



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

Nineteenth Congress
First Regular Session

House Bill No. 3538



Introduced by Representative PAUL R. DAZA

EXPLANATORY NOTE

Recognizing the indispensable and crucial role of capital towns in the economic, political and socio-cultural development of provinces in the country, it is urgent to revisit and amend the provisions of the Local Government Code of 1991, as amended, especially the minimum locally generated average annual income requirement for cityhood at One Hundred Million pesos (Php. 100,000,000.00) for the last two (2) consecutive years based on year 2000 constant prices.

This requirement unduly restricts and unfairly impedes capital towns of provinces in maximizing their role as centers for economic, political and socio-cultural growth, particularly in provinces without cities, thus virtually consigning such provinces to perpetual underdevelopment – which clearly is not the intent nor import of the Local Government Code of 1991.

By elevating the status of these municipalities into component cities, they will be granted more autonomy, taxation powers and an increased share in the internal revenue allotment, thereby further capacitating them to improve the lives and well-being of their populace, especially the poor.

Moreover, their cityhood will invigorate the investment climate in the locality. Their empowerment will also redound to the beneficial development of the other neighboring towns within the province.

Converting into cities the capital towns of provinces without cities will put them at par with the other existing capital cities and enable them to equally and fairly enjoy the benefits of cityhood, thereby in the final analysis, fostering and advancing the economic, political and socio-cultural foundation of the country as a whole.

Hence, the approval of this bill is earnestly sought.

PAUL R. DAZA
Representative, 1st District of Northern Samar



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**AN ACT
CONVERTING INTO COMPONENT CITIES THE CAPITAL TOWNS OF
PROVINCES WITHOUT A CITY, AMENDING FOR THE PURPOSE SECTION 450
OF REPUBLIC ACT NO. 7610, AS AMENDED BY REPUBLIC ACT NO. 9009,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND
FOR OTHER PURPOSES.**

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

SECTION 1. Section 450 of Republic Act No. 7610, as amended by Republic Act No. 9009, is hereby amended as follows:

“Section 450. *Requisites for Creation* – (a) A municipality or a cluster of barangays may be converted into a component city if it has 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 the 2000 constant prices; and (b) 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 Authority] **Philippine Statistics Authority.**

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, capital towns of provinces without a city are hereby converted into component cities regardless of their locally generated average annual income.

(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 specific funds, transfers, and non-recurring income.

SEC. 2. *Plebiscite.* – Existing capital towns qualified under this Act are hereby converted into component cities upon approval by a majority of the votes cast in a plebiscite to be held in the said capital towns. The Department of the Interior and Local Government (DILG) shall submit to the Commission on Elections (COMELEC) the list of capital towns, which qualify under this Act, within thirty (30) days from the effectivity of this Act.

The COMELEC shall conduct and supervise such plebiscite in qualified capital towns within ninety (90) days from receipt of the said list. The expenses for such plebiscite shall be borne by the capital towns concerned.

SEC. 3. *Applicability of Laws.* – The provisions of Republic Act No. 7169, otherwise known as the Local Government Code of 1991 and other laws as are applicable to cities shall govern the capital towns, which are converted into cities under the immediately preceding sections, insofar as they are not inconsistent with the provisions of this Act.

SEC. 4. *Rules and Regulations.* – The DILG shall issue the necessary rules and regulations within thirty (30) days after the effectivity of this act

SEC. 5. *Repealing Clause.* – All laws, decrees, executive orders and regulations, issuances or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 6. *Effectivity.* – This Act shall take effect after fifteen (15) days following its complete publication in at least two (2) national newspapers of general circulation.

Approved,