



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



Twentieth Congress
First Regular Session

HOUSE BILL NO. **7404**

Introduced by Rep. SANCHO FERNANDO “ANDO” F. OAMINAL

EXPLANATORY NOTE

Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991 bestowed upon barangays, gargantuan powers and responsibilities. As the basic political unit, "the barangay serves as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community, and as a forum wherein the collective views of the people may be expressed, crystallized and considered, and where disputes may be amicably settled". It is the only type of local government unit where the Executive, Legislative and Judicial powers rolled into one are vested.

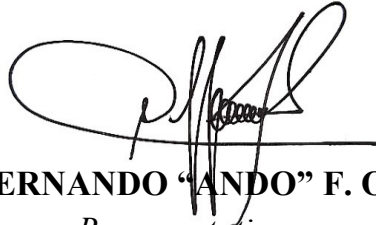
Considering the important role that barangays perform, the government must grant barangay officials with corresponding compensation, benefits and other privileges in order to further motivate them to effectively and efficiently perform their vital role in the delivery of frontline basic services to the community.

This bill therefore seeks to provide the Magna Carta for Barangays, an important piece of legislation which covers wide-range of benefits and privileges for barangays and barangay officials. These include making the punong barangay, sangguniang barangay members, kabataang barangay chairperson, the barangay secretary and barangay treasurer as regular employees. As such, they are entitled to fixed salaries, allowances, insurance,

medical and dental coverage, retirement benefits and such other fringe benefits to which a regular government employee may be entitled to receive.

Moreover, this bill proposes to promote the welfare of the barangays by providing them with appropriate basic services and facilities such as regular supply of clean and potable water, public transportation, schools, health centers and barangay halls and other needs of the community. It also contains provisions pertaining to the automatic release of internal revenue allotment shares, shares in the proceeds derived from the utilization of national wealth, scholarship grants and other matters greatly beneficial to the residents of the barangays.

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

A handwritten signature in black ink, appearing to read 'Sancho Fernando', is written over a horizontal line.

SANCHO FERNANDO “ANDO” F. OAMINAL

Representative

2nd District, Misamis Occidental



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TWENTIETH CONGRESS
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HOUSE BILL NO. 7404

INTRODUCED BY: REP. SANCHE FERNANDO “ANDO” F. OAMINAL

AN ACT
PROVIDING FOR THE MAGNA CARTA FOR BARANGAYS

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

SECTION 1. *Short Title.* - This Act shall be known as the "*Magna Carta
for Barangays.*"

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to develop and improve the general welfare of residents of barangays, uplift the standard of living of barangay officials, grant every barangay the basic facilities for decent, healthy and comfortable living therein, and provide new measures that will ensure its enjoyment of local autonomy and the effective performance of its role as the primary planning and implementing unit of government programs, projects and activities, and as a forum in which the collective views of the people in the community may be crystallized and considered. Toward this end, every barangay shall be granted authority to solve its problems on its level, and the spirit of volunteerism shall be the guiding principle in pursuing its growth and development.

SEC. 3. *Barangay Officials as Regular Employees.* - The punong barangay, sangguniang barangay members, kabataang barangay chairperson, the barangay secretary and barangay treasurer in all barangays are hereby declared regular employees. As such, they are entitled to fixed salaries, allowances, insurance, medical and dental coverage, retirement benefits and such other fringe benefits to which a regular government employee may be

SEC. 4. *Salaries.* - All barangay officials mentioned in Section 3 of this Act are entitled to fixed salaries not exceeding the rate equivalent to the first step of the salary grades prescribed under Republic Act No. 6758, as amended, otherwise known as the Compensation and Position Classification Act, in the city or municipality where the barangay belongs:

Salary Grade 18 - For the punong barangay;

Salary Grade 15 - For the sangguniang barangay members, barangay secretary and barangay treasurer;

SEC. 5. *Drinking Water.* - Every barangay shall have a regular supply of clean and potable water. For this purpose, every city or municipality, shall construct or maintain at least one deep well with pumping device for drawing drinking water to supply the needs of every one thousand residents for each barangay within its jurisdiction.

