

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 886




Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

EXPLANATORY NOTE

Article II, Section 28 of the 1987 Constitution declares that subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full disclosure of all its transactions involving public interest. In response to this, this bill seeks to provide for the creation of a single, searchable Internet website that retains and displays data and information on the local government units' annual revenues, expenditures, and total bonded indebtedness. With the supervision of the Department of Interior and Local Government and the assistance of the Department of Information and Communications Technology, the Municipal or City Treasurer shall design and develop a local government public finance website, and to maintain and operate the site, without charge, every fiscal year.

The bill, establishes an accessible, user-friendly source of information to track local revenues and expenditures and to gauge the local government units' past and present levels of bonded indebtedness. Furthermore, this legislation helps facilitate transparency and accountability in governance and in the bureaucracy, identifying waste, and eliminating abuse at the local level. It is hoped that this bill will empower local residents by reinforcing their right to follow the allocation and spending of their hard-earned taxes, and hold their local leaders responsible for every fiscal transaction in their behalf.

In view of the foregoing, approval of this measure is earnestly sought.


MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Pilipino Party-List

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AN ACT
PROMOTING TRANSPARENCY IN GOVERNMENT BY ESTABLISHING A
LOCAL GOVERNMENT FINANCE WEBSITE

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

1 **SECTION 1. Short Title.** -This Act shall be known as the "*Government*
2 *Transparency Act*".

3
4 **SEC. 2. Definition of Terms.** - For the purposes of this Act, the following terms have
5 the following meaning:

6
7 1. "*Searchable website*" shall mean an Internet website that allows the general public to
8 search and aggregate data and information. The term shall include requirements that
9 the website offer the general public the ability to search and display data, and
10 ascertain the total amounts of:

11
12 a. Revenues and expenditures of funds established within the local government
13 treasury;

14 b. Compensation paid to public employees of local government agencies; and

15 c. Bond debt as specified in this Act, in an aggregate or summary form in a manner
16 determined by the Municipal or City Treasurer, in consultation with the
17 Department of Interior and Local Government, here in after referred to as the
18 DILG, and the Department of Information and Communications Technology,
19 hereinafter referred to as the DICT.
20

- 1 2. "Local government agency" or "agency" shall mean any of the principal departments
2 in the Executive Branch and any division, board, bureau, office, commission, or other
3 instrumentality within or created by such principal department; the Municipal or City
4 Government and any office, board, bureau, or commission within or created by the
5 Municipal or City Government; and any independent State authority, commission,
6 instrumentality, or agency.

7
8 **SEC. 3. Public Finance Website. –**

- 9 1. The Municipal or City Treasurer, with the supervision of the DILG, and in
10 consultation with the CICT, shall design, develop, and maintain a single, searchable
11 Internet. Website that is accessible to the general public without charge and that
12 includes data and information on the following:

- 13
14 a. annual agency expenditures, as determined by the Municipal or City Treasurer and
15 as available within the accounting system and municipal or city payroll system,
16 which shall include but not be limited to:

- 17
18 (1) Disbursements by an agency from funds established within the municipal
19 or city treasury;
20 (2) bond debt services including, but not limited to, amounts of bond debt or
21 interest paid and sources of funds for bond issues;
22 (3) salaries and wages including, but not limited to, compensation paid to
23 employees of local government agencies;
24 (4) contractual service purchases including, but not limited to, amounts
25 paid to vendors;
26 (5) commodity purchases including, but not limited to, amounts paid to
27 vendors;
28 (6) capital outlay and improvements including, but not limited to, amounts
29 paid to vendors;
30 (7) aid to local units of government including, but not limited to, amounts
31 paid to individual units of local government for aid programs; and
32 (8) additional forms of assistance and benefits deemed relevant by the
33 Municipal or City Treasurer.
34

1 b. annual local revenues, as determined by the Municipal or City Treasurer and as
2 available within the central accounting system, which shall include but not be
3 limited to:

- 4
- 5 (1) receipts and deposits by any State agency into funds established within the
6 State treasury;
- 7 (2) taxes including, but not limited to, compulsory contributions imposed by
8 the State for the, purpose of financing services;
- 9 (3) agency earnings including, but not limited to, amounts collected by each
10 agency for merchandise sold, services performed, licenses, and permits
11 issued, or regulation;
- 12 (4) revenue for the use of money and property including, but not limited to,
13 amounts received for compensation for the use of State-owned money and
14 property;
- 15 (5) gifts, donations, and federal grants including, but not limited to, amounts
16 received from public and private entities to aid in support of a specific
17 function or other governmental activity;
- 18 (6) other revenue including, but not limited to, receipts not classified
19 elsewhere; and
- 20 (7) non-revenue receipts including, but not limited to, all receipts that do not
21 constitute revenue.
- 22

23 b. annual local government bonded indebtedness, as determined by the Municipal or
24 City Treasurer and as available within the central accounting system, which shall
25 include but not be limited to:

- 26
- 27 (1) amount of the total original obligation stated in terms of principal and
28 interest;
- 29 (2) term of the obligation;
- 30 (3) source of funding for repayment of the obligation;
- 31 (4) amounts of principal and interest previously paid to reduce the obligation
- 32 (5) remaining balance of the obligation;
- 33 (6) data and information related to refinancing of the obligation; and
- 34 (7) cited statutory or constitutional authority to issue such bonds .

1 d. any other data or information specified by the Municipal or City Treasurer after
2 Consulting with and seeking the advice of the CICT.
3

4 2. The public finance website shall include all data and information enumerated in
5 subsection a. of this section for each fiscal year. Such data and information posted on
6 the website may be periodically updated, but shall not be subject to removal.
7

8 3. All data and information that is available in the accounting and local payroll systems
9 shall be made available on the public finance website as soon as practicable, but not
10 later than forty-five (45) days after the last day of the preceding fiscal year.
11

12 4. The Municipal or City Treasurer shall develop policies and procedures to make data
13 and information available from any other source.
14

15 5. Notwithstanding any other law to the contrary, the State Treasurer shall not be
16 required to provide data and information on the public finance website that is not
17 available in the central accounting system and the State payroll system at the time of
18 the website's initial implementation.
19

20 6. All municipal or city offices are directed to cooperate with the Municipal or City
21 Treasurer, and the CICT in compiling the data and information necessary to comply
22 with the provisions of this act.
23

24 7. Nothing in this act shall require the disclosure of information deemed private,
25 personal, or confidential by national law.
26

27 **SEC. 4. *Implementing Rules and Regulations.*** - The Department of Interior and
28 Local Government shall, within sixty (60) days after the approval of this Act, shall prepare
29 and issue the necessary guidelines to implement the same.
30

31 **SEC. 5. *Separability Clause.*** If any provision or part hereof is held invalid or
32 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
33 valid and subsisting.

1 **SEC. 6. *Repealing Clause.*** Any law, presidential decree or issuance, executive order,
2 letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with,
3 the provisions of this Act, is hereby repealed, modified, or amended accordingly.

4 **SEC. 7. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
5 complete publication in the Official Gazette or in at least two (2) newspapers of general
6 circulation

Approved,