



## HOUSE OF REPRESENTATIVES

H. No. 3593

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BY REPRESENTATIVE LOYOLA, PER COMMITTEE REPORT NO. 20

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AN ACT EXEMPTING FROM THE REQUIREMENT ON POPULATION AND ON LAND AREA THE CONVERSION OF A MUNICIPALITY INTO A COMPONENT CITY IF IT HAS A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST TWO HUNDRED TWENTY MILLION PESOS (P220,000,000.00), AMENDING FOR THE PURPOSE SECTION 450 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 450 of Republic Act No. 7160, as amended,  
2 otherwise known as the Local Government Code of 1991, is hereby further  
3 amended to read as follows:

4                   “SEC. 450. *Requisites for Creation.* – (a) A municipality  
5 or a cluster of barangays may be converted into a component city  
6 if it has a locally generated average annual income, as certified by  
7 the Department of Finance, of at least One hundred million pesos  
8 (P100,000,000.00) for the last two (2) consecutive years based on  
9 2000 constant prices, and if it has either of the following  
10 requisites:

1           “(i) a contiguous territory of at least one hundred (100)  
2 square kilometers, as certified by the Land Management Bureau;  
3 or

4           “(ii) a population of not less than one hundred fifty  
5 thousand (150,000) inhabitants, as certified by the National  
6 Statistics Office.

7           **“THE REQUIREMENT ON POPULATION AND ON LAND  
8 AREA PRESCRIBED HEREIN SHALL NOT APPLY IF A  
9 MUNICIPALITY HAS A LOCALLY GENERATED AVERAGE ANNUAL  
10 INCOME, AS CERTIFIED BY THE DEPARTMENT OF FINANCE, OF  
11 AT LEAST TWO HUNDRED TWENTY MILLION PESOS  
12 (P220,000,000.00) FOR THE LAST TWO (2) CONSECUTIVE YEARS  
13 BASED ON 2010 CONSTANT PRICES AND HAS EITHER THE  
14 REQUIREMENT ON POPULATION OR ON LAND AREA PRESCRIBED  
15 FOR THE CREATION OF A MUNICIPALITY UNDER SECTION 442  
16 OF THIS CODE.**

17           “The creation thereof shall not reduce the land area,  
18 population and income of the original unit or units at the time of  
19 said creation to less than the minimum requirements prescribed  
20 herein.

21           “(b) The territorial jurisdiction of a newly-created city  
22 shall be properly identified by metes and bounds. The  
23 requirement on land area shall not apply where the city proposed  
24 to be created is composed of one (1) or more islands. The  
25 territory need not be contiguous if it comprises two (2) or more  
26 islands.

27           “(c) The average annual income shall include the income  
28 accruing to the general fund, exclusive of special funds, transfers,  
29 and non-recurring income.”

1           SEC. 2. All laws, decrees, executive orders, rules and regulations which  
2 are inconsistent with this Act are hereby amended, repealed or modified  
3 accordingly.

4           SEC. 3. This Act shall take effect fifteen (15) days after its publication  
5 in any newspaper of general circulation.

Approved,

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