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SENATE
SENATE BILL NO. 2169

REGD.

Prepared jointly by the Committees on Government Corporations and Public Enterprises, Economic Affairs, and Finance with Senators Recto, Gordon, Gatchalian, and Legarda as authors thereof

**AN ACT
CREATING THE GREATER BAGUIO-BENGUET DEVELOPMENT AUTHORITY,
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR**

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

- 1 **Section 1.** *Short Title.* This Act shall be called as the "Greater Baguio-Benguet Development Authority Act of 2019."
- 2
- 3 **Section 2.** *Declaration of Policy.* It is hereby declared the policy of the State
- 4 to pursue the acceleration of social, economic, and political development of the City
- 5 of Baguio and the Municipalities of La Trinidad, Itogon, Sablan, Tuba and Tublay
- 6 that will ensure sustainable development and progress of these areas through
- 7 enabling policies and programs founded on sound professional long-term planning
- 8 on the use of resources that encourage entrepreneurship and investments in
- 9 tourism, agriculture, and commercial enterprises, which shall create jobs and
- 10 business opportunities, increase capital flow, release dormant capital, create
- 11 inclusive wealth, and decongest overpopulated urban centers thus improving the
- 12 quality of life of the people, while protecting the environment and the cultural
- 13 heritage of the community as a result of efficient, well-coordinated and effective
- 14 planning, supervision, and coordination of essential basic services, without prejudice

1 to the autonomy of the Local Government Units (LGUs) concerned.

2 To achieve this end, it is recognized that a government corporation should be
3 created to draw up the necessary plans for the development of the area; provide
4 leadership in the setting up of pioneering or ground-breaking industrial and
5 agricultural enterprises; coordinate or integrate the diverse efforts of the various
6 public and private entities directly engaged in implementing plans and projects
7 affecting power, manufacturing, mining, transportation and communication,
8 conservation, resettlement, education, health and other activities leading to the
9 rapid socio-economic growth of Baguio City and the Municipalities of Itogon, Sablan,
10 Tuba and Tublay; and extend or facilitate the extension of financial management
11 and technical support to worthwhile commercial ventures within the province.

12 **Section 3. Purposes.** – This Act shall have the following purposes:

13 (a) To provide a platform and strengthen the culture of cooperation thereby
14 enhancing coordination between the Local Government Units (LGUs), the National
15 Government and the Private Sector within the area of Baguio, La Trinidad, Itogon,
16 Sablan, Tuba and Tublay for an efficient and well-coordinated delivery of basic
17 services to the people living, working, staying and visiting the area;

18 (b) To develop policies and programs that promote entrepreneurship and
19 attract investments, thus creating more jobs and business opportunities for the
20 people;

21 (c) To decongest Baguio City by dispersing economic activity and population to
22 neighboring municipalities of La Trinidad, Itogon, Sablan, Tuba and Tublay;

1 (d) To improve the quality of life of the people by developing sustainable
2 communities where residents live near where they work; where institutions such as
3 schools and universities, hospitals, utilities, among others, are within close proximity;

4 (e) To tap innovation, research and development to fuel the growth of
5 industries by locating education centers and research/innovation intensive industries
6 close to each other;

7 (e) To optimize the use of interconnecting highways such as the North Luzon
8 Expressway, Subic-Clark-Tarlac Expressway, Tarlac-Pangasinan-La Union
9 Expressway, Marcos Highway, Kenon Road and Naguilian Road; seaports in
10 Pangasinan, La Union, Ilocos, and Manila; and airports in Subic, Clark, Manila,
11 Baguio and Laoag to serve as an investment corridor for the City of Baguio and the
12 Municipalities of La Trinidad, Itogon, Sablan, Tuba and Tublay and eventually, the
13 whole country;

14 (f) To act as a catalyst for unleashing dormant capital into productive
15 investments in infrastructure and industries within Baguio City and the Municipalities
16 of Itogon, Sablan, Tuba and Tublay;

17 (g) To establish a platform that will encourage the LGUs to partner with
18 existing special economic or freeport zones within Baguio City and the Municipalities
19 of Itogon, Sablan, Tuba and Tublay that shall encourage the private and public
20 sectors to establish other special economic or freeport zones and provide incentives
21 to attract and maximize investments in infrastructure, from local and foreign
22 business investors, resulting in numerous economic livelihood and employment
23 opportunities for the people;

1 (h) To promote, locally and internationally, and spearhead the integration of
2 the BCEZ, JHSEZ, PEZA AND TIEZA, adhering to the principle of global
3 competitiveness which encourages business investments that are focused, fast,
4 friendly, flexible, and forward-looking, thus ensuring them to be self-sustaining,
5 income-generating, and revenue-contributing entities;

6 (i) To create sustainable industrial cities and communities that balance
7 economic growth and expansion, having regard to environmental protection and
8 preservation, thereby balancing economic progress and future developments; and

9 (j) To create updated, and thereby continue updating, comprehensive land use
10 plans, in coordination with the LGUs of Baguio City and the Municipalities of Itogon,
11 Sablan, Tuba and Tublay for a more cohesive and harmonious development for the
12 area.

13 **Section 4. Creation of Greater Baguio-Benguet Metropolitan Area.** There is
14 hereby created a special metropolitan area called the "Greater Baguio-Benguet
15 Metropolitan Area" ("Area") comprising the City of Baguio and the Municipalities of
16 La Trinidad, Itogon, Sablan, Tuba and Tublay, all in the Province of Benguet, in
17 accordance with Article X, Section 11 of the 1987 Constitution.

18 The creation of the Greater Baguio-Benguet Metropolitan Area shall be subject
19 to approval by a majority of the votes cast in a plebiscite in the political units herein
20 directly affected, conducted in accordance with the Constitution, existing laws, rules
21 and regulations. The plebiscite shall be conducted, as far as practicable, not later
22 than one hundred fifty days (150) days from the effectivity of this act. The
23 Commission on Elections shall undertake the necessary measures to enable the
24 holding of the plebiscite within the prescribed period.

Section. 5. Creation and Mandate of the Greater Baquio-Benquet Development

Authority. There is hereby created a government instrumentality which shall be a body corporate with perpetual succession and with power to sue and be sued in its corporate name, and to acquire and dispose of property, both movable and immovable, and to perform such other acts as bodies corporate may by law perform, and to exercise such other powers as are conferred under or by virtue of this Act to be named as the Greater Baguio-Benguet Development Authority ("Authority") which shall administer the special metropolitan area created under Section 4 of this Act.

9 The Greater Benguet Development Authority shall be attached to the Office of the
10 President for policy and program coordination.

11 Greater Benguet Development Authority shall serve as the platform for the
12 acceleration of the social, economic, and political developments in the area as a
13 unified management unit by allowing the LGUs to respond to common developing
14 challenges through unified, efficient, and economically effective programs and
15 undertakings. It shall perform planning, monitoring, and coordinative functions. It
16 shall also exercise regulatory and supervisory authority over the distribution of area-
17 wide services within the jurisdictions of the city and municipalities concerned without
18 reducing the autonomy of the LGUs on local matters.

SECTION. 6. *Supervision.* – The Greater Benquet Development Authority shall

be under the general supervision of the Office of the President of the Philippines

CHAPTER I

THE AUTHORITY, ITS JURISDICTION AND POWERS

Section. 7. Jurisdiction. The Greater Baguio-Benquet Development Authority

²⁴ shall have jurisdiction over the delivery of basic services that transcend local political

1 boundaries, affecting two or more cities and municipalities within the Greater
2 Baguio-Benguet Metropolitan Area defined under section four (4) hereof such that it
3 would not be viable for said services to be provided by an individual LGU.

