

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3496

HOUSE OF REPRESENTATIVES

RECEIVED

DATE: 06 SEP 2016

TIME: 2:40 PM

BY: [Signature]

REGISTRATION UNIT
BILLS AND INDEX SERVICE

Introduced by Representative EDGAR R. ERICE

EXPLANATORY NOTE

With its estimated population of 12.8 million and with this ever-growing sea of humanity, the metropolis is constantly besieged by such perennial problems as overpopulated slums, homelessness, traffic congestion, flash floods, pollution and urban blight. This is compounded by the limited ability of the agency presently tasked to coordinate the delivery of basic metro-wide services and facilities, hobbled by the fact that it cannot exercise the police power and other municipal powers traditionally wielded by its component local government units.

As organized under Republic Act No. 7924, the Metropolitan Manila Development Authority is confined only to strictly defined planning, monitoring and coordinative functions, as well as regulatory and supervisory authority over the delivery of metro-wide services within the National Capital Region. It cannot even open private roads in gated private subdivisions for the purpose of easing traffic gridlocks (*MMDA vs. Bel-Air Village Association, G.R. No. 135962*); neither can it dismantle indiscriminately-installed signages or billboards in the Metro-Rail Transit for the promotion of the public interest (*MMDA vs. Trackworks Rail Transit Advertising, G.R. No. 167514*). This is because in both cases, the Supreme Court has held that the MMDA, not being a political subdivision like provinces and cities, does not possess police or legislative powers.

Yet, the MMDA is unfairly expected to solve all the gargantuan issues spawned by a burgeoning urban agglomeration. If the metropolitan agency is to deal with NCR's challenges in a more effective and decisive manner, then it must be invested with broader political powers and greater financial resources. It must be supported by a more coherent legal and policy framework that empowers, rather than emasculates, it.

Hence, the time has come for the establishment of a metropolitan entity that will not be a mere administrative coordinating body like the MMDA, but a regional political subdivision more akin to the Autonomous Region of Muslim Mindanao. This proposed legislation seeks to form a special metropolitan regional government in Metro Manila vested with the police power and other typical municipal powers, in addition to the administrative and coordinative functions of the MMDA. It will not result to the diminution of the local autonomy of the 17 component LGUs of NCR.

The bill defines the jurisdiction of the proposed **Metropolitan Manila Regional Administration** to the coordination of the following specific metro-wide services: development planning; transportation and traffic management; solid waste disposal and management; flood control and sewerage management; urban renewal, zoning and land use planning, and shelter services; health and sanitation, urban protection and pollution control; public safety and disaster management; public works and highways; and social welfare and services. It shall have an elected governor, vice-governor, and members of the metropolitan legislative assembly.

The creation of an empowered regional government in Metro Manila is actually in step with trends in many countries that implement the concepts of "**conurbation**" (which is a region comprising a number of cities, large towns, and other urban areas that, through population growth and physical expansion, have merged to form one continuous urban and industrially developed area) and "**urban agglomeration**" (which is an extended city area comprising the built-up area of a central place and any suburbs linked by a continuous urban area). The most notable examples are Metro Tokyo, New York Tri-State Area, Greater London Area, Metro Seoul, Montreal Urban Agglomeration and Metro Bangkok Administration.

It is respectfully submitted that in order to improve the present state of governance in Metro Manila, the MMRA should be established to replace the MMDA, and the metropolitan body's enormous responsibility and accountabilities must be accompanied by the commensurate augmentation of its political authority and financial capabilities. Thus, support and approval of this bill is hereby earnestly enjoined.



EDGAR R. ERICE
Representative
2nd District, Caloocan City

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. **3496**

Introduced by Representative EDGAR R. ERICE

AN ACT

CREATING A SPECIAL METROPOLITAN POLITICAL SUBDIVISION IN THE NATIONAL CAPITAL REGION, TO BE CALLED THE "METROPOLITAN MANILA REGIONAL ADMINISTRATION" (MMRA), DEFINING ITS STRUCTURE OF GOVERNMENT, ENUMERATING ITS POWERS AND FUNCTIONS, PROVIDING FUNDING THEREFOR, AND FOR OTHER PURPOSES

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

ARTICLE I
Name and Purpose

Section 1. The name of the Special Metropolitan Political Region in the National Capital Region shall be the "Metropolitan Manila Regional Administration", unless provided otherwise by Congress upon the recommendation of the Metropolitan Legislative Assembly.

Section 2. It is the purpose of this Act to establish, by authority of Section 11, Article X of the 1987 Constitution, the Special Metropolitan Political Region in the present National Capital Region, to provide its basic structure of government within the framework of the Constitution and the national sovereignty and territorial integrity of the Republic of the Philippines, and to ensure the effective and efficient planning, supervision, coordination and delivery of certain metro-wide basic services that transcend the political and territorial boundaries of the component local government units of the region.

ARTICLE II
Area and Seat of Government

Section 1. (a) There is hereby created the Special Metropolitan Political Subdivision in the National Capital Region (NCR), to be composed of the local government units (LGUs) voting favorably in the plebiscite called for the purpose, in accordance with Section 10, Article X of the Constitution.

(b) The plebiscite shall be conducted in the Cities of Caloocan, Las Piñas, Makati, Malabon,

Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Quezon, San Juan, Taguig, and Valenzuela, and the Municipality of Pateros.

Section 2. The Metropolitan Legislative Assembly, hereinafter referred to as the Metropolitan Assembly, shall fix by ordinance the permanent seat of government for the Metropolitan Manila Regional Administration, taking into consideration accessibility and efficiency in carrying out its mandate under this Act: Provided, That the provisional seat of the Regional Government shall be in Makati City.

ARTICLE III

Declaration of Policies

Section 1. It is hereby declared to be the policy of the State to treat the National Capital Region as a special highly-urbanized region where certain metro-wide basic services can be more effectively and efficiently planned, supervised, coordinated and delivered by a special metropolitan political subdivision as created herein.

