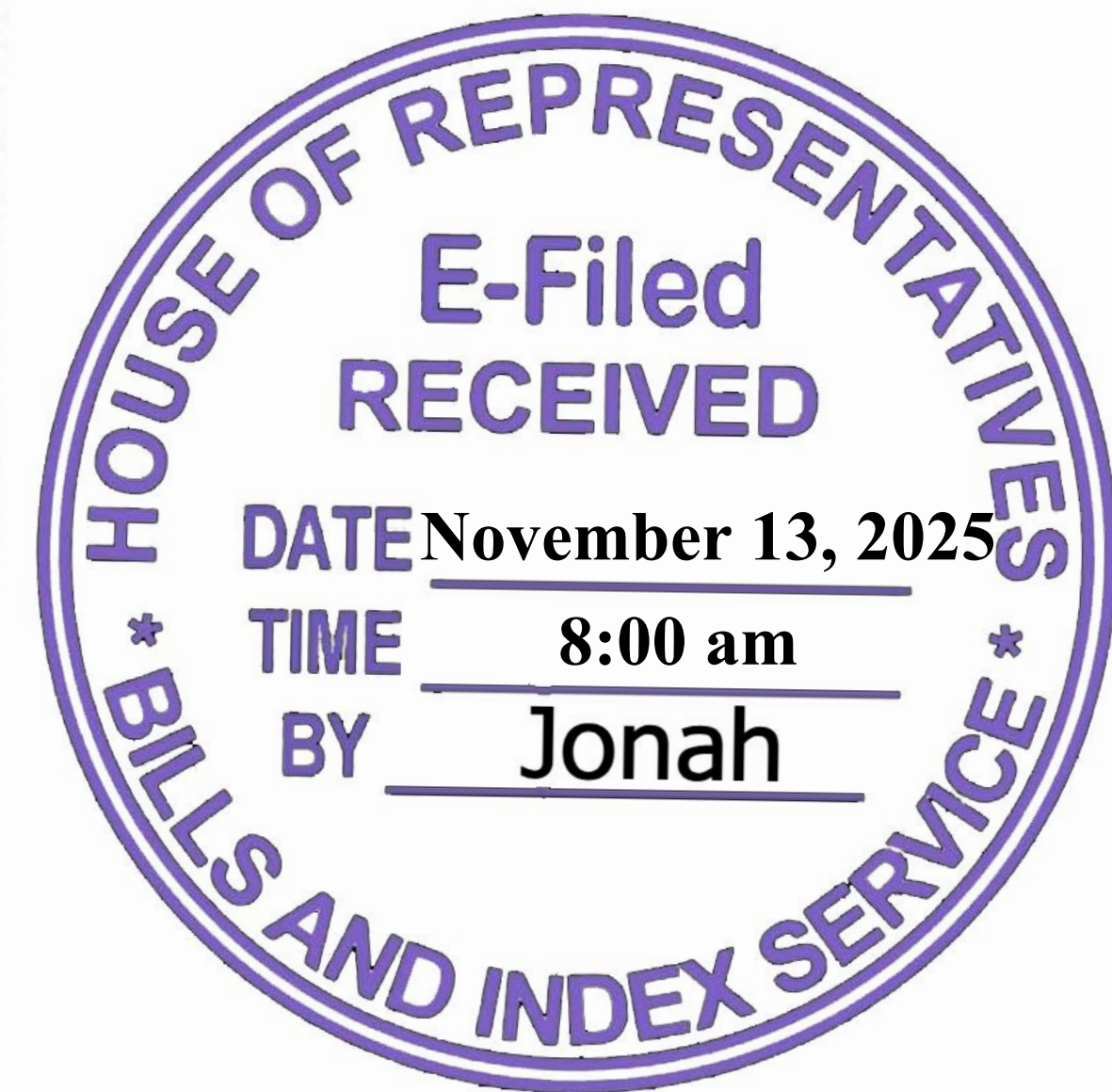




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 5951



Introduced by REPRESENTATIVE MARIA CRISTINA C. ANGELES

EXPLANATORY NOTE

This bill seeks to rationalize and rebalance the authority over quarry operations by transferring the power to issue permits for the extraction of sand, gravel, and other quarry resources from provincial governors to city and municipal mayors, thereby amending Republic Act No. 7160, or the Local Government Code of 1991.

