

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



THIRTEENTH CONGRESS
Second Regular Session

House Bill No. 5323

Introduced by **HON. IGNACIO T. ARROYO**

EXPLANATORY NOTE

The barangay, as institutionalized in the Local Government Code of 1991, is the basic unit of our political structure, or the foundation of the Republic. Like the municipality, city and province, the barangay is mandated to perform certain duties and functions especially in the delivery of the basic services and facilities to the community.

However, we are still in the process of redistributing power, resources and services from the central government to the regions and lower level political communities to attain democratization and sustained growth.

In the process of decentralization and devolution, many problems have been encountered. And one of the problems is that in many areas, the local officials (including the budget officers and treasurers) hold the barangays hostage by withholding the release of their rightful share.

This bill seeks to rectify this situation to attain our goal of decentralization and to sustain growth up to the lowest level of our political communities.

In view of this, the immediate approval of this bill is earnestly requested.


IGNACIO T. ARROYO

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**AN ACT
MANDATING THE AUTOMATIC RELEASE OF THE SHARE OF THE
BARANGAY IN THE PROCEEDS OF NATIONAL TAXES AND TAXES ON
THE UTILIZATION AND DEVELOPMENT OF THE NATIONAL WEALTH,
AMENDING FOR THIS PURPOSE SECTION 286, CHAPTER 1 AND SECTION
293, CHAPTER 2, TITLE 3, BOOK II, RESPECTIVELY , 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 House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 286, Chapter 1, Title 3, Book II is hereby amended to read as follows:

“SEC. 286. Automatic Release of Shares. – (a) The share of each local government unit shall be released, without need of any further action, directly to the provincial, city, municipal or barangay treasurer, as the case may be, on a quarterly basis within five (5) days after the end of each quarter, and which shall not be subject to any lien or holdback that may be imposed by the National Government, AND LIKEWISE THE SHARE OF THE BARANGAYS SHALL NOT BE SUBJECT TO ANY LIEN OR HOLDBACK THAT MAY BE IMPOSED BY PROVINCIAL, CITY OR MUNICIPAL GOVERNMENT, for whatever purpose.

“(b) Nothing in this Chapter shall be understood to diminish the share of local government units under existing laws.”

SECTION 2. Section 293, Chapter 2, Title 3, Book II is hereby amended to read as follows:

“SEC. 293. Remittance of the Share of Local Government Units. – The share of local government units from the utilization and development of national wealth shall be remitted in

accordance with Section 286 of this Code: Provided, however, That in the case of any government agency or government-owned or controlled corporation engaged in the utilization and development of the national wealth, such share shall be directly remitted to the provincial, city, municipal or barangay treasurer concerned within five (5) days after the end of each quarter: PROVIDED, FINALLY THAT THE SHARE OF THE BARANGAYS SHALL NOT BE SUBJECTED TO ANY LIEN OR HOLDBACK THAT MAY BE IMPOSED BY PROVINCIAL, CITY OR MUNICIPAL GOVERNMENT FOR WHATEVER PURPOSE."

SECTION 3. The Secretary of the Department of the Interior and Local Government shall issue such rules and regulations as may be necessary to carry out the provisions of this Act.

SECTION 4. This Act shall take effect immediately upon approval.

Approved,