Section 2. In consonance with this policy, the affairs of the NCR shall henceforth be administered by the Metropolitan Manila Regional Administration (MMRA) to replace the Metropolitan Manila Development Authority (MMDA) organized under Republic Act No. 7924. In addition to the planning, monitoring and coordinative functions, as well as the regulatory and supervisory authority currently exercised by the MMDA over the delivery of metro-wide services within the NCR, as provided under Section 5 of Republic Act No. 7924, the MMRA shall enjoy the police power, the power of eminent domain and the power of taxation, without prejudice to, or diminution of, the autonomy of the affected LGUs concerning purely local matters.

Section 3. The MMRA shall be governed and administered in accordance with the 1987 Constitution, the Local Government Code of 1991, and this Act.

ARTICLE IV

Jurisdiction of the Metropolitan Manila Regional Government

Section 1. Pursuant to Section 11, Article X of the 1987 Constitution, the jurisdiction of the Metropolitan Manila Regional Administration shall be limited to basic services requiring coordination. As defined under this Act, basic services under the jurisdiction of the MMRA are those services which have metro-wide impact and transcend legal political boundaries or entail huge expenditures such that it would not be viable for said services to be provided by the individual LGUs comprising the NCR. These services are hereby enumerated in the succeeding sections of this Article.

Section 2. *Development planning*, which includes the preparation of medium and long-term development plans; the development, evaluation and packaging of projects; investment programming; and coordination and monitoring of plan-, program- and project-implementation.

Section 3. *Transportation and traffic management*, which includes the formulation, coordination and monitoring of policies, standards, programs and projects to rationalize the existing transport operations, infrastructure requirements, the use of thoroughfares, and promotion of safe and convenient movement of persons and goods: provision for the mass

transportation system and the institution of a system to regulate road users; administration and implementation of all traffic enforcement operations, traffic engineering services and traffic education programs, including the institution of a single ticketing system in the NCR.

Section 4. *Solid waste disposal and management*, which includes the formulation and implementation of policies, standards, programs and projects for proper and sanitary waste disposal. It shall likewise include the establishment and operation of sanitary landfill and related facilities and the implementation of other alternative programs intended to reduce, reuse and recycle solid waste.

Section 5. *Flood control and sewerage management*, which includes the formulation and implementation of policies, standards, programs and projects for an integrated flood control, drainage and sewerage system.

Section 6. *Urban renewal, zoning and land use planning, and shelter services*, which includes the formulation, adoption and implementation of policies, standards, rules and regulations, programs and projects to rationalize and optimize urban land use and provide direction to urban growth and expansion, the rehabilitation and development of slum and blighted areas, the development of shelter and housing facilities and the provision of necessary social services thereof.

Section 7. *Health and sanitation, urban protection and pollution control*, which includes the formulation and implementation of policies, rules and regulations, standards, programs and projects for the promotion and safeguarding of the health and sanitation of the region and for the enhancement of ecological balance and the prevention, control and abatement of environmental pollution.

Section 8. *Public safety and disaster management*, which includes the formulation and implementation of programs and policies and procedures to achieve public safety, especially preparedness for preventive or rescue operations during times of calamities and disasters such as conflagrations, earthquakes, flood and tidal waves; and coordination and mobilization of resources and the implementation for rehabilitation and relief operations in coordination with national agencies concerned.

Section 9. *Public works and highways*, which includes the formulation and implementation of policies, standards, programs and projects for an integrated system of inter-LGU highways, roads, bridges, flyovers, waterworks and other Infrastructure facilities intended to service the needs of the residents of the region and which are funded out of regional funds.

Section 10. *Social welfare and services*, which includes the formulation and implementation of programs, policies and procedures on poverty alleviation, population management and development, drug and alcohol abuse rehabilitation, livelihood training, and other inter-LGLJ services.

ARTICLE V

Institutional Linkages of the MMRA

Section 1. The President of the Philippines shall exercise general supervision over the Metropolitan Manila Regional Administration, to ensure that national laws are

faithfully executed. The MMRA Governor shall exercise general supervision over the component LGUs of the region, to see to it that regional ordinances in connection with the metro-wide basic services mentioned under the preceding Article are duly observed and complied with.

Section 2. The Regional Government shall maintain close coordination with the National Government for the orderly implementation and administration of national programs, policies and activities within the MMRA.

Section 3. The MMRA shall, in carrying out its functions, consult, coordinate and work closely with its component LGUs, the National Economic Development Authority (NEDA) and other national government agencies and accredited people's organizations (POs); non-governmental organizations (NGOs), and the private sector operating in the NCR. The Governor or his authorized representative from among the Metropolitan Cabinet, shall be ex-officio member of the boards of government corporations, and of the departments and offices of government whose activities are relevant to the objectives and responsibilities of the MMRA which shall include but not limited to Metropolitan Waterworks and Sewerage (MWSS), Department of Transportation and Communication (DOTC), Department of Public Works and Highways (DPWH), Department of Interior and Local Government (DILG), and Housing and Urban Development Coordinating Committee (HUDCC).

The MMRA shall have a master plan that shall serve as the framework for the local development plans of the component LGUs.

The MMRA shall submit its development plans and investment programs to the NEDA for integration into the Medium-Term Philippine Development Plan (MTPDD) and public investment program.

The MMRA shall, in coordination with the NEDA and the Department of Finance, interface with the foreign assistance agencies for purposes of obtaining financing support, grants and donations in support of its programs and projects.

ARTICLE VI

The Legislative Department

Section 1. The legislative power shall be vested in the Metropolitan Assembly, except to the extent reserved to the people of Metropolitan Manila Regional Administration by provisions on initiative and referendum as provided by law.

