



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

Fifteenth Congress
Second Regular Session

HOUSE BILL NO. 5290



Introduced by Honorable Juliet R. Cortuna

EXPLANATORY NOTE

Creation of a province, component city or conversion of a component city into a highly-urbanized city can be instrumental in improving the delivery of public goods and services in places where the population, area or its income demands the same.

However, in instances where the creation of a province, component city or conversion of a component city into a highly-urbanized city merely serves the personal interest of politicians, the said creation could only add up to the administrative cost of the entity concerned resulting in the possible deterioration of the delivery of public goods and services.

This bill seeks to prevent the unnecessary creation of a province/s, component city/cities including their conversion into highly-urbanized cities by increasing the income requisite thereof to ₱800M for a province, ₱200M for component city creation and ₱500M for the conversion to highly-urbanized city. The new amount required will ensure that the delivery of public goods and services for the proposed entities will not be compromised in case a local entity will be created or converted thereof.

In view of the foregoing, passage of this bill is hereby being earnestly sought.


JULIET R. CORTUNA



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**AN ACT RESTRICTING THE UNNECESSARY CREATION/CONVERSION OF
LOCAL GOVERNMENT ENTITIES AMENDING FOR THE PURPOSE SECTIONS
450, 452 AND 461 OF REPUBLIC ACT NO. 7160 OTHERWISE KNOWN AS THE
LOCAL GOVERNMENT CODE OF 1991 AS AMENDED BY REPUBLIC ACT NO.
9009**

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

SECTION 1. Section 450 of Republic Act No. 7160 otherwise known as
the Local Government Code of 1991 as amended by Republic Act No. 9009 is
hereby amended to read as follows:

**"Section 450. *Requisites for Creation.* – (a) A municipality or a cluster of
barangays may be converted into a component city if it has a locally generated average
annual income, as certified by the Department of Finance of at least two hundred
million pesos (P200,000,000.00) for the last two (2) consecutive years based on 2011
constant prices, and if it has either of the following requisites:**

- (i) a contiguous territory of at least one hundred (100) square kilometers as
certified by the Land Management Bureau; or**
- (ii) a population of not less than one hundred fifty thousand (150,000)
inhabitants as certified by the National Statistics Office.**

The creation thereof shall not reduce the land area, population and income of the original unit or units at the time of said creation to less than the minimum requirements prescribed therein.

- (b) The territorial jurisdiction of a newly-created city shall be properly identified by metes and bounds. The requirement on land area shall not apply where the city proposed to be created is composed of one (1) or more islands. The territory need not be contiguous if it comprises two (2) or more islands.
- (c) The average annual income shall include the income accruing to the general fund, exclusive of special funds, transfers and non-recurring income”

SECTION 2. Section 452 of Republic Act No. 7160 otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

“Section 452. Conversion of a Component City into a Highly-Urbanized City- Requisites for conversion. A component city shall not be converted into a highly-urbanized city unless the following requisites are present:

- (1) Income - latest annual income of not less than five hundred million pesos (P500,000,000.00) based on 2011 constant prices as certified by the city treasurer. The annual income shall include the income accruing to the general fund, exclusive of special funds, transfers, and non-recurring income; and
- (2) Population – which shall not be less than two hundred fifty thousand (250,000) inhabitants, as certified by the National Statistics Office (NSO).

SECTION 3. Section 461 of Republic Act No. 7160 otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

“Section 461. *Requisites for Creation.* – (a) A province may be created if it has an average annual income, as certified by the Department of Finance, of not less than eight hundred million pesos (₱800,000,000.00) based on 2011 constant prices and either of the following requisites:

- (i) a contiguous territory of at least three thousand (3,000) square kilometers, as certified by the Land Management Bureau; or,**
- (ii) a population of not less than five hundred thousand (500,000) inhabitants as certified by the National Statistics Office:**

Provided, that, the creation thereof shall not reduce the land area, population, and income of the original unit or units at the time of the said creation to less than the minimum requirements herein.

(b) The territory need not be contiguous if it comprises two (2) or more islands or is separated by a chartered city or cities which do not contribute to the income of the province.

(c) The average annual income shall include the income accruing to the general fund, exclusive of special funds, trust funds, transfers, and non-recurring income.

SECTION 4. *Repealing Clause.* All laws, decrees, orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SECTION 5. *Effectivity.* This act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least (2) national newspapers of general circulation.

Approved,