



Republic of the Philippines
Province of Isabela
MUNICIPALITY OF PALANAN



OFFICE OF THE SANGGUNIANG BAYAN

Literal copy of *Municipal Ordinance No. 2023-09-130* approved by the Sangguniang Bayan of Palanan, Isabela in its *Regular Session* on *February 27, 2023* held at the Legislative Session Hall, this Municipality.

MUNICIPAL ORDINANCE NO. 2023-09-130

Sponsored by: *HON. MICHAEL D. RAMILO, Sangguniang Bayan Member*
HON. RHOENA O. CORPUZ, Sangguniang Bayan Member
HON. PACITA MONA Q. ATANACIO, Sangguniang Bayan Member
HON. MICHAEL JOHN D. BERNARDO, Sangguniang Bayan Member
HON. RONALDO M. BERNARDO, Sangguniang Bayan Member

AN ORDINANCE PROVIDING THE RULES AND REGULATIONS GOVERNING THE BUSINESS OF RETAILING LIQUID PETROLEUM PRODUCTS (LPP) IN THE MUNICIPALITY OF PALANAN, ISABELA, PURSUANT TO P.D. 1865 AND ITS IMPLEMENTING RULES AND REGULATIONS, RA 8479 AND DEPARTMENT OF ENERGY CIRCULAR NO. 2003-11-010.

WHEREAS, RA 8479, otherwise known as the "Downstream Oil Industry Deregulations Act of 1998", applies to all persons or entities engaged in any and all activities of the domestic downstream oil industry and mandates the DOE to promote the entry of new industry participants;

WHEREAS, Batas Pambansa Blg. 33, as amended by Presidential Decree No. 1865, and the Implementing Rules and Regulations therefore, define and penalize certain prohibited acts considered inimical to the public interest and the national security, including illegal trading in petroleum and/or petroleum products, hoarding, adulteration and underdelivery, among others;

WHEREAS, the retailing of liquid Petroleum Products is subject to pertinent permits and licenses issued by government authorities including the DENR, Bureau of Fire Protection, BIR and Local Government Units;

WHEREAS, all matters affecting the safe and proper handling, transport, storage, installation and use of equipment and facilities in the downstream oil industry shall be governed by the pertinent provisions of the different national and international safety codes observed and adopted by the industry;

WHEREAS, there is also an increasing proliferation of unsafe practices in Liquid Petroleum Product Retailing, particularly with the use of inappropriate containers (e.g. "bote-bote"), storage tanks and tank vehicles;

WHEREAS, the continued operation of unsafe and sub-standard Retail Outlets may (i) expose the consuming public to fire, security, health and environmental risks; (ii) deny the public the proper quality and quantity of the liquid petroleum products they purchase (iii) deprive legitimate Retail Outlets of additional sales volume; (iv) deprive the government of revenue derived from licensing fees, local business taxes and pump calibration charges, among others; and (v) encourage the marketing of liquid petroleum products sourced from illegal activities such as smuggling, pilferage, theft and the like;

WHEREAS, under Section 20, DOE DC No. 2003,11-010, issued on November 14, 2003 the DOE recognizes and respects the rights if the appropriate LGU refuse issuing the necessary business permits and/or impose fines and/or penalties in case of violation enumerated hereon. Likewise, the DOE may recommend to the concerned LGU the suspension, revocation or termination of the business permit of persons violating the said DOE Department Circular No. 2003-11-010.