Under existing law, the issuance of quarrying permits is vested solely in provincial governors, mayors of independent component cities, and mayors of highly urbanized cities. This excludes the mayors of component cities and municipalities, even though these LGUs are the ones that often face the direct environmental and social consequences of quarrying activities within their jurisdictions.

At present, municipalities, cities, and barangays cannot exercise full accountability for quarrying impacts, nor can they maximize revenue collection, since these powers are concentrated at the provincial level. They depend largely on provincial remittances, leaving them with limited authority but significant exposure to the adverse effects of quarry operations. Given their proximity to quarry sites and their more manageable number of permittees, the Sangguniang Bayan and Sangguniang Panlungsod are in a better position to regulate, monitor, and enforce quarrying rules effectively. The current system has created an imbalance between who bears the risks (municipalities, barangays) and who controls the benefits (provinces), undermining the principles of decentralization and local autonomy enshrined in the Constitution.

This measure therefore seeks to:

1. Empower city and municipal governments by granting their mayors the authority to issue quarrying permits, subject to ordinances of their respective sanggunians;

2. Retain the existing revenue-sharing scheme (30% to the province, 30% to the city/municipality, and 40% to the host barangay), thereby strengthening local fiscal capacity without depriving provinces of their share; and
3. Ensure greater transparency, accountability, and balance in the management of quarry resources.

To achieve these objectives, this bill proposes to repeal Section 138 of RA 7160, which vests the power exclusively in provinces, and to introduce new provisions — Section 146-A for municipalities and Section 151-A for cities — granting such authority to local chief executives at the city and municipal level.

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



MARIA CRISTINA C. ANGELES



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HOUSE BILL NO. 5951

Introduced by **REPRESENTATIVE MARIA CRISTINA C. ANGELES**

**AN ACT TRANSFERRING THE POWER TO ISSUE PERMITS FOR
THE EXTRACTION OF SAND, GRAVEL, AND OTHER QUARRY
RESOURCES FROM THE PROVINCIAL GOVERNORS TO THE
MAYORS OF CITIES AND MUNICIPALITIES, AMENDING FOR THE
PURPOSE 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. *Repeal of Section 138 of RA 7160.* — Section 138 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby repealed.

SECTION 2. *Insertion of New Section 146-A in Chapter II, Title I, Book II.* — A new Section 146-A is hereby inserted to read as follows:

SEC. 146-A. *Tax on Sand, Gravel, and Other Quarry Resources in Municipalities.* — The municipality may levy and collect not more than ten percent (10%) of the fair market value per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The power to issue permits for the extraction of such resources shall be exercised exclusively by the municipal mayor, subject to an ordinance enacted by the Sangguniang Bayan prescribing the terms, conditions, and procedures for the issuance, regulation, and monitoring of such permits.

The proceeds of the tax shall be distributed as follows: thirty percent (30%) to the province, thirty percent (30%) to the municipality, and forty percent (40%) to the barangay where the resources are extracted.

SECTION 3. *Insertion of New Section 151-A in Chapter III, Title I, Book II.* — A new Section 151-A is hereby inserted to read as follows:

SEC. 151-A. *Tax on Sand, Gravel, and Other Quarry Resources in Cities.* — The city may levy and collect not more than ten percent (10%) of the fair market value per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The power to issue permits for the extraction of such resources shall be exercised exclusively by the city mayor, subject to an ordinance enacted by the Sangguniang Panlungsod prescribing the terms, conditions, and procedures for the issuance, regulation, and monitoring of such permits.

The proceeds of the tax shall be distributed as follows: thirty percent (30%) to the province, thirty percent (30%) to the city, and forty percent (40%) to the barangay where the resources are extracted.

SECTION 4. *Implementing Rules and Regulations.* — Within sixty (60) days from the effectivity of this Act, the Department of Environment and Natural Resources (DENR), in coordination with the Department of the Interior and Local Government (DILG), the League of Cities of the Philippines, and the League of Municipalities of the Philippines, shall promulgate the necessary rules and regulations to implement this Act.

SECTION 5. *Separability Clause.* — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SECTION 6. *Repealing Clause.* — All laws, decrees, orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

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