

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

SIXTEENTH CONGRESS

Third Regular Session

House Bill No. 5921



Introduced by **Rep. EVELIO R. LEONARDIA**

EXPLANATORY NOTE

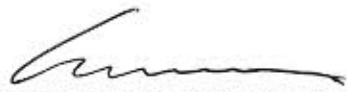
Fiscal autonomy of the Local Government Units (LGUs) is one of the aims of the Philippine Constitution in realizing their self-reliance and unhampered progress.

While the Local Government Code (LGC) also advocates local autonomy, however, the matter of fiscal autonomy as provided in its Section 290 allots forty percent (40%) share only, to the LGUs coming from, among others, the gross receipts on mining taxes, forestry and fishery charges, and the utilization and development of the national wealth within their territorial jurisdiction.

That as population steadily grows among the LGUs and more infrastructures and projects are needed to invite more investments to provide more employment and efficient public services demanded upon the LGUs, the actualization of fiscal autonomy and more realistic application by the LGUs of their sources of revenue coming directly from their inherent resources need the support of a law attune to the present time and realities.

Thus, the need to increase the allotment of the LGUs to the level of fifty percent (50%) or the equal sharing with the national government by amending Sec. 290 of the LGC, and the same fifty percent (50%) share entitled to the LGUs shall be directly paid to them without coursing it through the national government.

As such, the approval of this bill is earnestly sought.


REP. EVELIO R. LEONARDIA
Lone District, Bacolod City

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HOUSE OF REPRESENTATIVES
QUEZON CITY

SIXTEENTH CONGRESS
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HOUSE BILL NO. 5921

INTRODUCED BY REP. EVELIO R. LEONARDIA

AN ACT
AMENDING SECTION 290 OF REPUBLIC ACT NO. 7160 OTHERWISE KNOWN AS
THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 290 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

SEC. 290. Amount of Share of Local Government Units. – Local government units shall, in addition to the internal revenue allotment, have a share of FIFTY [forty] percent 50% [(40%)] of the gross collection derived by the National Government from the preceding fiscal year from mining taxes, royalties, forestry and fishery charges, and such other taxes, fees, or charges, including related surcharges, interests, or fines, and from its share in any co-production, joint venture or production sharing agreement in the utilization and development of the national wealth within their territorial jurisdiction[.]: PROVIDED, THAT PERSONS, NATURAL OR JURIDICAL, ENGAGED IN UTILIZATION AND DEVELOPMENT OF THE NATIONAL WEALTH, SHALL PAY DIRECTLY THE FIFTY PERCENT (50%) SHARE TO THE LOCAL GOVERNMENT UNIT CONCERNED AND THE REMAINING FIFTY PERCENT (50%) TO THE NATIONAL GOVERNMENT.

Sec. 2. The National Government shall be given a transitory period of three (3) years from the time of the effectivity of this Act for the purpose of readjusting the national budget in preparation for its complete implementation in favor of local government units.

Sec. 3. All laws, decrees, orders, issuances, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 4. This Act shall take effect fifteen (15) days following completion of its publication in at least two (2) newspapers of general circulation.

Approved,