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SENATE

S.B. No. 3574

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Prepared by the Committees on Government Corporations and Public Enterprises; Economic Affairs: Ways and Means and Finance with Senators Legarda, Gordon, Defensor Santiago, Lacson and Angara as authors

**AN ACT
TO STRENGTHEN THE LAGUNA LAKE DEVELOPMENT AUTHORITY (LLDA),
REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 4850, AS AMENDED,
OTHERWISE KNOWN AS THE LAGUNA LAKE DEVELOPMENT AUTHORITY
ACT OF 1966, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Laguna Lake Development*
2 *Authority Act of 2009.*”

3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to
4 promote and develop Laguna Lake in a sustainable manner along with the surrounding areas
5 that comprise its region, hereinafter referred to as the Bay Region, with Laguna Lake as its
6 focal point whose water resources must be systematically managed and protected for various
7 uses.

8 For this purpose, the State hereby adopts an integrated water resources management
9 (IWRM) approach, using the lake's watersheds as planning units to interconnect and integrate
10 its various ecosystems pursuant to Art. II, Sec. 16 of the 1987 Constitution: “The State shall
11 protect and advance the right of the people to a balanced and healthful ecology in accord with
12 the rhythm and harmony of nature.”

13 In accordance with the IWRM approach, any development program in the region shall
14 always consider sustainable environmental management and the prevention of any ecological

1 harm, resource deterioration and pollution to allow the lake to realize its full potentials
2 including, among other uses, as a major resource in fish production of national importance.
3 Under Article XIII, Section 7 of the 1987 Constitution, the State is mandated to protect,
4 develop, and conserve communal marine and fishing resources, both inland and offshore.

5 **SEC. 3. Definition of Terms.** - As used in this Act:

6 1) *Laguna Lake or Laguna de Bay.* - shall refer to that area covered by the lake water
7 when it is at the average annual maximum lake level of elevation 12.50 meters, as referred to
8 a datum 10.00 meters below mean lower low water (M.L.L.W.) of Manila de Bay. Lands
9 located at and below such elevation are public lands which form part of the bed of said lake.

10 2) *Integrated Water Resources Management (IWRM)* - is a process that promotes the
11 coordinated development and management of water, land and related resources in order to
12 maximize the resultant economic and social welfare in an equitable manner without
13 compromising the sustainability of vital ecosystems.

14 3) *Watershed* - is the term used to describe the geographic area of land that drains
15 water to a shared destination or to an area of land that drains down slope to the lowest point.
16 The water moves through a network of drainage pathways, both underground and on the
17 surface. Other terms used interchangeably with watershed include *drainage basin* or
18 *catchment basin*.

19 4) *Environment* - means the physical factors of the total surroundings of human
20 beings, including but not limited to the lakes and other bodies of water, land, air, atmosphere,
21 climate, sound, odor, plants, insects, animals, its biological and physical factors, all its life
22 support systems and all other surrounding matters that affect directly or indirectly the
23 existence of human life and other life forms in a specific area.

24 5) *Shoreland / Lakeshore areas / Buffer Zone* - that part of the lake along tire

1 lakeshore lying at elevation 12.50 meters and below and alternately submerged or exposed
2 by the annual or seasonal rising and lowering of the lake levels. This is a linear strip of land of
3 approximately 14,000 hectares designed to separate the incompatible elements or uses, or to
4 control pollution/nuisance and for identifying and defining development areas or zones.

5 6) *Ground water* - means sub-surface water that occurs beneath the water table in
6 soils and rocks, or in geological formations.

7 7) *Aquaculture* - fishery operations involving all forms of raising and culturing fish and
8 other fishery species in fresh, brackish and marine water areas.

9 8) *Aqua structure* - refers to a structure enclosing a particular area in the lake which
10 makes use of poles usually made of bamboo or anahaw and surrounded by nets, fastened by
11 a weight of sinkers embedded in the lake bed; may also refer to a fish cage which is an
12 inverted mosquito net fastened to poles usually made of bamboo or such other structures
13 used for fish or aquatic resource culture.

