

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. **2189**



Introduced by Representative JOSE CARLOS L. CARI

EXPLANATORY NOTE

This bill seeks to empower cities and municipalities to exercise police powers on sand, gravel and other quarry resources on their territory to be used exclusively for public purpose. Section 138 of Republic Act No. 7160, otherwise known as the Local Government Code, grants the provincial governor the exclusive power to issue permits for the extraction of sand, gravel and other quarry resources. Likewise, under Section 49 of Republic Act No. 7942 otherwise known as the Philippine Mining Act of 1995, the provincial governor has the authority to issue government gratuitous permits to extract sand, gravel and other quarrying resources. It has been observed however, that no proper monitoring of extracted sand, gravel and other quarry resources is made in sites which are far from provincial offices and during non-working days resulting in non-payment of correct taxes. Moreover, city and municipal infrastructure projects become dependent on the approval of gratuitous permits by the provincial office which are sometime delayed.

With the enactment of this bill, the city and municipality where the extraction site is located will be given the responsibility of effectively monitoring the extraction activities in its territory by giving it the authority to issue the necessary government gratuitous permits and utilizing its barangay executives to supervise the extraction of sand, gravel and other quarrying resources. The bill likewise grants authority to cities and municipalities for the development of their territory by expediting the granting of government gratuitous permits for the extraction of sand, gravel and other quarry materials which are used in the construction of building/infrastructure projects for public use. The result of efficient monitoring would be an increase in the income of all local governments, while the granting by city/municipal mayors of government gratuitous permits allows for the timely completion of building and infrastructure projects for the benefit of the local government.

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


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AN ACT
AUTHORIZING CITIES AND MUNICIPALITIES TO ISSUE
GOVERNMENT GRATUITOUS PERMITS FOR SAND, GRAVEL AND
OTHER QUARRY RESOURCES IN THEIR TERRITORIAL
JURISDICTION, AMENDING FOR THIS PURPOSE SECTION 138 OF
REPUBLIC ACT 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT
CODE OF 1991 AND SECTION 43 OF REPUBLIC ACT NO. 7942 OTHERWISE
KNOWN AS THE PHILIPPINE MINING ACT OF 1995

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

SECTION 1. Section 138 of Republic Act No. 7160, otherwise known as the Local Government Code is hereby amended to read as follows:

“Sec. 138 Tax on Sand, Gravel and other Quarry Resources. - The province may levy and collect not more than ten percent (10%) of fair market value in the locality per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources, as defined under the National Internal Revenue Code, as amended, extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks and other waters within its territorial jurisdiction. The permit to extract sand, gravel and other quarry resources shall be issued (exclusively by the provincial governor, pursuant to the ordinance of the sangguniang panlalawigan) **by the Provincial Governor or the City/Municipal Mayor, as the case may be, pursuant to an ordinance passed by the Sanggunian concerned.** The extraction of sand, gravel and other quarry resources shall be closely monitored by the barangay officials of the place where the actual extraction is taking place.

The proceeds of the tax on sand, gravel and other quarry resources shall be distributed as follows:

- (1) Province - Thirty percent (30%)
- (2) Component City or Municipality where the sand, gravel and other quarry resources are extracted - Thirty percent (30%); and
- (3) Barangay where the sand, gravel and other quarry resources are extracted - Forty percent (40%).”

SECTION 2. Section 49 of Republic Act no. 7942 is hereby amended to read as follows:

“Section 49. Government Gratuity Permit. - Any government entity or instrumentality may be granted a gratuitous permit by the (provincial governor) **city or municipal mayor** to extract sand and gravel, quarry or loose unconsolidated material needed in the construction of building and/or infrastructure for public use or other purposes over an area of not more than two hectares (2 has.) for a period coterminous with said construction.”

SECTION 3. *Repealing Clause.* All laws, executive orders, rules and Regulations or parts thereof which may be inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Section 4. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,