

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH (16TH) CONGRESS
First Regular Session

House Bill No. 1600

Introduced by Representative **LINO S. CAYETANO**

EXPLANATORY NOTE

Republic Act No. 7160, otherwise known as “The Local Government Code of 1991,” as amended, was enacted precisely to breathe life into the constitutional mandate of local autonomy by establishing a more responsive and accountable local government structure instituted through an efficient system of decentralization. Essentially, this system is geared towards empowering local government units to achieve their full development as self-reliant communities, making them more effective and meaningful partners in the attainment of the nation’s goals.

Being the basic political unit, the barangay serves as “the primary planning and implementing unit of government policies, plans, programs, projects and activities in the community, and as a forum wherein the collective views of the people may be expressed, crystallized and considered” (Section 384 of the Local Government Code). As such, it is the country’s ultimate front-liner in the provision of a broad range of basic services to the community, as well as in the delivery to the citizenry of their first taste of the fruits of local public service.

In this sense, the creation of barangays, upon proper compliance with the requirements set by the Constitution and the Local Government Code, thus only serves to bolster the capability of local governments to efficiently and effectively perform their respective functions, duties and responsibilities in the name of autonomy, decentralization and national growth and prosperity.

The policy on establishing, protecting and enhancing fiscal autonomy on all levels of local governance is integral to the proper exercise of local government functions. This policy refers not just to the power to allocate one’s resources in accordance with one’s priorities but also the power to create one’s own sources of revenue *in addition to* one’s equitable share in the national taxes released by the central government.

Section 6, Article X of the Constitution states: “Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.” The Internal Revenue Allotment (IRA) as incorporated in the general appropriations law enacted annually by the legislature is the “just share” contemplated by the constitutional mandate. Therefore, it is clearly an indispensable component in the grant of meaningful and true fiscal autonomy to local government units. However, the Local Government Code, in the last paragraph of Section 285 thereof, excludes barangays created by local government units through their respective local legislative bodies from receiving the above-mentioned constitutionally mandated equitable share in the nation’s internal revenue taxes. The Code provides: “x x x the

financial requirements of barangays created by local government units after the effectivity of this Code shall be the responsibility of the local government unit concerned” (emphasis and underscoring supplied).

The non-accordance of these resources to the local government units covered by the last paragraph of Section 285 of the Local Government Code is thus not in accord with the operative principles of decentralization contained in Section 3 therein and, fundamentally, with the express entitlement mandated by the Constitution.

Barangay North Signal, located within the City of Taguig, Metro Manila, is one such barangay excluded from a share in the IRA. It has a land area of Six Hundred Twenty Two Thousand Seven Hundred square meters (622,700 sq.m.), more or less, and a population of Thirty Two Thousand Five Hundred and Seventy Six (32,576). It is bounded on the North by the property of the Bases Conversion and Development Authority (BCDA-Palakol Area and Pinagsama Village Phase II); on the South, by M.R.T. Avenue (formerly Cuasay Street); on the East, by the property of the BCDA (Palakol Area- Pag-asa) and Dream Land Village; and on the West, by E.P. Housing Village Phase-2, Sampaloc Street and a Creek. Having thus complied with the requisites prescribed under Section 386 of the Local Government Code and the plebiscite requirement contained in Section 10, Article X of the Constitution, it was separated from the original Barangay Signal and created as a separate barangay by the City Government of Taguig, acting through the Sangguniang Panlungsod, under City Ordinance No. 58-2008 approved on September 22, 2008. Its corporate existence began on October 25, 2010 when its first set of regular officials was elected, pursuant to Section 14 of the Local Government Code.

An entitlement to the IRA is an indispensable element and a constitutionally and lawfully ingrained component of the resources of any local government unit. In the case of a barangay, said entitlement becomes even more crucial as these most basic local political subdivisions deliver the nation's frontline response to the needs of the Filipino citizenry. Further, it is at the barangay level that government, both national and local, ideally aspires to implement base policies, plans, programs, projects and activities, as well as settle all discussions, disputes and grievances. In the performance of this all-important frontline response and accountability functions, diminished and uncertain resources deliver a significant blow to the efficiency and effectiveness of barangay local governance. At the end of the day, it is the Filipino people themselves who bear the prejudicial consequences of this fiscal disparity.

In view of these considerations, and in the face of resonating and unified public clamor for a clear and immediate legislative remedy to the matter at hand, the immediate approval of this bill is highly and earnestly sought.



LINO S. CAYETANO

Representative

Second District, City of Taguig

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**AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY NORTH
SIGNAL IN THE CITY OF TAGUIG, METRO MANILA**

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

Section 1. Creation. – North Signal Proper in Barangay Signal, Taguig City, Metro Manila, is hereby separated from Barangay Signal and constituted into a new Barangay to be known as Barangay North Signal in the City of Taguig, Metro Manila.

Section 2. Conduct and Supervision of Plebiscite. – The plebiscite conducted and supervised by the Commission on Elections (COMELEC) in Barangay Signal pursuant to City Ordinance No. 58 Series of 2008 of the Sangguniang Panlungsod of the City of Taguig, which ratified the creation of Barangay North Signal as proclaimed by the City Board of Canvassers on December 28, 2008 shall serve as valid compliance with the plebiscite requirement under Section 10 of Republic Act No. 7160, otherwise known as “The Local Government Code of 1991,” as amended.

Section 3. Barangay Officials. – The incumbent officials of Barangay North Signal shall continue to hold office until such time that their successors shall have been duly elected and qualified.

Section 4. Public Infrastructure and Facilities. – All existing public infrastructure and facilities for public use existing therein at the time of the approval of this Act are hereby transferred without cost or compensation to and shall be administered by the new Barangay.

Section 5. Internal Revenue Allotment (IRA) Shares. – Barangay North Signal shall be entitled to Internal Revenue Allotment (IRA) shares pursuant to Section 285 of the Local Government Code of 1991.

Section 6. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,