

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

18TH CONGRESS
First Regular Session



HOUSE BILL NO. 4085

Introduced by Representative **CARLITO S. MARQUEZ**

EXPLANATORY NOTE

This bill seeks to strengthen and provide support to local government units (LGUs) which have difficulty in coping with the developed and urbanized counterparts.

Cities, that are classified based on their income, land area, and population such as Highly Urbanized Cities, Independent Component Cities, and Component Cities, have an economic advantage that would likewise deliver better essential services to the public. It is for the reason that there is a separate allocation for these cities in the country in the Internal Revenue Allotment (IRA) which is only by 23-percent. Municipalities, however, amounting to almost 1,500, share in the 34-percent IRA allotment. This would in effect urge municipalities to find better alternatives to increase its funding for the sole ability to providing better basic functions and services to their constituents. Hence, there seems to be an inequity in the distribution to the burden of the devolved functions of the LGUs.

While municipalities aspire to become assured with economic viability, such LGUs hardly strive to meet the minimum requirements for cityhood.

Such is the same case with the dilemma of the LGU of Kalibo in the Province of Aklan. Based on the 2017 Philippine Statistics Authority Provincial Summary, there are 28 out of 81 provinces without any component cities, independent component cities, or highly urbanized cities within its territorial jurisdiction. Their historical and cultural centers or capitals remain to be mere towns or municipalities:

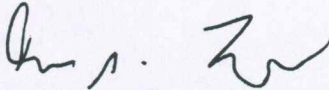

REGION	PROVINCE	CAPITAL TOWN
Cordillera Administrative Region	Abra Apayao Ifugao Mountain Province	Bangued Kabugao Lagawe Bontoc
Cagayan Valley (Region II)	Batanes Nueva Vizcaya Quirino	Basco Bayombong Cabarroguis
Central Luzon (Region III)	Aurora	Baler
MIMAROPA (Region IV-B)	Marinduque Occidental Mindoro Romblon	Boac Mamburao Romblon
Bicol Region (Region V)	Camarines Norte Catanduanes	Daet Virac
Western Visayas (Region VI)	Aklan Antique Guimaras	Kalibo San Jose Jordan
Central Visayas (Region VII)	Siquijor	Siquijor
Eastern Visayas (Region VIII)	Biliran Northern Samar	Naval Catarman
Zamboanga Peninsula (Region IX)	Zamboanga Sibugay	Ipil
Northern Mindanao (Region X)	Camiguin	Mambajao
Davao Region (Region XI)	Compostela Valley Davao Oriental	Nabunturan Malita
SOCCSKSARGEN (Region XII)	Sarangani	Alabel
Caraga (Region XIII)	Dinagat Islands	San Jose
Bangsamoro Autonomous Region in Muslim Mindanao	Maguindanao Sulu Tawi-Tawi	Buluan Jolo Bongao

The 34-percent IRA share hampers necessary growth and development of these capital towns in which provinces could have invested more on. Accordingly, these capital towns even serve as a center for trade, tourism,

and the seat of government –each corresponding IRA share is inadequate for the capital towns to provide better access to services and functions of the said LGU.

This is where this proposed measure fills the gap. With respect to the present provision of Republic Act No. 9009, there should be an exception in which provinces without cities within their territorial jurisdiction be waived on meeting the minimum requirements based on the income, land area, and population to convert their respective capital towns to a component city. Such motion employs better opportunity for the locality not only on the fiscal viability but also towards greater resources stimulating growth and development.

Immediate approval of this bill is earnestly sought.


ENGR. CARLITO “Lito” S. MARQUEZ 

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AN ACT
AMENDING SECTION 450 OF REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE LOCAL GOVERNMENT CODE, BY AUTOMATICALLY
CONVERTING CAPITAL TOWNS OF PROVINCES WITHOUT CITIES
CLASSIFIED EITHER HIGHLY URBANIZED CITIES, INDEPENDENT
COMPONENT CITIES, OR COMPONENT CITIES

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

SECTION 1. Section 450 of Republic Act No. 7160 as amended, otherwise known as the “**Local Government Code of 1991**”, as amended by Republic Act No. 9009 is hereby further amended to read 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 a locally generated average annual income, as certified by the Department of Finance, of at least One hundred million pesos (P100,000,000) for the last two (2) consecutive years based on 2000 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 Land 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 therein.

PROVIDED, FURTHER, THAT THE MINIMUM REQUIREMENTS PRESCRIBED HEREIN SHALL NOT APPLY IF A MUNICIPALITY TO BE CONVERTED INTO A CITY IS THE CAPITAL TOWN OF A PROVINCE HAVING NO CLASSIFIED CITIES WITHIN ITS TERRITORIAL JURISDICTION.

(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 s requisites for Creation.

Sec. 2. Repealing Clause. – All laws, decrees, executive orders and regulations, issuances or parts thereof inconsistent with his Act are hereby repealed or amended accordingly.

Sec. 3. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,