14 9) *Effluent* - means discharge from known sources which is passed into a body of
15 water or land, or wastewater flowing out of a manufacturing plant or an industrial plant,
16 including domestic, commercial and recreational facilities.

17 10) *Pollution* - shall mean any alteration of the physical, chemical and biological
18 properties of any water, air and land resources of the Philippines or any discharge thereto of
19 any liquid, gaseous or solid wastes as will be likely to create or to render such resources
20 harmful, detrimental or injurious to public health, safety or welfare or which will adversely
21 affect their utilization for domestic, commercial, industrial, agriculture, recreational or other
22 legitimate purposes.

23 **SEC. 4. Laguna Lake Region.** – For purposes of this Act, the Laguna Lake Region
24 shall comprise the provinces of Laguna and Rizal; the cities of Calamba, Sta. Rosa, San

1 Pablo, Pasay, Caloocan, Quezon, Manila, Makati, Mandaluyong, San Juan, Pasig, Marikina,
2 Muntinlupa, Antipolo, Tagaytay, Tanauan, Taguig and Lipa; the towns of Silang, Carmona,
3 Dasmariñas and General Mariano Alvarez in Cavite Province; the towns of Mauban, Real,
4 Lucban and Sampaloc in Quezon Province; the towns of Sto. Tomas and Malvar in Batangas;
5 and the town of Pateros in Metro Manila and all areas that drain into the Laguna Lake:
6 *Provided*, That any cities or towns that may be subsequently created in the future out of the
7 aforementioned municipalities and cities surrounding Laguna Lake shall automatically form
8 part of the Laguna Lake Region.

9 **SEC. 5. Laguna Lake Development Authority.** – Pursuant to the original mandate of
10 Republic Act No. 4850, as amended, the Laguna Lake Development Authority, hereinafter
11 referred to as the LLDA, shall pursue the ecologically sustainable development of the Bay
12 Region. It shall maintain its principal office at a convenient place within the region, and such
13 branch offices in other places within the Bay Region as are necessary for the proper conduct
14 of its business.

15 **SEC. 6. Powers and Functions.** – The LLDA shall have the following powers and
16 functions:

17 (a) Periodically conduct, monitor and update a comprehensive survey of the Bay
18 Region, including its socio-economic conditions, water quantity and quality in the lake proper
19 and all its major tributary rivers, irrigation, water supply, transport route, reservoir of
20 floodwater, hydroelectric and other power potentials, scenic and tourist spots, state of its
21 watersheds, the tributary rivers and other physical and natural resource potentials on the
22 basis of which it shall prepare a sustainable regional development master plan.

23 All concerned public and private agencies shall provide the LLDA the necessary data
24 for the purposes of the said survey;

1 (b) Develop a long-term program to attract more private-sector-driven investments
2 into the Bay Region in consonance with a regional master plan which shall be formulated in
3 consultation with stakeholders, concerned government agencies, local government units
4 (LGUs), and civil society in the Bay Region;

5 (c) Review all plans, projects and programs that relate to the development of the
6 Bay Region, proposed and submitted by LGUs, public corporations and private persons or
7 corporations to ensure that they conform to the environmental standards prescribed by the
8 LLDA and other similar laws;

9 The LLDA shall collect reasonable fees as may be determined by the Board for the
10 processing of such plans, programs or projects. Any future expansion of such plans,
11 programs, or projects shall be again subject to LLDA review and to payment of additional fees
12 as may be further determined by the LLDA Board;

13 (d) Engage, whether by itself or in cooperation with private persons or entities, in
14 agriculture, commerce, industry, or to organize, finance, invest in, and operate subsidiary
15 corporations which are in the nature of new ventures or are clearly beyond the scope,
16 capacity, or interest of private enterprises by reason of geography, technical or capital
17 requirements, returns on investment and risk and when public interest so requires;

