



EXCERPT FROM THE MINUTES OF THE 32ND REGULAR SESSION OF THE 14TH SANGGUNIANG BAYAN OF MANOLO FORTICH, BUKIDNON WHICH WAS HELD AT THE SANGGUNIANG BAYAN SESSION HALL ON SEPTEMBER 6, 2006.

PRESENT:

HON. HILARIO B. PAUSANOS

Presiding Officer

HON. EVELIO E. CORDOVEZ

Municipal Vice Mayor

HON. CLIVE D. QUINO

Majority Floor Leader

HON. ALEX D. PAYANGGA

Sangguniang Bayan Member

HON. MIGUEL D. DEMATA

Sangguniang Bayan Member

HON. VICTORIO G. DAGUNLAY

Sangguniang Bayan Member

HON. WARLEO A. GOAYAN

Sangguniang Bayan Member

HON. DIOSDADO N. DITONA

Sangguniang Bayan Member

HON. JERSON S. LEYSON

Sangguniang Bayan Member

HON. LEONILO G. TILAP

Sangguniang Bayan Member

Liga ng mga Brgy. Rep.



ABSENT:

HON. KARLO ENRICO A. ALOMBRO

Sangguniang Bayan Member
SK Federation Rep.

ORDINANCE NO. 2006-470
(32nd Regular Session)

AN ORDINANCE ESTABLISHING THE INVESTMENT INCENTIVE CODE OF THE MUNICIPALITY OF MANOLO FORTICH, BUKIDNON.

WHEREAS, the Philippine Constitution enshrines in Article II, Section 20 of Declaration of Principles and State Policies to wit; "The State recognizes the indispensable role of the private sector, encourages private enterprises, and provides incentives to needed investments;"

WHEREAS, Section 192 of RA 7160, the Local Government Code of the Philippines, clearly empowers the Local Government Unit to grant tax exemptions, incentives or reliefs;

WHEREAS, granting incentives will significantly enhance the economic prospects of Manolo Fortich in gaining sustainable growth and in becoming a preferred investment area in the province and even in the region;

WHEREAS, the granting of incentives to investors, local and otherwise, will open the gateway to more progress, bringing along poverty attenuation, enhanced revenue generation, and better employment opportunities for our constituents;

NOW THEREFORE

BE IT ORDAINED by the Sangguniang Bayan of Manolo Fortich, Bukidnon in session that;

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SECTION 1. SHORT TITLE. This Code shall be known as the "Investment Incentive Code of the Municipality of Manolo Fortich, Bukidnon."

SECTION 2. DECLARATION OF POLICY. It is hereby declared a policy of the Municipal Government of Manolo Fortich to enhance economic activity, increase employment opportunities, gain sustainable development and attenuate poverty by extensively drawing investors, local and foreign, into the municipality by providing them incentives.

The Municipality of Manolo Fortich welcomes and encourages domestic and foreign investors to establish enterprises that would utilize substantial amount of labor, raw materials and natural resources of the Municipality.

SECTION 3. PURPOSE, INTENT AND OBJECTIVE.

It is the purpose, intent and objective of this Code:

1. To lay down the legal framework and mechanism of integrating the investment incentives law of the national government through local development initiative.
2. To spread the development to the undeveloped and underdeveloped areas of the municipality.
3. To promote the flow of investors, local and foreign, into the Municipality of Manolo Fortich thereby generating employment opportunities and provide linkages among industries in the municipalities, cities and provinces.
4. To transform selected areas within the municipality into highly developed, agro-industrial, commercial, tourist, investment and financial center.
5. To promote the use of indigenous raw materials, local labor and services.

