



REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

House Bill No. 822

Introduced by Rep. AURELIO "DONG" D. GONZALES, JR.

EXPLANATORY NOTE

Timely completion of Infrastructure Projects is important. Delay in the implementation of construction, for most part, adds in the congestion of traffic, which the Government sought to address. This delay does not only hamper national growth and development but exposes the government to unnecessary expenses which can be avoided, otherwise prevented.

Construction laws, therefore, are needed to be responsive for the prompt accomplishment of Infrastructure Projects throughout the country.

The enactment of Republic Act (RA) No. 10752 was expected to address most, if not all right-of-way concerns for timely completion/implementation of government's infrastructure projects. The law supposed to cut-short the process of acquisition by introducing major changes from RA 8974. For instance, the present law allows payment of current market value, rather than zonal value, as determined by a Government Financial Institution or an independent appraiser, duly accredited by the Bangko Sentral ng Pilipinas (BSP) or a professional association of appraisers recognized by the BSP, procured by the implementing agency through a competitive bidding.

While the purpose of RA 10752 is novel, some provisions thereof are not responsive to the need of the Implementing Agency for the immediate delivery of construction site. After the law was approved on March 7, 2016, a slow progress in ROW acquisition was presently experienced due to the difficult compliance of the strict requirements of the law.

As stated, the engagement of appraisal services requires the observance of RA 9184. Under the said law, the recommended earliest possible time for procurement of

consulting services is at least thirty six (36) days. The period required by the procurement law is seen to be a additional burden to the ROW acquisition which must be immediately rectified at the early stage of the effectivity of RA 10752, not to mention other flaws and issues arising from the new law such as appraisal results lower than zonal value based from the new standards set by the new amendment, which do not serve the purpose thereof.

Compensation of owners of public utilities (electric, water, telephone, etc.) is also sought to be resolved by the author, considering that its relocation is a primary ROW problem causing undue delay in the implementation of infrastructure projects.

Since ROW acquisition is crucial for timely completion of infrastructure projects, there is a need to amend RA 10752 to carry the government's need to fully acquire project site within the shortest possible time.

In view thereof, the passage of this bill is earnestly requested.


REP. AURELIO "DONO" GONZALES, JR.
3rd District, Pampanga



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**AN ACT AMENDING, AMONG OTHERS, SECTIONS 4, 5, AND 6 OF
REPUBLIC ACT NO. 10752 OTHERWISE KNOWN AS "THE RIGHT-OF-
WAY ACT"**

Section 1. The provisions of Section 4 (a) and (b) of Republic Act NO. 10752 relative to compensation of lands registered under the Commonwealth Act No. 141 are hereafter repealed and Section 29, and Chapters XI and XII of said Commonwealth Act is hereby reinstated.

Section 2. Section 5(a) is hereby amended and shall read by omitting the provision for independent appraiser as stated as follows:

SEC. 5. Rules on Negotiated Sale. – The implementing agency may offer to acquire, through negotiate sale, the right-of-way site or location for a national government infrastructure project, under the following rules.

(a) The implementing agency shall offer to the property owner concerned, as compensation price, the sum of:

- (1) The current market value of the land or its zonal valuation **whichever is higher,**
- (2) The replacement cost of structures and improvements therein; and
- (3) The current market value of crops and trees therein.

To determine the appropriate price offer, the implementing agency may engage the services of a government financial institution with adequate experience in property appraisal.

If the property owner does not accept the price offer, the implementing agency shall initiate expropriation proceedings pursuant to Section 6 hereof.

The property owner is given thirty (30) days to decide whether or not to accept the offer as payment for his property. Upon refusal or failure of the property owner to accept such offer or fails anchor refuses to submit the documents necessary for payments, the implementing agency shall immediately initiate expropriation proceedings as provided in Section 6 herein.

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(c) With regard to the taxes and fees of the transfer of title of the property to the Republic of the Philippines through negotiates sale, the implementing agency shall pay, for the account of the seller, documentary stamp tax, transfer tax and registration fees, while the owner shall pay any unpaid real property tax. **The seller or owner of the property shall be exempted from payment of Capital Gains Tax** as to the affected portion of the property subject of acquisition.

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Section 3. Section 6 (a)(2) and (a)(3) providing the replacement cost of the improvements and market value of crops and trees as jurisdictional requirement for filing of expropriation case are hereby repealed accordingly.

Section 4. Compensation of Utilities Affected by Right-of-Way Acquisition – Utility Companies shall not be entitled to recover compensation in the event of relocation of Electric, Water and Communication Facilities including cable lines and similar public utilities affected by the acquisition of right-of-way unless otherwise provided by law.

Section 5. Implementing Rules and Regulations (IRR) - The Committee for the issuance of Implementing Rules and Regulations as stated in Section 13 of RA 10752 is hereby directed to amend the IRR within thirty (30) days upon the effectivity hereof to incorporate the changes stated in this Act.

Section 6. Separability Clause – The provisions of this Act are hereby declared to be separable and if any clause, sentence, provision or section of this Act or its application thereof to any person or circumstance should, for any reason, be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or application of this Act which can be given force and effect.

Section 7. Repealing Clause – All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof insofar as they are inconsistent with the provision of this Act are hereby repealed or modified accordingly.

Section 8. Effectivity – This Act shall take effect fifteen (15) days after completion of publication in the Official Gazette or in a newspaper of general circulation.

Approved.