

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



'22 NOV 23 P6:16

**SENATE**  
**S. No. 1537**

RECEIVED BY:

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT**  
**AMENDING SECTION 5 OF REPUBLIC ACT NO. 10752, OTHERWISE KNOWN**  
**AS "AN ACT FACILITATING THE ACQUISITION OF RIGHT-OF-WAY SITE OR**  
**LOCATION FOR NATIONAL GOVERNMENT INFRASTRUCTURE PROJECTS**  
**AND FOR OTHER PURPOSES"**

**EXPLANATORY NOTE**

Republic Act No. 10752, otherwise known as the "*Right-of-Way Act*", was enacted into law to facilitate the acquisition of right-of-way sites and locations for national government infrastructure projects. While this law has been lauded for fast-tracking the implementation of government projects, delays in the computation and especially of payment of just compensation is still a contentious issue and remains to be a major cause of delay.

Article III of the 1987 Constitution mandates that no private property shall be taken for public use without payment of just compensation.

When the State appropriates private property for public use, it must compensate the owner of the property so taken. For compensation to be just, the government must not only reimburse the owner with the property's fair value, it must also do so in a timely manner.<sup>1</sup> Without prompt payment, the property owner suffers the immediate deprivation of both his land and its fruits or income. The owner's loss, of course, is not only his property but also its income-generating potential.<sup>2</sup>

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<sup>1</sup> Republic vs Estate of Juan Maria Posadas, GR No. 214310

<sup>2</sup> Evergreen Manufacturing Corp. vs Republic, GR No. 218628

After donation, negotiated sale is the preferred mode of ROW acquisition and should be explored before resorting to expropriation. RA 10752 aims to make negotiated sale more attractive (than expropriation) to property owners, by reducing negotiation time and providing realistic prices.<sup>3</sup>

This bill aims to provide an option for property owners to be compensated by way of tax credits. Tax credits are generally designed to encourage or reward certain types of behavior that are considered beneficial to the economy, the environment or to further any other purpose the government deems important. By providing this option we not only resolve the issue on delays in payment of just compensation but we also encourage property owners to enter into negotiated sale with the government rather than undergo the long and tedious process of expropriation.

Infrastructure underpins economic activity and catalyzes growth and development. Public infrastructure investment boosts the productivity of private capital and labor, leading to higher output.<sup>4</sup>

Approval of this bill is most earnestly sought.



**RAMON BONG REVILLA, JR.**

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<sup>3</sup> DPWH Right-of-Way Acquisition Manual, DPWH DO 152 series of 2017

<sup>4</sup> Economic Effects of Infrastructure Investment, Penn Wharton, University of Pennsylvania, <https://budgetmodel.wharton.upenn.edu/issues/2021/6/15/economic-effects-of-infrastructure-investment>

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

1 Section 1. Sec. 5 of Republic Act No. 10752, otherwise known as the "*Right-of-*  
2 *Way Act*", is hereby amended to read as follows:

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

6 (a) xxx

7 (b) xxx

8 (c) xxx

9 (d) xxx

10 (e) xxx

11 (f) xxx

12 (g) xxx

13 The provisions of subparagraph (a) herein shall also apply to outstanding  
14 claims for right-of-way payments, except that the amount to be offered

1 shall be the price at the time of taking of the property, including legal  
2 interest until fully paid.

3 **“PROVIDED, HOWEVER, THAT THE NEGOTIATED PRICE, AT THE**  
4 **OPTION OF THE PROPERTY OWNER, MAY BE PAID IN**  
5 **ACCORDANCE WITH SUBPARAGRAPHS (F) AND (G) OF THIS**  
6 **SECTION OR CREDITED AGAINST ANY INTERNAL REVENUE**  
7 **TAXES IMPOSED UNDER THE NATIONAL INTERNAL REVENUE**  
8 **CODE OF 1997, AS AMENDED.”**

9 *Sec. 2. Separability Clause.* – If any provision of this Act is declared invalid or  
10 unconstitutional, other provisions hereof which are not affected thereby shall remain  
11 in full force and effect.

12 *Sec. 3. Repealing Clause.* – All laws, orders, decrees, rules and regulations, and  
13 other parts thereof contrary to, or inconsistent with, the provisions of this Act are  
14 hereby repealed, amended or modified accordingly.

15 *Sec. 4. Effectivity.* – This Act shall take effect fifteen (15) days after its  
16 publication either in the *Official Gazette* or in two (2) newspapers of general circulation  
17 in the Philippines.

*Approved,*