WHEREAS, in order to implement the purpose and intent of the afore-cited laws and implementing Rules and Regulations pertaining to Downstream Oil Industry Business in its jurisdiction, the Municipal Government of Palanan, Isabela, has to enact an ordinance adopting provisions pertinent thereof;

NOW THEREFORE, be it ordained, as it is hereby ordained by the Sangguniang Bayan of Palanan, Isabela in a session assembled, that:

SECTION 1. TITLE. This Ordinance shall be known as, "**Ordinance Regulating the Sale/Retailing of Petroleum Products in the Municipality of Palanan, Isabela**"

EARL JOHN ANGELO S. BERNARDO
SB MEMBER

RONNIE L. ATIENZA
SB MEMBER

PACITA MONA Q. ATANACIO
SB MEMBER

MICHAEL D. RAMILO
SB MEMBER

ROBERTO MARI
SB MEMBER

ANGELINA A. BERNARDO
INB PRESIDENT

JUSTIN KEVIN S. BERNARDO
SK FEDERATION PRESIDENT

MICHAEL JOHN D. BERNARDO
SB MEMBER

RHOENA O. CORPUZ
SB MEMBER

RONALDO M. BERNARDO
SB MEMBER

EARL JOHN ANGELO S. BERNARDO
SB MEMBER

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SB MEMBER

PACITA MONA Q. ATANACIO
SB MEMBER

MICHAEL D. RAMILO
SB MEMBER

ROBERTO M. MERI
SB MEMBER

ANGELINA A. BERNARDO
LNB PRESIDENT

JUSTIN KERRY S. BERNARDO
SK FEDERATION PRESIDENT

MICHAEL JOHN D. BERNARDO
SB MEMBER

RHOENA O. CORPUZ
SB MEMBER

RONALDO M. BERNARDO
SB MEMBER

SECTION 2. COVERAGE. The regulatory acts provided herein shall be implemented in the Municipality of Palanan, Province of Isabela.

SECTION 3. MINIMUM STANDARDS AND REQUIREMENTS. Any person engaged or intending to engage in retailing of LPP shall comply with the following minimum standards:

- a. Retailing of LPP shall be conducted in duly approved premises with an initial minimum lot of 100 square meters and where vehicles being serviced shall at all times be inside the duly approved business premises.
- b. The Retailing of LPP shall be through fixed and permanent dispensing pumps duly approved by the DOE and further subject to the following:
 - (i) The dispensing pump clearly indicates on its face the type of LPP being dispensed and its brand name, if any;
 - (ii) The dispensing pump accurately displays both the volume of LPP dispensed (in liters) and the corresponding amount (in pesos) up to the 1/100th part;
 - (iii) The dispensing pump for gasoline displays the Octane Rating of the product as required under Department Circular No. 2001-09-003;
 - (iv) All dispensing pumps and storage tanks of LPP are distinct and labeled to ensure that there shall be no product contamination or inadvertent mixing or misfueling of the different Petroleum Products; and
 - (v) Dispensing pumps are properly calibrated and sealed in accordance with Retail Rules.
- c. The owner and/or operator of the Retail Outlet must possess valid permits, licenses and certifications for the Retailing, storage, handling, transfer and/or dispensing of LPP from this LGU, the BFP, the DENR, DOE and other relevant government authorities.
- d. The construction and operation of the Retail Outlet must comply with all applicable laws, rules and regulations and LGU ordinances.
- e. The operation of service bays shall be subject to and shall be fully compliant with the criteria and/or guidelines set by the DENR-EMB for such facilities and/or operations. Generated waste oil or petroleum from Retail Outlets shall be properly collected, stored and disposed of in accordance with the requirement of DENR DAO 92-92, as amended.

SECTION 4. CALIBRATION AND SEALING OF DISPENSING PUMPS. The Municipal Treasurer or his/her duly authorized representative shall calibrate and seal all dispensing pumps of Retail Petroleum outlets/gasoline stations, once every forty (40) days, pursuant to *Section 12, Rule III of DOE DC No. 2003-11-101*.

SECTION 5. FEE FOR CALIBRATION AND SEALING OF DISPENSING PUMP. The Municipal Treasurer or his duly authorized representative shall collect the fee thereof amounting to *Php 100.00/pump*.