4 The Authority shall also have the jurisdiction in the promotion and regulation
5 of investments within Greater Baguio-Benguet Metropolitan Area pursuant to the
6 provisions in Chapter III of this Act.

7 **Section. 8. Greater Baguio-Benguet Metropolitan Area Master Development**
8 *Plan ("Master Plan")*. Delivery of basic services and allocation of scarce resources
9 for industrial, commercial and agricultural purposes in the Greater Baguio-Benguet
10 Metropolitan Area shall be managed on the basis of sound professional planning with
11 long-term foresight of fifty (50) years. For this purpose, immediately within one
12 hundred eighty (180) days from the establishment of the Greater Baguio-Benguet
13 Metropolitan Area, the Greater Baguio-Benguet Metropolitan Council ("Council") shall
14 commission experts local or international such as professional urban planners,
15 engineers, architects, scientists, economists, development planners, environmental
16 planners, managers, lawyers and other experts in the field of investments, tourism,
17 agriculture, environment, housing, transportation, urban renewal and development
18 and other related fields. They, together with the Council shall draft the Master Plan
19 for the development of Greater Baguio-Benguet Metropolitan Area including the
20 system for delivery of basic services and zoning of areas for infrastructure and
21 investment, taking into consideration existing land use and urban plans of
22 component cities and municipalities: *Provided, That* in case of any conflict between
23 the existing land use and urban plans of the component cities; plans embodied in
24 the Master Plan and ratified by the people in a referendum called for that purpose

1 shall prevail.

2 The Master Plan shall include provisions for adequate and affordable housing,
3 zoning, limitations as to the carrying capacity and such other technical standards
4 necessary to be imposed for an efficient, sustainable and liveable community with
5 the end goal of ensuring good quality of life for the people in the Greater Baguio-
6 Benguet Metropolitan Area while maintaining the cultural heritage of the people.

7 It shall provide designated zones for industries and businesses according to
8 the competitive advantage of the city or the municipality. It shall also ensure the
9 transfer of educational center from Baguio to other areas within the Greater Baguio-
10 Benguet Metropolitan Area where universities and colleges converge in a location
11 near to industries where research and development is used to facilitate productivity
12 and the talents of the students and the academe could be utilized and cultivated.
13 The education center shall be near to dormitories and housing where students and
14 families can live and work with ease; thereby decongesting Baguio City in the long-
15 run, restoring it to its original carrying capacity and its old glory as the "Summer
16 Capital of the Philippines."

17 The Master Plan shall be subject to the approval of the people by a
18 referendum duly called for that purpose. The Master Plan once approved in the
19 referendum shall not be subject to any alteration or deviation except by amendment
20 to the Master Plan approved by the people by virtue of a referendum duly called for
21 that purpose; provided further that the Master Plan may be subject for review and
22 adjustments every ten (10) years upon the call of the Council for such adjustments;
23 provided finally that any and all adjustments or amendments pursuant to the review
24 of the Master Plan shall likewise become effective only when approved by the people

1 through a referendum or proposition.

2 The Master Plan shall be strictly implemented by the Greater Baguio-Benguet
3 Development Authority through its Council with its Committee of Supervisors,
4 composed of experts and professional managers.

5 **Section. 9. Responsibilities of the Local Government Units and Other**
6 *Stakeholders.* – The Master Plan shall be implemented by the Greater Baguio-
7 Benguet Development Authority, through its Council, which shall be the overall
8 coordinating body in the implementation of the Master Plan, specifically for projects
9 with cross border locations. The Council shall coordinate and partner with the LGUs
10 in formulating, implementing, and promoting the Master Plan.

11 THE LGUs shall be responsible in coordinating with the Department of
12 Environment and Natural Resources (DENR) for providing the zoning and the
13 Comprehensive Land Use Plan for the Region. The LGUs shall assist in the
14 identification and conversion of lands in the City of Baguio and the Municipalities in
15 Itogon, Sablan, Tuba and Tublay, and shall be encouraged to provide incentives to
16 entities such as local tax incentives and streamlining of business permits
17 applications, processing, and approval.

18 The LGUs, in coordination with the Department of Public Works and Highways
19 (DPWH) and other concerned Departments, shall ensure that all highways, railways,
20 airports, and seaports are in good condition and properly maintained.

21 The LGUs, in coordination with registered entities, and in partnership with the
22 PAG-IBIG Fund or other key shelter agencies shall be encouraged to construct
23 adequate and affordable housing facilities, within the Greater Baguio-Benguet
24 Metropolitan Area with access to power, clean water and sewerage systems to

1 workers and their families, in order to afford them a comfortable and livable work-
2 life balance, at the same time decongesting the City of Baguio and improving the
3 traffic condition.

4 The concerned agencies shall allocate in their respective annual appropriations
5 such amounts that are sufficient and necessary to effectively perform their
6 responsibilities provided for under this Act.

7 Private entities shall be responsible for investing and building infrastructure
8 within the Greater Benguet Metropolitan Area which shall observe international best
9 practices in industrial operations while complying with existing laws, rules and
10 regulations, including those intended for environmental preservation and protection,
11 and protection to labor legislations. Private entities may propose their own plan, as
12 long as it is in accordance with the Master Plan, as described in Section 8 of this Act.

13 The entities shall construct adequate and affordable housing or condominium
14 facilities with access to electric power, clean water and sewerage systems to provide
15 housing facilities to the workers and their families, which may be in partnership with
16 the Pag-Ibig Fund or other key shelter agencies.

17 **Section. 10. *Institutional Linkages.*** Greater Baguio-Benguet Development
18 Authority shall, in carrying out its functions, consult, coordinate, and work closely
19 with the LGUs, NEDA, and other national government agencies, and accredited
20 people's organizations, nongovernmental organizations, and the private sector
21 operating in the component city and municipalities. The Chairman or the authorized
22 representative from among the Council members shall be *ex officio* members of the
23 boards of government corporations and committees of the departments of
24 government whose activities are relevant to the objectives and responsibilities of

1 Greater Benguet Development Authority.

2 Greater Benguet Development Authority shall formulate a principal proposal
3 to serve as the framework for the local development plans of the component LGUs.
4 Greater Benguet Development Authority shall submit its development plans and
5 investments programs to the NEDA for integration into the Medium-Term Philippine
6 Development Plan (MTPDP) and public investment program.

7 Greater Benguet Development Authority shall, in coordination with the NEDA
8 and the Department of Finance (DOF), interface with foreign assistance agencies for
9 purposes of obtaining financial support, grants, and donations in support of its
10 programs and projects.

11 **Section. 11. Powers and Functions of Greater Benguet Development Authority.**

12 The Authority shall exercise the following powers and functions:

13 (a) Formulate, coordinate, and regulate the implementation of the projects laid
14 down in the Master Plan for the distribution and delivery of basic services,
15 land use, zoning, enforcement of limits on carrying capacity and physical
16 development within Greater Baguio-Benguet Metropolitan Area, consistent
17 with national development objectives and priorities. The Master Plan shall
18 indicate sources and allocation of funds for priority programs and projects.

19 For this purpose, Greater Baguio-Benguet Development Authority shall have
20 powers to enact resolutions to implement the projects laid down in the Master
21 Plan for the general welfare of the people. It shall exercise the powers
22 expressly granted, those necessarily implied therefrom, as well as powers
23 necessary, appropriate, or incidental for its efficient and effective
24 implementation of the Master Plan, its mandate as provided for in this Act,

1 and those which are essential to the promotion of the general welfare.

