

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

**SEVENTEENTH CONGRESS**  
Second Regular Session



**HOUSE BILL NO. 7108**

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Introduced by Hon. HARLIN NEIL J. ABAYON, III

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**EXPLANATORY NOTE**

For the whole year of 2017, the various car dealerships now operating in the Philippines sold 425,672 units of motor vehicles. In 2016, there were 359,572 units sold. Comparing the data for both years, there was a growth of 18.4 percent. These figures do not yet include numbers of smuggled vehicles, which could be in the thousands.

Higher taxes on motor vehicles could have some dampening effect on the double-digit growth in motor vehicle sales, but there would likely be a shift in demand and sales because the TRAIN Law provisions on excise taxes exempted electric vehicles and light commercial vehicles, while excise tax rates for hybrid cars were slashed by half.

Anticipating future increases in the number of vehicles being sold, this bill seeks to regulate the number of vehicles that are added to those already on the roads of our country and it does so by authorizing the Land Transportation Office to set annual and monthly quotas on the number of motor vehicle registrations the LTO approves and on the number of vehicle licenses plates issued.

In setting the annual and monthly quotas, as well as the rules on approval of motor vehicle registrations and license plate applications, the LTO, DPWH, and UP-NCTS shall consider various factors including, but not limited to:

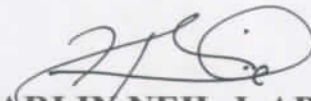
1. vehicle road-worthiness;
2. road design and capacity;

3. motor vehicle owner's fitness to drive, type of driver's license possessed, and record of compliance to or violation of traffic laws, rules and regulations;
4. payment of the proper taxes, duties and fees on the purchase and sale of motor vehicles; and
5. financial capacity of the motor vehicle owner to maintain road-worthiness of a motor vehicle as evidenced by annual income tax returns, certificates of income tax withheld, proof of exemption from payment of income tax, and certification of approved motor vehicle loan.

The LTO is required to consult with the Department of Public Works and Highways and with the National Center for Transportation Studies of the University of the Philippines.

The LTO shall review the quotas every five (5) years to determine whether adjustments are necessary

Considering these bases, passage of this bill is earnestly sought.



**HARLIN NEIL J. ABAYON, III**  
Representative, AANGAT TAYO Party-list

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**AN ACT**  
**REGULATING THROUGH QUOTAS ON MOTOR VEHICLE**  
**REGISTRATION APPROVALS AND LICENSE PLATE ISSUANCES THE**  
**NUMBER OF VEHICLES ON THE ROADS OF THE PHILIPPINES, AND**  
**FOR OTHER PURPOSES**

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

Section 1. **Short Title.** - This Act shall be known as the *“Motor Vehicle Registration and License Plates Quotas Act of 2018”*.

Section 2. **Declaration of Policy.** - It is the declared policy of the State:

1. To regulate the acquisition, ownership, use, and disposition of property and its increments;
2. To promote distributive justice and to intervene when the common good so demands; and
3. To promote a just and dynamic social order through policies that promote a rising standard of living, and an improved quality of life for all.

Section 3. **Authority to Set Quotas on Approval of Motor Vehicle Registrations and License Plates Issuance.** The Land Transportation Office, in consultation with the Department of Public Works and Highways and the National Center for Transportation Studies of the University of the Philippines, is hereby

authorized to set annual and monthly quotas on the number and types of motor vehicle registrations and license plates, both new and renewals, it shall approve and issue.

In setting the annual and monthly quotas, as well as the rules on approval of motor vehicle registrations and license plate applications, the LTO, DPWH, and UP-NCTS shall consider various factors including, but not limited to:

6. vehicle road-worthiness;
7. road design and capacity;
8. motor vehicle owner's fitness to drive, type of driver's license possessed, and record of compliance to or violation of traffic laws, rules and regulations;
9. payment of the proper taxes, duties and fees on the purchase and sale of motor vehicles; and
10. financial capacity of the motor vehicle owner to maintain road-worthiness of a motor vehicle as evidenced by annual income tax returns, certificates of income tax withheld, proof of exemption from payment of income tax, and certification of approved motor vehicle loan.

The LTO shall review the quotas every five (5) years to determine whether adjustments are necessary in furtherance of the implementation of this Act.

**Section 4. Implementing Guidelines, Rules and Regulations.** The LTO, in consultation with the Department of Public Works and Highways and the National Center for Transportation Studies of the University of the Philippines, shall formulate and promulgate the guidelines, rules, and regulations necessary to implement this Act.

**Section 5. Separability.** - If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

**Section 6. Repealing Clause.** - All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

**Section 7. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation or with established internet website presence.

Approved.