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SENATE

S. No. 447

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Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
TO ENHANCE THE USE OF NATIONAL WEALTH FOR LOCAL DEVELOPMENT
BY AMENDING CERTAIN PROVISIONS IN BOOK II OF REPUBLIC ACT NO.
7160, OTHERWISE KNOWN AS THE 'LOCAL GOVERNMENT CODE OF 1991'**

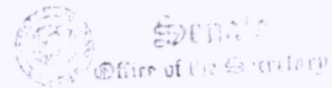
EXPLANATORY NOTE

The Local Government Code has been the cornerstone of our country's effort towards effective decentralization. However, since its enactment in 1991, there has been a lot of developments and progress in different fields in our governance.

This proposed measure seeks to enhance the use of national wealth for local development by amending certain sections of the Code which provides that "the proceeds derived from the development and utilization of hydrothermal, geothermal, and other sources of energy **shall be applied solely** to lower the cost of electricity in the local government unit where such a source of energy is located" [*emphasis added*]. This provision restricts the use of the proceeds only to decrease the cost of electricity in the local government units. This bill accords flexibility to the local government units to use the proceeds to other priority development plans.

Considering our concerted efforts towards strengthening and empowering our local government units, consideration of this bill is earnestly sought.


RAMON BONG REVILLA, JR.



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

1 SECTION 1. Section 294 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. 294. *Development and Livelihood Projects.* – The
5 proceeds from the share of local government units pursuant to
6 this chapter shall be appropriated by their respective Sanggunian
7 to finance local government and livelihood projects **IN THE**
8 **APPROVED LOCAL DEVELOPMENT INVESTMENT**
9 **PROGRAM** [~~; Provided, however, That at least eighty percent~~
10 ~~(80%) of the proceeds derived from the development and~~
11 ~~utilization of hydrothermal, geothermal, and other sources of~~
12 ~~energy shall be applied solely to lower the cost of electricity in~~
13 ~~the local government unit where such a source of energy is~~
14 ~~located.]: **PROVIDED, HOWEVER, THAT THE PROCEEDS,**~~

15 **OR A PORTION THEREOF DERIVED FROM THE**
16 **DEVELOPMENT AND UTILIZATION OF HYDROTHERMAL,**
17 **GEOTHERMAL, AND OTHER SOURCES OF ENERGY MAY**

1 **BE APPLIED, AT THE OPTION OF THE LOCAL**
2 **GOVERNMENT UNIT TO LOWER THE COST OF**
3 **ELECTRICITY IN THE LOCAL GOVERNMENT WHERE SUCH**
4 **SOURCE OF ENERGY IS LOCATED.**

5 *Sec. 2. Use of Unutilized Shares.* – The concerned local government units are
6 hereby authorized to use the proceeds previously derived from the development and
7 utilization of hydrothermal, geothermal, and other sources of energy which remain
8 unutilized in accordance with their approved local development investment program
9 and annual investment program.

10 *Sec. 3. Separability Clause.* - If any provision or part hereof, is held invalid or
11 unconstitutional, the remainder of the law or the provision not otherwise affected shall
12 remain valid and subsisting.

13 *Sec. 4. Repealing Clause.* - Any law, presidential decree or issuance, executive
14 order, letter of instruction, administrative order, rule or regulation contrary to, or
15 inconsistent with the provisions of this Act is hereby repealed, modified or amended
16 accordingly.

17 *Sec. 5. Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
18 publication in at least two (2) newspapers of general circulation.

19
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21 Approved,