

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8018



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Section 294 of R.A. 7160, otherwise known as the Local Government Code of 1991 provides that proceeds from collections shall be used to finance local development and livelihood projects, except where 80% the proceeds from energy sources such as hydrothermal and geothermal where their use is restricted to lowering their respective community's electricity consumption costs.

This unnecessary restriction limits an LGUs capacity to effectively and efficiently use its resources for their priority projects, since much of the resources are funneled towards non-priority projects aimed at lowering the cost of electricity. This restriction is incredibly flawed, since surely there are projects which are more vital and are identified as top priority in many of the LGUs' medium-term investment program and annual investment program.

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


REP. GARY C. ALEJANO

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AN ACT

**TO ENHANCE THE USE OF NATIONAL WEALTH FOR LOCAL DEVELOPMENT BY
AMENDING CERTAIN PROVISIONS IN BOOK II OF REPUBLIC ACT 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:*

1 **SECTION 1.** Section 294 of the Local Government Code OF 1991 is hereby amended to
2 read as follows:

3
4 **SEC. 294. Development and Livelihood Projects.** - The proceeds from the share of
5 local government units pursuant to this chapter shall be appropriated by their respective
6 sanggunian to finance local government and livelihood projects **IN THE APPROVED**
7 **LOCAL DEVELOPMENT INVESTMENT PROGRAM AND ANNUAL**
8 **INVESTMENT PROGRAM.** [: Provided, however, That at least eighty percent (80%) of
9 the proceeds derived from the development and utilization of hydrothermal, geothermal,
10 and other sources of energy shall be applied solely to lower the cost of electricity in the
11 local government unit where such a source of energy is located.]

12
13 **SEC. 2.—Repealing Clause.** All general and special laws, acts, city charters, decrees,
14 executive orders, proclamations and administrative regulations, or part or parts thereof which are
15 inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

1 **SEC. 3.—*Separability Clause.*** If, for any reason or reasons, any part of provision of this
2 Act shall be held unconstitutional or invalid, other parts or provisions hereof which not affected
3 thereby shall continue to be in full force and effect.

4
5 **SEC. 4. *Effectivity Clause.*** This Act shall take effect, unless otherwise provided herein,
6 after its complete publication in at least two (2) national newspapers of general circulation.

Approved,