

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6608



Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

AN ACT
CREATING THE LAMON BAY DEVELOPMENT AUTHORITY, DEFINING ITS POWERS,
FUNCTIONS, AND DUTIES, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Lamon Bay in Quezon Province is one of the most important fishing grounds in the Philippines. Based on a previously published research report that assesses the sustainability of fisheries of Lamon Bay, it ranked as the fifth highest commercial fishing ground in 1995 with a total production of 55,252 metric tons comprising 6% of the total national harvest.¹

Municipal fisheries production in the same year was 41,862 mt or 5% of the total, thus, making it the ninth major municipal fishing ground in the country. However, since 1985, its fish catch has been declining at the rate of 13.5% per annum which is more than twice the national average of 5.4%.

Accordingly, most fishermen in the area live in poverty and their plight is getting worse. Fish catch is declining by 13.5% a year, more than double the reduction experienced elsewhere in the country. Local fishermen and communities have already expressed concern over the deteriorating condition of Lamon Bay. Because of its economic benefits and environmental importance to the people of Quezon, particularly the residents of the 17 municipalities that comprise it, it is important to ensure the proper utilization, sustainable development and preservation of Lamon Bay.

This measure seeks to create a centralized governmental agency tasked to oversee and implement the over-all development of Lamon Bay and its surrounding areas, especially in the face unresolved boundary disputes among its coastal municipalities.

The proposed measure creates a Lamon Bay Development Authority that shall make and implement a comprehensive development plan designed to promote the rapid social and economic development of Lamon Bay. A Board of Directors shall govern the Authority who

¹ Economic Evaluation of Fishery Policies in Lamon Bay, Quezon, Maribec A. Campos, Blanquita R. Pantoja, Nerlita M. Manalili and Marideth R. Bravo, SEAMEO-SEARCA, Los Banos, Laguna, Philippines, Economy and Environment Program for Southeast Asia (EEPSEA), 2003

shall exercise the corporate powers granted under this bill. Moreover, the Authority is tasked to establish research centers to undertake studies on the marine and natural resources of Lamon Bay for policy or plan formulation. Finally, the Authority shall be exempt from taxes to allow the optimal use of its funds for the development of Lamon Bay.

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

A handwritten signature in black ink, appearing to read 'Keith D.L. Tan', with a stylized flourish at the end.

Keith Micah "Atty. Mike" D.L. Tan
4th District, Quezon

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

SECTION 1. Short Title. - This Act shall be known as the "Lamon Bay Development Authority Act".

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote and accelerate a balanced growth and progress of Lamon Bay and its surrounding municipalities, within the context of sustainable growth and development. The State further encourages and fosters the promotion of entrepreneurships, investments, infrastructures, tourism growth, and the creation of jobs and business opportunities for all.

In addition, the State shall act with due regard and adequate provision for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

SEC. 3. *Lamon Bay Development Authority.* – The Lamon Development Authority is hereby created under the Office of the President hereinafter referred to as the "Authority".

The Authority shall consist of a Board of Directors, hereinafter referred to as the "Board", which shall be composed of a Chairman and six (6) Members, to be appointed by the President. Provided, That majority of the Members of the Board must be residents of any of the localities comprising the Lamon Bay Area and at least one (1) must come from the fisherfolk sector. The term of office for the Board shall be for six (6) years, unless sooner removed or incapacitated.

Provided, further, That in case of any vacancy in the Board, the same shall be filled

by the President for the unexpired term. No person shall be appointed as Chairman or Member of the Board, unless he or she is a natural-born citizen, at least thirty (30) years of age, and of proven competence, probity, and integrity.

For purposes of this Act, the Authority created under this Section shall identify the surrounding municipalities within its jurisdiction which shall be known as the "Area".

