

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

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SENATE

S. B. No. 2647

(In substitution of Senate Bill Nos. 1809 and 1941, taking into consideration House Bill No. 8505)

Prepared and submitted jointly by the Committees on Government Corporations and Public Enterprises; and National Defense and Security, Peace, Unification and Reconciliation with Senators Ejercito Estrada, Tolentino, and Cayetano (A.) as authors thereof

AN ACT
STRENGTHENING THE BASES CONVERSION AND DEVELOPMENT AUTHORITY
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7227, OTHERWISE
KNOWN AS "THE BASES CONVERSION AND DEVELOPMENT ACT OF 1992", AS
AMENDED

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

1 SECTION 1. Section 3 of Republic Act No. 7227 otherwise known as the Bases
2 and Conversion and Development Act of 1992, as amended, is hereby further amended
3 to read as follows:

4 "SEC. 3. *Creation of the Bases Conversion and Development Authority.* -
5 There is hereby created a body corporate to be known as the Bases
6 Conversion and Development Authority, hereinafter referred to as the
7 conversion authority, which shall have the attribute of perpetual
8 succession and shall be vested with the powers of a corporation.

1 It shall be organized within thirty (30) days after the approval of this Act.
2 It shall have a term of fifty (50) years from its organization, **WHICH**
3 **SHALL BE EXTENDED FOR ANOTHER FIFTY (50) YEARS UPON**
4 **THE EXPIRATION OF ITS ORIGINAL TERM:** *Provided,* That
5 Congress, [~~by joint resolution~~], may dissolve the Conversion Authority
6 whenever in its judgment the primary purpose for its creation has been
7 accomplished. It shall establish its principal office in Metropolitan Manila
8 unless otherwise provided by the Conversion Authority and may put up
9 such branches as may be necessary.”

10 SEC. 2. Section 6 of Republic Act No. 7227, as amended, is hereby amended to
11 read as follows:

12 “SEC. 6. *Capitalization.* – The Conversion Authority shall have an
13 authorized capital of [~~One hundred billion pesos (P100,000,000,000)~~]
14 **TWO HUNDRED BILLION PESOS (200,000,000,000.00)** which may
15 be fully subscribed by the Republic of the Philippines and [~~shall either be~~
16 ~~paid up from the proceeds of the sales of its land assets as provided for~~
17 ~~in Section 8 of this Act or by transferring to the Conversion Authority~~
18 ~~properties valued in such amount]~~ **SHALL BE FUNDED BY THE**
19 **CONVERSION AUTHORITY EITHER IN CASH OR PROPERTY.**

20 [~~An initial operating capital in the amount of seventy million pesos~~
21 ~~(P70,000,000) is hereby authorized to be appropriated out of any funds~~
22 ~~in the National Treasury not otherwise appropriated which shall be~~
23 ~~covered by preferred shares of the Conversion Authority retireable within~~
24 ~~two (2) years.]”~~

25 SEC. 3. A new section designated as Section 18 is hereby inserted after Section
26 17 of RA 7227, as amended, and the succeeding sections are renumbered accordingly.
27 The new Section 18 shall read as follows:

28 **“SEC. 18. DECLARATION OF LANDS AS ALIENABLE AND DISPOSABLE. –**
29 **THE HEREUNDER SELECTED PORTIONS OF LANDS, LOCATED IN EACH**
30 **OF THE FOLLOWING SPECIAL ECONOMIC AND FREEPORT ZONES, AS**

1 IDENTIFIED IN THEIR RESPECTIVE MASTER DEVELOPMENT PLANS,
2 ARE HEREBY DECLARED AS ALIENABLE AND DISPOSABLE:

3 1. CLARK SPECIAL ECONOMIC ZONE (CSEZ), INCLUDING NEW CLARK
4 CITY, AND CLARK FREEPORT ZONE (CFZ) CREATED PURSUANT TO
5 PROCLAMATION NO. 163, SERIES OF 1993, AS AMENDED, AND IN
6 RELATION TO REPUBLIC ACT NO. 9400;

7 2. PORO POINT FREEPORT ZONE (PPFZ) CREATED PURSUANT TO
8 PROCLAMATION NO. 216, SERIES OF 1993, AS AMENDED;

9 3. BATAAN TECHNOLOGY PARK (BTP) FORMERLY KNOWN AS THE
10 PHILIPPINE REFUGEE PROCESSING CENTER COMPLEX (PRPCC)
11 WITHIN THE MORONG SPECIAL ECONOMIC ZONE (MSEZ) CREATED
12 PURSUANT TO PROCLAMATION NO. 984, SERIES OF 1997; AND

13 4. JOHN HAY SPECIAL ECONOMIC ZONE (JHSEZ) PURSUANT TO
14 PROCLAMATION NO. 420, SERIES OF 1994, AS AMENDED.

