

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 3440

HOUSE OF REPRESENTATIVES

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Introduced by REP. RODEL M. BATOCABE, REP. ALFREDO A. GARBIN, Jr., and
REP. CHRISTOPHER S. CO

**AN ACT CLASSIFYING THE MINE REHABILITATION FUND AND THE RESERVE
FUND AS A PUBLIC FUND, AMENDING FOR THE PURPOSE RA 7942**

EXPLANATORY NOTE


This bills seeks to classify the mine rehabilitation fund created under Republic Act No. 7942 or The Philippine Mining Act of 1995 as a public fund.

Section 71 of The Philippine Mining Act of 1995 creates a 'mine rehabilitation fund', which is composed of a P50,000 monitoring trust fund and a rehabilitation cash fund of P5,000,000, or 10 percent of the EPEP cost, whichever is lower. This fund is deposited in a government depository bank and is managed by an MRF committee composed of the MGB Regional Director, the DENR Regional Executive Director, and representatives of the Local Government Units, Non-Governmental Organizations, and Contractors¹. As it stands, RA 7942 does not provide any mode of checking how this fund is used, which may lead to its use for corruption and unbridled use.

In line with this presidency's thrust to have a more transparent government, it is humbly submitted that the Mine Rehabilitation Fund be expressly classified as a public fund. With its classification as a public fund, the Mine Rehabilitation Fund will now be subject to the auditing powers of the Commission on Audit, thereby preventing those who manage it any avenue to appropriate the amount for themselves, given the amounts involved in such fund. It is also a way to ensure the mining industry has enough funds for the rehabilitation of areas affected by the mining industry.

In light of all these, the passage of this bill is earnestly sought.


RODEL M. BATOCABE


ALFREDO A. GARBIN, Jr.


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¹ http://www.dlsu.edu.ph/conferences/dlsu_research_congress/2014/pdf/proceedings/SEE-III-026-FT.pdf

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**AN ACT CLASSIFYING THE MINE REHABILITATION AND THE RESERVE FUND
AS A PUBLIC FUND, AMENDING FOR THE PURPOSE RA 7942**

1
2 *Be it enacted by the Senate and House of Representatives of the Philippines in*
3 *Congress assembled:*
4

5 **Section 1.** A new subsection is Section 3 is hereby created and shall read as follows:

6 (aq) "Public fund" is a sum of money or other resources belonging to the
7 government to be set aside for the purpose of carrying out specific activities or attaining
8 certain objectives in accordance with special regulations, restrictions or limitations and
9 constituting the government.

10 **Section 2.** Section 71 of RA 7942 is hereby amended to read as follows:
11

12 SEC. 71. Rehabilitation. - Contractors and permittees shall
13 technically and biologically rehabilitate the excavated, mined-out, tailings
14 covered and disturbed areas to the condition of environmental safety, as
15 may be provided in the implementing rules and regulations of this Act. A
16 mine rehabilitation fund shall be created, based on the contractor's
17 approved work program, and shall be deposited as a trust fund in a
18 government depository bank and used for physical and social
19 rehabilitation of areas and communities affected by mining activities and
20 for research on the social, technical and preventive aspects of
21 rehabilitation. Failure to fulfill the above obligation shall mean immediate
22 suspension or closure of the mining activities of the contractor/permittee
23 concerned. **THE MINE REHABILITATION FUND SHALL BE**
24 **CLASSIFIED AS A PUBLIC FUND SUBJECT TO AUDIT BY THE**
25 **COMMISSION ON AUDIT PURSUANT TO GOVERNMENT**
26 **ACCOUNTING RULES AND PROCEDURES.**

27 **Section 4.** Section 85 shall be amended to read as follows:

28 Section 85. Mine Wastes and Tailings Fees. - A semiannual fee to
29 be known as mine wastes and tailings fee is hereby imposed on all
30 operating mining companies in accordance with the implementing rules
31 and regulations. The mine wastes and tailings fee shall accrue to a
32 reserve fund to be used exclusively for payment for damages to:

33 (a) Lives and personal safety;

34 (b) Lands, agricultural crops and forest products, marine life and
35 aquatic resources, cultural resources; and

(c) Infrastructure and the revegetation and rehabilitation of silted farm lands and other areas devoted to agriculture and fishing caused by mining pollution.

This is in addition to the suspension or closure of the activities of the contractor at any time and the penal sanctions imposed upon the same.

The Secretary is authorized to increase mine wastes and tailings fees, when public interest so requires, upon the recommendation of the Director.

THE RESERVE FUND SHALL BE CLASSIFIED AS A PUBLIC FUND SUBJECT TO AUDIT BY THE COMMISSION ON AUDIT PURSUANT TO GOVERNMENT ACCOUNTING RULES AND PROCEDURES.

Section 5. All sections and subsections affected by the amendments and creations of the new provisions hereby shall be re-numbered accordingly.

Section 6. *Separability Clause.* If any provision or part hereof is declared invalid or unconstitutional, the remainder of this Act or provision not affected shall remain in full force and effect

Section 7. *Repealing Clause.* All laws, Presidential Decrees, Executive Orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 8. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,