



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

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 1111

Introduced by Honorable Eleandro Jesus F. Madrona

EXPLANATORY NOTE

Section 285 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991 provides that land area, population and equal sharing shall be the factors to be used to determine the share of each province, city and municipality in the internal revenue allotment.

Local government units (LGUs) along coastal areas have to maintain, protect and preserve the municipal waters within their territories. An LGU with a wide coastline, therefore, needs to spend more to ensure that the ecological balance of its municipal waters are maintained or protected for the benefit of the next generation of Filipinos.

It is for this reason that this legislative measure seeks to include the area of an LGU's marine waters in the factors to be considered in computing an LGU's internal revenue allotment (IRA). By including the area of marine waters as a basis for computing the IRA, coastal provinces, cities and municipalities will receive a larger and more equitable share of IRA from the national government thereby ensuring better management of their coastal resources and contributing to the betterment of the general well being of the country's ecology.

In view of the foregoing considerations, passage of this bill is earnestly encouraged.


ELEANDRO JESUS F. MADRONA



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AN ACT
INCLUDING THE MARINE WATERS IN THE COMPUTATION OF
THE LOCAL GOVERNMENT UNIT'S INTERNAL REVENUE
ALLOTMENT, AMENDING FOR THE PURPOSE REPUBLIC ACT
NO. 7160, OTHERWISE KNOWN AS THE "LOCAL
GOVERNMENT CODE OF 1991."

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

SECTION 1. Section 285 of Republic Act No. 7160, otherwise known as the "*Local Government Code of 1991*," as amended, is hereby further amended to read as follows:

"SEC. 285. *Allocation to Local Government Units. —*

The share of local government in the internal revenue allotment shall be allocated in the following manner:

- a) Provinces – Twenty-three percent (23%);
- b) Cities – Twenty-three percent (23%);

- c) Municipalities – Thirty-four percent (34%); and
- d) Barangays – Twenty percent (20%).

Provided, however, That the share of each province, city and municipality shall be determined on the basis of the following formula:

- a) Population – Fifty percent (50%);
- b) Land AND MARINE WATERS area – Twenty-five percent (25%); and
- c) Equal Sharing – Twenty-five percent (25%)

FOR PURPOSES OF THIS ACT, “MARINE WATERS”

SHALL REFER TO THAT AREA OF WATER IN THE SEA INCLUDED BETWEEN TWO (2) LINES DRAWN PERPENDICULAR TO THE GENERAL COASTLINE FROM POINTS WHERE THE BOUNDARY LINES OF A LOCAL GOVERNMENT UNIT TOUCH THE SEA AT LOW TIDE AND A THIRD LINE PARALLEL WITH THE GENERAL COASTLINE INCLUDING OFFSHORE ISLANDS AND FIFTEEN (15) KILOMETERS FROM SUCH COASTLINE. WHERE TWO (2) LOCAL GOVERNMENT UNITS ARE SO SITUATED ON OPPOSITE SHORES THAT THERE IS LESS THAN THIRTY (30) KILOMETERS OF

MARINE WATERS BETWEEN THEM THE THIRD LINE
SHALL BE EQUALLY DISTANT FROM THE OPPOSITE
SHORE OF THE RESPECTIVE LOCAL GOVERNMENT
UNIT.

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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.

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S. SEC. 2. The Act shall take effect in (15)

the Official Gazette or in (2) national

circulation

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