Section 2. The Members of the Assembly shall be elected by popular vote, with one (1) member elected from each of the congressional districts corresponding to the seventeen (17) LGUs within NCR. They shall be elected in the same manner as the Members of the House of Representatives.

Section 3. No person shall be a Member of the Assembly unless he/she is: (a) a natural-born citizen of the Philippines; (b) at least twenty-one (21) years of age on the day of the election; (c) able to read and write; (d) a registered voter of the district in which he/she shall be elected on the day he/she files his/her certificate of candidacy; and (e) a resident thereof for a period of not less than five (5) years immediately preceding the day of the election.

Section 4. The Assembly shall be composed of the MMRA Vice-Governor as Presiding Officer, the regular elected Members, the president of the Metro Manila Mayors League, the president of the Metro Manila Vice-Mayors League, and the president of the Metro Manila Councilors League.

Section 5. The Assembly, as the legislative body of the MMRA, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the region and its inhabitants pursuant to Section 16 of the Local Government Code, and in the proper exercise of the corporate powers of the region as provided for under Section 22 of the Local Government Code. Specifically, the Assembly shall:

- (a) Approve ordinances and pass resolutions necessary for an effective and efficient regional government;
- (b) Promulgate rules and regulations, and set policies and standards for metro-wide application governing the delivery of basic services, and prescribe and collect service and regulatory fees;
- (c) Approve metro-wide plans, programs and projects, and issue rules and regulations and resolutions deemed necessary by the MMRA to carry out the purposes of this Act;
- (d) Review all ordinances approved by the sanggunians of component LGUs and executive orders issued by the mayors of said component units, with respect to the metro-wide basic services identified under Article IV of this Act, to determine whether these are within the scope of the prescribed powers of the sanggunians and of the mayors;
- (e) Determine the positions and fix the compensation of the officers and personnel of the MMRA, regional commissions, boards and offices;
- (f) Enact the annual and supplemental budgets of the regional government for submission to the Department of Budget and Management;
- (g) Subject to the provisions of Book II of the Local Government Code and applicable laws, and upon the majority vote of all the members of the Assembly, enact ordinances levying taxes, fees and charges, prescribing the rates thereof for general and specific purposes, and granting tax exemptions, incentives or reliefs, in connection with the metro-wide basic services identified under Article IV of this Act;
- (h) Subject to the provisions of Book II of the Local Government Code and applicable laws, and upon the majority vote of all the members of the Assembly, authorize the MMRA Governor to negotiate and contract loans and other forms of indebtedness;
- (i) Subject to the provisions of Book II of this Code and applicable laws and upon the majority vote of all the members of the Assembly, enact ordinances authorizing the floating of bonds or other instruments of indebtedness, for the purpose of raising funds to finance development projects;
- (j) Appropriate funds for the construction and maintenance or the rental of buildings for the use of the MMRA; and upon the majority vote of all the members of the Assembly, authorize the MMRA Governor to lease to private parties such public

buildings held in a proprietary capacity, subject to existing laws, rules and regulations;

- (k) Prescribe reasonable limits and restraints on the use of property within the jurisdiction of the region;
- (l) Review the comprehensive land use plans and zoning ordinances of component cities and municipalities and adopt a comprehensive regional land use plan;
- (m) Impose and collect fines and penalties for violations of regional ordinances and regulations; and
- (n) Perform such other functions as the law may provide.

Section 6. The Members of the Assembly shall have a term of three (3) years which shall begin, unless otherwise provided by law, at noon on the 30th day of June next following their election. No Member of the Assembly shall serve for more than three (3) consecutive terms. Voluntary renunciation of or removal from office for any length of time shall not be considered as an interruption in the continuity of his service for the full term for which he was elected.

Section 7. In case of vacancy in the Assembly occurring at least one (1) year before the expiration of the term of office, a special election shall be called to fill the vacancy in the manner prescribed by regional ordinance: Provided That the Member elected shall serve only for the unexpired term.

Section 8. Every Member of the Assembly shall take an oath or affirmation of allegiance to the Republic of the Philippines before taking his/her seat.

Section 9. Unless otherwise provided by Congress, a Member of the Assembly shall receive a monthly compensation corresponding to Salary Grade twenty-eight (28) as prescribed under Republic Act No. 6758 and its implementing rules, except the Presiding Officer of the Assembly who shall receive a monthly compensation corresponding to Salary Grade thirty (30). They shall not receive during their tenure any other emoluments from the Government.

Section 10. Any Member of the Assembly who accepts an appointment and qualifies for any position in the Government, including government-owned or controlled corporations or their subsidiaries, shall automatically forfeit his/her seat in the Assembly.

Section 11. All Members of the Assembly shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and unmarried children under eighteen (18) years of age living in their households. They shall notify the Assembly of any potential conflict of interest that may arise from the filing of measures of which they are authors. Any Member found guilty of non-disclosure as required under this section may be expelled by a two-thirds (2/3) vote of all the Members of the Assembly, without prejudice to his/her other liabilities under pertinent legislation.

Section 12. No Member of the Assembly may personally appear as counsel before courts

of justice or quasi-judicial and other administrative bodies. Neither shall he/she, directly or indirectly, be interested financially in any contract with, or in any franchise or special privilege granted by the Government, or any subdivision, agency or instrumentality thereof, including any government-owned or controlled corporation or its subsidiary, during his/her term of office. He/She shall not intervene in any matter before any office of the Government for his/her pecuniary benefit or where he/she may be called upon to act on account of his/her office.

Section 13. No Member shall be questioned or be held liable in any other place for any speech or debate made in the Assembly or in any committee thereof.

Section 14. The Assembly shall adopt its own internal rules of procedure by a majority vote of all its Members, which shall include the selection of members of its standing committees and the suspension or expulsion of its Members.

