

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. **2148**

EXPLANATORY NOTE

The Bases Conversion and Development Authority (BCDA) was established under Republic Act No. 7227 in order to transform old military bases into residential neighborhoods and promote economic and social development in Central Luzon and the Philippines. The BCDA has been effective in converting military bases into bustling commercial areas and enhancing its accessibility. Notably, BCDA has made large financial contributions to the Bureau of Treasury and the AFP's modernization initiative.

This bill seeks to enhance BCDA's functions as a developer, economic zone administrator, and holding corporation for its subsidiaries. It aims to reinforce BCDA's ownership of assets given to it by the state as well as its authority to enact regulations. Additionally, through creating new revenue streams from leases in the Clark Freeport Zone, the bill aims to promote the AFP's modernization.

The bill also seeks to strengthen BCDA as an organization by changing its structure and requirements for its board of directors. Together, these suggested changes would provide BCDA to effectively accomplish its goals and contribute to the nation's long-term growth and prosperity.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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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, AND FOR OTHER PURPOSES**

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

Section 1. Section 3 of Republic Act No. 7227, as amended, 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, hereinafter referred to as the
Conversion Authority, which shall have the 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 (50) years from its organization, **WHICH SHALL
HEREBY BE RENEWED FOR ANOTHER FIFTY (50) YEARS UPON THE
EXPIRY OF ITS ORIGINAL TERM, AND AS MAY BE FURTHER
EXTENDED BY LAW**, provided, that Congress, by joint resolution, may
dissolve the Conversion Authority whenever in its judgment 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 put up such branches as may be necessary.

**SECTION 2. IN THE DISCHARGE OF ITS MANDATED RESPONSIBILITIES UNDER THIS
ACT, THE CONVERSION AUTHORITY SHALL FUNCTION AND OPERATE AS A
GOVERNMENT INSTRUMENTALITY VESTED WITH CORPORATE POWERS (GICP) AND
AN ECONOMIC ZONE AUTHORITY WHICH SHALL BE EXCLUDED FROM THE
COVERAGE OF REPUBLIC ACT NO. 10149 (GOCC GOVERNANCE ACT OF 2011) AND
OTHER RELATED LAWS.**

**THE CONVERSION AUTHORITY SHALL BE UNDER THE DIRECT CONTROL AND
SUPERVISION OF THE OFFICE OF THE PRESIDENT FOR PURPOSES OF POLICY
DIRECTION AND COORDINATION.**

**THE SUBSIDIARIES OF THE CONVERSION AUTHORITY CREATED PURSUANT TO
SEC. 16 OF RA 7227, AS AMENDED, FORMED UNDER THE CORPORATION CODE
NAMELY, CLARK DEVELOPMENT CORPORATION; CLARK INTERNATIONAL AIRPORT
CORPORATION; JOHN HAY MANAGEMENT CORPORATION; AND THE PORO POINT**

MANAGEMENT CORPORATION, SHALL LIKEWISE BE EXCLUDED FROM THE COVERAGE OF REPUBLIC ACT NO. 10149 (GOCC GOVERNANCE ACT OF 2011).

SECTION 3. SECTION 10 (A) OF REPUBLIC ACT NO. 7227, ON THE FUNCTION OF THE BOARD OF DIRECTORS OF THE CONVERSION AUTHORITY TO ADOPT A COMPENSATION AND BENEFIT SCHEME AT LEAST EQUIVALENT TO THAT OF THE BANGKO SENTRAL NG PILIPINAS IS HEREBY REINSTATED.

Section 4. Section 5 of Republic Act No. 7227, as amended, is hereby amended 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:

x x x

(l) To exercise ~~[oversight functions]~~ **RIGHTS OF OWNERSHIP** over the **PROPERTIES TRANSFERRED TO IT BY THE STATE, OVER ITS SUBSIDIARIES, AND OVER** Special Economic Zones declared under this Act and by subsequent presidential proclamations within the framework of the declared policies of this Act.

~~(m) To promulgate all necessary rules and regulations; and~~

~~(n) [To perform such other powers as may be necessary and proper to carry out the purposes of this Act.]~~

(M) TO FORMULATE AND ADOPT OWN GUIDELINES THAT SHALL GOVERN JOINT VENTURE ARRANGEMENTS WITH PRIVATE ENTITIES FOR THE DEVELOPMENT AND DISPOSITION OF ASSETS AND OPERATIONS OF FACILITIES TO ENSURE THE TIMELY DELIVERY OF PROJECTS.

