



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 9052



Introduced by Representative SITTIE SHAHARA "BAI DIMPLE" I. MASTURA

AN ACT
INSTITUTIONALIZING THE INCOME CLASSIFICATION OF BARANGAYS, PROVIDING A BARANGAY
EQUALIZATION FUND, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Section 1, Article X of the 1987 Constitution states that the political subdivisions of the Republic of the Philippines are the provinces, cities, municipalities, and barangays. Autonomous regions in Muslim Mindanao and the Cordilleras shall also be created. Among all these, the barangay is the smallest administrative division, serving as the primary unit of local government, and barangays practically serve as the foundation of the Filipino social structure.

Barangays commonly face issues such as poor waste management, crime, unemployment, inadequate health services, weak infrastructure, limited livelihood opportunities, peace and order problems, and limited police visibility. Overall, gaps in infrastructure, weak enforcement of laws and ordinances, other social issues, and low civic participation are caused by limited budgets.

Barangays have the authority to generate their own revenues within their respective jurisdictions, and, even if supplemented by the internal revenue allotment they receive from the national government, are still not enough to cover even the most basic of health services that their constituents demand, more so in times of natural calamities.

This bill seeks the creation of a Barangay Equalization Fund for each barangay, in addition to the IRA they receive annually. Budget for infrastructure projects, livelihood programs, social services, nutrition, and health programs shall be sourced from this fund.

It is envisioned that the operationalization of this fund will redound to the utmost socio-economic benefits of barangays, particularly those in remote areas.

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

SITTIE SHAHARA "BAI DIMPLE" I. MASTURA

Representative

Maguindanao del Norte, Lone District with Cotabato City



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

SECTION 1. Declaration of Policy — It is hereby declared to be the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

SEC. 2. Barangay Equalization Fund. — There shall be included in the annual national budget a Barangay Equalization Fund for every barangay. The appropriation for each barangay shall be based on the Philippine Statistics Authority's (PSA) income classification of the city or municipality where the barangay belongs, and this equalization fund shall be on top of the Internal Revenue Allotment (IRA) share that each barangay is already receiving from the national government.

SEC. 3. Trust Fund Classification. — The Barangay Equalization Fund shall be released annually to every barangay before March 1st of the calendar year and shall be treated as a trust fund in their annual budget, as follows:

- a) Every barangay of Fourth, Fifth, and Sixth Class municipalities shall receive an annual appropriation of six million pesos (Php6,000,000.00)
- b) Every barangay of First, Second, and Third Class municipalities shall receive an annual appropriation of five million pesos (Php5,000,000.00)
- c) Every barangay of Fourth, Fifth, and Sixth Class cities shall receive an annual appropriation of four million pesos (Php4,000,000.00)
- d) Every barangay of First, Second, and Third Class cities shall receive an annual appropriation of three million pesos (Php3,000,000.00)

SEC. 4. Exclusive Allocation. — The fund shall be solely allocated for the upliftment of the economic life of the constituents of the barangays, and shall specifically be allotted as follows:

- a) Twenty-five percent (25%) shall be allocated for infrastructure development

- b) Twenty-five percent (25%) shall be allocated for livelihood programs
- c) Twenty-five percent (25%) shall be allocated for social services such as medical, educational, transportation, burial, and food subsidy assistance; and
- d) Twenty-five percent (25%) shall be allocated for a barangay nutrition program

Not more than 5% of the allocated amount shall be spent for the administration of any of the aforesaid programs or projects.

SEC. 5. *Prohibited Acts.* – Any public officer accountable for the Barangay Equalization Fund who shall take, or misappropriate, or shall consent or permit, through abandonment or negligence, any other person to take such public funds or property, wholly or partially, shall be liable for misappropriation or malversation of such funds or property, and shall suffer the penalties prescribed in Article 217 of the Revised Penal Code.

SEC. 6. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Department of Budget and Management (DBM), the Department of Finance (DOF), and the Department of Interior and Local Government (DILG), shall promulgate the implementing rules and regulations of this Act.

SEC. 7. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 8. *Separability Clause.* — If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in force and effect.

SEC. 9. *Repealing Clause.* — All laws, ordinances, rules, regulations, and other issuances, or parts thereof, inconsistent with the provisions of this Act are repealed or modified accordingly.

SEC. 10. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette, or in a newspaper of general circulation in the Philippines.

Approved.