

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HB No. 354



Introduced by Rep. Roseller L. Barinaga

EXPLANATORY NOTE

This bill seeks to correct the ambiguity and inequity established by Section 285 of RA No. 7160 which denies newly created barangays a share in the Internal Revenue Allotment.

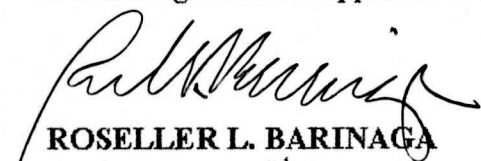
In the creation of a barangay, the only requisites prescribed by Section 386 of Rep. Act No. 7160 are population and territorial jurisdiction. This is contrary to the general rule as provided for under Sec. 7 of the same Act, which requires, in addition to the foregoing two (2) requisites, income, which must be sufficient to provide all essential government facilities and services as well as special functions commensurate with the size of its population. By inference, therefore, it is of no moment that the barangay sought to be created has an income or not, nor has the capacity to be able to sufficiently provide the essential government facilities and services and special functions commensurate with the size of its population. Adding to these inconsistencies is Section 285 of RA No. 7160 which provides that barangays created after the effectivity of said law shall not be entitled to a share in the IRA and that their financial requirement shall be the concern of the local government unit.

These aforesaid provisions are simply incoherent with the policy of the state which seek that "the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of the national goals. Toward this end, the State is mandated to provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units are be given more powers, authority, responsibility, and resources."

This bill, therefore, provides for a mechanism to correct existing policies and practice in which the share of mother barangay will be recomputed according to its reduced population and area, and the difference between the former and recomputed share to be released to the new barangay.

A handwritten signature in black ink, appearing to be "Roseller L. Barinaga".

It is this light that the approval of this bill is earnestly enjoined.



ROSELLER L. BARINAGA
Representative, 2nd District
Zamboanga del Norte

HOUSE OF REPRESENTATIVES

HB No. **354**

Introduced by Rep. Roseller L. Barinaga

AN ACT
ALLOCATING NEWLY CREATED BARANGAYS WITH A SHARE IN THE
INTERNAL REVENUE ALLOTMENT, AND AMENDING FOR THE PURPOSE
SECTION 285 OF REPUBLIC ACT NO. 7160.

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

SECTION 1. Section 285 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“SEC. 285. Allocation to Local Government Units - The share of local government units in the Internal Revenue Allotment shall be allocated in the following manner:

- | | | |
|-----|----------------|-----------------------------|
| (a) | Provinces | Twenty-three percent (23%); |
| (b) | Cities | Twenty-three percent (23%); |
| (c) | Municipalities | Thirty-four percent (34%); |
| (d) | Barangays | Twenty percent (20%); |

Provided, however, That the share of each province, city and municipalities shall be determined on the basis of the following formula:

- | | | |
|-----|---------------|--------------------------------|
| (a) | Population | Fifty percent (50%) |
| (b) | Land Area | Twenty-five percent (25%); and |
| (c) | Equal sharing | Twenty-five percent (25%); |

Provided, further, That the share of each barangay with a population of not less than one hundred (100) inhabitants shall not be less than Eighty thousand pesos (P80,000.00) per annum chargeable against the Twenty percent (20%) share of the

barangay from the internal revenue allotment, and the balance to be allocated on the basis of the following formula:

- (a) On the first year of the effectivity of this code:
 - (1) Population – Forty percent (40%); and,
 - (2) Equal Sharing – Sixty percent (60%)
- (b) On the second year:
 - (1) Population - Fifty percent (50%), and,
 - (2) Equal Sharing - Fifty percent (50%)
- (c) On the third year and thereafter
 - (1) Population – Fifty percent (50%); and,
 - (2) Equal Sharing – Forty percent (40%)

Provided, finally, That [the financial requirement of] barangays created by Local government units after the effectivity of this code shall [be the responsibility of the local government unit concerned] ON THE FIRST TWO YEARS OF THEIR CREATION, BE ALLOCATED A SHARE FROM THE SHARE OF THE MOTHER BARANGAYS IN THE INTERNAL REVENUE ALLOTMENT ON THE BASIS OF THE FOLLOWING FORMULA:

- (a) Population – Sixty percent (60%); and,
- (b) Equal Sharing – Forty percent (40%)

THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL IMPLEMENT THE ALLOCATION OF SHARE HEREIN ABOVE PROVIDED.

BEGINNING ON THE THIRD YEAR, THE SHARE OF THE BARANGAYS CONCERNED SHALL BE RELEASED, PURSUANT TO THE PROVISIONS OF THE SECTION IMMEDIATELY FOLLOWING.

SEC. 2. This Act shall take effect immediately upon its approval.

Approved.