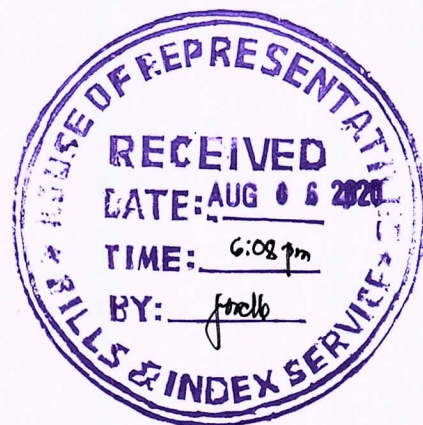




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session



HOUSE BILL NO. 7317

Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

This bill seeks to regulate and promote the use of electric and hybrid vehicles to provide for a sustainable and environment-friendly transport system.

Section 16, Article II of the Constitution provides that "*The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony in nature.*"

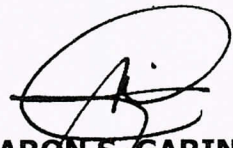
Acute respiratory infection, pneumonia, and bronchitis are the primary causes of morbidity in the country that are attributable to air pollution. Based on the 2018 National Emissions Inventory conducted by the Environment and Management Bureau of the Department of Environment and Natural Resources, 73% of air pollutants come from mobile sources such as cars, motorcycles, trucks, and buses. These means of transportation use fossil fuels that greatly contribute to carbon dioxide emission which is one of the major causes of global warming and climate change. When lockdown was declared in Metro Manila in March 2020 due to the coronavirus disease (COVID-19) pandemic, air pollution was considerably reduced. The pandemic highlighted the need to stay healthy and safe by veering away from air pollutants and fine particulate matters that have been linked to cardiovascular and respiratory diseases.

This proposed measure aims to safeguard the welfare and health of the people by improving the air quality through the reduction of carbon dioxide emissions. This bill promotes the use of electric and hybrid vehicles to lessen the number of vehicles operating on fossil fuels. It also provides policy support for manufacturers and importers and non-fiscal incentives that will make the acquisition and conversion to

electric and hybrid vehicles appealing to consumers. This will undeniably boost the demand and help influence consumers to choose these types of vehicles.

This new industry of electric and hybrid vehicles will significantly contribute to the investment generation, job creation, poverty reduction, and climate change mitigation initiatives of the country.

In view of the foregoing, approval of this bill is earnestly recommended.



SHARON S. GARIN
AAMBIS-Owa Party-list



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HOUSE BILL NO. 7317

Introduced by Representative Sharon S. Garin

AN ACT
REGULATING AND PROMOTING THE USE OF ELECTRIC AND HYBRID
VEHICLES FOR A SUSTAINABLE AND ENVIRONMENT-FRIENDLY
TRANSPORT SYSTEM

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

SECTION 1. **Short Title.** – This Act shall be known as the "*Electric and Hybrid Vehicles Act.*"

SEC. 2. **Declaration of Policy.** – It is the policy of the State to protect the people and provide them a balanced and healthy environment. The State also recognizes the need to improve air quality through the reduction of carbon dioxide emissions from vehicles operating on fossil fuels. Towards this end, the government shall regulate and promote the use of electric and hybrid vehicles that provide sustainable and environment-friendly transport system.

SEC. 3. **Coverage.** – This Act shall cover the operation of electric and hybrid vehicles industry.

For purposes of this Act, *electric vehicles* refer to vehicles that operate from electricity supplied by the electric grid and *hybrid vehicles* refer to vehicles that operate through a combination of at least one electric motor with a gasoline engine.

SEC. 4. ***Inter-Agency Task Force.*** – The Department of Trade and Industry (DTI) shall, in coordination with other government agencies, create an inter-agency task force for the promotion of electric and hybrid vehicles under the Industry Development Council to expedite identification, prioritization, and resolution of issues affecting the electric and hybrid vehicle industry by formulating a shared implementation plan and monitoring system.

SEC. 5. ***Composition.*** – The inter-agency task force is composed of the following:

- a) Secretary of Trade and Industry, as chairperson;
 - b) Secretary of Transportation, as vice-chairperson;
 - c) Secretary of Energy, as vice-chairperson;
 - d) Secretary of Finance;
 - e) Secretary of the Interior and Local Government;
 - f) Secretary of Science and Technology; and
 - g) Three (3) representatives from the electric and hybrid vehicle industry;
- as members.

Representatives from other agencies of the government may be invited as resource persons during the meetings of the task force.

