

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL No. **2530**

HOUSE OF REPRESENTATIVES	
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Introduced by REP. JULIETTE T. UY

**EXPLANATORY NOTE**

This bill aims to enable local government units (LGUs) to regulate the operation of motorcycles-for-hire – commonly called *habal-babal* – in their respective areas of jurisdiction.

The local people in the provinces, most especially those residing in the hinterland areas and even in some urban centers in Luzon, the Visayas and Mindanao, have only the motorcycles-for-hire as the only mode of transportation for passengers and small cargo.

Despite the acceptance of motorcycles-for-hire and the now common operations of the same by the traveling public, existing laws consider these as illegal. Current transportation laws prohibit the registration of motorcycles-for-hire since Republic Act 4136, enacted on June 20, 1964, classifies motorcycles for private use only.

Since *habal-babal* cannot be registered as vehicles for hire, the proliferation of the same is a clear and present danger for the riding public. This is because passengers who get injured or hurt in accidents involving this mode of transportation cannot claim medical benefits or reimbursements since motorcycles-for-hire are not covered by any form of insurance. *Habal-babal* operators and drivers are hence vulnerable to a host of traffic violations and fines, legal suits and even unscrupulous traffic enforcers.

A policy solution to this problematic reality has been long overdue. Regulating the business operations of motorcycles-for-hire shall definitely protect the riding public, the operator and the driver. Regulating *habal-babal* operations shall enable operators of the same to register their motorcycles as public transport and thereby be covered by the law on common carriers.

The safety of the riding public and the maintenance of existing low-cost transport in the rural and remote areas is the overriding objective of this measure. This bill shall ultimately authorize municipalities and cities to grant franchises for the operations of *habal-babal* or motorcycles-for-hire in their respective jurisdictions.

The immediate passage of this bill is earnestly sought.

*Approved,*

  
**REP. JULIETTE T. UY**  
2<sup>nd</sup> District, Misamis Oriental

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AN ACT

REGULATING MOTORCYCLES-FOR-HIRE OR HABAL-HABAL, THEREBY AUTHORIZING CITIES AND MUNICIPALITIES TO GRANT FRANCHISES FOR THEIR OPERATIONS, AMENDING FOR THE PURPOSE SECTIONS 447 AND 458 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND SECTION 7 OF REPUBLIC ACT 4136, OTHERWISE KNOWN AS THE LAND TRANSPORTATION AND TRAFFIC CODE

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

**SECTION 1. Short Title.** – This Act shall be known as the “Motorcycle-For-Hire Act of 2014.”

**SECTION 2. Declaration of Policy.** - It is the policy of the State to safeguard public interest, provide and regulate basic services, and promote safe, coordinated and efficient transportation services to the people. The roads and trails in the rural, mountainous areas of the country’s provinces, and even side streets in some urban centers are not passable by tricycles and four-wheeled vehicles. The mode of transportation accessible to the people shall be recognized by the State in reality and in actual policy.

The local governments, particularly the cities and municipalities, who are at the frontline in the delivery of government services, are hereby mandated to regulate the operations of motorcycles-for-hire known in the provinces as *habal-habal*.

**SECTION 3. Definition of Motorcycle-for-Hire.** – For the purposes of this Act, motorcycle-for-hire or *habal-habal* shall denote any motorcycle that is designed and customized to carry passengers, goods and other small cargo for a fee as a common carrier. Motorcycles-for-hire or *habal-habal* operate in the rural and urban areas of the country, especially in hilly, sloping and mountainous barangays that are inaccessible to tricycles, jeepneys, buses and other forms of transportation.

**SECTION 4. Amendments.** – Section 447 of Republic Act No. 7160, as amended is hereby amended to read as follows:

“SEC. 447. Powers, Duties, Functions and Compensation. – (a)

“xxx.

(3) (vi) Subject to the guidelines prescribed by the Department of Transportation and

Communications, regulate the operation of **MOTORCYCLES-FOR-HIRE OR HABAL-HABAL AND** tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the municipality;”

Section 458 of Republic Act No. 7160, as amended is hereby amended to read as follows:

“SEC. 458. Powers, Duties, Functions and Compensation. – (a)

“xxx.

(3) (vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of **MOTORCYCLES-FOR-HIRE OR HABAL-HABAL AND** tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the city, and;”

Section 7 of Republic Act No. 4136 is hereby amended to read as follows:

“SEC. 7. Registration Classification. – The classification of vehicles shall be:

“xxx.

