

Republic of the Philippines
THIRTEEN CONGRESS
First Regular Session

HOUSE BILL NO. 638

Introduced by REP. J. MAYO Z. ALMARIO

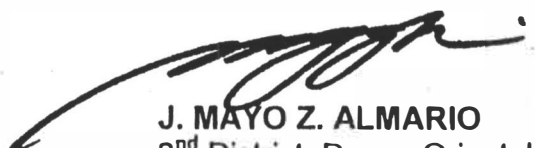
EXPLANATORY NOTE

Provincial capitals are the center of commerce and trade of provinces and are challenged with responsibilities that need more comprehensive governance.

Therefore, it becomes vital that a provincial capital be granted the autonomy and authority a city enjoys, to ensure that it can best address such challenges. Furthermore, a provincial capital's conversion into a city would mean broader taxing power and more revenue collections for an effective delivery of services.

The bill seeks to amend Section 450 of R.A. No. 7160, otherwise known as the "Local Government Code of 1991" by exempting capital towns of provinces from the income requirements should they apply for conversion into component cities, provided that they are able to comply with the other requisites for said conversion.

The passage of this bill is earnestly requested.



J. MAYO Z. ALMARIO
2nd District, Davao Oriental

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AN ACT
AMENDING SECTION 450 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS
THE LOCAL GOVERNMENT CODE OF 1991,
AS AMENDED BY REPUBLIC ACT NO. 9009 AND FOR OTHER PURPOSES

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

1 SECTION 1. Section 450 of Republic Act No. 7160, otherwise known as the
2 Local Government Code of 1991, as amended by Republic Act No. 9009 is hereby
3 amended to read as follows:

4 "SEC. 450. *Requisites for Creation* - (a) A municipality or a cluster of
5 barangays may be converted into a component city if it has a locally generated
6 average annual income, as certified by the Department of Finance, of at least
7 One hundred million pesos (P100,000,000.00) for the last two (2) consecutive
8 years based on 2000 constant prices, and if it has either of the following
9 requisites:

10 (i) x x x

12 (ii) x x x

13 *Provided, That the creation thereof shall not reduce the land area,*
14 *population, and income of the original unit or units at the time of said creation to*
15 *less than the minimum requirements prescribed herein; [.]*

1 "PROVIDED FURTHER THAT, THE CAPITAL TOWN OF A
2 PROVINCE SHALL BE EXEMPTED FROM THE INCOME REQUIREMENT IN
3 ITS CONVERSION INTO A CITY.

4 PROVIDED FINALLY, THAT PROVINCES WITH NO CITIES SHALL
5 BE PRIORITIZED IN HAVING THEIR CAPITAL TOWN CONVERTED INTO
6 COMPONENT CITIES."

7 (b) x x x

8 (c) x x x

9 SEC. 2. Repealing Clause – All laws, decrees, orders, rules and regulations
10 and other issuances or parts thereof, which are inconsistent with this Act, are hereby
11 repealed or modified accordingly.

12 SEC. 3. This Act shall take effect fifteen (15) days from its publication in at
13 least two (2) national newspaper of general circulation.

14 Approved,