

Republic of the Philippines
HOUSE OF REPRESENTATIVE
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 2247

HOUSE OF REPRESENTATIVES	
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Introduced by **REP. JOSE T. PANGANIBAN, JR.**
of ANAC-IP Partylist

EXPLANATORY NOTE

The National Irrigation Administration (NIA) is a government-owned and controlled corporation. It is the primary government entity tasked with the development and operation of irrigation systems all over the country. It was created through Republic Act 3601 which was signed into law on June 22, 1963 by then President Diosdado P. Macapagal. The powers of NIA were broadened and its capitalization was increased from three Hundred (300) million pesos to Two (2) billion pesos through the issuance of PD 552 by then President Ferdinand E. Marcos. Its capitalization was further increased to Ten (10) billion pesos under PD 1072 on July 17, 1980.

NIA has the power and authority to collect Irrigation Service Fee (ISF) under its Charter, RA 3601, as amended by Presidential Decree No. 552 and Presidential Decree No. 1702, as well as Republic Act No. 8435, or the Agricultural and Fisheries Modernization Law (AFMA). However, the imposition of irrigation service fees to farmers who are beneficiaries of irrigation services has further increased the cost of farm production. It has become a huge burden to farmer beneficiaries all over the country by significantly increasing the cost of farm production thereby decreasing the income of farmers. It also leads farmers to abandon farming and engage in other endeavors.

This bill seeks to abolish the irrigation service fees imposed upon farmers. The abolition of irrigation service fees will increase the income and uplift the living conditions of farmer beneficiaries. It would also effectively and immediately address the issue of increased productivity and attainment of food self-sufficiency.

For the foregoing reasons, the immediate passage of this House Bill is earnestly sought.

[Signature]
JOSE T. PANGANIBAN, JR.
Representative, ANAC-IP Partylist

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AN ACT ABOLISHING IRRIGATION SERVICE FEES, REPEALING SECTION 2, PARAGRAPH (C) OF REPUBLIC ACT NO. 3601; SECTION 1, PARAGRAPH (B) OF PRESIDENTIAL DECREE NO. 1702; SECTION 35 OF REPUBLIC ACT NO. 8435, AND FOR OTHER PURPOSES

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

Section 1. Short Title. - This Act shall be known as the “*Free Irrigation Services Act of 2016*”.

Section 2. Declaration of Policy. – It is hereby declared the policy of the State to promote a comprehensive rural development through increased agricultural production, sustainable production and promotion and development of irrigation system that is free, effective, appropriate and efficient. Toward this end, it shall endeavor to provide the necessary vital support services and assistance to farmers, including but not limited to inputs to production, production support, post-harvest facilities and free irrigation services.

Section 3. Abolition of Irrigation Fees. – The collection of irrigation service fees (ISFs) and such other similar or related fees from farmer-beneficiaries of irrigation systems funded and constructed by, or under the administration of the National Irrigation Administration (NIA) shall be abolished upon the passage of this Act.

Section 4. Construction, Repair and Maintenance of National Irrigation Systems. – For the purpose of ensuring the necessary construction, repair and maintenance of irrigation systems administered by the NIA, the required amounts shall be included in the General Appropriations Act (GAA).

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Section 5. Repeal of Section 2, Paragraph (c) of Republic Act No. 3601 entitled "An Act Creating the National Irrigation Administration":

Section 2. Powers and objectives. The NIA shall have the following powers and objectives:

x x x x

- (c) To collect from the users of each irrigation system constructed by it such fees as may be necessary to finance the continuous operation of the system and reimburse within a certain period not less than twenty five years the cost of construction thereof; and

x x x x

Section 6. Repeal of Section 1, Paragraph (b) of Presidential Decree (PD) No. 552 entitled "Amending Certain Sections of Republic Act Numbered Thirty-Six Hundred and One, entitled, "An Act Creating the National Irrigation Administration".

Section 1. Section 2, Republic Act Numbered Thirty-Six Hundred and one, is hereby amended to read as follows:

Section 2. Powers and Objectives. – The NIA shall have the following powers and objectives:

x x x x

- (b) To charge and collect from the beneficiaries of the water from all irrigation systems constructed by or its administration, such fees or administration charges as may be necessary to cover the cost of operation, maintenance and insurance, and to recover the cost of construction within a reasonable period of time to the extent consistent with government policy; to recover funds or portions thereof expended for the construction and/or rehabilitation of communal irrigation systems which funds shall accrue to a special fund for irrigation development under Section 2 hereof;

Unpaid irrigation fees or administration charges shall be preferred liens, first, upon the land benefited, and then on the crops raised thereon, which liens shall have preference over all other liens except for taxes on the land, and such preferred liens shall not be removed until all fees or administration charges are paid or the property is levied upon and sold by the National Irrigation Administration for the satisfaction thereof. Judicial actions for the collection of unpaid irrigation fees or charges, drainage fees or other charges which the National Irrigation Administration is authorized to impose and collect, shall

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henceforth be governed by the provisions of the Rules of Court of the Philippines for similar actions, the provisions of other laws to the contrary notwithstanding:

x x x x

Section 7. Repeal of Section 1, Paragraph (b) of Presidential Decree No. 1702 entitled, "Amending Section 3 of Republic Act No. 3601, As Amended by Presidential Decree No. 552:

"Section 3 of Republic Act No. 3601, as amended by Section 3, Presidential Decree No. 552, is hereby amended to read as follows:

x x x x

- (b) Operating Capital. – All amounts collected by the National Irrigation Administration as irrigation fees, administrative charges, drainage fees, equipment rentals, proceeds from the sale of unserviceable equipment and materials, sale of all reparation goods allocated to the defunct Irrigation Service Unit and the National Irrigation Administration, and all other income shall be added to its operating capital.

The National Irrigation Administration is hereby authorized to impose as an administration and engineering overhead charge, 5% of the total cost of projects undertaken by it, which shall likewise form part of its operating capital.

x x x x

Section 8. Repeal of Section 35 of Republic Act No. 8435, entitle "An Act Prescribing Urgent Related Measures To Modernize The Agriculture and Fisheries Sectors Of The Country In Order To Enhance Their Profitability, And Prepare Said Sectors For The Challenges Of The Globalization Through An Adequate, Focused And Rational Delivery Of Necessary Support Services, Appropriating Funds Therfor And For Other Purposes":

"Section 35. *Irrigation Service fees (ISF).* - Upon effectivity of this Act, the NIA shall immediately review the ISF rates and recommend to the Department reasonable rates within six (6) months from the effectivity of this Act.

Section 9. Separability Clause. - If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision thereof shall remain valid and subsisting.

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Section 10. Repealing Clause.- Any law, presidential decree, issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act or maybe construed either expressly or impliedly, to grant the National Irrigation Administration the power to levy any kind of irrigation service fee or any kind of monetary imposition is hereby repealed, modified, or amended accordingly.

Section 11. Effectivity. – 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.

Approved.

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