



1 Republic of the Philippines

2
3 **House of Representatives**
4 Quezon City

5
6 *SIXTEENTH CONGRESS*
7 First Regular Session

8
9 HOUSE BILL NO. **2194**

10
11 **Introduced by Honorable Anthony M. Bravo and Honorable**
12 **Cresente C. Paez**

EXPLANATORY NOTE

Since its passage in 1991, the Local Government Code as a body of laws has been a vehicle for wide spread and significant changes in the entire country. As with all laws, however, time shows us that there will always be areas for improvement. This bill seeks several amendments to the Local Government Code.

The first amendment involves the return of the control of all regional and provincial hospitals to national supervision. It is common knowledge that a big number of regional and provincial hospitals have been neglected due to either lack of funding or disinterest on the part of the provincial governments. Some governors have even proposed the return of their provincial hospitals to the Department of Health to allow for funding from the national government.¹

The second amendment seeks to grant local government units the authority to take over the utilization of reserved areas or areas of the public domain for projects for fisherfolks and farmers organized into cooperatives. This will allow these marginalized sectors to develop certain protected areas to help them economically.

¹ <http://www.pia.gov.ph/news/index.php?article=1851341306325>

Third is an amendment for the sharing of the Internal Revenue Allotment from first class cities and municipalities to third class and below municipalities and cities. There is a wide gap between the different local government units and this amendment intends to bridge that gap and provide some help to the poorest cities and municipalities in the areas of health and education.

A stylized signature consisting of several horizontal strokes and a central vertical element.

HON. ANTHONY M. BRAVO

A stylized signature with a large, looping initial 'C' and a trailing flourish.

HON. CRESENTE C. PAEZ

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13 AN ACT
14 AMENDING REPUBLIC ACT NO. 7160 OR THE LOCAL GOVERNMENT CODE
15

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

16 SECTION 1. Section 17 of Republic Act No. 7160, also known as the "Local
17 Government Code", is hereby amended to read as follows:

18
19 Section 17. *Basic Services and Facilities.* - (a) Local government units
20 shall endeavor to be self-reliant and shall continue exercising the powers and
21 discharging the duties and functions currently vested upon them. They shall also
22 discharge the functions and responsibilities of national agencies and offices
23 devolved to them pursuant to this Code. Local government units shall likewise
24 exercise such other powers and discharge such other functions and responsibilities
25 as are necessary, appropriate, or incidental to efficient and effective provisions of
26 the basic services and facilities enumerated herein.

27
28 (b) Such basic services and facilities include, but are not limited to, the
29 following:

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31 (3) For a Province:

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33 xxx

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35 [(iv) Subject to the provisions of Title Five, Book I of this Code, health
36 services which include hospitals and other tertiary health services;]
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1 SECTION 2. Section 18 of of the same law is hereby amended to read as follows:

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3 Section 18. *Power to Generate and Apply Resources.* - Local government
4 units shall have the power and authority to establish an organization that shall be
5 responsible for the efficient and effective implementation of their development
6 plans, program objectives and priorities; to create their own sources of revenues
7 and to levy taxes, fees, and charges which shall accrue exclusively for their use
8 and disposition and which shall be retained by them; to have a just share in
9 national taxes which shall be automatically and directly released to them without
10 need of any further action; to have an equitable share in the proceeds from the
11 utilization and development of the national wealth and resources within their
12 respective territorial jurisdictions including sharing the same with the inhabitants
13 by way of direct benefits; to acquire, develop, lease, encumber, alienate, or
14 otherwise dispose of real or personal property held by them in their proprietary
15 capacity and to apply their resources and assets for productive, developmental, or
16 welfare purposes, in the exercise or furtherance of their governmental or
17 proprietary powers and functions and thereby ensure their development into self-
18 reliant communities and active participants in the attainment of national goals.

19 LOCAL GOVERNMENT UNITS MAY TAKE OVER THE
20 UTILIZATION OF RESERVED AREAS OR AREAS OF THE PUBLIC
21 DOMAIN FOR PRODUCTIVITY AND FOR PROJECTS INTENDED FOR
22 FARMERS AND FISHERFOLKS ORGANIZED INTO COOPERATIVES.

23
24
25 SECTION 3. Section 285 of of the same law is hereby amended to read as follows:

26 Section 285. *Allocation to Local Government Units.* - The share of local
27 government units in the internal revenue allotment shall be collected in the
28 following manner:

29 xxx

30 Provided, [finally,] That the financial requirements of barangays created
31 by local government units after the effectivity of this Code shall be the
32 responsibility of the local government unit concerned.

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1 PROVIDED, FINALLY, THAT TWO PERCENT (2%) OF THE INTERNAL
2 REVENUE ALLOTMENT OF FIRST CLASS CITIES AND MUNICIPALITIES
3 SHALL BE SET ASIDE AND THIS FUND SHALL BE DISTRIBUTED
4 AMONG THE THIRD CLASS AND LOWER CITIES AND
5 MUNICIPALITIES. THIS FUND SHALL BE ALLOCATED SOLELY FOR
6 HEALTH AND EDUCATION. THE CLASSIFICATION SHALL BE BASED
7 ON DATA PROVIDED BY THE DEPARTMENT OF FINANCE FROM THE
8 PREVIOUS YEAR.

9 SECTION 4. *Separability clause.* – If, for any reason, any part or provision of this Act or
10 Republic Act No. 8292 is declared invalid or unconstitutional, the remaining parts or provisions
11 not affected thereby shall remain in full force and effect.

12 SECTION 5. *Repealing Clause.* – Any law, presidential decree or issuance, executive
13 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
14 with this Act is hereby repealed, modified, or amended accordingly.

15 SECTION 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
16 publication in at least two (2) newspapers of general circulation.

17

18 *Approved.*