

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



SENATE

'18 DEC -3 P 2 :23

COMMITTEE REPORT NO. 532

RECEIVED
A
S

Submitted by the Committees on Local Government; and Banks, Financial Institutions and Currencies on DEC - 3 2018.

Re: Senate Bill No. 2122. Prepared by the Committees

Recommending its approval in substitution of Senate No. 1773

Sponsor: Senator Angara

MR. PRESIDENT:

The Committees on Local Government; and Banks, Financial Institutions and Currencies, to which was referred **Senate Bill No. 1773**, introduced by Senator Angara entitled:

"AN ACT TO RATIONALIZE CREDIT FINANCING FOR LOCAL GOVERNMENT UNITS BY AMENDING CERTAIN PROVISIONS IN BOOK II OF REPUBLIC ACT 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached Senate Bill No. 2122 prepared by the Committees, entitled:

"AN ACT TO RATIONALIZE CREDIT FINANCING FOR LOCAL GOVERNMENT UNITS BY AMENDING CERTAIN PROVISIONS IN BOOK II OF REPUBLIC ACT 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"

be approved in substitution of Senate Bill No. 1773 with Senators Angara and Escudero as authors thereof.

Respectfully submitted:

Chairpersons



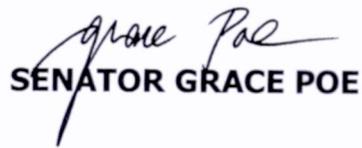
SENATOR SONNY ANGARA



SENATOR FRANCIS "CHIZ" ESCUDERO

Vice-Chairpersons

SENATOR RISA HONTIVEROS



SENATOR GRACE POE



SENATOR WIN GATCHALIAN



SENATOR JOSEPH VICTOR EJERCITO

Members



SENATOR GREGORIO B. HONASAN II



SENATOR MARIA LOURDES NANCY S. BINAY



SENATOR JOEL VILLANUEVA

SENATOR PAOLO BENIGNO "BAM" AQUINO IV



SENATOR CYNTHIA A. VILLAR

SENATOR ANTONIO "SONNY" F. TRILLANES IV

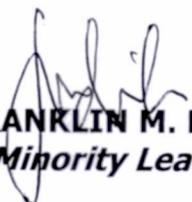


SENATOR LOREN LEGARDA

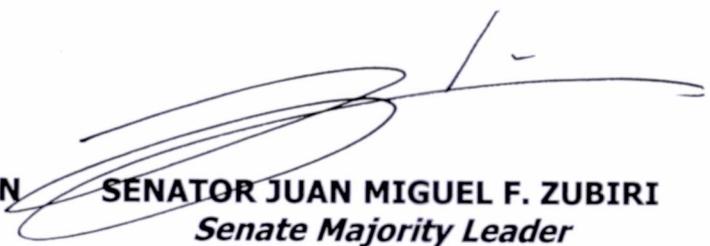


SENATOR PANFILO M. LACSON

EX-OFFICIO MEMBERS



SENATOR FRANKLIN M. DRILON
Senate Minority Leader



SENATOR JUAN MIGUEL F. ZUBIRI
Senate Majority Leader



SENATOR RALPH G. REGO
Senate President Pro-Tempore

Hon. VICENTE C. SOTTO III
Senate President

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



SENATE
S. B. No. 2122

'18 DEC -3 P2:23

(In substitution of Senate Bill No. 1773)

Prepared and submitted jointly by the Committee on Local Government and Banks, Financial Institutions and Currencies with Senators Sonny Angara and Francis "Chiz" G. Escudero as authors thereof

AN ACT
TO RATIONALIZE CREDIT FINANCING FOR LOCAL GOVERNMENT UNITS
BY AMENDING CERTAIN PROVISIONS IN BOOK II OF REPUBLIC ACT
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:

1 Section 1. Section 296 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. 296. *General Policy.* – (a) It shall be the basic policy that any
5 local government unit may create indebtedness, and avail of credit
6 facilities to finance local infrastructure and other socio-economic
7 development projects in accordance with the approved local
8 development plan and public investment program.

9 ~~(b) A local government unit may avail of credit lines from government~~
10 ~~or private banks and lending institutions for the purpose of stabilizing~~
11 ~~local finances."~~ **ANY LOCAL GOVERNMENT UNIT MAY AVAIL OF**

12 **LOANS, CREDITS AND OTHER FORMS OF INDEBTEDNESS**
13 **FROM GOVERNMENT OR PRIVATE BANKS AND LENDING**
14 **INSTITUTIONS SUBJECT TO THE REQUIREMENTS SPECIFIED**

1 **UNDER THIS CODE AND TO REGULATIONS THAT MAY BE**
2 **PROMULGATED BY THE BANGKO SENTRAL NG PILIPINAS.**

3 Sec. 2. Section 311 of the Code is hereby amended to read as follows:

4 "Sec. 311. *Depository Accounts.* – Local treasurers shall maintain
5 depository accounts in the name of their respective local government
6 units with banks [~~preferably government-owned,~~] located in or
7 nearest to their respective areas of jurisdiction. Earnings of each
8 depository account shall accrue exclusively thereto."

9 Sec. 3. *Repealing Clause.* – All general and special laws, acts, city charters,
10 decrees, executive orders, proclamations and administrative regulations, or part or
11 parts thereof which are inconsistent with any of the provisions of this Act are hereby
12 repealed or modified accordingly.

13 Sec. 4. *Separability Clause.* – If, for any reason or reasons, any part of
14 provision of this Act shall be held unconstitutional or invalid, other parts or
15 provisions hereof which not affected thereby shall continue to be in full force and
16 effect.

17 Sec. 5. *Effectivity Clause.* –This Act shall take effect fifteen (15) days after its
18 publication in the *Official Gazette* or in a newspaper of general circulation.

 Approved,