

SENATE  
S.B. No. 2190

RECL. \_\_\_\_\_ 

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Introduced by Senator Aquilino “Koko” Pimentel III

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AN ACT  
AMENDING SECTION 285 OF REPUBLIC ACT NO. 7160,  
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE  
OF 1991, TO ALLOW BARANGAYS CREATED BY LOCAL  
GOVERNMENT UNITS THAT HAVE EXISTED FOR AT LEAST  
TEN (10) YEARS TO RECEIVE THEIR JUST SHARE IN THE  
INTERNAL REVENUE ALLOTMENT

EXPLANATORY NOTE

*Article X, Section 6 of the 1987 Constitution* provides that the local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.

*Section 285 of Republic Act No. 7160, as amended*, otherwise known as the *Local Government Code of 1991* (LGC), provides for the share of barangays existing prior to the effectivity of the LGC in the internal revenue allotment (IRA). It further provides that the financial requirements of barangays created by local government units (LGU) after the effectivity of the LGC shall be the responsibility of the LGU concerned.

As a result, barangays that were created by the *Sangguniang Panlalawigan* or the *Sangguniang Panlungsod* after the effectivity of the LGC and pursuant to *Sections 6 and 385* thereof, receive smaller funding

allocation from their mother LGU as compared to the funding received by barangays existing prior to the effectivity of the LGC. The latter receive their due share in the IRA.

This proposed measure seeks to address this situation by giving LGU-created barangays that have been in existence for at least ten (10) years, their just share in the IRA. These barangays should be deemed to have proven themselves as viable LGUs because they were able to sustain their operations and provide adequate service to their constituents for a considerable period of time notwithstanding the scarce budgetary support from the National Government.

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

  
AQUILINO "KOKO" PIMENTEL III

**SENATE**  
S.B. No. 2190

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**Introduced by Senator Aquilino “Koko” Pimentel III**

**AN ACT AMENDING SECTION 285 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, TO ALLOW BARANGAYS CREATED BY LOCAL GOVERNMENT UNITS THAT HAVE EXISTED FOR AT LEAST TEN (10) YEARS TO RECEIVE THEIR JUST SHARE IN THE INTERNAL REVENUE ALLOTMENT**

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

1       **SECTION 1. Declaration of Policy.** – It is the policy of the State  
2 that local government units have a just share, as determined by law, in  
3 the national taxes which shall be automatically released to them.

4       **SEC. 2. Allocation of Internal Revenue Allotment to Barangays.** –  
5 *Section 285 of Republic Act No. 7160, as amended*, otherwise known as  
6 the Local Government Code of 1991, is hereby amended to read as  
7 follows:

8               *“Sec. 285. Allocation to Local Government Units.* – The  
9 share of local government units in the internal revenue  
10 allotment shall be allocated in the following manner:

11               XXX   XXX   XXX



1            Provided, finally, That the financial requirements of  
2            barangays created by local government units after the  
3            effectivity of this Code shall be the responsibility of the local  
4            government unit concerned **FOR TEN (10) YEARS FROM**  
5            **THEIR CREATION AND ACTUAL EXISTENCE.**  
6            **THEREAFTER, THEY SHALL RECEIVE THEIR JUST**  
7            **SHARE FROM THE INTERNAL REVENUE**  
8            **ALLOTMENT IN ACCORDANCE WITH THIS**  
9            **SECTION IN THE IMMEDIATELY SUCCEEDING**  
10           **YEAR AFTER THE TENTH YEAR OF THEIR**  
11           **EXISTENCE.”**

12           **SEC. 3. *Entitlement to Internal Revenue Allotment Share of***  
13           ***Existing Barangays Created by LGUs.*** – All barangays previously  
14           created by the Sangguniang Panlalawigan or the Sangguniang  
15           Panlungsod, pursuant to *Section 6* of *RA 7160*, that have existed for at  
16           least ten (10) years, shall be prospectively entitled to a share in the  
17           internal revenue allotment as provided under *Section 284* of *RA 7160*  
18           which shall be automatically appropriated and directly released to them.

19           **SEC. 4. *Implementing Rules and Regulations.*** – Within sixty (60)  
20           days after the effectivity of this Act, the Department of Budget and  
21           Management (DBM), Department of Finance (DOF), Department of  
22           Interior and Local Government (DILG), and the respective Leagues of  
23           the local government units concerned shall promulgate the necessary  
24           implementing rules and regulations implementing the provisions of this  
25           Act.

26           **SEC. 5. *Separability Clause.*** – Should any part of this Act be  
27           declared unconstitutional or invalid, the other provisions or parts not  
28           affected by the declaration shall remain valid and in full force and effect.

29           **SEC. 6. *Repealing Clause.*** – All other laws, decrees, orders, and  
30           issuances, rules or regulations, or portions thereof, which are  
31           inconsistent with the provisions of this Act, are hereby repealed,  
32           amended, or modified accordingly.

1       **SEC. 7. *Effectivity Clause.*** – This Act shall take effect after fifteen  
2       (15) days after its complete publication in the Official Gazette or in two  
3       (2) newspapers of national circulation.

*Approved,*