

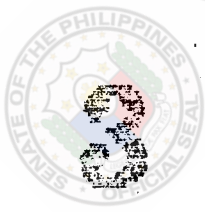
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BOOK I
(S. NO. 185)

Senate Archived (LRAS)

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(S. No. 155)

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S. NO. 155

Introduced by the Committee on Local Governments with
Senator Aquilino Q. Pimentel, Jr. as author thereof

AN ACT
PROVIDING FOR A LOCAL GOVERNMENT CODE

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

BOOK I

GENERAL PROVISIONS

TITLE ONE - BASIC PRINCIPLES

CHAPTER 1. - The Code: Policy and Application;

Definition of Terms

SECTION 1. Title of Act. - This Act shall be known,
and referred to as the "Local Government Code of 1990".

SEC. 2. Declaration of Policy. - The State shall
ensure the autonomy of local government units to enable
them to attain their full development as self-reliant
communities and make them more effective partners in the
pursuit of national development and social progress. To
this end, the State shall enhance their capabilities
through a more responsive and accountable local government
structure instituted through a system of decentralization
whereby LOCAL GOVERNMENTS shall be given more powers,
responsibilities and resources.

It is hereby declared a policy of the State to require
all planning and development entities of the Government
including the Legislature to conduct consultations with
appropriate local government units, local non-governmental

1. services, and resources for purposes commonly beneficial to
2 them;

3 f) Local government units should be encouraged to
4 actively participate in the implementation of national
5 government programs as an opportunity to enhance their
6 capabilities;

7 g) The National Government should provide ways and
8 means for a continuing mechanism to enhance local autonomy
9 not only by legislative enabling acts but also by
10 administrative and organizational reforms;

11 h) The mechanisms for ensuring the accountability of
12 local government units to their respective local
13 constituents shall be strengthened in order to continually
14 upgrade the quality of local leadership;

15 i) The National Government shall facilitate the
16 realization of local autonomy by improving the coordination
17 of its own policies and programs and extending adequate
18 technical and material assistance to needy local government
19 units; and,

20 j) The National Government shall retain
21 responsibility for ensuring that decentralization
22 contributes to the progressive improvement of the quality
23 of LOCAL GOVERNMENTS and community life.

24 SEC. 4. *Scope of Application of the Code.* - This Code
25 shall apply to all provinces, cities, municipalities and
26 barangay, and such autonomous regions and metropolitan
27 political subdivisions as may be created by law, and, to
28 the extent herein provided, to officials, offices or
29 agencies of the National Government.

30 SEC. 5. *Rules of Interpretation.* - a) Any power of
31 a local government unit shall be liberally interpreted
32 in its favor. Any fair and reasonable doubt as to the
33 existence of the power shall be interpreted in favor of the
34 local unit concerned.

35 b) The general welfare provisions in this Code shall
36 be liberally interpreted so as to give more power to LOCAL
37 GOVERNMENTS in promoting improvement of the quality of life
38 for all the people in the community.

39 c) Vested rights existing on the date of the
40 effectivity of this Code arising out of contracts or any
41 other source of obligation between a local government unit
42 and another party shall be governed by the original terms
43 and provisions of said contracts or the laws in force at

1 the time such rights became vested and in no case shall
2 this Code infringe on them.

3 d) In the resolution of controversies arising under
4 this Code, where no legal provision or jurisprudence can be
5 found to apply, resort may be had to the customs and
6 traditions in the place where the controversies TAKE PLACE
7 [arose].

8 CHAPTER 2. - General Powers and Attributes
9 of Local Government Units

10 Article One - Creation, Division, Merger, Abolition
11 or Alteration of Boundaries of Local
12 Government Units

13 SEC. 6. - Authority to Create Local Government Units. -
14 A local government unit may be created, divided, merged,
15 abolished or its boundaries substantially altered either
16 by law enacted by Congress in the case of a province,
17 city, municipality, autonomous region or metropolitan
18 political subdivision, or by ordinance passed by the
19 *sangguniang panlalawigan* or *sangguniang panlungsod* in the
20 case of a barangay located within their respective
21 territorial jurisdictions, subject to such limitations and
22 requirements prescribed in this Code.

23 SEC. 7. - Creation and Conversion. - [a)] As a general
24 rule, the creation of a local government unit or its
25 conversion from one level into another level of LOCAL
26 GOVERNMENTS shall be based on factors relative to viability
27 and projected capacity to provide services which can be
28 clearly shown by such verifiable indicators as:

29 1) Population - which shall be determined by the total
30 number of inhabitants within the territorial jurisdiction
31 of the local government unit concerned;

32 2) Income - which must be sufficient to provide for
33 all essential government facilities and services, urban
34 amenities and special functions commensurate with the size
35 of its population, as expected of the particular local
36 government unit concerned based on acceptable standards;
37 and

38 3) Land area - which must be contiguous, unless it
39 includes any island, and properly identified by metes and
40 bounds, with technical descriptions, sufficient [enough] to
41 provide for such amenities, services and future development
42 to meet the requirements of its increasing population.

43 SEC. 8. Division and Merger. - Division and merger of

1 existing local government units shall comply with the same
2 requirements herein prescribed for creation: *Provided*,
3 however, That in cases of division of local government
4 units, such division shall not diminish the population,
5 income and land area below the minimum requirements set by
6 this Code.

7 SEC. 9. *Abolition of Local Government Unit.* -
8 Abolition of a local government unit shall be based upon
9 certifications issued by the National Census and Statistics
10 Office, [and] the Department of Finance, AND THE BUREAU OF
11 LANDS, respectively, showing that the population, [and]
12 income OR AREA of the local government unit concerned HAS
13 [have] been irreversibly reduced below the minimum
14 standards prescribed for its creation, to the Congress or
15 to the *sanggunian* concerned. No law or ordinance abolishing
16 a local government unit may be enacted unless said Act
17 specifies the province, city, municipality or barangay to
18 which the unit sought to be abolished will be incorporated
19 or merged with.

20 SEC. 10. *Plebiscite Requirement.* - No creation,
21 division, merger, abolition or alteration of boundaries of
22 local government units shall take effect unless approved by
23 a majority of the votes cast in a plebiscite called for the
24 purpose in the political unit or units directly
25 affected. Said plebiscite shall be conducted by the
26 Commission on Elections within one hundred and twenty (120)
27 days from the approval of the law or ordinance effecting
28 such action, unless a different date is fixed therein for
29 the calling of such plebiscite.

30 SEC. 11. *Selection and Transfer of the Seat of LOCAL*
31 *GOVERNMENTS.* - a) The law or ordinance creating or merging
32 local government units shall specify the seat of government
33 within which the specific site for dispensation of
34 governmental and corporate functions shall be conducted.
35 In selecting said site, factors relating to geographical
36 centrality, accessibility, transportation and communication
37 facilities, drainage and sanitation, development and
38 economic progress and other relevant considerations shall
39 be taken into account.

40 b) When subsequent to the establishment of the seat of
41 a local government unit, conditions and developments in
42 said unit have significantly changed, its *sanggunian* may,
43 after public hearing, by a vote of two-thirds (2/3) of all

1 the members thereof, transfer the same to a location more
2 suited to current needs and anticipated future development
3 and progress. The old site together with the improvements
4 thereon may be disposed of by sale or lease or CONVERSION
5 [converged] to such other use as the *sanggunian* concerned
6 may deem beneficial to its inhabitants.

7 SEC. 12. *Naming of Local Government Units, Places,*
8 *Streets and Structures.* - a) The Sangguniang Panlalawigan
9 is authorized to change the names of the following:

10 1) municipality;

11 2) Provincial street, avenue, boulevard or public
12 thoroughfare; and

13 3) any other public place or building including any
14 school or hospital which is located in or owned by the
15 province concerned.

16 b) The sangguniang panlungsod/bayan is authorized to
17 change the names of the following:

18 1) city/municipal barangay;

19 2) city/municipal street, avenue, boulevard or public
20 thoroughfare; and

21 3) any other public place or building including any
22 school or hospital which is located in or owned by the
23 city/municipality concerned.

24 No municipality, barangay, street, avenue, boulevard
25 or public thoroughfare, place or building shall be named
26 after a living person. A change of name shall be made only
27 for justifiable reasons and, in any case, not oftener than
28 once every ten (10) years. Only Filipino names and
29 descriptions shall be used.

30 The act of any *sanggunian* which first exercises the
31 above powers shall preclude other *sanggunian* from
32 exercising the same.

33 SEC. 13. *Beginning of Corporate Existence.* - When a
34 new local government unit is created, its corporate
35 existence shall commence upon the qualification of its
36 chief executive and a majority of the members of its
37 *sanggunian* unless some other time is fixed therefor by the
38 law or ordinance creating it.

39 Article Two - Governmental and Corporate
40 Powers of Local Governments

41 SEC. 14. *Political and Corporate Nature of Local*
42 *Governments.* - Every local government unit created or
43 recognized under this Code is a body politic and corporate

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1 endowed with powers to be exercised by [and through its
2 government] IT in conformity with law. As such, it shall
3 exercise powers as a subdivision of the National Government
4 and as a corporate entity representing the inhabitants of
5 its territory.

6 SEC. 15. *General Welfare Clause.* - Every local
7 government unit shall exercise the powerS expressly granted
8 to it, those necessarily implied therefrom, as well as
9 those powers incidental for its efficient and effective
10 governance.

11 SEC. 16. *Power to Organize, Generate and Apply*
12 *Resources.* - Every local government unit shall have the
13 power and authority to establish a local government
14 organizational structure that shall be responsive to the
15 efficient and effective implementation of its development
16 plans, program objectives and priorities; to create its own
17 sources of revenue and to levy taxes, fees and charges
18 which shall accrue exclusively for its use and disposition
19 AND WHICH SHALL BE AUTOMATICALLY BE RETAINED BY IT; to
20 have a just share in national taxes [which shall
21 automatically be retained by it]; TO HAVE AN EQUITABLE
22 SHARE IN THE PROCEEDS FROM THE UTILIZATION AND DEVELOPMENT
23 OF THE NATIONAL WEALTH AND RESOURCES WITHIN ITS TERRITORIAL
24 JURISDICTION; to acquire, develop, lease, encumber,
25 alienate or otherwise dispose of real or personal property
26 held by it in its proprietary capacity and to apply its
27 resources and assets for productive, developmental or
28 welfare purposes, in the exercise or furtherance of its
29 governmental or proprietary powers and functions and
30 thereby ensure THE [its] development of such A local
31 government unit[s] as a self-reliant community and
32 effectuate ways of enhancing its capabilities to discharge
33 its functions and responsibilities.

34 SEC. 17. *Eminent Domain.* - A local government unit
35 may, through its chief executive and acting pursuant to a
36 resolution of its *sanggunian*, exercise the right of eminent
37 domain and institute condemnation proceedings for public
38 use or purpose, upon payment of just compensation:
39 *Provided, however,* that the right of eminent domain may not
40 be exercised unless a valid and definite offer to buy the
41 property has been previously made to its owner or owners,
42 and such offer was not accepted. Provisions of existing
43 laws to the contrary notwithstanding, the amount to be paid

1 for the expropriated property shall be determined by the
2 regional trial court hearing the case, based on the current
3 market value at the time of THE taking of the property.

4 SEC. 18. Closure of Roads. -- a) A local government
5 unit may, through its chief executive, acting pursuant to a
6 resolution of its *sanggunian* and in accordance with the
7 provisions of this Code, permanently or temporarily close
8 any barangay, municipal, city or provincial road, street,
9 alley, park or square: *Provided*, That no such way or place
10 or any part thereof shall be permanently closed without
11 [making provisions] PROVIDING for the maintenance of public
12 safety therein with the proper indemnification to any
13 person prejudiced THEREBY [therefore]. A property thus
14 permanently withdrawn from public use may be used or
15 conveyed for any purpose for which other real property,
16 belonging to the local unit concerned might be lawfully
17 used or conveyed.

18 b) A road, street, alley, park or square may be
19 temporarily closed during an actual emergency or on the
20 occasion of fiesta celebrations, agricultural or industrial
21 fairs, or the undertaking of public works and highways
22 activities, the duration of which shall be specified by the
23 local chief executive concerned in a written order:
24 *Provided, however*, That no road, street, alley, park or
25 square shall be temporarily closed for games or activities
26 not officially sponsored, recognized or approved by the
27 local government unit concerned.

28 SEC. 19. Corporate Powers. - A) [a)] Every local
29 government unit shall, as a corporation, have the following
30 powers:

- 31 a. To have continuous succession in its corporate
32 name;
- 33 b. To sue and be sued;
- 34 c. To have and use a corporate seal:
- 35 d. To acquire and convey real or personal property;
- 36 e. To enter into contracts; and
- 37 f. To exercise such other powers as are granted to
38 corporations, subject to limitations provided in this
39 Code and other laws.

40 B) [b)] Local government units may continue using OR
41 CHANGE their existing corporate seals: *Provided*, That,
42 newly established local government units or those without
43 corporate seals may create their own corporate seals which

1 shall be registered with the Department of Local
2 Government through its regional offices: PROVIDED FURTHER
3 THAT ANY CHANGE OF CORPORATE SEAL SHALL ALSO BE REGISTERED
4 AS PROVIDED THEREIN.

5 C) [c)] Local government units shall enjoy full
6 autonomy in the exercise of their proprietary functions and
7 in the management of their economic enterprises, subject
8 only to the limitations provided in [the Constitution and]
9 this Code.

10 SEC. 20. *Liability for Damages* - Local Government
11 units and their officials are accountable for their acts
12 and therefore not exempt from liability for damages from
13 aggrieved parties.

