

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

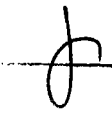


Senate  
Office of the Secretary

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SENATE

S. B. No. 1428

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Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT**  
**AMENDING REPUBLIC ACT NO. 7924, OTHERWISE KNOWN AS**  
**"AN ACT CREATING THE METROPOLITAN MANILA**  
**DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND**  
**FUNCTION, PROVIDING FUNDS THEREFOR AND OTHER**  
**PURPOSES"**

EXPLANATORY NOTE

Article X, Section 6 of the 1987 Constitution provides that *"local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them."* Corollarily, the Local Government Code (LGC) of 1991 defines a local government unit (LGU) as a "body politic and corporate" - one endowed with powers as a political subdivision of the National Government and as a corporate entity representing the inhabitants of its territory. These are the provinces, cities, municipalities, and barangays, the territorial and political subdivisions of the State.

All LGUs have Internal Revenue Allotments (IRA) from the national government, based on the computation provided for under the LGC. As of 31 December 2019, the Department of Interior and Local Government (DILG) identified eighty-one (81) provinces, one hundred forty six (146) cities, one thousand four hundred eighty eight (1,488) municipalities, and forty-two thousand and forty five (42,045) barangays in the country.

In 1994, however, the enactment of Republic Act No. 7924 provided that the Metro Manila Development Authority (MMDA) shall also receive an IRA and has since been treated as the eighty-second (82<sup>nd</sup>) province for budgetary purposes. This is supposedly anchored on the premise that it is the predecessor of the Metro Manila Authority (MMA), created by virtue of Executive Order No. 392, series of 1990, which receives its share of IRA. The MMA, in turn, is the predecessor of the Metro Manila Commission (MMC), created pursuant to Presidential Decree 824.

The Supreme Court already settled this matter in the case of *MMDA v. Bel-Air Village Association* by categorically pronouncing that the MMDA is not an LGU. Thus, it is not entitled to receive an IRA because the Constitution clearly provides that only LGUs shall have their share of the IRA. A close reading of EO No. 392, s. of 1990, also reveals that the MMA is not entitled to an IRA, thereby leaving the MMDA no basis at all for its present share in the IRA.

This bill seeks to rectify this situation by amending R.A. No. 7924, placing the MMDA under the Office of the President as a "special development authority" for budgetary purposes, in the same vein that Metro Manila, as a public corporation, is subject to the direct supervision of the President.

  
**IMEE R. MARCOS**

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

1 **Section 1.**Section 4 of Republic Act No. 7924 is hereby amended to read as follows:

2 "Sec. 4. *Metro Manila Council.* – The governing board and policy making  
3 body of the MMDA shall be the Metro Manila Council, composed of the  
4 mayors of the eight (8) cities and nine (9) municipalities enumerated in  
5 Section 1 hereof, the president of the Metro Manila Vice Mayors League  
6 and the President of the Metro Manila Councilors League.

7 The heads of the Department of Transportation and Communications  
8 (DOTC), Department of Public Works and Highways (DPWH), Department  
9 of Tourism (DOT), Department of Budget and Management (DBM),  
10 [Housing and Urban Development Coordinating Committee  
11 (HUDC),]**DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN**  
12 **DEVELOPMENT** (DHSUD) and Philippine National Police (PNP) or their

1 duly authorized representatives, will attend meetings of the council as  
2 non-voting members.

3 xxx"

4 **SEC. 2.** Section 10 of Republic Act No. 7924 is hereby amended to read as follows:

5 "Sec. 10. *Sources of Funds and the Operating Budget of MMDA:*

6 (a) To carry out the purposes of this Act , the amount of One billion pesos  
7 (P1,000,000,000) is hereby authorized to be appropriated for the initial  
8 operation of the MMDA. Thereafter, the annual expenditures including  
9 capital outlays of the MMDA shall be provided in the General  
10 Appropriations Act **AS A SPECIAL DEVELOPMENT**  
11 **AUTHORITY UNDER THE OFFICE OF THE PRESIDENT.**

12 [(b) The MMDA shall continue to receive the Internal Revenue Allotment  
13 (IRA) currently allocated to the present MMA.]

14 [(c) **(B)**]The MMDA is likewise empowered by levy fines, and impose fees  
15 and charges for various services rendered.

16 [(d) **(C)**]Five percent (5%) of the total annual gross revenue of the  
17 preceding year, net of the internal revenue allotment, of each local  
18 government unit mentioned in Section 2 hereof, shall accrue and become  
19 payable monthly to the MMDA by each city or municipality. In case of  
20 failure to remit the said fixed contribution, the DBM shall cause the  
21 disbursement of the same to MMDA chargeable against the IRA allotment  
22 of the city or municipality concerned, the provisions of Section 286 of RA  
23 7160 to the contrary notwithstanding."

24 **SEC. 3. Separability Clause.** - If for any reason any provision of this Act is declared  
25 unconstitutional or invalid, such parts or portions not affected thereby shall remain  
26 in full force and effect.

27 **SEC. 4. Repealing Clause.**- All laws, executive orders, presidential decrees,  
28 presidential proclamations, letters of instruction, rules and regulations or parts

1 thereof which are inconsistent with the provisions of this Act are hereby repealed or  
2 modified accordingly.

3 **SEC.5. *Effectivity.***- This Act shall take effect fifteen (15) days following completion of  
4 its publication in at least two (2) newspapers of general circulation.

Approved,