2 In case of inconsistency between a local ordinance and the resolutions of the
3 authority on any matters that will affect the implementation of the Master
4 Plan, the resolution of the Authority shall prevail;

5 (b) Pass upon and approve or disapprove all plans, programs, and projects
6 proposed by local government offices/agencies within the metropolitan area,
7 public corporations, and private persons or enterprises where such plans,
8 programs and/or projects are related to those of the Authority for the
9 development of the metropolitan area as envisioned in this Act.

10 The Authority shall issue the necessary clearance for approved proposed
11 plans, programs, and projects within thirty days from submission thereof
12 unless the proposals are not in consonance with those of the Authority.

13 The Authority is hereby empowered to institute necessary legal proceeding
14 against any person who shall commence to implement or continue
15 implementation of any project, plan or program within the Greater Baguio-
16 Benguet Metropolitan Area without previous clearance from the Authority.

17 Any local government office, agency, public corporation, private person, or
18 enterprise whose plans, programs and/or projects have been disapproved by
19 the Authority may appeal the decision of the Authority to the NEDA within
20 fifteen (15) days from receipt of such disapproval whose decision on the
21 matter shall be final: Provided, that any appeal that seeks to become an
22 exemption to the Master Plan and effectively modifies parts thereof without
23 the approval of the people in a referendum called for the purpose of
24 amending the Master Plan shall be denied by the NEDA. Reasonable

1 processing fees as may be fixed by the Authority's Council shall be collected
2 by the Authority for the processing of such plans, programs and/or projects.

3 Expansion plans shall be considered as new plans subject to review of the
4 Authority and to payment of the processing fees.

5 (c) Undertake and manage its programs and projects for the delivery of specific
6 services under its jurisdiction, subject to the approval of the Council. For this
7 purpose, Greater Baguio-Benguet Development Authority shall create
8 appropriate project management offices;

9 (d) Coordinate and monitor the implementation of such plans, programs, and
10 projects in the City of Baguio and component municipalities; and identify
11 bottlenecks and adopt solutions to problems of implementation;

12 (e) Set policies concerning traffic and coordinate and regulate the implementation
13 of all programs and projects concerning traffic management. It may seek
14 assistance and cooperation, including assignment of personnel, from other
15 government agencies concerned if necessary. Install and administer a single
16 ticketing system, fix, impose, and collect fines and penalties for all kinds of
17 violations of traffic rules and regulations.

18 Greater Baguio-Benguet Development Authority shall enforce all traffic laws
19 and regulations in the Greater Baguio-Benguet Metropolitan Area through its
20 Traffic Operations Center;

21 (f) Develop, structure, and facilitate the construction of infrastructure projects,
22 particularly those that enhance national competitiveness and create
23 employment and business opportunities;

24 (g) Develop feasibility studies supported by necessary technical and engineering

1 assessment and commercial viability assessment for regional infrastructure
2 projects;

3 (h) Promote, locally and internationally, the establishment of special economic or
4 free port zones, and other development programs and projects in Greater
5 Baguio-Benguet Metropolitan Area;

6 (i) Mandate the submission by the LGUs of their respective recent or up to date
7 Comprehensive Land Use Plans, as well as the Land Use Plans already existing
8 for the City of Baguio and the Municipalities of La Union, Itogon, Sablan, Tuba
9 and Tublay, and in consultation with all stakeholders, evaluate, formulate,
10 coordinate, and communicate a Comprehensive and Integrated Master Plan
11 for Greater Baguio-Benguet Metropolitan Area, in accordance with Section 8
12 of this Act; *Provided, That*, priority in investment and infrastructure promotion
13 and development shall be given to developing areas;

14 (j) To grant and administer all fiscal and non-fiscal incentives provided in this
15 Act and, including, but not limited to, the Foreign Investments Act, the
16 Omnibus Investments Code, the Philippine Economic Zone Act of 1995, and the
17 Bases Conversion and Development Act of 1992;

18 (k) To formulate clear, consistent, and predictable regulations, for the grant of
19 Registration Agreements, permits/licenses or clearances for infrastructure
20 projects, investments, business enterprises, sole proprietorships, and other
21 endeavors, in accordance with this Act;

22 (l) To identify areas outside the jurisdiction of any special economic or freeport
23 zone, and which cannot be placed within the ambit of the jurisdiction of any
24 special economic or freeport zone, as certified by the special economic or

1 freeport zone nearest to the identified areas, to consolidate/merge, purchase,
2 develop and create the same, on its own or in cooperation with the affected
3 LGUs, into special economic or freeport zones, new industrial townships,
4 commercial and retail developments, agro-industrial zones, and the like;

5 (m) To construct, acquire, own, lease, operate, and maintain on its own or
6 through contract, franchise, license, permit, public-private partnership, build-
7 operate-transfer or joint venture the required utilities and infrastructure facilities,
8 including additional roads, bridges, airports, seaport, railroads, subways, and to
9 fix just and reasonable rates, fares, charges and other prices therefor;

10 (n) To encourage earnest efforts and conciliation proceedings in cases of labor
11 disputes where abuses of the management and/or labor will be discouraged
12 and dealt with expeditiously and fairly;

13 (o) To coordinate and assist existing special economic or freeport zones in the
14 implementation of cross border projects along and within the Greater Baguio-
15 Benguet Metropolitan Area;

16 (p) To generate its own revenues from among, but not limited to, license fees
17 and/or application, filing and registration and administrative/regulatory fees,
18 and invest its funds and other assets, as it may deem proper, to achieve its
19 purpose;

20 (q) To raise and borrow the necessary funds from local and international
21 financial institutions and to issue bonds, promissory notes, and other securities
22 for that purpose and to secure the same by guarantee, pledge, mortgage, deed
23 of trust or assignment of properties;

- 1 (r) To enter into, make, perform and carry out contracts of every class, kind,
2 and description which are necessary or incidental to the realization of this Act
3 with any person, firm or corporation, private or public, or with foreign
4 government entities, upon prior approval by the President of the Philippines;
- 5 (s) To coordinate, formulate plans, programs and policies and provide
6 assistance, and in coordination with the concerned department or agency, if
7 necessary, on any matter of policy and ensure compliance therewith;
- 8 (t) To promote the Greater Baguio-Benguet Metropolitan Area to local and
9 international investors;
- 10 (u) To adopt, implement, and enforce ecological and environmental standards
11 and measures for environmental pollution control and management;
- 12 (v) To strengthen and coordinate all existing security and firefighting forces
13 already established within Greater Baguio-Benguet Metropolitan Area and
14 formulate and implement public safety measures to ensure the safety and
15 preservation of law and order within the Area;
- 16 (w) To establish a "One-Stop Shop" to promote focused, fast, friendly, flexible,
17 and forward-looking registration and operation of businesses and investments;
- 18 (x) To encourage and assist in the use of alternative dispute resolution
19 mechanisms such as mediation, conciliation, arbitration, or any combination
20 thereof as a means of achieving speedy and efficient means of resolving
21 disputes in accordance with Republic Act No. 9285, otherwise known as the
22 "Alternative Dispute Resolution Act of 2004";
- 23 (y) To coordinate and regulate utilities in accordance with existing laws; and

1 (z) To promulgate rules and regulations and perform such other powers and
2 functions as may be necessary, appropriate, or incidental to this Act.