(N) TO FORMULATE EFFECTIVE GUIDELINES AND STRATEGIES THAT SHALL EFFECT IMMEDIATE RECOVERY AND POSSESSION OF PROPERTIES TRANSFERRED TO THE CONVERSION AUTHORITY BY THE STATE WHICH ARE ILLEGALLY OCCUPIED BY PRIVATE ENTITIES, TO ENSURE TIMELY DELIVERY OF THE PROJECTS COVERED BY THE DEVELOPMENT PLANS OF THE CONVERSION AUTHORITY.”

(O) 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 THE CONVERSION AUTHORITY.

(P) TO DETERMINE THE REASONABLE 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 THE CONVERSION AUTHORITY.

(Q) TO GRANT, ADMINISTER, AND IMPLEMENT INCENTIVES TO ENTERPRISES IN SPECIAL ECONOMIC AND FREEPORT ZONES DECLARED UNDER THIS ACT IN ACCORDANCE WITH REPUBLIC ACT NO. 11534 OR THE CORPORATE RECOVERY AND TAX INCENTIVES FOR ENTERPRISES (CREATE) ACT.

(R) TO PROMULGATE ALL NECESSARY RULES AND REGULATIONS;
AND

(S) TO PERFORM SUCH OTHER POWERS AS MAY BE NECESSARY AND PROPER TO CARRY OUT THE PURPOSES OF THIS ACT.”

Section 5. Section 6 of Republic Act No. 7227, as amended, is hereby amended to read as follows:

“Sec. 6. Capitalization. - The Conversion Authority shall have an authorized capital of [~~One hundred billion pesos (P100,000,000,000)~~] **FOUR HUNDRED BILLION PESOS (P400,000,000,000.00)** which may be fully subscribed by the Republic of the Philippines and **FUNDED** [~~shall either be paid up from the proceeds of the sales of its land assets as provided for in Sec. 8 of this Act or by transferring to the Conversion Authority properties valued in such amount~~] **EITHER IN CASH OR PROPERTY.**

x x x”

Section 6. Section 8 of Republic Act No. 7227, as amended, is hereby amended to read as follows:

“Sec. 8. Funding Scheme. — The capital of the Conversion Authority shall come from the sales proceeds and/or transfers of certain Metro Manila military camps, including all lands covered by Proclamation No. 423, series of 1957, commonly known as Fort Bonifacio and Villamor (Nicholas) Air Base, namely:

Camp	Area in has.
Phase I (for immediate disposal)	(more or less)

x x x”

Phase II	
(1) Camp Ver	1.9
(2) 1. Camp Melchor	1.00
(3) 2. Camp Atienza	4.90
(4) 3. Part of Villamor Air Base	37.90
(5) 4. Part of Fort Bonifacio	224.90
(6) 5. Fort Abad	0.60
Total	271.20 269.30”

Section 7. A new provision denominated as Section 8-A is hereby inserted in Republic Act No. 7227, as amended to read as follows:

“SECTION 8-A. AFP SHARE IN THE NET PROCEEDS OF LEASES IN CLARK FREEPORT AND SPECIAL ECONOMIC ZONE — TWENTY FIVE

PERCENT (25%) OF THE NET PROCEEDS FROM LEASES IN CLARK FREEPORT AND SPECIAL ECONOMIC ZONE, AFTER DEDUCTING ALL CAPITAL EXPENDITURES AND EXPENSES RELATED TO THE MANAGEMENT OF THE FREEPORT AND SPECIAL ECONOMIC ZONE, SHALL BE DEEMED APPROPRIATED TO FINANCE THE ARMED FORCES OF THE PHILIPPINES (AFP) MODERNIZATION PROGRAM UNDER REPUBLIC ACT NO 7898, AS AMENDED.”

Section 8. Section 9 of Republic Act No. 7227, as amended, is hereby amended and a new provision denominated as Section 9-A is hereby inserted to read as follows:

“SEC.9. Board of Directors: Composition. – The powers and functions of the Conversion Authority shall be exercised by a Board of Directors to be composed of nine (9) members, as follows:

- (a) A ~~[full-time chairman]~~ **CHAIRPERSON**; ~~[who shall also be the president of the Conversion Authority;~~
- (b) THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CONVERSION AUTHORITY AS VICE-CHAIRPERSON;**
- (c) THREE (3) MEMBERS WHO ARE RETIRED OFFICERS OF THE ARMED FORCES OF THE PHILIPPINES;**
- ~~(b) (d) [Eight (8)]~~ **THREE (3)** other members from the private sector; **AND**
- ~~(e) [two (2)]~~ **ONE (1)** ~~[of whom coming]~~ from the labor sector.