14 CHAPTER 3. - Intergovernmental Relations

15 Article One - National Government and Local Governments

16 SEC. 21. *National Supervision over Local Governments.*-

17 A) [a)] Consistent with the basic policy on
18 decentralization, the President shall exercise general
19 supervision over local government units [.] to [To] ensure
20 that their acts are within the scope of their prescribed
21 powers and functions.

22 B) Six (6) months after the effectivity of this
23 Code, prior approval or [pre-]clearance from the central
24 government on regular and recurring transactions and other
25 activities normal to local governments shall NO LONGER BE
26 REQUIRED [not be requested]. [In this regard, the
27 Secretary of Local Government shall establish and maintain
28 appropriate coordinative and consultative arrangements with
29 other departments and national offices concerned with
30 respect to the integration of comprehensive standards and
31 guidelines, and to the monitoring and securing of proper
32 compliance with such standards and guidelines. Moreover,]
33 AS [as] a matter of general policy, the PRESIDENT
34 [Department of Local Government] shall exercise its
35 supervisory authority over municipalities and component
36 cities through the provinces; over the barangay through
37 municipalities and cities; and directly over PROVINCES AND
38 highly urbanized cities.

39 C) [c)] [Departments of] National Government agencies
40 with project implementation functions shall coordinate
41 with ONE ANOTHER [each other] and with the local units
42 concerned, and ENSURE [secure] the desired COORDINATION
43 [integration] in the implementation of THESE [allied]

1 functions.

2 They shall ensure the participation OF LOCAL
3 GOVERNMENTS both in planning and implementation [of local
4 governments in the various substantive aspects] of national
5 projects.

6 D) [d)] Provisions of existing laws to the contrary
7 notwithstanding, the regional offices or appropriate field
8 units of the various departments and national agencies
9 shall [be the major points of] liaison between local
10 governments and the National Government. For this purpose,
11 the National Government shall, within six (6) months after
12 the effectivity of this Code, effect the [substantial]
13 delegation of THE REQUISITE authority and power[s] to the
14 APPROPRIATE regional offices.

15 E) [e)] Officials of National Government offices and
16 government-owned and controlled corporations located in the
17 various provinces, cities and municipalities shall submit
18 monthly reports, including budgetary releases and
19 expenditures, to the governors and city mayors.

20 SEC. 22. *Duty of NATIONAL Government Agency.* - It shall
21 be the duty of ANY [the] NATIONAL government agency or any
22 government-owned or controlled corporation INVOLVED IN
23 planning, implementing or authorizing any project or
24 program that causes pollution, climatic change, depletion
25 of non-renewable resources, loss of crop land, rangeland or
26 forests, and extinction of animals, insect or fish species
27 in a province, city, municipality or barangay to explain to
28 the local government units, non-government organizations
29 and other community sectors concerned what the project or
30 program intends to accomplish, its impact upon the people
31 and the community in terms of the environment or ecological
32 balance and the measures that will be undertaken to prevent
33 or minimize the adverse effects thereof.

34 SEC. 23. *Prior Consultations Required.* - No project
35 or program shall be implemented or allowed implementation
36 by government authorities unless the consultations
37 mentioned in Sections 2 and 22, above, are complied with
38 and the express approval by the provincial board or city,
39 municipal or barangay council affected is first obtained:
40 *Provided, That* [in the event that people have to be
41 relocated,] no eviction shall BE DONE [have been
42 established] unless appropriate relocation sites shall
43 have been provided.

1 SEC. 24. *Technical and Financial Assistance; Technical*
2 *Supervision.* - [(1)] Every department, office, agency
3 or instrumentality of the national government shall
4 render AND PROVIDE technical and [provide] financial
5 assistance to local governments necessary to carry
6 out national policies, plans, programs, projects and
7 activities: *Provided,* That they may exercise technical
8 supervision at no extra cost over local governments on
9 technical aspects over which they are responsible on the
10 national level unless otherwise provided in this Code.

11 SEC. 25. *Transfer of Responsibility.* - As a policy,
12 the National Government shall transfer responsibility and
13 corresponding authority and funds relative to service
14 delivery functions from the national to the local
15 governments or from a higher to a lower level of local
16 government[:.] within six (6) months from the effectivity of
17 this Code.

18 SEC. 26. *Secondment of Personnel.* - All personnel of
19 an executive department, agency, office or instrumentality
20 of the National Government assigned to a province, city or
21 municipality engaged in the delivery of basic services
22 shall be seconded automatically to the province, city or
23 municipality. The local chief executive concerned shall
24 have the power of supervision, direction, review and
25 evaluation of their work. He may also recommend the
26 promotion of or disciplinary action against the personnel
27 thus seconded to the department, agency, office or
28 instrumentality concerned.

29 Seconded personnel shall not receive additional
30 compensation.

31 SEC. 27. *Financial Assistance to Local Government*
32 *Units.* Where national financial assistance to local
33 government units are provided for certain projects, the
34 implementation thereof shall devolve upon and be carried
35 out by the local government concerned, subject to such
36 specifications, cost standards, reporting and performance
37 audit as may be prescribed by the appropriate office of the
38 National Government.

39 Article Two -- Relation with Other National Offices

40 SEC. 28. - *The Department of Education, Culture and*
41 *Sports.* - The Department of Education, Culture and Sports
42 shall exercise the same jurisdiction and power[s] over all
43 educational institutions established or supported by any

1 local government unit AS [that] it exercises over all other
2 public schools, including the appointment of personnel
3 thereto: *Provided, however,* That THE CONSTRUCTION, REPAIR,
4 IMPROVEMENT OR MAINTENANCE OF public elementary school
5 BUILDINGS, FACILITIES, STRUCTURES, AND OTHER CONSTRUCTIONS
6 SHALL BE UNDERTAKEN BY THE CITY OR MUNICIPALITY WHERE THEY
7 ARE LOCATED [teachers shall be appointed from a list
8 recommended by the Local SCHOOL BOARD [chief executive]
9 concerned].

10 SEC. 29. *The Commission on Elections.* - In addition to
11 the powers and functions conferred upon it by law, the
12 Commission on Elections shall enforce and administer all
13 laws and regulations relative to the conduct of an
14 election, initiative, referendum, plebiscite and recall in
15 local government units, with powers to promulgate the
16 necessary guidelines consistent with the provisions of the
17 Constitution and this Code.

18 SEC. 30. *The National Police Commission.* - The city
19 or municipal mayors shall be the [ex-officio]
20 representatives of the National Police Commission in their
21 respective jurisdictions and they shall have command of all
22 the elements of the local police forces within their
23 jurisdictions. They shall also have general and
24 operational control, supervision and direction, over the
25 said police forces.

26 The other rights and duties of local government
27 officials over police forces shall be defined under the
28 Philippine National Police Act.

29 SEC. 31. *Firemen.* - In the same manner as in the
30 preceding section, firemen shall be subject to supervision
31 and control by the chief executive of the local government
32 unit to which they are assigned. In case of WIDESPREAD
33 [unusual] conflagration, however, they may be temporarily
34 deployed outside their usual jurisdiction, upon
35 instructions of the [governor or] mayor concerned.

36 Article Three - Inter-Local Government Relations

37 SEC. 32. *Provincial Relations with Component Cities*
38 *and Municipalities.* - The province, through the provincial
39 governor, shall see to it that every component city and
40 municipality within its territorial jurisdiction acts
41 within the scope of its assigned powers and functions.
42 Highly urbanized cities, as hereinafter provided, shall be
43 independent of the province.

1 SEC. 33. *Pooling by Local Governments* - Local
2 government units may group, consolidate, or coordinate
3 their efforts, services and resources for purposes commonly
4 beneficial to them in accordance with law.

5 SEC. 34. *Delivery of Services*. In order that
6 local government units may be more responsive to the needs
7 of their constituencies, THE FOLLOWING SERVICES ARE HEREBY
8 DEVOLVED TO the provinces, cities and municipalities
9 SUBJECT TO THE STANDARDS PRESCRIBED BY THE NATIONAL
10 GOVERNMENT:

11 (A) health [and social] services;]

12 (B) agricultural services;]

13 (C) elementary school system including appropriate
14 classes; and]

15 (d) provincial, city, municipal and barangay road
16 systems and all public works and infrastructures that are
17 intended primarily to serve local needs;]

18 [For purposes of this section:]

19 (A) health services shall cover the following:]

20 A) [1)] [public] health services, TO WIT:

21 (a) comprehensive maternal and child health
22 services;

23 (b) communicable disease control services;

24 (c) non-communicable disease control services;

25 (d) primary health CARE PROGRAMS AND services;

26 (e) COMMUNITY HEALTH SERVICES [acquisition of
27 equipment;]:

28 (f) purchase of drugs, medicines, MEDICAL
29 SUPPLIES AND EQUIPMENT NEEDED TO CARRY OUT
30 THE SERVICES ABOVE-MENTIONED;

31 (g) THE CONSTRUCTION, IMPROVEMENT, REPAIR AND
32 MAINTENANCE OF CLINICS, HEALTH CENTERS AND
33 OTHER RELATED FACILITIES NECESSARY TO CARRY
34 OUT THE ABOVE SERVICES:

35 PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION SHALL
36 DIMINISH THE RIGHT OF LOCAL GOVERNMENT UNITS TO ESTABLISH,
37 MANAGE, OPERATE, AND MAINTAIN HOSPITALS OR CLINICS OWNED BY
38 THEM SUBJECT TO THE STANDARDS PRESCRIBED BY THE DEPARTMENT
39 OF HEALTH, AND PROVIDED, FURTHER, THAT HOSPITALS THAT ARE
40 NATIONALLY FUNDED AND CONSTRUCTED SHALL REMAIN UNDER THE
41 JURISDICTION OF THE DEPARTMENT OF HEALTH.

42 B) Agricultural services [shall cover] TO WIT:

43 (a) [the functions of the Bureau of Plant

- 1 Industry:] THE PRODUCTION, DEVELOPMENT AND
2 DISPERSAL OF PLANTING MATERIALS LIKE PALAY,
3 CORN, VEGETABLE SEEDS, FRUIT TREES AND OTHER
4 KIND OF SEEDLINGS; THE ISSUANCE OF SEED
5 CERTIFICATION; AND THE PREVENTION AND CONTROL
6 OF PLANT PESTS AND DISEASES NOW EXERCISED BY
7 THE BUREAU OF PLANT INDUSTRY;
- 8 (b) [the Bureau of Animal Industry] THE
9 PRODUCTION, DEVELOPMENT AND DISPERSAL OF
10 LIVESTOCK, POULTRY AND DAIRY ANIMALS, DAIRY
11 FARMS AND LIVESTOCK MARKETS; THE
12 ESTABLISHMENT OF ARTIFICIAL INSEMINATION
13 CENTERS; THE PREVENTION AND CONTROL OF ANIMAL
14 PESTS AND DISEASES; AND THE PURCHASE OF
15 VACCINES AND OTHER VETERINARY PRODUCTS NOW
16 EXERCISED BY THE BUREAU OF ANIMAL INDUSTRY;
- 17 (c) [and the Bureau of Fisheries and Aquatic
18 Resources:] THE PRODUCTION, DEVELOPMENT AND
19 DISPERSAL OF FINGERLINGS AND OTHER SEEDING
20 MATERIALS FOR AQUACULTURE FARMING;
21 ENFORCEMENT OF FISHERY LAWS WITHIN MUNICIPAL
22 WATERS. LEASING OF FISHPONDS; AND THE
23 DEVELOPMENT, PROTECTION, AND CONSERVATION OF
24 MANGROVES AND CORAL REEFS NOW EXERCISED BY
25 THE BUREAU OF FISHERIES AND AQUATIC
26 RESOURCES;
- 27 (d) EXTENSION SERVICES RELATED TO THE
28 ORGANIZATION OF COOPERATIVES AND OTHER
29 FARMERS' ORGANIZATIONS AS WELL AS TRANSFER OF
30 TECHNOLOGY TO THE FARMERS NOW EXERCISED BY
31 THE BUREAU OF AGRICULTURAL EXTENSION;
- 32 (e) SOIL CONSERVATION, MANAGEMENT AND
33 DEVELOPMENT; SOIL ANALYSIS AND WATER
34 IMPOUNDING FOR IRRIGATION NOW EXERCISED BY
35 THE BUREAU OF SOILS;
- 36 (f) ESTABLISHMENT, MAINTENANCE AND OPERATION OF
37 NURSERIES; PRODUCTION, DEVELOPMENT AND
38 DISPERSAL OF COCONUT SEEDLINGS; PREVENTION
39 AND CONTROL OF COCONUT PESTS AND DISEASES;
40 QUALITY CONTROL OF COPRA; AND IMPROVEMENT
41 AND DEVELOPMENT OF LOCAL MARKETING CHANNELS
42 PREFERABLY THROUGH THE DULY ORGANIZED SMALL
43 COCONUT FARMERS COOPERATIVES NOW EXERCISED BY



1 THE PHILIPPINE COCONUT AUTHORITY;
2 [the hiring and training of technicians who
3 will assist farmers in increasing
4 agricultural production and income through
5 the transfer of technology and assistance in
6 procuring agricultural inputs, post-harvest
7 facilities and market information. These
8 services shall not only cover crop and
9 livestock production but also fishery/aquatic
10 production:]

11 [3) the setting up of fruit tree nurseries;
12 and]

13 (g) REFORESTATION AND INTEGRATED SOCIAL FORESTRY
14 PROJECTS UP TO 500 HECTARES; CONTROL OF
15 ILLEGAL LOGGING JOINTLY WITH DEPARTMENT OF
16 ENVIRONMENT AND NATURAL RESOURCES; MINI-HYDRO
17 PROJECTS; SMALL-SCALE MINING; AND AIR AND
18 WATER POLLUTION PREVENTION AND CONTROL NOW
19 EXERCISED BY THE DEPARTMENT OF ENVIRONMENT
20 AND NATURAL RESOURCES;

21 [3) the processing of raw materials from
22 agriculture to promote their shelf life,
23 improve their quality and their value.]

