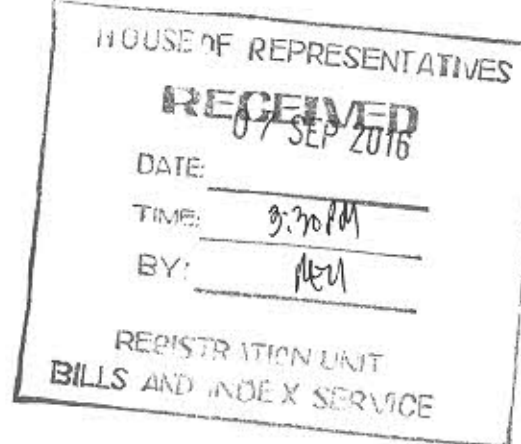




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
Seventeenth Congress
First Regular Session

HOUSE BILL NO. 3533



Introduced by Honorable Jocelyn S. Limkaichong

EXPLANATORY NOTE

This bill seeks to transfer the power to issue permits to extract sand, gravel and other quarry resources from the provincial governors to the mayors of municipalities and cities, amending for the purpose Republic Act (RA) No. 7160, otherwise known as the "*Local Government Code of 1991*."

Presently, the law grants only to the provincial governors, mayors of independent component cities and mayors of highly urbanized cities the power to issue permits to extract sand, gravel and other quarry resources in their respective jurisdictions. The mayors of other component cities and mayors of municipalities are excluded from the decision-making process, although these local government units (LGUs) have fewer sources of revenue and bear much of the burden of the detrimental environmental impact of quarrying activities. Moreover, the sangguniang bayan and sangguniang panlungsod can perform a better function of screening and regulating quarrying activities because they oversee fewer applicants or licensees and they are closer to the quarrying sites. Indeed, such an unfair balance of benefits and risks among the LGUs as well as the need for better oversight on quarrying activities call for a remedy that is consistent with the ideals of decentralization and local autonomy.

This bill promotes a more rational distribution of the proceeds from and authority over the exploitation and utilization of natural resources, particularly, quarry resources, and also enhances the empowerment of local governments at the level of cities and municipalities. It transfers the power to issue quarrying permits from the provincial governors to the mayors of cities and municipalities, who will act pursuant to the ordinance adopted by their respective sanggunians. It also

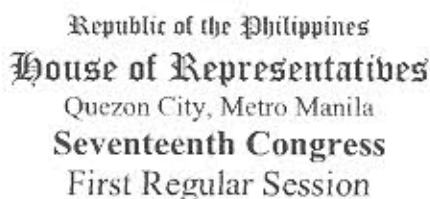
increases the share in the proceeds of the tax on sand, gravel and quarry resources of the cities and municipalities from the current thirty percent (30%) to sixty percent (60%). This measure aims to increase the capabilities and resources of these LGUs while upholding the principles of checks and balances and transparency in local government transactions.

To achieve the above objectives, this bill proposes to delete Section 138 of RA 7160, which grants the provinces the power to issue permits to extract and to tax sand, gravel and other quarry resources, and to add a new section to be denominated as Section 146-A, which will transfer the power to tax sand, gravel and other quarry resources to municipalities. The same power is likewise transferred to cities by adding another section to be denominated as Section 151-A.

In view of the foregoing, the approval of this bill is highly recommended.



JOCELYN S. LIMKAICHONG



Introduced by Honorable Jocelyn S. Limkaichong

TRANSFERRING THE AUTHORITY TO TAX AND TO ISSUE PERMITS TO EXTRACT SAND, GRAVEL AND OTHER QUARRY RESOURCES FROM THE PROVINCIAL GOVERNOR TO THE MUNICIPAL OR CITY MAYOR, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "*LOCAL GOVERNMENT CODE OF 1991*," AS AMENDED

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

SECTION 1. Section 138 of Republic Act No. 7160, which specifies the power of taxation of provinces on sand, gravel and other quarry resources, is hereby deleted.

