



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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 841



Introduced by Honorable Erlinda M. Santiago

EXPLANATORY NOTE

This bill seeks to require local government units (LGUs) to appropriate five percent (5%) of their internal revenue allotment (IRA) for the relocation and/or resettlement of underprivileged and homeless constituents.

Under the Urban Development and Housing Act of 1992, LGUs are mandated to provide areas within its jurisdiction for the relocation and resettlement of informal settlers in their localities. The law specifically aims to address the squatter problem in Metro Manila and other major cities and municipalities nationwide. Despite said law, however, decent housing still remains a major hurdle to overcome.

Unfortunately, many LGUs fail to provide suitable resettlement or relocation areas due to inadequacy of basic needs and services thereat. They complain of financial difficulties in the implementation of their relocation and resettlement plans. The continuous exodus of informal settlers is an added burden to LGUs.

In the light of the foregoing, this bill aims to assist the LGUs in providing relocation and resettlement areas by setting aside five percent (5%) of their respective IRA for the purpose. This will not only strengthen the financial capabilities of the LGU concerned but will also ensure that the basic services, programs and projects essential to resettlement communities are implemented with greater efficiency.

Approval of the bill is highly recommended.


ERLINDA M. SANTIAGO



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AN ACT
MANDATING LOCAL GOVERNMENT UNITS TO ALLOCATE
FIVE PERCENT (5%) OF THEIR INTERNAL REVENUE
ALLOTMENT FOR THE RELOCATION AND RESETTLEMENT
OF UNDERPRIVELEGED AND HOMELESS CITIZENS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279,
OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND
HOUSING ACT OF 1992.

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

SECTION 1. Section 42 (e) Republic Act. 7279 is hereby amended to read as follows:

“SEC. 42. **Funding.** — Funds for the urban development and housing program shall come from the following:

(a)	x	x	x
	xxx	xxx	xxx

“(e) Proceeds from social housing tax and subject to the concurrence of the local government units concerned, idle land tax as provided in Section 236 of the Local Government Code of 1991, and other laws.

"IN ADDITION, EACH LOCAL GOVERNMENT UNIT (LGU) SHALL APPROPRIATE IN ITS ANNUAL BUDGET AN AMOUNT EQUIVALENT TO FIVE PERCENT (5%) OF ITS TOTAL SHARE IN THE INTERNAL REVENUE ALLOTMENT (IRA) TO BE USED EXCLUSIVELY FOR SUITABLE RELOCATION AND/OR RESETTLEMENT AREAS OF THEIR UNDERPRIVILEGED AND HOMELESS CONSTITUENTS."

x x x

SEC. 2. The five percent (5%) appropriated amount of the LGU shall be pooled in a Fund to be administered by the Home Guaranty Corporation (HGC).

SEC. 3. As soon as the fund is placed under HGC's administration, the Home Development Mutual Fund (HDMF) and National Home Mortgage Finance Corporation (NHMFC) shall each extend counterpart funding assistance.

SEC. 4. The Secretary of the Department of Interior and Local Government (DILG), in coordination with the Housing and Urban Development Coordinating Council (HUDCC), shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 5 This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,