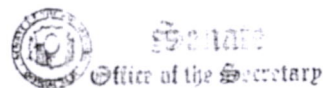


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



'18 APR 26 P 3 :40

SENATE

RECEIVED BY

S.B. No. 1787

Introduced by Senator **SONNY ANGARA**

AN ACT
UPDATING THE REQUISITES FOR THE CREATION OF MUNICIPALITIES,
CITIES, AND PROVINCES BY AMENDING CERTAIN PROVISIONS IN BOOK III
OF REPUBLIC ACT 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT
CODE OF 1991

EXPLANATORY NOTE

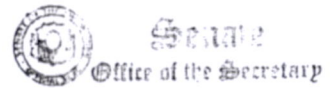
Republic Act 7160, otherwise known as the Local Government Code of 1991, was passed 26 years ago to create an environment of greater local autonomy by devolving and decentralizing powers, resources, and responsibilities from the central government to local government units. Despite the difficulties in its implementation, the Code made it possible for LGUs to develop businesses, create new jobs and to move their economy forward for the betterment of their respective communities.

Since the passage of the Code, cities have grown rapidly in both number and resources. Due to the latter, the Codal income criteria for the classification of a city was left very far behind. In recognition of this significant development, the Congress passed Republic Act 9009 redefining the income criteria of what makes a city and bringing it more up to date with current developments. However, the application of the new criteria for a city was no longer consistent with the "old" criteria used for provinces, municipalities, and more so, highly urbanized cities. In order to address this disconnect in national policy, there is a need to amend the Code in order to make this more consistent with the income criteria used for cities in Republic Act 9009.

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


SONNY ANGARA

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

1 **SECTION 1.** Section 442 (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.442. Requisites for Creation.** – (a) A municipality may be created if it
5 has a[n] **LOCALLY-GENERATED** average annual income, as certified by the
6 provincial treasurer, of at least [~~Two million five hundred thousand pesos (P~~
7 ~~2,500,000.00)] **TWELVE MILLION FIVE HUNDRED THOUSAND PESOS**
8 **(P12,500,000.00)** for the last two (2) consecutive years based on [~~the 1994]~~
9 **2000** constant prices; a population of at least twenty-five thousand (25,000)
10 inhabitants as certified by the [~~National Statistics Office]~~ **PHILIPPINE**
11 **STATISTICS AUTHORITY**; and a contiguous territory of at least fifty (50)
12 square kilometers as certified by the Land[s] Management Bureau: *Provided,*
13 That the creation thereof shall not reduce the land area, population or income
14 of the original municipality or municipalities at the time of said creation to less
15 than the minimum requirements prescribed herein."~~

1 **SEC. 2.** Section 450 (a) of the Code, as amended by Republic Act No. 9009, is
2 hereby further amended to read as follows:

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

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

11 (ii) a population of not less than one hundred fifty thousand (150,000)
12 inhabitants, as certified by the [~~National Statistics Office~~] **PHILIPPINE**
13 **STATISTICS AUTHORITY.**

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

17 **SEC. 3.** Section 452 (a) of the Code is hereby amended to read as follows:

18 **“SEC. 452. *Highly Urbanized Cities.*** – (a) Cities with a minimum population
19 of two hundred thousand (200,000) inhabitants as certified by the [~~National~~
20 ~~Statistics Office~~] **PHILIPPINE STATISTICS AUTHORITY**, and with [~~the latest~~
21 ~~annual income of at least Fifty Million Pesos (P50,000,000.00)] based on~~
22 ~~1991 constant prices~~ **A LOCALLY-GENERATED AVERAGE ANNUAL**
23 **INCOME**, as certified by the city treasurer, **OF AT LEAST TWO HUNDRED**
24 **FIFTY MIILLION PESOS (P250,000,000.00) FOR THE LAST TWO (2)**
25 **CONSECUTIVE YEARS BASED ON 2000 CONSTANT PRICES** shall be
26 classified as highly urbanized cities.”

1 **SEC. 4.** Section 461 (a) of the Code is hereby amended to read as follows:

2 “**SEC. 461. Requisites for Creation.** – (a) A province may be created if it
3 has a[n] **LOCALLY-GENERATED** average annual income, as certified by the
4 Department of Finance, of not less than [~~Twenty million pesos~~
5 (~~P20,000,000.00~~)] **ONE HUNDRED MILLION PESOS (P100,000,000.00)**
6 based on [~~1994~~] **2000** constant prices and either of the following requisites:

7 (i) a contiguous territory of at least two thousand (2,000) square
8 kilometers, as certified by the Land[s] Management Bureau; or

9 (ii) a population of not less than two hundred fifty thousand (250,000)
10 inhabitants as certified by the [~~National Statistics Office~~] **PHILIPPINE**

11 **STATISTICS AUTHORITY:**

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

15 **SEC. 5. Repealing Clause.** – All general and special laws, acts, city charters,
16 decrees, executive orders, proclamations and administrative regulations, or part or
17 parts thereof which are inconsistent with any of the provisions of this Act are hereby
18 repealed or modified accordingly.

19 **SEC. 6. Separability Clause.** – If, for any reason or reasons, any part of
20 provision of this Act shall be held unconstitutional or invalid, other parts or provisions
21 hereof which not affected thereby shall continue to be in full force and effect.

22 **SEC. 7. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
23 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,