The **CHAIRPERSON** and members **OF THE BOARD** shall be appointed by the President **OF THE PHILIPPINES** ~~[with the consent of the Commission on appointments]. [Of the initial members of the Board, three (3) including the chairman, a representative from the private sector and a representative from the labor sector shall be appointed for a term of six (6) years, three (3) for a term of four (4) years and the other three (3) for a term of two (2) years. In case of vacancy in the Board, the appointee shall serve the unexpired term of the predecessor.]~~

No person shall be appointed or designated unless he is a natural-born Filipino citizen, of good moral character, of unquestionable integrity, **AT LEAST A COLLEGE GRADUATE**, and of recognized competence. **WITH THE EXCEPTION OF THE REPRESENTATIVE FROM THE LABOR SECTOR, THE BOARD OF DIRECTORS SHALL HAVE AT LEAST FIVE (5) TO TEN (10) YEARS OF WORK EXPERIENCE IN RELEVANT FIELDS INCLUDING BUT NOT LIMITED TO FINANCE, URBAN PLANNING, REAL ESTATE DEVELOPMENT**, economics, management, international relations, law, or engineering preferably naval or aeronautical.

“SEC.9-A. TERM OF APPOINTMENT - UPON THE EFFECTIVITY OF THIS ACT, THE INCUMBENT CHAIRPERSON AND PRESIDENT AND CHIEF EXECUTIVE OFFICER SHALL SERVE THEIR REMAINING TERM WITHOUT PREJUDICE TO HOLDOVER CAPACITY.

THE TWO (2) REPRESENTATIVES FROM THE AFP, TWO (2) REPRESENTATIVES FROM THE PRIVATE SECTOR, AND THE REPRESENTATIVE FROM LABOR SECTOR SHALL SERVE INITIALLY FOR A TERM OF FOUR (4) YEARS; AND ONE (1)

REPRESENTATIVE FROM THE AFP AND ONE (1) REPRESENTATIVE FROM THE PRIVATE SECTOR INITIALLY FOR A TERM OF TWO (2) YEARS.

UPON EXPIRY OF THE INITIAL TERMS, THE SUCCEEDING CHAIRPERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND THE REST OF THE MEMBERS SHALL SERVE FOR A FIXED TERM OF SIX (6) YEARS, UNLESS SOONER SEPARATED FROM SERVICE DUE TO DEATH, VOLUNTARY RESIGNATION OR REMOVAL FOR CAUSE.

IN CASE OF VACANCY IN THE BOARD, THE APPOINTEE SHALL SERVE THE UNEXPIRED TERM OF THE PREDECESSOR.

THE BOARD OF DIRECTORS SHALL CONTINUE TO HOLD OFFICE UNTIL THEIR SUCCESSORS SHALL HAVE BEEN APPOINTED.”

Section 9. Sec. 15 of Republic Act No. 7227, as amended by Sec. 2 of Republic Act No. 9400 is hereby further amended to read as follows:

“SEC. 15. *BCDA ECONOMIC ZONES* - WITHIN THE FRAMEWORK OF THE CONSTITUTION, THE INTEREST OF NATIONAL SOVEREIGNTY AND TERRITORIAL INTEGRITY OF THE REPUBLIC, BCDA ECONOMIC ZONES SHALL BE DEVELOPED INTO SELF-SUSTAINING, SELF-RELIANT, AND DECENTRALIZED AREAS TO ATTRACT AND PROMOTE INVESTMENTS, TO WIT:

CLARK SPECIAL ECONOMIC ZONE (CSEZ) AND CLARK FREEPORT ZONE (CFZ) - AS THE GOVERNING BODY OF THE CSEZ AND CFZ, THE CONVERSION AUTHORITY SHALL PROMULGATE ALL NECESSARY POLICIES, RULES AND REGULATIONS TO GOVERN AND REGULATE THE CSEZ AND CFZ THROUGH AN OPERATING AND IMPLEMENTING ARM, CLARK DEVELOPMENT CORPORATION (CDC), CREATED PURSUANT TO SEC. 16 OF RA 7227, AS AMENDED.

