

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



Senate  
Office of the Secretary

'13 SEP 18 P1:32

SENATE

S.B. No. 1709

RECEIVED BY: *ja*

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Introduced by Senator Manuel "Lito" M. Lapid

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### EXPLANATORY NOTE

Cooperatives are among the major pillars of the people empowerment movement. They have long been acknowledged and regarded as one of the fundamental sources of economic strength in our country. In particular, they play a crucial role in agrarian reform and rural development.

Cooperatives play a significant role on economic development, especially in rural areas where the absence of large spending power does not attract private investment to harness local skills and resources that can uplift the local economy and living standards besides exporting produce to distant customer locations in cities.

This measure seeks to mandate the appointment of cooperatives officers in all provincial, city and municipal governments, amending thereby Section 487(a) of Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991. In this manner, the representation of cooperatives before the local government units wherein they operate shall be ensured and the interests of their association and their individual members represented. Further, the close interaction between the State and the cooperative movement will strengthen the spirit of cooperativism in the country.

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

  
MANUEL "LITO" M. LAPID  
Senator *m*

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AN ACT  
MANDATING THE APPOINTMENT OF COOPERATIVES OFFICERS IN LOCAL  
GOVERNMENT UNITS, AMENDING FOR THE PURPOSE SECTION 487(A) OF  
REPUBLIC ACT NO. 7160, AS AMENDED, 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 487(a) of Republic Act No. 7160, as amended, otherwise  
2 known as the Local Government Code of 1991, is hereby amended to read as follows:

3  
4 "SEC. 487. *Qualifications, Powers and Duties.* - (a) No person shall be  
5 appointed cooperative officer unless he is a citizen of the Philippines, a  
6 resident of the local government unit concerned, of good moral character,  
7 a holder of a college degree preferably in business administration with  
8 special training in cooperatives or any related course from a recognized  
9 college or university, and a first grade civil service eligible or its  
10 equivalent. He must have experience in cooperatives organization and  
11 management of at least five (5) years in the case of the provincial or city  
12 cooperatives officer, and three (3) years in the case of the municipal  
13 cooperatives officer.

14 The appointment of the cooperatives officer is [optional]  
15 MANDATORY for the provincial [and], city, AND MUNICIPAL  
16 governments."  
17

18 SEC. 2. *Repealing Clause.* - Sections 443(a), 454(a) and 463(a) of the Local  
19 Government Code of 1991 insofar as the appointment of municipal, city and provincial

1 cooperatives officers is concerned and any law, decree, executive order, and rules and  
2 regulations, or portions thereof not consistent with this Act are hereby amended  
3 accordingly.

4

5       **SEC. 3.     *Implementing Agency.*** - The Department of Interior and Local  
6 Governance (DILG) in coordination with the local government units shall promulgate  
7 the rules and regulations necessary for the effective implementation of this Act.

8

9       **SEC. 4.     *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after  
10 its publication in two (2) newspapers of general circulation.

*Approved,*