CHAPTER II
DEFINITION OF TERMS

SECTION 4. DEFINITION OF TERMS. For purpose of this code, the following shall apply to the following terms;

BOI	-	refers to the Board of Investment under Executive Order No. 226 or the Omnibus Investment Code.
Capitalization	-	refers to the total project cost
Code	-	refers to the Investment Incentive Code of the Municipality of Manolo Fortich, Bukidnon.
Council	-	refers to the Local Investment Council

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Existing Firms	-	refers to that firm whose place of operations is in the Municipality of Manolo Fortich, Bukidnon.
Firms Under Diversification	-	refers to existing firms that are investing in other products or services.
Firms Under Expansion	-	refers to existing firms that are expanding their operation in the Municipality of Manolo Fortich. For purposes of this Code, expansion shall refer to additional capitalization either through additional equipment/machinery, building/civil works, or real property intended for augmentation of operations which must be of the same or analogous nature to the firm's existing business and will result in an increase in production capacity.
Foreign Investments	-	means equity investments, which can be made in the form of foreign exchange or other assets actually transferred to the Philippines. These non-cash assets may be in the form of capital goods, patents, formulae, or other technological rights or processes. It shall mean equity investments owned by a non-Philippine national subject to existing national and local laws, rules, and regulations set forth for such investment.
Investment	-	refers to any use of resources intended to increase future production output or income.
Partner/Investor	-	shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized and existing under Philippine Laws and registered in accordance with the provision of this Code.
Preferred Areas of Investment	-	refers to investments identified by the council in consultation with other sectors to be given preference eligible for incentives.
Project Study	-	refers to the financial and technical profile of the project.
Shop	-	refers to One-Stop Shop

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CHAPTER III
THE LOCAL INVESTMENT COUNCIL

SECTION 5. THE LOCAL INVESTMENT COUNCIL. There shall be created a Local Investment Council (LIC) for the purpose of overseeing the implementation of this Investment Incentive Code.

SECTION 6. COMPOSITION OF THE LOCAL INVESTMENT COUNCIL. The Council shall be composed of the following:

- a. Municipal Mayor - Chairman & Presiding Officer
- b. Municipal Vice Mayor - Vice-Chairman
- c. Chairman, SB Committee on Trade and Commerce
- d. Chairman, SB Committee on Public Employment
- e. Municipal DTI representative
- f. Municipal Assessor
- g. Municipal Planning & Development Coordinator
- h. Municipal Treasurer
- i. Municipal Engineer
- j. Three (3) representatives from the private sector representing either Trade and Commerce, Tourism, Banking industry, and Agriculture upon recommendation of the concerned private sector to be appointed by the Mayor with a term of three (3) years.
- k. PESO Officer

SECTION 7. MEETINGS AND QUORUM OF THE COUNCIL. The council shall meet at least once a quarter. However, to address urgent matters, the council may convene for a special session but not more than twice a quarter. In the absence of the Chairman, the Vice-Chairman or the Vice-Mayor shall act as Temporary presiding officer. In case the Chairman and the Vice-Chairman are absent, the Chairman of the Committee on Trade and Industry of the Sangguniang Bayan or in his absence the Chairman of the Committee on Public Employment shall act as the Presiding Officer.

The presence of at least a majority of its members shall constitute a quorum and a majority of the quorum of a meeting, validly held, shall be required for the Council to exercise its powers.


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SECTION 8. POWERS AND DUTIES OF THE LOCAL INVESTMENT COUNCIL. The Council shall be responsible for the regulation and promotion of investments in the municipality. The majority of the members present in session shall constitute a quorum for it to exercise its powers and perform its duties, which shall be as follows;

1. Prepare the list of preferred areas of investment in consultation with the public and private sectors;
2. Promulgate supplementary rules and regulations to implement the provisions of this Code subject to the approval of Sangguniang Bayan;
- * 3. Grant availments of incentives to qualified investors subject to concurrence by the Sangguniang Bayan;
4. Process and approve application for incentive availment with the council;
5. Decide controversies concerning the implementation of this Code;
6. Check and verify the compliance by the registered enterprises;
7. Cancel or suspend the enjoyment of incentive benefits enjoyed by an investor for violating the provisions of this Code after due hearing conducted; and,
8. Exercise all powers necessary or incidental to attain the purpose of this Code;

Private sector representatives of the Council shall receive an honorarium of P1,000 per session.

