



NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

22 JUL 19 P 6 :42

**SENATE**  
**S. B. No. 775**

RECEIVED

Introduced by Senator SONNY ANGARA

**AN ACT**  
**TO RATIONALIZE THE FUNCTIONAL ASSIGNMENTS OF LOCAL**  
**GOVERNMENT UNITS BY AMENDING CERTAIN PROVISIONS IN REPUBLIC**  
**ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE**  
**OF 1991"**

EXPLANATORY NOTE

Republic Act No. 7160 or the Local Government Code of 1991 has devolved to all local government units (LGUs) the administration of basic services, including agriculture, environmental protection, health, maintenance of public works and highways, social welfare, and tourism. The law was enacted to empower local government units LGUs with the end in view of improving the delivery of services to the public, thereby becoming effective instruments of both local and national development.

However, since after more than three decades since the passage of the Local Government Code, studies have shown minimal improvement with regard to local services delivery, with the exception of some cities. LGUs have often complained that there is a mismatch between the devolved functions and the intergovernmental fiscal transfers and revenue raising powers provided to them under the Code. This, even after the effectivity of the *Mandanas* Ruling.

The problem is not simply solved by bridging the finance gap. All things being equal, i.e., capacity of LGUs to implement projects, there is an equally great mismatch in the functions of local public goods and services and the level of the LGUs. Many functions devolved to LGUs like the Barangay and Municipality have

clear externality effects or benefits outside the boundaries of the LGUs. For example, health objectives and programs are more national than local although their implementation can be local. As such, the devolved functions do not have the explicit or implicit incentives built in.

Consequently, there is a need to qualify what functions should be left to the national government, what should be shared, and what should be fully devolved, based on a clear understanding of who are included in the LGU's scope of beneficiaries so that they will have built in incentive mechanisms that will encourage the LGUs to make the investment or finance the function. The delineation of functions is not only between the LGUs and the National Government but likewise among LGUs at different levels.

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



**SONNY ANGARA**  
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**ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE**  
**OF 1991"**

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

1 SECTION 1. Section 3 (a) of Republic Act No. 7160, otherwise known as the  
2 Local Government Code of 1991, hereinafter referred to as the "Code", is hereby  
3 amended to read as follows:

4 "Sec. 3. *Operative Principles of Decentralization.* – The formulation and  
5 implementation of policies and measures on local autonomy shall be  
6 guided by the following operative principles:

7 (a) There shall be an effective allocation **BETWEEN THE NATIONAL**  
8 **GOVERNMENT AND** among the different local government units of  
9 their respective powers, functions, responsibilities, and resources  
10 **INTO NATIONAL GOVERNMENT, FULLY-DEVOLVED, AND**  
11 **SHARED FUNCTIONS BASED ON THE SCOPE OF BENEFITS,**  
12 **EFFECTS OR IMPACTS EXTERNAL TO THE LOCAL**  
13 **GOVERNMENT UNIT AND RESPONSIBILITY FOR THE SETTING**  
14 **OF POLICIES AND STANDARD, PLANNING AND**  
15 **PROGRAMMING, IMPLEMENTATION AND EXECUTION, AND**  
16 **ORIGIN AND OWNERSHIP OF THE FUNDING SOURCE;**

1 (b) x x x

2 XXX."

3 SEC. 2. Section 17 of the same Code is hereby amended to read as follows:

4 "Sec. 17. *Basic Services and Facilities.* – (a) Local government units  
5 shall endeavor to be self-reliant and shall continue exercising the  
6 powers and discharging the duties and functions currently vested upon  
7 them. They shall also discharge the functions and responsibilities of  
8 national agencies and offices devolved to them pursuant to this Code.  
9 Local government units shall likewise exercise such other powers and  
10 discharge such other functions and responsibilities as are necessary,  
11 appropriate, or incidental to efficient and effective provisions of the  
12 basic services and facilities enumerated herein.

13 (b) Such basic services and facilities include, but are not limited to, the  
14 following:

15 (1) *For a Barangay:*

16 ~~[(i) Agricultural support services which include planting~~  
17 ~~materials distribution system and operation of farm produce~~  
18 ~~collection and buying stations;~~

19 ~~[(ii) Health and social welfare services which include~~  
20 ~~maintenance of barangay health center and day care center;]~~

21 **[(iii)] (I)** Services and facilities related to general hygiene and  
22 sanitation, beautification, and solid waste collection;

23 **[(iv)] (II)** Maintenance of katarungang pambarangay;

24 ~~[(v) Maintenance of barangay roads and bridges and water~~  
25 ~~supply systems;]~~

26 **[(vi)] (III)** Infrastructure facilities such as multi-purpose hall,  
27 multipurpose pavement, plaza, sports center, and other similar  
28 facilities;

