

FOURTEENTH CONGRESS OF THE REPUBLIC }
OF THE PHILIPPINES }
First Regular Session }

6 JAN 23 2008

SENATE

RECORDED BY: [Signature]

COMMITTEE REPORT NO. 30

Submitted by the Committee on Local Government on JAN 23 2008.

Re : Senate Bill No. **2005**, prepared by the Committee.

Recommending its approval in substitution of Senate Bill No. 364.

Sponsors : Senators Aquino III and Ejercito Estrada.

MR. PRESIDENT:

The Committee on Local Government, to which was referred Senate Bill No. 364, introduced by Senator Ejercito Estrada, entitled:

**"AN ACT
PROVIDING FOR GREATER FISCAL AUTONOMY IN FAVOR OF LOCAL
GOVERNMENT UNITS (LGUs) IN THE CHOICE OF DEPOSITORY BANKS, AMENDING
SECTION 311 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached bill, Senate Bill No. 2005, prepared by the Committee, entitled:

**"AN ACT
AMENDING SECTION 311 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS
'THE LOCAL GOVERNMENT CODE OF 1991'"**

be approved in substitution of Senate Bill No. 364 with Senators Ejercito Estrada and Aquino III as authors thereof.

Respectfully submitted:

[Signature]
BENIGNO SIMEON C. AQUINO III
Chairman

FRANCIS "CHIZ" G. ESCUDERO
Vice Chairman

Members:

EDGARDO J. ANGARA
ALAN PETER "COMPAÑERO" S. CAYETANO
COMPANERA PIA S. CAYETANO
JUAN PONCE ENRILE *with reservation*
RICHARD J. GORDON
MANUEL "LITO" M. LAPID
RAMON BONG REVILLA JR. *with reservation*
RODOLFO G. BIAZON *may amend*
LOREN B. LEGARDA
M.A. MADRIGAL

ANTONIO "SONNY" F. TRILLANES IV

Ex-Officio Members:

JINGGOY EJERCITO ESTRADA
President Pro-Tempore
FRANCIS N. PANGILINAN
Majority Leader
AQUILINO Q. PIMENTEL JR.
Minority Leader

Hon. MANNY VILLAR
President
Senate of the Philippines
Pasay City

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SENATE
S.B. NO. 2005

(in substitution of SBN 364)

Prepared by the Committee on Local Government
with Senators Ejercito Estrada and Aquino III as authors thereof

AN ACT
AMENDING SECTION 311 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991"

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

1 **SECTION 1.** Section 311 of Republic Act No. 7160, otherwise known as "The Local Government
2 Code of 1991", is hereby amended to read as follows:

3 "SEC. 311. *Depository Account.* - Local treasurers shall maintain depository
4 accounts in the name of their respective local government units with banks, [preferably
5 government-owned] **DULY AUTHORIZED BY THE BANGKO SENTRAL NG PILIPINAS**
6 **TO ACCEPT GOVERNMENT DEPOSITS** located in or nearest to their respective areas
7 of jurisdiction: **PROVIDED, THAT IN THEIR CHOICE OF DEPOSITORY BANK**
8 **PRIORITY SHALL BE GIVEN TO GOVERNMENT-OWNED BANKS WITHIN THEIR**
9 **LOCALITIES.** Earnings of each depository account shall accrue exclusively thereto."

10 **SEC. 2. *Repealing Clause.*** - All laws, executive orders, presidential decrees, rules and
11 regulations or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed
12 or modified accordingly.

13 **SEC. 3. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its complete
14 publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation.

Approved,