THE CLARK INTERNATIONAL AIRPORT CORPORATION (CIAC), AS A SUBSIDIARY OF THE CONVERSION AUTHORITY, SHALL OPERATE AND MANAGE THE CLARK CIVIL AVIATION COMPLEX WITHIN THE CFZ PURSUANT TO SEC. 16 OF RA 7227, AS AMENDED, AND SHALL BE SUBJECT TO THE POLICIES, RULES, AND REGULATIONS PROMULGATED BY THE CONVERSION AUTHORITY.

PORO POINT FREEPORT ZONE (PPFZ) - AS THE GOVERNING BODY OF THE PORO POINT FREEPORT ZONE, THE CONVERSION AUTHORITY SHALL PROMULGATE THE NECESSARY POLICIES, RULES, AND REGULATIONS TO GOVERN AND REGULATE THE PORO POINT FREEPORT ZONE THROUGH AN OPERATING AND IMPLEMENTING ARM, PORO POINT MANAGEMENT CORPORATION (PPMC), CREATED PURSUANT TO SEC. 16 OF RA 7227, AS AMENDED.

MORONG SPECIAL ECONOMIC ZONE (MSEZ) - AS THE GOVERNING BODY OF THE MSEZ, THE CONVERSION AUTHORITY SHALL DETERMINE THE UTILIZATION OF THE LANDS SUBJECT TO PRIVATE PROPERTY RIGHTS, CONSISTENT WITH EXISTING LAWS AND SHALL PROMULGATE THE NECESSARY POLICIES, RULES,

AND REGULATIONS TO GOVERN AND REGULATE THE MSEZ THROUGH AN OPERATING AND IMPLEMENTING ARM IT MAY ESTABLISH, PURSUANT TO SEC. 16 OF RA 7227, AS AMENDED.

JOHN HAY SPECIAL ECONOMIC ZONE (JHSEZ) - AS THE GOVERNING BODY OF THE JHSEZ, THE CONVERSION AUTHORITY IS AUTHORIZED TO DETERMINE THE UTILIZATION AND DISPOSITION OF THE LANDS COMPRISING IT, SUBJECT TO PRIVATE RIGHTS, IF ANY, AND IN CONSULTATION AND COORDINATION WITH THE CITY GOVERNMENT OF BAGUIO AFTER CONSULTATION WITH ITS INHABITANTS, AND TO PROMULGATE THE NECESSARY POLICIES, RULES, AND REGULATIONS TO GOVERN AND REGULATE THE ZONE THROUGH AN OPERATING AND IMPLEMENTING ARM, JOHN HAY MANAGEMENT CORPORATION (JHMC), CREATED PURSUANT TO SEC. 16 OF RA 7227, AS AMENDED.

x x x

Sec. 15-A - Clark Special Economic Zone (CSEZ) and Clark Freeport Zone (CFZ) - x x x

"Duly registered business enterprises that will operate in the Special Economic Zones to be created shall be entitled to the same tax and duty incentives as provided for under ~~[Republic Act No. 7916, as amended]~~ **TITLE XIII OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND OTHER PREVAILING TAX AND INVESTMENT LAWS:**

Provided, That for the purpose of administering these incentives, the ~~[PEZA]~~ **CONVERSION AUTHORITY OR THROUGH ITS IMPLEMENTING ARM, CLARK DEVELOPMENT CORPORATION**, shall register, regulate, and supervise all registered enterprises within the Special Economic **AND FREEPORT** Zones **IN ACCORDANCE WITH REPUBLIC ACT NO. 11534.**

Section 10. Sec. 15-A of Republic Act No. 7227, as amended by Sec. 3 of Republic Act No. 9400, is hereby denominated as Sec.15-B and further amended to read as follows:

"SEC. 15-B. Poro Point Freeport Zone (PPFZ). – The two hundred thirty-six and a half-hectare (236.5 has.) secured area in the Poro Point Special Economic and Freeport Zone created under Proclamation No. 216, series of 1993, shall be operated and managed as a freeport and separate customs territory ensuring free flow or movement of goods and capital equipment within, into and exported out of the PPFZ. The PPFZ shall also provide incentives provided **UNDER TITLE XIII OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND OTHER PREVAILING TAX AND INVESTMENT LAWS.** ~~[such as tax and duty free importation of raw materials and capital equipment. However, exportation or removal of goods from the territory of the PPFZ to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended, the National Internal Revenue Code of 1997, as amended, and other relevant tax laws of the Philippines.]~~

x x x

FOR THE PURPOSE OF ADMINISTERING THESE INCENTIVES, THE CONVERSION AUTHORITY OR THROUGH ITS IMPLEMENTING ARM, PORO POINT MANAGEMENT CORPORATION, SHALL REGISTER, REGULATE, AND SUPERVISE ALL REGISTERED ENTERPRISES WITHIN THE PPFZ IN ACCORDANCE WITH REPUBLIC ACT NO. 11534.

