

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7885



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

EXPLANATORY NOTE

Citizens interact with the government most frequently by availing of public services. This is considered the visible side of and the most common way to experience governance.¹ Improved public services delivery is an essential tenet of determining good governance and public accountability.

Our government provides a wide array of services from an application for a postal ID, request for a birth certificate, to the waiver of a visa.² In many, if not all, of these services rendered to the public, the government imposes fees or charges to recover the costs. However, it is common to expect long lines, extended waiting time, and increasing fees when one avails of public services. Quick and affordable public service remains the exception and not the rule.

Yet, according to the Bureau of the Treasury, collecting fees and charges in all national government agencies in CY 2017 amounted to P32.856 billion.³ The Bureau of Local Government Finance FY 2015 report shows that LGUs collected 109% of its revenue target in fees and charges.

The primary economic reason on the imposition of user charges on direct recipients of particular public services is to improve the efficiency in the government's use of its resources.⁴ However, government should be able to justify the use of cost recovery and make an effort to show that there is efficient and effective application of fees and charges.⁵

¹ Asian Development Bank, "Good Governance Delivers Pro-Poor Public Services," June 5, 2015, <https://www.adb.org/news/features/good-governance-delivers-pro-poor-public-services>

² "Services," GOV.PH, <https://www.gov.ph/services>

³ Bureau of the Treasury, "National Government Agencies (NGA's) Collecting Fees and Charges CY 2017," http://www.treasury.gov.ph/wp-content/uploads/2017/12/mo_feescharges.pdf

⁴ Richard M. Bird, "User Charges in Local Government Finance," <http://www1.worldbank.org/publicsector/decentralization/June2003Seminar/Bird2.pdf>

⁵ Richard Boyle, "Using fees and charges – cost recovery in local government," An Foras Riarchain Institute of Public Administration, Report No. 3, December 2012, https://www.ipa.ie/_fileUpload/Documents/LocalGov_RS_No3.pdf

This bill thus seeks to impose a moratorium on all increases in government fees and charges imposed by both local government units and national government agencies. This is intended to aide citizens by reducing the financial burden in availing such public services, especially for the poor. Agencies and entities in the government directly involved in delivering public services must be able to evaluate its systems and adopt cost-efficient measures to better provide for and assist its citizens.

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



ALFRED VARGAS

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7885

INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

AN ACT
IMPOSING A SIX-YEAR MORATORIUM ON THE INCREASE OF ALL
GOVERNMENT FEES AND CHARGES

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

Section 1. Short Title. – This bill shall be known as the “Iwas Dagdag Singil sa Serbisyo ng Gobyerno Act”.

Section 2. Moratorium on the Increase of all Government Fees and Charges. – There shall be a moratorium or suspension on all increases for fees and charges imposed by both the national and local government for all services for a period of six (6) years from the effectivity of this Act.

Section 3. Coverage. – The moratorium mandated by this Act shall cover all existing user fees and charges for all services imposed by the national government agencies and local government units.

Section 4. Implementing Rules and Regulations. – The National Economic and Development Authority (NEDA) in consultation with the Department of Finance (DOF) and the Department of Interior and Local Government (DILG) shall promulgate the necessary rules and regulations for the effective implementation of this Act within sixty (60) days following this effectivity.

Section 5. Repealing Clause. – Any law, presidential decree or issuance, executive order, administrative order, rule, or regulation, contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

Section 6. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,