3 **Section. 12. Corporate Powers of Greater Baguio-Benguet Development**

4 *Authority.* In the exercise of its functions, the authority shall have the following
5 corporate powers:

- 6 a) Succeed in its corporate name;
- 7 b) Sue and be sued in its corporate name;
- 8 c) Adopt, alter and use a corporate seal;
- 9 d) Adopt, amend or repeal its by-laws;
- 10 e) Enter into contracts to enable it to carry out its purposes and functions under
11 this Act;
- 12 f) Acquire, buy, purchase, hold or lease, such personal and real property as it
13 may deem necessary in the transaction of its business or in relation to
14 carrying out its purposes under this act and to lease, mortgage, sell, alienate
15 or otherwise encumber, utilize, exploit or dispose any such personal or real
16 property held by it, subject to individual or communal right of private parties
17 or of the government or any agency or enterprise thereof;
- 18 g) Exercise the right of eminent domain whenever the Authority deems it
19 necessary to carry out the purposes of this Act;
- 20 h) Borrow funds from any local or foreign sources independent of the bonds it
21 may issue or may continue to issue to carry out the purposes of this Act;
- 22 i) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares
23 of the capital stock of, or any bond, securities, or other evidence of
24 indebtedness created by any other corporation, co-partnership, or

1 government agencies or instrumentalities; and while the owner of said stock
2 to exercise all the rights of ownership, including the right to vote thereon:
3 Provided, that the Greater Baguio-Benguet Development Authority shall not
4 invest its funds in any high risk debt instruments issued without recourse to
5 commercial banks or investment houses as well as any highly speculative
6 stocks;

- 7 j) Establish subsidiaries and serve as holding company of such subsidiaries, if
8 necessary and as approved by the Board;
- 9 k) Perform any and all acts which a corporation, co-partnership or juridical
10 person is authorized to perform under existing laws or which may be enacted
11 hereafter;
- 12 l) Provide economic incentives to encourage the private sector to fully subscribe
13 to its shares of stock;

14 **Section. 13. *Land Reclassification and Conversion.*** – The Council may initiate

15 the reclassification and conversion of agricultural lands for residential, commercial,
16 industrial, and other non-agricultural purposes, in accordance with the
17 comprehensive land use plans of the concerned LGUs and the Master Plan approved
18 by the people in a referendum, and subject to the provisions of laws and regulations
19 on reclassification and conversion of agricultural lands: *Provided*, That the
20 reclassification and conversion shall be initiated only based on a firm commitment to
21 devote and utilize the land for investment and infrastructure development,
22 immediately upon approval of the reclassification and conversion. *Provided, further,*
23 That, the Land Registration Authority (LRA) shall issue the necessary land title/s

- 1 within thirty (30) working days upon submission of the complete requirements and
- 2 compliance, in accordance with existing laws and regulations.

3 **Section. 14. Presidential Land Grant.** – The provisions of any existing law to
4 the contrary notwithstanding, the President may, upon the recommendation of the
5 DENR Secretary, grant by donation, sale, lease or otherwise, to the Greater Benguet
6 Development Authority portions of land of the public domain as may be necessary
7 for the implementation of the Master Plan for the Greater Benguet Metropolitan
8 Area.

Section. 15. *Incentive for Relocation of Educational Institutions in Baguio City*

to other Areas in the Greater Baguio-Benguet Metropolitan Area.- In implementing the third paragraph of Section 8 hereof that mandates the transfer of the educational center from Baguio to other areas in the Greater Baguio-Benguet Metropolitan Area where universities and colleges converge in a location near to research intensive industries, the Authority is empowered to provide a program to give land grants to State Colleges and Universities and other public and private educational institutions; provided that in cases of private educational institutions such grant is subject to the payment of a compensation under such terms as the Authority may hereafter provide. The Authority is likewise empowered to provide credit options to these educational institutions as may be necessary to implement the provisions provided for in the third paragraph of Section 8 of this Act.

Chapter II

Delivery of Basic Services

23 **Section. 16.** *Scope of Services of Greater Benguet Development Authority.*- The
24 Authority, in coordination with the LGUs and the national government shall in

1 accordance with Section 7 of this Act provide within its jurisdiction the following
2 basic services:

- 3 a) **Development Planning and Preparation of Medium- and Long-Term**
4 **Development Plans.** – Evaluation and packaging of development projects;
5 investments programming and coordination; and monitoring of program and
6 project implementation;
- 7 b) **Urban Renewal, Land Use Planning, and Housing and Shelter.** –
8 Formulation, adoption and implementation of policies, standards, programs,
9 and projects to rationalize and enhance urban land use taking into
10 consideration urban growth and expansion. These shall address the
11 rehabilitation and development of identified areas and the development of
12 shelter and housing facilities with provisions for necessary social services;
- 13 c) **Transport and Traffic Management.** – Formulation, coordination, and
14 monitoring of policies, standards, and programs that will rationalize the
15 existing transport operations, infrastructure requirements, use of
16 thoroughfares, and promotion of safe and convenient movement of persons
17 and goods. These shall include the administration and implementation of
18 traffic enforcement operations, confiscation and suspension of driver's license
19 in case of violation of traffic rules and regulations within its jurisdiction by its
20 own authority and without need of deputation from the land transportation
21 office and the local government units within the Greater Baguio-Benguet
22 Metropolitan Area, traffic engineering services, and the institution of a single
23 ticketing system;
- 24 d) **Solid Waste Disposal and Management.** – Formulation and

1 implementation of policies, programs, and projects for the proper and
2 sanitary disposal of solid waste. It shall likewise include the establishment
3 and operation of ecologically sound waste management systems, eco-
4 composting facility (ECR) and related facilities, and the implementation of
5 other alternative programs intended to reduce, reuse, and recycle solid
6 waste;

- 7 e) **Public Works, Flood Control and Sewerage Management.** –
8 Formulation and implementation of policies, standards, programs, and
9 projects for an integrated flood control, drainage, and sewerage system;
- 10 f) **Water Resource System.** – Formulation and implementation of policies,
11 programs, and projects for a comprehensive water resource system which
12 shall include the establishment of water harvesting and distribution facility;
- 13 g) **Power And Electricity System.**- Formulation and implementation of
14 policies, programs, and projects for a comprehensive, cheaper and
15 sustainable source of power using as much as possible renewable energy
16 compatible to the needs of the area;
- 17 h) **Health, Sanitation, and Pollution Control.** – Formulation and
18 implementation of policies, standards, and programs to safeguard public
19 health and maintain sanitation. It shall ensure the promotion of ecological
20 balance and the prevention and control of environmental pollution;
- 21 i) **Public Safety and Order, Disaster and Emergency Management.** –
22 Formulation and implementation of programs, policies, and procedures to
23 maintain public safety, including preparedness for preventive or rescue
24 operations during times of calamities and disasters. It shall include the

implementation of contingency plans, and mobilization of resources for relief operations in coordination with national agencies concerned;

j) **Environmental Protection and Management-** Formulation and implementation of programs, policies, and procedures for the protection, maintenance and development of forests as well as the adoption and implementation of measures and standards for environmental pollution of all areas within its territory; and

k) Investments, Tourism, Culture, Creativity and Heritage- Formulation and implementation of programs, policies, and procedures for the promotion of investments, local tourism and the cultivation of culture, creativity and heritage of the people.

Chapter III

Investments

Section. 17. *Registration and Availment of Incentives.* – Upon the effectiveness of this Act, any person, firm, association, partnership, corporation, or any other form of business organization, regardless of nationality, control and/or ownership of the working capital thereof, that wishes to be a registered entity under the Greater Benguet Development Authority may apply for registration with the Authority under this Act and such rules and regulations as may be determined by the Authority, and in accordance with the Constitution.

