

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HB No. **357**



Introduced by **Rep. Roseller L. Barinaga**

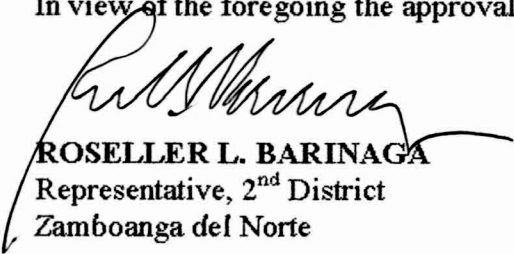
EXPLANATORY NOTE

Republic Act 7160, otherwise known as the Local Government Code of 1991 envisions that the principles of genuine local autonomy as defined by the Constitution are faithfully followed. In the words of then President Corazon C. Aquino, in whose incumbency the Code was realized, the law "lays down the policies that seek to institutionalize democracy at the local level. It hopes, therefore, to complete the initial process of empowering our people through direct participation in the affairs of government, by allowing them the widest possible space to decide, initiate and innovate."

The allocation of more resources to local government units is one of the most significant import of the Code which gives a wider space in decision-making and grow in the manner it envisions for itself in consonance with its potentials and capabilities. The just share of local government unit in the national wealth, among others, allows them to respond to the demands of local governance.

As a key feature, the bill, therefore, seeks to amend the sharing scheme of the national wealth vis-sa-vis the local government unit's share which is of paramount importance considering the enormous task of meeting the various need of their respective constituencies.

In view of the foregoing the approval of this bill is earnestly sought.


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

THIRTEENTH CONGRESS OF THE)
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AN ACT
AMENDING CERTAIN PROVISIONS OF CHAPTER 2, TITLE THREE, BOOK II OF
REPUBLIC ACT. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT
CODE OF 1991

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

SECTION 1. Section 289 of Republic Act No. 7160 is hereby amended by adding a new paragraph to read as follows:

“SEC. 289. *Share in the Proceeds from the Development and Utilization of the National Wealth.* - Local government units shall have an equitable share in the proceeds derived from the utilization and development of the national wealth within their respective areas, including the same with the inhabitants by way of direct benefits.

‘NATIONAL WEALTH’ INCLUDES ALL NATURAL RESOURCES SITUATED WITHIN THE PHILIPPINE TERRITORIAL JURISDICTION INCLUDING BUT NOT LIMITED TO LANDS OF PUBLIC DOMAIN, WATERS, MINERALS, POTENTIAL ENERGY SOURCES, GAS AND OIL DEPOSITS, FOREST PRODUCTS, FLORA AND FAUNA, FISHERY AND AQUATIC RESOURCES, ALL QUARRY PRODUCTS, AND OTHER RESOURCES WHICH CAN BE EXTRACTED OR UTILIZED.”

SEC. 2. Section 290 of Republic Act No. 7160 is hereby amended to read as follows:

“Sec. 290. *Amount of Share of Local Government Units.* - Local Government units shall, in addition to the internal revenue allotment, have a share of sixty percent (60%) [forty percent (40%)] of the gross collection derived by the

national government from the preceding fiscal year from mining taxes, royalties, forestry and fishery charges, and such other taxes, fees, or charges, including related surcharges, interest, or fines, and from its share in the utilization and development of the national wealth within their territorial jurisdiction: *PROVIDED, THAT THE DEPARTMENT OF FINANCE, IN COORDINATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT, OTHER CONCERNED NATIONAL GOVERNMENT AGENCIES, GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS AND OTHER ENTITIES ENGAGED IN THE UTILIZATION OF THE NATIONAL WEALTH SHALL PUBLISH AND FURNISH THE CONCERNED LOCAL GOVERNMENT UNIT AN ANNUAL REPORT ON SUCH UTILIZATION AND DEVELOPMENT AND THE COMPUTATION OF THE SHARING SCHEME INCLUDING THE DISAGGREGATION OF SHARES AMONGST AGENCIES MENTIONED ABOVE AND LOCAL GOVERNMENTS.*"

SEC. 3. Section 294 of Republic Act No. 7160 is likewise hereby amended to read as follows:

"Sec. 294. Development and Livelihood Projects. - The proceeds from the share of local government units pursuant to this chapter shall be appropriated by their respective sanggunian to finance local government and livelihood projects, INCLUDING, BUT NOT LIMITED TO THE LOWERING OF THE COST OF ELECTRICITY IN THE LOCAL GOVERNMENT UNIT CONCERNED WHERE SUCH PROCEEDS WERE DERIVED [:Provided, however, That at least eighty percent (80%) of the proceeds derived] from the development and utilization of hydrothermal, geothermal and other sources of energy [shall be applied solely to lower the cost of electricity in the local government unit where such a source of energy is located]."

SEC. 4. *Repealing Clause.* Any provision, law or regulations inconsistent herewith is hereby repealed, revoked or modified accordingly.

SEC. 5. *Separability Clause.* If any provision of this Act is declared unconstitutional or inoperative, the other provisions shall remain in force and effect.

SEC. 6. *Effectivity Clause.* This Act shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Approved.