

Republic of the Philippines
House of Representatives
Quezon City



SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. : **1704**

Introduced by HON. MA JOCELYN VALERA-BERNOS

EXPLANATORY NOTE

Republic Act 9009 otherwise known as “an act amending section 450 of republic act no. 7160, otherwise known as the local government code of 1991, by increasing the average annual income requirement for a municipality or cluster of barangays to be converted into a component city” has unduly restricted the economic as well as socio-cultural development of the municipalities which serve as the capital towns of provinces which do not have cities.

Capital towns has the role of commercial, political and socio-cultural centers in their respective provinces, it becomes necessary to further capacitate these municipalities by elevating their status to component cities. Such change in their economic status will definitely give them more autonomy and taxation powers and an increased share in the internal revenue allotment. More importantly, cityhood will boost investor confidence and invigorate the business climate.

The proposed bill, in principle, seeks to succour capital towns in considerably improving the lives and well-being of their constituents.


MA. JOCELYN V. BERNOS
Representative- Lone district of Abra

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AN ACT EXEMPTING CAPITAL TOWNS OF PROVINCES WITHOUT CITIES FROM THE INCOME REQUIREMENT SUBJECT TO CERTAIN CONDITIONS, AMENDING FOR THE PURPOSE OF SECTION 450 OF REPUBLIC ACT 7160, AS AMENDED BY REPUBLIC ACT 9009, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER PURPOSES

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

SECTION 1. Section 450 of Republic Act No. 7160, as amended by Republic Act 9009, is hereby 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 an average annual income, as certified by the Department of Finance, of at least One hundred million pesos (P 100,000,000.00) for the last (2) consecutive years based on 2000 constant prices, and if it has either of the following requisites:

- (i) A contiguous territory of at least one hundred (100) square kilometres, 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 EXEMPTED FROM THE ANNUAL INCOME REQUIREMENT OF ONE HUNDRED MILLION PESOS (Php.100,000,000.00) AS PROVIDED FOR IN PAR. (a) HEREOF TO BE QUALIFIED FOR CONVERSION INTO A CITY;

PROVIDED, FURTHER THAT CAPITAL TOWNS OF PROVINCES WITHOUT A CITY IS A FIRST CLASS MUNICIPALITY;

PROVIDED, FINALLY, THAT CAPITAL TOWNS OF PROVINCES WHERE NO EXISTING CITY SHALL HAVE THE PRIORITY FOR CONVERSION INTO A COMPONENT CITY;

The creation thereof 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 the majority of 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 the 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 7160 otherwise known as the Local Government Code of 1991, and other laws as are

applicable to cities, shall govern 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 immediately upon approval.