21 **Section. 18.** *General Principles on the Grant of Incentives.* - The incentive
22 schemes set forth in this Chapter shall be in effect for a period of fifty (50) years
23 from their effectivity. The incentives scheme shall be applicable only to the new
24 areas identified and qualified, as may be approved by the Greater Baquio- Benquet

1 Development Authority, that are not otherwise within the jurisdiction of an existing
2 investment promotions agency: *Provided, That*, in cases where an entity is qualified
3 to register with the Greater Baguio-Benguet Development Authority and either PEZA,
4 TIEZA, or such other investment promotions agency, the entity may choose which
5 scheme to apply: *Provided further, That*, the period of fifty (50) years may be
6 extended for a non-extendible period of fifty (50) years or less, in cases where there
7 is a need for further investment and infrastructure development in the region, as
8 may be determined by the Greater Baguio-Benguet Development Authority, in
9 coordination with the Department Of Trade and Industry (DTI).

10 **Section. 19.** *Existing Registered Entities.* – Entities registered with PEZA,
11 TIEZA, and other investments promotion entities under existing laws, rules and
12 regulations shall continue to be entitled to the incentives under the similar terms and
13 conditions provided therein.

14 **Section. 20.** *"One-Stop Shop".* – Upon the effectivity of this Act, a "One-Stop
15 Shop" shall be established for entities that wish to be registered and/or are
16 registered with PEZA, TIEZA, BCEZ, JHSEZ and Greater Benguet Development
17 Authority. The "One-Stop Shop" shall facilitate the registration, operation, and
18 maintenance of entities in Greater Benguet Metropolitan Area. The Authority, PEZA,
19 TIEZA, BCEZ, JHSEZ and other appropriate government agencies which are involved
20 in registering, licensing, or issuing Registration Agreements and other permits to
21 investors shall coordinate and, if necessary, assign a representative in every "One-
22 Stop Shop" to attend to investor's requirements and applications. The "One-Stop
23 Shop", in coordination with the agencies, shall maintain database and fully

1 interactive website for online transactions and shall act upon all applications within
2 three (3) business days upon completion and submission of requirements.

3 For this purpose, a "One-Stop Shop" refers to a center established, in
4 accordance with this Act, where a single common site or location is designated for all
5 concerned agencies in the registration, licensure, and issuance of permits to entities
6 that wish to register and operate within Greater Baguio-Benguet Metropolitan Area:
7 *Provided*, That each city or municipality within Greater Baguio-Benguet Metropolitan
8 Area shall establish its own "One-Stop Shop" to facilitate the ease of doing business
9 in the metropolitan area.

10 **Section. 21.** *Coordination.* – The BCEZ, JHSEZ, PEZA, TIEZA, and the Board of
11 Investments (BOI), as well as the special economic zones which may thereafter be
12 established in Greater Baguio-Benguet Metropolitan Area, shall be in close
13 coordination with the Greater Baguio-Benguet Development Authority, for purposes
14 of domestic and foreign promotion, policy direction, and ease of doing business.

15 **Section. 22.** *Revocation of Registration Agreement.* – The Board may
16 automatically revoke the Registration Agreement of any entity which violates any of
17 the rules and regulations of the Authority, including, but not limited to, submitting
18 false or fraudulent documents, declaring any false material information in connection
19 with its application, or any other act as may be determined by the Board, and upon
20 substantial proof. For purposes of this Act, "Registration Agreement" shall refer to
21 the final agreement executed by the Authority and the registered entity setting forth
22 the terms and conditions for the latter's operation of business or engagement in
23 economic activity.

1 **Section. 23.** *Income Tax Holiday.* – An Income Tax Holiday (ITH) may be
2 administered for Registered Entities. An ITH of one hundred percent (100%) of
3 corporate income tax for the first ten (10) years from its operations, may be granted
4 to any registered entity if the entity constructs adequate and affordable housing with
5 recreational facilities and either a school, which provides Basic Education, university,
6 or hospital for employees and/or the immediate community: *Provided*, That "Basic
7 Education" shall mean an education intended to meet basic learning needs which lay
8 the foundation on which subsequent learning can be based. It encompasses early
9 childhood, elementary, and high school education: *Provided, further*, That the
10 adequate and affordable housing facilities must have a minimum floor area of
11 twenty-two square meters (22 sqm.) with sufficient electrical power, clean water and
12 sewerage systems in accordance with Batas Pambansa Blg. 220, otherwise known as
13 "An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate
14 Different Levels of Standards and Technical Requirements for Economic and
15 Socialized Housing Projects in Urban and Rural Areas from Those Provided Under
16 Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen,
17 Ten Hundred Ninety-Six and Eleven Hundred Eighty-Five", Republic Act No. 6541 or
18 otherwise known as the "National Building Code of the Philippines", Housing and
19 Land Use Regulatory Board (HLURB) Guidelines, and other existing laws.

20 Upon expiry of the ITH, a five percent (5%) special tax on gross income earned
21 in lieu of all national and local taxes shall be applied and distributed, as follows:
22 (a) Two percent (2%) to the Greater Baguio-Benguet Development Authority;
23 (b) One and one-half percent (1.5%) shall be directly remitted by the entity to
24 the province where such is located;

1 (c) One percent (1%) shall be directly remitted by the entity to the treasurer's
2 office of the municipality or city where such is located; and

3 (d) One-half percent (0.5%) shall be remitted to the National Government.

4 In addition, registered entities shall avail themselves of the following
5 incentives: tax and duty free importation of raw materials, capital equipment,
6 machineries, and spare parts; exemption from wharfage dues and export tax; impost
7 or fees; VAT zero-rating of local purchases subject to BIR and the Greater Baguio-
8 Benguet Development Authority requirements; exemption from payment of local
9 government imposts, fees, licenses, or taxes; and other incentives as provided under
10 Presidential Decree No. 66 and Book VI of Executive Order No. 226, otherwise
11 known as the "Omnibus Investment Code of 1987".

12 The BIR shall require a registered entity availing of the ITH to secure a
13 Certificate of Eligibility from the Authority and any other requirement, as mandated
14 by the BIR and the Greater Baguio-Benguet Development Authority, before
15 submitting its Income Tax Return (ITR) for validation.

16 Failure to secure the Certification and/or to file the ITH availment for validation
17 within thirty (30) days from the last day of each statutory filing date for the ITR shall
18 cause the forfeiture of the ITH availment for the taxable period.

19 **Section. 24. Tax Credits for Eligible Infrastructure Projects.** – Subject to the
20 requirements under this section and additional guidelines prescribed by the Council,
21 any person, partnership or corporation, whether for profit or non-profit, that incurs
22 expenses associated with the construction of new, renovation or replacement of
23 existing, infrastructure projects, as certified by the Authority to be eligible under this
24 section, is entitled to a credit against the tax imposed on such person or corporation,

1 in an amount equivalent to thirty percent (30%) of the expenses incurred for the
2 project, as approved by the Council. The tax credit is earned one (1) year upon
3 completion of the construction of the infrastructure project. The tax credit may be
4 applied to all national taxes including duties, value-added taxes, excise taxes, and
5 income taxes which may be due.

6 (a) Qualified Taxpayers. – The tax credit shall be given to persons,
7 partnerships and corporations which: (1) are duly registered with the Authority; and
8 (2) incur expenses associated with the construction of infrastructure projects, as
9 certified by the Authority.