29 **[(vii)] (IV)** Information and reading center; and

30 **[(viii)] (V)** Satellite or public market, where viable;

1 (2) *For a Municipality:*

2 (i) Extension and on-site research services and facilities related  
3 to agriculture and fishery activities which include dispersal of  
4 livestock and poultry, fingerlings, and other seedling materials  
5 for aquaculture; palay, corn, and vegetable seed farms;  
6 medicinal plant gardens; fruit tree, coconut, and other kinds of  
7 seedling nurseries; demonstration farms, quality control of  
8 copra and improvement and development of local distribution  
9 channels, preferably through cooperatives; interbarangay  
10 irrigation system; water and soil resource utilization and  
11 conservation projects; and enforcement of fishery laws in  
12 municipal waters including the conservation of mangroves;

13 (ii) Pursuant to national policies and subject to supervision,  
14 control and review of the DENR, implementation of community-  
15 based forestry projects which include integrated social forestry  
16 programs and similar projects; management and control of  
17 communal forests with an area not exceeding fifty (50) square  
18 kilometers; establishment of tree parks, greenbelts, and similar  
19 forest development projects **WHOSE IMPLEMENTATION MAY**  
20 **BE SHARED WITH THE PROVINCE AND/OR A NATIONAL**  
21 **GOVERNMENT AGENCY;**

22 (iii) Subject to the provisions of Title Five, Book I of this Code,  
23 health services which include the implementation of programs  
24 and projects on primary health care, maternal and child care,  
25 and communicable and non-communicable disease control  
26 services, access to secondary and tertiary health services;  
27 purchase of medicines, medical supplies, and equipment needed  
28 to carry out the services herein enumerated **WHOSE**  
29 **IMPLEMENTATION MAY BE SHARED WITH THE**  
30 **PROVINCE AND/OR A NATIONAL GOVERNMENT**  
31 **AGENCY;**

1 (iv) Social welfare services which include programs and projects  
2 on child and youth welfare, family and community welfare,  
3 women's welfare, welfare of the elderly and disabled persons;  
4 community-based rehabilitation programs for vagrants, beggars,  
5 street children, scavengers, juvenile delinquents, and victims of  
6 drug abuse; livelihood and other pro-poor projects; nutrition  
7 services; and family planning services;

8 (v) Information services which include investments and job  
9 placement information systems, tax and marketing information  
10 systems, and maintenance of a public library;

11 (vi) Solid waste disposal system or environmental management  
12 system and services or facilities related to general hygiene and  
13 sanitation **WHOSE IMPLEMENTATION MAY BE SHARED**  
14 **WITH THE PROVINCE OR THROUGH INTER-LGU**  
15 **COOPERATION;**

16 xxx

17 **(XIII) MAINTENANCE OF BARANGAY ROADS AND**  
18 **BRIDGES AND WATER SUPPLY SYSTEMS;**

19 **(XIV) HEALTH AND SOCIAL WELFARE SERVICES WHICH**  
20 **INCLUDE MAINTENANCE OF BARANGAY HEALTH**  
21 **CENTER AND DAY-CARE CENTER; AND**

22 **(XV) AGRICULTURAL SUPPORT SERVICES WHICH**  
23 **INCLUDE PLANTING MATERIALS DISTRIBUTION**  
24 **SYSTEM AND OPERATION OF FARM PRODUCE**  
25 **COLLECTION AND BUYING STATIONS WHOSE**  
26 **IMPLEMENTATION MAY BE SHARED WITH THE**  
27 **BARANGAY.**

28 (3) *For a Province:*

29 xxx

30 (4) *For a City:*

31 xxx

32 (c) xxx

1 xxx

2 (f) The national government or the next higher level of local  
3 government unit may provide or augment the basic services and  
4 facilities assigned to a lower level of local government unit when such  
5 services or facilities are not made available or, if made available, are  
6 inadequate to meet the requirements of its inhabitants **BASED ON**  
7 **GUIDELINES ISSUED BY THE DEPARTMENT OF THE INTERIOR**  
8 **AND LOCAL GOVERNMENT.**

9 (g) xxx

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11 SEC. 3. *Repealing Clause.* – All general and special laws, acts, city charters,  
12 executive orders, presidential proclamations, issuances, rules and regulations, or  
13 parts thereof which are contrary to or inconsistent with any of the provisions of this  
14 Act are hereby repealed, amended, or modified accordingly.

15 SEC. 4. *Separability Clause.* – If any portion or provision of this Act is  
16 subsequently declared invalid or unconstitutional, other provisions hereof which are  
17 not affected thereby shall remain in full force and effect.

18 SEC. 5. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after  
19 its publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*