

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

THIRTEENTH CONGRESS  
First Regular Session

H NO. 115



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**INTRODUCED BY HONORABLE JUAN EDGARDO "SONNY" M. ANGARA**

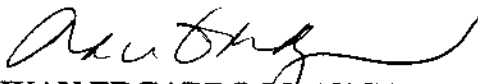
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**EXPLANATORY NOTE**

In the last decade, the national government has acknowledged the need to further streamline its structure and organization, to strengthen its lower levels and involved people in the process of development. 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. However, in the process of the decentralization and devolution, many problems have been encountered. And one of the problem is that in many areas, the local officials (including the budget officers and treasurers) hold the barangays hostage by withholding the release of their share. This situation has led to the mockery of our desire to democratize up to the lowest levels of governance and stunted the growth of our barangays.

In this context, I would like to propose to further amend certain provisions of Republic ~~Act~~ No. 7160, otherwise known and cited as the Local Government Code of 1991, that will ensure automatic release of the share of the barangays of the national taxes and impositions on the utilization and development of national wealth. In this way, the barangays will not have to literally beg for their rightful share of the national taxes from the provincial, city and municipal governments.

Let us correct this situation which encourages patronage politics and attains our goals of decentralization and sustained growth up to the lowest levels of our political communities by approving this Bill.

  
**JUAN EDGARDO M. ANGARA**  
Lone District, Province of Aurora

H. B. No. 115

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Introduced by HON. JUAN EDGARDO "SONNY" M. ANGARA

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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."

**SEC. 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 (95) days after the end of each quarter: *PROVIDED, FINALLY,* THAT 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."

**SEC. 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.

**SEC. 4.** This Act shall take effect immediately upon approval.

Approved,