



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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 681



Introduced by : **Honorable George P. Arnaiz**

EXPLANATORY NOTE

This bill seeks to remove the internal revenue allotment from the Metropolitan Manila Development Authority (MMDA), amending 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*".

As provided for under Section 284 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, local government units shall have a share in the national internal revenue taxes in the form of internal revenue allotment (IRA).

Under Section 10 (b) of Republic Act No. 7924, the MMDA which is a public corporation that performs planning, monitoring and coordinative functions, and in the process exercise regulatory and supervisory authority over the delivery of metro-wide services within Metro Manila without diminution of the autonomy of the local government units concerning purely local matters, shall continue to receive the internal revenue allotment.

It should be noted, however, that the MMDA is not a province, city, municipality and barangay in the contemplation of the Local Government Code and, therefore, should not be entitled to IRA. Thus, by removing the IRA from the MMDA, the local government units will have additional or bigger financial resource with which to use for better and more efficient delivery of basic and vital services for their respective localities.

In view of the foregoing, approval of this bill is highly recommended.

GEORGE P. ARNAIZ
Representative
2nd District, Oriental Negros



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HOUSE BILL NO. _____

Introduced by : **Honorable George P. Arnaiz**

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 CREATIN THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR 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 MMDA:*

- (a) To carry out the purposes of this Act, the amount of One Billion Pesos (P1,000,000,000) 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 MMDA.
- (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, or each local government unit mentioned in Section 2 hereof, shall accrue and become payable monthly to the MMDA by ach city or municipality, 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 RA7160 to the contrary notwithstanding."

SECTION 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,