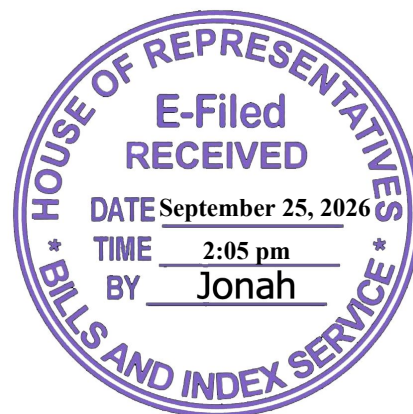


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11480



Introduced by Representative Timothy Joseph Cayton

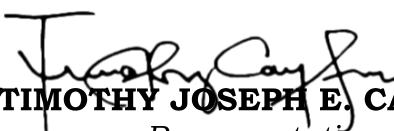
EXPLANATORY NOTE

Tricycles carry passengers where jeepneys and buses do not go, and their regulation is devolved to cities and municipalities.¹ Devolution supplied no national floor: each sets its own requirements, fees, and processing periods, and that variation produces the exactions and brokered permits the sector reports.

The gap in social protection is contribution capacity, not coverage. Self-employed persons are already compulsorily covered by the SSS, and every Filipino by the National Health Insurance Program.² But a driver on an irregular daily income must remit PhP 1,250.00 a month to keep both current.³

This measure sets uniform operating requirements, caps the permit fee, requires a one-stop shop with a definite processing period, replaces impounding for documentary lapses with citations, and establishes a Tricycle Sector Registry. On that Registry it builds a Contribution Support Program paying half of a qualified beneficiary's contribution at the statutory floor, matched by the member and capped by the annual appropriation.

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


ATTY. TIMOTHY JOSEPH E. CAYTON, PhD.
Representative
Lone District of Nueva Vizcaya

¹ Rep. Act No. 7160 (1991), §§ 447(a)(3)(vi), 458(a)(3)(vi). Vehicle registration and driver licensing remain with the LTO: *Land Transportation Office v. City of Butuan*, G.R. No. 131512, 20 January 2000.

² Rep. Act No. 11199 (2018), Social Security Act of 2018; Rep. Act No. 11223 (2019), Universal Health Care Act.

³ 15% of the P5,000.00 minimum monthly salary credit (P750.00), plus 5.0% of the P10,000.00 income floor (P500.00). PhilHealth Advisory No. 2026-0042 (21 July 2026).

Republic of the Philippines
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Quezon City, Metro Manila

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House Bill No. 11480

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AN ACT PROVIDING FOR A MAGNA CARTA OF TRICYCLE DRIVERS AND OPERATORS, AND APPROPRIATING FUNDS THEREFOR

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 "*Magna Carta of Tricycle Drivers and Operators*".

SECTION 2. Declaration of Policy. – It is the policy of the State to promote the welfare of workers in the tricycle sector, to secure for them access to social security and health insurance commensurate to their capacity to contribute, to protect them against deprivation of their livelihood without valid cause and due process, and to ensure that the regulation of tricycles-for-hire is uniform, predictable, and free from exaction.

SECTION 3. Scope and Regulatory Authority. – This Act applies to operators of tricycles-for-hire, to the drivers they engage, and to the local government units and national agencies named herein. It does not apply to tricycles used exclusively for private purposes or to two-wheeled motorcycles however used. The grant, amendment, renewal, suspension, and cancellation of the MTOP and the designation of zones, routes, and terminals are exercised by the *Sanggunian* under Sections 447(a)(3)(vi) and 458(a)(3)(vi) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, subject to guidelines issued by the Department of Transportation (DOTr). The registration of tricycles and the licensing of drivers remain with the LTO, and no LGU shall impose a requirement in the nature of either.

SECTION 4. Operating Requirements. – No tricycle-for-hire shall operate on a national highway utilized by four-wheeled vehicles heavier than four (4) tons and on which the normal speed exceeds forty (40) kilometers per hour: *Provided*, That the *Sanggunian* may, by ordinance and with the approval of the DOTr, allow such operation where no other public transport services the route: *Provided, further*, That where allowed, the tricycle shall traverse only the outer right lane except when preparing to turn.

An operator shall engage only drivers holding professional driver's licenses issued by the LTO, and shall be covered by passenger accident and third-party liability insurance before the LTO registers the unit for hire and before each renewal. No tricycle-for-hire shall carry passengers or goods beyond the limits prescribed by the LTO, which shall be indicated on the body of the unit.

