



Seventeenth Congress
First Regular Session

HOUSE BILL NO. 4170

Introduced by Honorable Peter "Sr. Pedro" M. Unabia

EXPLANATORY NOTE

This bill seeks to abolish the irrigation service fees (ISFs) imposed upon farmers using irrigation systems constructed, operated and maintained by the National Irrigation Administration (NIA), amending for the purpose Republic Act (RA) No. 3601, as amended.

The NIA was established on June 1964 by virtue of RA 3601 entitled "*An Act Creating the National Irrigation Administration*," primarily to develop, improve, operate, and maintain irrigation systems throughout the Philippines. In 1974, Presidential Decree (PD) No. 552 was issued to amend further RA 3601 allowing NIA to charge and collect fees or administration charges from the beneficiaries of the irrigation systems constructed by or under the administration of NIA. Such fees or administration charges were necessary for the operation and maintenance costs of the irrigation system, and for recovery of the costs of construction within a reasonable period of time to the extent consistent with the government policy.

In 1998, since the Philippines was affected by the prolonged drought due to the *El Niño* phenomenon, Administrative Order No. 17 was issued by then President Joseph Estrada adopting a socialized irrigation service fees to equitably distribute the burden of payment among farmer beneficiaries in national irrigation and communal irrigation systems.

For the year 2013, NIA was allocated a budget of P1.7 billion. For the year 2016, this was increased to P32.7 billion. This shows that the ISF has become

expendable through the years with bigger appropriations for the NIA. Thus, NIA may no longer rely on the ISF because with a bigger budget, it can already sustain the development and maintenance of irrigation systems that would increase agricultural productivity and farmers' income.

In view of the foregoing, abolition of the irrigation service fees will relieve the farmers from these burdensome fees particularly those affected by the *El Niño* phenomenon. Hence, this bill.



PETER "SR. PEDRO" MUNABIA

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AN ACT

**ABOLISHING THE SERVICE FEES FOR THE USE OF IRRIGATION
FACILITIES OF THE NATIONAL IRRIGATION ADMINISTRATION,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 3601, AS
AMENDED, ENTITLED “AN ACT CREATING THE NATIONAL
IRRIGATION ADMINISTRATION”**

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

SECTION. 1. Section 2 of Republic Act No. 3601, as amended, is
hereby further amended to read as follows:

“SEC. 2. Powers and Objectives. – The NIA shall have the
following powers and objectives:

(a) xxx

xxx

xxx

xxx

(c) [To charge and collect from the beneficiaries of the
water from all irrigation systems constructed by or under its

1 administration, such fees or administration charges as may be
2 necessary to cover the cost of operation, maintenance and
3 insurance, and to recover the cost of construction within a
4 reasonable period of time to the extent consistent with
5 government policy; to recover funds or portions thereof expended
6 for the construction and/or rehabilitation of communal irrigation
7 systems which funds shall accrue to a special fund for irrigation
8 development under Section 2 hereof;]

9 “[Unpaid irrigation fees or administration charges shall be
10 preferred liens, first, upon the land benefited, and then on the
11 crops raised thereon, which liens shall have preference over all
12 other liens except for taxes on the land, and such preferred liens
13 shall not be removed until all fees or administration charges are
14 paid or the property is levied upon and sold by the National
15 Irrigation Administration for the satisfaction thereof. Judicial
16 actions for the collection of unpaid irrigation fees or charges,
17 drainage fees or other charges which the National Irrigation
18 Administration is authorized to impose and collect, shall
19 henceforth be governed by the provisions of the Rules of Court of

1 the Philippines for similar actions, the provisions of other laws to
2 the contrary notwithstanding;]

3 TO PROVIDE BENEFICIARIES WITH FREE USE OF
4 WATER FROM ALL IRRIGATION SYSTEMS CONSTRUCTED
5 BY OR UNDER THE ADMINISTRATION OF THE NATIONAL
6 IRRIGATION ADMINISTRATION. UNPAID IRRIGATION FEES
7 OR ADMINISTRATION CHARGES OF BENEFICIARIES SHALL
8 BE CONDONED BY THE NATIONAL IRRIGATION
9 ADMINISTRATION.

10 xxx.”

11 SEC. 2. Section 3 of Republic Act No. 3601, as amended, is hereby
12 further amended to read as follows:

13 “SEC. 3. (a) *Capitalization.* – xxx

14 (b) *Operating Capital.* – All amounts collected by the
15 National Irrigation Administration as **[irrigation fees, administration**
16 **charges, drainage fees,]** equipment rentals, proceeds from the sale of
17 unserviceable equipment and materials, sale of all reparation goods
18 allocated to the defunct Irrigation Service Unit and the National
19 Irrigation Administration, and all other income shall be added to its
20 operating capital.

1 [The National Irrigation Administration is hereby
2 authorized to impose as an administration and engineering
3 overhead charge, 5% of the total costs of projects undertaken by
4 it, which shall likewise form part of its operating capital.]”

5 SEC. 3. All laws, decrees, orders, rules and regulations and other
6 issuances or parts thereof, which are inconsistent with the provisions of this Act
7 are hereby repealed, amended or modified accordingly.

8 SEC. 4. This Act shall take effect fifteen (15) days after its publication
9 in the *Official Gazette* or in a newspaper of general circulation.

10 Approved,