

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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RECEIVED BY: 

SENATE

S. No. 229

Introduced by Senator S. R. Osmeña III


EXPLANATORY NOTE

Nearly a decade after its enactment, the implementation of R.A. 7160 otherwise known as the Local Government Code, is hamstrung by severe financial constraints. Local government officials report that the continued interference by members of Congress and other officials of the national government further aggravate the financial constraints of Local Government Units (LGUs).

The principle of devolution rests on the premise that Local Government Units are the best managers of their respective local economies because they have direct links to their constituents, and are in a better position to evaluate and respond to the local demand for public goods and services.

Yet the power to deliver local public goods and services hinges on control over resources for local public goods and development initiatives. This bill proposes the automatic appropriation of the local government units' share in the Internal Revenue Allotment (IRA) as a measure that will strengthen local autonomy. Automatic appropriation is not a new concept. It applies to fixed expenditures such as personnel retirement premiums, and government service insurance; principal and interest on public debt, and national government guarantees of obligations. The empowerment of Local Government Units as a measure towards true local autonomy is an objective that merits automatic appropriation as much as these other items.

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


SERGIO OSMEÑA III
Senator

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AN ACT
PROVIDING FOR THE AUTOMATIC APPROPRIATION OF THE INTERNAL
REVENUE ALLOTMENT FOR LOCAL GOVERNMENT UNITS.

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

1 **SECTION 1.** – The share of local government units in the internal
2 revenue allotment shall be automatically appropriated; Provided, That no
3 obligations shall be incurred or payments made from funds thus automatically
4 appropriated except as issued in the form of regular budgetary allotments.

5 **SEC. 2. Effectivity.** This Act shall take effect fifteen (15) days after its
6 publication in two (2) leading newspapers of national circulation.

7

Approved,