18 (e) Implement infrastructure projects such as flood control, solid waste
19 management, wastewater and sewerage, water supply, roads, ports, irrigation, housing,
20 leisure parks and related works, within the context of its development master plan, including
21 the readjustment, relocation, or resettlement of human population within the Bay Region that
22 may be deemed necessary and beneficial in pursuit of the LLDA mandate. Should any of
23 these projects be financed wholly or in part by the LLDA, it shall have authority to collect
24 reasonable fees and tolls from users or beneficiaries to recover costs of construction,
25 operation and maintenance of the projects. For infrastructure projects that are in the nature of

1 social overhead capital projects, it shall be entitled to receive the corresponding financial
2 assistance from the government;

3 (f) Undertake a massive information campaign among the stakeholders, in close
4 coordination with the LGUs and other government agencies within the Laguna de Bay Region
5 to promote better understanding of the importance of environmental protection and
6 conservation of the Laguna Lake and its watersheds;

7 (g) Implement dredging and/or reclamation projects in close coordination with the
8 Philippine Reclamation Authority (PRA)/Public Estates Authority (PEA) and LGUs concerned
9 with the end-in-view of facilitating the approval thereof by the PRA/PEA pursuant to existing
10 laws, executive orders and other issuances which may be necessary to accomplish the aims
11 and purposes of the LLDA; *Provided, That the land so reclaimed shall become the property of*
12 *the national government through the LLDA;*

13 (h) Determine new areas of fishery development, taking into account the overall
14 development plans and programs for Laguna Lake and related bodies of water and
15 promulgate rules and regulations governing fisheries development in the Bay Region.
16 Accordingly, it shall engage in experimental/pilot fish production such as the propagation of
17 ornamental fish and similar aquaculture projects in Laguna Lake and other bodies of water
18 within its jurisdiction, in collaboration with the Bureau of Fisheries and Aquatic Resources
19 (BFAR). It shall improve present fishery techniques and practices to provide equitable access
20 to its fishery resources for the socio-economic amelioration of small fisher folk, improvement
21 of their communal fishing grounds, sustainable aquaculture development and operation. In
22 hiring laborers for fishery-related projects, there shall be preference for qualified shore land
23 residents;

24 (i) Regulate the use and occupancy of shoreland areas by enjoining LGUs within
25 the Bay Region to establish watershed management councils or wetlands whenever suitable

1 and consistent with LLDA policies;

2 (j) Develop surface and groundwater supply sources for municipal, agricultural,
3 commercial, and industrial use, in close coordination with the National Water Resources
4 Board (NWRB), or Local Water Utilities Administration (LWUA), as the case may be, pursuant
5 to existing laws, executive orders and other issuances which may be necessary to
6 accomplish the aims and purposes of the LLDA;

7 (k) Enter into agreements with LGUs, governmental agencies and corporations and
8 the private sector for the supply, treatment, distribution and marketing of such water;

9 (l) Establish and enforce anti-pollution standards on municipal, agricultural,
10 commercial and industrial wastewater and effluents being discharged into the lake in
11 coordination with appropriate government agencies;

12 (m) Conduct a continuing research, development and extension program in close
13 coordination with the academe, Department of Environment and Natural Resources (DENR),
14 and the Department of Science and Technology (DOST) on lake water quantity and quality,
15 integrated watershed management and enterprise development and management with the
16 end in view of promoting sustainable development in the region;

17 (n) Adopt rules and regulations governing the approval of sewage works and
18 industrial waste disposal system and the issuance of clearance and/or permits in accordance
19 with the provisions of this Act when necessary and inspect the construction and maintenance
20 of sewage works and industrial waste disposal systems for compliance to clearance and/or
21 permit conditions;

22 (o) Require all projects or activities in or affecting the Laguna de Bay Region to
23 secure Environmental Compliance Certificates (ECCs) required under Presidential Decree
24 No. 1586 and grant clearance and/or permits for any projects or activities located within or