SEC. 6. *Transportation.* - Every barangay shall have a public transportation available at least once a day. For this purpose, every municipality or city, shall make such necessary representations before the appropriate government agencies to require public utility companies operating within its jurisdiction to provide the minimum means of transportation in every barangay.

SEC. 7. *Barangay Halls, Schools and Health Centers.* - Every barangay shall have one (1) barangay hall, one (1) health center, at least one (1) public elementary school, and one (1) public high school.

SEC. 8. *Automatic Release of Share in National Taxes.* -The share of the barangays in the national taxes shall be automatically remitted to the barangays at the end of the calendar year.

SEC. 9. *Transfer of Funds for the Maintenance of Roads and Bridges.* - All public funds appropriated from the national treasury for the maintenance of barangay roads and bridges and other similar constructions shall be transferred or remitted directly to the general fund of every barangay for proper disposition by the barangay officials.

SEC. 10. *Mandatory Share in All Taxes, Fees or Other Charges.* - Twenty-five percent (25%) of all taxes collected on real property located within the barangay shall be considered barangay funds and shall be allocated in accordance with existing laws. In addition thereto, each barangay is entitled to ten percent (10%) in all other forms of taxes, fees, penalties, compromises or other charges collected from persons residing in the barangay or entities whose office or manufacturing plant is located within the barangay.

SEC. 11. *Share in the Proceeds of Natural Wealth.* - Every barangay is entitled to an equitable share in the proceeds from the exploitation, utilization and development of natural resources within its territory. The amount of the barangay share shall be determined by the city or municipality concerned after consultations with the concessionaires, the municipal or city officials and barangay officials, taking into account the extent of the exposure of the barangay residents to pollution, flood and ecological imbalance. This equitable sharing rate for each barangay shall be resolved by all parties concerned not later than six (6) months from the approval of this Act. Revenues derived from this source shall also form part of the general fund of the barangay.

SEC. 12. *Scholarship Grant.* - Every barangay shall offer at least one (1) bachelor's degree scholarship grant annually to a bona fide resident of the barangay who must top the competitive examinations given by the barangay scholarship committee. The scholarship committee shall be created composed of five (5) members appointed by the *sangguniang barangay*, with the approval of the *punong barangay*.

The scholarship grant includes tuition fees and all other school fees, reasonable allowances for schoolbooks, supplies and transportation, and other expenses as the barangay may deem appropriate.

SEC. 13. *Priority in Employment.* - Residents in the barangay shall have the priority in the hiring of workers and laborers for any government construction or development projects within their respective barangays.

SEC. 14. *Cooperative Enterprise.* - Every barangay shall encourage and give full assistance to the establishment and organization of cooperative enterprises and to take every possible effort to make cooperative undertakings a way of life in the barangay.

SEC. 15. *Implementing Rules and Regulations.* The Secretary of the Interior and Local Government shall, in consultation with the Department of Budget and Management (DBM) promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 16. *Appropriations.* - The amount necessary to implement this Act shall be charged against the national internal revenue taxes and Internal Revenue Allotment Shares of local government units in the following manner:

- a. Fifty percent (50%) - from the national internal revenue taxes before deducting the Internal Revenue Allotment (IRA) shares of local government units;

- b. Fifty percent (50%) - from the Internal Revenue Allotment (IRA) shares of local government units, where the barangay belongs, to be deducted in the following manner:
- i. Thirty percent (30%) - from the barangay
 - ii. Fifty percent (50%) - from the municipality or city
 - iii. Twenty percent (20%) - from the province

SEC. 17. *Penalty.* - Any person who willfully interferes with, restrains or coerces barangay officials or residents in the exercise of their rights guaranteed under this Act, or who in any other manner commits any act to defeat any of the provisions of this Act shall, upon conviction, be punished by a fine of not less than Five thousand pesos (P5,000.00) nor more than Ten thousand pesos (P10,000.00) or by imprisonment of not more than six (6) months, or both, subject to the discretion of the court. If the offender is a public official, the court shall order the dismissal of the offender from the government service.

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

SEC. 19. *Separability Clause.* - If any provisions of this Act are declared invalid, the remainder or any provisions thereof not affected thereby shall remain in force and effect.

SEC. 20. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,