An MTOP shall be valid for five (5) years, renewable for the same period, and a change of zone or ownership or a transfer of the MTOP requires the approval of the *Sanggunian*: *Provided*, That the MTOP is conditioned upon subsisting LTO registration and the insurance required under this Section, is suspended by operation of law while either has lapsed, and is reinstated upon proof of renewal without further fee. Existing zones traversing two (2) or more LGUs shall be maintained, and operators serving them shall secure an MTOP from each.

SECTION 5. Fees and Processing. – The total fee for the application for, issuance of, and renewal of an MTOP valid for five (5) years shall not exceed P1,000.00, covering the filing, franchise, inspection, amendment, and regulatory fees and all other charges connected with the permit. No other fee, charge, or exaction of any kind shall be imposed in connection with an MTOP. The *Sanggunian* shall fix the fee by ordinance at or below that ceiling.

The ceiling shall be adjusted every three (3) years by the cumulative change in the Consumer Price Index published by the Philippine Statistics Authority for the three (3) preceding calendar years, rounded to the nearest P50.00. The Department of the Interior and Local Government (DILG), with the DOTr, shall compute and publish the adjusted ceiling within sixty (60) days after the close of each period, effective on the first day of the following calendar year. The computation is ministerial.

Every LGU shall establish a Tricycle Sector One-Stop Shop. Processing shall commence on the day of filing, and the MTOP shall be released within two (2) working days from submission of the complete requirements. This period is adopted in substitution for the period prescribed for simple transactions under Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, and the remedies and penalties of that Act apply to a failure to observe it.

SECTION 6. Tricycle Sector Registry. – Every LGU shall maintain a Tricycle Sector Registry recording every MTOP holder and every driver engaged by one. A driver shall be entered upon submission of a professional driver's license and the certification of the engaging operator, and shall be entered once though engaged by more than one operator. No fee shall be collected for entry or for a certified extract. Each LGU shall transmit its Registry to the DILG within thirty (30) days after the close of each calendar

year, and the DILG shall consolidate and transmit it to the DOTr, the Social Security System (SSS), and the Philippine Health Insurance Corporation (PhilHealth) within sixty (60) days thereafter. Entry in the Registry is the basis of coverage under this Act.

SECTION 7. *Rights of Members of the Tricycle Sector.* – A member of the tricycle sector has the right to self-organization free from political interference; to representation in every public hearing on a measure affecting the sector; to safe working conditions and access to medical care and insurance; to freedom from discrimination, violence, exploitation, and harassment; to freedom from deprivation of their livelihood without valid cause and due process; to information on the requirements, fees, and procedures applicable to them and on the grounds of any adverse action against them; and to freedom from interference, coercion, extortion, and exaction in the exercise of these rights. A member is entitled to legal assistance from the Public Attorney's Office, subject to its rules on qualified persons, in a proceeding to enforce these rights.

SECTION 8. *Prohibited Acts.* – The following are prohibited: (a) demanding or receiving any fee, charge, contribution, or exaction in connection with an MTOP other than that authorized under Section 6; (b) requiring, as a condition for the issuance, amendment, or renewal of an MTOP, membership in a particular association or any contribution, donation, or political support; (c) failing, without justifiable cause, to act on a complete application within the period under Section 6; (d) issuing more than one (1) MTOP over the same unit, or selling, brokering, or trafficking in an MTOP; (e) operating a tricycle-for-hire without an MTOP or with an expired, fictitious, or suspended MTOP; (f) engaging as a driver a person without a professional driver's license or below eighteen (18) years of age; (g) operating in contravention of Section 5; and (h) retaliating against a member for exercising a right under Section 8 or for filing a complaint under this Act.

SECTION 9. *Tricycle Sector Contribution Support Program.* – There is hereby established a Tricycle Sector Contribution Support Program under which the national government shall pay a share of the social security and health insurance contributions of qualified beneficiaries.

The government share is fifty percent (50%) of the sum of the monthly SSS contribution computed at the minimum monthly salary credit under Republic Act No. 11199, otherwise known as the Social Security Act of 2018, and the monthly PhilHealth premium computed at the income floor under Republic Act No. 11223, otherwise known as the Universal Health Care Act, and shall not exceed that amount whatever the salary credit or income the beneficiary declares.

A member is a qualified beneficiary for a given month if the member is entered in the Registry as of the first day of that month, is registered with the SSS as a self-employed member and with PhilHealth as a direct contributor, is not during that month covered by the SSS as an employee,

declares a monthly income not exceeding the minimum monthly salary credit, and has paid the member's share for that month. No government share shall be paid for a month for which the member's share was not paid.

