



Republic of the Philippines
House of Representatives
Quezon City



FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5313

Introduced by Honorable Raul A. Daza

EXPLANATORY NOTE

Recognizing the indispensable role of capital towns in the economic, political and socio-cultural development of provinces in the country, it becomes necessary to revisit and amend the provisions of the Local Government Code of 1991, as amended, which currently pegs the minimum locally generated average annual income requirement for cityhood at one hundred million pesos (Php 100,000,000) for the last two (2) consecutive years based on year 2000 constant prices.

This requirement unduly restricts the municipalities which serve as capital towns of provinces in maximizing their role as centers for commercial, political and socio-cultural growth, particularly in provinces without cities. By elevating the status of these municipalities into component cities, they will be granted more autonomy, taxation powers and an increased share in the internal revenue allotment thereby further capacitating them in improving the lives and well-being of their populace.

Moreover, their cityhood will invigorate the investment climate in their respective constituencies. Their empowerment will ultimately redound to the benefit and development of the other neighboring towns within the province and will decongest the concentration of commercialization and economic progress in provinces with cities as their capital.

Converting these capital towns into cities, in essence, will put them at par with the other existing capital cities and shall enable them to equally enjoy the benefits of cityhood thereby increasing the economic and political foundation of the country as a whole.

Hence, the approval of this bill is earnestly sought.


RAUL A. DAZA



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AN ACT
TO EXEMPT FROM THE INCOME REQUIREMENT CAPITAL TOWNS OF PROVINCES WITHOUT A CITY SUBJECT TO CERTAIN CONDITIONS AMENDING FOR THE PURPOSE SECTION 450 OF REPUBLIC ACT NO. 7610, AS AMENDED BY REPUBLIC ACT NO. 9009, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 AND FOR OTHER PURPOSES.

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

SECTION 1. Section 450 of Republic Act No. 7610, as amended by Republic Act No. 9009, is hereby further 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 locally generated average annual income, as certified by the Department of Finance, of at least One Hundred Million Pesos (Php100,000,000) for the last two (2) consecutive years based on the 2000 constant prices; and (b.) 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.

Provided that the capital towns of provinces without a city shall be exempt from the annual income requirement of one hundred million pesos (php100,000,000) as provided for in par. (a) hereof to be qualified for conversion into a city; Provided, further, that capital towns of provinces where there is no existing city shall have priority for conversion into component cities;

The creation hereof 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 herein."

SECTION 2. Plebiscite – Existing capital towns are hereby converted into component cities upon approval by a majority of the votes cast in a plebiscite to be held in the said capital towns. The Department of Interior and Local Government (DILG) shall submit to the Commission on Elections (COMELEC) the list of capital towns, which qualify under this Act, within thirty (30) days from the effectivity of this Act.

The COMELEC shall conduct and supervise such plebiscite in qualified capital towns within ninety (90) days from receipt of the said list. The expenses for such plebiscite shall be borne by the capital towns concerned.

SECTION 3. Applicability of Laws – The provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other laws as are applicable to cities, shall govern the capital towns, which are converted into cities under the immediately preceding sections, insofar as they are not inconsistent with the provisions of this Act.

SECTION 4. Rules and Regulations – The DILG shall issue the necessary rules and regulations within thirty (30) days after the effectivity of this Act.

SECTION 5. Effectivity – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

APPROVED,