

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

NINETEENTH CONGRESS
Second Regular Session

House Bill No. **10547**



Introduced by Honorable Ma. Alana Samanta Taliño Santos

AN ACT UPDATING THE REQUISITES FOR THE CREATION OF MUNICIPALITIES, CITIES, AND PROVINCES BY AMENDING CERTAIN PROVISIONS IN BOOK III OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

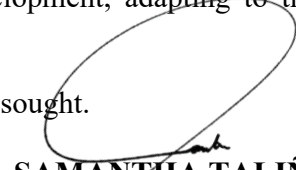
Since the passage of the Local Government Code (LGC) of 1991, various local government units (LGUs) have exponentially grown in terms of economic development. Pursuant to its provisions, the LGUs have been complying with the Code for thirty three years. Despite Section 521 mandating its review every five years to better reflect the country's fast changing local government structures, there were no comprehensive reviews undertaken.

Since its enactment, the Congress has only passed two significant legislation for the creation requirements of LGU structures. Republic Act (RA) No. 9009 and RA 11683 both focused on the Code's Section 450 which amends the requisites for the conversion of a municipality into a component city. The requisites for the creation and qualifications of a municipality, highly urbanized cities, and provinces remain unchanged.

In recognition of providing more responsive and accountable local government structures, ensuring their economic viability, this bill seeks to amend Sections 442, 452, and 461 of the Code. These income adjustments will replace the outdated 1991 income requirements, raising the much needed standards of excellence for local public service delivery. This bill emphasizes that income must be "locally generated," as certified by the Department of Finance, making it more aligned with existing laws, and more consistent criteria for the creation of municipalities, highly urbanized cities, and provinces.

The bill rationalizes the LGU income requirements, accounting for inflation. The amendments strengthen the government's capacity for growth and development, adapting to the decentralized nature of local governance.

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


MA. ALANA SAMANTA TALIÑO SANTOS
Representative
3rd District, Cotabato Province

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

SECTION 1. Section 442 (a) of the Code is hereby amended to read as follows:

“SEC. 442. Requisites for Creation. - (a) A municipality may be created if it has an average annual **LOCALLY-GENERATED** income, as certified by the DEPARTMENT OF FINANCE of at least [Two million five hundred thousand pesos (P 2,500,000.00)] **TWELVE MILLION FIVE HUNDRED THOUSAND PESOS (P 12,500,000.00 IN 2000 PRICES OR TWENTY-TWO MILLION PESOS (P 22,000,000.00 IN 2016 PRICES** for the last two (2) consecutive years [based on the 1991 constant prices]; a population of at least twenty-five thousand (25,000) inhabitants as certified by the PHILIPPINE STATISTICS AUTHORITY; and a contiguous territory of at least fifty (50) square kilometers as certified by the Lands Management Bureau: Provided, That the creation thereof shall not reduce the land area, population or income of the original municipality or municipalities at the time of said creation to less than the minimum requirements prescribed herein.

(b) XXX”

SEC. 3. Section 452 (a) of the Code is hereby amended to read as follows:

“SEC. 452. Highly Urbanized Cities. - (a) Cities with a minimum population of two hundred thousand (200,000) inhabitants as certified by the PHILIPPINE STATISTICS AUTHORITY, and [within the latest annual income of at least Fifty Million Pesos (P50,000,000.00) based on 1991 constant prices] **AVERAGE ANNUAL LOCALLY-GENERATED INCOME, AS CERTIFIED BY THE DEPARTMENT OF FINANCE, OF AT LEAST TWO HUNDRED FIFTY MILLION PESOS (P 250,000,000.00 IN 2000 PRICES OR FOUR HUNDRED**

FORTY-FIVE MILLION PESOS (P 445,000,000.00) IN 2016 PRICES, shall be classified as highly urbanized cities.

(b) XXX”

SEC. 4. Section 461 (a) of the Code is hereby amended to read as follows:

“SEC. 461. Requisites for Creation. - (a) A province may be created if it has an average annual **LOCALLY-GENERATED** income, AS CERTIFIED BY THE DEPARTMENT OF FINANCE, of not less than [Twenty million pesos (20,000,000.00) based on 1991 constant prices] **ONE HUNDRED MILLION PESOS (P 100,000,000.00) IN 2000 PRICES OR ONE HUNDRED SEVENTY-EIGHT MILLION PESOS (P 178,000,000.00) IN 2016 PRICES** and either of the following requisites:

1) a contiguous territory of at least two thousand (2,000) square kilometers, as certified by the Lands Management Bureau; or

(ii) a population of not less than two hundred fifty thousand (250,000) inhabitants as certified by the PHILIPPINE STATISTICS AUTHORITY:

Provided, That, the creation thereof shall not reduce the land area, population, and income of the original unit or units at the time of said creation or less than the minimum requirements prescribed herein.

(b).....”

SEC. 5. *Repealing Clause.* All general and special laws, acts, city charters, decrees, executive orders, proclamations and administrative regulations, or part or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SEC. 6. *Separability Clause.* If, for any reason or reasons, any part of provision of this Act shall be held unconstitutional or invalid, other parts or provisions hereof which not affected thereby shall continue to be in full force and effect.

SEC. 7. *Effectivity Clause.* This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or at least two (2) newspaper of general circulation.

Approved,