

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

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 1209



INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

Section 324, Chapter 3, Title II of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides for the establishment of the local calamity fund from the five percent (5%) estimated revenue from regular sources of a local government unit. According to the said law, the proceeds accruing to the local calamity fund shall be allocated solely for the unforeseen expenditures arising from the occurrence of calamities.

Unfortunately, the abovementioned purpose and application of the fund is quite restrictive and has failed to respond suitably and completely to disasters and other calamities. Admittedly, the prevailing framework for disaster management in the Philippines, whether national or local, is the traditional or dominant approach. Under the same, government's response to disaster is focused on emergency relief measures, while rehabilitation, mitigation and prevention are rarely carried out.

The recent onslaught of typhoon *Ondoy* that killed hundreds of people and displaced thousands of families in Metro Manila and other adjacent areas may not be prevented altogether as most of us considered it an "act of God" but the ensuing destruction and loss that followed may very well be mitigated if appropriate disaster management structure is in place.

Hence, it is a must to amend the provision of the Local Government Code on the matter so that efforts pertaining to calamities and other disasters will now be anticipatory and proactive instead of being reactionary. This measure seeks to expand the presently accepted use of the calamity fund to include allocation for preparedness and mitigation programs, as well as, for rehabilitation and reconstruction works of all local government units.

In view of the foregoing, approval of this bill is earnestly sought.

MARCELINO R. TEODORO
Representative, 1st District
City of Marikina

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AN ACT
AMENDING SECTION 324 OF REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 AND FOR OTHER
PURPOSES

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

SECTION 1. Section 324 of Republic Act No. 7160 is hereby amended to read as follows:

"SEC. 324. *Budgetary Requirements.* - The budgets of local government units for any fiscal year shall comply with the following requirements: (a) The aggregate amount appropriated shall not exceed the estimates of income;

(b) Full provision shall be made for all statutory and contractual obligations of the local government unit concerned: Provided, however, That the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular income of the local government unit concerned;

(c) In the case of provinces, cities, and municipalities, aid to component barangays shall be provided in amounts of not less than One Thousand Pesos (P1,000.00) per barangay; and

(d) Five percent (5%) of the estimated revenue from regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditures arising from the occurrence of calamities, INCLUDING EXPENSES AND ALLOCATIONS FOR PREPAREDNESS AND MITIGATION PROGRAMS, AS WELL AS, REHABILITATION AND RECONSTRUCTION WORKS OF THE LOCAL GOVERNMENT UNIT CONCERNED [: Provided, however, That such appropriation shall be used only in the area, or a portion thereof, of the local government unit or other areas declared by the President in a state of calamity."]

SECTION 2. Repealing Clause – All laws, decrees, executive orders or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly. ~~Stock-filing~~

SECTION 3. Effectivity – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,