

AN ACT TO CREATE A REVOLVING LOAN FUND OF TEN MILLION PESOS FOR THE CONSTRUCTION OF PERMANENT PUBLIC MARKETS AND SLAUGHTERHOUSES AND WATERWORKS IN THE PHILIPPINES.

Commonwealth Act No. 403, September 13, 1938

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Be it enacted by the National Assembly of the Philippines:

Section 1. The sum of ten million pesos is appropriated proceeds of excise out of the proceeds of the coconut oil excise tax to constitute a revolving loan fund which, together with its Future accretions derived from its operating income shall chartered cities. be invested in loans to provinces, municipalities, and chartered cities for the construction of permanent public markets, slaughterhouses, and waterworks, including expenses for preliminary surveys and investigations, the acquisition of necessary sites or rights-of-way and the purchase of. water meters.

The administration and investment of this fund shall be vested in the National Loan and Investment Board created investment under Commonwealth Act Numbered Seven.

Sec. 2. There is created a National Markets and Water works Board composed of the Secretary of Public Works and Communications, as Chairman, and the Secretary of the Interior and the Secretary of Finance, as members. It shall be the duty and within the power of this board:

- To determine the advisability of the construction of projects to be financed from the fund herein created;
- To authorize provinces, municipalities, and chartered cities to contract loans from the fund herein created, said loans to be taken from time to time in such amounts as may be needed for projects, the construction of which are duly approved by the National Markets and Water- works Board, including amounts for preliminary surveys and investigations, for the acquisition of sites and the purchase of water meters;
- To issue such rules and regulations as may be necessary for the accomplishment of the purposes of this Act and for the proper administration and operation of the projects constructed in accordance with the provisions hereof;
- To fix a schedule of rates for services furnished by the waterworks, which rates shall not be subject to revision by the Public Service Commission; and
- To prescribe, with the concurrence of the National Loan and Investment Board and subject to the approval of the President of the Philippines, such conditions as may reasonably insure the reimbursement of the cost of construction of the projects herein authorized within a period of forty years, with interest of four per centum per annum.

Sec. 3. The total investment on any projects constructed under the provisions of this Act, together with interest at the rate of four per centum per annum on the unpaid balance thereof, shall be reimbursable out of the net income from the operation of such markets, slaughterhouses or waterworks as the case may be. In case the net income is not sufficient to cover the annual reimbursement and interest, the deficiency shall be covered from the regular income of the province, municipality, or city concerned. The expenses for preliminary surveys and investigations of projects which are eventually abandoned will be borne by the province, municipality, or city concerned.

Sec. 4. It shall be the duty of the Director of Public Works to make an examination of streams, springs, lakes, or other possible sources of supply for waterworks to be constructed under this Act and to make surveys and investigations requested by any province, city, municipality, or municipal district for the purpose of determining the feasibility of carrying out any project for the construction of waterworks, public markets, and slaughterhouses, and make his recommendation to the Board herein created.

Sec. 5. The construction of any project financed from the fund provided for in this Act shall be under the supervision of the Director of Public Works and shall be carried out in accordance with Article III of Chapter fifty- one of the Administrative Code and other pertinent provisions of law.

Sec. 6. The amounts borrowed for any project authorized by the National Markets and Waterworks Board shall be accounted for by the provincial treasurer as a trust fund. The said official shall keep an account in accordance with existing auditing rules and regulations of the expenses incurred for such project, and after the completion thereof shall certify the total expenses incurred to the National Markets and Waterworks Board and the National Loan and Investment Board.

Sec. 7. The administration, operation, and maintenance markets and slaughterhouses constructed under this Act and shall be in accordance with existing rules and regulations governing markets and slaughterhouses generally, unless the National Markets and Waterworks Board decides otherwise.

Sec. 8. Except as provided in section twelve hereof, the district engineer, district engineer of the province concerned shall be directly in charge of and in charge of the administration, operation, and maintenance of waterworks financed under the provisions of this Act subject to such regulations as may be promulgated by the National Markets and Waterworks Board. Appointments to positions authorized by the National Markets and Waterworks Board shall, in the case of waterworks, except in the case of the collectors, be made by the Director of Public Works with the approval of the Secretary of Public Works and Communications; and in the case of the markets or slaughterhouses, in accordance with existing laws governing such municipal activities.

SEC. 9. The provincial city, or municipal treasurer, as the case may be, of the province, city, or municipality for which any project financed from this fund is constructed, or in the case of a waterworks serving more than one municipality, the provincial treasurer shall be in charge of the collection of all charges and fees, and shall monthly or as may be required by the National Markets and Waterworks Board submit to it a report showing the income from the operation of the project.

SEC. 10. All expenses in connection with the administration, operation, and maintenance of markets, slaughterhouses, or waterworks constructed under this Act shall be paid from the income from the operation thereof. However, if the income is not sufficient to cover said expenses, the deficiency shall be covered from the regular income of the province, city or municipality concerned.

SEC. 11. The net income from operation of any of the projects financed under the provisions of this Act shall, promptly at the close of the calendar year, be turned over by the provincial, city, or municipal treasurer concerned to the National Loan and Investment Board to be applied as reimbursement of the sum or sums invested from the revolving loan fund herein created, including interest. Any deficiency in the annual reimbursement and interest shall be covered from the regular income of the province, city or municipality concerned. However, the province, city, or municipality concerned may, at any time after construction work is completed, reimburse totally or partially from local funds the funds invested by the National Government.

The annual reimbursements and interest so paid shall form part of the revolving loan fund herein created and shall be available for investment as herein provided and, subject to the provisions of this Act, for the reconstruction or

improvement of existing markets or slaughterhouses or waterworks.

Sec. 12. When the cost of any project constructed from funds provided in this Act, including the interest, is totally men' reimbursed, .the National Markets and Waterworks Board shall so certify to the President of the Philippines, who, by means of an executive order, shall turn over the market or slaughterhouse or waterworks to the province, city, or municipality concerned, for administration, maintenance, and operation in accordance with the rules and regulations governing similar projects financed by the local governments.

Sec. 13. Commonwealth Acts Numbered One hundred twenty-five and Two hundred sixteen are repealed and the sum of two million pesos appropriated under Common wealth Act Numbered One hundred twenty-five shall revert to the Philippine Treasury: Provided, however, That so much of said appropriation as have already been allotted Fund- and approved for release under said Act shall be considered as part of and consolidated with the fund herein created, to be accounted for in the same manner as herein prescribed.

Sec. 14. The President of the Philippines is authorized to suspend or otherwise stop the expenditure of this fund suspension of ex whenever in his opinion, the public interest so requires.

Sec. 15. This Act shall take effect upon its approval.

Approved, September 13, 1938.

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