SECTION 9. POWERS OF THE CHAIRMAN

1. To preside over the meetings of the council and to vote, but only to break a tie.
2. To act for and in behalf of the municipality on matters pertaining to local investments with due notice to the Council and subject to the concurrence of the Sangguniang Bayan.
3. Generally, to exercise such other powers and duties as maybe directed by the Local Investment Council from time to time.

CHAPTER IV
AREAS OF INVESTMENT ELIGIBLE FOR INVESTORS

SECTION 10. PREFERRED AREAS OF INVESTMENT. Incentives will be provided to new projects in the following areas:

1. Agriculture
 - a. Feed Mills
 - b. Cassava mills



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- c. Fisheries and hatchery
- d. Fruit and vegetable plantation with an area of not less than 20 hectares for either produce.
- e. Hog, poultry and cattle farms
- f. Rice mill
- g. Food-Processing Plants
- h. Corn mill
- i. Post-harvest facilities
- j. Cutflower farms with a minimum area of 4 hectares
- k. And such other projects pertaining to production, manufacturing and processing of agricultural produce.

2. Healthcare and Wellness Products and Services

- a. Hospital services
- b. Medical and dental services
- c. Retirement villages
- d. Medical zones
- e. Manufacture of drugs and medicines

3. Tourism

- a. Tourism Economic Zones
- b. Tourist estates
- c. Eco-Agri tourism facilities
- d. Historico-Cultural heritage projects and services
- e. Hotels, motels and lodging houses
- f. Casinos
- g. Restaurants and fast-food service
- h. Theme and nature parks
- i. Golf course

3. Property Development

- a. Commercial complex
- b. Low-cost housing
- c. Exclusive subdivisions
- d. Private industrial estates
- e. Agricultural processing sites
- f. Private Educational institutions
- g. Memorial Parks

4. Manufacture of components for Information Technology

- a. Computers
- b. Computer spare parts
- c. Communication equipment and parts
- d. Softwares


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5. Transportation and Heavy Equipment Operations

- a. Common carriers
- b. Haulers
- c. Heavy Equipment Operators

6. Garments Manufacturing

7. Stone craft, mining and quarrying.

Provided that:

a. The new investment has a capitalization of at least Two and a Half (2.5) Million Pesos but not more than Ten (10) Million Pesos for Small Scale Partner, in excess of Ten (10) Million Pesos but not more than Twenty-Five (25) Million Pesos for Medium Scale Partner, and in excess of Twenty-Five (25) Million Pesos for Large Scale Partner. Provided; further, that the amount of capitalization is based on the Total Project Cost in the investor's project study submitted to and approved by the Investment Council.

b. The new investment will employ not less than 10 persons in case of Small Scale Partners; at least 20 persons in case of Medium Scale Partners; and at least 35 persons in case of Large Scale Partners. Provided; further, that seventy (70) percent of the total requirements for labor shall be satisfied by the employment of bona fide residents of the Municipality of Manolo Fortich, Bukidnon.

SECTION 11. ADDITION OF PREFERRED AREA OF INVESTMENT. The Council may, after a study conducted, add an area of investment in the Preferred Area of Investment subject to the approval of the Sangguniang Bayan and based on the following criteria:

1. It generates employment;
2. It features a high degree of value-added;
3. It creates linkages with local industries;
4. It is environment-friendly; and
5. It promotes as much as it could the uniqueness of the locality.

SECTION 12. REMOVAL OF PREFERRED AREA OF INVESTMENT. The Council may remove a preferred area of investment subject to approval of the Sangguniang Bayan after a study made by the council, if:

1. Sufficient investment in the area of activity has been attained;
2. The continued extension of incentives for a specific area of activity is no longer in the interest of the Municipality of Manolo Fortich;
3. The investment area or activity has not attracted investors within a reasonable length of time or if allowed to continue may result to unfavorable business climate; and,

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4. The area or activity is no longer environment-friendly.

However, incentives already granted prior to removal of preferred area of investment shall not be suspended or revoked without cause.