15 PROVIDED, THAT FIVE PERCENT (5%) OF THE TOTAL LAND AREA OF
16 EACH OF THE HEREIN ENUMERATED SPECIAL ECONOMIC AND
17 FREEPORT ZONES, WHICH ARE DECLARED AS ALIENABLE AND
18 DISPOSABLE, SHALL BE ALLOCATED FOR RESIDENTIAL AND
19 RESIDENTIAL-MIXED USE PURPOSES.

20 PROVIDED FURTHER, THAT ANOTHER FIVE PERCENT (5%) OF THE
21 TOTAL LAND AREA OF THE HEREIN ENUMERATED SPECIAL ECONOMIC
22 AND FREEPORT ZONES, WHICH ARE DECLARED AS ALIENABLE AND
23 DISPOSABLE, SHALL BE ALLOCATED FOR INSTITUTIONAL AND
24 INDUSTRIAL PURPOSES, CONSISTENT WITH THE PRIORITY PROJECTS
25 AND PLANS OF THE GOVERNMENT.

26 THE BOARD OF DIRECTORS OF THE CONVERSION AUTHORITY, BY THE
27 MAJORITY VOTE OF ITS MEMBERS, AND CONSIDERING THE MARKET
28 DEMAND AND ECONOMIC CONDITIONS, MAY DECLARE AN
29 ADDITIONAL AREA NOT EXCEEDING FIVE PERCENT (5%) OF THE
30 TOTAL LAND AREA OF EACH OF THE ABOVEMENTIONED SPECIAL

1 ECONOMIC AND FREEPORT ZONES AS ALIENABLE AND DISPOSABLE.
2 THE LANDS REFERRED TO IN THE IMMEDIATELY PRECEDING
3 SENTENCE SHALL BE ALLOCATED FOR RESIDENTIAL, AND
4 RESIDENTIAL MIXED-USE, INSTITUTIONAL, AND INDUSTRIAL
5 PURPOSES.

6 THE CONVERSION AUTHORITY IS HEREBY AUTHORIZED TO SELL THE
7 LANDS IN THE IMMEDIATELY PRECEDING PARAGRAPHS. PROVIDED,
8 THAT NO SALE OF SUCH LANDS SHALL BE UNDERTAKEN UNTIL A
9 MASTER DEVELOPMENT PLAN AND A STRATEGIC DISPOSITION PLAN
10 ARE APPROVED BY THE BOARD OF DIRECTORS OF THE CONVERSION
11 AUTHORITY.

12 THE APPROVED MASTER DEVELOPMENT PLAN AND STRATEGIC
13 DISPOSITION PLAN SHALL BE THE BASIS FOR ANY SALE OR
14 DISPOSITION OF LANDS IN ACCORDANCE WITH THIS SECTION. THE
15 CONVERSION AUTHORITY SHALL SUBMIT A COPY OF THE MASTER
16 DEVELOPMENT PLAN TO THE PRESIDENT OF THE PHILIPPINES AND
17 BOTH HOUSES OF CONGRESS WITHIN THIRTY (30) DAYS FROM
18 APPROVAL THEREOF.

19 THE PROCEEDS FROM THE SALE THEREOF SHALL ACCRUE TO THE
20 CONVERSION AUTHORITY TO FINANCE THE DEVELOPMENT OF AND
21 INFRASTRUCTURE PROJECTS IN THE ABOVE-MENTIONED SPECIAL
22 ECONOMIC AND FREEPORT ZONES. PROVIDED, FURTHER, THAT
23 TWENTY-FIVE PERCENT (25%) OF THE NET PROCEEDS FROM THE SALE
24 THEREOF SHALL BE REMITTED TO THE BUREAU OF TREASURY TO
25 FINANCE THE AFP PENSION FUND.

26 PROVIDED FINALLY, THAT EVERY THREE (3) YEARS, THE CONVERSION
27 AUTHORITY SHALL SUBMIT TO THE OFFICE OF THE PRESIDENT
28 PERIODIC UPDATES ON THE DISPOSITION OF RESIDENTIAL,
29 RESIDENTIAL MIXED-USE, INSTITUTIONAL AND INDUSTRIAL LANDS,
30 AND THE UTILIZATION OF THE PROCEEDS FROM THE SALE THEREOF."

1 SEC. 4. Nothing in this Act shall be construed as transferring existing military
2 bases under the jurisdiction of the Department of National Defense and/or Armed
3 Forces of the Philippines to the Conversion Authority.

4 SEC. 5. *Implementing Rules and Regulations.* - The Conversion Authority, in
5 consultation with the appropriate agencies, shall promulgate the rules and regulations
6 necessary for the effective implementation of this Act within ninety (90) days from its
7 effectivity.

8 SEC. 6. *Separability Clause.* If any provision of this Act is declared
9 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
10 and effect.

11 SEC. 7. *Repealing Clause.* All laws, presidential decrees, executive orders, letters
12 of instruction, proclamations, and administrative regulations that are inconsistent with
13 the provisions of this Act are hereby repealed, amended, or modified accordingly.

14 SEC. 8. *Effectivity Clause.* This Act shall take effect after fifteen (15) days
15 following the completion of its publication in the Official Gazette or in any newspaper
16 of general circulation.

Approved,