

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

EIGHTEENTH CONGRESS  
1<sup>st</sup> Regular Session

House Bill No. 6366



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Introduced by Representative ERIC GO YAP

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EXPLANATORY NOTE

This bill seeks to venture on the full economic potential of provinces through the automatic conversion of its capital towns which have no component cities, independent component cities, or highly urbanized cities within its territorial jurisdiction, into a component city. Conversion into Cityhood is pursued by many, mainly because of the constructive and salient benefits it does to the fiscal standing of the Municipality (Senate Economic Planning Office, 2013). Simply put, a bigger budget means bigger spending, thus there will be bigger and better development opportunities for the locality involved. Republic Act 9009, An Act Amending Section 450 of Republic Act No. 7160 indicates in Section 450 that:

*"(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 (P100,000,000.00) 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.*

*The creation thereof shall not reduce the land area, population and income of the original unit or units at the time of said creation to less than the minimum requirements prescribed herein.*

*(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."*

This bill seeks to provide exemptions to the law above, that the requirement on income, population, and land area prescribed shall not apply if a municipality to be converted into city is the capital town of any province having no component city, independent component city or highly urbanized city within its territorial jurisdiction.

The Philippines, because it is an archipelago, must be understood to be comprised of various islands with different land areas situated far from each other and divided either by vast waters or vast lands. There are much smaller political entities in different parts of the world that are able to grow vigorously, compete, and even be at par with bigger city states in terms of economic viability. The automatic conversion capital towns into component cities is the stepping stone to vast opportunities not only for the locality but for the entire country as well. In view of the foregoing, approval of this bill is earnestly sought.



ERIC GO YAP

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**AN ACT AUTOMATICALLY CONVERTING THE CAPITAL TOWN OF  
PROVINCES WITH NO COMPONENT CITIES, INDEPENDENT COMPONENT  
CITIES OR HIGHLY URBANIZED CITIES WITHIN ITS TERRITORIAL  
JURISDICTION, INTO A COMPONENT CITY**

*Be it enacted by the Senate and 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 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 (P100,000,000.00) for the last two (2) consecutive years based on the 2012 constant prices, provided, that:

(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 REQUIREMENT ON  
INCOME, POPULATION AND LAND AREA PRESCRIBED HEREIN  
SHALL NOT APPLY IF A MUNICIPALITY TO BE CONVERTED INTO  
CITY IS THE CAPITAL TOWN OF ANY PROVINCE HAVING NO  
COMPONENT CITY, INDEPENDENT COMPONENT CITY OR HIGHLY  
URBANIZED CITY WITHIN ITS TERRITORIAL JURISDICTION."**



(b) The territorial jurisdiction of the newly-created city shall be properly identified by metes and bounds. The requirement on the 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 funds, transfers, and non-recurring income.

**SEC. 2. *Separability Clause.*** – If any provision or part hereof is held unconstitutional, the other provisions not otherwise affected shall remain valid and subsisting.

**SEC. 3. *Repealing Clause.*** – All laws, decrees, issuances, executive orders, letters of instruction, administrative orders, rules and regulations, or parts thereof, contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SEC. 4. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,