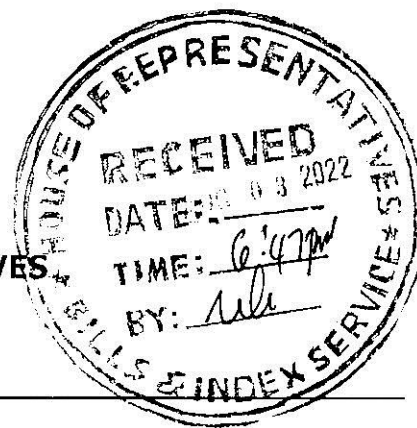


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3135



Introduced by Representative Ralph G. Recto

**AN ACT
CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND
AMENDING FOR THE PURPOSE SECTION 7 OF REPUBLIC ACT NO. 8794, AS
AMENDED**

EXPLANATORY NOTE

There are approximately 98.46 million (90%) out of our 109.04 million¹ population who constitute the riding public. On the other hand, the total number of motor vehicles registered with the Land Transportation Office (LTO) in 2021 reached 13.02 million, of which 2.366 million (18%)² are public utility vehicles.

A national Social Weather Station Survey showed that a big majority or seventy-two percent (72%) of the non-home-based working Filipinos expressed difficulty in traveling to their place of work compared to pre-pandemic times because of limited public transportation.³

Our nation's transport system relies heavily on the road network which handles roughly 90 percent of passenger movement and 50 percent of freight movement,⁴ serving priority production areas and population centers.

Since the passage 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

¹ <https://psa.gov.ph/content/2020-census-population-and-housing-2020-eph-population-counts-declared-official-president> (Accessed 30 May 2022)

² Land Transportation Office. Annual Report 2021. (Accessed 30 May 2022)

³ <https://www.sws.org.ph/swsmain/artcldisppage?artcsyscode=ART-20210507063140> (Accessed 18 June 2022)

⁴ National Economic and Development Authority, *NEDA MTPDP 2004-2010: Chapter 6: Infrastructure* (2004)"

Purposes, as Amended”, the road user’s tax has been imposed on owners of all types of vehicles, whether for hire, for private or government use. Based on the 2022 Budget of Expenditures and Sources of Financing, the balance of the collections from Motor Vehicle User’s Charge (MVUC) as of December 31, 2020 amounts to P80.4 billion while the estimated revenues for 2022 amounts to P18.05 billion.⁵

The increase in number of motor vehicles has corollary increases in the MVUC collections. However, it has also made the traffic situation in our country worse. Metro Manila may soon become “uninhabitable” if roads and other infrastructure are not upgraded immediately as the volume of vehicles sold continuously increase despite the pandemic.⁶

In a study conducted among 418 cities in the world, Metro Manila ranked fifth in terms of time spent in traffic yearly or 188 hours time wasted for the average motorist,⁷ which is equivalent to a monetary loss of roughly P75,604.⁸ The cost of traffic quantified by wasted time, fuel and lost human productivity, was projected to rise to as much as P5.4 billion daily by 2035.⁹

This measure seeks to amend the MVUC Act by realigning funds from the MVUC for the construction, improvement and rehabilitation of our mass transit system. While total elimination of traffic congestion would be challenging, persistent efforts to improve the country’s mass transport systems would certainly be a factor in easing traffic and translate into benefits such as increase in productivity, cleaner environment and a healthier population.

The approval of this bill will address the need to provide efficient and effective mass transit system in our country. Expansion and improvement of mass transit has been proven to be cost-effective in developed countries since it addresses concerns on traffic and parking congestion, travel time, costs of constructing and maintaining

⁵ Department of Budget and Management, “Budget of Expenditures and Sources of Financing (Table B.15): Fiscal Year 2022”

⁶ <https://www.autoindusriya.com/features/2021-philippine-auto-sales-at-294-223-units-up-18-56.html> (Accessed 13 June 2022)

⁷ <https://www.budgetdirect.com.au/car-insurance/research/rush-hour-costs.html> (Accessed 13 June 2022).

⁸ <https://www.bsp.gov.ph/statistics/external/day99.aspx> (Accessed 13 June 2022).

