



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session



House Bill No. 8669

Introduced by REPRESENTATIVE AURELIO D. GONZALES, JR.

AN ACT
STRENGTHENING THE BASES CONVERSION AND DEVELOPMENT
AUTHORITY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7227,
OTHERWISE KNOWN AS "THE BASES CONVERSION AND DEVELOPMENT
ACT OF 1992", AS AMENDED

EXPLANATORY NOTE

This bill seeks to strengthen Republic Act No. 7227 or the Bases Conversion and Development Act of 1992, as amended by Republic Act No. 7917, as further amended by Republic Act No. 9400, with regard to its term, functions and powers. Upon enactment of the law, BCDA was given a term of 50 years, from its organization, and was vested with special corporate powers including (1) construct, own, lease, operate and maintain public utilities as well as infrastructure facilities; (2) to reclaim or undertake reclamation projects as it may deem necessary in areas adjacent or contiguous to the Conversion Authority's lands (3) To invest its funds and other assets other than those of the Special Economic Zones; (4) to exercise the right of eminent domain; and (5) to exercise oversight functions over the Special Economic Zones as declared under the same law.

BCDA plays a vital role in the country's economic development and AFP Modernization. From 1993 to 2020, BCDA has remitted PHP46.55 Billion to the AFP to fund its modernization program and has managed to maximize revenue for the government and AFP by innovating in various modes of disposition which includes entering into long term transactions for periods of up to 50 years and more. Likewise, BCDA has been mandated to undertake key projects under the Build Build Build (BBB) programs such as the development of New Clark City (NCC) which aims to decongest Metro Manila and revitalize Central Luzon. Moreover, BCDA will also assist the transfer of government offices to NCC. Given the vital role of BCDA in long-term

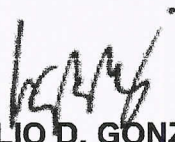
infrastructure development of the country, there is a need to extend BCDA's term to ensure continuity of its mandates.

Currently, residential lands in the BCDA Economic Zones are only open for lease and are further restricted by minimum investment requirements that only foreign investors can afford. Allowing a portion of the BCDA Economic Zones to have freehold rights will attract major residential developers in the country to invest inside the BCDA Economic Zones as they are currently focused outside the zones which is a lost opportunity for the government. Moreover, freehold rights will liberalize the residential market to Filipinos who want to settle in the BCDA Economic Zones such as Clark, especially with the National Government's initiative to transfer various government agencies from Metro Manila to New Clark City (NCC).

BCDA as a prime mover of development, involves itself in big-ticket projects under the Build Build Build (BBB) Program of the Duterte Administration such as the New Clark City, Military Replications, Subic-Clark Railway, among others. In order to accommodate its present and future projects, the increase in authorized capital is earnestly necessary. Increasing the authorized capital of BCDA will make it possible to implement more infrastructure programs while increasing the government spending, increasing government revenue and job generation.

BCDA, as mandated by law, has the right to exercise the right of eminent domain. However, the Presence of Project Affected People (PAP) in project sites such as informal settlers, farmers, indigenous people, and other claimants who are in possession of BCDA properties without legally recognized rights, delays the project development. Giving BCDA the authority to grant just compensation to PAP will result in the efficient implementation of projects and ensure just compensation in pursuit of social justice.

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


REP. AURELIO D. GONZALES, JR.
3rd District, Pampanga



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ACT OF 1992", AS AMENDED

SECTION 1. Section 3 of Republic Act No. 7227, as amended, otherwise known as the "Bases Conversion and Development Act of 1992", is hereby further amended to read as follows:

"SEC. 3. *Creation of the Bases Conversion and Development Authority.*
– There is hereby created a body corporate to be known as the Bases Conversion and Development Authority, which shall have attribute of perpetual succession and shall be vested with the powers of a corporation.

