

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

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SENATE
S.B. No. **1554**

RECEIVED BY: _____ *a*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides for the following: 1) In case of doubt, any question shall be resolved in favor of devolution of powers and of the local government unit (Section 5 [a]); 2) The general welfare provisions shall be liberally interpreted to give more powers to local government units in accelerating economic development and upgrading the quality of life for the people in the community (Section 5 [c]); and 3) The policy of the State to require all national agencies and offices to conduct periodic consultations with appropriate local government units, nongovernmental and people's organizations, and other concerned sectors of the community before any project or program is implemented in their respective jurisdiction (Section 2 [c]).

In consonance with the said provisions of the Local Government Code, this bill seeks to amend the Local Government Code by giving local governments the power to decide whether gambling shall be allowed in their respective localities.

This bill strengthens the national policies that local government units "shall enjoy genuine and meaningful local autonomy" (Sec. 2, R.A. 7160) and that the national government shall only exercise "general supervision" and not control over local government units (Sec. 25 [a]).

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

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AN ACT
PROVIDING FOR LOCAL AUTONOMY IN THE DETERMINATION OF STATE POLICY
ON GAMBLING, AMENDING FOR THIS PURPOSE THE LOCAL GOVERNMENT CODE,
REPUBLIC ACT NO. 7160, SECTIONS 2, 27 AND 133 (O)

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

SECTION 1. Republic Act No. 7160, otherwise known as the Local Government Code,
Section 2 is hereby amended to read as follows:

“Section 2. Declaration of Policy.— (a) It is hereby declared the policy of the
State that the territorial and political subdivisions of the State shall enjoy genuine
and meaningful local autonomy to enable them to attain their fullest development
as self-reliant communities and make them more effective partners in the
attainment of national goals. Toward this end, the State shall provide for a more
responsive and accountable local government structure instituted through a
system of decentralization whereby local government units shall be given more
powers, authority, responsibilities and resources. The process of decentralization
shall proceed from the national government to the local government units.

(b) It is also the policy of the State to ensure the accountability of local
government units through the institution of effective mechanisms of recall,
initiative and referendum.

(c) It is likewise the policy of the State to require all national agencies and
offices to conduct periodic consultations with appropriate local government units,
non-governmental and people’s organizations, and other concerned sectors of the

community before any project or program is implemented in their respective jurisdictions.

(D) IT IS FURTHER THE POLICY OF THE STATE TO OBSERVE LOCAL AUTONOMY IN THE DETERMINATION OF STATE POLICY ON GAMBLING. CONFORMABLY WITH THIS POLICY, NO GAMBLING ENTERPRISE OPERATED BY INDIVIDUALS OR CORPORATIONS, OR CONTRACTED OUT BY THE NATIONAL GOVERNMENT TO FOREIGN OR DOMESTIC INDIVIDUALS, CORPORATIONS OR ENTITIES, OR OPERATED BY ANY OF ITS INSTRUMENTALITIES OR AGENTS, SHALL BE OPERATED, IMPLEMENTED, OR OTHERWISE UNDERTAKEN UNLESS THE CONSULTATIONS MENTIONED IN SECTION 2 (C) & 26 HEREOF HAVE BEEN CONDUCTED AND WITH A MAYOR'S PERMIT, AS APPROVED BY THE SANGGUNIANG BAYAN OR SANGGUNIANG PANLUNSOD CONCERNED, IS OBTAINED."

Section 2. Section 133 of the same law is hereby amended to read as follows:
"Section 133. *Common Limitations on the Taxing Powers of Local Government Units.* - Unless otherwise provided herein, the exercise of the taxing powers of provinces, cities, municipalities, and barangays shall not extend to the levy of the following:

x x x

(o) Taxes, fees or charges of any kind on the National Governments, its agencies and instrumentalities, and local government units. PROVIDED, HOWEVER, THAT THIS LIMITATION SHALL NOT APPLY TO GAMBLING ENTERPRISES OPERATED BY THE NATIONAL GOVERNMENT OR ITS AGENTS OR INSTRUMENTALITIES, OR CONTRACTED OUT BY ITS FOREIGN OR DOMESTIC CORPORATIONS, INDIVIDUALS OR ENTITIES, WHICH HAVE BEEN GIVEN PERMITS BY THE LOCAL GOVERNMENT UNITS."

SECTION 3. *Repealing Clause.* — Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 4. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.