THE CONVERSION AUTHORITY SHALL DEVELOP, OPERATE, AND MANAGE THE AIRPORT AND SEAPORT LOCATED WITHIN THE PPFZ, SUBJECT TO THE POLICIES, RULES, AND REGULATIONS THAT MAY BE PROMULGATED BY THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES AND THE PHILIPPINE PORTS AUTHORITY.”

Section 11. Sec. 15-B, as provided in Sec. 4 of Republic Act No. 9400 is hereby denominated as Sec.15-C, and further amended to read as follows:

"SEC. 15-C. Morong Special Economic Zone (MSEZ). – Duly registered business enterprises operating within the MSEZ created under Proclamation No. 984, series of 1997, shall be entitled to **THE INCENTIVES PROVIDED UNDER TITLE XIII OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND OTHER PREVAILING TAX AND INVESTMENT LAWS** ~~[tax and duty free importation of raw materials and capital equipment.]~~ In lieu of all national and local taxes except real property tax on land, a five percent (5%) tax on gross income earned shall be paid by all registered business enterprises which shall be directly remitted as follows: three percent (3%) to the National Government, and two percent (2%) to the treasurer's office of the municipality or city where they are located.

FOR THE PURPOSE OF ADMINISTERING THESE INCENTIVES, THE CONVERSION AUTHORITY OR THROUGH AN IMPLEMENTING ARM THAT MAY BE ESTABLISHED, SHALL REGISTER, REGULATE, AND SUPERVISE ALL REGISTERED ENTERPRISES WITHIN THE MSEZ IN ACCORDANCE WITH REPUBLIC ACT NO. 11534.

Section 12. Sec. 15-C, as provided in Sec. 5 of Republic Act No. 9400 is hereby denominated as Sec.15-D, and further amended to read as follows:

"Sec. 15-D. John Hay Special Economic Zone (JHSEZ). – Registered business enterprises which will operate after the effectivity of this Act, within the JHSEZ created under Proclamation No. 420, series of 1994, shall be entitled to the same tax and duty incentives as provided for under ~~[Republic Act No. 7916, as amended]~~ **TITLE XIII OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND OTHER PREVAILING TAX AND INVESTMENT LAWS:** Provided, That for the purpose of administering these incentives, ~~[the PEZA shall register, regulate, and supervise all registered enterprises within the JHSEZ]~~ **THE CONVERSION AUTHORITY OR THROUGH ITS IMPLEMENTING ARM, JOHN HAY MANAGEMENT CORPORATION, SHALL REGISTER, REGULATE, AND SUPERVISE ALL REGISTERED ENTERPRISES WITHIN THE JHSEZ IN ACCORDANCE WITH REPUBLIC ACT NO. 11534.** Provided, further, That the Conversion Authority and the John Hay Management Corporation (JHMC) shall only engage in acquiring, owning,

holding, administering or leasing real properties, and in other activities incidental thereto."

Section 13. Sec. 16 of Republic Act No. 7227 is hereby amended to read as follows:

"SEC.16. Subsidiaries. – The Conversion Authority shall have the power to form, establish, organize and maintain a subsidiary corporation or corporations. Such subsidiary or subsidiaries shall be formed in accordance with the Philippine Corporation Law and existing rules and regulations promulgated by the Securities and Exchange Commission, unless otherwise provided in this Act. In all cases, the Conversion Authority shall own initially at least fifty-one per centum (51%) of the capital stock of a subsidiary. The Conversion Authority shall also initially have the majority of the Board of Directors of the subsidiaries, of which at least one (1) director shall be the chairman of the Conversion Authority and a second director shall be the president of the Conversion Authority or his designated representative.

THE BOARD OF DIRECTORS OF THE SUBSIDIARIES SHALL BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES AND SHALL BE COMPOSED OF A CHAIRPERSON, A PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND SEVEN (7) MEMBERS, FROM THE LIST OF NOMINEES RECOMMENDED BY THE CONVERSION AUTHORITY IN CONSULTATION WITH THE SUBSIDIARIES.

xxx xxx xxx

Section 14. TRANSITORY GUIDELINES - The Conversion Authority, Philippine Economic Zone Authority (PEZA), Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and the Fiscal Incentives Review Board (FIRB) shall jointly promulgate the transitory guidelines to implement the transfer of incentives administration functions from PEZA/TIEZA to the Conversion Authority for the Economic Zones specified in Section 15-A and Section 15-D of this Act.

