



S E N A T E

S. No. 255

---

PREPARED AND SUBMITTED BY THE COMMITTEE ON LOCAL  
GOVERNMENT WITH SENATOR LACSON AS AUTHOR  
THEREOF

---

AN ACT AMENDING SECTION 450 OF REPUBLIC ACT  
NO. 7160, OTHERWISE KNOWN AS THE LOCAL  
GOVERNMENT CODE OF 1991, AS AMENDED BY  
REPUBLIC ACT NO. 9009, BY PROVIDING FOR  
THE REQUISITES FOR THE CONVERSION OF A  
MUNICIPALITY INTO A COMPONENT CITY, AND  
FOR OTHER PURPOSES

*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  
2 amended, otherwise known as the Local Government Code  
3 of 1991, as amended by Republic Act No. 9009, is hereby  
4 further amended to read as follows:

5                   “SEC. 450. *Requisites for Creation.* – (a) A  
6           municipality or a cluster of barangays may be  
7           converted into a component city if it has a

1 locally generated average annual income, as  
2 certified by the Department of Finance, of at  
3 least One hundred million pesos  
4 (P100,000,000.00) for the last two (2)  
5 consecutive years based on 2000 constant  
6 prices, and if it has either of the following  
7 requisites:

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

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

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

1           “A MUNICIPALITY OR A CLUSTER OF  
2           BARANGAYS WITH A LOCALLY  
3           GENERATED AVERAGE ANNUAL INCOME,  
4           AS CERTIFIED BY THE DEPARTMENT OF  
5           FINANCE, OF AT LEAST FOUR HUNDRED  
6           MILLION PESOS (P400,000,000.00) FOR THE  
7           LAST TWO (2) CONSECUTIVE YEARS  
8           BASED ON 2012 CONSTANT PRICES MAY  
9           ALSO BE CONVERTED INTO A  
10          COMPONENT CITY IF IT HAS EITHER A  
11          POPULATION OF NOT LESS THAN ONE  
12          HUNDRED THOUSAND (100,000)  
13          INHABITANTS AS CERTIFIED BY THE PSA  
14          OR A CONTIGUOUS TERRITORY OF AT  
15          LEAST ONE HUNDRED (100) SQUARE  
16          KILOMETERS, AS CERTIFIED BY THE  
17          LAND MANAGEMENT BUREAU:  
18          *PROVIDED*, THAT, THREE (3) YEARS  
19          AFTER THE EFFECTIVITY OF THIS ACT  
20          AND EVERY THREE (3) YEARS

1           THEREAFTER, THE THRESHOLD AMOUNT  
2           OF FOUR HUNDRED MILLION PESOS  
3           (P400,000,000.00) SHALL BE INCREASED BY  
4           FIVE PERCENT (5%).

5           “(b) The territorial jurisdiction of a  
6           newly-created city shall be properly identified  
7           by metes and bounds. The requirement on land  
8           area shall not apply where the city proposed to  
9           be created is composed of one (1) or more  
10          islands. The territory need not be contiguous if  
11          it comprises two (2) or more islands.

12          “(c) The average annual income shall  
13          include the income accruing to the general  
14          fund, exclusive of specific funds, transfers, and  
15          non-recurring income.

16          “(D) IN ORDER TO MINIMIZE THE  
17          EFFECT OF CONVERSION, THE NEWLY  
18          CONVERTED CITIES SHALL, UPON  
19          ENACTMENT OF THIS ACT, BRING THEIR  
20          RESPECTIVE ALLOTMENT DERIVED

1 FROM THE NATIONAL TAXES AS  
2 MUNICIPALITIES TO THE ALLOTMENT OF  
3 CITIES: *PROVIDED*, THAT SAID  
4 PORTABILITY SHALL BE EFFECTIVE FOR  
5 A PERIOD OF THREE (3) YEARS FROM  
6 CONVERSION INTO CITYHOOD.”

7 *SEC. 2. Implementing Rules and Regulations.* – The  
8 Department of the Interior and Local Government, the  
9 Department of Finance, and the Department of Budget and  
10 Management shall promulgate and issue the implementing  
11 rules and regulations within ninety (90) days from the  
12 effectivity of this Act.

13 *SEC. 3. Separability Clause.* – If any provision of this  
14 Act shall be declared invalid or unconstitutional, the  
15 remaining part or provisions not otherwise affected shall  
16 remain in force.

17 *SEC. 4. Repealing Clause.* – Any law, decree,  
18 ordinance, administrative circulars not consistent with any

1 provision of this Act is hereby amended, repealed or  
2 modified accordingly.

3       SEC. 5. *Effectivity.* – This Act shall take effect fifteen  
4 (15) days after its complete publication in the *Official*  
5 *Gazette* or in at least two (2) newspapers of general  
6 circulation.

Approved,