10 (b) Eligible Infrastructure Projects. – Apart from the standards to be set by the
11 Authority, infrastructure projects must meet the following qualifications in order to
12 be eligible for tax credit: (1) there must be a public need for the infrastructure
13 project; (2) at least fifty percent (50%) of the infrastructure project must be located
14 and primarily dedicated for use within Greater Baguio-Benguet Metropolitan Area;
15 (3) the infrastructure project has significant financial, technical, economic, social
16 and/or environmental merits and is valuable to the government from the perspective
17 of service delivery, cost-effectiveness, and risk transfer, among others; (4) the
18 infrastructure project will not compete or interfere with other existing or planned
19 government projects, consistent with the achievement of the government's strategic
20 priorities and the Master Plan, and can complement existing government assets or
21 projects; and (5) must comply with the standards according to pertinent law, rules
22 and regulations set by the DPWH and the Authority, and as approved by the DPWH
23 within a reasonable amount of time.

1 (c) Maximum Project Tax Credit. – The tax credit allowed pursuant to this
2 section shall not exceed Three Billion Pesos (PhP3,000,000,000.00) for any approved
3 project. No project to be completed in phases or in multiple projects shall exceed
4 this maximum amount for all phases of the project involved.

5 (d) Carry-over. – The amount of the tax credit may be carried forward and
6 applied to the tax liability for ten (10) taxable years following the date the tax credit
7 is awarded.

8 (e) Guarantee by the Greater Baguio-Benguet Development Authority. – Upon
9 the availability of funds, the Authority may guarantee, on its own account, monetary
10 obligations incurred in relation to the construction of infrastructure projects under
11 this section.

12 **Section. 25. Additional Deduction for Training and Research and Development**
13 *Programs.* – Subject to the requirements thereafter established by the Greater
14 Benguet Development Authority, and in coordination with the BIR, any person,
15 partnership or corporation, whether for profit or non-profit, that incurs expenses
16 associated with training programs and viable research and development programs
17 certified by an appropriate authority that develops capabilities assessed to be
18 industry critical and are approved by the Authority, is entitled to a deduction against
19 the five percent (5%) special tax due from such person or corporation, in an amount
20 equal to fifty percent (50%) of the expenses incurred for said training and research
21 and development program.

22 **Section. 26. Sovereign Guarantee.** – In accordance with pertinent laws, rules
23 and regulations, the Republic of the Philippines, through the Department of Finance
24 (DOF), shall answer for the payment of guarantee obligations by registered entities

1 who place capital investments in the region under the provisions of this act, through
2 domestic banking institutions, by filing an application with the Authority: *Provided*,
3 however, That the entity's assets shall have been first fully exhausted to satisfy its
4 guarantee obligations: *Provided*, Further, That within five (5) years from the
5 effectivity of this Act, the Republic shall guarantee for an accumulated amount of
6 not less than One Hundred Fifty Billion Pesos (PhP150,000,000,000.00) for
7 investments contemplated under this Act.

8 **Section. 27.** *Utilities and Other Services.* – The Authority may undertake and
9 regulate the establishment, operation, and maintenance of utilities, such as electric
10 power supply and such other services within Central Luzon and fix just and
11 reasonable fees, rates and charges, and other forms of pricing in connection thereof,
12 in accordance with existing laws, rules and regulations.

CHAPTER IV

MANAGEMENT STRUCTURE

15 **Section. 28.** *Greater Baguio-Benguet Development Council.* There shall be
16 created a Greater Baguio-Benguet Development Council ("Council"), which shall
17 serve as the governing board and policy-making body of the Authority. The Council
18 shall be composed of voting and non-voting members. The voting ex officio
19 members include:

1 Presence of majority of the voting members is necessary to constitute a
2 quorum. Majority of the voting members actually present where ^{there is}~~is present~~ is
3 necessary to approve matters requiring its approval.

4 The non-voting members of the Council includes the heads of agency, or
5 their duly authorized representatives, of the National Economic and Development
6 Authority (NEDA), Philippine Economic Zone Authority (PEZA), Baguio City Economic
7 Zone (BCEZ), John Hay Special Economic Zone (JHSEZ), Tourism Infrastructure
8 Investments Authority (TIEZA), Department of Transportation (DOTr), Department
9 of Public Works and Highways (DPWH), Department of Tourism (DOT), Department
10 of Information and Communications Technology (DICT), Department of Budget and
11 Management (DBM), Housing and Urban Development Coordinating Council
12 (HUDCC), National Commission on Indigenous Peoples (NCIP), Department of Trade
13 and Industry (DTI), Department of Agriculture (DA), Department of Environment
14 and Natural Resources (DENR), Department of Science and Technology (DOST),
15 Commission on Higher Education (CHED), and the Philippine National Police (PNP).

16 The members of the Council are entitled to allowances and per diems in
17 accordance with existing policies, rules, and regulations on the matter.

18 **Section. 29. Functions of Greater Baguio-Benguet Development Authority**
19 *Council.* The Council shall perform the following functions:
20 Exercise the policy-making power of Greater Baguio-Benguet Development
21 Authority;

22 (b)Approve plans, programs, and projects and issue rules and regulations
23 deemed necessary by Greater Baguio-Benguet Development Authority to carry out
24 the purposes of this Act;

1 (c) Fix the compensation of the officers and personnel of Greater Baguio-
2 Benguet Development Authority in accordance with the Salary Standardization Law
3 and approve the annual budget thereof for submission to the Department of Budget
4 and Management (DBM);

5 (d) Recommend investment programming for its plans and programs, as well as
6 supervise the implementation of plans and programs which includes the formulation
7 and coordination of its related activities;

8 (e) Set policies and standards, and promulgate rules and regulations governing
9 the delivery of basic services;

10 (f) Endorse the annual as well as the supplemental budgets of Greater Baguio-
11 Benguet Development Authority; and

12 (g) Perform such other acts and assume such other functions as may be
13 necessary to carry out the provisions of this Act.

14 **Section. 30. Committee of Supervisors.**- There shall be created a group of
15 experts and professionals called the Committee of Supervisors composed of eight (8)
16 members, one of whom shall be the Chairman to be appointed by the President from
17 the list of qualified professionals endorsed by the council of elders. Each one of the
18 Supervisors shall be in charge of each of the following areas as follows:

19 1.) Urban renewal, land use planning, housing and shelter

20 2.) Transport and traffic management

21 3.) Public works, water resource, flood control, sewerage, solid waste disposal
22 and management

23 4.) Health, sanitation, and pollution control

24 5.) Public safety, order disaster and emergency management

1 Presence of majority of the voting members is necessary to constitute a
2 quorum. Majority of the voting members actually present where there is quorum is
3 necessary to approve matters requiring its approval.

4 The non-voting members of the Council includes the heads of agency, or
5 their duly authorized representatives, of the National Economic and Development
6 Authority (NEDA), Philippine Economic Zone Authority (PEZA), Baguio City Economic
7 Zone (BCEZ), John Hay Special Economic Zone (JHSEZ), Tourism Infrastructure
8 Investments Authority (TIEZA), Department of Transportation (DOTr), Department
9 of Public Works and Highways (DPWH), Department of Tourism (DOT), Department
10 of Information and Communications Technology (DICT), Department of Budget and
11 Management (DBM), Housing and Urban Development Coordinating Council
12 (HUDCC), National Commission on Indigenous Peoples (NCIP), Department of Trade
13 and Industry (DTI), Department of Agriculture (DA), Department of Environment
14 and Natural Resources (DENR), Department of Science and Technology (DOST),
15 Commission on Higher Education (CHED), and the Philippine National Police (PNP).

16 The members of the Council are entitled to allowances and per diems in
17 accordance with existing policies, rules, and regulations on the matter.

