



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2254



Introduced by Representative Ma. Victoria Co-Pilar

EXPLANATORY NOTE

Odette. Yolanda. COVID-19. These names will forever remind us of moments when nature and crisis tested not just our resilience, but the very structure and responsiveness of our government. Each of these events revealed the strengths—and exposed the limits—of our institutions, particularly at the local level. They challenged how quickly and effectively we could act, and whether our laws were prepared for the scale and complexity of modern disasters.

Preparedness rooted in foresight mitigates risk. This truth guided Senator Vicente C. Sotto III when, in 1996, he filed a bill institutionalizing the local calamity fund. That legislative amendment to the Local Government Code enabled local government units (LGUs) to act swiftly and legally in the face of disasters, both during and after their occurrence. What fueled this initiative was not theory but experience: in 1991, as Vice Mayor of Quezon City, Sen. Sotto witnessed firsthand how limited legal and fiscal tools hampered the city's ability to assist victims of the Mt. Pinatubo eruption. From this difficult experience arose a forward-looking policy that has empowered LGUs ever since.

The value of this reform may be difficult to quantify, but its impact is undeniable. Over the years, further developments have reinforced the need to strengthen LGUs. The Supreme Court's Mandanas-Garcia ruling significantly expanded their fiscal autonomy, while Executive Order No. 138, s. 2021 devolved national functions to the local level—affirming that local governments are not just frontliners but vital partners in nation-building.

The COVID-19 pandemic placed an extraordinary burden on LGUs. Faced with unfamiliar and escalating demands, they assumed roles beyond their original mandate—public health enforcers, social service providers, crisis managers—often without precedent or sufficient training. And yet, they delivered. This experience

underscores the need to further enhance their capacity—not just through mandates, but with the resources to match.

In response, this measure proposes to increase the existing 5% local calamity fund to 10% of an LGU's annual budget. This adjustment is not merely a financial decision; it is a recognition of reality. Disasters are becoming more frequent, complex, and resource-intensive. Local governments must be equipped not just to react, but to respond with agility, adequacy, and foresight.

By increasing the calamity fund, we enable LGUs to meet rising expectations, support their communities more effectively, and uphold the spirit of local autonomy enshrined in our Constitution. In doing so, we honor the lessons of the past, respond to the needs of the present, and prepare more wisely for the challenges ahead.

In view of the foregoing, the urgent passage of this measure is respectfully sought.

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AN ACT

**AMENDING REPUBLIC ACT NO. 8185, OTHERWISE KNOWN AS AN ACT
AMENDING SECTION 324(D) OF REPUBLIC ACT NO. 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:*

SECTION 1. Section 324 (d) (as amended) of Republic Act No. 7160 is hereby
amended to read as follows:

**"(d) Ten Percent (10%) of the estimated revenue from regular sources shall be set
aside as annual lumpsum appropriations for relief, rehabilitation, reconstruction
and other works or services in connection with calamities and pandemics which
may occur during the budget year: Provided, however, That such fund shall be
used only in the area, or a portion thereof, of the local government unit or other
areas affected by a disaster, calamity or pandemic as determined and declared by
the local sanggunian concerned."**

SEC. 2. *Separability Clause* - If any provision of this Act is held invalid or
unconstitutional, the other provisions not so declared shall remain in force and effect.

SEC. 3. *Repealing Clause* - All laws, decrees, orders and rules and regulations
contrary to or inconsistent with the provisions of this Act are hereby repealed or amended
accordingly.

SEC. 4. *Effectivity* - This Act shall take effect fifteen (15) days after its publication
in the Official Gazette or in a newspaper of general circulation.

Approved,