

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Batasan Hills, Quezon City

**NINETEENTH CONGRESS**  
First Regular Session

House Bill No. 2718



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Introduced by

**HON. YEDDA MARIE K. ROMUALDEZ**  
and  
**HON. JUDE A. ACIDRE**

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**AN ACT**  
**WITHDRAWING THE INTERNAL REVENUE ALLOTMENT OF THE**  
**METROPOLITAN MANILA DEVELOPMENT AUTHORITY (MMDA), AMENDING**  
**FOR THE PURPOSE REPUBLIC ACT NO. 7924, ENTITLED "AN ACT CREATING**  
**THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY, DEFINING ITS**  
**POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFORE AND FOR OTHER**  
**PURPOSES"**

**EXPLANATORY NOTE**

This bill seeks to withdraw the internal revenue allotment of the Metropolitan Manila Development Authority (MMDA), thereby amending Republic Act No. 7924 or the act that created the Metropolitan Manila Development Authority (MMDA).

Section 6, Article X of the 1987 Philippine Constitution provides that: "Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them." Furthermore, Section 285 of Republic Act No. 7160 or the Local Government Code of 1991 provides:

**SECTION 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%);

- (b) Cities – Twenty-three percent (23%);
- (c) Municipalities – Thirty-four percent (34%); and
- (d) Barangays – Twenty percent (20%)

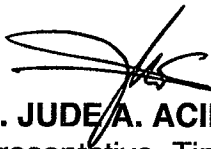
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The Supreme Court, in the case of Metropolitan Manila Development Authority v. Bel-Air Village Association, Inc., ruled that MMDA is not a local government unit or a public corporation endowed with legislative power. And as such, it should not be entitled to an Internal Revenue Allotment.

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



**Rep. YEDDA MARIE K. ROMUALDEZ**  
Representative, Tingog Sinirangan



**Rep. JUDE A. ACIDRE**  
Representative, Tingog Sinirangan

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

**Section 1.** Section 10 of Republic Act No. 7924 is hereby amended to read as follows:

“Sec. 10 Sources of Funds and the Operating Budget of MMDA -

(a) To carry out the purposes of this Act, the amount of One billion pesos (Php 1,000,000,000) is hereby authorized to be appropriated for the initial operation of the MMDA. Thereafter, the annual expenditures including capital outlays of the MMDA shall be provided in the general Appropriations Act.

[(b) The MMDA shall continue to receive the Internal Revenue Allotment (IRA) currently allocated to the present MMA.]

~~[(c)]~~ **(B)** The MMDA is likewise empowered to levy fines and impose fees and charges for various services rendered.

~~[(d)]~~ **(C)** Five percent (5%) of the total annual gross revenue of the preceding year, net of the internal revenue allotment, of each local government unit mentioned in Section 2 hereof, shall accrue and become payable monthly to the MMDA by each city or municipality. In case of failure to remit the said fixed contribution, the DBM shall cause the disbursement of the same to MMDA chargeable against the IRA allotment of the city or municipality concerned, the provisions of Section 286 of RA 7160 to the contrary notwithstanding.”

**Section 2. *Repealing Clause.*** All other laws, decrees, executive orders, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby modified, amended, or repealed accordingly.

**Section 3. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Philippines.

Approved,