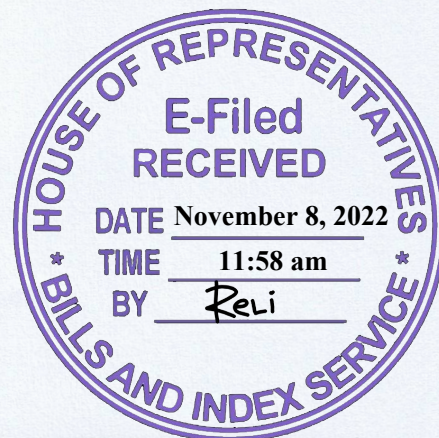


Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5918



Introduced by Representative Rex Gatchalian

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

EXPLANATORY NOTE

The vision in implementing the motor vehicle users charge (MVUC) or Package 1C of the Comprehensive Tax Reform Program is two-pronged: to provide adequate funding for the maintenance of national and provincial roads and to address air pollution from motor vehicles.¹

This bill reassigns the proceeds from the MVUC originally assigned for road maintenance and the improved of the road drainage; installation of adequate and efficient traffic lights and road safety devices; and the air pollution control,² to construction, improvement, and rehabilitation of our mass transit system, including the acquisition of road right-of-way for such projects. The proceeds shall be called the Special Mass Transit Support Fund, which shall be under the Department of Transportation.

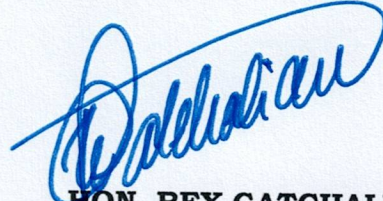
One of the main reasons for the reassignment is to improve the mass transportation in the country. According to Japan International Cooperation Agency, in 2018, the economic cost of transportation in Metro Manila has risen to P3.5 billion a day. The situation could get worse to P5.4 billion by 2035 if interventions would not be made. Availability of funds to finance mass transit projects would finally push

¹ Department of Finance, Motor Vehicle Users Charge, available at <https://taxreform.dof.gov.ph/tax-reform-packages/motor-vehicle-users-charge/#::~text=The%20motor%20vehicle%20users%20charge,air%20pollution%20from%20motor%20vehicles>.

² R.A. No. 8794, Sec. 7.

for the realization of new transit systems in the country, resulting to more sustainable urban transportation system network. It would further enhance economic development as the mass transit system addresses mobility issues among the working class.

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



HON. REX GATCHALIAN

Representative

1st District, Valenzuela City

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

1 **Section 1. Short Title.** — This Act shall be known as the "Special Mass Transit
2 System Support Fund Act".
3

4 **Sec. 2. Disposition of Monies Collected.** — Section 7 of R.A. No. 8794, or "An
5 Act Imposing a Motor Vehicle User's Charge on Owners of All Types of Motor Vehicles
6 and For Other Purposes", as amended, is hereby further amended to read as follows:

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

15 **ALL MONIES COLLECTED SHALL BE REMITTED TO THE**
16 **NATIONAL TREASURY UNDER A SPECIAL ACCOUNT IN THE GENERAL**
17 **FUND TO BE KNOWN AS THE SPECIAL MASS TRANSIT SYSTEM**
18 **SUPPORT FUND. THE SAID FUND SHALL BE UNDER THE**
19 **DEPARTMENT OF TRANSPORTATION (DOTR).**
20

1 **Sec. 3.** A new Section 8 is hereby inserted after Section 7 of the same Act to
2 18 read as follows:

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

15
16 **Sec. 4.** The succeeding sections of the same Act are hereby renumbered
17 accordingly.

18
19 **Sec. 5. *Implementing Rules and Regulations.*** - The Department of Budget
20 and Management, in coordination with the Bureau of Treasury and the DOTr, shall
21 within sixty (60) days from the effectivity of this Act, promulgate the rules and
22 regulations to effectively implement the provisions of this Act.

23
24 **Sec. 6. *Separability Clause.*** - If any portion or provision of this Act is declared
25 unconstitutional, the remainder of this Act or any provisions not affected thereby
26 shall remain in force and effect.

27
28 **Sec. 7. *Repealing Clause.*** - Any law, presidential decree or issuance, executive
29 order, letter of instruction, rule or regulation inconsistent with the provisions of this
30 Act is hereby repealed or modified accordingly.

31
32 **Sec. 8. *Effectivity.*** — This Act shall take effect after fifteen (15) days following
33 its complete publication in the Official Gazette or in at least two (2) newspapers of
34 general circulation.

Approved,