

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



'16 JUL 20 19:35

SENATE

S. No. 643

REGISTERED BY: 

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT

AMENDING SECTION 450 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AS AMENDED BY REPUBLIC ACT NO. 9009, ALLOWING THE CONVERSION OF A MUNICIPALITY WHICH HAS A LAND AREA OF AT LEAST FIFTY (50) SQUARE KILOMETERS OR INHABITANTS OF AT LEAST TWENTY FIVE THOUSAND (25,000) INTO A COMPONENT CITY IF IT HAS AN ANNUAL AVERAGE LOCALLY GENERATED INCOME OF AT LEAST TWO HUNDRED FIFTY MILLION PESOS (P250,000,000.00) FOR THE LAST TWO CONSECUTIVE YEARS BASED ON 2012 CONSTANT PRICES

EXPLANATORY NOTE

Section 450 of the Local Government Code provides for the conversion of a municipality or barangay into a component city. Section 450 of the Local Government Code as amended by Republic Act No. 9009 provides:

"Section 450. Requisites for Creation:

(a) A municipality or a cluster of barangays may be converted into a component city if it has a locally generated average annual income, as certified by the Department of Finance, of at least One Hundred Million Pesos (Php 100,000,000.00) for the last two (2) consecutive years based on 2000 constant prices, and if it has either of the following requisites:

- (I) contiguous territory of at least one hundred (100) square kilometers, as certified by the Land Management Bureau, or;
- (II) a population of not less than one hundred fifty thousand (150,000) inhabitants, as certified by the National Statistics Office.

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

It can be noted however that there are some municipalities who are capable of providing much needed social services to their constituents. These municipalities even exceed other existing cities in the efficient delivery of services to their inhabitants. However, these municipalities are not eligible to be converted to a city due to their failure to comply with either the required number of population or land area. It is therefore unfair for the inhabitants

of these municipalities that they are deprived of their rights to the benefits of cityhood and the opportunity to an increased social, economic, and political development.

This bill therefore seeks to amend Sec. 450 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, as amended by Republic Act No. 9009, to qualify a municipality which has a land area of at least fifty (50) square kilometers or inhabitants of at least twenty-five thousand (25,000) but generates a local income of at least two hundred twenty million pesos (P220,000,000.00) to be converted into a component city.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV
Senator

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

1 **SECTION 1.** Sec. 450 of Republic Act No. 7160, otherwise known as the Local
2 Government Code of 1991, as amended by Republic Act No. 9009, is hereby further
3 amended to read as follows:

4
5 "Sec. 450. Requisites for Creation. –

6 (a) A municipality or a cluster of barangays may be converted into a
7 component city if it has a locally generated average annual income, as
8 certified by the Department of Finance, of at least One Hundred Million
9 Pesos (100,000,000.00) for the last two (2) consecutive years based on
10 2012 constant prices, and if it has either of the following requisites:

- 11 (i) A contiguous territory of at least one hundred (100) square
12 kilometers, as certified by the Land Management Bureau; or
13 (ii) A population of not less than one hundred fifty thousand
14 (150,000) inhabitants, as certified by the National Statistics
15 Office.

1 *Provided,* That, the creation thereof shall not reduce the land area,
2 population and income of the original unit or units at the time of said creation
3 to less than the minimum requirement prescribed herein.

4 **"PROVIDED, FURTHER, THAT THE POPULATION AND**
5 **LAND AREA REQUIREMENTS PRESCRIBED HEREIN SHALL NOT**
6 **APPLY IF A MUNICIPALITY OR A CLUSTER OF BARANGAYS HAS**
7 **A LOCALLY GENERATED INCOME, AS CERTIFIED BY THE**
8 **DEPARTMENT OF FINANCE OF AT LEAST TWO HUNDRED FIFTY**
9 **MILLION PESOS (P250,000,000.00) FOR THE LAST TWO**
10 **CONSECUTIVE YEARS BASED ON 2012 CONSTANT PRICES AND**
11 **HAS EITHER THE POPULATION OR LAND AREA REQUIREMENT**
12 **PRESCRIBED FOR THE CREATION OF A MUNICIPALITY UNDER**
13 **SECTION 442 OF THIS CODE. PROVIDED, FURTHERMORE, THAT,**
14 **THREE (3) YEARS AFTER THE EFFECTIVITY OF THIS ACT AND**
15 **EVERY THREE (3) YEARS THEREAFTER, THE THRESHOLD**
16 **AMOUNT OF TWO HUNDRED FIFTY MILLION PESOS**
17 **(250,000,000.00) SHALL BE INCREASED BY FIVE PERCENT (5%)."**

18 (b) The territorial jurisdiction of a newly-created city shall be properly
19 identified by metes and bounds. The requirement on land area shall not
20 apply where the city proposed to be created is composed of one (1) or more
21 islands. The territory need not be contiguous if it comprises two (2) or
22 more islands.

23 (c) The average annual income shall include the income accruing to the
24 general fund, exclusive of special funds, transfers, and non-recurring
25 income.

26
27 **SEC. 2.** If any provision of this Act shall be declared invalid or unconstitutional, the
28 remaining part or provisions not otherwise affected shall remain in force.

29
30 **SEC. 3.** Any law, decree, ordinance, administrative circulars not consistent with any
31 provision of this Act is hereby amended, repealed or modified accordingly.

1 **SEC. 4.** This Act shall take effect fifteen (15) days after its complete publication in
2 the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,