SEC. 4. Powers and Functions of the Board. - The Authority through the Board shall have the following powers and functions:

(a) To make a comprehensive survey of the physical and natural resources and potentialities of Lamon Bay and the Area, particularly its social, cultural, historical, and economic conditions, hydrologic characteristics, power potentials, scenic and tourist spots, conservation of water resources and such other areas of concerns, and thereafter, craft a comprehensive and detailed Master Plan, as provided in Section 10 of this Act, to promote its rapid social and economic development; Provided that, the implementation of all fisheries plans, projects, and programs of the Authority shall require prior consultation with the Bureau of Aquatic Resources to ensure that such plans, programs and projects are consistent with the national fisheries plans and programs;

(b) To undertake other plans, programs, and projects to further the socioeconomic development of the Area and of the Philippines thereafter;

(c) To promote or engage in agricultural, industrial, tourism, commercial or other activities necessary or directly contributory to the socioeconomic development of the Area, and, for this purpose, whether by itself or in cooperation with private entities, may organize, finance, invest in, and operate subsidiary corporations;

(d) To study and approve all plans, programs and projects proposed by the local government units, public corporations, and private entities which is related to the utilization of the resources and the development of Lamon Bay and the surrounding Area, and monitor the proper implementation of said plans, programs, and projects consistent with the objectives and purposes of this Act, in coordination and mandatory prior consultation with the Department of Environment and Natural Resources (DENR);

(e) To plan, program, finance and/or undertake infrastructure projects such as flood control, sewage, water supply, roads, pot works, irrigation, housing and other related works, as may be deemed necessary, when so required within the context of its plans programs, including the readjustment, relocation, restoration, or resettlement of concerned residents, as may be deemed necessary in the best interest of the public: Provided that, should any project be financed wholly or in part by the Authority, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Board from users and/or beneficiaries thereof to recover costs of construction, operation, and maintenance thereof;

(f) To undertake reclamation projects which may be necessary to accomplish the approved plans and projects of the Authority. Provided that, the land so reclaimed shall be the property of the Authority and title thereto shall be vested solely to the Authority; Provided further that, the resulting lakeshore area shall continue to be owned by the National Government as provided in Section 4(d) of this Act;

(g) To establish research centers to undertake studies on the marine and other natural resources of Lamon Bay for policy and plan formation;

(h) To implement projects and undertake studies on the improvement and maintenance of the desirable water quality of Lamon Bay, and in pursuance thereof, prepare a water quality management program on a continuing basis, which the Authority shall carry out with the assistance and support of the national and local government units involved in water quality management;

(i) To invest in or otherwise acquire, own, hold, use, operate, sell, assign, transfer, exchange, mortgage, pledge, lease develop, or otherwise deal in, real or personal, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities. Provided that, no land within the shore area may be sold to any person, natural or juridical, such land shall only be available for lease for a renewable period of five (5) years, unless sooner terminated by the government for just causes;

(j) To exercise the right of eminent domain or acquire by purchase, privately-owned lands within the area for purposes of implementing plans and projects of the Authority;

(k) To require the local government units embraced within the Area to pass appropriate zoning ordinances and regulatory measures and to enforce the same with the assistance of the Authority;

(l) To provide, establish, and accredit security and firefighting forces;

(m) To formulate and implement public safety measures to ensure preservation of peace and order within the Area by establishing Peace and Order Rangers having concurrent jurisdiction with the law enforcement within the Area;

(n) To borrow funds from any local or foreign financial institution to carry out the plans and projects of the Authority;

(o) To accept grants, donations, gifts, bequests, funds, and/or properties in whatever form and whatever source in coordination with the appropriate agency and administer the same in accordance with the terms thereof, or in the absence of any condition, in such manner consistent with the policy and powers of the Authority provided for in this Act;

(p) To enter into contracts to carry out its purposes and objectives;

(q) To sue and be sued;

(r) To issue rules and regulations as may be necessary to effectively carry out the powers herein provided, including plans, programs, and projects of the Authority. Such rules and regulations shall take effect fifteen (15) days after publication thereof, in a newspaper of general circulation; and

(s) To perform any other act as may be deemed necessary by the Board, upon majority vote, to undertake the plans, programs and projects of the authority.

SEC. 5. *Executive Director.* – In addition to the Board, an Executive Director shall be appointed by the President who shall come from the private sector and shall have demonstrated executive competence and experience for at least ten (10) years in the management of agricultural, industrial, tourism or commercial enterprises and knowledgeable of the socio-economic conditions of Lamon Bay and its surrounding municipalities. Further, no person may be appointed as an Executive Director unless he or she is a natural-born citizen, at least forty (40) years of age, and of proven competence, probity, and integrity.

SEC. 6. *Powers and Functions of the Executive Director.* - The Executive Director shall have the following powers and functions:

(a) To assist in the administration and management of the Authority;

(b) To assist in the development and improvement of the Master Plan;

(c) To promote, trade, tourism, and agriculture enterprises within the Area so as to encourage more investments;

(d) To ensure that Rules and regulations established by the Authority are enforced and implemented; and

(e) To guarantee that safety and security measures are properly implemented within the Areas covered by the Authority.

