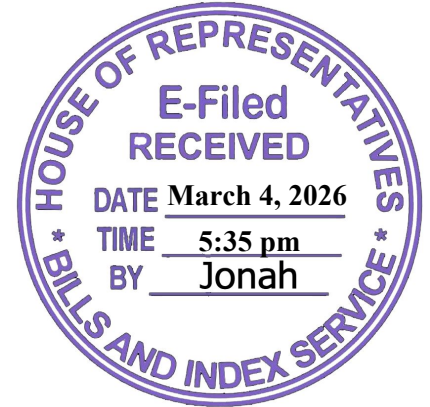




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8291



Introduced by 4Ps Partylist Representative
JC M. ABALOS

EXPLANATORY NOTE

A country's public transportation system is one of the lifebloods of its economy and among the necessary components that enables its citizens to attain their fundamental rights. With a decent public transportation system, it enables workers to reach their work places, students to attend their schools, medical professionals to respond to emergencies on time, and other relevant sectors that need mobility in order to drive the nation towards social and economic development.

However, the Philippine public transportation system may have been failing to accommodate economic demands and population growth of our country. This is shown by persistent overcrowding in public vehicles, service unreliability, supply shortages, and chronic congestion.¹ Consequently, it impedes Filipinos in effectively carrying out their daily roles, resulting in hours of time stolen from productive labor, educational opportunities, critical medical care, essential rest, and generally affects the development of our country.

Data shows that the country's urban population grew from 29% in 1955 to 45% in 2015, and is projected to reach 60% by 2050. Despite this surge, transportation

¹ Varsolo Sunio et al., "Towards a Greater Role for Local Government Units as Public Transport Service Providers in the Philippines," (revised paper, Transportation Science Society of the Philippines (TSSP) 2025 Annual Conference, February 2026), <https://ncts.upd.edu.ph/tssp/wp-content/uploads/2026/02/TSSP2025-20-Revised-Paper.pdf>.

development has remained slow due to historical underinvestment and a lack of proper maintenance. This leaves a massive deficit between the demand for mobility and the available supply of public transportation.²

In 2020, service contracting program for public transportation was implemented by our government due to the conditions brought by the COVID pandemic. With its centralized model, its ability to manage the intricate, daily transport needs of every locality is limited.³ Eventually, the said program was continued after the pandemic, but it has not been widely implemented, and was unable to significantly accommodate localized demand, particularly for intra-municipal and intra-city routes. Despite minimal performance, it demonstrated its potential in addressing supply gaps and providing a glimpse of a more dignified transport system.

Additionally, localized models have demonstrated that LGUs are equally, if not, better equipped to tailor transportation solutions to the specific needs of the community. To further illustrate, one example is the Q City Bus Program of the Quezon City Local Government.⁴ This program also started in 2020 and was continued by the said local government even after the pandemic. In the 2022 - 2023 Annual Report of the Quezon City Government, it highlights the said program to have served over 15.4 million passengers as of June 2023. According to the report, these millions of passengers were saved from transit costs, and were provided with special services to assist them in going to public events or those who were stranded due to transport strikes. Later on, the Quezon City Council institutionalized the Q City bus Program by legislating Ordinance No. SP-3184, S-2023, also ensuring the provision and improvement of the program, as well as the needed services and facilities.

The Q City Bus program demonstrates the benefits of a legislated public transportation program, and the provision of a fare or tariff mechanism in order to promote the sustainability of such a program is seen as an opportunity to further develop such program. This is opposite to the general view of the public transportation sector that has become market-driven, resulting in significant issues, such as unsafe competition among drivers, service disruptions during low-demand periods, and the widespread use of polluting vehicles.⁵

² "Are We Creating Safe and Inclusive Mass Transportation?," *Center for Governance – CBILLS*, December 5, 2023, <https://cbills.dap.edu.ph/2023/12/05/are-we-creating-safe-and-inclusive-mass-transportation/>.

³ Varsolo Sunio et al., "Towards a Greater Role for Local Government Units as Public Transport Service Providers in the Philippines,"

⁴ Quezon City 2022-2023 Annual Report.