24 C) The construction, IMPROVEMENT, repair and
25 maintenance of PUBLIC ELEMENTARY AND SECONDARY school
26 buildings, structures AND FACILITIES [connected with public
27 elementary school education] ;

28 [2) the payment of salaries, emoluments and
29 allowances for all teaching and non-teaching
30 personnel of the public elementary school
31 system in the locality; and]

32 [3) the procurement of books, other teaching
33 materials and equipment needed for the proper
34 implementation of the program for public
35 elementary education. (CONSIDERATION
36 DEFERRED)]

37 D) [Public works and infrastructures shall cover all]
38 THE construction, REHABILITATION, IMPROVEMENT AND
39 MAINTENANCE OF ALL ROADS, BRIDGES, MULTI-PURPOSE PAVEMENTS,
40 COMMUNAL IRRIGATION AND GROUND WATER IRRIGATION PROJECTS,
41 FISH PORTS, FLOOD CONTROL, SEAWALLS, DIKES, TRAFFIC SIGNS
42 AND SIGNAL, DRAINAGE AND SEWERAGE, ARTISIAN WELLS, SPRINGS,
43 OTHER WATER SOURCES AND ALL INFRASTRUCTURE FACILITIES



1 intended primarily to service the needs of the residents of
2 the province, city, municipality or barangay concerned;
3 excluding airports, wharves, major national HIGHWAYS
4 [thoroughfares], [and] similar public works and
5 infrastructures that are intended to serve national
6 requirements and funded by the National Government;

7 E) [Social services shall cover activities connected
8 with population programs] THE PLANNING, DEVELOPMENT AND
9 IMPLEMENTATION OF PROGRAMS AND PROJECTS FOR THE WELFARE OF
10 FAMILY AND COMMUNITY, CHILD AND YOUTH, WOMEN, AND DISABLED
11 PERSONS; RESCUE, RELIEF AND REHABILITATION OF VICTIMS OF
12 CALAMITIES AND OTHER NATURAL DISASTERS; NUTRITION AND
13 POPULATION PROGRAMS AS WELL AS COMMUNITY-BASED
14 REHABILITATION PROGRAM FOR VAGRANTS, BEGGARS, SCAVENGERS,
15 JUVENILE DELINQUENTS, VICTIMS OF DRUG ABUSE, REBEL
16 RETURNEES, EVACUEES; LIVELIHOOD, AND OTHER PRO-POOR
17 PROJECTS;

18 F) THE DEVELOPMENT, CONSTRUCTION, OPERATION AND
19 MAINTENANCE OF TOURISM PARKS AND FACILITIES, INCLUDING
20 ACQUISITION OF EQUIPMENT, REGULATION AND SUPERVISION OF
21 BUSINESS CONCESSIONS, AND SECURITY SERVICES FOR THE SAID
22 PARKS AND FACILITIES NOW EXERCISED BY THE DEPARTMENT OF
23 TOURISM.

24 ALL DESIGNS, PLANS, SPECIFICATIONS, TESTING OF
25 MATERIALS AND THE PROCUREMENT OF EQUIPMENT NECESSARY TO
26 DELIVER THE ABOVE-MENTIONED SERVICES SHALL BE PERFORMED BY
27 THE LOCAL GOVERNMENT UNITS CONCERNED.

28 SEC. 35. *Review of Component City and Municipal*
29 *Ordinances and Resolutions.* - All ordinances and
30 resolutions enacted or adopted by the *sangguniang*
31 *panlungsod* of component cities or the *sangguniang bayan* of
32 municipalities shall be deemed approved thirty (30) days
33 from their submission to the *sangguniang panlalawigan*
34 unless they are disapproved for being ultra-vires.

35 SEC. 36. *Submission of Municipal Questions to the*
36 *Provincial Attorney or Prosecutor.* - In the absence of a
37 municipal attorney, the municipal government may secure the
38 opinion of the provincial attorney, and in the absence of
39 the latter, that of the provincial prosecutor on any legal
40 question affecting the municipality.

41 SEC. 37. *Acts of the Sangguniang PANLUNGSOD/Bayan*
42 *Requiring Approval of the Sangguniang Panlalawigan.* - The
43 following acts of the *sangguniang PANLUNGSOD/bayan* shall be

1 subject to the approval of the *sangguniang panlalawigan*:

2 a) alienation of real properties owned by A
3 municipality OR COMPONENT CITY; and

4 b) loans OR ANY ACT CREATING OR INCREASING THE
5 INDEBTEDNESS OF A MUNICIPALITY OR COMPONENT CITY.

6 SEC. 38. *City OR [and] Municipal Supervision Over*
7 *Their Respective Barangay.* - The city or municipality,
8 through the city or municipal mayor concerned, shall have
9 primary responsibility for general supervision over the
10 government of every barangay within their respective
11 territorial jurisdictions to ensure THAT the barangay acts
12 within the scope of its assigned powers and functions.

13 SEC. 39. *Review of Barangay Ordinances and*
14 *Resolutions.* - The *sangguniang panlungsod* or the
15 *sangguniang bayan* shall review all ordinances and
16 resolutions enacted or adopted by the *sangguniang barangay*
17 within its territorial jurisdiction to ensure that these
18 are within the powers granted by law [and in conformity
19 with city or municipal ordinances].

20 TITLE TWO -- ELECTIVE OFFICIALS

21 CHAPTER 1. - Qualifications and Election

22 SEC. 40. *Qualifications.* - a) An elective local
23 official must be a citizen of the Philippines, a registered
24 voter in the barangay, municipality, city or province where
25 he intends to be elected, a resident therein for at least
26 one year immediately preceding the day of the election, and
27 able to read and write Filipino, or any other local
28 language or dialect.

29 b) Candidates for the positions of governor, vice-
30 governor, or member of the *sangguniang panlalawigan* as well
31 as for mayors and vice mayors of highly urbanized cities
32 must be at least twenty-three (23) years of age on
33 election day.

34 c) Candidates for the positions of mayor or vice mayor
35 for component cities or municipalities must be at least
36 TWENTY-ONE (21) [eighteen (18)] years of age on election
37 day.

38 d) Candidates for the positions of member of the
39 *sangguniang panlungsod* or member of the *sangguniang bayan*
40 must be at least eighteen (18) years of age on election
41 day.

42 e) Candidates for the positions of *punong barangay* or
43 member of the *sangguniang barangay* must be at least

1 eighteen (18) years of age on election day and actual
2 residents in the barangay in which they shall be elected.

3 f) Candidates for the youth council must be at least
4 fifteen (15) years of age but not more than twenty-one (21)
5 years of age on election day.

6 SEC. 41. *Disqualifications.* - The following are
7 disqualified from running for any elective local position:

8 a) any person who has been sentenced by final
9 judgment for AN offense involving moral turpitude to
10 suffer one (1) year or more of imprisonment, within two
11 (2) years after service of sentence;

12 b) any person who has been removed from office as a
13 result of an administrative case or as a result of A
14 recall process, within one (1) year after such removal;

15 c) any person who has been convicted by final
16 judgment for violating his allegiance to the
17 Republic;

18 d) any person with dual citizenship;

19 e) any person who has applied to obtain, or has
20 acquired, the right to reside abroad; and

21 f) insane or feeble-minded persons.

22 SEC. 42. *Manner of Election.* - a) The governor, vice
23 governor, city mayor, city vice mayor, municipal mayor,
24 municipal vice mayor, and *punong barangay* shall be elected
25 at large in their respective units by the qualified voters
26 therein. However, the barangay youth council chairman
27 for each barangay shall be elected by the registered voters
28 of the barangay youth assembly as hereinafter provided.

29 b) The members of the *sangguniang panlalawigan*,
30 *sangguniang panlungsod*, *sangguniang bayan* and *sangguniang*
31 *barangay* shall be elected at large in their respective
32 provinces, cities, municipalities or barangay including
33 sectoral representatives not exceeding four (4) in number
34 in every local government unit except IN the barangay:
35 *Provided, That* the representatives of the league of
36 barangay and the barangay youth council federation in said
37 *sanggunian* shall be elected on their own respective
38 organizations, subject to the supervision of the Commission
39 on Elections.

40 SEC. 43. *Date of Election* - UNLESS OTHERWISE
41 PROVIDED BY LAW, the elections for local officials shall be
42 held on the second Monday of May 1992 and on the same day
43 and month every three (3) years thereafter.

1 SEC. 44. *Term of Office.* - a) The term of office of
2 all local elective officials, elected after the effectivity
3 of this Code, except those OF [in] the barangay, shall be
4 three (3) years, starting from noon of June 30, 1992.

5 b) No local elective official shall serve for more
6 than nine consecutive years in the same position.
7 Voluntary renunciation of the office for any length of time
8 shall not be considered as an interruption in the
9 continuity of service for the full term of which the
10 elective official concerned was elected.

11 CHAPTER 2. - Vacancies and Succession

12 SEC. 45. *Permanent Vacancy in the Office of the Local*
13 *Chief Executive.* - a) In case a permanent vacancy arises
14 when a governor, city or municipal mayor, or *punong*
15 *barangay* refuses to assume office, fails to qualify, dies
16 or is removed from office, voluntarily resigns, or is
17 otherwise permanently incapacitated to discharge the
18 functions of his office, the vice-governor, city or
19 municipal vice mayor, or the member of the *sangguniang*
20 *barangay* who obtained the highest number of votes in the
21 election immediately preceding, as the case may be, shall
22 assume the office for the unexpired term of the local chief
23 executive concerned.

24 b) In the event the vice governor, city or municipal
25 vice mayor, as the case may be, likewise refuses to assume
26 office or fails to qualify, dies or is removed from office,
27 voluntarily resigns or is otherwise permanently
28 incapacitated to discharge the functions of the office, the
29 member of the *sangguniang panlalawigan*, *sangguniang*
30 *panlungsod* or the *sangguniang bayan*, as the case may be,
31 who obtained the highest number of votes in the election
32 immediately preceding shall assume the office for the
33 unexpired term of the governor, city or municipal mayor
34 concerned: *Provided*, That the same rule shall apply in
35 provinces, cities, or municipalities which elect the
36 members of their *sanggunian* by district.

37 c) If the *sanggunian* member who obtained the highest
38 number of votes in the election immediately preceding
39 likewise refuses to assume office or fails to qualify, dies
40 or is removed from office, voluntarily resigns or is
41 otherwise permanently incapacitated to discharge the
42 functions of the office, the vacancy shall be filled by the
43 member of the *sanggunian* concerned who obtained the second

1 highest number of votes in the election immediately
2 preceding, for the unexpired term of the vacant office.
3 Succeeding vacancy or vacancies as a result of such
4 succession shall be filled automatically by other
5 *sanggunian* members as ranked on the basis of the number of
6 votes received during the local elections in which they ran
7 for office.

8 d) In case of a tie between or among the *sanggunian*
9 members who obtained the highest or the next highest number
10 of votes in the immediately preceding election, the same
11 shall be resolved by the drawing of lots.

12 SEC. 46. *Permanent Vacancy in the Office of the Vice-*
13 *Governor, or City or Municipal Vice-Mayor.* - a) In case a
14 permanent vacancy arises when a vice governor or city or
15 municipal vice mayor assumes the office of governor, or
16 city or municipal mayor, as the case may be, or refuses to
17 assume office, fails to qualify, dies, is removed from
18 office, voluntarily resigns or is otherwise permanently
19 incapacitated to discharge the functions of his office, the
20 *sangguniang panlalawigan, sangguniang panlungsod* or
21 *sangguniang bayan* member who obtained the highest number of
22 votes in the election immediately preceding, as the case
23 may be, shall assume the office for the unexpired term of
24 the vice governor or city or municipal vice mayor
25 concerned.

26 b) If the *sanggunian* member who obtained the highest
27 number of votes in the election immediately preceding
28 likewise assumes the office of governor, or city or
29 municipal mayor, as the case may be, or refuses to assume
30 office, fails to qualify, dies or is removed from office,
31 voluntarily resigns or is otherwise permanently
32 incapacitated to discharge the functions of the office, the
33 vacancy shall be filled by the member of the *sanggunian*
34 concerned who obtained the second highest number of votes
35 in the election immediately preceding, for the unexpired
36 term of the vacant office. Succeeding vacancy or vacancies
37 as a result of such succession shall be filled
38 automatically by other *sanggunian* members as ranked on the
39 basis of the number of votes received during the local
40 elections in which they ran for office.

41 The foregoing provisions shall also apply to situations
42 where the members of the *sanggunian* are elected by
43 district.

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1 c) In case of a tie between or among the *sanggunian*
2 members who obtained the highest or the next highest number
3 of votes in the immediately preceding election, the same
4 shall be resolved by the drawing of lots.

5 SEC. 47. *Permanent Vacancies in Local Legislative*
6 *Bodies.* - In case of permanent vacancy in local legislative
7 bodies WHERE AUTOMATIC SUCCESSIONS PROVIDED ABOVE DO NOT
8 APPLY, the PRESIDENT OF THE PHILIPPINES [Secretary of Local
9 Government] shall appoint a qualified person to fill the
10 vacancy in the *sangguniang panlalawigan* and the *sangguniang*
11 *panlungsod* OF HIGHLY URBANIZED CITIES, upon recommendation
12 of the governor or city mayor concerned; the provincial
13 governor, in the case of *sangguniang PANLUNGSOD OF*
14 *COMPONENT CITIES AND SANGGUNIANG bayan* members upon
15 recommendation of the CITY OR municipal mayor concerned; or
16 the city or municipal mayor in the case of *sangguniang*
17 *barangay* members, upon recommendation of the *barangay*
18 assembly concerned.

