

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

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 239

INTRODUCED BY CONGRESSMAN PEDRO P. ROMUALDO

EXPLANATORY NOTE

This bill proposes to remove the internal revenue allotment of the Metropolitan Manila Development Authority, amending its existing Charter, Republic Act No. 7924, entitled "An Act Creating the Metropolitan Manila Development Authority (MMDA), Defining its Powers and Functions, Providing Funds Therefore and For Other Purposes".

Prior to the creation of the Metropolitan Manila Development Authority, the original agency was the Metropolitan Manila Commission (MMC). It was established by virtue of Presidential Decree No. 824 dated 27 February 1975 and it was classified as a public corporation with sources of funds representing 20% of the Annual Income of the cities and municipalities comprising the Metro Manila Commission.

The MMC was replaced by the Metro Manila Authority (MMA) by virtue of the passage of Executive Order No. 392 issued on 9 January 1990. The MMA was also classified as a public corporation and it was also given an authority to continue collecting contributions at a rate of 15% of the Annual Income of these local government units.

When MMA was changed into the Metropolitan Manila Development Authority by virtue of the passage of Republic Act No. 7924, Section 1 clearly states that the Metropolitan Area is treated as a special development and administrative region and is classified as a public corporation and is governed by a Metro Manila Council, the policy-making body of this agency.

All local government units only started receiving their internal revenue allocation when Republic Act No. 7160, otherwise known as the "Local Government Code" was passed into law in 1991. The Internal Revenue Allocation (IRA) are released like block grants to local government units and they enjoy a wide discretion in the priority utilization of these funds.

It is clear with the preceding historical facts that MMDA is a public corporation and not created like any province, city, municipality and barangay as contemplated under the Local Government Code. Therefore, it should not be entitled to any share of the internal revenue allotments.

The local government units comprising the MMDA are among the largest, richest and progressive cities and municipalities in the country. These LGU's are the political and economic centers of the country. Thus, removing the IRA of MMDA will not affect their operations. The IRA for MMDA can therefore be reverted back to the coffers of the government and can be apportioned proportionately to 4th, 5th and 6th class municipalities in the country to accelerate further growth in these areas and be able to somehow catch up with progressive LGU's.

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



PEDRO P. ROMUALDO

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AN ACT

REMOVING THE INTERNAL REVENUE ALLOTMENT FROM THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY (MMDA), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7924, ENTITLED "AN ACT CREATING THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFORE AND FOR OTHER PURPOSES"

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

SECTION 1. Section 10 of Republic Act No. 7924, is hereby amended by deleting paragraph (b) of said section to read as follows:

"Section 10. Sources of Funds and the Operating Budget of the Metropolitan Manila Development Authority:

(a) To carry out the purposes of this Act, the amount of One billion pesos (PW 1,000,000,000.00) is hereby authorized to be appropriated for the initial operation of the MMDA. Thereafter, the annual expenditures including capital outlays of the MMDA shall be provided in the General Appropriations Act.

[(b) The MMDA shall continue to receive the Internal Revenue Allotment (IRA) currently allocated to the present MMA.]

[(c)] (B) The MMDA is likewise empowered to levy fines, and impose fees and charges for various services rendered.

[(d)] (C) Five percent (5%) of the total annual gross revenue of the preceding year, net of the internal revenue allotment, of each local government unit mentioned in Section 2 hereof, shall accrue and become payable monthly to the MMDA by each city or municipality. In case of failure to remit the said fixed contribution, the DBM shall cause the disbursement of the same to MMDA chargeable against the IRA allotment of the city or municipality concerned the provision of Section 286 of RA 7160 to the contrary notwithstanding."

SEC. 2. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,