

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

16th Congress

House Bill No. **2912**



Introduced by: HON. OSCAR S. RODRIGUEZ

EXPLANATORY NOTE

This bill seeks to include all barangays, especially those created after the effectivity of The Local Government Code (LGC) of 1991 in the computation of the Internal Revenue Allotment (IRA) and for them to receive their share in the same way as those barangays already existing prior to LGC.

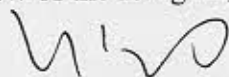
The exclusion of barangays created after the effectivity of the LGC from the distribution of Internal Revenue Allotment (IRA) share has raise not only legal issues but also created difficult circumstances. From 1991 to present, several hundreds of barangays were created. However, the treatment with respect to their financial requirement is very much different from those already existing prior to LGC.

Their lack of IRA allocation raises the legal issue of equal protection. The last paragraph of Section 285 of the Local Government Code of 1991 provides "Provided, finally, That 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." This an apparent transgression of the equal protection clause enshrined in Section 1, Article III of the 1987 Constitution. Other than the date of creation of these barangays, no substantial distinction was provided, to justify the unequal treatment with respect to IRA allocation. Moreover, Sections 385 to 386 of the same Code provided for the manner and requisites for the creation of a barangay. Evidently, once created, the barangay by law assumes a legal personality with both rights and responsibilities as any existing barangay.

Needless to say, the Local Government Code was enacted for the purpose of achieving local autonomy. Local government units, especially barangays were given additional powers to become independent in the management of their affairs and to properly address the delivery of basic services to their constituents. Unfortunately, the above-cited provision, limited the powers of the newly created barangays with respect to their financial independence. Unlike their counterparts, these barangays depends solely to the city or municipality for their financial requirements. This situation oftentimes created difficult circumstances. For instance, when city or municipality has financial problems or when there is a political discord between the mayors and barangay chairman; this in reality, directly affects the release of the financial support of the city/municipality to that particular barangay.

This bill which introduce the amendment to the above-cited law, aims primarily to put all barangays regardless of the date of their creation at equal footing with respect to financial independence.

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


HON. OSCAR S. RODRIGUEZ

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AN ACT
AMENDING SECTION 285 OF R.A. 7160 OTHERWISE KNOWN AS THE
LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 285 of Republic Act 7160 is hereby amended to read as follows:

“SEC. 285. *Allocation to Local Government Units.* - The share of local government units in the internal revenue allotment shall be allocated in the following manner:

- (a) Provinces - Twenty-three percent (23%);
- (b) Cities - Twenty-three percent (23%);
- (c) Municipalities - Thirty-four percent (34%); and
- (d) barangays - Twenty percent (20%)

Provided, however, That the share of each province, city and municipality shall be determined on the basis of the following formula:

- (a) Population - Fifty percent (50%);
- (b) Land Area - Twenty-five percent (25%); and
- (c) Equal sharing - Twenty-five percent (25%)

Provided, further, That the share of each barangay with a population of not less than one hundred (100) inhabitants shall not be less than eighty thousand pesos (80,000.00) per annum chargeable against the twenty percent (20%) share of the barangay from the internal revenue allotment, and the balance to be allocated on the basis of the following formula:

- (a) On the first year of the effectivity of this Code:
 - (1) Population - Forty percent (40%); and
 - (2) Equal Sharing - Sixty percent (60%)
- (b) On the second year:
 - (1) Population - Fifty percent (50%); and
 - (2) Equal Sharing - Fifty percent (50%)
- (c) On the third year and thereafter:

- (1) Population - Sixty percent (60%); and

(2) Equal Sharing - Forty percent (40%).

PROVIDED, FINALLY, THAT BARANGAYS CREATED BY LOCAL GOVERNMENT UNITS AFTER THE EFFECTIVITY OF THIS CODE, SHALL BE INCLUDED IN THE COMPUTATION OF THE INTERNAL REVENUE ALLOTMENT SHARE, AFTER IT HAS PASSED THE NECESSARY REQUIREMENTS AND PROCEDURES FOR ITS CREATION. THE BASIS FOR DETERMINATION OF THE INTERNAL REVENUE ALLOTMENT SHARE OF BARANGAYS SHALL BE THE OFFICIAL MASTERLIST OF BARANGAYS OF THE NATIONAL BARANGAY OPERATIONS OFFICE OF THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG)."

SEC. 2. All laws, issuances, rules and regulations inconsistent with the provision of this act is hereby amended, repealed or modified accordingly.

SEC. 3. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspaper of national circulation.

Approved,