



Senate
Office of the Secretary

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

13 SEP -3 P 4 :17

SENATE

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Senate Bill No. 1491

Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

EXPLANATORY NOTE

Laws are enacted in order to respond to the need of the times. Such is the flexible nature of laws for where it any different, the needed effect would not be accomplished.

In olden times, Romans applied substantial justice and enacted laws in order to respond accordingly.

This flexibility of the law is not restricted to olden times. When Rockefeller was suspected of having monopolized the oil industry, anti-trust legislation was enacted in order to break up this monopoly.

The Local Government Code is not immune from this flexibility. It has undergone amendments in its provisions in several ways that it cannot be accused of standing still. Short of saying, it has responded to the needs of the times.

This amendment of the Local Government Code must be made because the effects of economic success are not limited to that which has a large square kilometer in area.

Vibrant municipalities have sprung from the ground up which have not necessarily been limited by their land area and are thus needing recognition as a city, with all accompanying benefits thereto.

In view of the foregoing, the passage of this measure is earnestly sought.

JOSEPH VICTOR G. EJERCITO



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AN ACT EXEMPTING FROM THE POPULATION AND THE LAND AREA REQUIREMENTS THE CONVERSION OF A MUNICIPALITY INTO A COMPONENT CITY IF IT HAS A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST FIVE HUNDRED MILLION PESOS (500,000,000.00), AMENDING FOR THE PURPOSE SECTION 450 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 450 of Republic Act No. 7160, as amended by Republic Act No. 9009, otherwise known as the Local Government Code of 1991, 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 (P100,000,000.00) for the last two (2) consecutive years based on 2000 constant prices, and if it has either of the following requisites:

“(i) 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 POPULATION AND LAND AREA REQUIREMENTS PRESCRIBED HEREIN SHALL NOT APPLY IF A MUNICIPALITY HAS A LOCALLY GENERATED AVERAGE ANNUAL INCOME, AS CERTIFIED BY THE DEPARTMENT OF FINANCE, OF AT LEAST FIVE HUNDRED MILLION PESOS (P500,000,000.00) FOR THE LAST TWO (2) CONSECUTIVE YEARS BASED ON 2010 CONSTANT PRICES AND HAS EITHER THE POPULATION OR LAND AREA REQUIREMENT PRESCRIBED FOR THE CREATION OF A MUNICIPALITY UNDER SECTION 442 OF THIS CODE.**

“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.

“(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.”

SECTION 2. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,