SECTION 6. PROHIBITED ACTS. The following acts or omissions shall constitute violation of this ordinance:

- A. **HOARDING – (i)** The refusal of Retail Outlet to sell liquid petroleum products shortly before a price increase or in times of tight supply or in both instances and the buyer or consumer has the ability to pay in cash for the product. **(ii)** The undue accumulation by Retail Outlet of liquid petroleum products in times of tight supply or shortly before a price increase. Undue accumulation shall mean the keeping or stocking of quantities of LPP beyond the normal inventory level maintained by Retail Outlets for thirty (30) days preceding the period of tight supply or price increase.
- B. **ILLEGAL TRADING. (i)** The Failure of Retail Outlet owner/operator to have his/her dispensing pumps calibrated and sealed by authorized calibrating entities. The Municipal Treasurer or his/her authorized representative; or in their absence or incapacity, duly authorized representatives of any other government agency authorized therefore or, in their absence or incapacity, duly authorized representative of the oil company (*Sec. 12, Rule III DOE DC 2003-11-010*). **(ii)** The Possession of liquid petroleum products, which do not meet the Philippine National Standard (PNS) and the prescribed color-coding scheme shall constitute *prima facie* evidence of adulteration, and its sale, distribution exchange or barter shall constitute illegal trading. (*Section 17, Rule IV of DOE DC 2003-11-010*). **(iii)** Unsafe Practices in LPP Retailing particularly with the use of inappropriate containers (e.g. "bote-bote"), storage tanks and tank vehicles. **(iv)** LPP dispensed from above-ground tanks, portable tanks, tank vehicles, drums, drums or similar containers, e.g. bote-bote, into the fuel tanks of motor vehicles or containers.

EARL JOHN ANGELO S. BERNARDO
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- C. **UNDERDELIVERY-** (i) Failure of retail outlet to provide written record or logbook of daily testing or dispensing pumps using a properly sealed calibrating bucket shall give rise to the presumption that the dispensing pump is underdelivering (Section 14 Rule III of DOE DC 2003-11-010); (ii) a dispensing pump with a broken or no seal shall constitute a *prima facie* evidence of undelivering (Section 16).

SECTION 7. INSPECTION, MONITORING AND IMPLEMENTATION OF THE PROVISIONS OF THIS ORDINANCE. The concerned chief of office or their authorized representative individually/in tandem/ or group shall implement the provisions of the ordinance by regular or surprise inspection or monitoring of the conduct of business of liquid petroleum product (LPP) in accordance with their mandate and as provided by this ordinance, to wit:

PROHIBITED ACTS	RESPONSIBLE OFFICER/OFFICE
1. Hoarding	a) BPLO (Business Permit and Licensing Office) b) Local PNP
2. Illegal Trading a. Using uncalibrated, unsealed, or broken seal fuel dispensing pump; b. Possession or sale/distribution, exchange, or barter of adulterated LPP; c. Use of inappropriate containers (bote-bote), storage tanks and tank vehicles; d. LPP dispensed from above ground containers (bote-bote, portable tanks, tank vehicles, drums) into the fuel tanks of motor vehicles or containers	a)MTO (Municipal Treasury Office),b) BPLO, c)Local PNP and d) BFP- Palanan a)BPLO, b) Local PNP a)BPLO, b) Local PNP and c) BFP-Palanan a)BPLO; b)Local PNP; c) BFP Palanan
2. Illegal Trading a. Using uncalibrated, unsealed, or broken seal fuel dispensing pump; b. Possession or sale/distribution, exchange, or barter of adulterated LPP; c. Use of inappropriate containers (bote-bote), storage tanks and tank vehicles; d. LPP dispensed from above ground containers (bote-bote, portable tanks, tank vehicles, drums) into the fuel tanks of motor vehicles or containers	a)MTO (Municipal Treasury Office),b) BPLO, c)Local PNP and d) BFP- Palanan a)BPLO,b) Local PNP a)BPLO, b) Local PNP and c) BFP-Palanan a)BPLO; b)Local PNP; c) BFP Palanan
3. Underdelivery a. Failure to provide written record of daily testing of dispensing pumps b. A dispensing pump with a broken or no seal.	a)BPLO; b) Local PNP; c) MTO; a) BPLO; b) Local PNP; c) MTO
4. Violation of Solid Waste Management Ordinances, Laws, Rules and Regulations.	a) MENRO (Municipal Environment and Natural Resources Office) b) Local PNP