SECTION 13. INVESTMENTS UNDER SITE DEVELOPMENT PRIORITY PLAN. Investors who are investing under Site Development Priority Plan pursuant to the Zoning Ordinance of the municipality are eligible for incentives under this Code. However, such investments must be included in the Preferred Investment Area as enumerated in this Code otherwise the provisions of Section 15 and 18 shall apply.

SECTION 14. INVESTMENTS UNDER EXPANSION AND DIVERSIFICATION. Investors who are expanding their existing business and/or diversifying to the preferred area of investment identified by the council as stipulated in Section 10 of this Code are eligible for incentives. However, such expansion and diversification must comply with the minimum requirements set for capitalization and employment generation provided in Section 10.

Incentives for expanded investments shall be based on the investment capital and employment generated by the expansion and not from the aggregate cost and labor requirement of the whole project. Similarly, for investments undergoing diversification, incentives shall be based on the total investment capital and employment generation of the new investment excluding the partner's already existing enterprise.

SECTION 15. INVESTMENTS EXCLUDED FROM THE PREFERRED AREAS OF INVESTMENT. Investors who are not covered by Sections 10, 13 and 14 of this Code can still avail of incentives provided that the investment shall have a capitalization of at least Four (4) million and employ at least ten (10) persons. Provided, further, that the criteria set in Section 11 of this Code are clearly observed.

CHAPTER V INCENTIVES

SECTION 16. INCENTIVES GIVEN TO INVESTORS UNDER THE PREFERRED AREAS OF INVESTMENT AND THE SITE DEVELOPMENT PLAN OF THE MUNICIPALITY. From the start of commercial operations, investors under the preferred areas of investment shall be exempted from payment of the Forty Percent (40%) Basic Real Property Tax due to the municipality.

Categories	Capitalization	Employment Generated	Number of Years Exemption
Small-Scale Partners	P 2,500,000 to P 10,000,000	At least 10 workers	3
Medium-Scale Partners	P 10,000,001 to P25,000,000	At least 20 workers	4
Large-Scale Partners	P 25,000,001 and above	At least 35 workers	5

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Regardless of the employment generated, but in no case less than ten (10), the basis of the incentive shall be the capitalization of the investment.

SECTION 17. INCENTIVES TO INVESTORS UNDER EXPANSION AND DIVERSIFICATION. Investments undergoing expansion and diversification shall qualify for incentives provided that such expansion and diversification is within the area of investment and complies with the minimum capitalization and employment generation requirements under Section 10 otherwise Section 18 shall apply.

SECTION 18. INCENTIVES GIVEN TO INVESTORS EXCLUDED IN THE PREFERRED AREAS OF INVESTMENT. Investments, regardless of scale, not coming under the preferred areas of investments shall be entitled to incentives for Small-Scale Partner, provided that the minimum requirements of capitalization and employment are complied.

SECTION 19. INCENTIVES TO PARTNERS WHO SHALL RELOCATE THEIR PRINCIPAL OFFICE TO MANOLO FORTICH. A Partner/Investor who shall relocate his principal office from other places in the Philippines to the Municipality of Manolo Fortich shall, in addition to the exemption granted in Section 16, be entitled to an exemption from payment of Mayor's Permit fee, Building Permit fee, and an extension of three (3) years exemption from the Forty (40%) percent Basic Real Property Tax due to the municipality.

Should relocation only occur after commercial operations have begun, the partner can still avail of the incentives in this Section provided that he can only take advantage of the remaining years for which he is eligible.