19 Except for the *sangguniang barangay*, ONLY the NOMINEE
20 OF THE POLITICAL PARTY UNDER WHICH THE SANGGUNIAN MEMBER
21 CONCERNED HAD BEEN ELECTED AND WHOSE ELEVATION TO THE
22 POSITION NEXT HIGHER IN RANK CREATED THE LAST VACANCY IN
23 THE SANGGUNIAN SHALL BE APPOINTED BY THE MANNER HEREINABOVE
24 PROVIDED [appointee shall be nominated by the political
25 party under which the *sanggunian* member concerned had
26 been elected].

27 In case of vacancies in the sectoral representation in
28 the *sangguniang panlalawigan*, *sangguniang panlungsod* or the
29 *sangguniang bayan* the same shall be filled by appointment
30 by the governor or mayor concerned upon recommendation of
31 the sector creating the vacancy.

32 SEC. 48. *Temporary Vacancy in the Office of Governor,*
33 *City or Municipal Mayor, or Punong Barangay.* a) In
34 case of temporary incapacity of the governor, city or
35 municipal mayor, or *punong barangay* to perform his duties
36 on account of physical or legal causes, or when he is on
37 official leave of absence or on travel outside the
38 territorial jurisdiction of the Republic, the vice
39 governor, city or municipal vice mayor, or the *sangguniang*
40 *barangay* member who obtained the highest number of votes in
41 the election immediately preceding, as the case may be,
42 shall exercise the powers, and perform the duties and
43 functions of the governor, city or municipal mayor, or

1 **punong barangay** concerned, except the power to appoint,
2 suspend or dismiss employees during the temporary
3 incapacity of the incumbent, or during the incumbent's
4 official leave of absence or travel abroad[, or] for a
5 period of not more than three (3) months.

6 b) Upon the expiration of three (3) months, should the
7 temporary incapacity, official leave of absence, or travel
8 abroad subsist, the vice governor, city or municipal vice
9 mayor, or **sangguniang barangay** member concerned, as the
10 case may be, may exercise the power to appoint, suspend or
11 dismiss employees during his tenure.

12 c) When the incumbent local chief executive is on
13 travel within the country, the vice governor, city or
14 municipal vice mayor, or **sangguniang barangay** member
15 concerned, as the case may be, shall assume the powers,
16 duties and functions of the office only upon written
17 authorization of the local chief executive concerned.

18 d) In the event, however, that the local chief
19 executive concerned fails or refuses to issue such
20 authorization, the vice governor, city or municipal vice
21 mayor, or **sangguniang barangay** member concerned, as the
22 case may be, shall automatically assume the powers, duties
23 and functions of the office on the sixteenth day of absence
24 of the local chief executive concerned, subject to the
25 limitations provided in paragraph A [(1)] of this Section.

26 e) In no case shall a local chief executive authorize
27 any official of a local unit to assume the powers, duties
28 and functions of the office, other than the vice governor,
29 the city or municipal vice mayor or the **sangguniang**
30 **barangay** member concerned, as the case may be.

31 SEC. 49. **Approval of Leaves of Absence.** - a) The
32 leave of absence of local elective officials shall be
33 approved as follows:

34 1) Leaves of absence of the vice governor, city or
35 municipal vice mayor shall be approved by the local
36 chief executive concerned: **Provided**, that the leaves of
37 absence of the members of the Sanggunian and its
38 employees shall be approved by the vice governor, city
39 or municipal vice mayor concerned;

40 2) leaves of absence of the **punong barangay** shall
41 be approved by the CITY OR municipal mayor;

42 3) leaves of absence of the COMPONENT CITY OR
43 municipal mayor shall be approved by the provincial

1 governor; and

2 4) leaves of absence of the HIGHLY URBANIZED city
3 mayor and the provincial governor shall be approved by
4 the Secretary of Local Government or his duly
5 authorized representative.

6 b) Whenever the application for leave of absence
7 hereinabove specified is not acted upon within five (5)
8 working days after receipt thereof, the application for
9 leave of absence shall be deemed to have been approved.

10 CHAPTER 3. - Local Legislation

11 SEC. 50. *Legislative Power.* - a) The legislative
12 power[s] shall be exercised by the *sangguniang panlalawigan*
13 for the province; the *sangguniang panlungsod* for the city;
14 the *sangguniang bayan* for the municipality; and the
15 *sangguniang barangay* for the barangay.

16 b) The *sangguniang panlalawigan* shall be composed of
17 the vice governor, as presiding officer, the elected
18 *sangguniang panlalawigan* members and the presidents of the
19 *Katipunang Panlalawigan ng mga Barangay* and the Provincial
20 Federation of Youth Councils.

21 c) The *sangguniang panlungsod* shall be composed of the
22 vice mayor as presiding officer, the elected *sangguniang*
23 *panlungsod* members and the presidents of the *Katipunang*
24 *Panlungsod ng mga Barangay* and the City Federation of Youth
25 Councils.

26 d) The *sangguniang bayan* shall be composed of the vice
27 mayor as presiding officer, the elected *sangguniang bayan*
28 members and the presidents of the *Katipunang Pambayan ng*
29 *mga Barangay* and the Municipal Federation of Youth
30 Councils.

31 e) The *sangguniang barangay* shall be composed of
32 the *punong barangay* as the presiding officer, the elected
33 *sangguniang pambarangay* members and the president of the
34 Youth Council.

35 f) The presiding officers of the respective
36 *sanggunian* shall vote only to break a tie.

37 g) In the event of the inability of the regular
38 presiding officer, as hereinabove stipulated, to preside at
39 a *sanggunian* session, the members present and constituting
40 a quorum shall elect from among themselves a temporary
41 presiding officer. He shall certify within ten (10) days
42 from their passage all ordinances and resolutions enacted
43 or adopted by the *sanggunian*.

1 SEC. 51. *Internal Rules of Procedure.* - a) On the
2 first regular session immediately following the election of
3 its members and within ninety (90) days thereafter, the
4 *sanggunian* of local government units shall adopt or update
5 its rules of procedure.

6 b) The rules of procedure shall embody the following:

7 1) The standing committees to be created which
8 shall include the Committees on Human Rights,
9 Environmental Protection, Cooperatives, and Youth and
10 Sports Development;

11 2) The chairman and members of each committee;

12 3) The general subject matter to be handled by
13 each committee;

14 4) The steps to be taken in the legislative
15 process;

16 5) The order of business for each session;

17 6) The DISCIPLINE OF members [may be disciplined]
18 for disorderly behavior during sessions and habitual
19 absenteeism, for which they may be censured,
20 reprimanded, excluded from the session, suspended for
21 not more than sixty (60) days, or expelled, any of
22 which shall require the concurrence of at least two-
23 thirds (2/3) vote of all the *sanggunian* members:
24 *Provided, That,* a member convicted of any crime
25 involving moral turpitude by final judgment where the
26 penalty imposed is imprisonment of at least ONE (1)
27 YEAR [six (6) months] shall be automatically expelled
28 from the *sanggunian*; and

29 7) Such other rules as the *sanggunian* may adopt.

30 c) The *sanggunian* of local government units shall
31 adopt measures to encourage the meaningful participation of
32 members of the minority party in all its proceedings. In
33 this regard, it shall be mandatory that whenever a majority
34 floor leader is appointed officer of the *sanggunian*, a
35 minority floor leader shall also be appointed. The rules
36 of the *sanggunian* shall require proportionate membership
37 of members of the minority in all the committees.

38 d) The representative of the Youth Council Federation
39 in the *sanggunian* shall at least be a member of the
40 Committee on Youth and Sports Development: *Provided,*
41 *however,* That should he belong to the majority in the
42 chamber, he shall have the preference in the consideration
43 of the chairmanship of the committee.

1 SEC. 52. *Sessions of the Sanggunian.* - a) On the
2 first day of session immediately following the election of
3 its members, the *sanggunian* shall, by resolution, fix the
4 day, time and place of its regular sessions: *Provided,*
5 *however,* That the minimum number of regular sessions shall
6 be once a week for the *sangguniang panlalawigan*, [and]
7 *sangguniang panlungsod*, AND [twice a month for the]
8 *sangguniang bayan*, and TWICE [once] a month for the
9 *sangguniang barangay*.

10 b) When public interest so demands, special sessions
11 may be called by the local chief executive or a majority of
12 all the members of the *sanggunian*.[: *Provided, however,*
13 That no per diems or allowances shall be given to the
14 *sanggunian* members for special sessions attended in excess
15 of four (4) sessions per month.]

16 (c) In special sessions of the *sanggunian*, a written
17 notice to the members shall be served personally or left
18 with a responsible person at the member's usual place of
19 residence or office. Unless otherwise concurred in by
20 two-thirds (2/3) vote of the *sanggunian* members present,
21 there being a quorum, no other matter may be considered at
22 a special session except those stated in the notice.]

23 C) [d)] All *sanggunian* sessions shall be open to the
24 public unless a closed door session is ordered by an
25 affirmative vote of a majority of the members present,
26 there being a quorum, in the public interest or for reasons
27 of security, decency or morality. No two (2) sessions,
28 regular or special, may be held in a single day.

29 SEC. 53. *Quorum.* - a) A majority of all the members
30 of the *sanggunian* who have been elected and qualified
31 shall constitute a quorum to transact official business.
32 Should a question of quorum be raised during a session, the
33 presiding officer shall immediately proceed to call the
34 roll of the members and thereafter announce the results.

35 b) Where there is no quorum, the presiding officer may
36 declare a recess until such time as a quorum is
37 constituted, or a majority of the members present may
38 adjourn from day to day and may compel the immediate
39 attendance of any member absent without good cause by
40 issuing AN ORDER to THAT END TO the secretary of the
41 *sanggunian*. [to produce the absent member at the session.]

42 c) If there is still no quorum despite the
43 enforcement of the provision of the immediately preceding

1 paragraph, no business shall be transacted. The presiding
2 officer, upon proper motion duly approved by the members
3 present, shall then declare the session adjourned for lack
4 of quorum.

5 SEC. 54. *Approval by the Local Chief Executive.* - a)
6 Every ordinance or resolution enacted or adopted by the
7 *sanggunian* shall be forwarded to the local chief executive
8 concerned for approval. The local chief executive
9 concerned shall affix his initials on each and every page
10 of the ordinance or resolution, and the word "Approved"
11 shall appear with his signature on the last page thereof.

12 b) Within fifteen (15) days, in the case of the
13 province, and ten (10) days in the case of the city,
14 municipality or barangay, after receipt of the ordinance or
15 resolution, the local chief executive shall return the said
16 ordinance or resolution to the *sanggunian* with either his
17 approval or his veto. If he does not return it within that
18 time, the ordinance or resolution shall be deemed approved.

19 SEC. 55. *Veto Power of the Local Chief Executive.* -

20 a) The local chief executive may veto any ordinance or
21 resolution on the ground that it would be prejudicial to
22 the public welfare, particularly stating his reasons
23 therefor in writing.

24 b) The local chief executive shall have the power to
25 veto any particular item or items of an appropriation
26 ordinance, or of an ordinance or resolution directing the
27 payment of money or creating liability. In such a case,
28 the veto shall not affect the item or items which are not
29 objected to. The vetoed item or items shall not take
30 effect unless the *sanggunian* overrides the veto in the
31 manner herein provided; otherwise, the item or items in the
32 appropriation ordinance of the previous year corresponding
33 to those vetoed shall be deemed reenacted.

34 c) The local chief executive may veto an ordinance or
35 resolution only once. The *sanggunian* may override the veto
36 of the local chief executive concerned by two-thirds (2/3)
37 vote of all its members, thereby making the ordinance or
38 resolution effective without the approval of the local
39 chief executive concerned.

40 SEC. 56. *Review of Ordinances, Resolutions and*
41 *Executive Orders by the Sangguniang Panlalawigan.* - a)
42 Within seventy-two (72) hours after approval, the component
43 city or municipal secretary shall forward to the

1 *sangguniang panlalawigan* for review, copies of approved
2 ordinances, resolutions and executive orders promulgated
3 by the component city or municipal mayor.

4 b) If the *sangguniang panlalawigan* finds that an
5 ordinance, resolution or executive order is beyond the
6 power conferred upon the *sangguniang panlungsod*, the
7 *sangguniang bayan*, or the mayor concerned, it shall
8 disapprove such ordinance, resolution or executive order in
9 whole or in part. The *sangguniang panlalawigan* shall enter
10 its actions upon the minutes and shall advise the
11 corresponding city or municipal authorities of the action
12 it has taken.

13 SEC. 57. *Review of Barangay Ordinances by the*
14 *Sangguniang Panlungsod or Sangguniang Bayan.* - a) Within
15 ten (10) days after its enactment, the *sangguniang barangay*
16 shall furnish copies of barangay ordinances to the
17 *sangguniang panlungsod* or *sangguniang bayan* concerned, for
18 review as to whether the ordinance is consistent with law
19 and with city or municipal ordinances.

20 b) [Failure on the part of] IF the *sangguniang*
21 *panlungsod* or *sangguniang bayan*, as the case may be, FAILS
22 to take action on barangay ordinances within thirty (30)
23 days from receipt thereof, THE said ordinances will be
24 deemed approved.

25 c) If [within thirty (30) days,] the *sangguniang*
26 *panlungsod* or *sangguniang bayan*, as the case may be, finds
27 the barangay ordinance inconsistent with law or with city
28 or municipal ordinances, the *sanggunian* concerned shall
29 return WITHIN THIRTY (30) DAYS the ordinance with its
30 comments and recommendations to the *sangguniang barangay*
31 concerned for adjustment, amendment or modification, in
32 which case, the effectivity of the barangay ordinance is
33 suspended until such time as the revision called for is
34 effected.