18 **Section. 29. Functions of Greater Baguio-Benguet Development Authority**
19 *Council.* The Council shall perform the following functions:

20 Exercise the policy-making power of Greater Baguio-Benguet Development
21 Authority;

22 (b)Approve plans, programs, and projects and issue rules and regulations
23 deemed necessary by Greater Baguio-Benguet Development Authority to carry out
24 the purposes of this Act;

1 (2) Act with due care, extraordinary diligence and skill in the conduct of
2 business and exercise utmost good faith in all transactions relating to his/her duties
3 to the Greater Baguio-Benguet Development Authority and its properties, and in
4 his/her dealings with and for the Greater Baguio-Benguet Development Authority
5 he/she is held to the same strict rule of honesty and fair dealing between
6 himself/herself and his/her principal as other agent;

7 (3) Act for the benefit of the Greater Baguio-Benguet Development Authority
8 and not for his/her own benefit;

9 (4) Not to profit as individual by virtue of his/her position and ensure that
10 profits received by him/her from the Greater Baguio-Benguet Development
11 Authority's properties or businesses revert to the Greater Baguio-Benguet
12 Development Authority and to hold the same as trustee for the benefit of the
13 Greater Baguio-Benguet Development Authority;

14 (5) Avoid conflicts of interest and not to acquire an interest adverse to or in
15 conflict with that of the Greater Baguio-Benguet Development Authority, while acting
16 for the Greater Baguio-Benguet Development Authority or when dealing individually
17 with third persons and declare any interest he/she may have in any particular matter
18 before the Committee, and

19 (6) Apply sound business principles to ensure the financial soundness of the
20 Greater Baguio-Benguet Development Authority;

21 The compensation, *per diems*, allowances and incentives of the appointive
22 members of the Committee shall be in accordance with and subject to GCG law.

1 Any of the members of the Committee of Supervisors may be removed for a
2 valid cause or any of the following reasons in accordance with the requirement of
3 due process:

4 (1) If he or she becomes physically or mentally incapacitated from discharging
5 the duties and responsibilities of the office, and such incapacity has lasted for more
6 than six (6) months;

7 (2) If he or she is guilty of acts or omissions which are of fraudulent or illegal
8 character or which are manifestly opposed to the aims and interests of the Greater
9 Baguio-Benguet Development Authority;

10 (3) If he or she no longer possess the qualifications specified in this act;

11 (4) If he or she does not meet the standards of performance based on the
12 evaluation by the Governance Commission for GOCCS under the GCG law.

13 **Section. 32. Appointment and Functions of the Chairman of the Greater**
14 *Baguio-Benguet Development Authority.*

15 The general conduct of the operations and management functions of the Greater
16 Baguio-Benguet Development Authority shall be vested in the Chairman who shall
17 also serve as the Chief Executive Officer immediately responsible for carrying out the
18 programs of the Greater Baguio-Benguet Development Authority and the policies of
19 the Council. The Chairman shall be appointed by the President of the Philippines
20 from the eight Supervisors composing the Committee of Supervisors.

21 The Chairman shall have the following powers:

22 (a) Appoint, subject to civil service laws, rules and regulations, all subordinate
23 officers and employees, who shall enjoy security of tenure and may be removed only
24 for cause in accordance with law. The Chairman is hereby authorized to engage the

1 services of experts or consultants either on full-time or part-time basis, as may be
2 required in the performance of the Chairman's duties and functions;

3 (b) Execute the policies and measures approved by the Council and be
4 responsible for the efficient and effective day-to-day management of the operations
5 of Greater Baguio-Benguet Development Authority and exercise the power to
6 discipline subordinate officials and employees under the provisions of law;

7 (c) Subject to the guidelines and policies set by the council, prepare and submit
8 to the council, for its approval, the organizational structure and the staffing pattern,
9 and fix the number of subordinate officials and employees of Greater Baguio-
10 Benguet Development Authority;

11 (d) Prepare the annual budget for the operations of Greater Baguio-Benguet
12 Development Authority for submission to the council;

13 (e) Prepare an annual report on the accomplishments of Greater Baguio-
14 Benguet Development Authority for submission to the council and to the President of
15 the Philippines; and

16 (f) Perform such other duties as may be assigned to him by the Greater
17 Benguet Development Authority or by the Council.

18 **Section. 33. *Council of Elders.*** All applicants to a position in the Committee of
19 Supervisors shall be vetted by the Council of Elders composed of nine (9) members
20 representing the academe, business sector, indigenous peoples, professional
21 associations and other related sectors from the Greater Baguio-Benguet Metropolitan
22 Area. The Council of Elders shall provide the GCG a list of five recommendations for
23 each vacant position. The GCG after reviewing the nominations submitted by the
24 Council of Elders and using the fit and proper rule and standards on integrity,

1 experience, education, training and competence shall submit to the President of the
2 Philippines a short-list of three candidates for appointment of the President to the
3 vacant position in the Committee of Supervisors.

4 The first Council of Elders shall be appointed by the President of the Philippines
5 from the sectors within Greater Baguio-Benguet Metropolitan Area. Subsequent
6 members of the Council shall be elected by the people in an election duly called for
7 that purpose.

8 In addition to vetting of applicants for the Committee of Supervisors, the
9 Council of Elders shall sit in all discussions pertaining to amendments in the Master
10 Plan.

11 The Members of the Council of Elders are entitled to allowances and per
12 diems in accordance with existing policies, rules, and regulations on the matter.

13 **Section. 34. Personnel.** – The Board shall provide for an organizational chart
14 of officers and employees, as may be deemed necessary, in coordination with the
15 DTI, and fix a compensation plan consisting of the salaries and benefits thereof:
16 *Provided*, That the compensation plan shall be comparable with the prevailing
17 compensation plans in BHEZ, JHSEZ, CDC, SBMA, APECO, AFAB, TIEZA, and PEZA:
18 *Provided, further*, That the compensation plan shall be subject to review by the
19 Board in no more than once every two (2) years.

20 **Section. 35. Legal Counsel.** – Without prejudice to the hiring of an outside
21 counsel, the Office of the Government Corporate Counsel (OGCC) shall be the *ex*
22 *officio* legal counsel of the Greater Baguio-Benguet Development Authority. In the
23 event that highly specialized legal services cannot be provided for by OGCC, as may
24 be required, the services of an outside counsel, whose compensation shall be

1 approved by the Board, may be engaged and no further consent or approval of
2 OGCC shall be required.

3 **Section. 36. *Creation of Greater Baguio-Benguet Development Authority***
4 *Police Force.*- The National Police Commission shall constitute and assign a special
5 police force, to be known as the Greater Baguio-Benguet Metropolitan Area Police
6 Force, exclusively for the Greater Baguio-Benguet Metropolitan Area that shall
7 ensure peace and order within the jurisdiction of the Greater Baguio-Benguet
8 Development Authority.

9 The extent of operational supervision and control by the Chairman of the
10 Greater Benguet Development Authority shall be the same as that of local chief
11 executives over police forces of local government units (LGUs) as defined in the
12 Department of Interior And Local Government (DILG) Act of 1990 (RA 6975), in
13 relation to sec. 73 of the Local Government Code of 1991 (RA 7160).

14 **Section. 37. *Injunctions or Restraining Orders.*** – The implementation of the
15 provisions of this Act is of national interest. Thus, no project, bidding, and
16 undertaking in implementation of the provisions of this Act shall be restrained or
17 enjoined by an injunction or restraining order except by the Supreme Court of the
18 Philippines.