1 affecting the Bay Region including, but not limited to, industrial and commercial activities,
2 navigation, irrigation, power generation, housing, resettlement and other forms of land
3 developments, construction and operation of aqua structures, aquaculture development,
4 dredging/reclamation and similar or related activities and to impose necessary safeguards for
5 lake water quantity and quality control and management and to collect necessary fees for
6 said activities and projects;

7 (p) Issue, renew, or deny permits subject to reasonable guidelines for the discharge
8 of sewage, industrial waste, or for the installation or operation of sewage works and industrial
9 disposal system or parts thereof for the prevention and abatement of pollution and require
10 subdivisions, condominiums, clinical and medical establishments, mortuaries, public
11 buildings, other similar human settlements, to construct appropriate central sewerage system
12 and sewage treatment works. The LLDA may impose reasonable fees and other similar
13 charges for the issuance or renewal of all permits herein required;

14 (q) Issue orders or decisions to compel compliance with the provisions of this Act and
15 its implementing rules and regulations after proper notice and hearing;

16 (r) Make, issue, alter, or modify orders or decisions, after notice and hearing,
17 requiring the discontinuance of pollution specifying the conditions and the time within which
18 such discontinuance must be accomplished;

19 (s) After due notice and hearing, revoke, suspend or modify any clearance and/or
20 permit issued under this Act whenever the same is necessary to prevent or abate pollution;

21 (t) Deputize or request assistance of appropriate government agencies or
22 instrumentalities for the purpose of enforcing this Act and its implementing rules and
23 regulations and the orders and decisions of the LLDA;

24 (u) Authorize its bona fide representatives at all reasonable times to enter any public

1 and private property devoted to agricultural, commercial and industrial use for the purpose of
2 inspecting and investigating conditions relating to pollution and existing and/or imminent
3 environmental danger;

4 (v) Exercise such powers and perform such other functions as may be necessary to
5 carry out its duties and responsibilities under this Act.

6 **SEC. 7. Corporate Powers.** – The Authority has the following corporate powers:

7 a) Succeed in its corporate name;

8 b) Sue and be sued in its corporate name;

9 c) Adopt, alter and use a corporate seal;

10 d) Adopt, amend, or repeal its by-laws;

11 e) Enter into contracts to enable it to carry out its purposes and functions under
12 this Act;

13 (f) Acquire, buy, purchase, hold or lease, such personal and real property as it
14 may deem necessary in the transaction of its business or in relation to carrying out its
15 purposes under this Act and to lease, mortgage, sell, alienate, or otherwise encumber, utilize,
16 exploit or dispose any such personal and real property held by it, subject to individual or
17 communal right of private parties or of the government or any agency or enterprise thereof;

18 g) Exercise the right of eminent domain whenever the LLDA deems it necessary to
19 achieve the objectives of this Act;

20 h) Borrow funds from any local or foreign sources independent of the bonds it may
21 issue or may continue to issue to carry out the purposes of this Act;

22 (i) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of
23 the capital stock of, or any bond, securities, or other evidence of indebtedness created by any
24 other corporation, co-partnership, or government agencies or instrumentalities; and while the
25 owner of said stock to exercise all the rights of ownership, including the right to vote thereon:

1 *Provided*, That the LLDA shall not invest its funds in any high risk debt instruments issued
2 without recourse to commercial banks or investment houses as well as in any highly
3 speculative stocks;

4 (j) Perform any and all acts which a corporation, co-partnership or juridical person is
5 authorized to perform under the existing laws or which may be enacted hereafter;

6 (k) Provide economic incentives to encourage the private sector to fully subscribe to
7 its shares of stock;

8 (l) Issue such other rules and regulations as may be necessary from time to time
9 to achieve the purposes of this Act, the same to take effect thirty (30) days after its publication
10 in a newspaper of general circulation.