SEC. 7. *Prohibition against Conflict of Interest.* -The Board and the Executive Director shall not be allowed to have any financial interest, directly or indirectly, in any contract entered into by the Authority or in any special privilege granted by the Authority during his or her term of office. All contracts entered into by any member of the Board, the Chairman, or the Executive Director, in violation of this Section shall be immediately voted upon by the Board, no more than five (5) days after its discovery, and by two-thirds (2/3) vote thereof, the contract may be voided. Further, the member of the Board, the Chairman, or the Executive Director who violated this Section shall be disqualified from

serving his or her unexpired term and shall be perpetually disqualified in any position in the Authority.

SEC. 8. *Quorum.* - The presence of four (4) Members of the Board, including the Chairman, shall constitute a quorum for the transaction of business.

SEC. 9. *Meetings of the Board.* - The Board shall meet preferably at its principal office at least twice a month and as frequently as necessary to discharge its duties and responsibilities properly. The Board shall be convened by the Chairman or upon a written request by a majority of its Members. Except when otherwise provided for in this Act, the vote of a majority of the members constituting a quorum shall be sufficient for the adoption of any rule, resolution, decision or any act of the Board.

SEC. 10. *Lamon Bay Development Authority Master Plan.* - The Board shall develop the Lamon Bay Development Authority Master Plan in active consultation with and participation of the concerned local government units, fisherfolk sector, and other relevant stakeholders,

SEC. 11. *Establishment of Tourism Enterprise Zones.* - The Authority may allow the establishment of Tourism Enterprise Zones (TEZ) in complete coordination and assistance with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), as authorized by the Department of Tourism (DOT), and under the supervision of the President.

An entity may qualify as an operator of a TEZ, as designated by the TIEZA, within the jurisdiction of the Authority under Republic Act No. 9593, otherwise known as the "Tourism Act of 2009."

Competitive incentives extended to TEZs may be provided, upon qualification, in accordance with abovementioned law.

SEC. 12. *Exemption from Tax.* - The Authority shall be exempt from payment of all taxes imposed by the National Government, its provinces, cities, municipalities, and other government agencies and instrumentalities. Provided that, subsidiary corporations, which may be created, shall be subject to all said taxes five (5) years after its establishment.

Such exemption shall include any tax or fee imposed by the National Government on the sale, purchase, or transfer of any foreign exchange and all notes, bonds, and debentures, and other obligations issued by the Authority, both as to the, principal and interest.

SEC. 13. *Representation of the Authority.* - The Executive Director shall be the principal representative of the Authority. He or she shall be empowered, in such capacity, and in accordance and approval of the Board, by two-thirds (2/3) vote, on the following:

(a) To represent the Authority in all dealings with other offices, agencies, and instrumentalities of the Government and with all other persons and entities, whether public or private, domestic or foreign;

(b) To sign contracts concluded by the Authority, annual reports, balance sheets, profit and loss statements, correspondences and other documents of the Authority; and

(c) To represent the Authority, either personally or through counsel, in any legal proceedings or actions.

SEC. 14. *Capitalization.* - The Authority shall have an authorized capital of Two Billion Pesos (Php 2,000,000,000.00) no par value shares, of which the amount of One Billion Pesos (Php 1,000,000,000.00) shall be subscribed by the provinces, cities and municipalities in the Area wherein twenty-five percent thereof (25%) shall be subscribed by the National Government.

SEC. 15. *Departments.* - The following departments shall be created within the Authority: Administrative, Legal, Operations, Financial and Management, Auditing, Planning and Programming, and such other departments as may be necessary to effectively carry out the functions of the Authority. The Head of each Department shall be appointed by the Board, upon recommendation by the Executive Director

SEC. 16. *Appropriations.* - The sum of two hundred million pesos (Php 200,000,000.00) necessary for the initial operating expenses of the Authority is hereby charged to the appropriations authorized for the Regional Development Fund. Thereafter, the sum necessary for the continued operation and maintenance of the Authority shall be included in the annual budget of the Office of the President.

SEC. 17. *Separability Clause.* - If any portion or provision of this Act is subsequently declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 18. *Repealing Clause.* - All laws, decrees, orders, proclamations, rules and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 19. *Effectivity.* - This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,