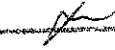


THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
SECOND REGULAR SESSION)

6 FEB 21 P1:42

SENATE

RECEIVED BY: S.B. NO. 2211

Introduced by SENATOR ALFREDO S. LIM

EXPLANATORY NOTE

The fast pace of development in the economic, political and social lives and well-being of the populace of various municipalities in the country indicates their desire to savor the fruits of progress on a higher level of political spectrum.

This situation is more prominently felt in municipalities that serve as capital towns of provinces in as much as they are the hubs of trade and commerce in their respective provinces that make them capable and qualified to receive broader autonomy, to be burdened with greater responsibilities, and to be granted appropriate taxing powers for the effective delivery of services to their constituents.

They deserve to be converted into cities as aptly envisioned under Republic Act No. 7160, otherwise known as the 'Local Government Code.'

But these municipalities, though capable and prepared as they are to accept cityhood, are, however, unable to muster the minimum P100million annual income requirement as fixed under Sec. 450 of the law.

Thus, the proposed bill seeks to provide an exemption from such requirement as set out in the existing law.

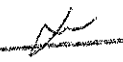

ALFREDO S. LIM

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
SECOND REGULAR SESSION)

SENATE
OFFICE OF THE SECRETARY

6 FEB 21 P1:42

SENATE

RECEIVED BY: 

S.B. NO. 2211

Introduced by SENATOR ALFREDO S.LIM

**AN ACT
DISPENSING WITH THE MINIMUM ANNUAL INCOME
REQUIREMENT FOR CITYHOOD FOR CERTAIN MUNICIPALITIES
AND AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF
1991 AS AMENDED**

SECTION 1. Amending Sec. 450 of Republic Act No. 7160 as amended. Municipalities serving as capital towns of the provinces to which they belong shall be exempted from the minimum annual income requirement of One Hundred Million Pesos (P100,000,000) for conversion into city or be given priority for conversion into a city if the province to which it belongs does not have any city, amending for the purpose Section 450 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991 as amended by Republic Act No. 9009, which shall commence henceforth as follows:

"Sec. 450. Requisites for Creation. - (a) A municipality or a cluster of barangays may be converted into a component city if it has an average annual income, as certified by the Department of Finance, of at least One Hundred Million pesos (P100,000,000.00) for the last two (2) consecutive years based on 1991 constant prices, and if it has either of the following requisites."

"(i) a contiguous territory of at least one hundred (100) square kilometers, as certified by the Lands Management Bureau; or,"

"(ii) a population of not less than one hundred fifty thousand (150,000) inhabitants, as certified by the National Statistics Office."

"Provided, that the creation thereof shall not reduce the land area, population, and income of the original unit or units at the time of said creation to less than the minimum requirements prescribed herein;"

"PROVIDED, FURTHER, THAT THE CAPITAL TOWN OF

ANNUAL INCOME REQUIREMENT OF ONE HUNDRED MILLION PESOS (P100,000,000) AS PROVIDED FOR IN PAR. (a) HEREOF TO BE QUALIFIED FOR CONVERSION INTO A CITY;"

"PROVIDED, FINALLY, THAT CAPITAL TOWNS OF PROVINCES WHERE THERE IS NO EXISTING CITY SHALL HAVE A PRIORITY FOR CONVERSION INTO A COMPONENT CITY."

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

"(c) The average annual income shall include the income accruing to the general fund, exclusive of special funds, transfers, and non-recurring income."

SECTION 2. *Repealing Clause.* – All laws, decrees and other issuances which are inconsistent with this Act are hereby repealed.

SECTION 3. *Effectivity.* – This Act shall take effect fifteen (15) days from its publication in two (2) newspapers of general circulation.

Approved