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SENATE

S. B. No 1390

RECEIVED BY: 

Introduced by SENATOR GREGORIO B. HONASAN II

EXPLANATORY NOTE

For a municipality to be converted into a city, 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 (P100,000,000) for the last two (2) consecutive years based on 2000 constant prices, and if it has either of the following requisites:

(i) a contiguous territory of at least one hundred (100) square kilometers, as certified by the Land Management Bureau; or

(ii) a population of not less than one hundred fifty thousand (150,000) inhabitants, as certified by the National Statistics Office.

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

However, there are certain small and sparsely populated municipalities which have nevertheless demonstrated unquestionable capacity and competence to provide essential government and social services to their inhabitants, comparable to or sometimes even better than those being provided by existing cities. Thus, it would be utterly unfair to the inhabitants of such municipalities to deny them the benefits of cityhood simply because their respective land areas or populations are less than that presently required by the Local Government Code.

Furthermore, while there is no hard and fast rule to determine the optimum populace or land area for a city, applying by analogy the basic principles for creation of a sovereign state, the population must be numerous enough and able to procreate in order to ensure perpetuation of the political entity. With regard to its land area, the same must be large enough to be able to sufficiently provide for its people.

Noteworthy are the small states, such as *Monaco*, a tiny state along the French Riviera which has an area of just 0.75 square miles (1.94 sq. km.) and a population of

just 32,000. The island state of Nauru, became independent in 1968, and has an area of just 8.5 square miles (22 sq. km.) and a population of just 13,000. *Tuvalu*, formerly known as the Ellice Islands, gained its independence in 1978, and has an area of just 9 square miles (23.3 sq. km.) and a population of 12,000. *San Marino*, located on Mt. Titano in north central Italy, which has an area of just 24 square miles (62.16 sq. km.) and a population of just 29,000.

If the above political entities have attained and secured independence and international recognition of statehood despite their respective small populations and land areas, with more reason, municipalities which have time and again demonstrated their capacity to thrive be permitted to be upgraded to cities.

For purposes of this legislative measure, if a municipality which has a land area of at least fifty (50) square kilometers or inhabitants of at least twenty-five thousand (25,000) generates an annual average local income of at least two hundred twenty million pesos (P220, 000,000.00) for two years, then it is qualified to be converted into a component city.

For the reasons above stated, approval of this bill is earnestly sought.



GREGORIO B. HONASAN II

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



Senate
Office of the Secretary

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AN ACT

AMENDING SECTION 450 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AS AMENDED, BY 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 A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST TWO HUNDRED TWENTY MILLION PESOS (P220, 000,000) FOR THE LAST TWO CONSECUTIVE YEARS BASED ON THE YEAR 2010 CONSTANT PRICES

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

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

"Sec. 450. Requisites for Creation. – (a) A municipality or a cluster of barangays may be converted into a component city if it has a locally generated average annual income, as certified by the Department of Finance, of at least One Hundred Million Pesos (100,000,000.00) for the last two (2) consecutive years based on **THE YEAR 2000** constant prices, and if it has either of the following requisites:

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

PROVIDED, THAT NOTWITHSTANDING THE FOREGOING, A MUNICIPALITY WHICH HAS A CONTIGUOUS TERRITORY OF AT LEAST FIFTY (50) SQUARE KILOMETERS, AS CERTIFIED BY THE LAND MANAGEMENT BUREAU OR INHABITANTS OF AT LEAST TWENTY FIVE THOUSAND (25,000), AS CERTIFIED BY THE NATIONAL STATISTICS OFFICE 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 TWO HUNDRED TWENTY MILLION PESOS (P220,000,000.00) FOR THE LAST TWO CONSECUTIVE YEARS BASED ON THE YEAR 2010 CONSTANT PRICES.

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 requirement prescribed herein.

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

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

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

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

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

Approved,