


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

8 JUL -2 10:13

SENATE
S.B. No. 2424

RECEIVED BY: 

Introduced by Senator Ramon Bong Revilla, Jr.

EXPLANATORY NOTE

At present, cities to be classified under the highly urbanized category must have an annual income of at least Fifty Million pesos based on 1991 constant prices, among other things. Also, a province must have an average annual income of not less than Twenty Million pesos based on 1991 constant prices.

This proposed measure amends these requirements by providing for an increase in the income requirement and updating the constant price base from 1991 to 2000 rate.

The intention of these amendments is to institute stricter measures in the conversion, and/or creation of local government units. Essentially, more stringent measures are needed to be established so that benefits from the conversion, and/or creation of local government units may not be easily abused.

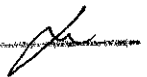
For the said purpose, approval of this bill is earnestly requested.


RAMON BONG REVILLA, JR.

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AN ACT
RATIONALIZING THE INCOME REQUIREMENTS FOR THE DECLARATION
OF HIGHLY URBANIZED STATUS IN THE CASE OF COMPONENT CITIES
AND FOR THE CREATION OF A PROVINCE, AMENDING FOR THE
PURPOSE SECTIONS 452 AND 461 OF REPUBLIC 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:

Section 1. Section 452, paragraph (a) of Republic Act 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

Sec. 452. *Highly Urbanized Cities.* – (a) Cities with a minimum population of two hundred thousand (200,000) inhabitants, as certified by the National Statistics Office, and with [the latest annual income of at least Fifty Million Pesos (P50,000,000.00) based on 1991 constant prices]
AN AVERAGE LOCALLY-GENERATED ANNUAL INCOME FOR THE LAST TWO (2) CONSECUTIVE YEARS, AS CERTIFIED BY THE DEPARTMENT OF FINANCE, OF AT LEAST TWO HUNDRED FIFTY MILLION (P250,000,000.00) BASED ON 2000 CONSTANT PRICES, as certified by the city treasurer, shall be classified as highly urbanized cities.

THE AVERAGE ANNUAL INCOME SHALL INCLUDE THE INCOME ACCRUING TO THE GENERAL FUND, EXCLUSIVE OF THE INTERNAL REVENUE ALLOTMENT (IRA) SHARES, SPECIAL FUNDS, TRUST FUNDS, TRANSFERS, AND NON-RECURRING INCOME.

(b) x x x

(c) x x x

Sec. 2. Section 461 of the same Act is hereby amended to read as follows:

Sec. 461. *Requisites for Creation.* – (a) A province may be created if it has an average **LOCALLY-GENERATED** annual income **FOR THE LAST TWO (2) CONSECUTIVE YEARS**, as certified by the Department of Finance, of not less than [twenty million pesos (P20,000,000.00)] **TWO HUNDRED (P200,000,000.00) MILLION PESOS** based on [1991] **2000** constant prices and either of the following requisites:

(i) A contiguous territory of at least two thousand (2,000) square kilometres, as certified by the Lands Management Bureau; or

(ii) A population of not less than two hundred fifty thousand (250,000) inhabitants as certified by the National Statistics Office:

Provided, That the creation thereof shall not reduce the land area, population, and income of the original unit or units at the time of said creation to less than the minimum requirements prescribed herein.

(b) The territory need not be contiguous if it comprises two (2) or more islands or is separated by a chartered city or cities which do not contribute to the income of the province.

(c) The average annual income shall include the income accruing to the general fund, exclusive of special funds, **THE INTERNAL REVENUE ALLOTMENT (IRA) SHARES**, trust funds, transfers, and non-recurring income.

Sec. 3. Separability Clause. - If any part, section, or provision of this Act shall be held invalid or unconstitutional, the other provisions shall not be affected thereby.

Sec. 4. Repealing Clause. - All laws, decrees, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Sec. 5. Effectivity. - This Act shall take effect (15) days after its complete publication in at least two (2) newspapers of national circulation.

Approved,