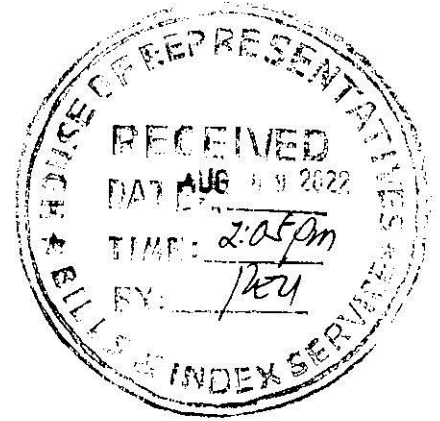


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
1st Regular Session

House Bill No. 3396



Introduced by **Hon. WILTER YAP PALMA**

EXPLANATORY NOTE

This bill seeks to fairly distribute public resources and provide opportunity to local government units (LGUs) which are struggling to cope with the pace of their urbanized counterparts.

It is a fact that living in a city or near it has its corresponding economic advantage. The primary reason for converting a municipality into a city is the assurance of economic viability (*Latasa v. Commission on Elections, G.R. No. 154829, December 10, 2003*)

According to present laws, conversion of LGU from one level to another should be based on verifiable indicators or viability and projected capacity to provide services, specifically income, population and land area (*Section 7, R.A. No. 7160, Local Government Code of 1991*). However, stern adherence to these indicators forecloses any chance of would-be-cities for urbanization given the stringent requirements and the continuous leverage enjoyed by existing cities which have already mustered the requirements.

At present, there are twenty-eight (28) provinces without any component cities, independent component cities or highly urbanized cities within its territorial jurisdiction, and their capitals remain to be mere towns or municipalities.

PROVINCES without any CC, ICC or HUC		
REGION	PROVINCE	CAPITAL
CORDILLERA ADMINISTRATIVE REGION	Abra	Bangued
	Apayao	Kabugao
	Ifugao	Lagawe
	Mountain Province	Bontoc
REGION II	Batanes	Basco
	Nueva Vizcaya	Bayombong
	Quirino	Cabarroguis
REGION III	Aurora	Baler
REGION IV-B	Marinduque	Boac
	Occidental Mindoro	Mamburao
	Romblon	Romblon
REGION V	Camarines Norte	Daet
	Catanduanes	Virac
REGION VI	Aklan	Kalibo
	Antique	San Jose
	Guimaras	Jordan
REGION VII	Siquijor	Siquijor
REGION VIII	Biliran	Naval
	Northern Samar	Catarman
REGION IX	Zamboanga Sibugay	Ipil
REGION X	Camiguin	Mambajao
REGION XI	Compostela Valley	Nabunturan
	Davao Occidental	Malita
REGION XII	Sarangani	Alabel
REGION XIII (CARAGA)	Dinagat Islands	San Jose
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO	Maguindanao	Buluan
	Sulu	Jolo
	Tawi-Tawi	Bongao

Noteworthy is the 2018 report of the Philippines Statistics Authority which shows that most of these 26 provinces belong to regions with considerably high poverty incidence, such as ARMM, Bicol Region, Eastern and Western Visayan, Zamboanga Peninsula and CARAGA region.

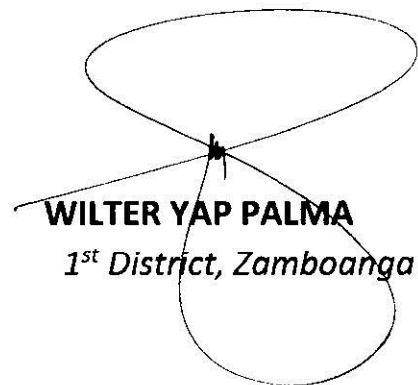
These capital towns that have not yet reached cityhood have relied on its meager share in the Internal Revenue Allotment (IRA), which is insufficient to sustain the growing needs for urbanization. Converting and upgrading these capital towns to “city status” is crucial in stimulating economic growth and

development. Accordingly, making the conversion “automatic” will empower the locality by providing them with opportunities and equal playing field to compete. Also, it will provide fast and immediate access to greater resources that would optimize its growth and development including access to latest trends and information, and as well as access to other incentives that only those with “city status” could enjoy.

In addition, capital towns are generally designated and perceived to be the seat of government and at the same time the center of local trade or business of a province where usual day-to-day commercial and state transactions occur. Automatically granting city status to these symbolic representations, such as the capital, advances the LGU’s stature in a nationwide scale.

Finally, this measure was originally filed in the 18th Congress as House Bill No. 3021, authored by Representative Wilter “Sharky” Wee Palma II.

In view thereof, support and approval of this measure is earnestly sought.



WILTER YAP PALMA
1st District, Zamboanga Sibugay

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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Introduced by **Hon. WILTER YAP PALMA**

**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 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 Lands 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 specific funds, transfers, and non-recurring income.

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

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

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

Approved,