

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8070



INTRODUCED BY REP. CARLOS A. LORIA

EXPLANATORY NOTE

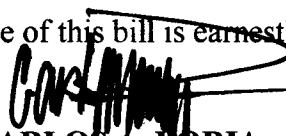
Delays in the delivery of public infrastructure are often caused by the unfunded or underfunded acquisition of land and right-of-way (ROW), despite construction funds being available. While Republic Act No. 10752 (Right-of-Way Act) mandates prompt payment of just compensation and streamlines acquisition for national government infrastructure, project authorizations and appropriations have not always embedded sufficient ROW budgets in advance—contrary to the Act’s policy and the approach reflected in its IRR on adequate prior appropriations for surveys, valuation, compensation, resettlement, utilities relocation, taxes and related administrative costs.

The 1987 Constitution (Art. III, Sec. 9) prohibits the taking of private property for public use without just compensation. Supreme Court jurisprudence reiterates that just compensation must be real, full, and timely, judged by the owner’s loss and determined by courts considering all relevant factors, with value generally fixed at the time of taking or filing. Delays compound the State’s liability through interest and consequential damages.

From a budgeting standpoint, ensuring that ROW costs are embedded in the same law that authorizes a project aligns the legislative directive with the NEP→GAA cycle and the DBM’s Multi-Year Contractual Authority (MYCA) for multi-year undertakings—improving cash programming, preventing “award without ROW,” and reducing litigation risks. Ongoing procurement reforms under the New Government Procurement Act (RA 12009, 20 July 2024) further underscore the need for clear, fund-backed project scoping and sequencing.

This bill therefore institutionalizes an “embedded ROW funding rule” for national infrastructure—including district-initiated works—by (i) requiring a separately stated ROW appropriation in the authorizing law (or first GAA carrying the project), (ii) mandating pre-construction sequencing (surveys–valuation–payment/possession), (iii) aligning valuation and payment with RA 10752 standards, (iv) linking budgeting to DBM/MYCA practice, and (v) establishing oversight and penalties for non-compliance.

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


CARLOS A. LORIA
Representative
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HOUSE OF REPRESENTATIVES
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AN ACT

REQUIRING THE EMBEDDED APPROPRIATION AND STANDARDIZED PROGRAMMING OF LAND AND RIGHT-OF-WAY ACQUISITION COSTS IN ALL LAWS AUTHORIZING NATIONAL GOVERNMENT INFRASTRUCTURE PROJECTS, AND FOR OTHER PURPOSES

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 “Embedded Right-of-Way Funding for Infrastructure Act.”

SEC. 2. Declaration of Policy. It is the policy of the State to ensure timely site availability for national government infrastructure by embedding adequate land and right-of-way (ROW) appropriations in every law that authorizes such infrastructure, consistent with the Constitution and existing statutes on just compensation and ROW acquisition.

SEC. 3. Scope and Application. This Act applies to all national government infrastructure projects authorized by law, including those undertaken by government-owned or -controlled corporations (GOCCs), and projects implemented under public-private partnership modalities, regardless of funding source, including district-initiated public works.

SEC. 4. Definitions. As used in this Act:

(a) Right-of-Way (ROW) refers to the land, interests in land, improvements, and easements required for the site or location of a national government infrastructure project, including related resettlement and utilities displacement needs.

(b) Implementing Agency (IA) refers to the national government agency, GOCC, or instrumentality authorized to implement the project (e.g., DPWH, DOTr).

(c) Embedded Appropriation means an express line-item in the same authorizing law, or in the first General Appropriations Act (GAA) carrying the project, earmarked for acquisition of land/ROW and related costs including surveys, valuations, taxes, fees, resettlement, utilities relocation, and administrative expenses.

(d) Valuation Benchmarks include, where applicable, Bureau of Internal Revenue (BIR) zonal values, comparable sales, tax declarations, classification and use, property

1 characteristics, and other factors recognized under existing law and jurisprudence to arrive at
2 just compensation.

3 (e) Multi-Year Contractual Authority (MYCA) refers to the authority issued by the
4 Department of Budget and Management (DBM) for multi-year projects.

5 6 **SEC. 5. Mandatory Embedded ROW Funding in Authorizing Laws.**

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8 (a) No law authorizing a national government infrastructure project shall be enacted
9 without a corresponding embedded appropriation for ROW costs as defined in Section 4(c).

10 (b) The ROW component shall be separately stated and quantified in the authorizing
11 law or, as applicable, in the first GAA carrying the project, indicating: (1) preliminary estimate
12 of affected parcels/area; (2) the valuation approach and benchmark data available at
13 authorization; and (3) provision for resettlement and utilities displacement, if any.

14 15 **SEC. 6. Standard Pre-Construction Sequencing and Funding Preconditions.**

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17 (a) Prior to advertisement or award of any civil works contract, the IA shall: (1)
18 complete parcellary surveys and appraisal; (2) undertake negotiated acquisition; or (3) initiate
19 expropriation where necessary; and (4) obligate at least the lawful provisional amounts
20 required to secure possession.