SEC. 6. ***Duties and Responsibilities.*** – The task force shall have the following duties and responsibilities:

42 a) Formulate modalities for easier access to financing capital
43 expenditures, operating expenses, and retail operations of electric and hybrid
44 vehicles and charging station manufacturers and assemblers;

45 b) Develop and implement standards in line with or according to the
46 international standards to govern the operations of electric and hybrid vehicles
47 including batteries and charging infrastructures;

48 c) Review and recommend policy to encourage and increase the public
49 transport applications for electric and hybrid vehicles nationwide, including their use
50 for fleet operations in the national government agencies and local government units
51 (LGUs);

52 d) Coordinate with LGUs in identifying and allocating land and property
53 within their jurisdiction for use as public charging stations for electric and hybrid
54 vehicles;

55 e) Review and recommend appropriate classification of electric and hybrid
56 vehicles and the corresponding parameters for motor vehicle inspection system
57 approval;

58 f) Coordinate with the electric power industry stakeholders, particularly,
59 the Energy Regulatory Commission and electric distribution utilities and cooperatives,
60 in the preparation of their electric systems and network to accommodate the
61 connection of electric and hybrid vehicles charging equipment and stations;

62 g) Undertake information and education campaign on the economic, social
63 and environmental benefits on the use of electric and hybrid vehicles; and

h) Monitor resolution of issues affecting the electric and hybrid vehicle sector and undertake actions as may be determined by the inter-agency task force.

SEC. 7. ***Incentives.*** – The manufacturer or assembler of completely knocked-down parts of electric and hybrid vehicles including charging stations shall be exempt from the payment of excise taxes and duties for nine (9) years from the effectivity of this Act.

The imposition of value-added tax for the purchase and importation of capital equipment, spare parts, components used in the manufacture or assembly of electric and hybrid vehicles including charging stations shall be suspended for nine (9) years from the effectivity of this Act.

SEC. 8. ***Incentives for Importers.*** – Importers of completely built units of electric and hybrid vehicles shall be exempted from the payment of excise taxes and duties for three (3) years from the effectivity of this Act.

SEC. 9. ***Exemption from the Payment of Motor Vehicle User's Charge.***
– Within nine (9) years from the effectivity of this Act, users of electric and hybrid vehicles shall be exempt from the payment of the motor vehicle user's charge (MVUC) imposed by the Land Transportation Office (LTO) under Republic Act No. 8794, as amended, entitled "*An Act Imposing a Motor Vehicle User's Charge on Owners of All Types of Motor Vehicles and For Other Purposes.*"

SEC. 10. ***Incentives for Users of Electric Vehicles and Charging Stations.*** – a) *Priority in Registration and Issuance of Plate Number.* – Registration and renewal of registration of electric and hybrid vehicles shall be prioritized by the LTO for nine (9) years from the effectivity of this Act. A special type of vehicle plate

to be prescribed by the LTO shall be exclusively issued to all electric and hybrid vehicles upon registration.

b) *Priority in Franchise Application.* – Public utility vehicle operators exclusively utilizing electric and hybrid vehicles shall be granted priority by the Land Transportation Franchising and Regulatory Board in the approval of applications for franchise to operate, including its renewal, for nine (9) years from the effectivity of this Act.

c) *Exemption from the Unified Vehicular Reduction Program or Number-Coding Scheme.* – All electric and hybrid vehicles shall, for nine (9) years from the effectivity of this Act, be exempted from the mandatory Unified Vehicular Volume Reduction Program or number-coding scheme being implemented by the Metro Manila Development Authority and other LGUs concerned.

d) *Electric and Hybrid Vehicle Free Parking Spaces.* – In addition to the existing requirements provided by law on the issuance of building permits, business and commercial establishments to be constructed after the effectivity of this Act are mandated to provide parking spaces free of charge for all electric and hybrid vehicles. No building permit shall be issued for the construction of business and commercial establishments with parking spaces unless the owner provides and submits an affidavit that free parking spaces are designated for electric and hybrid vehicles.

e) ***Land Allocation for Electric and Hybrid Vehicle Charging Stations.*** – LGUs shall allocate land and lot space for the construction of charging stations to encourage wider deployment of electric and hybrid vehicles in their areas of jurisdiction.

110 SEC. 11. **Registration, Implementation and Monitoring.** – The

111 Department of Finance and Department of Trade and Industry shall be responsible
112 for the administration and implementation of the incentives granted under this Act.

113 Manufacturers, assemblers, converters and importers of electric and hybrid
114 vehicles shall register with the Department of Finance in order to avail of the
115 incentives provided under this Act. The Department of Finance and the Department
116 of Trade and Industry shall meet regularly to monitor and review the implementation
117 of the incentives provided herein.

118 SEC. 12. **Administrative Support.** – The Department of Trade and Industry

119 shall provide overall administrative support to the inter-agency task force by
120 appropriating the corresponding budget needed for the effective implementation of
121 its mandate.

122 SEC. 13. **Implementing Rules and Regulations.** – Within thirty (30) days

123 from the approval of this Act, the Secretary of Trade and Industry shall, in
124 coordination with the Secretary of Finance, issue the necessary rules and regulations
125 for the effective implementation of this Act.

126 SEC. 14. **Separability Clause.** – If other parts or provisions of this Act are

127 declared unconstitutional or invalid, other parts of provisions hereof not affected
128 thereby shall continue to be in full force and effect.

129 SEC. 15. **Repealing Clause.** – All laws, decrees, executive orders or parts

130 thereof inconsistent with the provisions of this Act are hereby repealed or modified
131 accordingly.

132 SEC. 16. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its
133 publication in the *Official Gazette* or in a newspaper of general circulation.

134 Approved,