35 SEC. 58. *Enforcement of Disapproved Ordinances,*
36 *Resolutions or Executive Orders.* - [Any attempt to] THE
37 enforcement or EXECUTION [executed] OF any ordinance,
38 resolution or executive order after the disapproval thereof
39 shall be sufficient ground for the suspension or dismissal
40 of the OFFICIAL OR EMPLOYEE CONCERNED. [officer making such
41 attempt.]

42 SEC. 59. *Effectivity of Ordinances.* - a) Unless
43 otherwise stated in the ordinance or resolution, the same

1 shall take effect after the lapse of ten (10) days from the
2 date a copy thereof is posted in a bulletin board at the
3 entrance of the provincial capitol or city, municipal or
4 barangay hall, as the case may be, and in at least two (2)
5 other conspicuous places in the local unit concerned.

6 b) Not later than five (5) days after the approval
7 of an ordinance or resolution, the secretary of the
8 *sanggunian* shall cause the posting thereof in the language
9 or dialect used and understood by the majority of the
10 people in the local unit concerned, and shall record such
11 fact in a book kept for the purpose, stating the dates of
12 approval and posting.

13 c) In the case of highly urbanized cities, the main
14 features of the ordinance and resolution duly approved
15 SHALL [must], in addition to the requirement of posting,
16 be published once in a local newspaper of general
17 circulation within the city: *Provided*, That in the absence
18 thereof the ordinance or resolution SHALL [must] be
19 published in any newspaper of general circulation.

20 d) Failure to post or publish a copy of the duly
21 approved ordinance or resolution will not affect its
22 validity.

23 CHAPTER 4. Suspension and Removal

24 SEC. 60. *Suspension Grounds*. - An elective local
25 official may be suspended from office on any of the
26 following grounds committed while in office:

- 27 a) Disloyalty to the Republic;
- 28 b) Culpable violation of the Constitution;
- 29 c) Dishonesty, oppression, misconduct in office and
30 neglect of duty,
- 31 d) Commission of any offense involving moral
32 turpitude;
- 33 e) Serious or grave abuse of authority;
- 34 f) Unauthorized absence for thirty (30) consecutive
35 days, except in the case of members of the *sangguniang*
36 *panlalawigan*, *SANGGUNIANG PANLUNGSOD*, *sangguniang bayan*
37 *and sangguniang barangay*.
- 38 g) Application for, or acquisition of foreign
39 citizenship or residence or the status of an immigrant of
40 another country.

41 An elective local official may be removed from office
42 on the [same] grounds enumerated above by order of the
43 proper court.

1 witnesses or pose a threat to the safety and integrity of
2 the records and other evidence: *Provided*, That, any single
3 preventive suspension of local elective officials shall not
4 extend beyond sixty (60) days: *Provided*, further, that in
5 the event that several administrative cases are filed
6 against an elective official, he cannot be preventively
7 suspended for more than ninety (90) days within a single
8 year on the same ground or grounds existing and known at
9 the time of the first suspension.

10 c) At the expiration of sixty (60) days or ninety (90)
11 days, as the case may be, the suspended elective official
12 shall be deemed reinstated in office without prejudice to
13 the continuation of the proceedings against him which shall
14 be terminated within one hundred twenty (120) days from the
15 time he was formally notified of the case against him.
16 However, if the delay in the proceedings of the case is
17 due to his fault, neglect, or request, other than the
18 appeal duly filed, the time of the delay shall not be
19 counted in computing the time of suspension.

20 SEC. 64. *Salary of Respondent Pending Suspension.* -
21 The respondent official preventively suspended from office
22 during the pendency of the charges against him shall
23 receive no salary or compensation during such suspension;
24 but, upon subsequent exoneration and reinstatement, he
25 shall be paid full salary or compensation including such
26 emoluments accruing during such suspension.

27 SEC. 65. *Rights of Respondent.* - The respondent shall
28 be accorded full opportunity to appear and defend himself
29 in person or by counsel, to confront and cross-examine the
30 witnesses against him, and to require the attendance of
31 witnesses and the production of evidence in his favor
32 through the compulsory process of *subpoena* or *subpoena*
33 *duces tecum*.

34 SEC. 66. *Form and Notice of Decision.* - a) Within
35 thirty (30) days after the end of the investigation, the
36 OFFICE OF THE PRESIDENT [Secretary of Local Government],
37 or the *sanggunian* concerned, as the case may be, shall
38 render a decision in writing stating clearly and
39 distinctly the facts and the law supporting the
40 decision, copies of which shall immediately be furnished
41 the respondent and all interested parties.

42 b) The penalty of suspension shall not exceed the
43 unexpired term of the respondent, or a period not exceeding

1 six (6) months for every administrative offense, nor shall
2 said penalty be a bar to the candidacy of the respondent
3 so suspended as long as he meets the qualifications
4 required for the office.

5 SEC. 67. *Administrative Appeals.* - [a] Administrative
6 appeals from the decision of suspension shall be made
7 within thirty (30) days from the date on which the same was
8 received, to the following authorities whose decision shall
9 be final and executory:

10 1) the decision of the OFFICE OF THE PRESIDENT SHALL
11 BE FINAL AND EXECUTORY; [Secretary of Local Government
12 shall be appealable directly to the Supreme Court on a
13 petition or certiorari;]

14 2) the decision of the *sangguniang panlalawigan* and
15 *sangguniang panlungsod* of highly urbanized cities shall be
16 appealable to the OFFICE OF THE PRESIDENT [Secretary of
17 Local Government];

18 3) the decision of the *sangguniang panlungsod* of
19 component cities and of the *sangguniang bayan* shall be
20 appealable to the *sangguniang panlalawigan*.

21 CHAPTER 5. Recall

22 SEC. 68. *By Whom Exercised; Requisites.* - a) The
23 power of recall shall be exercised by the registered
24 voters of a local government unit to which the local
25 elective official subject to such recall belongs.

26 b) Recall shall be validly initiated only upon
27 petition of at least twenty-five percent (25%) of the
28 total number of registered voters in the local government
29 unit concerned based on the election in which the local
30 official sought to be recalled was elected.

31 SEC. 69. *Who May Be Recalled; Grounds for Recall;*
32 *When Recall May Not Be Held.* - a) Any elective official
33 may be recalled only once during his term of office for
34 loss of confidence.

35 b) No recall shall take place within one (1) year from
36 the date of the official's assumption of office or one
37 year immediately preceding a regular local election.

38 SEC. 70. *Form, Venue and Procedure for Recall.* - a) A
39 written petition for recall duly signed before the election
40 registrar or his representative, and in the presence of a
41 representative of the petitioner, and in a public place in
42 the province, city, municipality or barangay, as the case
43 may be, shall be filed with the Commission on Elections

1 through its office in the local unit concerned. The
2 Commission on Elections or its duly authorized
3 representative shall cause the publication of the petition
4 in a public and conspicuous place for a period of not less
5 than ten (10) days nor more than twenty (20) days, for the
6 purpose of verifying the authenticity and genuineness of
7 the petition and the required percentage of voters.

8 b) Upon the lapse of the aforesaid period, the
9 Commission on Elections or its duly authorized
10 representative shall announce the acceptance of candidates
11 to the position and thereafter prepare the list of
12 candidates which shall include the name of the official
13 sought to be recalled.

14 c) The Commission on Elections shall then set the
15 date for the election which shall not be later than thirty
16 (30) days after the announcement of the acceptance of
17 candidates for the election on recall in the case of the
18 city, municipal or barangay officials, and forty-five (45)
19 days in the case of provincial officials. The election
20 shall then be held on the date set, after which the winner
21 shall be certified and proclaimed by the Commission on
22 Election.

23 **SEC. 71. Effectivity of Recall.** - The recall of a
24 local elective official shall be effective only upon the
25 election and proclamation of a successor in the person of
26 the candidate receiving the highest number of votes cast
27 during the recall election. Should the official sought to
28 be recalled receive the highest number of votes,
29 confidence in him is thereby affirmed and he shall
30 continue in office.

31 **SEC. 72. Resignation.** - The local elective official
32 sought to be recalled may resign while the recall process
33 is in progress, in which case his name shall be excluded
34 from the list of candidates as provided in Section 70.

35 **SEC. 73. Expenses Incident To Process of Recall.** -
36 All expenses incident to the process of recall shall be
37 borne by the Commission on Elections.

38 **TITLE THREE - PERSONNEL ADMINISTRATION**

39 **SEC. 74. Responsibility for Personnel Administration.**
40 - Each head of a local government unit shall be
41 responsible for personnel administration in his unit and
42 shall take all personnel actions in accordance with the
43 constitutional provisions relative to the civil service

1 and all laws and rules thereon, including such policies,
2 guidelines and standards as the Civil Service Commission
3 may establish.

4 SEC. 75. *Appointment of Personnel of Local Government.*

5 a) All officials and employees paid wholly or
6 partially out of provincial, city, municipal or barangay
7 funds shall be appointed by the governor, city mayor,
8 municipal mayor, or *punong barangay*, respectively, except
9 as otherwise provided in this Code.

10 b) Appointments to positions in local governments,
11 except those classified by law as policy-determining,
12 primarily confidential, or highly technical in nature,
13 shall be made only according to merit and fitness to be
14 determined, as far as practicable, by competitive
15 examination.

16 c) Appointments to the career service in local
17 governments shall be either permanent or temporary. A
18 permanent appointment shall be issued to a person who
19 meets all the requirements for the position to which he is
20 appointed, including the appropriate eligibility
21 prescribed by law or regulations.

22 d) In the absence of appropriate eligibles and
23 whenever public interest requires the filling of a vacancy
24 in local governments, a temporary appointment may be issued
25 to a person who meets all the requirements for the
26 position to which he is being appointed except the
27 possession of the appropriate civil service eligibility.
28 Such temporary appointment shall not exceed twelve (12)
29 months but may be terminated sooner if a qualified civil
30 service eligible becomes available.

31 e) A contractual appointment shall be issued only when
32 the proposed appointee undertakes a specific work or
33 project to be completed within a limited period not to
34 exceed one (1) year; when the proposed appointee has a
35 special or technical skill not available in the employing
36 local government unit; and when the proposed appointee
37 performs or accomplishes his work under his own
38 responsibility with minimum direction and supervision from
39 the hiring local government unit. Except in fields of
40 expertise where there are no Filipino experts available,
41 at no other instance may an alien be extended a
42 contractual appointment in local governments.

43 f) All appointments shall be made in such form,

1 content, and supporting documentation as the Civil Service
2 Commission may prescribe. Except as otherwise provided
3 by law, appointments of all officials and employees of
4 local governments units shall be forwarded to the Civil
5 Service Commission within thirty (30) days from the date of
6 issuance thereof, otherwise, said appointments shall become
7 ineffective thirty (30) days thereafter. Appointments of
8 those who do not meet the appropriate eligibility and/or
9 required qualifications shall not be made, except in cases
10 allowed by law and the civil service rules and
11 regulations.

12 g) An appointment issued in accordance with pertinent
13 laws and rules shall take effect immediately upon its
14 issuance by the appointing authority, and if the appointee
15 has assumed the duties of the position, he shall be
16 entitled to receive his salary at once without awaiting
17 the attestation of his appointment by the Civil Service
18 Commission. The appointing authority, however, shall be
19 liable for the payment of the salary of the appointee for
20 actual services rendered in the event said appointment is
21 not attested by the Civil Service Commission, due to the
22 appointing authority's issuance of the appointment in
23 willful violation of existing laws or rules.

24 SEC. 76. *Public Notice of Vacancy; Personnel*
25 *Selection Board.* - a) For the purpose of attracting the
26 best qualified Filipino citizens to enter the career
27 service of local governments, whenever a local chief
28 executive shall decide to fill a vacant career position,
29 he shall announce his intention to fill said vacancy by
30 posting a notice thereof in at least three (3) conspicuous
31 public places in the local unit concerned, for a period of
32 not less than fifteen (15) days.

33 b) The personnel selection board shall be established
34 in each unit by a resolution of the *sanggunian* concerned
35 to assist the local chief executive in the judicious and
36 objective selection of personnel for employment as well as
37 for promotion, and in the formulation of such policies as
38 would contribute to employee welfare.

39 c) The personnel selection board shall be headed by
40 the local chief executive, and its members shall be
41 determined also by resolution of the *sanggunian*
42 concerned. A representative of the Civil Service
43 Commission, if any, and the personnel officer of the local

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1 unit concerned shall sit on the board as *ex-officio* members
2 thereof.

3 SEC. 77. *Limitation on Appointments.* - Provisions of
4 existing laws to the contrary notwithstanding, no official
5 or employee in the career service of local governments may
6 be appointed by the local chief executive, if the proposed
7 appointee is related within the fourth civil degree of
8 consanguinity or affinity to the appointing or
9 recommending authority.

10 SEC. 78. *Organizational Structure and Staffing*
11 *Pattern.* - All local government units shall have the power
12 to prescribe minimum standards and guidelines for their
13 organizational structure and staffing pattern or the
14 reorganization thereof as established by the Civil Service
15 Commission

16 SEC. 79. *Promotions.* - Promotions in local governments
17 shall be in accordance with existing civil service rules
18 and regulations. The personnel selection board constituted
19 under Section 76 hereof, shall evolve a screening process
20 for determining employees deserving promotion which may
21 include tests of merit and fitness under standards and
22 guidelines established by the Civil Service Commission.

23 SEC. 80. *Separation From Local Government Service.* -
24 a) Career civil service officials and employees separated
25 from the service not for cause but as a result of the
26 abolition of the position or the reorganization effected
27 under the provisions of this Code, shall as a general rule
28 be reinstated in a vacant position in the same local
29 government unit without diminution of salary.