The Assembly shall elect from among its Members a Majority Floor Leader and such other officers as the rules may provide.

A majority of all the Members of the Assembly shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent Members in such manner, and under such penalties, as the Assembly may provide.

The Assembly or any of its committees may conduct inquiries or public consultations in aid of legislation in accordance with its rules. The rights of persons appearing in or affected by such inquiries shall be respected.

The Assembly shall keep a Journal of its proceedings and a record of its caucuses and meetings. The records and books of accounts of the Assembly shall be preserved and be open to public scrutiny. The Commission on Audit shall publish an annual report of the itemized list of expenditures incurred by the Members of the Assembly within sixty (60) days from the end of every regular session.

Section 15. The Assembly may request the presence of the MMRA Governor, the members of the Metropolitan Cabinet or their deputies, as the rules shall provide, for questioning on matters falling within the scope of their responsibilities. Subject to the rules of the Assembly, the legislative power to inquire on matters relating to the exercise of administrative functions by an agency of government within the MMRA shall be in the form of written questions.

Section 16. Except as provided by its rules, the Assembly shall meet in open session. Regular session shall commence on the 4th Monday of July and shall continue to be in session for such number of days as may be determined by the Assembly until thirty (30) days before the opening of its next regular session, exclusive of Saturdays, Sundays and legal holidays. The Assembly may meet in special sessions at the request of one-third (1/3) of all its Members or by call of the MMRA Governor. Such special session must be convened with a special agenda.

Section 17. No proposed ordinance shall become a law of regional application unless it has passed three (3) readings on separate days, and printed copies thereof in its final form

have been distributed to its Members three (3) days before its passage, except when the MMRA Governor certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

Section 18. Every proposed ordinance passed by the Assembly, shall, before it becomes a law of regional application, be presented to the MMRA Governor. If he/she approves the same, he/she shall sign it on each and every page; otherwise, if it contains *ultra vices* provisions, or if he/she finds it objectionable on policy grounds, or both, he/she shall veto it and return it with his/her written objections to the Assembly, which shall enter the objections at large in its Journal and proceed to reconsider it. If, after such reconsideration, two-thirds (2/3) of all Members of the Assembly shall agree to pass the proposed ordinance, it shall become a law of regional application. In all such cases, the vote shall be determined by yeas or nays, and the names of the Members voting for or against shall be entered in the Journal. The MMRA Governor shall communicate his/her veto of any bill to the Assembly within thirty (30) days after the date of receipt thereof; otherwise, it shall become a law of regional application as if he/she had signed it.

Section 19. The Presiding Officer of the Assembly shall, within ten (10) working days from approval thereof, submit to the President and to both Houses of Congress a certified true copy of all ordinances and resolutions approved by the Assembly.

ARTICLE VII

The Executive Department

Section 1. The executive power shall be vested in the Regional Governor who shall be elected at large by direct vote of the people of the Metropolitan Manila Regional Administration.

Section 2. No person may be elected Governor of the MMRA unless he/she is: (a) a natural born citizen of the Philippines; (b) a registered voter of the MMRA; (c) able to read and write; (d) at least thirty-five (35) years of age on the day of the election; and (e) a resident of the MMRA for at least five (5) years immediately preceding the election.

Section 3. The Governor, as the chief executive of the regional government, shall exercise such powers and perform such functions as provided by this Act, the Local Government Code, and other laws. The Governor shall:

- (a) Execute the regional laws, policies and measures approved by the Metropolitan Assembly and be responsible for the effective and efficient day-to-day management of the operations of the MMRA;
- (b) Exercise general supervision and control over all programs, projects, services and activities of the regional government;
- (c) Enforce all laws and ordinances relative to the governance of the MMRA and the exercise of the appropriate corporate powers provided for under Section 22 of the Local Government Code;

- (d) Ensure that the acts of the component LGUs of the region and of their officials and employees, with respect to the metro-wide basic services identified under Article IV hereof, are within the scope of their prescribed powers, duties and functions;
- (e) Exercise control over all the regional executive departments, commissions, boards, and offices;
- (f) Appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees, who shall enjoy security of tenure and may be removed only for cause in accordance with law. The Governor is hereby authorized to engage the services of experts/consultants either on full time or part-time basis, as may be required in the performance of his functions and duties as may be determined by him;
- (g) Prepare the annual budget for the operations of the MMRA for submission to the Assembly;
- (h) Represent the regional government in all its business transactions and sign in its behalf all bonds, contracts, and obligations, and such other documents upon prior authority of the Assembly or pursuant to law or ordinance;
- (i) Carry out such emergency measures as may be necessary during and in the aftermath of man-made and natural disasters and calamities;
- (j) Ensure that all executive officials and employees of the regional government faithfully discharge their duties and functions as provided by law and this Act, and cause to be instituted administrative or judicial proceedings against any official or employee of the MMRA who may have committed an offense in the performance of his official duties;
- (k) Submit for consideration of the Assembly such other policies and measures as may be deemed necessary to carry out the purposes and provisions of this Act;
- (l) Subject to the guidelines and policies set by the Assembly, prepare the staffing pattern and fix the number of subordinate officials and employees of the MMRA; and exercise the power to discipline subordinate officials and employees under the provision of law;
- (m) Prepare an annual report on the accomplishments of the MMRA at the close of each calendar year for submission to the Assembly and to the President of the Philippines; and
- (n) Perform such other duties as may be assigned to him/her by law or by the Assembly.

Section 4. Unless otherwise provided by Congress, the Governor shall receive a monthly compensation corresponding to Salary Grade thirty-one (31) as prescribed under Republic Act No. 6758 and its implementing rules. He/She shall not receive during his/her tenure any

other emoluments from the Government.