Enrollment shall not exceed twenty percent (20%) of the qualified beneficiaries in the first year of implementation, forty percent (40%) in the second, sixty percent (60%) in the third, eighty percent (80%) in the fourth, and the whole thereafter. Where qualified beneficiaries exceed the number that may be enrolled or the amount appropriated, enrollment shall proceed in the order of the longer period of continuous entry in the Registry, then the lower declared monthly income, then residence in a fourth, fifth, or sixth class municipality.

Disbursements in any year shall not exceed the amount appropriated for the Program for that year, and the Program does not create a right to payment beyond that amount. The SSS and PhilHealth shall administer the Program as to their respective contributions, crediting the government share directly to the member's account, and shall report to Congress and to the Department of Budget and Management within sixty (60) days after the close of each calendar year on the beneficiaries enrolled, the amounts disbursed, and the qualified beneficiaries not enrolled for want of appropriation.

SECTION 10. Impounding. – A tricycle shall not be impounded, confiscated, or destroyed for a violation of traffic rules and regulations or for a documentary deficiency, in which case a traffic violation ticket shall be issued to the driver. A tricycle may be impounded only where it was used in the commission of a crime; is operated without an MTOP or with an expired, suspended, or fictitious MTOP; is operated by a driver without the required license, in which case it shall be released to a licensed driver on behalf of the operator upon payment of the fine; or is not roadworthy. The impounding officer shall issue to the driver, at the time of impounding, a signed written notice stating the ground relied upon, the place of impounding, and the requirements for release. No tricycle shall be held for more than fifteen (15) days, or beyond payment of the fine and correction of the ground relied upon, whichever comes first.

SECTION 11. Penalties. – A public officer or employee who commits an act under Section 9(a), (b), or (c) shall be administratively liable under Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees, and shall be suspended for one (1) to six (6) months for the first offense and dismissed for the second, without prejudice to liability under Republic Act No. 3019.

A person who commits an act under Section 9(d) or (h) shall be fined not less than P50,000.00 nor more than P200,000.00 or imprisoned for not more than one

(1) year, or both, and, if a public officer, dismissed or disqualified from office.

An operator who commits an act under Section 9(e) shall be fined not less than P2,000.00 nor more than P10,000.00, and on the second offense shall suffer revocation of the MTOP and disqualification for three (3) years; a driver who commits the same act, or an act under Section 9(g), shall be fined not less than P500.00 nor more than P3,000.00. An operator who commits an act under Section 9(f) shall be fined not less than P3,000.00 nor more than P10,000.00, and where the person engaged is below eighteen (18) years of age, not less than P10,000.00 nor more than P50,000.00 and shall suffer revocation of the MTOP, without prejudice to Republic Act No. 7610 and Republic Act No. 9231.

A fine imposed on a driver under this Act shall not exceed fifty percent (50%) of the fine imposable for the same or analogous violation on the driver of a four-wheeled public utility vehicle: *Provided*, That this shall not apply to a violation of Republic Act No. 10586, otherwise known as the Anti-Drunk and Drugged Driving Act of 2013, to reckless driving under Republic Act No. 4136, otherwise known as the Land Transportation and Traffic Code, or to any offense resulting in physical injury or death.

SECTION 12. Appropriations. – Initial funding for this Act comes from the current appropriations of DOTr, DILG, SSS, and PhilHealth based on their roles. Future funding for the Contribution Support Program will be a line item in the General Appropriations Act, split for SSS and PhilHealth. DILG funds will establish the One-Stop Shop and Registry in fourth, fifth, and sixth class municipalities.

SECTION 13. Implementing Rules and Regulations. – Within 90 days of effectivity, DOTr, with LTO, LTFRB, DILG, SSS, PhilHealth, local government leagues, and national tricycle organizations, shall issue the IRR, detailing driver safety orientations and LGU grievance mechanisms.

SECTION 14. Transitory Provisions. – An existing MTOP remains valid until expiration and falls under this Act upon renewal. Pending applications follow filing rules unless the applicant chooses this Act in writing. LGUs must conform ordinances within one (1) year, after which non-conforming parts lose effect.

SECTION 15. Separability Clause. – If any provision of this Act or the application of such provision to any person or circumstance is declared unconstitutional, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected by such declaration.

SECTION 16. Repealing Clause. – All other laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 17. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.