⁹ Partners in Nation Building. *JICA Annual Report 2018*. (Accessed 14 July 2019).

road network, road safety, health and environment, excessive energy consumption and limited mobility for the riding public.

With the foregoing considered, the approval of this bill is hereby requested.



RALPH G. RECTO

/mjma

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3185

Introduced by Representative Ralph G. Recto

**AN ACT
CREATING THE SPECIAL MASS TRANSIT SYSTEM SUPPORT FUND AMENDING
FOR THE PURPOSE SECTION 7 OF REPUBLIC ACT NO. 8794, AS AMENDED**

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

1 Section 1. *Short Title.* — This Act shall be known as the "Special Mass
2 Transit System Support Fund Act".

3 Sec. 2. *Disposition of Monies Collected.* — Section 7 of R.A. No. 8794, as
4 amended, is hereby further amended to read as follows:

5 "Sec. 7. *Disposition of Monies Collected.* — All monies collected under this
6 Act shall be [~~remitted to the National Treasury under a special account in the~~
7 General Fund to be] earmarked solely **AND USED EXCLUSIVELY** for the
8 construction, [~~upgrading, repair,~~] **IMPROVEMENT**, and rehabilitation of
9 [~~roads, bridges, and road drainage~~] **OUR MASS TRANSIT SYSTEM,**
10 **INCLUDING THE ACQUISITION OF ROAD RIGHT-OF-WAY FOR SUCH**
11 **PROJECTS** to be included in the annual General Appropriations Act.

12 **ALL SUCH MONIES COLLECTED SHALL BE REMITTED TO THE**
13 **NATIONAL TREASURY UNDER A SPECIAL ACCOUNT IN THE GENERAL**
14 **FUND TO BE KNOWN AS THE SPECIAL MASS TRANSIT SYSTEM**
15 **SUPPORT FUND. THE SAID FUND SHALL BE UNDER THE DEPARTMENT**
16 **OF TRANSPORTATION (DOTR).**

17 Sec. 3. A new Section 8 is hereby inserted after Section 7 of the same Act to
18 read as follows:

19 **"SEC. 8. THE SPECIAL FUND ESTABLISHED UNDER THIS ACT**
20 **SHALL BE DISTINCT AND SEPARATE FROM AND IN ADDITION TO ANY**

1 **APPROPRIATION AUTHORIZED AND GRANTED YEARLY TO THE DOTR**
2 **TO COVER EXPENDITURES FOR THE IDENTIFIED OBJECTS OF**
3 **EXPENDITURES UNDER THIS ACT. CONGRESS SHALL CONTINUE TO**
4 **APPROPRIATE AN AMOUNT IN THE GENERAL APPROPRIATIONS ACT**
5 **FOR THE CONSTRUCTION, IMPROVEMENT AND REHABILITATION OF**
6 **THE MASS TRANSIT SYSTEM UNDER THE DOTR: *PROVIDED,***
7 ***HOWEVER,* THAT ANY SAVINGS FOR EACH YEAR OUT OF SUCH**
8 **APPROPRIATION SHALL REVERT TO THE GENERAL FUND WHILE ANY**
9 **SAVINGS FROM THE SPECIAL FUND CREATED HEREIN SHALL ACCRUE**
10 **TO THIS SPECIAL FUND."**

11 Sec. 4. The succeeding sections of the same Act are hereby renumbered
12 accordingly.

13 Sec. 5. *Implementing Rules and Regulations.* — The Department of Budget and
14 Management, in coordination with the Bureau of the Treasury and the DOTr, shall
15 within sixty (60) days from the effectivity of this Act, promulgate the rules and
16 regulations to effectively implement the provisions of this Act.

17 Sec. 6. *Separability Clause.* — If any portion or provision of this Act is declared
18 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
19 remain in force and effect.

20 Sec. 7. *Repealing Clause.* — Any law, presidential decree or issuance, executive
21 order, letter of instruction, rule or regulation inconsistent with the provisions of this Act
22 is hereby repealed, amended or modified accordingly.

23 Sec. 8. *Effectivity Clause.* — This Act shall take effect after fifteen (15) days
24 following its complete publication in the *Official Gazette* or in at least two (2)
25 newspapers of general circulation.

 Approved,