Section 5. There shall be a Regional Vice-Governor of the MMRA who shall have the same qualifications and term of office, and be elected with and in the same manner as the MMRA Governor. He/She may be removed from office in the same manner as the Governor. The Vice Governor shall:

- (a) Be the Presiding Officer of the Metropolitan Legislative Assembly and sign all warrants drawn on the regional treasury for all expenditures appropriated for the operation of the Assembly;
- (b) Subject to civil service law, rules and regulations, appoint all officials and employees of the Assembly, except those whose manner of appointment is specifically provided in this Code;
- (c) Assume the office of the Governor for the unexpired term of the latter in the event of permanent vacancy as provided for in Section 44, Book 1 of the Local Government Code;
- (d) Exercise the powers and perform the duties and functions of the Governor in cases of temporary vacancy as provided for in Section 46, Book I of the Local Government Code; and
- (e) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Section 6. (a) The terms of office of the Governor and Vice-Governor shall be for a period of three (3) years which shall begin at noon on the 30th day of June next following the day of the election and shall end at noon of the same date three years thereafter.

(b) No Governor or Vice-Governor shall serve for more than three (3) consecutive terms. Voluntary renunciation of or removal from office for any length of time shall not be considered an interruption in the continuity of the service for the full term for which he was elected.

Section 7. Before they enter on the execution of their office, the Governor and the Vice-Governor shall take the following oath or affirmation: "I do solemnly swear (or affirm) that I will faithfully and conscientiously fulfil my duties as Regional Governor (Regional Vice-Governor) of the Metropolitan Manila Regional Administration, preserve and defend the Constitution of the Republic, and the national and regional laws, do justice to every man, and consecrate myself to the service of the Metropolitan Manila Regional Administration and the nation. So help me God."

Section 8. In case of death, permanent disability, removal from office, or resignation of the Governor, the Vice-Governor shall become the Governor to serve the unexpired term. In which case, the Senior Member of the Assembly shall become the Presiding Officer. In case of death, permanent disability, removal from office, or the resignation of both the Governor and the Vice Governor, the Senior Member of the Assembly shall become the Governor to serve the unexpired term.

Section 9. In case of temporary incapacity of the Governor to perform his/her duties on account of physical or legal causes, or when he/she is on official leave of absence or travel outside the territorial jurisdiction of the Republic of the Philippines, the Vice-Governor, or if there be none or in case of his/her permanent or temporary incapacity or refusal to assume office, the Senior Member of the Assembly shall exercise the powers, duties and functions of the Governor.

Section 10. The Governor or the Vice-Governor may be removed from office for culpable violation of the Constitution, treason, bribery, graft and corruption, other high crimes or betrayal of public trust by a three-fourths (3/4) vote of all the Members of the Assembly.

The Assembly may initiate the removal of the Governor or the Vice-Governor under this Section by a majority vote of all its Members. The Assembly shall promulgate the necessary rules to carry out effectively the purposes of this Section.

Section 11. The Governor or the Vice-Governor may be recalled once during his/her term of office for loss of confidence. The Assembly shall provide the procedure and system whereby such recall can be made: Provided, That no recall shall take place within one year from the date of the official's assumption of office or one year immediately preceding a regional election.

Section 12. The Governor shall be assisted by a Metropolitan Cabinet of ten (10) members, consisting of the Regional Manager, who shall act as the Secretary of the Cabinet, and the heads of the nine (9) departments corresponding to the nine (9) metro-wide services mentioned under Article IV of this Act. The Members of the Cabinet shall come from the local government units within MMRA: Provided, That no two (2) or more members of the Cabinet shall come from the same LGU.

The members of the Cabinet must be registered voters and residents of the NCR for at least three (3) years immediately preceding their appointment.

The Governor shall appoint the members of the Cabinet subject to confirmation by the Assembly.

Section 13. The Governor, the Vice-Governor, and the Members of the Metropolitan Cabinet and their deputies shall not hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly, practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries. They shall strictly avoid conflicts of interest in the conduct of their office.

The spouse and relatives by consanguinity or affinity within the fourth civil degree of the Governor shall not, during his/her tenure, be appointed members of the Cabinet or chairpersons of regional commissions, or heads of bureaus or offices, including government-owned or controlled corporations and their subsidiaries located in the MMRA.

Section 14. Appointments extended by the Acting Governor within ninety (90) days before the assumption of office by the elected Governor shall remain effective, unless revoked by

the elected Governor within ninety (90) days from such assumption or resumption of office.

Section 15. The Governor shall not issue appointments, remove personnel, or unless authorized by the Commission on Elections, undertake public works projects, within the prohibited period before and after a regional election as provided by law.

Section 16. The Governor shall appoint, in addition to the members of the Cabinet, their deputies, the chairpersons and members of the commissions and the heads of bureaus of the Regional Government, and those whom he may be authorized by regional law to appoint. The Assembly may, by law, vest the appointment of other officers or officials lower in rank to the heads of departments, agencies, commissions, or boards.

Section 17. The Governor shall address the Assembly at the opening of its regular session. He/She may also appear before it at any time. The Assembly may invite the President of the Philippines and other government officials to address it.

ARTICLE VIII

Other Officials of the Metropolitan Manila Regional Administration

Section 1. In addition to the afore-named officials, the MMRA shall have a Metropolitan Regional Manager, a Secretary to the Metropolitan Assembly, a Regional Legal Officer, a Regional Treasurer, a Regional Budget Officer, a Regional Accountant, a Regional Engineer, a Regional Architect, a Regional General Services Officer, and a Regional Information Officer. They shall be appointed by the MMRA Governor with the consent and concurrence of the majority of the Metropolitan Assembly, subject to civil service laws and regulations. They shall enjoy security of tenure and may be removed for cause in accordance with law.

Section 2. The Assembly may: **(a)** Create such other offices as may be necessary to carry out the purposes of the metropolitan regional government; or **(b)** Consolidate the functions of any office with those of another in the interest of efficiency and economy.