30 b) If the official or employee concerned is eligible
31 for retirement under existing laws, he shall be granted
32 such retirement and other benefits accruing to him under
33 the laws in force at the time of his separation.

34 Should the local official or employee concerned be
35 ineligible for retirement, said official or employee
36 separated from the service shall be granted a separation
37 pay equivalent to one (1) month salary for every year of
38 service, over and above the commutation of his vacation
39 and sick leave benefits under existing laws.

40 The benefits hereinabove granted shall be in the
41 nature of mandatory obligations of the local government
42 unit concerned, and shall take precedence in payment over
43 other obligations except contractual obligations.

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1 c) The provisions of this section likewise apply to
2 career service officials and employees of local government
3 whose resignations tendered in line with the existing
4 national policy, have been accepted.

5 SEC. 81. *Resignations.* - a) Resignations of local
6 officials and employees shall not be considered effective
7 unless accepted by the following authorities:

8 1) by the secretary of local government in the
9 case of the governor or city mayor;

10 2) by the provincial governor in the case of the
11 vice governor, members of the *sangguniang panlalawigan*
12 or the municipal mayors;

13 3) by the city mayor in the case of the vice
14 mayor, members of the *sangguniang panlungsod* or the
15 barangay officials; and .

16 4) by the municipal mayor in the case of the
17 municipal vice mayor, members of the *sangguniang bayan*
18 or the barangay officials.

19 b) The resignation of local appointive officials and
20 employees shall be acted upon by the appointing authority
21 concerned.

22 c) Copies of the resignations, together with the
23 action taken thereon by the aforesaid authorities, shall
24 be furnished the Department of Local Government through
25 its Regional Offices.

26 (d) The resignation shall be deemed accepted if not
27 acted upon by the authority concerned within thirty (30)
28 days from receipt thereof.]

29 SEC. 82. *Hours of Work.* - Except for local elective
30 officials who are to render public service at all times,
31 all other local government officials and employees are
32 required to render not less than eight (8) hours of work;
33 *Provided, however,* That when the interest of public
34 service requires, the local chief executive may extend the
35 daily hours of work of any or all the officials or
36 employees in the local unit, or require them to work on
37 Saturdays, Sundays and Holidays. Such additional hours of
38 service shall be compensated as an overtime work, and to
39 be paid regularly, compulsory work on Saturdays, Sundays
40 and holidays shall be compensated by holiday pay computed
41 in the same manner as the holiday pay in the private
42 sector.

43 SEC. 83. *Leave Privileges of Local Elective Officials.*

44 - All local elective officials shall be entitled to 15
45 days vacation and 15 days sick leave of absence with pay
46 for every year of service rendered which shall be

1 commutable.

2 SEC. 84. *Leave Privileges of Appointive Local*
3 *Officials and Employees.* - After six (6) months of
4 continuous and satisfactory service, appointive officials
5 and employees of local governments shall be entitled to
6 fifteen (15) days vacation leave and fifteen (15) days
7 sick leave with full pay for each year of service. Such
8 leave shall be computed exclusive of Saturdays, Sundays
9 and Holidays.

10 All absences in excess of earned vacation and sick
11 leave credits shall be without pay. Any appointive local
12 government official or employee who has accrued leaves with
13 pay to his credit shall not be granted leave without pay
14 until his leave credits are first exhausted.

15 Leave without pay shall not exceed one (1) year unless
16 for justifiable reasons, such leave is extended by the
17 local chief executive concerned.

18 SEC. 85. *Cumulation and Commutation of Vacation*
19 *and Sick Leave Privileges.* a) Vacation and sick leave
20 privileges shall be cumulative and any part thereof not
21 taken within the calendar year in which earned shall be
22 carried over to the succeeding year.

23 b) The local chief executive may authorize the
24 commutation of vacation and/or sick leave credits on or
25 before the beginning of a leave of absence of a local
26 appointive official or employee, and authorize the payment
27 of the money value thereof to be charged against the
28 appropriation for the position.

29 c) When an appointive local government official or
30 employee resigns, retires, or is separated from the service
31 through no fault of his own, he shall be entitled to the
32 commutation of all the accumulated vacation and sick leaves
33 to his credit without limitation as to the number of days,
34 exclusive of Saturdays, Sundays and Holidays.

35 d) No appointive local government official or
36 employee whose leave has been commuted following his
37 separation from the service shall be reinstated in the
38 same position before the expiration of the period
39 corresponding to his commuted leaves.

40 e) When an appointive local government official or
41 employee transfers from his local unit to another
42 government office, his vacation and sick leave credits
43 shall likewise be transferred.

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1 SEC. 86. *Maternity Leaves.* - a) In addition to the
2 leave privileges granted under Sections 84 and 85 hereof
3 women in the service of local governments holding permanent
4 or temporary appointments shall be entitled to maternity
5 leave in the event of pregnancy, subject to the following
6 conditions:

7 1) Permanent and regular employees shall be
8 entitled to sixty (60) days maternity leave with full
9 pay.

10 2) Temporary employees who have rendered less than
11 two years of continuous government service shall be
12 entitled to such number of days of maternity leave with
13 pay based on the ratio of thirty (30) days of maternity
14 leave to two (2) years of continuous government
15 service.

16 3) Temporary employees who pass civil service
17 examinations given before the date of the application
18 for maternity leave but the results of which
19 examinations are released after such date of
20 application, shall be entitled to the maternity leave
21 privileges granted to regular employees as of the date
22 when said civil service examinations were given;
23 **Provided,** That the eligibility acquired by the employee
24 concerned is appropriate for appointment to the
25 position and the salary attached thereto.

26 4) In the case of women separated from the
27 service and subsequently reemployed as regular or
28 temporary employees of local governments a gap of three

29 (3) months or less between the separation and
30 reemployment shall be disregarded for purposes of
31 granting of maternity leave privileges.

32 b) Casual and emergency employees in the service of
33 local governments shall be entitled to maternity leave
34 privileges granted under this section, as long as they meet
35 the required years of continuous government service
36 provided herein. Broken services of a casual or emergency
37 employee shall be added together for purposes of availment
38 of maternity leave privileges herein provided.

39 c) The unintentional abortion or miscarriage of women
40 in the local government service shall entitle them to
41 avail of the maternity leave privileges provided herein

42 d) A woman employed in the local government service in
43 a permanent and regular capacity shall be entitled to

1 avail of maternity leave privilege of sixty (60) days with
2 full pay, even if at the time of her pregnancy she was on
3 an extended leave of absence without pay.

4 e) Women employed in the local government service may
5 apply for maternity leave privileges for a period OF less
6 than sixty (60) days, but she shall be entitled to full pay
7 upon return to duty.

8 f) In every instance of pregnancy, irrespective of
9 frequency, a woman employed in the local governments
10 service shall be entitled to the maternity leave privileges
11 herein provided.

12 SEC. 87. *Grievance Procedure.* -- In every local
13 government unit, the local chief executive shall establish
14 a procedure to inquire into, act upon, resolve or settle
15 complaints and grievances presented by local government
16 employees.

17 SEC. 88. *Administrative Discipline.* -- Investigation
18 and adjudication of administrative complaints against
19 appointive local officials and employees as well as their
20 suspension and removal shall be in accordance with the
21 civil service law and rules and other laws affecting the
22 civil service. The results of such administrative
23 investigations shall be reported to the Civil Service
24 Commission.

25 SEC. 89. *Preventive Suspension of Local Appointive*
26 *Officials and Employees.* -- a) Preventive suspension may
27 be imposed at any time after the issues are joined, when
28 given the gravity of the offense and the evidence of
29 culpability is strong, and that there is great probability
30 that continuance in office of the respondent could
31 influence the witnesses or pose a threat to the safety and
32 integrity of the records and other evidence, for a period
33 not exceeding sixty (60) days.

34 b) At the expiration of sixty (60) days, the suspended
35 official shall be automatically reinstated in office
36 without prejudice to the continuation of the
37 administrative proceedings against him until its
38 termination. If the delay in the proceedings of the case
39 is due to the fault, neglect or request of the respondent,
40 the time of the delay shall not be counted in computing the
41 period of suspension herein provided.

42 SEC. 90. *Administrative Investigation.* -- In each local
43 government unit, administrative investigation may be

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1 conducted by a person OR A COMMITTEE duly authorized by
2 the local chief executive. Said person or committee
3 shall conduct hearings on THE [disciplinary] cases brought
4 against appointive local officials and employees [paid
5 wholly out of local funds] and submit their findings and
6 recommendations within fifteen (15) days from the
7 conclusion of the hearings to the local chief executive
8 concerned. The ADMINISTRATIVE CASES HEREIN MENTIONED
9 SHALL BE DECIDED [investigation shall be terminated] within
10 ninety (90) days from the time the respondent is formally
11 notified of the charges.

12 SEC. 91. *Disciplinary Jurisdiction.* - Except as
13 otherwise provided by law, the local chief executive shall
14 have authority to remove, separate, suspend and otherwise
15 discipline officials and employees under his jurisdiction
16 who are subject to his appointing authority. If the
17 penalty imposed is suspension without pay for not more
18 than thirty (30) days, his decision shall be final. If
19 the penalty imposed IS GRAVER THAN SUSPENSION OF THIRTY
20 DAYS [is heavier], the decision shall be appealable to the
21 Civil Service Commission [through its regional office].
22 WHICH SHALL DECIDE THE APPEAL WITHIN THIRTY DAYS FROM
23 RECEIPT THEREOF.

24 SEC. 92. *Execution Pending Appeal.* - An appeal shall
25 not prevent THE EXECUTION OF A DECISION OF REMOVAL OR
26 SUSPENSION OF A RESPONDENT-APPELLANT.

27 IN CASE THE RESPONDENT-APPELLANT IS EXONERATED, HE SHALL
28 BE REINSTATED TO HIS POSITION WITH ALL THE RIGHTS AND
29 PRIVILEGES APPURTENANT THERETO FROM THE TIME HE HAD BEEN
30 DEPRIVED THEREOF.

31 [a decision from becoming executory, and in case the
32 penalty is suspension or removal, the respondent shall be
33 considered as having been placed under preventive
34 suspension during the pendency of an appeal. in the event
35 he wins such appeal. In the event the appeal results in
36 the respondent's complete exoneration, he shall be paid
37 his salary corresponding to the period during which the
38 appeal was pending.]

39 SEC. [86] 93. *Practice of Profession.* - a) All
40 GOVERNORS AND CITY OR MUNICIPAL MAYORS ARE PROHIBITED FROM
41 PRACTICING THEIR RESPECTIVE PROFESSIONS. [local elective
42 officials who receive per diems as compensation, may
practice their profession without the necessity of securing
permission therefor. (N)] (CONSIDERATION DEFERRED)

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1 b) *Sanggunian* members may practice their professions
2 or teach in schools except during session hours: *Provided*,
3 that sangguniang members who are also members of the
4 *Philippine Bar* shall not:

5 1) appear as counsel before any court in any
6 civil case wherein a local government unit or any
7 office, agency, or instrumentality of the government is
8 the adverse party;

9 2) appear as counsel in any criminal case wherein
10 an officer or employee of the national or local
11 government is accused of an offense committed in
12 relation to his office;

13 3) collect any fee for their appearance in
14 administrative proceedings, involving the local
15 government units of which he is an official; and

16 4) use property and personnel of the
17 Government.

18 Nothing in this Section shall preclude the exercise by
19 the local elective officials of their professions in cases
20 of emergency.

21 SEC. 94. *Statement of Assets and Liabilities.* - a)
22 Before assuming office, and from time to time thereafter
23 and upon the expiration of the term of office or upon
24 resignation or separation therefrom for any cause, an
25 official or employee of a local government unit shall file
26 a sworn statement of assets, liabilities and property
27 holdings.

28 b) The sworn statement hereinabove required shall be
29 filed in accordance with the provision of Republic Act No.
30 6713 otherwise known as the Code of Ethical Standards Act.

31 SEC. 95. *Oath of Office.* - All local elective and
32 appointive officials and employees shall, upon assumption
33 of office, take an oath or affirmation of office in the
34 prescribed form duly subscribed. The oath or affirmation
35 of office shall be filed and preserved with the office of
36 chief executive of the local government unit concerned.

37 A copy of the oath or affirmation of office of all
38 local elective and appointive officials and employees shall
39 be preserved in the individual personal records file under
40 the custody of the personnel office, division or section of
41 the local unit concerned.

42 SEC. 96. *Prohibited Business and Pecuniary*
43 *Interest.* - All local government officials or employees

1 shall not engage in any business or hold any pecuniary
2 interest directly or indirectly in any activity which is
3 proscribed by Republic Act No. 6713 otherwise known as the
4 Code of Ethical Standards Act.

5 SEC. 97. *Partisan Political Activity.* -- No local
6 government official or employee in the career civil service
7 shall engage directly or indirectly in any partisan
8 political activity or take part in any election,
9 initiative, referendum, plebiscite or recall except to
10 vote, nor shall he use his official authority or influence
11 to coerce the performance of any political activity of
12 any person or body. He may, however, express his views on
13 current political issues, or mention the names of certain
14 candidates for public office whom he supports. Elective
15 local officials may take part in partisan political and
16 electoral activities, but it shall be unlawful for them to
17 solicit contributions from their subordinates or subject
18 these subordinates to any of the prohibited acts under the
19 election laws.

20 SEC. 98. *Prohibited Appointments.* -- a) For the
21 duration of his term or service to local governments, no
22 elective or appointive local official or employee shall be
23 eligible for appointment or designation in any capacity to
24 any other public office or position in the government or
25 any subdivision agency or instrumentality thereof,
26 including government-owned and controlled corporations or
27 their subsidiaries, unless otherwise provided by law or
28 allowed by the primary function of his position.