It shall be organized within thirty (30) days after approval of this act. It shall have a term of ~~[fifty years from its organization]~~ **ONE HUNDRED (100) YEARS FROM ITS CREATION, AND AS MAY BE FURTHER EXTENDED BY LAW:** Provided, That Congress, by a joint resolution, may dissolve the Conversion Authority whenever in its judgement the primary purpose for its creation has been accomplished. It shall establish its principal office in Metropolitan Manila ~~[unless otherwise provided by the Conversion Authority]~~ and may establish satellite offices as it may deem necessary."

SECTION 2. Section 5 of R. A. No. 7227, as amended, is hereby further amended by inserting new Subsections (i), (j), and (k), and to read as follows:

"SEC. 5. Powers of the Conversion Authority. – To carry out its objectives under this Act, the Conversion Authority is hereby vested with the following powers:

"(a) x x x;"

"x x x;"

"(i) TO FORMULATE ITS OWN GUIDELINES AND STRATEGIES THAT SHALL EFFECT IMMEDIATE RECOVERY AND POSSESSION OF PROPERTIES TRANSFERRED TO IT BY THE STATE AND OCCUPIED BY PRIVATE INDIVIDUALS, TO ENSURE TIMELY DELIVERY OF THE PROJECTS COVERED BY THE CONVERSION AND DEVELOPMENT PLAN OF BCDA.

(j) TO GRANT FINANCIAL ASSISTANCE TO QUALIFIED PROJECT AFFECTED PEOPLE (PAP), INCLUDING CLAIMANTS/OWNERS OF STRUCTURES AND IMPROVEMENTS WHO DO NOT HAVE LEGALLY RECOGNIZED RIGHTS TO THE LAND OF BCDA.

(k) TO DETERMINE THE AMOUNT OF FINANCIAL ASSISTANCE TO BE GRANTED TO THE PAP, AND TO ENTER INTO A COMPROMISE AGREEMENT WITH CLAIMANTS WHO ARE IN POSSESSION OF THE LAND OF BCDA OR ANY PORTION THEREOF SUBJECT TO THE CONVERSION AND DEVELOPMENT PLAN OF BCDA."

"x x x"

SECTION. 3. The existing subsections (i), (j), (k), (l), (m), and (n) of Section 5 of R. A. No. 7227, as amended, are hereby relettered accordingly.

SECTION 4. Section 6 of R.A. 7227, as amended is hereby further amended to read as follows:

"SEC.6. Capitalization. – The Conversion Authority shall have an authorized capital of [~~One Hundred Billion Pesos~~] **SIX HUNDRED BILLION PESOS (P600,000,000,000.00)**, which may be fully subscribed by the Republic of the Philippines [~~and shall either be paid up from the proceeds of the sales of its land assets as provided for in Section 8 of this Act or by transferring to the Conversion Authority properties valued in such amount.~~] **EITHER IN CASH, PROPERTY, OR BCDA'S SHARE FROM SALE OF ITS LAND.**

x x x"

SECTION 5. A new Section 17 of R.A. 7227, as amended, is hereby inserted to read as follows:

"SEC. 17. RESIDENTIAL LAND IN ECONOMIC ZONES IDENTIFIED AND DEFINED UNDER R.A. 7227, AS AMENDED, IS HEREBY DECLARED ALIENABLE AND DISPOSABLE, AND BCDA IS HEREBY AUTHORIZED TO SELL THESE LANDS, PROVIDED THAT, THE AREA TO BE CLASSIFIED AS ALIENABLE AND DISPOSABLE SUBJECT TO SALE SHALL NOT BE MORE THAN 5% OF THE LAND AREA OF EACH ECONOMIC ZONE. PROVIDED FURTHER, THAT BCDA SHALL SUBMIT PERIODIC UPDATES TO THE OFFICE OF THE PRESIDENT ON THE DISPOSITION OF RESIDENTIAL LAND ON A THREE (3) YEAR ROLLING PERIOD.

SECTION 6. The existing Sections 17, 18, 19, 20, 21, 22, 23, and 24 of R.A. No. 7227, as amended, are hereby renumbered accordingly.

SECTION 7. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SECTION 8. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,