Unless otherwise provided herein, heads of departments and offices shall be appointed by the Governor with the concurrence of the majority of all the Assembly Members, subject to civil service law, rules and regulations. The Assembly shall act on the appointment within fifteen (15) days from the date of its submission; otherwise the same shall be deemed confirmed;

Appointive regional officials shall receive such compensation, allowances, and other emoluments as may be determined by law or ordinance, subject to the budgetary limitations on personal services prescribed under Title Five, Book II of the Local Government Code: Provided, That no increase in compensation shall take effect until after the expiration of the full term of all the elective officials approving such increase.

ARTICLE IX

The Budget Process

Section 1. (a) Each head of department or office shall submit a budget proposal for his/her department or office to the MMRA Governor on or before the 15th of July of each year: Provided, That the budget proposal of each department or office shall be categorized under either economic, social or general services: Provided, further, That each service shall be covered by the budget of at least one (1) department or office of the regional government. The said budget proposal shall be prepared in accordance with such policy and program guidelines as the Governor may issue in conformity with the regional development plan, the budgetary ceilings prescribed by the regional finance committee, and the general requirements prescribed in Title 5, Book II of the Local Government Code.

(b) Budget proposals of departments or offices shall be divided into two (2) primary categories, namely: the current operating expenditures and the capital outlays. Such budget proposals shall contain the following information:

- (1) Objectives, functions, and projects showing the general character and relative importance of the work to be accomplished or the services to be rendered, and the cost thereof;
- (2) Organizational charts and staffing patterns indicating the list of plantilla positions with their corresponding salaries, and proposals for reclassification of positions and salary changes, as well as the creation of new positions with their proposed salary grade, duly supported by proper justification;
- (3) Brief description of the functions, projects and activities for the ensuing fiscal year, expected results for each function, project and activity, and the nature of work to be performed, including the objects of expenditure for each function, project and activity;
- (4) Relation of the work and financial proposals to approved local development plans;
- (5) Estimated current operating expenditures and capital outlays with comparative data for the last two (2) preceding, current, and ensuing fiscal years; and
- (6) Accomplishment reports for the last two (2) preceding and current fiscal years.

Section 2. Upon receipt of the statements of income and expenditures from the Regional Treasurer, the budget proposals of the heads of departments and offices, and the estimates of income and budgetary ceilings from the regional finance committee, the Governor shall prepare the executive budget for the ensuing fiscal year in accordance with the provisions of this Article. The Governor shall submit the said executive budget to the Metropolitan Assembly not later than the 16th of October of the current fiscal year. Failure to submit such budget on the date prescribed herein shall subject the Governor to such criminal and administrative penalties as provided for under the Local Government Code and other applicable laws.

Section 3. On or before the end of the current fiscal year, the Assembly shall enact, through an ordinance, the annual budget of the MMRA for the ensuing fiscal year on the basis of the estimates of income and expenditures submitted by the Governor.

Section 4. The ordinance enacting the annual budget shall take effect at the beginning of the ensuing calendar year. An ordinance enacting a supplemental budget, however, shall take effect upon its approval or on the date fixed therein. The responsibility for the execution of the annual and supplemental budgets and the accountability there for shall be vested primarily in the Governor.

Section 5. All budgetary proposals shall be included and considered in the budget preparation process. After the Governor shall have submitted the executive budget to the Assembly, no ordinance providing for a supplemental budget shall be enacted, except when supported by funds actually available as certified by the local treasurer or by new revenue sources.

A supplemental budget may also be enacted in times of public calamity by way of budgetary realignment to set aside appropriations for the purchase of supplies and materials or the payment of services which are exceptionally urgent or absolutely indispensable to prevent imminent danger to, or loss of, life or property, in the jurisdiction of the regional government or in other areas declared by the President of the Philippines in a state of calamity. Such ordinance shall clearly indicate the sources of funds available for appropriations, as certified under oath by the Regional Treasurer and Regional Accountant and attested by the Governor, and the various items of appropriations affected and the reasons for the change.

Section 6. Unexpended balances of appropriations authorized in the annual appropriations ordinance shall revert to the unappropriated surplus of the general fund at the end of the fiscal year and shall not thereafter be available for expenditure except by subsequent enactment. However, appropriations for capital outlays shall continue and remain valid until fully spent, reverted or the project is completed. Reversions of continuing appropriations shall not be allowed unless obligations there for have been fully paid or otherwise settled. The balances of

continuing appropriations shall be reviewed as part of the annual budget preparation and the Assembly may approve, upon recommendation of the Governor, the reversion of funds no longer needed in connection with the activities funded by said continuing appropriations subject to the provisions of this Section.

Section 7. In case the Assembly fails to pass the ordinance authorizing the annual appropriations at the beginning of the ensuing fiscal year, it shall continue to hold sessions, without additional remuneration for its Members, until such ordinance is approved, and no other business may be taken up during such sessions. If the Assembly still fails to enact such ordinance after ninety (90) days from the beginning of the fiscal year, the ordinance authorizing the appropriations of the preceding year shall be deemed re-enacted and shall remain in force and effect until the ordinance authorizing the proposed appropriations is passed by the Assembly. However, only the annual appropriations for salaries and

wages of existing positions, statutory and contractual obligations, and essential operating expenses authorized in the annual and supplemental budgets for the preceding year shall be deemed re-enacted and disbursement of funds shall be in accordance therewith. In the implementation of such re-enacted ordinance, the Regional Treasurer shall exclude from the estimates of income for the preceding fiscal year those realized from nonrecurring sources, like national aids, proceeds from loans, sale of assets, prior year adjustments, and other analogous sources of income. No ordinance authorizing supplemental appropriations shall be passed in place of the annual appropriations. In case the revised income estimates be less than the aggregate re-enacted appropriations, the Regional Treasurer shall accordingly advise the Assembly which shall, within ten (10) days from the receipt of such advice, make the necessary adjustments or reductions. The revised appropriations authorized by the Assembly shall then be the basis for disbursements.