SECTION 8. INSTITUTION OF ADMINISTRATIVE PROCEEDINGS. Any person or concerned government officer may initiate administrative proceedings against person/s committing any of the prohibited acts enumerated in this ordinance as follows:

1. The complainant shall submit to BPLO an affidavit under oath or a notarized affidavit-complaint against person/s citing the incidence and commission; and

2. The Chief of BPLO with the technical assistance of concerned office(s), evaluates the complaint to determine if *prima facie* case exist. If yes, the complaint is furnished the concerned person for appearance and hearing in BPLO and/or submission of counter-affidavit, for evaluation.

ANGELINA A. BERNARDO
LNB PRESIDENT

JUSTIN KERRY S. BERNARDO
SK-FEDERATION PRESIDENT

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3. The BPLO recommends to the Mayor either conviction or acquittal of the person charged based on evaluation conducted.

4. The decision of the Mayor shall be furnished to the person concerned.

5. The order of conviction carrying administrative fine may be appealed to the Mayor through the BPLO within seven (7) working days. The decision becomes final after the lapse of 7 days without appeal. The Municipal Mayor shall decide on the appeal within seven (7) working days after receipt thereof.

6. The decision of the Mayor on the appeal, which shall be final and executory, shall be furnished to the person concerned immediately for appropriate compliance or payment of fine, and the MTO for guidance/reference.

7. A decision of conviction carrying a penalty of revocation of permit shall be in force and effect until such permit is restored by the Sangguniang Bayan. The aggrieved party may resort to applicable remedies under existing pertinent laws.

SECTION 9. PENALTIES AND SANCTIONS. Any violation of pertinent provision hereof shall be sanctioned/fines as follows:

FIRST OFFENSE	Fine of <i>One Thousand Five Hundred Pesos (P1,500.00)</i> ;
SECOND OFFENSE	Fine of <i>Two Thousand Pesos (P2,000.00)</i> ;
THIRD OFFENSE	Fine of <i>Two Thousand Five Hundred Pesos (P2,500.00) and suspension or revocation of Business Permit; Closure of business establishment.</i>

SECTION 10. APPLICABILITY CLAUSE. All other matters relating to downstream retailing business of LPP, which are not specifically provided herein shall be governed by pertinent provisions of existing ordinances, laws, rules and regulations and circulars of the DOE.

SECTION 11. REPEALING CALUSE. All ordinances, rules and regulations, or parts thereof in conflict, or inconsistent herewith, are hereby repealed, amended or modified accordingly.

SECTION 12. EFFECTIVITY. This Ordinance shall take effect after fifteen (15) days from the date a copy hereof is posted in a bulletin board at the entrance of the Municipal Building and in at least two (2) conspicuous places in the municipality.

ENACTED, February 27, 2023.

I HEREBY ATTEST to the correctness of the foregoing Ordinance, which was duly enacted by the Sangguniang Bayan of Palanan, Isabela during its **Regular Session**.


NELIA ALAMO-PLATA
Secretary to the Sangguniang Bayan

CERTIFIED TO BE DULY ENACTED:


PACITA MONA Q. ATANACIO
SB Member / Temporary Presiding Officer

APPROVED:


ANGELO A. BERNARDO
Municipal Mayor
Date: 03-01-2023

ANGELINA A. BERNARDO
LNB PRESIDENT

JUSTIN KERR S. BERNARDO
SK FEDERATION PRESIDENT

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