⁵ Robert Y. Siy, Toix Cerna, and Varsolo Sunio, "Ways Local Governments Can Play a Bigger Role in Public Transportation," *Rappler*, August 20, 2023, <https://www.rappler.com/voices/ways-local-governments-can-play-bigger-role-public-transportation/>.

Given the narrative stated above, the need for a localized mass public transportation service is evident, thus, this Representation forwards this proposed measure seeking to amend the Local Government Code of 1991 and recognize local mass public transportation as one of the fundamental services that LGUs should provide to its citizens. This proposed measure likewise aims to provide the mandate for LGUs to conceptualize, establish, operate, and maintain mass public transport systems and facilities, and enable them to access and utilize various financing instruments such as loans, grants, investments, partnerships, service contracts, or joint ventures. This proposed measure is also perceived to promote interconnectivity of mass public transportation with national and inter-LGU networks guided by corresponding government and non-government agencies and institutions.

Similarly, it expands the franchise and regulatory provisions for municipalities, cities, and provinces by allowing them to regulate and grant franchises for LGU-initiated and contracted public transportation services within their jurisdictions. At present, the franchising of most public land transport services is exercised through the Land Transportation Franchising and Regulatory Board (LTFRB), which primarily issues Certificates of Public Convenience (CPCs) and sets operating conditions, while LGUs retain authority to manage local traffic and implement local transport policies subject to national standards.

Our LGUs possess the local knowledge of their communities yet existing law does not clearly empower them to serve as architects of their public transportation system. It is therefore timely to recognize and strengthen their authority to endeavor to plan, finance, implement, operate, and regulate LGU-initiated or contracted mass public transportation systems

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



JC M. ABALOS
Representative
4Ps Partylist



Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8291

Introduced by 4Ps Partylist Representative
JC M. ABALOS

**AN ACT EXPANDING THE POWERS OF LOCAL GOVERNMENT UNITS TO
PROVIDE LOCAL MASS PUBLIC TRANSPORTATION SYSTEMS,
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991", AND FOR
OTHER PURPOSES**

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

SECTION 1. *Short Title.* – This Act shall be known as the "LGU
Transportation Act."

SEC. 2. Section 17 of Republic Act No. 7160, otherwise known as the Local
Government Code of 1991, is hereby amended, inserting new subsection (k), as
follows:

"SEC. 17. Basic Services and Facilities. —
(a) xxx

**(K) ALL LOCAL GOVERNMENT UNITS SHALL ENDEAVOR TO
PROVIDE SAFE, AFFORDABLE, ACCESSIBLE AND
SUSTAINABLE MASS PUBLIC TRANSPORTATION SYSTEMS,**

SUCH AS MODERN RAIL-BASED SYSTEMS, PERSONAL RAPID TRANSIT SYSTEMS, MONORAILS, RAILWAYS, SUBWAYS, CABLE CARS, TRAMS, BUS RAPID TRANSITS, AND OTHER MEANS OF TRANSPORTATION, AND TRANSPORTATION FACILITIES, SUCH AS, BUT NOT LIMITED TO, TERMINALS, STATIONS, AND BUS STOPS, CONSISTENT WITH THE CONCEPT OF LIVABLE AND SUSTAINABLE SMART CITIES, THROUGH LOANS, GRANTS, CAPITAL INVESTMENTS, PARTNERSHIPS, SERVICE CONTRACTS, AND JOINT VENTURES WITH BOTH PRIVATE AND PUBLIC INSTITUTIONS OR ENTITIES, WHETHER DOMESTIC OR INTERNATIONAL, WITHOUT SOVEREIGN GUARANTY, FOR THE CONCEPTUALIZATION, ESTABLISHMENT, OPERATION, AND MAINTENANCE OF MODERN AND STATE-OF-THE-ART MASS TRANSPORTATION SYSTEMS: PROVIDED, THAT INTERCONNECTIVITY AND INTEGRATION WITH EXISTING AND PROPOSED NATIONAL INTERMODAL TRANSPORTATION SYSTEMS AS WELL AS THOSE OF OTHER LOCAL GOVERNMENT UNITS SHALL BE CONSIDERED, AND CONSULTATIONS WITH RELEVANT NATIONAL GOVERNMENT TRANSPORTATION AND PLANNING AGENCIES SHALL BE CONDUCTED.