Section 8. The budgets of the MMRA for any fiscal year shall comply with the following requirements:

- (a) The aggregate amount appropriated shall not exceed the estimates of income;
- (b) Full provision shall be made for all statutory and contractual obligations of the MMRA: Provided, however, That the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular income of the regional government; and
- (c) Five percent (5%) of the estimated revenue from regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditures arising from the occurrence of calamities: Provided, however, That such appropriation shall be used only in the area, or a portion thereof, of the MMRA declared by the President in a state of calamity.

Section 9. The use of the MMRA funds shall be subject to the following limitations:

- (a) The total appropriations, whether annual or supplemental, for personal services of the Regional Government for one (1) fiscal year shall not exceed forty-five percent (45%) of the total annual income from regular sources realized in the next preceding fiscal year. The appropriations for salaries, wages, representation and transportation allowances of officials and employees of the public utilities and economic enterprises owned, operated, and maintained by the Regional Government concerned shall not be included in the annual budget or in the computation of the maximum amount for personal services. The appropriations for the personal services of such economic enterprises shall be charged to their respective budgets;
- (b) No official or employee shall be entitled to a salary rate higher than the maximum fixed for his position or other positions of equivalent rank by applicable laws or rules and regulations issued there under;
- (c) No regional fund shall be appropriated to increase or adjust salaries or wages of officials and employees of the national government, except as may be expressly authorized by law;

- (d) In cases of abolition of positions and the creation of new ones resulting from the abolition of existing positions in the career service, such abolition or creation shall be made in accordance with pertinent provisions of this code and the civil service law, rules and regulations;
- (e) Positions in the official plantilla for career positions which are occupied by incumbents holding permanent appointments shall be covered by adequate appropriations;
- (f) No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease in compensation shall be allowed, except when the position is actually vacant, and the filling of such positions shall be strictly made in accordance with the civil service law, rules and regulations;
- (g) The creation of new positions and salary increases or adjustments shall in no case be made retroactive; and
- (h) The annual appropriations for discretionary purposes of the Governor shall not exceed two percent (2%) of the actual receipts derived from MMRA service fees in the next preceding calendar year. Discretionary funds shall be disbursed only for public purposes to be supported by appropriate vouchers and subject to such guidelines as may be prescribed by law. No amount shall be appropriated for the same purpose except as authorized under this Section.

Section 10. The Governor shall have the power to veto any particular item or items in an appropriation or revenue ordinance, but the veto shall not affect the item or items to which he/she does not object. The veto may be reconsidered and overridden by the Assembly by a vote of two-thirds (2/3) of all its Members.

Section 11. The Department of Budget and Management shall review ordinances authorizing the annual or supplemental appropriations of the MMRA.

Section 12. Appropriations for ordinary administrative purposes not duly obligated shall terminate with the fiscal year and all unexpended balances thereof shall be automatically reverted on the 31st of December of each year to the general fund of the Regional Government.

Section 13. The formulation and enactment of budgets in the MMRA shall observe the following fundamental principles:

- (a) No money shall be paid out of the Regional Treasury except in pursuance of an appropriation made by regional law.
- (b) No public money or property shall be appropriated, applied, paid or employed, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, sectarian institution, or system of religion or of any priest, imam, preacher, minister, or other religious teacher or dignitary as such, except when such priest, imam, preacher, minister or dignitary is assigned to the regional police force or to any penal institution, or

government orphanage or leprosarium within the NCR.

- (c) All money collected on any regional tax levied for a special purpose shall be treated as a special fund and paid out for such special purpose only. If the purpose for which a special fund was created has been fulfilled or abandoned, the balance, if any, shall accrue to the general funds of the Regional Government.
- (d) No funds or resources shall be disbursed unless duly approved by the Governor or by his/her duly authorized representative.
- (e) Trust funds shall only be paid out of the Regional Treasury upon fulfillment of the specific purpose for which said funds were created or received.
- (f) No provision or enactment shall be embraced in the MMRA appropriations ordinance unless it relates specifically to some particular appropriation therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates.
- (g) The procedure in approving appropriations for the Metropolitan Assembly shall strictly follow the procedure for approving appropriations for other departments and agencies of the Regional Government.
- (h) A special appropriations ordinance shall specify the purpose for which it is intended, and shall be supported by funds actually available as certified by the Regional Treasurer, or to be raised by a corresponding revenue proposal therein.
- (I) No regional ordinance shall be passed authorizing' any transfer of appropriations; however, the Governor may, by regional law, be authorized to augment any item for his/her office from savings in other items of the appropriations for his/her office.

Section 14. There is hereby created in the MMRA a regional finance committee to be composed of the Member of the Metropolitan Cabinet who heads the Development Planning Department, the Regional Budget Officer, and the Regional Treasurer. It shall exercise the following functions:

- (a) Determine the income reasonably projected as collectible for the ensuing fiscal year;
- (b) Recommend the appropriate tax and other revenue measures or borrowings which may be appropriate to support the budget;
- (c) Recommend to the Governor the level of the annual expenditures and the ceilings of spending for economic, social, and general services based on the approved regional development plans;

- (d) Recommend to the Governor the proper allocation of expenditures for each development activity between current operating expenditures and capital outlays;
- (e) Recommend to the Governor the amount to be allocated for capital outlay under each development activity or infrastructure project; and
- (f) Conduct semi-annual review and general examination of cost and accomplishments against performance standards applied in undertaking development projects. A copy of this report shall be furnished the Governor and the Assembly, and shall be posted in conspicuous and publicly accessible places in the component LGUs of the MMRA.