11 **SEC. 8. Board of Directors.** – The LLDA shall be governed by a Board of Directors
12 who shall be appointed by the President of the Philippines and shall be composed of the
13 following:

14 1) Secretary of Environment and Natural Resources, Chairman

15 2) General Manager, LLDA , Vice-Chairman

16 3) Governor, Province of Laguna, ex officio

17 4) Governor, Province of Rizal, ex officio

18 5) Secretary, Department of Agriculture

19 6) Secretary, National Economic and Development Authority

20 7) Secretary, Department of Public Works and Highways

21 8) Chairman, Metro Manila Development Authority

22 9) Representative of the Bay Region City and Municipal Mayors' Association to
23 be constituted sixty (60) days from the passage of this Act from among the mayors of towns
24 and cities that comprise the Bay Region as defined in Section 3 of this Act

25 10) Representative of the Laguna fisher folk

1 11) Representative of the Rizal fisher folk

2 The representatives of the Laguna fisher folk and the Rizal fisher folk shall be
3 appointed by the President of the Philippines to be chosen from among the nominees
4 recommended by the Laguna Governor and the Rizal Governor, respectively, upon
5 consultation with the concerned sector. The term of the appointive members shall be six (6)
6 years without reappointment, or until their successors are duly appointed and qualified.
7 Vacancy, other than through the expiration of the term, shall be filled for the unexpired term
8 only.

9 Ex-officio Cabinet members can designate alternate representatives to the Board,
10 given the demands of their Cabinet-level position.

11 **SEC. 9. Powers and Functions.** – The Board of Directors shall exercise the following
12 powers and functions:

13 a. Prescribe policies, rules and regulations to govern the conduct of business of
14 the LLDA including the procedures of the Authority;

15 b. Upon the recommendation of the General Manager, approve the LLDA's
16 organizational and administrative structures and corresponding staffing pattern as may be
17 deemed necessary: fix their reasonable compensation, allowances and other benefits in
18 accordance with the salary standardization law; prescribe their duties and establish such
19 methods and procedures as may be necessary to insure the efficient, honest and economical
20 administration of the provisions and purposes of this Act; *Provided, however,* That all
21 personnel of the LLDA below the rank of Assistant General Manager shall be appointed by
22 the General Manager; *Provided, further,* That all personnel appointed by the General
23 Manager, except those below the rank of Department Heads, and others of comparable rank,
24 shall be subject to the confirmation by the Board; *Provided, further,* That the personnel of the
25 LLDA shall be selected only from civil service eligibles and be subject to civil service rules

1 and regulations;

2 c. Upon the recommendation of the General Manager, to approve the annual and
3 supplemental budget of receipts and expenditures of the LLDA, and to authorize such
4 *operating and capital expenditures and disbursements* of the LLDA as may be necessary or
5 proper for the effective management, operation and administration of the LLDA;

6 d. Create and organize a Technical Advisory Council composed of representatives
7 from both the government and non-government sectors as the Board may determine to assist
8 *and advise the Board in the conduct of public consultations with Bay Region stakeholders*
9 towards a better considered formulation of LLDA plans and policies; and

10 e. Perform such other functions as may be necessary to carry out the provisions
11 of this Act.

12 **SEC. 10. Board Meetings.** – The Board shall meet at least once a month.

13 **SEC. 11. Per Diems.** – The members of the Board shall each receive per diem at a
14 rate in accordance with existing rules and regulations: Provided, however, that the total per
15 diem collected each month shall not exceed the equivalent per diem for four (4) meetings.

16 **SEC. 12. Sinking Fund.** – A sinking fund shall be established in such manner that
17 the total annual contribution thereto accrued at such interests as may be determined by the
18 Board of Directors as confirmed by the stockholders representing a majority of the subscribed
19 capital stock outstanding and entitled to vote, shall be sufficient to redeem at maturity the
20 bonds issued under this Act.

21 Such funds shall be under the custody of the treasurer of the authority who shall invest
22 the same in such manner as the Board of Directors may direct; charge all expenses of
23 investment to said sinking fund, and credit the same with the interest on investment and other
24 income belonging to it.

