

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3841



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE AND HON. VINCENZO RENATO LUIGI R. VILLAFUERTE**

EXPLANATORY NOTE

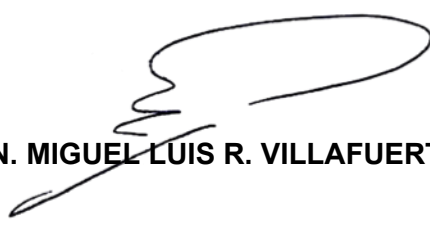
This bill aims to expand the coverage of the Special Education Fund (SEF) under Republic Act No. 7160 otherwise known as the Local Government Code of 1991 by increasing the rate from 1% to 2% to be implemented in the whole country.

The delivery of quality education remains a cornerstone of national development. It is one of our rights embedded in the 1987 Constitution – *The State shall give priority to education to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.* However, the Philippine educational system continues to face serious challenges—foremost among them is the perennial classroom shortage, lack of instructional materials, and inadequate funding for school facilities and teacher support.

The State aimed to address these through the Special Education Fund which was institutionalized in 1968 through Republic Act No. 5447 entitled “An Act Creating A Special Education Fund To Be Constituted From the Proceeds of An Additional Real Property Tax and A Certain Portion of Taxes on Virginia-Type Cigarettes and Duties on Imported Leaf Tobacco, Defining the Activities to be Financed, Creating School Boards For The Purpose, And Appropriating Funds Therefrom”, and was incorporated in Republic Act No. 7160 (R.A. No. 7160) otherwise known as the Local Government Code of 1991 to assist and support educational initiatives in the local level. Under Section 235 of Republic Act No. 7160, the Special Education Fund (SEF) is sourced from an additional one percent (1%) levy on real property tax collected by provinces, cities, and municipalities. This created a significant change for the education as it involved the local government as partners in the delivery of basic education services, however, while this provision has helped local government units (LGUs) support education in their respective jurisdictions, the current 1% rate is no longer sufficient to meet the growing demands of a rapidly expanding student population and inflationary pressures on construction and procurement costs.

The increase will allow LGUs to double their support for public education, contribute significantly to the national effort to address classroom shortages, and invest in 21st-century learning facilities for our children. Education is a shared responsibility. Through this measure, we empower local governments to play a stronger, more impactful role in uplifting the future of Filipino learners.

In light of the foregoing, the passage of this bill is humbly sought.



HON. MIGUEL LUIS R. VILLAFUERTE



HON. VINCENZO RENATO LUIGI R. VILLAFUERTE

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RENATO LUIGI R. VILLAFUERTE**

AN ACT EXPANDING THE COVERAGE OF THE SPECIAL EDUCATION FUND (SEF) BY INCREASING THE RATE FROM ONE PERCENT (1%) TO TWO PERCENT (2%) OF REAL PROPERTY TAX, AMENDING FOR THE PURPOSE SECTION 235, REPUBLIC ACT NO. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 235 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 235. *Additional Levy on Real Property for the Special Education Fund.* – A province or city, or a municipality within the ~~Metropolitan Manila Area~~ **IN THE ENTIRE COUNTRY**, may levy and collect an annual tax of ~~one percent (1%)~~ **TWO PERCENT (2%)** of the assessed value of real property which shall be in addition to the basic real property tax. The proceeds thereof shall exclusively accrue to the Special Education Fund (SEF).

SEC. 2. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,