Section 15. Section 18 of Republic Act No. 7227 is hereby renumbered as Section 20, and all succeeding sections of the same Act are hereby renumbered accordingly.

Section 16. A new section denominated as Section 18 is hereby inserted to read as follows:

"SEC. 18. CONVERSION OF RESIDENTIAL LANDS. – RESIDENTIAL LAND AND RESIDENTIAL MIXED-USE LAND, IDENTIFIED BY THE CONVERSION AUTHORITY IN ITS MASTER DEVELOPMENT PLANS FOR THE ECONOMIC ZONES IDENTIFIED AND DEFINED UNDER R.A. 7227, AS AMENDED, ARE HEREBY DECLARED ALIENABLE AND DISPOSABLE, PROVIDED THAT, THE AREA TO BE CLASSIFIED AS ALIENABLE AND DISPOSABLE SUBJECT TO SALE SHALL NOT BE MORE THAN 5% OF THE TOTAL LAND AREA OF EACH ECONOMIC ZONE. THE CONVERSION AUTHORITY IS HEREBY AUTHORIZED TO SELL THESE LANDS.

THE PROCEEDS FROM THE SALE THEREOF SHALL ACCRUE TO THE CONVERSION AUTHORITY. PROVIDED FINALLY, THAT EVERY THREE (3) YEARS, THE CONVERSION AUTHORITY SHALL SUBMIT TO THE OFFICE OF PRESIDENT PERIODIC UPDATES ON THE

DISPOSITION OF RESIDENTIAL LAND AND RESIDENTIAL MIXED-USE LAND.”

Section 17. A new section denominated as Section 19 is hereby inserted to read as follows:

“SEC. 19. URGENT AND IMMEDIATE ISSUANCE OF SPECIAL PATENT AND CERTIFICATES OF TITLE - TO IMMEDIATELY SECURE TENURE OVER THE PROPERTIES OF THE CONVERSION AUTHORITY AND PROVIDE NEW ECONOMIC OPPORTUNITIES IN CONSONANCE WITH THE STATE POLICIES OF THIS ACT, THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), WITH THE CONCURRENCE OF THE CONVERSION AUTHORITY, SHALL HEREBY FORMULATE STREAMLINED PROCEDURES TO GOVERN NEW AND PENDING APPLICATIONS FOR THE ISSUANCE OF SPECIAL PATENTS OVER UNTITLED PROPERTIES TRANSFERRED BY THE STATE TO THE CONVERSION AUTHORITY.

THE LAND REGISTRATION AUTHORITY (LRA), WITH THE CONCURRENCE OF THE CONVERSION AUTHORITY, SHALL ALSO FORMULATE STREAMLINED PROCEDURES TO GOVERN THE ISSUANCE OF AN ORIGINAL CERTIFICATE OF TITLE (OCT) AND/OR A TRANSFER CERTIFICATE OF TITLE (TCT) IN THE NAME OF THE CONVERSION AUTHORITY COVERING THE PROPERTIES TRANSFERRED BY THE STATE TO THE CONVERSION AUTHORITY.

THE AFOREMENTIONED STREAMLINED PROCEDURES SHALL BE PROMULGATED WITHIN ONE HUNDRED TWENTY (120) DAYS FROM THE EFFECTIVITY OF THIS ACT.

THE DENR SHALL ENSURE THAT THE SPECIAL PATENTS SHALL BE ISSUED NOT LATER THAN ONE (1) YEAR FROM THE EFFECTIVITY OF THE STREAMLINED PROCEDURES.

THE LRA SHALL ENSURE THAT THE CERTIFICATES OF TITLE SHALL BE ISSUED NOT LATER THAN ONE (1) YEAR FROM THE ISSUANCE OF THE SPECIAL PATENT.”

Section 18. *Implementing Rules and Regulations* - The Conversion Authority shall promulgate and publish the necessary rules and regulations for the effective implementation of this Act, in consultation with appropriate agencies within three (3) months from the date of effectivity of this Act.

Section 19. *Repealing Clause* - All other 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 or modified accordingly.

Section 20. *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 21. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,