25 **SEC. 13. General Manager; Powers and Functions.** – The General Manager shall

1 be the Chief Executive Officer of the LLDA. As such, he/she shall have the following powers
2 and functions:

3 a. Submit for consideration of the Board policies and measures which he believes
4 to be necessary to carry out the purposes and objectives of this Act;

5 b. Execute, administer, and implement the policies, plans, programs and projects
6 approved by the Board;

7 c. Manage and supervise the operation and administration of the LLDA;

8 d. Appoint all officials and employees of LLDA below the rank of Assistant General
9 Manager, remove, suspend or otherwise discipline them for cause, in accordance with
10 existing civil service rules and regulations, and submit quarterly reports to the Board on
11 personnel selection, placement and training;

12 e. Render an annual report to the Board and various stakeholders regarding the
13 operation of the LLDA, including its latest financial statement;

14 f. Represent the LLDA in all dealings with offices, agencies and instrumentalities
15 of the government and with all persons and other entities, public or private, domestic and
16 foreign; and

17 g. Perform such other functions as may be provided in the By-Laws and as may be
18 vested in him/her by the Board.

19 **SEC. 14. *Qualifications of the General Manager.*** – The General Manager shall be
20 a citizen and resident of the Philippines. He/She shall have demonstrated executive
21 competence and experience in the field of public administration, economic planning,
22 environmental and natural resource management, or in the establishment and management
23 of large agricultural, commercial or industrial enterprises. No person shall be nominated as
24 General Manager unless he/she is of unquestioned integrity and competence.

1 **SEC. 15. *Tenure of Office of the General Manager.*** – The General Manager shall
2 be appointed by the President of the Philippines for a fixed term of six (6) years. In case of
3 resignation, retirement, separation, transfer, re-assignment, removal and other cause of
4 cessation from office, the replacement shall serve only for the unexpired portion of the term.

5 **SEC. 16. *Compensation.*** – The General Manager shall receive compensation at
6 rates in accordance with the salary standardization law.

7 **SEC. 17. *Management Structure.*** – In carrying out the activities of the LLDA, the
8 General Manager shall be assisted by two Assistant General Managers – one for Operations
9 and another for Administration – who shall have such powers, duties, and functions as the
10 General Manager may prescribe and/ or delegate and shall act as the General Manager in
11 his/her absence or during his/her temporary incapacity of and/or until such time as a new
12 General Manager is duly appointed.

13 The Authority shall have the following departments under the direct supervision and
14 control of the General Manager;

15 a) *Corporate Legal Affairs Department* which shall provide legal advice and support to
16 all the corporate units on the legal implications of the various undertakings of the Authority
17 and divided into Litigation Division, and Research and Documentation Division.

18 b) *Administrative Department* which shall be responsible for providing services relating
19 to human resource management, records management, and general services.

20 c) *Finance Department* which shall be responsible on revenue planning, generation
21 and enhancement, assistance on budgetary and financial matters, and safekeeping of
22 corporate assets.

23 d) *Policy Planning and Management Services Department* which will undertake policy
24 research and development, and advise the General Manager on policy positions and public
25 advocacy measures for approval of the Board.

1 e) *Integrated Water Resources Management Services Department* which will serve as
2 the main technical arm of the Authority and shall integrate the functions of lake basin
3 management and development. It shall oversee the management of the Laguna Lake and its
4 river systems including the shore lands.

5 f) *Environmental Protection Department* which will manage all the environmental
6 regulatory functions of the Authority like clearance/permits and licensing, monitoring and
7 surveillance, enforcement and adjudication and environmental quality compliance.

8 The Board shall periodically review the appropriateness of the existing organizational
9 structure and amend the same whenever it may deem necessary and beneficial to achieve
10 the purposes of this Act and to be able to respond efficiently to LLDA's mandate as herein
11 provided. Any proposed change in the organizational structure of the Authority shall be
12 subject to the approval of the President of the Philippines.