CHAPTER VI REQUIREMENT FOR AVAILMENT OF INCENTIVES

SECTION 20. REQUIREMENTS FOR FIRMS UNDER THE PREFERRED AREAS OF INVESTMENT AND THE SITE DEVELOPMENT PLAN. The following are the requisites for availment of incentives under the provisions of the Preferred Areas of Investments:

- a. The partner shall submit a copy of the project study;
- b. The partner shall have no delinquent obligation with the municipal government.
- c. The partner shall submit a certified true copy of the business name registered with the Department of Trade and Industry in case of single proprietorship; a Certificate of Registration from the Securities and Exchange Commission, in case of corporation and Certificate of Registration from the Cooperative Development Authority in case of cooperative.
- d. Payment of non-refundable Application Fee to the Municipal Treasurer's Office on the following category;

a. Small-scale	-	P 5,000.00
b. Medium-Scale	-	7,500.00
c. Large-Scale	-	10,000.00

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SECTION 21. REQUIREMENTS FOR FIRMS EXCLUDED FROM THE PREFERRED AREAS OF INVESTMENT. For investments outside the preferred area of investment, the following are the requisites for availment:

- a. The partner shall submit a copy of the project study.
- b. The partner must have no delinquent obligation with the municipality.
- c. The partner must comply with the provisions of Section 15 of this Code.
- d. Shall submit certified copy of the business name registered with the Department of Trade and Industry in case of single proprietorship; a Certificate of Registration from the Securities and Exchange Commission, in case of corporation and Certificate of Registration from the Cooperative Development Authority in case of cooperative.
- e. Payment of non-refundable Application Fee to the Municipal Treasurer's Office

**CHAPTER VII
ONE STOP SHOP**

SECTION 22. ONE STOP SHOP. The LIC shall make use of the One-Stop Shop for the purpose of facilitation Registration and Issuance of Business Permit to the enterprise covered under this Code.

**CHAPTER VIII
PESO OFFICE**

SECTION 23. PESO OFFICE. The Public Employment Service Office (PESO) of the Municipality of Manolo Fortich shall, upon request by the partner, actively facilitate the provision of manpower requirements.

**CHAPTER IX
APPROPRIATIONS**

SECTION 24. APPROPRIATIONS. The Municipality shall appropriate One Hundred Thousand Pesos (P100,000) for the implementation of the provisions of this Investment Incentive Code. Such appropriation may increase in the following years but in no case be decreased to less than One Hundred Thousand Pesos (P100,000).

**CHAPTER X
TRANSITORY PROVISION**

SECTION 25. TRANSITORY PROVISION. Firms established prior to the passing of this Code may avail of the incentives subject to the following condition:

- (1) That the nature of their investment is one of those identified by Section 10, 13, 14, or 15 of this Code;

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- (2) That from the passing of this Code, the firm shall only be entitled to exemption for the remaining years of which they are eligible based on their category;
- (3) That the requirements of Section 20 and 21 are complied, whichever is applicable; and,
- (4) That firms already enjoying incentives under existing National Laws are disqualified from availing the incentives set by this Code.

CHAPTER XI
FINAL PROVISION

SECTION 26. PENAL CLAUSE. Any violation of the provisions of this Investment Incentive Code, after due hearing conducted, shall be ground for the suspension or forfeiture of all incentives granted.

SECTION 27. SEPARABILITY CLAUSE. The provisions of this Code are hereby declared separable. The invalidity of one or more provisions shall not affect the validity of the other provisions thereof.


SECTION 28. REPEALING CLAUSE. All Ordinances, Executive Orders and rules and regulations inconsistent with the provisions of this Code are hereby repealed.

SECTION 29. EFFECTIVITY. This Code shall take effect fifteen days after posting in conspicuous places in the Municipality of Manolo Fortich, Bukidnon.

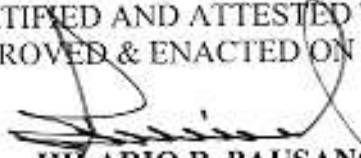
This Ordinance was passed and approved on motion of Hon. Evelio Cordovez and unanimously seconded by the members present.

APPROVED: September 6, 2006. Without 3rd Reading.


CERTIFIED CORRECT:


LYDIA O. LASTIMOSA
 Secretary to the Sanggunian

CERTIFIED AND ATTESTED TO BE DULY
 APPROVED & ENACTED ON SEPT. 6, 2006:


HILARIO B. PAUSANOS, M.D.
 Presiding Officer
 Municipal Vice Mayor

APPROVED:


SOCORRO O. ACOSTA
 Municipal Mayor