29 b) No candidate who has lost in any election shall,
30 within one (1) year after such election, be appointed to
31 any office in the government or any government-owned or
32 controlled corporation or in any of their subsidiaries.

33 SEC. 99. *Additional or Double Compensation.* -- No
34 local elective or appointive official or employee shall
35 receive additional, double, or indirect compensation,
36 unless specifically authorized by law. He cannot accept
37 without the consent of the Congress, any present,
38 emolument, office, or title of any kind from any foreign
39 government. Pensions, gratuities, honoraria and
40 allowances shall not be considered as additional, double,
41 or indirect compensation.

42 SEC. 100. *Permission to Leave Station.* -- a)
43 Provincial, city, municipal and barangay appointive

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1 officials going on official travel, shall apply and
2 secure written permission from their respective local chief
3 executives before departure. The application shall
4 specify the reasons for such travel, and the permission
5 shall be given or withheld based on considerations of
6 public interest, financial capability of the local unit
7 concerned and urgency of reason.

8 Should such application remain unacted upon by the
9 local chief executive concerned within one (1) week from
10 receipt thereof, it shall be presumed to have been
11 approved thereafter.

12 b) Mayors of component cities and municipalities shall
13 SECURE THE PERMISSION OF [give prior written notice to]
14 the provincial governor CONCERNED for any travel outside
15 [of their station] THE PROVINCE. [For travels outside the
16 province, permission from the governor shall first be
17 secured.]

18 c) Provincial governors and mayors of highly urbanized
19 cities shall SECURE THE PERMISSION OF [give prior written
20 notice to] the DEPARTMENT [Secretary] of Local Government
21 for [any] travels outside THE COUNTRY [of their stations].
22 [For travels outside the country, permission from the
23 Secretary of Local Government shall first be secured.]

24 d) National field officers assigned to local government
25 units shall not leave their official stations without
26 giving prior written notice to the local chief executive
27 concerned. Such notice shall state the duration of travel
28 and the name of the officer whom he shall designate to act
29 for and in his behalf during his absence.

30 SEC. 101. *Annual Report.* - On or before March 31 of
31 each year, the local chief executive of every local
32 government unit shall submit an annual report on the
33 socioeconomic, political and peace and order conditions,
34 and other matters concerning his local unit, covering the
35 immediately preceding calendar year. A copy of the report
36 shall be forwarded to the Department of Local Government
37 through its regional offices and to the *sanggunian* of the
38 local unit concerned. Component cities and municipalities
39 shall, likewise, provide the *sangguniang panlalawigan*
40 copies of their respective annual reports.

41 Title Four. - Local School Boards

42 SEC. 102. *Creation and Composition.* - a) In every
province, city or municipality, there shall be established;

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1 respectively a provincial school board, city school board
2 or municipal school board, which shall be composed as
follows: (N)

3 1) in the case of the provincial school board,
4 the division superintendent of schools as chairman,
5 [and] THE PROVINCIAL GOVERNOR, THE CHAIRMAN OF THE
6 EDUCATION COMMITTEE OF THE SANGGUNIANG PANLALAWIGAN,
7 the provincial treasurer, the representative of the
8 Youth Council Federation in the *sangguniang*
panlalawigan, [and] the DULY ELECTED president [duly
elected representative] of the PROVINCIAL federation of
parent-teachers associations, AND A REPRESENTATIVE OF A
DULY RECOGNIZED PUBLIC SCHOOL TEACHER'S ASSOCIATION, as
members. (N)

9 2) in the case of the city school board, the city
10 superintendent of schools as chairman, THE CITY- MAYOR,
11 THE CHAIRMAN OF THE EDUCATION COMMITTEE OF THE
12 SANGGUNIANG PANLUNSOD, the city treasurer, the
13 representative of the Youth Council Federation in the
14 *sangguniang panlungsod*, [and] the DULY ELECTED
15 president [or duly elected representative] of the CITY
16 federation of parent-teachers associations, AND A
17 REPRESENTATIVE OF A DULY RECOGNIZED PUBLIC SCHOOL
18 TEACHER'S ASSOCIATION, as members. (N)

19 3) In the case of the municipal school board, the
20 district supervisor as chairman, [and] the MUNICIPAL
21 MAYOR, THE CHAIRMAN OF THE EDUCATION COMMITTEE OF THE
22 SANGGUNIANG BAYAN, THE municipal treasurer, the
23 representative of the Youth Council Federation in the
24 *sangguniang bayan*, [and] the DULY ELECTED president or
25 [duly elected representative] of the MUNICIPAL
26 federation of parent-teachers associations, AND A
27 REPRESENTATIVE OF A DULY RECOGNIZED PUBLIC SCHOOL
28 TEACHER'S ASSOCIATION, as members. (N)

29 b) In the event that a province or city has two or
30 more school superintendents, and in the event that a
31 municipality has two or more district supervisors, the
32 chairman of the local school board shall be determined as
follows: (N)

1) The regional director of the Department of
Education, Culture and Sports shall designate the
SCHOOL SUPERINTENDENT WHO SHALL BE THE chairman for the
provincial and city school boards; and

2) The division superintendent of schools shall
designate the district supervisor who [will] SHALL
serve as chairman of the municipal school board. (N)

c) The [performance of the] duties and
responsibilities of the above-mentioned officials in their
respective school boards [shall] IN THEIR RESPECTIVE SCHOOL
BOARDS SHALL BE PERFORMED BY THEM PERSONALLY [not be
delegated]. (N)

SEC. 103. Functions. - The provincial, city or
municipal school board, shall:

a) Determine [, in accordance with the criteria set by
the Department of Education, Culture and Sports,] the

1 annual [supplementary] budgetary needs for the operation
2 and maintenance of public schools within the province, city
3 or municipality. and the [supplementary] local cost of
4 adequately meeting such needs, which shall be reflected in
5 the form of an annual school board budget [corresponding to
6 the board's share of the proceeds of the additional real
7 property tax constituting] BASED UPON the Special Education
8 Fund AND SUCH OTHER SOURCES OF REVENUE AS THIS CODE AND
9 OTHER LAWS MAY PROVIDE. (N)

10 [(2) Apply for a share in the stabilization portion of
11 the Special Education Funds, which share shall, upon
12 approval of the application therefor, by the Secretary of
13 Education be remitted to the provincial, city or municipal
14 treasurer concerned. (N)]

15 b) Authorize the provincial, city or municipal
16 treasurer, as the case may be, to disburse funds from the
17 [provincial, city or municipal share in the] Special
18 Education Fund pursuant to the budget prepared and in
19 accordance with existing rules and regulations. (N)

20 [c) SUBMIT A LIST OF AT LEAST THREE (3) QUALIFIED
21 NOMINEES FOR APPOINTMENT TO ANY TEACHING OR NON-TEACHING
22 POSITION IN ANY PUBLIC PROVINCIAL, CITY, MUNICIPAL OR
23 BARANGAY SCHOOL BY THE LOCAL CHIEF EXECUTIVE CONCERNED.]

24 SEC. [97] 104. *Meetings and Quorum; Review of Budget.*
25 -- (1) The board shall meet at least once a month or as
26 often AS NECESSARY. [and the chairman and vice chairman
27 and must always be present] (N)

28 (2) FOUR (4) [Three (3)] members shall constitute a
29 quorum, but the chairman and vice-chairman [and] must
30 always be present when the school budget is being prepared
31 and considered. The affirmative vote of the FOUR (4)
32 [three (3)] members shall be necessary to approve the
33 budget. (N)

34 [(3) The annual school board budget and supplemental
35 budgets shall be subject to review and approval by the
36 local chief executive concerned.]

37 SEC. [98] 105. *Compensation and Remuneration.* -- The
38 chairman and members of the provincial, city or municipal
39 school boards shall perform their duties as such without
40 compensation or remuneration. Members thereof who are not
41 government officials or employees shall be entitled to
42 necessary traveling expenses and allowances chargeable
43 against the funds of the school board concerned. (N)
44 (CONSIDERATION DEFERRED)

45 Title Five. - Other Provisions Applicable
46 to Local Government Units

47 CHAPTER 1. Settlement of Boundary Disputes

48 SEC. 106. *Boundary Dispute, Defined.* -- There is a
49 boundary dispute when an area is claimed by two or more
50 local government units.

51 SEC. 107. *Jurisdictional Responsibility for*
52 *Settlement of Boundary Dispute.* -- a) Where the boundary

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1 dispute involves two (2) or more barangay in the same city
2 or municipality, the dispute shall be heard and decided by
3 the *sangguniang panlungsod* or the *sangguniang bayan*, as the
4 case may be.

5 b) Where the boundary dispute involves two (2) or more
6 municipalities within the same province, the dispute shall
7 be heard and decided by the *sangguniang panlalawigan* of the
8 province where the municipalities concerned are situated.

9 c) Where the areas under dispute are claimed by
10 municipalities/component cities situated in different
11 provinces, the dispute shall be adjudicated by the Regional
12 Trial Court with which a proper complaint has been filed.

13 d) Where the areas under dispute are claimed by either
14 a component city or municipality on the one hand and a
15 highly urbanized city on the other, the dispute shall be
16 adjudicated by the Regional Trial Court with which a
17 proper complaint has been filed.

18 e) Where the areas under dispute are claimed by
19 different highly urbanized cities, the dispute shall be
20 adjudicated by the Regional Trial Court with which a
21 proper complaint has been filed.

22 The Regional Trial Court which first took cognizance of
23 the case involving the boundary dispute shall exclude all
24 other courts from taking cognizance thereof.

25 SEC. 108. *Primary Purpose of Hearing.* - Hearings on
26 boundary disputes by the *sanggunian* concerned, as
27 stipulated in the immediately preceding section, shall be
28 for the primary purpose of affording the parties involved
29 an opportunity to reach an amicable settlement.

30 SEC. 109. *Failure to Reach Amicable Settlement.* - In
31 case no amicable settlement is reached by the contending
32 local government units within sixty (60) days after the
33 start of the hearing, the *sanggunian* hearing the dispute
34 shall issue certification to the effect that no amicable
35 settlement has been reached, and promulgate a decision
36 based on its own findings within fifteen (15) days after
37 the termination of said hearing.

38 SEC. 110. *Appeal.* - Within the time and manner
39 prescribed by the Rules of Court, any party may elevate the
40 decision of the *sanggunian* concerned to the Regional Trial
41 Court of the province where the area in dispute is
42 located. The Regional Trial Court shall decide the appeal
43 within one (1) year from the filing thereof. Pending final

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1 resolution of the dispute by the Regional Trial Court, the
2 status of the disputed area prior to the dispute shall be
3 maintained and continued for all legal purposes.

4 CHAPTER 2. Local Initiative and Referendum

5 SEC. 111. *Local Initiative Defined.* - Local
6 initiative is the legal process where the registered voters
7 of a local government unit may directly propose, enact, or
8 amend any ordinance or resolution.

9 SEC. 112. *Who May Exercise.* - The power of local
10 initiative and referendum may be exercised by all
11 registered voters of the autonomous regions, provinces,
12 cities, municipalities and barangay.

13 SEC. 113. *Procedure in Local Initiative.* - a) Not
14 less than two thousand (2,000) registered voters in case of
15 autonomous regions, one thousand (1,000) in case of
16 provinces and cities, one hundred (100) in case of
17 municipalities, and fifty (50) in case of the barangay, may
18 file a petition with the regional assembly or local
19 legislative body, respectively, proposing the adoption,
20 enactment, repeal, or amendment, of any law, ordinance or
21 resolution.

22 b) If no favorable action thereon is made by local
23 legislative body within thirty (30) days from its
24 presentation, the proponents through their duly authorized
25 and registered representative may invoke their power of
26 initiative, giving notice thereof to the local legislative
27 body concerned.

28 c) The proposition shall be numbered serially starting
29 from ROMAN NUMERAL I. The COMMISSION ON ELECTIONS
30 [Secretary of Local Government] or [his] ITS designated
31 representative shall extend assistance in the formulation
32 of the proposition.

33 d) Two (2) or more propositions may be submitted in an
34 initiative.

35 e) Proponents shall have one hundred twenty (120) days
36 in case of autonomous regions, ninety (90) days in case of
37 provinces and cities, sixty (60) days in case of
38 municipalities, and thirty (30) days in case of the
39 barangay, from notice mentioned in subsection b) (2) hereof
40 to collect the required number of signatures.

41 f) the petition shall be signed before the election
42 registrar, or his designated representatives, in the
43 presence of a representative of the proponent, and a

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1 representative of the regional assemblies and local
2 legislative bodies concerned in a public place in the
3 autonomous region or local government unit, as the case may
4 be. Signature stations may be established in as many
5 places as may be warranted.

6 g) Upon the lapse of the period herein provided, the
7 Commission on Elections, through its office in the local
8 government unit concerned shall certify as to whether or
9 not the required number of signatures has been obtained.
10 Failure to obtain the required number is a defeat of the
11 proposition.

12 h) If the required number of signatures is obtained,
13 the Commission on Elections shall then set a date for the
14 initiative at which the proposition shall be submitted to
15 the registered voters in the local government unit
16 concerned for their approval within ninety (90) days from
17 the date of certification by the Commission, as provided in
18 subsection (7) g) hereof, in case of autonomous regions,
19 sixty (60) days in case of provinces and cities, forty-five
20 (45) days in case of municipalities, and thirty (30) days
21 in case of the barangay. The initiative shall then be held
22 on the date set, after which the results thereof shall be
23 certified and proclaimed by the Commission on Elections.

24 SEC. 114. *Effectivity of Local Propositions.* - If the
25 proposition is approved by a majority of the votes cast, it
26 shall take effect fifteen (15) days after certification by
27 the Commission on Elections as if affirmative action
28 thereon had been made by the local legislative body and
29 local executive concerned. If it fails to obtain said
30 number of votes, the proposition is considered defeated.