“(b) For Hire. – Motor vehicles registered under this classification are those covered by certificates of public convenience, or special permits issued by the Board of Transportation, **AND IN THE CASE OF MOTORCYCLES-FOR-HIRE OR HABAL-HABAL, A FRANCHISE ISSUED BY THE CITY OR MUNICIPAL LOCAL GOVERNMENT UNIT** and shall be subject to the provisions of the Public Service Act and the rules and regulations issued thereunder, as well as the provisions of this Act.

“xxx.

**SECTION 5. Local Franchise.** - The municipality or city shall receive, process and evaluate all applications for the grant of franchise to operate motorcycles-for-hire or *habal-habal* within their territorial jurisdiction.

**SECTION 6. Documentary Requirements.** – Any person applying for a franchise to operate motorcycles-for-hire or *habal-habal* shall submit the following:

- a. Certification from the Punong Barangay that the applicant is a *bona fide* resident of the barangay within the city or municipality;
- b. Official receipt and Certificate of Registration of the motorcycle unit;
- c. A deed of undertaking by the owner and/or operator of the unit applied for will be operated only within the said city or municipality; and
- d. Insurance coverage for third party liability.

**SECTION 7. Franchise Issuance.** - After evaluation and favorable consideration of the application, the same shall be endorsed to the Sangguniang Panglungsod or Sangguniang Bayan for the issuance of a franchise for the operation of motorcycle-for-hire or *habal-habal* within the territorial limits of the city or municipality. The franchise shall indicate the places and/or routes

where the motorcycle-for-hire or *habal-habal* is authorized to operate, the maximum number of allowable passengers, the maximum cargo weight limit, and the fares to be charged.

The authority granted local government units to regulate motorcycles-for-hire or *habal-habal* shall be limited and confined to the boundaries of the city or municipality. The local government unit shall only grant franchises to motorcycles-for-hire or *habal-habal* operating within the city and municipality and owned by *bona fide* residents thereof.

In cases wherein travel between two or more areas governed by two or more local government units can only be possible via motorcycles-for-hire or *habal-habal* due to the absence of any other mode of public transportation, the cities and municipalities traversed by motorcycles-for-hire or *habal-habal* shall execute a Memorandum of Agreement that shall delineate the terms of reference on how registered motorcycles-for-hire or *habal-habal* shall operate in routes that cover two or more boundaries.

**SECTION 8. Issuance of Plate.** – Upon receipt of the franchise to operate duly issued by the city or municipality, the Land Transportation Office (LTO) shall issue the new “for hire” plate to the motorcycle-for-hire or *habal-habal* franchisee, upon the surrender of any previously issued plate, as the case may be.

**SECTION 9. Prohibitions.** – Motorcycles-for-hire or *habal-habal* are prohibited from operating along national highways or other roads where the allowed maximum speed is greater than forty (40) kilometers per hour, except to cross the same, *Provided, That* they may be allowed, under strict limitations, to use the said highways and roads if special lanes are available for the operations motorcycles-for-hire or *habal-habal*.

**SECTION 10. Penalties.** – The owner of a motorcycle-for-hire or *habal-habal* who fails to secure a franchise to operate shall be fined the amount of not less than Three Thousand Pesos (P3,000.00) up to not more than Five Thousand Pesos (P5,000.00) and the motorcycle unit shall be impounded by the local government unit until the registration of the same. These set of penalties shall be subject to the review and appropriate revisions by the Department of Transportation and Communications every three (3) years after the effectivity of this Act.

**SECTION 11. Implementing Rules and Regulations.** - The Secretary of Transportation and Communications, in coordination with the Leagues of Cities and Municipalities, shall within sixty (60) days after the effectivity of this Act, issue the appropriate rules and regulations for the implementation of the provisions of this Act.

**SECTION 12. Severability.**—The provisions of this Act are declared to be severable, and if any provision, word, phrase, or clause of this Act or the application thereof to any person or entity shall be held invalid, such invalidity shall not affect the validity of the remaining portions of this Act.

**SECTION 13. Repealing Clause.** – All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations, administrative orders, memorandum circulars, or parts thereof inconsistent with this Act are also hereby repealed or modified accordingly.

**SECTION 14. Effectivity.** – This Act shall take effect after fifteen (15) days from publication in at least two (2) newspapers of general circulation.

*Approved,*