19 **Section. 38. *Congressional Oversight.*** A joint oversight committee on
20 Greater Benguet Development Authority, hereinafter referred to as the "Oversight
21 Committee", is hereby constituted in accordance with the provisions of this Act. The
22 Committee shall be composed of the Chairpersons of Senate Committee on
23 Government Corporations and Public enterprises and House Committee on
24 Government Enterprises and Privatization and three (3) additional members of each

1 house to be designated by the Senate President and the Speaker of the House of
2 Representatives. The Oversight Committee shall be in existence for a period of ten
3 (10) years from the effectivity of this act.

4 The Greater Benguet Development Authority Council shall report to the
5 oversight committee on a monthly basis the status of implementation of this act and
6 all relevant data with respect to the implementation of all its programs.

7 **CHAPTER V**

8 **CAPITALIZATION**

9 **Section. 39.** *Capitalization.*- The Authority shall have an authorized capital
10 of Two Billion Pesos divided into twenty thousand (20,000) no par shares which shall
11 be fully subscribed and paid out by the Republic of the Philippines.

12 (a) All lands embraced and covered by the Greater Baguio-Benguet
13 Development Authority, as well as permanent improvements and fixtures upon
14 proper inventory not otherwise alienated, conveyed, or transferred to another
15 government agency;

16 (b) All other assets which the President may transfer to the Greater Baguio-
17 Benguet Development Authority as part of the equity contribution of the
18 government;

19 (c) Cash contribution by the government in the amount of Nine Hundred Million
20 Pesos (PhP900,000,000.00), for the next three (3) years, at Three Hundred Million
21 Pesos (PhP300,000,000.00) per year, which is hereby appropriated out of any fund
22 in the National Treasury not otherwise appropriated;

1 (d) Sixty Million Pesos (PhP60,000,000.00), which is hereby allocated out of any
2 fund in the National Treasury not otherwise appropriated, for the expenses to be
3 incurred in drawing up the Master Plan for the Area; and

4 (e) Fifty Million Pesos (PhP50,000,000.00), which is also hereby allocated out of
5 any fund in the National Treasury not otherwise appropriated, for the expenses to be
6 incurred in the conduct of the plebiscite for the creation of the Greater Baguio-
7 Benguet Metropolitan Area.

8 The properties conveyed to the Greater Baguio-Benguet Development Authority
9 pursuant to items (b) and (c) shall be exempt from transfer taxes, registration fees,
10 documentary stamp taxes, real property taxes, and all other related taxes. *Provided,*
11 *That,* the Greater Baguio-Benguet Development Authority shall be exempt from
12 payment of all national and local taxes.

13 **Section. 40.** *Power to Issue Bonds.*- Whenever the Council may deem it
14 necessary to incur an indebtedness or to issue bonds to carry out the provisions of
15 this Act, it shall, by resolution, so declare and state the purpose for which the
16 proposed debt is to be incurred. In order that such resolution be valid, it shall be
17 passed by the affirmative vote of the majority of the members of such council and
18 while with quorum and approved by the President of the Philippines upon the
19 recommendation of the Secretary of Finance, after consultation with the NEDA and
20 the Monetary Board of the BSP.

21 **Section. 41.** *Bond Limits.* — The bonds issued under this provision shall in
22 no case exceed the amount provided for by the Monetary Board and the Department
23 of Finance.

24 **Section. 42.** *Forms, Rates of Interest, etc. of Bonds.* — The Secretary of

1 Finance, in consultation with the Monetary Board, shall prescribe the form, the rates
2 of interest, the denominations, maturities, negotiability, convertibility, call and
3 redemption features, and all other terms and conditions of issuance, placement,
4 sale, servicing, redemption, and payment of all bonds issued under the authority of
5 this act.

6 The bonds issued by virtue of this Act may be made payable both as to
7 principal and interest in Philippine currency or any readily convertible foreign
8 currency. Said bonds shall be receivable as security in any transaction with the
9 government in which such security is required.

10 **Section. 43. Exemption From Tax.** — The authority shall be exempt from
11 all taxes incidental to its operation: provided, that its subsidiary corporations shall be
12 subject to all said taxes five years after their establishment under a graduated scale
13 as follows: twenty per centum of all said taxes during the sixth year, forty per
14 centum of all said taxes during the seventh year, sixty per centum of all said taxes
15 during the eighth year, eighty per centum of all said taxes during the ninth year, and
16 one hundred per centum of all said taxes during the tenth year, after their
17 establishment. Such exemptions shall include any tax or fee imposed by the
18 government on the sale, purchase or transfer of foreign exchange. All notes, bonds
19 and debentures and other obligations issued by the Authority shall be exempt from
20 all taxes as to principal and interest, except inheritance and gift taxes.

21 **Section. 44. Sinking Fund.** — A sinking fund shall be established in such
22 manner that the total annual contributions thereto, accrued at such rate of interest
23 as may be determined by the Secretary of Finance in consultation with the Monetary
24 Board, shall be sufficient to redeem at maturity the bonds issued under this act. Said

1 fund shall be under the custody of the BSP which shall invest the same in such
2 manner as the monetary board may approve; charge all expenses of such
3 investments to said sinking fund, and credit the same with the interest on
4 investments and other income belonging to it.

5 **Section. 45.** *Guarantee by the Government.* — The Republic of the
6 Philippines hereby guarantees the payment by the Authority of both the principal
7 and the interest of the bonds, debentures, collaterals, notes or such other
8 obligations issued by the authority by virtue of this act, and shall pay such principal
9 and interest in case the authority fails to do so. In the event that the Authority shall
10 be unable to pay the said principal and interest, the Secretary of Finance shall pay
11 the amount thereof which is hereby appropriated out of any funds in the national
12 treasury not otherwise appropriated, and thereupon, to the extent of the amounts so
13 paid, the government of the Republic of the Philippines shall succeed to all the rights
14 of the holders of such bonds, debentures, collaterals, notes or other obligations,
15 unless the sums so paid by the Republic of the Philippines shall be refunded by the
16 Authority within a reasonable time.

17 **Section. 46.** *Penal Clause.*— In addition to charges that may be filed for
18 violation Republic Act No. 3019 also known as the Anti-Graft and Corrupt Practices
19 Act, any public officer or employee who by virtue of an ordinance, permit, resolution
20 or some other written or verbal order allows the construction, development or
21 implementation of projects that will obstruct, derail, modify or prevent the
22 implementation of the Master Plan for the Greater Benguet Metropolitan Area shall
23 be fined with One Million Pesos and imprisoned for a period of six (6) months.

24 A second violation of this nature shall warrant a fine of Two Million Pesos,

1 imprisonment of six (6) years and disqualification from public office.

2 **SECTION 47.** *Implementing Rules and Regulations.* – The Secretaries of the
3 DILG, DOF and the DTI, in coordination with the Secretaries of DPWH, DENR,
4 National Economic and Development Authority (NEDA) Director-General,
5 Commissioners of the BIR and Bureau of Customs (BOC), and heads of PEZA, and
6 TIEZA, shall, within one hundred twenty (120) days from the effectivity of this Act,
7 promulgate rules and regulations to faithfully implement the intent and provisions of
8 this Act: *Provided*, That the failure of the Secretaries of the DILG, DOF and DTI to
9 promulgate the rules and regulations shall not prevent the implementation of this
10 Act upon its effectivity.

11 **SECTION 48.** *Separability Clause.*- If any provision of this Act is declared
12 invalid or unconstitutional, other provisions hereof which are not affected thereby
13 shall remain in full force and effect.

14 **SECTION. 49.** *Repealing Clause.*- All laws, orders, decrees, rules and
15 regulations, and other parts thereof inconsistent with the provisions of this Act are
16 hereby repealed, amended or modified accordingly.

Approved,