND
PROJECTS.

A handwritten signature in black ink is located at the bottom left of the page, below the text of Section 7.

~~[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:~~

- ~~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, and the Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DOTC.~~

~~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 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~~

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~~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 Transportation and Communications, as ex officio members. The remaining three (3) members shall come from the transport and motorist organizations 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. Rules and Regulations.—The secretaries of the Department of Public Works and Highways (DPWH) 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 improvement 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 regulations pertaining to the Special Road Support Fund, the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the DOTC 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 DOTC 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. *Transitory Provisions.* – The funds collected under R.A. No. 8794 pertaining to the Trust Fund for Pollution Control, as of the date of effectivity of this Act, shall be appropriated to the Department of Environment and Natural Resources (“DENR”) which shall utilize the same for the development of solid waste management systems and processes in areas dedicated to tourism.

SECTION 4. *Separability Clause.* – Should any provision of this Act or part hereof be declared invalid or unconstitutional, the other provisions or parts not affected thereby shall remain valid and effective.

SECTION 5. *Repealing Clause.* – All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 6. *Effectivity.* – This Act shall take effect fifteen (15) days from its publication in two (2) newspapers of general circulation.

Approved,
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