

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1770



Introduced by: **REP. PROSPERO A. PICHAY, JR.**

EXPLANATORY NOTE

The Local Government Code of 1991 (Republic Act No. 7160) intends to provide “genuine and meaningful local autonomy” to local government units “to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals.”

This bill imparts greater significance to the said State policy by exempting capital towns of provinces from the income requirement in the event that said towns apply for conversion into component cities, thereby amending Section 450 of R. A. No. 7160. However, said towns shall continue to comply with the requisites on land area, which should be a contiguous territory of at least 100 square kilometers, subject to the exemption provided in paragraph (b) of Section 450; and population, which should be not less than 150,000 inhabitants, as prescribed in the same section of R. A. 7160.

Provincial capitals are the political, socio-cultural, commercial and industrial hubs of the provinces. Being such, they are confronted with increasingly complex situations that require “a more responsive and accountable local government structure” accorded with “more powers, authority, responsibilities and resources”.

The author believes that if a provincial capital is granted the degree of independence and powers a component city enjoys, the development of the entire province will be hastened. For one, provincial capitals-turned-component cities will benefit from additional tax collections that will translate into more effective delivery of services and facilities, which in turn will further accelerate growth.

Hence the proposal to expedite the conversion process by exempting provincial capitals from the income requirement.

In view of the foregoing, early approval of this bill is most earnestly recommended.

PROSPERO A. PICHAY, JR.



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

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

SECTION 1. Section 450 of Republic Act 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

SEC. 450. *Requisites for creation.* - (a) A municipality or a cluster of barangays may be converted into a component city if it has an average annual income, as certified by the Department of Finance, of at least Twenty million pesos (P20,000,000.00) for the last two (2) consecutive years based on 1991 constant prices, and if it has either of the following requisites:

(i) x x x

(ii) x x x

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

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

(b) x x x

(c) x x x.

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

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

Approved.