

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 3278

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by Honorable ROSENDA ANN OCAMPO

EXPLANATORY NOTE

Republic Act No. 8794 entitled, "*An Act Imposing a Motor Vehicle User's Charge on Owners of All Types of Motor Vehicles and for Other Purposes*", created the Road Board to implement the prudent and efficient management and utilization of the special funds collected via Road User's Tax, which are earmarked solely and used exclusively for (a) road maintenance and the improvement of road drainage, (b) installation of adequate and efficient traffic lights and road safety devices, and (c) air pollution control.

The collection from the road user's tax was estimated at P90.72 Billion from 2001 to December 2012. Past Commission on Audit (COA) reports showed vestiges of illegal utilization of Road User's Tax over the years. For CY 2004-2008, the Road Fund was used for payment of salaries, allowances, maintenance, and other operating expenses of the Road Board properly chargeable to the regular budget, amounting to P515.50 Million of unlawful expenses.

From 2001 to 2010, COA pointed out discrepancies amount to P1.495 Billion in the total collection of Road User's Tax, as stated in the respective certifications of the Land Transportation Office and the Bureau of Treasury.

In its 2011 report, COA reported that the P62.52 Million fund of the Road Board earmarked for road maintenance and repair, was used instead for its engineering and administrative overhead expenses.

And finally, in the 2013 COA report, findings of irregularities in the expenditure of more than P1.66 Billion in funds were uncovered.

Obviously, the Road Board is just another layer of bureaucracy, which became an avenue for graft and corruption. By abolishing this regulatory agency, the public funds will be re-channeled to the proper government agencies such as the Department of Public Works

and Highways (DPWH) and the Department of Transportation and Communications (DOTC), which will implement the road safety measures and projects.

In view of the foregoing the immediate passage of this bill is earnestly sought.


ROSENDA ANN OCAMPO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO **3278**

Introduced by Honorable Rosenda Ann Ocampo

AN ACT
ABOLISHING THE ROAD BOARD CREATED BY VIRTUE OF REPUBLIC ACT NO. 8794 AND TRANSFERRING ITS POWERS AND FUNCTIONS TO THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS AND TO THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8794

Be it enacted by the Senate and the 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 and the improvement of road drainage, (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:

XXXX.

[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 the Transportation and Communications, as *ex officio* members. The remaining three (3) members shall come from the 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 the term of two (2) years each by the President of the Philippines upon the recommendation of the Secretaries of the DPWH and the DOTC.]

SECTION 2. *Rules and Regulations.* – The Secretaries of the Department of Public Works and Highways (DPWH) and the Department of Transportation and Communications (DOTC) shall jointly promulgate within thirty (30) days from effectivity of this Act, the rules and regulation to implement and carry out the intent, objectives, purposes, and provisions of this Act, including such structural and procedural improvement in the systems and agencies concerned as may be necessary to ensure the prudent, wise, effective, and efficient utilization of the special funds established under Republic Act No. 8794: Provided, that the Secretary of the DPWH shall prepare the portion of their implementing rules and regulations pertaining to the Special Road Support Fund, the Special Local Road Fund, and the Special Road Safety Fund, and the Secretary of the DOTC shall prepare the portion of the implementing rules and regulations pertaining to the collection of the motor vehicle's user's charge and on the disposition of the monies accruing to the Special Vehicle Pollution Control Fund. *Provided further*, that the secretaries of the DPWH and the DOTC are barred from creating a secretariat and may only be assisted by a minimal number of staff in the administration and implementation of the special funds established under Republic Act No. 8794.

SECTION 3. *Separability Clause.*– Should any provision of this Act or part hereof be declared invalid or unconstitutional, the other provisions or parts not affected thereby shall remain valid and effective.

SECTION 4. *Repealing Clause.* - All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 5. *Effectivity.* - This Act shall take effect fifteen (15) days from its publication in two (2) newspapers of general circulation.

APPROVED.