

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

NINETEENTH CONGRESS  
1<sup>st</sup> Regular Session

House Bill No. 313



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Introduced by Representative ERIC GO YAP

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**EXPLANATORY NOTE**

This bill seeks to venture on the full economic potential of provinces which have no component cities, independent component cities, or highly urbanized cities within its territorial jurisdiction through the automatic conversion of their capital towns into a component city. Cityhood is critical on the fiscal standing of a municipality. In square meter or per capita basis, cities get more in terms of the Internal Revenue Allotment (IRA) share, allowing greater number of development opportunities for the said locality. Republic Act 9009 provides for the following requisites before a municipality becomes a component city:

*“(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 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."*

This bill seeks to provide exemptions to the law above, wherein the prescribed requirements of income, population, and land area shall not apply if a municipality to be converted into a city is the capital town of any province that has no component city, independent component city or highly urbanized city within its territorial jurisdiction.

As an archipelago, Philippines comprises various islands with different land areas situated far from each other and divided either by vast waters or vast lands. In fact, there are much smaller political entities in the world that are able to grow vigorously, compete, and even be at par with bigger city states in terms of economic viability. The automatic conversion of capital towns into component cities will provide a stepping stone to a province through the grant of a favorable revenue allotment that will open vast opportunities for the province. In addition, the said measure will also put utmost recognition to the heart of every province – its capital town.

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

  
ERIC GO YAP

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**313**  
House Bill No. \_\_\_\_\_

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AN ACT  
AUTOMATICALLY CONVERTING THE CAPITAL TOWN OF PROVINCES  
WITH NO COMPONENT CITIES, INDEPENDENT COMPONENT CITIES OR  
HIGHLY URBANIZED CITIES WITHIN ITS TERRITORIAL JURISDICTION,  
INTO A COMPONENT CITY

*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, otherwise known as the "Local Government Code of 1991", as amended by Republic Act 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 (P100,000,000.00) for the last two (2) consecutive years based on the 2012 constant prices, provided, that:

(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, 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 therein.

**"PROVIDED, FURTHER, THAT THE REQUIREMENT ON INCOME, POPULATION AND LAND AREA PRESCRIBED HEREIN SHALL NOT APPLY IF A MUNICIPALITY TO BE CONVERTED INTO CITY IS THE CAPITAL TOWN OF ANY PROVINCE HAVING NO COMPONENT CITY, INDEPENDENT COMPONENT CITY OR HIGHLY URBANIZED CITY WITHIN ITS TERRITORIAL JURISDICTION."**

(b) The territorial jurisdiction of the newly-created city shall be properly identified by metes and bounds. The requirement on the 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 funds, transfers, and non-recurring income.

**SEC. 2. *Separability Clause.*** - If any provision or part hereof is held unconstitutional, the other provisions not otherwise affected shall remain valid and subsisting.

**SEC. 3. *Repealing Clause.*** - All laws, decrees, issuances, executive orders, letters of instruction, administrative orders, rules and regulations, or parts thereof, contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SEC. 4. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,