Section 15. The Governor shall inform the Assembly every quarter on the conduct of regional affairs and the state of regional finances.

Section 16. The financial accounts of the expenditures and revenues of the MMRA shall be audited by the Commission on Audit. The financial accounts of the MMRA, including all payments from the reserve fund, shall be submitted by the Governor to the Assembly, together with the statement of audit prepared by the Commission on Audit within ten (10) working days from receipt thereof.

ARTICLE X

Transitory Provisions

Section 1. (a) The existing Metropolitan Manila Development Authority shall be deemed abolished and the officials thereof considered as having ceased in office upon the election and qualification of the officials of the MMRA as provided in this Act.

- (b) All regular and permanent personnel of the MMDA shall continue to hold office unless they are replaced by the Regional Government within six (6) months from the organization thereof; otherwise, they shall be considered regular and permanent employees of the Regional Government. Nothing in this Act, however, shall derogate from any right or privilege enjoyed by any public official or employee under existing laws. Retiring employees shall be given full benefits under existing laws. Those who opt to transfer to another government office shall be allowed, subject to Civil Service laws and regulations.
- (c) Properties and assets of the present MMDA shall be turned over to the Regional Government. Those lands, buildings and other permanent structures located in the local government units that do not vote favorably in the plebiscite for the ratification of this Act may be acquired by the LGU concerned for value.

Section 2. All personnel of the National Government and of government-owned or controlled corporations who are absorbed by the Regional Government shall retain their seniority rights, compensation and benefits.

Section 3. Within one (1) month from the organization of the MMRA, an Oversight

Committee composed of the Executive Secretary as Chair, the Secretary of Budget and Management, the Secretary-General of the National Economic and Development Authority, the Regional Governor of the MMRA, the Presiding Officer of the Metropolitan Legislative Assembly, two (2) Senators to be designated by the Senate President and two (2) Representatives to be designated by the Speaker of the House of Representatives, as Members, shall be organized for the purpose of supervising the transfer to the MMRA of such powers and functions vested in it by this Act and the appropriations of the offices or agencies, including the transfer of properties, assets and liabilities, and such personnel as may be necessary, and of identifying the other line agencies and government-owned or controlled corporations that may be absorbed by the Regional Government and, with respect to the latter, also the terms and conditions of their turnover.

Within six (6) months after its organization, the Oversight Committee shall submit its report and recommendations to the President of the Philippines who shall act on the report and recommendations within ninety (90) days after receipt thereof: Provided, however, That if the President fails to act within said period, the recommendations of the Oversight Committee shall be deemed approved.

Section 4. Upon the organization of the MMRA, the line agencies and offices of the National Government dealing with local government; development planning; transportation and traffic management; solid waste disposal and management; flood control and management; urban renewal, zoning and land use planning, and shelter services; health and sanitation, urban protection and pollution control; public safety and disaster management; public works and highways; and social services, including their personnel, equipment, properties and budgets, shall be immediately placed under the control and supervision of the Regional Government.

The National Government shall continue such levels of expenditures as may be necessary to carry out the functions devolved under this Act: Provided, however, That the annual budgetary support shall, as soon as practicable, terminate as to the line agencies or offices devolved to the Regional Government.

Section 5. Notwithstanding the provisions of the preceding Section, the Government Service Insurance System, the Social Security System, the Pagtutulungan-Ikaw, Bangko, Industriya at Gobyerno (PAG-IBIG) and other funds of similar trust or fiduciary nature shall be exempt from the coverage of this Act.

Section 6. Pending the enactment of a regional budgetary law, the budgeting process of the Regional Government shall be governed by pertinent rules and regulations prescribed by the Department of Budget and Management.

Section 7. The first regular elections of the MMRA Governor, MRA Vice-Governor and Members of the Metropolitan Assembly under this Act shall be held not earlier than sixty (60) days or later than ninety (90) days after the ratification of this Act. The Commission on Elections shall promulgate such rules and regulations as may be necessary for the conduct of said election.

Section 8. To carry out the purposes of this Act, the amount of Five Billion Pesos

(P5,000,000,000) every year is hereby authorized to be appropriated for the initial operation of the MMDA, and as its operating budget for the first three years of its existence . Thereafter, the annual expenditures including capital outlays of the MMRA shall be provided in the General Appropriations Ordinance to be enacted by the Metropolitan Assembly.

The MMRA shall continue to receive the Internal Revenue Allotment (IRA) currently allocated to the present MMDA. Five percent (5%) of the total annual gross revenue of the preceding year, net of the internal revenue allotment, of each local government unit voting to be integrated into the MMRA, shall accrue and become payable monthly to the MMRA by each city or municipality. In case of failure to remit the said fixed contribution, the DBM shall cause the disbursement of the same to MMRA chargeable against the IRA allotment of the city or municipality concerned, the provisions of Section 286 of Republic Act No. 7160 to the contrary notwithstanding.

Section 9. The provisions of this Act are hereby declared to be separate and in the event one or more of such provisions are held unconstitutional, the validity of other provisions shall not be affected thereby.

Section 10. All laws, decrees, orders, rules and regulations, and all other issuances, or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

Section 11. The Local Government Code of 1991 shall apply in all matters that are not covered by this Act.

Section 12. The creation of the Metropolitan Manila Regional Administration shall take effect when approved by a majority of the votes cast by the constituent units provided in paragraph (b) of Section 1 of Article II of this Act in a plebiscite which shall be held not earlier than ninety (90) days or later than one hundred twenty (120) days after the approval of this Act: Provided, That only the local government units voting favorably in such plebiscite shall be included in the MMRA. The LGUs which in the plebiscite do not vote for inclusion in the MMRA shall remain in the existing administrative regions: Provided, however, that the President may, by administrative determination, merge the existing regions.

Section 13. This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette and at least one (1) newspaper of general circulation.

Approved,