SEC. 2. A new section to be denominated as Section 146-A is hereby added, after Section 146, granting to the municipalities the power of taxation on sand, gravel, and other quarry resources, to read as follows:

1 “SEC. 146-A. *TAX ON SAND, GRAVEL AND OTHER*
2 *QUARRY RESOURCES.* – THE MUNICIPALITY MAY LEVY AND
3 COLLECT NOT MORE THAN TEN PERCENT (10%) OF FAIR
4 MARKET VALUE IN THE LOCALITY PER CUBIC METER OF
5 ORDINARY STONES, SAND, GRAVEL, EARTH, AND OTHER
6 QUARRY RESOURCES, AS DEFINED UNDER THE NATIONAL
7 INTERNAL REVENUE CODE, AS AMENDED, EXTRACTED
8 FROM PUBLIC LANDS OR FROM THE BEDS OF SEAS, LAKES,
9 RIVERS, STREAMS, CREEKS, AND OTHER PUBLIC WATERS
10 WITHIN ITS TERRITORIAL JURISDICTION.

11 THE PERMIT TO EXTRACT SAND, GRAVEL AND OTHER
12 QUARRY RESOURCES SHALL BE ISSUED EXCLUSIVELY BY
13 THE MUNICIPAL MAYOR, PURSUANT TO AN ORDINANCE
14 ISSUED BY THE SANGGUNIANG BAYAN.

15 THE PROCEEDS OF THE TAX ON SAND, GRAVEL AND
16 OTHER QUARRY RESOURCES SHALL BE DISTRIBUTED AS
17 FOLLOWS:

1 (1) MUNICIPALITY WHERE THE SAND, GRAVEL, AND
2 OTHER QUARRY RESOURCES ARE EXTRACTED –
3 SIXTY PERCENT (60%); AND

4 (2) BARANGAY WHERE THE SAND, GRAVEL, AND
5 OTHER QUARRY RESOURCES ARE EXTRACTED –
6 FORTY PERCENT (40%).”

7 SEC. 3. A new section to be denominated as Section 151-A is hereby
8 added, after Section 151, granting to the cities the power of taxation on sand, gravel,
9 and other quarry resources, to read as follows:

10 “SEC. 151-A. *TAX ON SAND, GRAVEL AND OTHER*
11 *QUARRY RESOURCES.* – THE CITY MAY LEVY AND COLLECT
12 NOT MORE THAN TEN PERCENT (10%) OF FAIR MARKET
13 VALUE IN THE LOCALITY PER CUBIC METER OF ORDINARY
14 STONES, SAND, GRAVEL, EARTH, AND OTHER QUARRY
15 RESOURCES, AS DEFINED UNDER THE NATIONAL INTERNAL
16 REVENUE CODE, AS AMENDED, EXTRACTED FROM PUBLIC
17 LANDS OR FROM THE BEDS OF SEAS, LAKES, RIVERS,
18 STREAMS, CREEKS, AND OTHER PUBLIC WATERS WITHIN
19 ITS TERRITORIAL JURISDICTION.

1 THE PERMIT TO EXTRACT SAND, GRAVEL AND OTHER
2 QUARRY RESOURCES SHALL BE ISSUED EXCLUSIVELY BY
3 THE CITY MAYOR, PURSUANT TO AN ORDINANCE ISSUED
4 BY THE SANGGUNIANG PANLUNGSOD.

5 THE PROCEEDS OF THE TAX ON SAND, GRAVEL AND
6 OTHER QUARRY RESOURCES SHALL BE DISTRIBUTED AS
7 FOLLOWS:

8 (1) CITY WHERE THE SAND, GRAVEL, AND OTHER
9 QUARRY RESOURCES ARE EXTRACTED – SIXTY
10 PERCENT (60%); AND

11 (2) BARANGAY WHERE THE SAND, GRAVEL, AND
12 OTHER QUARRY RESOURCES ARE EXTRACTED –
13 FORTY PERCENT (40%).”

14 SEC. 4. Sections 43, 45, 46, 48, 49 and 50 of Republic Act No. 7942,
15 otherwise known as the “*Philippine Mining Act of 1995*,” and Section 7 of Republic
16 Act No. 8975, entitled “*An Act to Ensure the Expeditious Implementation and*
17 *Completion of Government Infrastructure Projects by Prohibiting Lower Courts*
18 *from Issuing Temporary Restraining Orders, Preliminary Injunctions or*
19 *Preliminary Mandatory Injunctions, Providing Penalties for Violations Thereof, and*

1 *for Other Purposes,”* are hereby modified accordingly. All other existing laws,
2 orders, decrees, rules and regulations or parts thereof inconsistent with the
3 provisions of this Act are hereby repealed or modified accordingly.

4 SEC. 5. This Act shall take effect after fifteen (15) days from its
5 publication in the *Official Gazette* or in a national newspaper of general circulation.

6 Approved,