

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3680



Introduced by **HON. DANILO E. SUAREZ & HON. RONALD M. COSALAN**


EXPLANATORY NOTE

This house bill was filed in the 15th Congress by the Hon. Danilo E. Suarez and was approved on third reading. It, however, was not passed into law. Two terms after, controversies still surround the purpose, use and distribution of the Motor Vehicle User's Charge (MVUC) or more popularly known as the Road User's Tax making it imperative to revisit Republic Act No. 8794 and ensure a more transparent disbursement of the monies collected from vehicle owners.

The MVUC provides a readily available funding mechanism for the emergency repairs and maintenance of the country's major highways. The National Road Board plays a very crucial role as the accountable agency in the collection and disposition of the MVUC. It is presently divided among four (4) trust funds in the National Treasury, namely the Special Road Support Fund, Special Local Road Fund, Special Road Safety Fund and the Special Vehicle Pollution Control Fund. The money pertaining to the Special Road Support Fund is the biggest at eighty percent (80%), thus it is important to be more specific in its use and a scheme of division for its allocation be devised. Each congressional district must be allocated amounts in accordance with its road coverage and conditions, whether it is concrete, asphalt or all-weather. The role of the National Road Board must likewise be expanded to include oversight functions on conversions of municipal or provincial roads to national roads given the supposed expertise it has and that it is the entity responsible for maintenance and proper upkeep of roads.

Through this proposed legislative measure, it is expected that the MVUC will be used to improve motoring in the country and the National Road Board be more responsible in the disbursement of the fund.

The approval of this bill is thus earnestly requested.


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3rd District, Quezon Province


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Lone District, Benguet Province

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Introduced by **HON. DANILO E. SUAREZ & HON. RONALD M. COSALAN**

AN ACT
RECONFIGURING THE DISPOSITION OF THE MONIES COLLECTED AND
DELINEATING THE STATUS OF THE SPECIAL FUNDS, AMENDING FOR
THE PURPOSE SECTIONS 7 AND 8 OF REPUBLIC ACT NO. 8794,
OTHERWISE KNOWN AS THE MOTOR VEHICLE USER'S
CHARGE LAW, AND FOR OTHER PURPOSES

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

Section 1. Section 7 of Republic Act No. 8794 is hereby amended to read as follows:

"Section 7. Disposition of Monies Collected. - All monies collected under this Act shall be earmarked solely and used exclusively (1) for road maintenance, repair, and the improvement and concreting of all roads and/or drainage projects, (2) for the installation of adequate and efficient traffic lights and road safety devices, and (3) for air pollution control.

"All such monies collected shall be deposited in four (4) special trust accounts in the National Treasury, namely: (1) Special Road Support Fund; (2) Special Local Road Fund; (3) Special Road Safety Fund; and (4) Special Vehicle Pollution Control Fund. The distribution of collections under this Act shall be as follows:

- (1) Eighty Five percent (85%) shall be allotted to and placed in the Special Road Support Fund;*
- (2) Five percent (5%) shall be allotted to and placed in the Special Local Road Fund;*
- (3) Five Percent (5%) shall be allotted to and placed in the Special Road Safety Fund; and*

(4) Five Percent (5%) shall be allotted to and place in the Special Vehicle Pollution Control Fund.

"The Special Road Support Fund, the Special Local Road Fund and the Special Road Safety Fund shall be under the DPWH, whereas the Special Vehicle Pollution Control Fund shall be under the DOTC.

"Seventy percent (70%) of the Special Road Support Fund shall be used exclusively for the maintenance of, and the improvement of drainage of, national primary roads. The remaining thirty percent (30%) thereof shall be allocated and used for the maintenance, and improvement of drainage of national secondary roads throughout the country.

"The cost of installation of adequate and efficient traffic lights and road safety devices throughout the country, where such traffic lights and safety devices are needed, shall be taken from the Special Road Safety Fund.

"The Special Local Road Fund shall be apportioned to provincial and city governments in accordance with the vehicle population and size of the road network under their respective jurisdictions, and shall be used exclusively for maintenance of local roads, traffic management and road safety devices.

"A Road Board to implement the prudent and efficient management and utilization of the special funds shall be organized by the President of the Philippines. The Road Board shall be composed of seven (7) members, with the Secretary of the DPWH as *ex officio* head, and the secretaries of the Department of Finance, Budget and Management, and Transportation and Communications, as *ex officio* members. The remaining three (3) members shall come from transport and motorist organizations which have been in existence and active for the last five (5) years prior to this Act. They shall be appointed for a term of two (2) years each by the President of the Philippines upon the recommendation of the secretaries of the DPWH and the DOTC.

"The Special Road Support Fund shall be allocated to each congressional district including constituencies of party-list representatives in equal amounts of twenty million pesos (P20,000,000.00) for the national constituencies per senator. It shall be intended for the maintenance, repair, improvement and concreting of all roads and drainage whether national primary and national secondary road, provincial, city, municipal or barangay roads. The remaining undistributed amount of the Special Road Support Fund shall be distributed to congressional districts based on road coverage and condition: *Provided*, That urban districts shall be allocated an account of thirty million pesos (P30,000,000.00). Fifteen percent (15%) of the Special Road Support Fund shall be allocated as contingency fund that the Road Board shall manage."

Section 2. Section 8 of Republic Act No. 8794 is hereby amended to read as follows:

"Section 8. *Status of the Special Funds.* - The four (4) special funds established under this Act shall be distinct and separate from and in addition to any appropriation authorized and granted yearly to the DPWH, the DOTC and the constituencies of members of Congress to cover expenditures for the identified objects of expenditures under this Act. Congress shall continue to appropriate an amount in the General Appropriations Act for road maintenance of the DPWH: *Provided, however,* That any savings for each year out such appropriation shall revert to the General Fund. Any savings from the special funds created herein shall accrue to these respective special funds."

Section 3. *Repealing Clause* - All laws, presidential decrees, executive orders, other executive issuances, or parts thereof, which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Section 4. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.