21 (b) No Notice of Award or Notice to Proceed for construction shall issue unless ROW
22 funds, as embedded, are available and obligated in accordance with law and applicable DBM
23 rules, and, where necessary, covered by MYCA.

24 (c) For PPP projects, the IA may require proponents to advance ROW costs subject to
25 reimbursement or recovery under applicable rules.

26 27 **SEC. 7. Valuation and Payment.**

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29 (a) Valuation shall be consistent with law and jurisprudence on just compensation,
30 considering all relevant factors and fixing value at the time prescribed by law.

31 (b) Prompt payment shall be ensured through the embedded appropriation, including
32 payment of applicable taxes and fees and related administrative expenses, in accordance with
33 existing rules.

34 35 **SEC. 8. Budgeting and Programming.**

36
37 (a) The DBM shall ensure that entries in the National Expenditure Program (NEP) and
38 GAA reflect distinct ROW and civil works components, with the ROW component
39 programmed in advance of project implementation.

40 (b) For multi-year projects, the IA shall secure MYCA prior to entering into multi-year
41 contracts, showing the annual breakdown of ROW and civil works.

42 (c) Procurement of works, goods, and consultancy shall observe applicable
43 procurement laws, rules, and their transitory provisions.

44 45 **SEC. 9. Disbursement Safeguards and Reversion.**

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47 (a) Unutilized ROW balances after completion shall revert to the National Treasury,
48 subject to existing laws and Commission on Audit (COA) rules.

(b) Where valuation exceeds embedded estimates, the IA shall request augmentation consistent with public financial management rules; the embedded ROW line shall be prioritized for release to avoid takings without prompt payment.

SEC. 10. Social and Utilities Mitigation. ROW appropriations shall cover, as eligible costs, resettlement, livelihood restoration, and utilities relocation consistent with the project's resettlement and utilities relocation plans and in coordination with concerned agencies and LGUs.

SEC. 11. Monitoring and Oversight.

(a) The IA shall submit quarterly reports to the House Committee on Public Works and Highways and the Committee on Appropriations on ROW acquisition status, obligations/disbursements, and construction readiness.

(b) The COA shall include in its annual audit a compliance review on embedded ROW funding and sequencing under this Act.

SEC. 12. Implementing Rules and Regulations (IRR). Within ninety (90) days from effectivity, the DBM, NEDA, DOF, DPWH, DOTr, and the Government Procurement Policy Board (GPPB), in consultation with COA and other concerned agencies, shall promulgate the IRR of this Act, harmonized with existing laws and rules on ROW, budgeting, and procurement.

SEC. 13. Transitory Provision. For ongoing projects without embedded ROW appropriations, the IA, in coordination with the DBM, shall identify and propose the necessary ROW adjustments in the next NEP/GAA cycle and prioritize ROW programming to enable lawful possession and timely construction.

SEC. 14. Penalties for Non-Compliance.

(a) Administrative Liability. — Any IA official or employee who knowingly:

(1) advertises, bids, awards, or issues a Notice to Proceed for civil works without obligated ROW funds as required herein;

(2) fails to initiate ROW acquisition activities within the IRR timelines without lawful cause;

(3) delays payment of just compensation without lawful cause; or

(4) fails to submit the reports required under Section 11,

shall be subject to administrative sanctions under applicable civil service, auditing, and procurement laws and rules, which may include suspension, forfeiture of benefits, and dismissal, without prejudice to separate actions under special laws.

(b) Civil Liability. — Willful acts or omissions causing project delay, increased financial exposure (including interest or consequential damages), or violations of valuation/payment standards may give rise to personal civil liability, after due process.

(c) Criminal Liability. — When acts constitute misappropriation, unlawful delay, or other offenses under the Revised Penal Code, the Anti-Graft and Corrupt Practices Act, procurement or other special laws, offenders shall be criminally liable, without prejudice to administrative and civil liabilities.

(d) Procurement-Related Sanctions. — Irregular procurement actions arising from non-compliance may result in blacklisting, disqualification, contract termination, and referral to the proper authorities under procurement rules.

1 (e) COA Remedies. — The COA may issue Notices of
2 Suspension/Disallowance/Charge against obligations or disbursements made in violation of
3 this Act, with refund of disallowed amounts and appropriate administrative sanctions.

4 (f) Corrective Measures. — The IA shall not advertise or award new civil works
5 contracts under the same project until full compliance with embedded ROW obligations is
6 restored, corrective reports are filed with Congress, and DBM confirms availability and
7 obligation of ROW funds, including MYCA where applicable.

8 (g) Cumulative Effect. — Penalties herein are cumulative and without prejudice to
9 liability under other laws.

10
11 SEC. 15. **Separability Clause.** If any provision of this Act is declared unconstitutional
12 or invalid, the remaining provisions shall remain in full force and effect.

13
14 SEC. 16. **Repealing and Amending Clause.** All laws, decrees, rules, or parts thereof
15 inconsistent with this Act are hereby repealed, amended, or modified accordingly. This Act
16 supplements existing ROW, budgeting, auditing, and procurement laws and their IRR.

17
18 SEC. 17. **Effectivity.** This Act shall take effect fifteen (15) days after publication in the
19 Official Gazette or in a newspaper of general circulation.