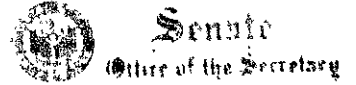


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



14 OCT 28 P 6:21

SENATE

S.B. No. 2439

RECEIVED BY: *JV*

Introduced by Senator **JOSEPH VICTOR G. EJERCITO**

AN ACT
RATIONALIZING THE INCOME REQUIREMENTS FOR THE CREATION
OF A MUNICIPALITY, THE DECLARATION OF HIGHLY-URBANIZED
STATUS IN THE CASE OF COMPONENT CITIES AND THE CREATION
OF A PROVINCE, AMENDING FOR THE PURPOSE SECTIONS 442 (a),
452 (a), 453 and 461 (a) AND (c) OF REPUBLIC ACT NO. 7160, AS
AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT
CODE OF 1991

EXPLANATORY NOTE

Laws are enacted in order to respond to the need of the times. Such is the flexible nature of laws for where it any different, the needed effect would not be accomplished.

In olden times, Romans applied substantial justice and enacted laws in order to respond accordingly.

The Local Government Code is not immune from this flexibility. It has undergone amendments in its provisions in several ways that it cannot be accused of standing still. Short of saying, it has responded to the needs of the times.

This amendment of the Local Government Code must be made because the effects of economic success are not limited to that which has a large square kilometer in area.

Vibrant municipalities have sprung from the ground up which have not necessarily been limited by their land area and are thus needing recognition as a city, with all accompanying benefits thereto.

In view of the foregoing, the passage of this measure is earnestly sought.

JOSEPH VICTOR G. EJERCITO

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20 **452 (a), 453 and 461 (a) AND (c) OF REPUBLIC ACT NO. 7160, AS**
21 **AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT**
22 **CODE OF 1991**

23
24 *Be it enacted by the Senate and House of Representatives of the*
25 *Philippines in Congress assembled.*

26
27
28 SECTION 1. Section 442 (a) of Republic Act 7160, as amended, otherwise
29 known as the Local Government Code of 1991, is hereby amended to
30 read as follows:

31
32 "SECTION 442. *Requisites for Creation.* - (a) A
33 municipality may be created if it has an average annual
34 income, as certified by the provincial treasurer, of at least
35 TWELVE MILLION FIVE HUNDRED THOUSAND PESOS
36 (P12,500,000.00) for the last two (2) consecutive years
37 based on the 2013 constant prices; a population of at least
38 twenty-five thousand (25,000) inhabitants as certified by
39 the National Statistics Office; and a contiguous territory of
40 at least fifty (50) square kilometers as certified by the
41 Lands Management Bureau: Provided, That the creation
42 thereof shall not reduce the land area, population or
43 income of the original municipality or municipalities at the
44 time of said creation to less than the minimum
45 requirements prescribed herein."

46
47 xxx

xxx

xxx

48
49
50 SECTION 2. Section 452 (a) and 453 of the Local Government Code of
51 1991, as amended, are amended to read as follows:

52
53 "SECTION 452. *Highly Urbanized Cities.* - (a) Cities with a
54 minimum population of two hundred thousand (200,000)
55 inhabitants as certified by the National Statistics Office,
56 and with A LOCALLY-GENERATED annual income FOR

1 THE LAST TWO (2) CONSECUTIVE YEARS of at least TWO
2 HUNDRED Fifty Million Pesos (P250,000,000.00) based on
3 2000 constant prices, as certified by the DEPARTMENT OF
4 FINANCE, shall be classified as highly urbanized cities:
5 *PROVIDED*, THAT THE ANNUAL AVERAGE INCOME
6 SHALL INCLUDE THE INCOME ACCRUING TO THE
7 GENERAL FUHND, BUT EXCLUDING THE INTERNAL
8 REVENUE ALLOTMENT (IRA) SHARES, SPECIAL FUNDS,
9 TRUST FUNDS AND NON-RECURRING INCOME.”

10
11 xxx xxx xxx

12
13 “SECTION 453. *Duty to Declare Highly Urbanized Status.* -
14 It shall be the duty of the CONGRESS TO PASS A JOINT
15 RESOLUTION to declare a city as highly urbanized within
16 thirty (30) days after it shall have met the minimum
17 requirements prescribed in the immediately preceding
18 section, upon proper DETERMINATION therefor:
19 *PROVIDED*, THAT THE DECLARATION SHALL BE
20 RATIFIED in a plebiscite by the qualified voters OF THE
21 PROVINCE IN WHICH THE CITY GEOGRAPHICALLY
22 BELONGS.”

23
24 SECTION 3. Section 461 (a) and (c) of the Local Government Code of
25 1991, as amended, is amended to read as follows:

26
27 **Section 461. *Requisites for Creation.*** - (a) A province may
28 be created if it has an average LOCALLY-GENERATED
29 annual income FOR THE LAST TWO (2) CONSECUTIVE
30 YEARS, as certified by the Department of Finance, of not
31 less than TWO HUNDRED million pesos (P200,000,000.00)
32 based on YEAR 2000 constant prices and either of the
33 following requisites:

34
35 xxx xxx xxx

36
37 (c) The average annual LOCALLY-GENERATED income
38 shall include the income accruing to the general fund,
39 exclusive of the INTERNAL REVENUE ALLOTMENT (IRA)
40 SHARES, special funds, trust funds, transfers and non-
41 recurring income.

42
43 SECTION 4. The Department of Interior and Local Government (DILG)
44 shall issue the necessary rules and regulations within sixty (60) days
45 after the effectivity of this Act.

46
47 SECTION 5. All laws, decrees, executive orders, rules and regulations,
48 which are inconsistent with this Act, are hereby repealed, amended, or
49 modified accordingly.

50
51 SECTION 6. This Act shall take effect fifteen (15) days after its
52 publication in the Official Gazette or in a newspaper of general
53 circulation.

54
55 Approved,