13 **SEC.18. Annual Fees.** – The LLDA is hereby authorized to collect annual fees for the
14 use of the lake waters, its tributaries and shoreland areas for all beneficial purposes including
15 but not limited to fisheries, aquaculture, municipal, agricultural, irrigation, commercial,
16 industrial, hydroelectric generation and other power potential, transport and navigation, waste
17 disposal purposes, recreation and dredging/reclamation from all private and public entities
18 whether government or non-government agencies, among others the water utilities sector. All
19 the fees so collected shall be accordingly appropriated for the sustainable development of the
20 lake and its watershed areas. *Provided*, that the fees collected for fisheries may be shared
21 between the Authority and other government agencies and LGUs as follows: thirty-five
22 percent (35%) of the fish pen fee goes to shore land LGUs, five percent (5%) goes to the
23 Project Development Fund and the remaining sixty percent (60%) shall be retained by the
24 LLDA.

1 **SEC. 19. Capitalization and Financing.** – The LLDA shall have an authorized capital
2 of Seven Hundred Million Pesos (P700,000,000). The authorized capital stock of Seven
3 Hundred Million Pesos (P700,000,000) shall be divided into Seven Million (7,000,000) shares
4 of stock with a par value of One Hundred Pesos (P100) per share. The National Government
5 shall subscribe to Four Million Two Hundred (4,200,000) shares, the province of Laguna to
6 Seven Hundred Thousand (700,000) shares, the province of Rizal to Seven Hundred
7 Thousand (700,000) shares, and the balance of One Million Four Hundred Thousand
8 (1,400,000) shares shall be open for subscription to other government agencies or LGUs and
9 other private individuals or corporations within the Bay Region.

10 The shares of stock of the LLDA shall be divided into:

- 11 1) 4,900,000 ordinary shares (voting); and
- 12 2) 2,100,000 preferred shares (non-voting).

13 **SEC 20. Funding.** – The amount necessary to subscribe and pay for the remaining
14 shares of the national government to the capital stock of the LLDA shall be included in the
15 annual General Appropriations Act. For LGUs, the funds shall be taken from their internal
16 revenue allotment and other local funds.

17 **SEC. 21. Creation of LLDA Environmental Adjudication Panel.** - For the purpose
18 of effectively carrying out the quasi-judicial powers of the Authority within the Bay Region, the
19 LLDA Environmental Adjudication Panel (LEAP) is hereby created to be composed of a
20 Chairman and two (2) other members representing the Office of the General Manager, the
21 Corporate Legal Affairs Department and the concerned department depending on the matter
22 under controversy to be designated by the General Manager. The LEAP is hereby mandated
23 to take cognizance and adjudicate violations of this Act including all existing and relevant
24 laws, LLDA policies, rules and regulations. Any decision, order or resolution must be
25 concurred in by the majority of the panel and duly approved by the General Manager.

1 The Corporate Legal Affairs Department shall serve as Secretariat of the LEAP.

2 **SEC. 22. *Creation of a Lake Police Force.*** - The National Police Commission
3 shall constitute and assign a special police force to be known as the Laguna Lake Police,
4 exclusively for the Bay Region, trained especially for enforcement of laws on fisheries and
5 environmental laws and the rules and regulations duly promulgated by the LLDA.

6 The extent of operational supervision and control by the General Manager over the
7 Laguna Lake Police shall be the same as that of local chief executives over police force of
8 LGUs as defined in the Department of Interior and Local Government Act of 1990 (R.A.
9 6975), in relation to Sec. 73 of the Local Government Code of 1991 (R.A. 7160). The LLDA
10 Board, the local government units (LGUs) and the leadership of the Philippine National Police
11 shall within sixty (60) days from the passage of this Act constitute a technical working group
12 that will further delineate and define the nature and character of this unit in order to avoid any
13 overlap and potential conflict with the LGU police units within the Bay Region.