LOCAL GOVERNMENT UNITS MAY, THROUGH APPROPRIATE ORDINANCES, CONSOLIDATE OR COORDINATE THEIR EFFORTS, SERVICES, AND RESOURCES IN THE IMPLEMENTATION OF PROJECTS UNDER THE PROGRAM TO ENSURE THE ENHANCEMENT OF OPERATIONAL EFFICIENCY, EFFECTIVE UTILIZATION OF PUBLIC RESOURCES, REALIZATION OF PROJECT OUTCOMES, AND STRENGTHENING OF MECHANISMS FOR INTER-LOCAL COOPERATION. IN SUPPORT OF SUCH UNDERTAKING, THE LGUS CONCERNED MAY CONTRIBUTE FUNDS, REAL ESTATE, EQUIPMENT, AND OTHER KINDS OF PROPERTY, AND APPOINT OR ASSIGN PERSONNEL UNDER SUCH TERMS AND CONDITIONS AS MAY BE AGREED UPON BY THE PARTICIPATING LGUS, THROUGH A MEMORANDUM OF AGREEMENT.

Costs may also be charged for the delivery of basic services or facilities enumerated in this Section.”

SEC. 3. Section 447 of Republic Act No. 7160, is hereby amended as follows:

“SEC. 447. Powers, Duties, Functions, and Compensation. —

(a) The sangguniang bayan, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code, and shall:

(1) xxx

(3) Subject to the provisions of Book II of this Code, grant franchises, enact ordinances authorizing the issuance of permits or licenses, or enact ordinances levying taxes, fees and charges upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the municipality, and pursuant to this legislative authority shall:

(i) xxx

(vi) [Subject to the guidelines prescribed by the Department of Transportation and Communications,] **IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION**, regulate the operation of [tricycles] **ALL LOCAL GOVERNMENT-INITIATED AND CONTRACTED PUBLIC TRANSPORTATION SERVICES** and grant franchises for the operation thereof within the territorial jurisdiction of the municipality;

SEC. 4. Section 458 of Republic Act No. 7160, is hereby amended as follows:

“SEC. 458. Powers, Duties, Functions, and Compensation. —

(a) The sangguniang panlungsod, as the legislative body of the city, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the city and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the city as provided for under Section 22 of this Code, and shall:

(1) xxx

(3) Subject to the provisions of Book II of this Code, enact ordinances granting franchises and authorizing the issuance of permits or licenses, upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the city and pursuant to this legislative authority shall:

(i) xxx

(vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, **IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, REGULATE THE OPERATION OF [tricycles] ALL LOCAL GOVERNMENT-INITIATED AND CONTRACTED PUBLIC TRANSPORTATION SERVICES and grant franchises for the operation thereof within the territorial jurisdiction of the city;**

SEC. 5. Section 468 of Republic Act No. 7160, is hereby amended, inserting new subsection (a) (3) (iii) as follows:

“SEC. 468. Powers, Duties, Functions, and Compensation. —

(a) The sangguniang panlalawigan, as the legislative body of the province, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the province and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the province as provided for under Section 22 of this Code, and shall:

(1) xxx

(2) xxx

(3) Subject to the provisions of Book II of this Code, grant franchises, approve the issuance of permits or licenses, or enact ordinances levying taxes, fees and charges upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the province, and pursuant to this legislative authority, shall:

(i) xxx

(III) IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, REGULATE THE OPERATION OF ALL LOCAL GOVERNMENT-INITIATED AND CONTRACTED PUBLIC TRANSPORTATION SERVICES AND GRANT FRANCHISES FOR THE OPERATION THEREOF WITHIN THE TERRITORIAL JURISDICTION OF THE PROVINCE

SEC. 6. *Implementing Rules and Regulations* – Within sixty (60) days from the effectivity of this Act, the Department of the Interior and Local Government, in consultation with the Department of Budget and Management, the Department of Transportation, the Department of Public Works and Highways, the Department of Finance, the Department of Economy Planning, and Development, the League of Provinces, the League of Cities, the League of Municipalities, and other government agencies concerned, shall jointly promulgate the implementing rules and regulations to effectively implement the provisions of this Act.

SEC. 7. *Separability Clause*. – If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause*. – All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 9. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation in the Philippines.

Approved,