

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2673

HOUSE OF REPRESENTATIVES

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INTRODUCED BY HONORABLE GAVINI "APOL" C. PANCHO

EXPLANATORY NOTE

This Bill seeks to provide consumers free parking in shopping malls as a matter of public service and value added to their patrons.

RA 7394 or the Consumer Act of the Philippines declares it as the policy of the State to protect the interest of the consumer, promote his general welfare and to establish standards of conduct for business and industry. In the same manner the National Building Code and its implementing rules and regulations require that business establishments make provisions for parking, although it does not require mall owners to provide free parking spaces for shoppers. For this reason the Supreme Court has ruled that mall owners can collect parking fees from motorists using their premises without violating the law. However parking fees exacted by these establishments have now been observed as becoming irresponsible with the essence of the Consumers Act, the law which sets the standards of suitable conduct for business and industry. It has even been argued that charging parking fees had become a profitable "sideline" for malls and commercial establishments and that free parking should be part of the services these establishments provide to their customers.

With the country's rapidly accelerating economic and physical development, attended by urbanization, rising volume of vehicle ownership and greater consumer needs, it becomes imperative that necessary legislation be made which reconciles the strong support for consumer welfare with the business interests of shopping establishments.

The provision of free, adequate and secured parking areas in our shopping malls is a public service and a matter of courtesy to consumers who patronize their establishments. This interpretation is not only reasonable and logical but finds support in the actual practice in other countries like the United States of America where parking spaces owned and operated by mall owners are free of charge. Moreover since the success of such a business primarily depends upon the goodwill of its patrons, the provision of parking areas significantly improves the desirability of the area in as much as the profitability of surrounding businesses because consumers will always prefer to go malls safe and available is ensured.

In order to avoid the abuse of the provisions of this Bill for free parking and safeguard the interests of mall owners, this Act includes provisions that seek to guarantee to mall owners that motorists using their parking spaces are really customers of their establishment through receipts for purchases for a set minimum amount. It also seeks to balance the revenues that may be lost by establishments currently collecting parking fees with the provision of tax benefits.

Through this Act, the State can effectively advocate consumer welfare together without prejudice to the business interests of mall owners. With this purpose in mind, the immediate approval of this bill is strongly requested.



GAVINI "APOL" PANCHO
Representative, 2nd District of Bulacan

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HOUSE BILL NO. 2673

INTRODUCED BY HONORABLE GAVINI "APOL" C. PANCHO

"AN ACT PROVIDING FOR FREE PARKING IN ALL MALLS AND SHOPPING ESTABLISHMENTS AND PROVIDING PENALTY FOR VIOLATION THEREOF"

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

SECTION 1. Short Title. *This Act shall be known as the "Free Parking Act of 2016".*

SECTION 2. Declaration of Policy. *It is hereby declared the policy of the State to protect the interest of the consumer, promote his general welfare and to establish standards of conduct for business and industry. To this end the State shall ensure the improved quality of life for all and improve consumer access to and the of availability service related components like free parking for all patrons of malls and shopping establishments pursuant to this Act.*

SECTION 3. Scope. *This Act shall cover the use of established parking areas in all malls and shopping establishments by their legitimate patrons. Legitimate patrons under this Act are consumers who have made actual purchases or availed of the shopping mall products and services.*

SECTION 4. Free Parking. *Legitimate patrons shall be provided free use of well maintained and secure parking areas in all malls and shopping establishments provided that they reach an aggregate minimum purchase (with receipts) of P500 from the establishment and have used the parking space for less than six (6) hours.*

SECTION 5. Tax Benefits. *To balance costs of providing security and maintenance of designated parking areas for their patrons, owners of malls and shopping establishments shall be provided tax benefits as may be determined in the Implementing Rules and Regulations of this Act.*

SECTION 6. Penalties. *Mall and shopping establishment owners who will be found violating the provisions of this act will shall be punished by a fine not exceeding fifty thousand pesos (P 50,000.00) and cancellation of the establishment's business permit or its nonrenewal, should there be an application pending in concerned Local Government Unit.*

SECTION 7. Implementing Rules and Regulations. *Within ninety (90) days after the effectivity of this Act, the Department of Trade and Industry (DTI) together with the Bureau of Internal Revenue (BIR), the Department of Interior and Local Government (DILG), and the Philippine Retailers Association shall jointly promulgate the necessary implementing rules and regulations to carry out the purposes of this act.*

SECTION 8. *Separability Clause.* *If for any reason, any provision of part hereof is declared invalid, the other provisions not affected thereby shall remain in full force and effect.*

SECTION 9. *Repealing Clause.* – *Any provision of the law, presidential decree, executive orders, rules and regulations contrary to the provision of this Act is hereby repealed, amended or modified accordingly.*

SECTION 10. *Effectivity.* – *This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.*

Approved,