

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4005



INTRODUCED BY HONORABLE CHERYL DELOSO-MONTALLA

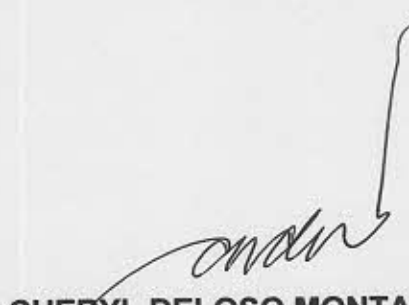
EXPLANATORY NOTE

This bill seeks to fortify and reaffirm the powers granted to the Subic Bay Metropolitan Authority (SBMA) by Republic Act No. 7227, otherwise known as the Bases Conversion and Development Act of 1992 as the operating and implementing arm of the government over the Subic Bay Freeport Zone (SBFZ). It likewise seeks to reinforce SBMA's capability to fulfill to its fullest sense its mandate of creating "self-sustaining" Freeport out of the SBFZ and make SBMA's board composition updated with the current times.

The original intent of Republic Act 7227 to make SBMA as an independent government arm to manage the affairs of the Subic Bay Freeport Zone has slowly been diminished as a result of the interference of other government agencies and instrumentalities like the Maritime Industry Authority (MARINA), Philippine Reclamation Authority (PRA) and the Department of Environment and Natural Resources (DENR). It is also the intention of this bill to reconstitute the sole authority and autonomous nature of SBMA over the Freeport zone.

Twenty-two years after its enactment into law, several provisions of Republic Act 7227 are already outmoded. It is the intention of this bill to realign these outmoded provisions to the needs of the present and future times of the free port zone.

It is in this light that this bill is being filed and immediate passage of this bill is earnestly sought.


CHERYL DELOSO MONTALLA
Representative
2nd District, Zambales

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AN ACT
PROVIDING FOR MEASURES TO STRENGTHEN THE SUBIC BAY METROPOLITAN AUTHORITY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7227, OTHERWISE KNOWN AS THE BASES CONVERSION AND DEVELOPMENT ACT OF 1992, AS AMENDED BY REPUBLIC ACT NO. 9400 AND OTHER RELATED LAWS AND FOR OTHER PURPOSES

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

SECTION 1. Section 12 (c) of Republic Act No. 7227, as amended, is hereby amended as follows:

"Section 12. Subic Special Economic Zone. – xxxx xxxx xxxx

(c) The provision of existing laws, rules and regulations to the contrary notwithstanding, no national and local taxes shall be imposed within the Subic Special Economic Zone. In lieu of ALL OTHER NATIONAL AND LOCAL TAXES, a five percent (5%) tax on gross income earned shall be paid by all business enterprises within the Subic Special Economic Zone and shall be remitted as follows: TWO PERCENT (2%) to the National Government, and ONE PERCENT (1%) to the Subic Bay Metropolitan Authority (SBMA) AND TWO PERCENT (2%) for distribution to the local government units affected by the declaration of and contiguous to the zone, namely: the City of Olongapo and the municipalities of Subic, San Antonio, San Marcelino and Castillejos of the Province of Zambales; and the municipalities of Morong, Hermosa and Dinalupihan of the Province of Bataan, on the basis of population (50%), land area (25%), and equal sharing (25%).
xxxx xxxx xxxx

SECTION 2. Section 13 (b) and (c) of Republic Act No. 7227 is hereby amended as follows:

"Section 13. Subic Bay Metropolitan Authority. – xxxx xxxx xxxx

(b) Powers and Functions of the Subic Bay Metropolitan Authority. – The Subic Bay Metropolitan Authority, otherwise known as the Subic Authority, HAVING AUTHORITY AND JURISDICTION OVER ALL BUSINESS AND ECONOMIC ACTIVITIES WITH THE SUBIC BAY FREE PORT, shall have the following powers and functions:

xxxx xxxx xxxx

(3) TO UNDERTAKE AND REGULATE THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF TELECOMMUNICATIONS, and other services and infrastructure in the Subic Special Economic Zone

including shipping and MARITIME related BUSINESSES, stevedoring and port terminal services or concessions, incidental thereto and airport operations in coordination with the Civil Aeronautics Board, and to FIX AND IMPOSE just and reasonable rates, fares, charges and other prices thereto.

(4) xxxx xxxx xxxx

(10) xxxx xxxx xxxx

(11) TO RECLAIM LAND IN THE SUBIC BAY FREEPORT BUT NOT LIMITED TO FORESHORE AND SUBMERGED AREAS BY DREDGING, FILLING OR ANY OTHER MEANS AND TO ACQUIRE, DEVELOP, IMPROVE, ADMINISTER, DEAL – IN, SUBDIVIDE AND LEASE RECLAIMED LAND THEREIN;

(12) TO PROVIDE FOR, OPERATE OR ADMINISTER SUCH SERVICES AS MAY BE NECESSARY FOR THE EFFICIENT, ECONOMICAL AND BENEFICIAL UTILIZATION OF THE RECLAIMED AREAS IN THE SUBIC BAY FREE PORT.

(c) Five (5) representatives from the private sector coming from the TOURISM, MANUFACTURING AND PRODUCTION, MARITIME AND AVIATION, TRADE AND INDUSTRY, AND LOGISTICS SECTOR; xxxx xxxx”

SECTION 3. *Repealing Clause.* All laws, decrees, orders, rules and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 4. *Separability Clause.* If any provision of this Act is subsequently declared unconstitutional, the remaining provisions hereof shall remain in full force and effect.

SECTION 5. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,