

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

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3813

Introduced By: REPS. GEORGE P. ARNAIZ AND JERRY P. TREÑAS

EXPLANATORY NOTE

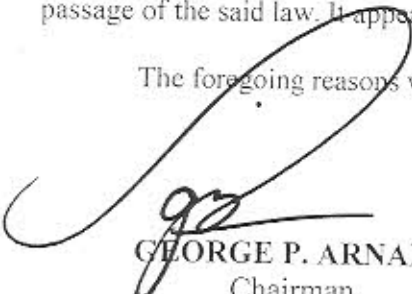
Republic Act No. 7160 otherwise known as the Local Government Code of 1991 was considered as the landmark legislation enacted during the administration of the late revered President Corazon C. Aquino. This law explicitly devolves awesome powers and responsibilities to local government units in pursuance with the decentralization policy enshrined in the Constitution.

Many experts in local governance had shared the view that for the decentralization policy to succeed, the devolution of powers to local government units must be accompanied by financial requirements from the national government. This might be one of the reasons the framers of the Local Government Code of 1991 enhanced the taxing powers of local government units (lgus) if only to ensure the autonomy of local governments. Fiscal autonomy is certainly the key to local dependence from the national government.

The passage of Republic Act No. 10121 otherwise known as the "*Philippine Disaster Risk Reduction and Management Act of 2010*" will certainly put in jeopardy the noble objectives of the framers of the so-called linchpin of the administration of the late President Aquino. The Local Government Code of 1991 has put in details what to do with the local funds, including the annual lump sum appropriation for unforeseen expenditures arising from the occurrence of calamities.

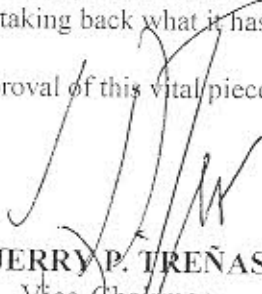
Section 21 of Republic Act No. 10121 is definitely a national imposition to the local government units on what to do with their financial resources. This is violative of the Constitutionally guaranteed local fiscal autonomy. For which reason, the leagues of local government units like the League of Cities of the Philippines and others, even Secretary Jesse M. Robredo of the Department of Interior and Local Government, had reacted strongly against the passage of the said law. It appears that the government is taking back what it has given to lgus.

The foregoing reasons warrant the immediate approval of this vital piece of legislation.



GEORGE P. ARNAIZ
Chairman

Committee on Local Government



JERRY P. TREÑAS
Vice-Chairman

Committee on Local Government

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AN ACT
TO STRENGTHEN THE FISCAL AUTONOMY OF LOCAL GOVERNMENTS,
REPEALING FOR THE PURPOSE SECTION 21 OF REPUBLIC ACT NO. 10121

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

SECTION. 1. Section 21 of Republic Act No. 10121 is hereby repealed, including its implementing rules and regulations.

SEC. 2. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,