


SENATE
S. B. NO. **2190**

'14 APR 24 P5:21

Introduced by SENATOR FERDINAND R. MARCOS, JR.

RECEIVED BY: 

**AN ACT VESTING UPON CONGRESS THE SOLE POWER TO CREATE BARANGAYS,
AMENDING FOR THIS PURPOSE SECTIONS 6, 285 AND 385 OF REPUBLIC ACT 7160,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER
PURPOSES**

Explanatory Note

Section 6 of Republic Act 7160, otherwise known as the Local Government Code of 1991, empowers the Sangguniang Panlalawigan and Sangguniang Panlungsod to create barangays in their respective territorial jurisdiction, through the enactment of appropriate ordinance, subject to the limitations and requirements prescribed by the Code. The power is designed to enhance local autonomy, and a recognition of the fact that the concerned Sanggunians are in a better position to chart the destiny of their local units.

This power is likewise recognized under Section 385 of the Code, which provides that barangays, whether created by law passed by Congress or through ordinance of the sangguniang panlalawigan or panlungsod, shall be subject to approval by a majority of the votes cast in a plebiscite to be conducted by the COMELEC in the local government unit or units directly affected within such period of time as may be determined by the law.

Under Section 285 of the Code, however, mandates that "*the financial requirements of barangays created by local government units after the effectivity of this Code shall be the responsibility of the local government unit concerned.*" Thus, the local government unit creating the barangay, as mandated in the above-quoted provision, has the corresponding obligation to financially support the newly established local government units.

Records of the National Statistical Coordinating Board reveal that as of 31 December 2013, there are 42,026 barangays all over the country. Out of this number, more than 200 barangays were created by the Sanggunian. The dismal reality however, is that barangays created by the Sanggunian have received measly amount of annual budgetary allocation from the local government unit which created them. This results to poor delivery of basic services due to lack of financial resources that should have been used to fund various programs and projects in the said barangay.

It is unfortunate that the funding allocation of the barangays created by Sanggunian is grossly incomparable to the Internal Revenue Allotment of the other existing barangays created by law, thereby creating a disparate classification between these two classes of barangays.

In order to address this inequitable scenario, there were certain barangays that sought the help of their respective Congressional Representatives to file bills that all seek to "re-name" or "re-create" a barangay out of an existing barangay that was previously created by a Sangguniang Panlalawigan. The common purpose of these bills is to secure entitlement to a share in the Internal Revenue Allotment.

To remedy this appalling situation, this legislative measure proposes that the creation of the smallest political unit in the country be done solely through Acts of Congress, and not through Ordinances passed by the Sanggunian Panlalawigan or Sanggunian Panlungsod.

As a result, barangays created by Congress will entitle them to their just share of the Internal Revenue Allotment, as provided for under the Local Government Code, which shall be automatically appropriated and directly released to them.

This benefit shall likewise equally apply to those barangays previously created by the Sanggunian Panlalawigan and Sanggunian Panlungsod through their respective Ordinances.

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


FERDINAND R. MARCOS, JR.

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AMENDING FOR THIS PURPOSE SECTIONS 6, 285 AND 385 OF REPUBLIC ACT 7160,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER
PURPOSES**

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

SECTION 1. Section 6 of Republic Act No. 7160 is hereby amended to read as
follows:

Section 6. *Authority to Create Local Government Units.* - A local government unit
may be created, divided, merged, abolished, or its boundaries substantially
altered [either] by law enacted by Congress, [in the case of a province, city,
municipality, or any other political subdivision, or by ordinance passed by the
sangguniang panlalawigan or sangguniang panlungsod concerned in the case
of a barangay located within its territorial jurisdiction,] subject to such limitations
and requirements prescribed in this Code.

SEC. 2. Section 285 of Republic Act No. 7160 is hereby amended to read as
follows:

Section 285. *Allocation to Local Government Units.* - The share of local
government units in the internal revenue allotment shall be collected in the
following manner:

- (a) Provinces - Twenty-three percent (23%);
- (b) Cities - Twenty-three percent (23%);
- (c) Municipalities - Thirty-four percent (34%); and
- (d) Barangays - Twenty percent (20%)

Provided, however, That the share of each province, city, and municipality shall
be determined on the basis of the following formula:

- (a) Population - Fifty percent (50%);
- (b) Land Area - Twenty-five percent (25%); and
- (c) Equal sharing - Twenty-five percent (25%)

Provided, further, That the share of each barangay with a population of not less than one hundred (100) inhabitants shall not be less than Eighty thousand (P80,000.00) per annum chargeable against the twenty percent (20%) share of the barangay from the internal revenue allotment, and the balance to be allocated on the basis of the following formula:

(a) On the first year of the effectivity of this Code:

(1) Population - Forty percent (40%); and

(2) Equal sharing - Sixty percent (60%)

(b) On the second year:

(1) Population - Fifty percent (50%); and

(2) Equal sharing - Fifty percent (50%)

(c) On the third year and thereafter:

(1) Population - Sixty percent (60%); and

(2) Equal sharing - Forty percent (40%).

[Provided, finally, That the financial requirements of barangays created by local government units after the effectivity of this Code shall be the responsibility of the local government unit concerned.]

SEC. 3. Section 385 of Republic Act No. 7160 is hereby amended to read as follows:

Section 385. Manner of Creation. - A barangay may be created, divided, merged, abolished, or its boundary substantially altered, by law **ENACTED BY CONGRESS**, [or by an ordinance of the sangguniang panlalawigan or panlungsod,] subject to approval by a majority of the votes cast in a plebiscite to be conducted by the COMELEC in the local government unit or units directly affected within such period of time as may be determined by the law. [or ordinance creating said barangay. In the case of the creation of barangays by the sangguniang panlalawigan, the recommendation of the sangguniang bayan concerned shall be necessary.]

SEC. 4. *Entitlement to Internal Revenue Allotment Share.* All barangays, including those previously created by Sangguniang Panlalawigan and Sangguniang Panlungsod pursuant to Section 6 of RA 7160, shall be entitled to an Internal Revenue Allotment share pursuant to Section 284 of RA 7160, which shall be automatically appropriated and directly released to them.

SEC. 5. *Implementing Rules and Regulations.* The Department of Budget and Management (DBM), Department of Finance (DOF), Department of Interior and Local Government (DILG), and the different Leagues of the local government units shall issue the necessary implementing rules and regulations within sixty (60) days after the effectivity of this Act.

SEC. 6. *Separability Clause.* - In case any provision of this Act is declared unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue in full force and effect.

SEC. 7. *Repealing Clause.* - All other laws, Executive Orders, Executive Issuances, Rules and Regulations or part thereof inconsistent or contrary to the provisions of this Act, are hereby repealed or amended accordingly.

SEC. 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved.