

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 3771

EXPLANATORY NOTE

Republic Act No. 7160, otherwise known as the Local Government Code of the Philippines was enacted in 1991, almost 30 years ago. It is high time that amendments to this law are enacted to make it more appropriate to the current situation prevailing in the Philippines.

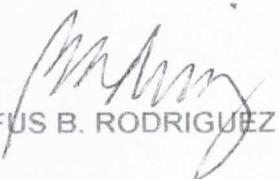
Some amendments proposed by this bill are as follows:

1. The increase in the LGUs allotment from 40 % to 60%;
2. The exemption of certain municipalities from requirements of cityhood subject to some conditions;
3. The integration of solid waste management collection and disposal as a basic service;
4. The modification of the composition of the local development council;
5. The deduction of the cost of devolved functions, including the cost of city hospitals, less capital outlays, from the Internal Revenue Allotment before it is divided among the local government units;
6. The amendment of the basis of amounts stipulated in Section 393 of the Local Government Code so that the benefits intended for barangay officials can be adjusted to present level, and reflect the original intention of the law;
7. The professionalization of the delivery of various basic social services by making the qualifications of these social welfare and development officers equivalent and comparable with their counterparts in the local government units. Setting certain parameters as to who would qualify as social welfare and development officers and making mandatory their appointment in municipal governments are steps in the right direction;
8. The rationalization of the computation of the IRA to LGUs by replacing as a basis for determining the share of each province, city or municipality "equal sharing" with "revenue capacity," and insuring that LGUs with lower tax base will get bigger shares under this revenue capacity criterion;
9. The allowance of an increase in the number of barangay tanods in proportion to the population of the barangay as approved by the municipal or city council;
10. The inclusion of the local treasurer, local budget officer and the local planning and development coordinator in the Local Health Board;
11. The inclusion among the priority areas for the Special Education Fund (SEF) coverage the budget of the payment of electric and water bills, payment of salaries, allowances, and other benefits of non-teaching personnel, procurement of service vehicles for conveyance of teachers and non-teaching personnel, establishment and maintenance of extension classes, including the creation of teacher items for said classes, purchase of prescribed textbooks, teaching aids, and other instructional materials;
12. The addition of a provision making mandatory the appointment of a cooperatives officer in the provincial and city governments;
13. Giving the Local Government Units through their Sanggunian Panlalawigan, Panlunsod or Bayan the power to declare local holidays;

14. The inclusion of a representative from the senior citizens in the Local Development Council.

All these amendments are necessary to improve the services that an LGU provides for the betterment of the lives of their constituents.

In view of the foregoing, immediate passage of this bill is earnestly requested.



RUFUS B. RODRIGUEZ

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AN ACT

PROVIDING FOR OMNIBUS AMENDMENTS TO REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991.

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

SECTION 1. Section 13 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

"SEC. 13. *Naming of Local Government Units and Public Places, Streets and Structures AND DECLARING LOCAL HOLIDAYS.* —

(a) The sangguniang panlalawigan may, in consultation with the NATIONAL HISTORICAL INSTITUTE (NHI) AND LOCAL HISTORICAL ASSOCIATIONS, IF ANY, change the name of the following within its territorial jurisdiction:

"x x x

"(b) The sanggunians of highly urbanized cities and of component cities whose charters prohibit their voters from voting for provincial elective officials, hereinafter referred to in this Code as independent component cities, may, in consultation with the NATIONAL HISTORICAL INSTITUTE (NHI) AND LOCAL HISTORICAL ASSOCIATIONS, IF ANY, change the name of the following within its territorial jurisdiction:

"x x x

"(c) The sanggunians of component cities and municipalities may, in consultation with the NATIONAL HISTORICAL INSTITUTE (NHI) AND LOCAL HISTORICAL ASSOCIATIONS, IF ANY, change the name of the following within its territorial jurisdiction:

"x x x

"THE LOCAL SANGGUNIANS, EXCEPT THE SANGGUNIANG BARANGAY, IN CONSULTATION WITH THE NATIONAL HISTORICAL INSTITUTE (NHI) AND LOCAL HISTORICAL ASSOCIATIONS, IF ANY, AND THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE), THROUGH AN ORDINANCE DULY APPROVED BY THREE-FOURTHS (3/4) VOTE OF ALL THEIR RESPECTIVE MEMBERS, MAY DECLARE NOT MORE THAN TWO (2) SPECIAL PUBLIC HOLIDAYS, WHICH MAY EITHER BE A WORKING OR NONWORKING HOLIDAY."

SEC 2. Section 17 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 17. Basic Services and Facilities. a) xxxxxxxxxxxxxxxx

"(b) Such basic services and facilities include, but are not limited to the following:

"(1) xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx;

"(2) For a Municipality:

"(vi) INTEGRATED solid WASTE COLLECTION AND disposal system or environmental management system and services or facilities related to general hygiene and sanitation

"xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx;

"(xiii) INTEGRATED SOLID WASTE COLLECTION AND DISPOSAL SYSTEM OR ENVIRONMENT MANAGEMENT SYSTEM AND SERVICES OR FACILITIES RELATED TO GENERAL HYGIENE AND SANITATION;"

SEC 3. Section 102 of Republic Act No. 7160 is hereby amended to read as follows:

SEC. 102. Creation and Composition. –

(a) There shall be established a local health board in every province, city or municipality. The composition of the local health board shall be as follows:

(1) The provincial health board shall be headed by the governor as chairman, the provincial health officer as vice-chairman, the chairman of the committee on health of the Sangguniang Panlalawigan, THE PROVINCIAL TREASURER, THE PROVINCIAL PLANNING AND DEVELOPMENT COORDINATOR, a representative from the private sector or non-governmental organizations involved in health services, and a representative of the Department of Health in the province, as members;

(2) The city health board shall be headed by the city mayor as chairman, the city health officer as vice-chairman, and the chairman of the committee on health of the Sangguniang Panlungsod, THE CITY TREASURER, THE CITY BUDGET OFFICER, THE CITY PLANNING AND DEVELOPMENT COORDINATOR, a representative from the private sector or non-governmental organizations involved in health services, and a representative of the Department of Health in the city, as members; and

(3) The municipal health board shall be headed by the municipal mayor as chairman, the municipal health officer as vice-chairman, and the chairman of the committee on health of the Sangguniang Bayan, THE MUNICIPAL TREASURER, THE MUNICIPAL BUDGET OFFICER, THE MUNICIPAL PLANNING AND DEVELOPMENT COORDINATOR, a

representative from the private sector or non-governmental organizations involved in health services, and a representative of the Department of Health in the municipality, as members

xxx xxx xxx

SEC 4. Section 107 of Republic Act No. 7160 is hereby amended to read as follows:

"SEC. 107. Composition of Local Development Councils. – The composition of the local development council shall be as follows:

(a) The barangay development council shall be headed by the punong barangay and shall be composed of the following members:

- (1) Members of the sangguniang barangay;
- (2) Representatives of nongovernmental organizations operating in the barangay, who shall constitute not [less] **MORE** than one fourth (1/4) of the members of the fully organized council;
- (3) A representative of the congressman.

(b) The city or municipal development council shall be headed by the mayor and shall be composed of the following members:

- (1) [All punong barangays] **LIGA NG MGA BARANGAY OFFICERS** in the city or municipality;
- (2) The chairman of the committee on appropriations of the sangguniang panlungsod or sangguniang bayan;
- (3) The congressman or his representative; and
- (4) Representatives of nongovernmental organizations operating in the city or municipality, as the case may be, who shall constitute not [less] **MORE** than one-fourth (1/4) of the members of the fully organized council.

(c) The provincial development council shall be headed by the governor and shall be composed of the following members:

- (1) [All mayors of component cities and municipalities;] **PRESIDENT AND VICE PRESIDENT OF THE LEAGUE OF MUNICIPALITIES, MAYORS OF COMPONENT CITIES AND A MAYOR REPRESENTING THE LEGISLATIVE DISTRICT TO BE APPOINTED BY THE PRESIDENT OF THE LEAGUE OF MUNICIPALITY;**
- (2) The chairman of the committee on appropriations of the sangguniang panlalawigan;
- (3) The congressman or his representative; and
- (4) Representatives of nongovernmental organizations operating in the province, who shall constitute not [less] **MORE** than one-fourth (1/4) of the members of the fully organized council.

PROVIDED, THAT SENIOR CITIZENS SHOULD BE PROPERLY REPRESENTED IN THE LOCAL DEVELOPMENT COUNCILS.

SEC 5. Section 272 of Republic Act No. 7160 is hereby amended to read as follows:

"Sec. 272. – The proceeds from the additional one percent (1%) tax on real property accruing to the SEF shall be automatically released to the local school boards: *Provided*, That in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: *Provided, however*, That the proceeds shall be allocated for the operation and maintenance of public schools, **INCLUDING THE PAYMENT OF ELECTRIC**

AND WATER BILLS; construction and repair of school buildings, facilities and equipment, **PAYMENT OF SALARIES, ALLOWANCES, AND OTHER BENEFITS OF TEACHING AND NON-TEACHING PERSONNEL, PROCUREMENT OF SERVICE VEHICLES FOR USE IN THE TRANSPORT OF TEACHERS AND NON-TEACHING PERSONNEL, ESTABLISHMENT AND MAINTENANCE OF EXTENSION CLASSES, INCLUDING THE CREATION OF TEACHER ITEMS FOR SAID CLASSES, educational research, purchase of [books,] PRESCRIBED TEXTBOOKS, periodicals, TEACHING AIDS, OTHER INSTRUCTIONAL MATERIALS, and sports development as determined and approved by the Local School Board."**

SEC 6. Section 284 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 284. – *Allotment of Internal Revenue Taxes – Local Government Units* shall have a share in the national internal revenue taxes based in the collection of the third fiscal year preceding the current fiscal year as follows:

- a. ON the first year of the effectivity of this Code, thirty percent (30%);
 - b. On the second year, thirty five percent (35%) [and];
 - c. On the third year **UNTIL SEVENTH YEAR** [and thereafter], forty percent (40%);
- D. ON THE EIGHT YEAR, FIFTY PERCENT (50%); AND**
- E. ON THE NINTH YEAR AND THEREAFTER, SIXTY PERCENT (60%)**

xxx..."

SEC 7. Section 285 of Republic Act No. 7160 is hereby amended to read as follows:

"SECTION 285. ALLOCATION TO LOCAL GOVERNMENT UNITS. THE SHARE OF THE LOCAL GOVERNMENT UNITS IN THE INTERNAL REVENUE ALLOTMENT SHALL BE ALLOCATED, AFTER DEDUCTING THEREFROM THE COST OF DEVOLVED FUNCTIONS AND PERSONNEL, AND THE COST OF CITY-FUNDED HOSPITALS, EXCLUDING CAPITAL OUTLAYS, INCREASED AT THE RATE OF TEN PERCENT (10%) PER ANNUM FROM THE EFFECTIVITY OF THIS CODE. THE TOTAL COST SO DEDUCTED SHALL BE DISTRIBUTED AND DIRECTLY REMITTED TO THE LOCAL GOVERNMENT UNITS CONCERNED AND THE NET OR BALANCE OF THE INTERNAL REVENUE ALLOTMENT SHALL BE ALLOCATED IN THE FOLLOWING MANNER:

- a) Provinces - Twenty-three percent (23%);
- b) Cities - Twenty-three percent (23%);
- c) Municipalities - Thirty-four percent (34%);
- d) Barangays - Twenty percent (20%);

Provided, however, that the shares of each province, city and municipality shall be determined on the basis of the following formula:

- a) Population - [Fifty percent (50%)] **FIFTY FIVE PERCENT (55%)**
- b) Land Area - [Twenty-five percent (25%)] **TWENTY PERCENT (20%)**

c) [Equal Sharing] REVENUE CAPACITY - Twenty- five percent (25 %)

Provided, further, that the share of each barangay with a population of not less than one hundred (100) inhabitants shall not be less than Eighty Thousand pesos (P80,000.000) per annum chargeable against the twenty percent (20%) share of the barangay from the internal revenue allotment, and the balance to be allocated on the basis of the following formula:

a) On the year of the effectivity of this Code:

- | | | |
|------------------|---|--------------------------|
| 1) Population | - | Forty percent (40%); and |
| 2) Equal sharing | - | Sixty percent (60%) |

b) On the second year:

- | | | |
|------------------|---|--------------------------|
| 1) Population | - | Fifty percent (50%); and |
| 2) Equal sharing | - | Fifty percent (50%) |

c) On the third year

- | | | |
|------------------|---|--------------------------|
| 1) Population | - | Sixty percent (60%); and |
| 2) Equal sharing | - | Forty percent (40%) |

Provided, finally, that the financial requirements of barangays created by local government units after the effectivity of this Code shall be the responsibility of the local government units concerned."

SEC 8. Section 286 of Republic Act 7160 is hereby amended to read as follows:

"Section 286. Automatic [Release] RETENTION of Shares- a) The share of each local government unit shall be [release] RETAINED AUTOMATICALLY BY THE CONCERNED LOCAL GOVERNMENT UNIT, without need of any further action, [directly to] By the provincial, city, municipal or barangay treasurer, as the case maybe, on a quarterly basis within five (5) days after the end of each quarter, and which shall be subject to any lien or holdback that may be imposed by the national government for whatever purpose.

b) x x x..."

SEC 9. Section 287 of Republic Act 7160 is hereby amended to read as follows:

Section 287. Local Development Projects. - Each local government unit shall appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects: PROVIDED, THAT IT SHALL BE MANDATORY TO INCLUDE PROJECTS FOR THE BENEFIT OF SENIOR CITIZENS. Copies of the development plans of local government units shall be furnished the Department of Interior and Local Government.

SEC 10. Section 393 of Republic Act 7160 is hereby amended to read as follows:

SEC. 393. Benefits of Barangay Officials. - (a) Barangay Officials, including barangay tanods and members of the lupong tagapamayapa, shall receive honoraria, allowances and such other emoluments as may be authorized by law or barangay, municipal or city ordinance in accordance with the provisions of this Code, but in no case shall it be less than [one thousand pesos (P1,000.00)] TWO THOUSAND PESOS (P2,000.00) per

month for the punong barangay and [Six hundred pesos (P600.00)] **ONE THOUSAND EIGHT HUNDRED (P1,800.00)** per month for the sangguniang barangay members, barangay treasurer and barangay secretary: Provided, however, That the annual appropriations for personal services shall be subject to the budgetary limitations prescribed under Title Five, Book 11 of this Code.

(b) The punong barangay, the sangguniang barangay members, the barangay treasurer, and the barangay secretary, shall, also:

(1) be entitled to Christmas bonus of at least [One Thousand pesos (P1,000.00)] **TWO THOUSAND PESOS (P2,000.00)** each, the funds for which shall be taken from the general fund of the barangay or from such other funds appropriated by the national government for the purpose;

(2) be entitled, during their incumbency to insurance coverage which shall include, but shall not limit to temporary and permanent disability, double indemnity, accident insurance, death and burial benefits, in accordance with Republic Act Numbered sixty-nine hundred forty-two (Republic Act No. 6942), entitled "An Act Increasing the Insurance Benefits of Local Government Officials and Providing Funds Therefor";

(3) be entitled to free medical care including subsistence, medicines, and medical attendance in any government hospital or institution: *Provided*, That such hospital care shall include surgery or surgical expenses, medicines, x-rays, laboratory fees and other hospital expenses.

In case of extreme urgency where there is no available government hospital or institution, the barangay official concerned may submit himself for immediate medical attendance to the nearest private clinic, hospital or institution and the expense not exceeding [Five thousand pesos (P5,000.00)] **TEN THOUSAND PESOS (P10,000.00)** that may be incurred therein shall be chargeable against the funds of the barangay concerned;

(4) be exempted during their incumbency from paying tuition and matriculation fees for their legitimate dependent children attending state colleges or universities. He may likewise avail of such educational benefits in a state college or university located within the province/city to which the barangay belongs; and

(5) be entitled to appropriate civil service eligibility on the basis of the number of years of service to the barangay, pursuant to the rules and regulations issued by the Civil Service Commission.

(c) Elective barangay officials shall have preference in appointments to any government position or in any government-owned or controlled corporations, including their subsidiaries, after their tenure of office, subject to the requisite qualifications and the provisions of the immediately preceding paragraph; and

(d) All duly appointed members of the barangay tanod brigades, or their equivalent, which shall number **IN PROPORTION TO THE POPULATION OF BARANGAY AS APPROVED BY THE CITY/MUNICIPAL COUNCIL** [not more than twenty (20) in each

barangay], shall be granted insurance or other benefits during their incumbency, chargeable to the barangay or the city or municipal government to which the barangay belongs

SEC 11. Section 450 of Republic Act 7160 is hereby 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 an average annual income, as certified by the Department of Finance, of at least 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 of units at the time of said creation to less than the minimum requirement prescribed herein:"

"PROVIDED, FURTHER, THAT THE CAPITAL TOWN OF A PROVINCE SHALL BE EXEMPTED FROM THE AVERAGE ANNUAL INCOME REQUIREMENT OF ONE HUNDRED MILLION PESOS (P100,000,000.00) 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."

SEC 12. Section 468 of Republic Act 7160 is hereby amended to read as follows:

"SEC. 468. Powers, Duties, Functions and Compensation.-

"(a) xxxxxxxxxxxxxxxxxxxxxxxxx;

"(1) xxxxxxxxxxxxxxxxxxxxxxxxx;

"(2) xxxxxxxxxxxxxxxxxxxxxxxxx;

"(3) xxxxxxxxxxxxxxxxxxxxxxxxx;

"(4) Approve ordinances which shall ensure the efficient and effective delivery of basic services and facilities as provided for under Section 17 of this Code and in addition to said services and facilities shall:

"(i) xxxxxxxxxxxxxxxxxxxxxxxxx;

"(ii) Subject to applicable laws, facilitate or provide for the establishment and maintenance of waterworks system or district waterworks for supplying water to inhabitants of component cities and municipalities: AND COORDINATE BASIC SERVICES OF COMPONENT CITIES AND

MUNICIPALITIES FOR THE INTEGRATED SOLID WASTE COLLECTION AND DISPOSAL, AND WHEN NECESSARY, FACILITATE OR PROVIDE FOR THE ESTABLISHMENT OF SAID BASIC SERVICE AND FACILITY IN A COMPONENT UNIT;

SEC 13. Section 483 of Republic Act 7160 is hereby amended to read as follows:

"SEC 483. Qualifications, Powers and Duties, (a) No person shall be appointed social welfare and development officer unless he/SHE is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character [,] AND a duly licensed social worker [or a holder of college degree preferably in sociology or any other related course from a recognized college or university, and a first grade civil service eligible or its equivalent]. He/SHE must have acquired experience in the practice of social work for at least five (5) years in the case of the provincial or city social welfare and development officer, and three (3) years in the case of the municipal social welfare and development officer.

The appointment of a social welfare and development officer is mandatory for the provincial, [and] city [,] and [optional for] municipal government."

SEC 14. Section 487 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 487. Qualifications, Powers and Duties.— (a) xxx

The appointment of the cooperatives officer is [optional] MANDATORY for the provincial, [and] city AND MUNICIPAL governments.

SEC 15. *Separability Clause.* – Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portion or provision can still subsist and be given effect in their entirety.

SEC 16. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly

SEC 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,