



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



**TWENTIETH CONGRESS**  
**First Regular Session**

**HOUSE BILL NO. 1150**

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**Introduced by Representative Irwin C. Tieng**

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**AN ACT DEFINING THE RESPONSIBILITIES AND LIABILITIES OF OWNERS  
AND OPERATORS OF PARKING ESTABLISHMENTS, REQUIRING AN  
INSURANCE POLICY FOR THE OPERATION OF PARKING ESTABLISHMENTS,  
AND PRESCRIBING PENALTIES FOR NON-COMPLIANCE THEREOF**

**EXPLANATORY NOTE**

Parking establishments may be classified according to the manner by which they transact their business: on one hand, a parking establishment may involve a “park and lock” where the vehicle owner parks in any available space, locks his vehicle, and retains possession of the key; on the other, it may also involve a parking establishment where the vehicle owner leaves the key to an attendant who will park and retrieve the vehicle for the customer.

This bill seeks to address the mounting complaints of accidents, carnapping, theft and robbery in paid parking establishments located in hotels, shopping malls, restaurants, hospitals, and other retail and commercial establishments that are supposed to provide safe and free parking spaces to their customers as part of the service they are supposed to provide.

With the current surge in the number of vehicles, the owners and operators of parking establishments have effectively built a money-making scheme through charging exorbitant parking fees to its customers. The customers, who are in constant need of parking space, are then left with no choice but to pay these fees.

Also, these owners and operators of parking establishments impose a waiver of liability for any injury, loss, or damage suffered by their customers—undermining the fact that their customers pay for the use of the facilities thereby giving them a reasonable expectation that these parking establishments will exert extra effort to safeguard their vehicles. With the amount of parking fees collected on a daily basis, these parking

establishments should not be allowed to evade liability in upholding the safety of their customers, and the security of the customers' vehicles and other belongings.

Consequently, there is a need for legislation that would make owners and operators of parking establishments liable for the injury, loss, or damage suffered by their customers. In this wise, owners and operators of parking establishments should be required to provide adequate security measures, and obtain an insurance policy which shall afford to the customers a legitimate recourse for injury, loss, or damage sustained within the parking establishment's premises.

In view of the foregoing, immediate consideration and passage of this bill is most earnestly requested.



**IRWIN C. TIENG**  
*Representative*  
District V, Manila



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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 “*Parking Establishments Liability Act.*”

**SEC. 2. Declaration of Policy.** – It is the policy of the State to promote public safety and the general welfare of customers who avail of the facilities in paid parking establishments. Toward this end, the State shall promulgate measures that will protect customers of parking establishments by making the owners and operators thereof liable for injuries, losses, or damages arising from the conduct of their business.

**SEC. 3. Definition of Terms.** – As used in this Act, the following terms are defined as follows:

- (a) *Parking establishments* refer to spaces in hotels, motels, hostels, inns, resorts, lodging facilities, corporate offices or facilities, food service establishments,

health service establishments, retail establishments, and all other similar establishments, designated for customers to temporarily leave their vehicles for a fee. This shall also include independently-owned facilities allotted for customers to temporarily leave their vehicles for a fee.

(b) **Owner** refers to a natural or juridical person who holds legal and/or beneficial title, deed, or right of occupancy to a parking lot.

(c) **Operator** refers to a natural or juridical person that manages the day-to-day operations of parking establishments.

(d) **Customer** refers to a person who pays a fee to avail of the facilities in a parking establishment.

**SEC. 4. Coverage of this Act.** – This Act shall cover all parking establishments that charge a parking fee for the use of their premises and facilities.

**SEC. 5. Responsibilities and Liabilities of Owners and Operators of Parking Establishments.** – Owners and operators of parking establishments shall maintain and provide adequate security measures in their parking establishments such as, but not limited to, security guard patrols, video surveillance cameras, security lighting, and directional and safety signages.

Except in cases where the customers are fully at fault or negligent, the owners and operators of parking establishments shall be liable for injuries to the customers, as well as for any loss or damage to the customers' vehicle and/or belongings. The said owner and operator shall also be liable in case of force majeure, acts of God, and other natural disasters.

The customer claiming damages shall have the burden of proving that the injury, loss, or damage was sustained within the premises of the parking establishment, without his fault or negligence. Such injury, loss, or damage shall be *prima facie* presumption of fault or negligence on the part of the parking establishment's owner and operator.

The contributory negligence of the customer does not bar the recovery of damages for the injury, loss, or damage if the proximate cause thereof is the negligence of the owner and operator of the parking establishment, but the amount of damages shall be equitably reduced.

Any waiver of liability in cases of injury to the customer, or the loss or damage to the customer's vehicle and belongings shall be void for being contrary to public policy.

**SEC. 6. Mandatory Insurance Coverage.** – Owners and operators of parking establishments shall be required to obtain and continuously maintain in full force and effect an insurance policy, in the amount as may be provided in the Implementing Rules and Regulations, to cover the liabilities referred to in the immediately preceding paragraph, from an insurer duly authorized to transact insurance business in the Philippines, as provided in Republic Act No. 10607, otherwise known as the Insurance Code of the Philippines.

The requirements under Section 5 and Section 6 of this Act shall be considered as a condition precedent for the initial issuance or renewal of a business permit and license to operate a parking establishment.

A grace period of six (6) months from the effectivity of the Act shall be provided for owners and operators to provide security measures in their parking establishments and obtain an insurance policy pursuant to Section 5 and Section 6 of this Act.

**SEC. 7. Penalties and Fines.** – Owners and operators who shall fail to provide adequate security measures and obtain an insurance policy after the grace period shall be fined with not less than One Hundred Thousand Pesos (Php100,000.00) but not more than Three Hundred Thousand Pesos (Php300,000.00) for every month of non-compliance.

Additionally, owners and operators who shall continuously fail to comply with the foregoing requirements for six (6) months or more following the lapse of the grace period shall also be penalized with the suspension or cancellation of business permits and licenses as may be determined under the Implementing Rules and Regulations.

**SEC. 8. Implementing Rules and Regulations.** – Within sixty (60) days from the approval of this Act, the Department of Trade and Industry shall, in consultation with the Department

of Interior and Local Government, the Department of Finance, and the Insurance Commission, formulate and promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

Within three (3) years after the effectivity of this Act and every three (3) years thereafter, the Secretary of Trade and Industry, in consultation with the Insurance Commission, is hereby authorized to determine the amount of insurance coverage which the owners and operators are required to secure for their parking establishment.

**SEC. 9. Separability Clause.** – If any provision of this Act or the applicability of such provisions to any person or circumstance shall be held invalid, the validity of the other provisions of the Act and the applicability of such provisions to other persons or circumstances shall not be affected thereby.

**SEC. 10. Repealing Clause.** - All laws, executive issuances, orders and rules and regulations contrary to or inconsistent with this Act, or any part thereof, are hereby repealed, amended and/or modified accordingly.

**SEC. 11. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,