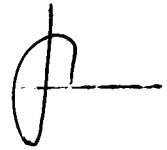


SENATE
S. No. 2982

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(In Substitution of Senate Bill Nos. 1996, 2111, and 2659)

Prepared and submitted jointly by the Committees on Justice and Human Rights; and Finance with Senators Zubiri, Villanueva, Go, Tulfo, and Pimentel III as authors thereof

AN ACT
DEFINING THE SCOPE AND EXTENT OF THE FISCAL AUTONOMY OF THE JUDICIAL BRANCH OF THE GOVERNMENT AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the "*The Fiscal*
2 *Autonomy Act of the Judicial Branch of Government*".

3 **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State
4 to affirm and strengthen the Constitutional mandate and powers of the Judiciary as a
5 co-equal branch of government. To this end, and with the goal of ensuring the
6 Judiciary's continuing independence, the Judiciary's fiscal autonomy mandated under
7 Section 3, Article VIII, Constitution shall be guaranteed, as follows:

8 a) In accordance with Section 3, Article VIII, of the 1987 Constitution,
9 appropriations for the Judiciary may not be reduced below the
10 amount appropriated for the previous year. After approval by
11 Congress, the appropriations for the Judiciary shall be automatically
12 and regularly released.

13 b) As provided under Section 16, Article VIII, of the 1987
14 Constitution, the Supreme Court shall, within thirty days from the
15 opening of each regular session of the Congress, submit to the

1 President and the Congress an annual report on the operations and
2 activities of the Judiciary.

3 **SEC. 3. *Submission of Annual Budget Proposal.*** – The Supreme Court
4 shall present to Congress the Judiciary’s annual budget proposal detailing its budget
5 of expenditures and sources of financing (BESF), reflecting total revenues and
6 expenses.

7 The Supreme Court shall likewise furnish copies of its annual budget proposal
8 to the Department of Budget and Management (DBM).

9
10 The DBM may propose revisions thereon as it may deem appropriate; *Provided,*
11 that it clearly indicates that the revisions are of its own and not of the Supreme Court;
12 *Provided, further,* that the DBM shall consult in writing the Supreme Court or the Chief
13 Justice concerning its comments on, and suggested revisions to, the proposed budget
14 for the Judiciary.

15 **SEC. 4. *Augmentation, Automatic Release, and Post-Audit*** - Upon the
16 approval of the total budget for the Judiciary:

- 17 a) The Chief Justice of the Supreme Court is authorized to augment
18 any item in the general appropriations law for the Judiciary from
19 savings in other items appropriated for the Judiciary.
- 20 b) The DBM shall automatically release to the Supreme Court, without
21 need for any request, the monthly cash requirements of the
22 Judiciary or one-twelfth (1/12) of the total budgetary support. The
23 releases shall not be conditioned on approved work and financial
24 plans, nor any financial report whatsoever. The Supreme Court shall
25 submit quarterly accomplishment and financial reports to the
26 President and to Congress.
- 27 c) All expenditures and revenues of the Judiciary shall be subject to
28 post-audit by the Commission on Audit, under pertinent laws, rules,
29 and regulations.

30 **SEC. 5. *Judiciary Trust Fund.*** - There is hereby created a trust fund, to be
31 known as the Judiciary Trust Fund, which shall be dedicated to the use of the Judiciary.
32 All the funds collected for or accruing to the Judiciary may be deposited and kept in

1 the said trust fund, from which funds needed for its operation shall be drawn. The
2 Judiciary Trust Fund shall include, but not be limited to the following:

- 3 a) Such funds as may be appropriated by Congress for the Judiciary;
- 4 b) Legal fees collected by the Judiciary pursuant to Rule 141 of the
5 Rules of Court, as amended;
- 6 c) Existing funds of the Judicial Development Fund (JDF); and
- 7 d) All interest income.

8 **SEC. 6. Power to Collect Fees and Raise Revenues** - The Judiciary shall
9 continue to enjoy its authority under PD 1949 to collect legal fees, pursuant to the
10 pertinent provisions of the Rules of Court: *Provided, that*, the fund utilization ratio of
11 Eighty Percent (80%) for cost of living allowances, and Twenty Percent (20%) for
12 office equipment and facilities shall no longer apply.

13 The Supreme Court shall determine the appropriate level of fees and charges
14 pursuant to Sec. 3 of Rule 141 of the Rules of Court, in accordance with the following
15 policy objectives:

- 16 a) Access to justice especially the disadvantaged and poor sectors of
17 the society; and
- 18 b) Internal revenue generation for the judiciary, to support its
19 operations.

20 **SEC. 7. Power to Create Offices and Reorganize the Administrative**
21 **Structure.** – The Supreme Court shall have the authority to create such offices and
22 to reorganize its administrative structure, both at the national and regional levels, for
23 purposes of oversight or operations, to carry out the purposes of this Act, and to
24 enable it to take on the additional functions and responsibilities stated in this Act,
25 within the limit of its available resources.

26 The Supreme Court shall likewise have the authority to create such positions
27 and allocate the necessary budgetary support for the smooth operations of such
28 offices. The creation of offices at the regional level shall be guided by the principle of
29 decentralization of administrative, financial, and personnel matters, and to bring court
30 management closer to the litigants, and other users of the judicial system.

31 **SEC. 8. Salary and Personnel Administration.** - The Supreme Court shall
32 have the authority to determine the number and positions of court personnel

1 necessary for the smooth functioning of the judiciary, within the limits of the approved
2 appropriation guided by constitutional and legislative policies on hiring and
3 compensation. A copy of the annual approved staffing pattern of personnel shall be
4 furnished to the COA and the DBM.

5 The Supreme Court shall institute measures to provide sufficient, attractive,
6 and competitive compensation for judicial and non-judicial personnel to ensure
7 continuity and sustainability of service, and support career development.

8 **SEC. 9. *Transfer of Physical Assets.*** - All real and personal properties not
9 presently titled to the Supreme Court, which have been acquired for the Judiciary
10 shall, as far as practicable, be transferred to the Supreme Court, by other national or
11 local government units, or government-owned or controlled corporations, through an
12 appropriate instrument, within six months from the effectivity of this Act. Thereafter,
13 the Supreme Court shall exercise the fiduciary ownership, management, control, as
14 well as the security, maintenance, and disposition, of such properties.

15 **SEC. 10. *Implementing Rules and Regulations.*** - The Supreme Court, in
16 consultation with the DBM and the COA, shall promulgate the rules and regulations
17 necessary to carry out the intent of this Act, save for those provisions where particular
18 agencies of government are mandated to promulgate the implementing rules. The
19 necessary rules and regulations shall be promulgated within six (6) months from the
20 effectivity of this Act.

21 **SEC. 11. *Separability Clause.*** - If any part or provision of this Act is declared
22 invalid or unconstitutional, the other parts or provisions hereof not otherwise affected
23 shall remain valid and effective.

24 **SEC. 12. *Repealing Clause.*** - All laws, decrees, orders, issuances, rules, and
25 regulations or parts thereof, that are inconsistent with this Act are hereby repealed or
26 modified accordingly.

27 **SEC. 13. *Effectivity.*** - This Act shall take effect after fifteen (15) days
28 following its complete publication in the *Official Gazette* or in a newspaper of general
29 circulation.

Approved,