

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4111**

Introduced by Honorable Michael L. Romero

Explanatory Note

The constitution provides that "the state shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature." This constitutional guarantee becomes more relevant in the light of the alarming issue on climate change. In the 2016 Climate Change Vulnerability Index (CCVI) released by risk analysis company Verisk Maplecroft, the Philippines was ranked 13th most climate-vulnerable country.

The country's support and promotion in renewable energy production is a recognition of our adherence to sustainable development, a remarkable contribution to the world nation's effort to deter or reverse climate change. However, this initiative should be complimented by a reduction in energy usage.

A study reveals that the building sector accounts for 30%-40% of global energy usage and global greenhouse gas emission. However, the sector also provides the most potential in delivering significant reduction in energy usage and greenhouse gas emission. In fact, experts believed that "countries will not meet emission reduction targets without supporting energy efficiency gains in the building sector." (UNEP-SBCI)

The introduction into the country of the green building laws and the corresponding rating system, as well as the incentives that it provides to encourage compliance are geared towards the attainment of the desired

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**AN ACT ESTABLISHING A NATIONAL GREEN BUILDING CODE AND RATING SYSTEM.
AND FOR OTHER PURPOSES**

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

SECTION 1. Title. - This Act shall be known as "***The Philippine Green Building Act.***"

SECTION 2. Declaration of Policies. - The State hereby affirms the state policies enshrined in the Constitution and in various national laws such as but not limited to the following:

a) Protection and promotion of the people's right to health and to a balanced and healthful ecology.

b) Primary focus on pollution prevention rather than on control and providing for a comprehensive management program for air pollution.

c) Safeguarding of life, health, property and public welfare consistent with the sound principles of environmental management and control and to this end, providing for all buildings and structures an expanded framework of

standards and requirements to regulate and control their design, construction, use, occupancy, repair and maintenance.

d) Promotion and pursuit of United Nations' principle and policy of sustainable development.

e) Promotion and encouragement of commercial and industrial buildings that are environmentally friendly and energy-efficient.

f) Promotion and encouragement of cooperation and self-regulation among citizens and industries through the application of fiscal incentives and promotion of the role of private industrial enterprises in shaping its regulatory profile within the acceptable boundaries of public health and environment.

g) Creation, development, maintenance and improvement of conditions under which man and nature can thrive in productive and enjoyable harmony with each other; fulfillment of the social, economic and other requirements of present and future generations of Filipinos; and insuring the attainment of an environmental quality that is conducive to a life of dignity and wellbeing.

h) Recognition and fulfillment of the responsibilities of each generation as trustee and guardian of the environment for succeeding generations; assuring the people of a safe, decent, healthful, productive and aesthetic environment; encouragement of the widest exploitation of the environment without degrading it, or endangering human life, health and safety or creating conditions adverse to agriculture, commerce and industry; attainment of a rational and orderly balance between population and resource use; and improvement of the utilization of renewable and nonrenewable resources.

SECTION 3. Definition of "Green Building". - 1) The practice of increasing the efficiency with which buildings and their sites use energy, water, and materials, and reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and demolition.

2) The promotion and practice of sustainable site development, improvement of indoor air quality, use of efficient energy, and improvement of water management, utilization of green materials, and the preservation of cultural heritage.

3) A building, whether commercial or non-commercial, whose siting, design, construction, retrofitting, renovation, use and reuse are both resource-efficient and ecologically efficient. For purposes of determining whether a building is resource-efficient and ecologically efficient, full compliance with

relevant green building laws and regulations shall be considered in the following aspects:

- a) Planning and design;
- b) Energy efficiency;
- c) Water efficiency and conservation;
- d) Material conservation and resource efficiency; and e) Environment quality.

SECTION 4. Green building laws and regulations. - For purposes of this Act, green building laws, rules and regulations shall cover laws, rules and regulations, and other codes and regulations referenced therein, whose primary aim is the protection and safeguarding of life, health, public welfare, and the environment, such as but not limited to the following:

- a) National land use rules and regulations;
- b) National Building Code (Presidential Decree No.1 096);
- c) National Structural Code;
- d) Philippine Environmental Code (Presidential Decree No. 1152);
- e) Philippine Environmental Policy (Presidential Decree No. 1151);
- f) Environmental Impact Statement System (Presidential Decree No. 1586);
- g) Code of Sanitation of the Philippines (Presidential Decree No. 856);
- h) Philippine Electrical Code; i) Revised National Plumbing Code of 1999;
- j) Philippine Society of Mechanical Engineers Code;
- k) Fire Code of the Philippines (Republic Act No. 9541);
- l) Philippine Clean Air Act of 1999 (Republic Act No. 8749);
- m) Water Code of the Philippines (Presidential Decree No: 1067);
- n) National Water Crisis Act (Republic Act No. 8041);
- o) Philippine Clean Water Act of 2004 (Republic Act No. 9275);
- p) Department of Energy (DOE) Guidelines on Energy Conserving Designs of Buildings.

SECTION 5. Fiscal Incentives. - 1) Subject to Sections 6, 7, 8, and 9 of this Act, individuals, whether self-employed or earning compensation income, and juridical persons engaged in business who shall own, operate and maintain certified green buildings shall be entitled to an annual tax deduction of Two Thousand Five Hundred Pesos (PhP2,500.00) from their gross income.

2) Certified green buildings shall be entitled to a five percent (5%) discount of the base value of their annual real property tax assessments from the local government units in which they are located.

3) Applications for permits and certificates under National Building Code for the construction and renovation of green buildings shall be entitled to a five percent (5%) discount from the appropriate Office of Building Official.

SECTION 6. Non-Fiscal Incentives. - 1) Without prejudice to the foregoing section, registrations, issuances of permits and certificates, payments of taxes, fees and other assessments, and other related government transactions involving certified green buildings shall enjoy priority and shall be processed and handled in special or priority lanes made for the purpose in the appropriate government agencies and offices.

SECTION 7. Substantiation Requirements. - For purposes of this Act, the qualified persons, companies, institutions desiring to avail of the benefits of this Act shall substantiate their claim for incentives with sufficient evidence, such as compliance certifications, inspection reports, checklists, punchlists and the like, evaluation sheets, self-assessment affidavits, or other adequate records.

SECTION 8. Philippine Green Building Committee; Green Building Rating and Certification System. - For purposes of determining compliance with relevant green building laws, rules and regulations, there shall be adopted and implemented a Green Building Rating and Certification System that shall be administered by the Philippine Green Building Committee, which shall be an independent third-party monitoring and verification body to be composed of representatives from the Department of Energy, Department of Environment and Natural Resources, Department of Public Works and Highways, and from the private sector in the fields of business, architecture, engineering, construction, environment protection and climate change mitigation.

SECTION 9. Implementing Rules and Regulations. - Within sixty (60) days from effectivity of this Act, the Department of Environment and Natural Resources, Department of Energy, Department of Public Works and Highways shall jointly promulgate the rules and regulations to effectively implement and monitor the Green Building Rating and Certification System. Within the same

period, the Bureau of Internal Revenue shall promulgate the rules and regulations to effectively implement and monitor the tax incentives under this Act.

SECTION 10. Separability Clause. - The provisions of this Act are hereby declared to be separable and if any clause, sentence, provision or section of this Act or its application thereof to any person or circumstance should, for any reason, be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or application of this Act which can be given force and effect.

SECTION 11. Repealing Clause. - All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof insofar as they are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. Effectivity. - This Act shall take effect fifteen (15) days after completion of publication in the Official Gazette or in a newspaper of general circulation.

Approved,