14 **SEC. 23. *Exemption from Tax.*** - The Authority shall be exempt from all taxes,
15 licenses, fees, imposts, charges, costs and duties except real property tax incidental to its
16 operations and service/filing fees in any court or administrative proceedings in which it may
17 be a party, restrictions and duties to the Republic of the Philippines, its provinces, cities,
18 municipalities and other government agencies and instrumentalities. Such exemption shall
19 include any tax or fee imposed by the government on the sale, purchase or transfer of foreign
20 exchange. All notes, bonds, debentures and other obligations issued by the Authority shall
21 be exempt from all taxes both as to principal and interest.

22 **SEC. 24. *Fines and Penalties.*** - The LLDA is authorized to impose administrative
23 fines and other penalties it may deem reasonable and appropriate within the bounds of
24 existing law on the same or similar offenses as determined and approved by the Board for
25 non-compliance with permit conditions and for undertaking development activities without

1 clearance/permit from the LLDA against any person, juridical or otherwise, within the Bay
2 Region who may be found violating, or have in fact violated, any of its rules and regulations.

3 Likewise, the LLDA is authorized to institute the necessary legal proceedings against
4 those who shall commence to implement any development activities within the Bay Region
5 not cleared nor approved by the LLDA.

6 **SEC. 25. Damages.** – Compensation for any damage to the shore land, water and
7 aquatic resources of Laguna Lake and its tributaries resulting from failure to meet established
8 water and effluent quality standards or from such other wrongful act or omission of a person,
9 private or public, juridical or otherwise, punishable under the law shall be awarded to the
10 LLDA for water quantity/quality control and management projects.

11 **SEC. 26. Penal and Civil Liability Clause.** – Any person, natural or juridical, who
12 shall violate any of the provisions of this Act or any rules and regulations promulgated by the
13 Authority pursuant thereto shall be liable to imprisonment of not exceeding three (3) years or
14 to a fine not less than Fifty Thousand Pesos (P50,000) or both at the discretion of the court.
15 This is without prejudice to the imposition of penalties as may be provided under existing and
16 relevant laws, rules and regulations.

17 If the violator be a corporation, partnership or association, the officer / officers of the
18 organization concerned shall be held liable.

19 The LLDA is hereby authorized to initiate, file, prosecute and defend all suits, actions
20 or to pursue separate civil actions for damages resulting from infractions of the provisions of
21 this Act, rules or regulations issued pursuant thereto and/or conditions embodied in the
22 clearances or permits issued by the Authority.

23 **SEC. 27. Auditor.** – The Chairman of the Commission on Audit shall be the ex officio
24 Auditor of the LLDA. For this purpose, he/she may appoint a representative who shall be the

1 Auditor of the LLDA, and the necessary personnel to assist said representative in the
2 performance of his/her duties.

3 The Chairman of the Commission on Audit or his/her authorized representative shall
4 submit to the Board soon after the close of each calendar year, an audited statement showing
5 the financial condition and progress of the LLDA for the calendar year just ended.

6 **SEC. 28. *Implementing Rules and Regulations.*** - The LLDA in coordination with the
7 proper standing Committees of both the Senate and the House of Representatives and
8 other concerned agencies shall promulgate the implementing rules and regulations (IRR)
9 for this Act, within six (6) months after its enactment: *Provided*, that the rules and
10 regulations issued by other government agencies and instrumentalities for the prevention
11 and/or abatement of water pollution not inconsistent with this Act shall supplement the
12 rules and regulations issued by the LLDA pursuant to the provisions of this Act.

13 **SEC. 29. *Repealing Clause.*** - Republic Act No. 4850 as amended, Presidential
14 Decree No. 813, and Executive Order No. 927, and all laws, orders, issuance, rules and
15 regulations inconsistent herewith are hereby repealed.

16 **SEC. 30. *Separability Clause.*** - If any provision of this Act is declared
17 unconstitutional, the same shall not affect the validity and effectiveness of the other provisions
18 hereof.

19 **SEC. 31. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
20 publication in at least two (2) national newspapers of general circulation.

21 Approved,