31 SEC. 115. *Limitations on Local Initiatives.* - a) The
32 power of local initiative shall not be exercised more than
33 once a year.

34 b) Initiative shall extend only to subjects or matters
35 which are within the legal powers of the local legislative
36 bodies to enact.

37 c) If at any time before the initiative is held, the
38 local legislative body shall adopt in toto the proposition
39 presented, the initiative shall be cancelled. However,
40 those against such action may, if they so desire, apply for
41 initiative in the manner herein provided.

42 SEC. 116. *Local Referendum Defined.* - Local
43 referendum is the legal process where the registered voters

1 of the local government units may approve, amend or reject
2 any ordinance or resolution enacted by the sanggunian or
3 regional assembly.

4 The local referendum shall be held under the control
5 and direction of the Commission on Elections within sixty
6 (60) days in case of provinces and cities, forty-five (45)
7 days in case of municipalities and thirty (30) days in case
8 of barangay.

9 The Commission on Elections shall certify and proclaim
10 the results of the said referendum.

11 SEC. 117. **Authority of Courts.** - Nothing in this act
12 shall prevent or preclude the proper courts from declaring
13 null and void any proposition approved pursuant to this act
14 for violation of the Constitution or want of capacity of
15 the local legislative body to enact the said measure.



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Book II
(S. No. 155)

as of
3 Oct. 1990



BOOK II

FISCAL MATTERS

TITLE I. TAXING POWERS OF LOCAL GOVERNMENTS

CHAPTER 1. - General Provisions

SEC. 118. *Scope.* - The provisions hereunder embodied shall govern the exercise by provinces, cities, municipalities and barangay of their taxing and other revenue-raising powers.

SEC. 119. *Authority to Create Sources of Revenue.* - (1) Each local government unit shall have the power to create its own sources of revenue and to levy taxes, fees, and charges, consistent with the Constitution.

SEC. 120. *Fundamental Principles.* - The exercise of the taxing and other revenue-raising powers vested in local governments shall be guided by the following fundamental principles:

a) Taxation shall be uniform as to classes or categories subject to tax within the territorial jurisdiction of the local government unit. The local government may encourage development of local industries and businesses and attract investment by exempting community growth-inducing enterprises from local taxation or reducing or suspending their taxes for a limited period of not exceeding five (5) years.

Provided, however, That no such exemption from, or reduction or suspension of local taxes may be granted except upon the concurrence of the majority of all the members of the *sanggunian* concerned.

b) Taxes and other impositions shall be based as much as possible on the taxpayer's ability to pay;

c) Taxes shall be levied and collected only for public purposes;

d) Taxes and other impositions must not be unjust, excessive, oppressive, or confiscatory;

e) It shall be the responsibility of each local government unit to evolve a progressive system of taxation;

SEC. 121. *Local Taxing Authority.* - Whenever the power to impose a tax or other revenue is exercised under this Code, that power shall be exercised by the *sanggunian* of the local unit concerned.

SEC. 122. *Common Limitations on the Taxing Powers of Local Governments.* - The exercise of the taxing powers of provinces, cities, municipalities and barangay shall not

1 extend to the imposition of the following:

2 a) Income Tax;

3 b) Documentary stamp tax;

4 c) Taxes on estates, inheritance, gifts, legacies and
5 other acquisitions mortis causa, except as otherwise
6 provided in this Code;

7 d) Customs duties, registration fees of vessels except
8 as otherwise provided in this Code, and all other kinds of
9 customs fees, charges and dues except wharfage on wharves;

10 e) Taxes and other impositions upon goods carried into
11 or out of or passing through the territorial jurisdictions
12 of local governments in the guise of unreasonable charges
13 for wharfage, use of bridges or otherwise, or other taxes
14 in any form whatsoever upon such goods or merchandise;

15 f) Taxes or fees on agricultural products when sold by
16 the farmer or producer thereof in their original form;

17 g) Taxes of any kind on the local governments; and

18 h) Taxes, fees or difference in rates of such taxes or
19 fees on the businesses of registered firms or enterprises
20 other than the taxes, fees or rates based on the
21 classification shown in the certificate of registration
22 issued by the Board of Investments in the implementation of
23 the Omnibus Investment Code.

24 CHAPTER 2. - Specific Provisions on the Taxing
25 and other Revenue-Raising Powers
26 of Local Governments

27 ARTICLE 1. LOCAL GOVERNMENT UNITS

28 SEC. 123. *Scope of Power.* - The taxing powers of the
29 local government units shall not be limited to the
30 following:

31 a. Provinces:

32 1) Transfer of real property;

33 2) Printing and publication except newspapers,
34 periodicals, and magazines which are printed regularly
35 and are not primarily for advertising;

36 3) Business enjoying a franchise except those
37 franchises granted by the National Government;

38 4) Extraction of sand gravel and filling
39 materials;

40 5) Persons engaged in the exercise or practice
41 of their professions or calling in the form of
42 occupation tax;

43 6) Admission to amusement activities;

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- 1 7) Sealing and licensing of weight and measures;
- 2 8) Peddlers and vendors;
- 3 9) Business of pawnshops, lenders, banks,
- 4 financial intermediaries and insurance companies;
- 5 10) Municipal water used as log pond; and
- 6 11) Any and all activities not otherwise
- 7 prohibited by this Code or any other law.

8 The rate of tax shall be set forth by the *sangguniang*
9 *panlalawigan* in a tax ordinance.

10 b. Cities:

- 11 1) The taxing powers of the provinces;
- 12 2) The taxing powers of the municipalities;
- 13 3) Taxes on articles subject to specific tax
- 14 under the National Internal Revenue Code the rates of
- 15 which shall not exceed fifty percent (50%) of the rates
- 16 provided in the said code; and,
- 17 4) Any and all activities not otherwise
- 18 prohibited by this Code or by any other law.

19 c. Municipalities:

- 20 1) Business taxes and permit fees;
- 21 2) Fees and charges on the business of importing,
- 22 producing, wholesaling or retailing of or dealing in
- 23 any article of commerce of whatever kind or nature;
- 24 3) The business of brewing, distilling,
- 25 rectifying, or repacking of liquors, distilled spirits
- 26 and/or wines and non-alcoholic beverages;
- 27 4) On admission to sports arenas, and golf
- 28 links;
- 29 5) Amusement devices;
- 30 6) Hotels, motels, lodging houses and boarding
- 31 houses;
- 32 7) Security agencies and employment agencies;
- 33 8) Real estate developers, dealers, and agents;
- 34 9) Outdoor advertising;
- 35 10) The business of privately owned or operated
- 36 markets and slaughterhouses;
- 37 11) Agricultural products;
- 38 12) Fees for recording civil marriages, birth,
- 39 death and other personal matters, ownership of
- 40 chattels, duplication or authentication of documents,
- 41 records and clearances and any lawful activity; and
- 42 13) Any tax on any business activity or
- 43 undertaking not otherwise prohibited by this Code or by



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1 other laws.

2 d. Barangay:

3 1) Stores or retailers with fixed business
4 establishment whose capital investment is five thousand
5 pesos (P5,000.00) or less, signs, signboards, and
6 billboards displayed or maintained in any place exposed
7 to public view, except those displayed at the place
8 where the profession or business advertised is
9 conducted;

10 2) Gamecocks owned by residents of the barangay
11 and on the cockfights conducted therein.

12 3) On admission to beach clubs, picnic groves,
13 and other places of recreation;

14 4. Reasonable charges for services rendered in
15 connection with or for the use of barangay-owned
16 properties or service facilities such as palay, copra,
17 tobacco drier and the like.

18 Except as indicated otherwise in this Code taxes fees
19 and charges imposed and collected by any local government
20 unit shall accrue to it exclusively.

21 ARTICLE 11. - TOLLING FEES

22 SEC. 124. Toll Charges. - Whenever the sanggunian of
23 any local government unit deems it necessary for the
24 construction and maintenance, within its respective
25 jurisdiction, of any municipal, city or provincial road,
26 waterway, bridge or ferry to be constituted as a toll road,
27 waterway, bridge or ferry, it may fix tolls therefor at
28 reasonable rates to be approved by the local chief
29 executive concerned.

30 The sanggunian concerned may prescribe the terms and
31 conditions for the use of the toll road, waterway, bridge
32 or ferry: repair and maintenance thereof; the payment of
33 the loans or bond issues therefor; and the disposition of
34 the toll collections.

35 SEC. 125. Private Financing For the Construction and
36 Maintenance of Road, Waterway, Bridge or Ferry. - a) A
37 private individual, corporation, or cooperative may fund
38 the construction, repair and maintenance of any public
39 road, piers or wharves, waterway, bridge, ferry and
40 telecommunication system for industrial zones within the
41 territorial jurisdiction of a local government unit,
42 subject to existing laws and such terms and conditions
43 as its sanggunian shall prescribe, with the approval of its

20

1 chief executive.

2 b) No toll or ferriage authorized herein shall be
3 collected from 1) officers and employees of the national
4 government on official business; 2) officers and enlisted
5 men of the Armed Forces of the Philippines on official
6 mission; 3) members of the police; 4) provincial, city,
7 municipal or barangay officers and employees on official
8 business; 5) any person travelling on foot, except when on
9 board a ferry and 6) government vehicles engaged primarily
10 in the carrying of mails.

11 SEC. 125. *Public Economic Enterprises.* - The local
12 government units may own or and operate public utilities,
13 markets, abattoirs, funeral parlors, crematoria,
14 cemeteries, housing services and similar public services
15 which will not unduly compete with existing private
16 businesses or in which capital is unwilling to be invested
17 or is unavailable. The local government shall privatize
18 these public businesses as soon as possible, and in their
19 disposition preference shall be given to cooperatives.

20 SEC. 127. *Share of Local Governments in the Proceeds*
21 *From the Exploration, Development and Utilization of*
22 *Natural Resources.* - 1) Share from private developer -
23 all other laws to the contrary notwithstanding, forty
24 percent (40%) of the tax and non-tax revenues which the
25 National Government or any of its agencies derives from the
26 operations of private persons, associations, partnerships
27 and corporations engaged or may hereafter be engaged in the
28 exploration, development or utilization of waters,
29 minerals, coal, petroleum, and other mineral oils, forces
30 of potential energy, fisheries, forest or timber, wildlife,
31 flora and fauna, or other natural resources shall accrue to
32 the local government units where the natural resources are
33 situated.

34 2) share from government developer - the provisions of
35 existing laws to the contrary notwithstanding, whenever a
36 government agency or government-owned or controlled
37 corporation is engaged in the development or utilization of
38 waters, minerals, coal, petroleum and other mineral oils,
39 forces of potential energy, fisheries, forest or timber,
40 wildlife, flora and fauna, or other natural resources, it
41 shall remit forty percent (40%) of its annual net profit
42 to the local government unit where the natural resources
43 are sourced.

1 The share of the local government unit herein provided
2 for shall be automatically remitted to it within the first
3 quarter of the following year the proceeds were earned.

4 Article 6. Residence Tax

5 SEC. 128. **Community Development Tax.** - Residence taxes
6 at rates provided by law shall be collected by cities and
7 municipalities. The taxes so collected shall accrue to
8 them exclusively.

9 CHAPTER 3. Collection of Taxes.

10 SEC. 129. **Fixing of the Tax and Manner of Payment.** -
11 Except as otherwise provided in this Code, all local taxes
12 shall be fixed by the year, although the same may be paid
13 in quarterly instalments.

14 SEC. 130. **Accrual of the Tax.** - All local taxes
15 shall accrue on the first day of January of each year as
16 regards subjects then liable therefor, but an entirely new
17 tax, or any change in the rate of an existing tax, provided
18 by an ordinance entered during the current year, shall
19 accrue at the beginning of the quarter next following the
20 date of effectivity of the ordinance.

21 SEC. 131. **Time of Payment.** - Unless otherwise
22 specifically provided in this Code, all taxes due and
23 accruing to the local governments shall be paid within the
24 first twenty (20) days of January or of each subsequent
25 quarter, as the case may be. The local sanggunian may for
26 a justifiable reason or cause, like floods, fire,
27 earthquakes, typhoons and other natural calamities, extend
28 for an additional period of not exceeding Six (6) months
29 the time for payment of a license tax without penalty.

30 SEC. 132. **Surcharges and Interest on Unpaid Tax, Fee,
31 or Charge.** - Except as otherwise specifically provided in
32 this Code, failure to pay the tax, fee, or charge within
33 the time required shall subject the taxpayer to a surcharge
34 not exceeding twenty-five percent (25%) of the amount of
35 the tax, fee or charge due plus an interest upon the unpaid
36 amount at the rate of fifteen percent (15%) per annum from
37 the due date until the tax, fee, or charge is fully paid,
38 except tuition fees which shall not be subject to any
39 surcharge or interest. Where an extension of time for the
40 payment of the tax has been granted and the amount is not
41 paid in full prior to the expiration of the extension, the
42 interest of fifteen percent (15%) per annum shall be
43 collected on the unpaid amount from the date it became

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1 originally due until fully paid.

2 SEC. 133. *Interest on Other Unpaid Revenues.* - Where
3 the amount of any other revenue due the local government,
4 except voluntary contributions or donations, is not paid on
5 the date fixed in the ordinance, in the contract, expressed
6 or implied, or upon the occurrence of the event which gave
7 rise to its collection, there shall be collected as part of
8 the amount, an interest thereon at the rate of one-half
9 percent (0.5%) a month from the due date until it is paid.

10 SEC. 134. *Collection of Local Revenue by Treasurer.* -
11 All the taxes, fees and charges due to local governments
12 shall be collected by the provincial, city, municipal or
13 barangay treasurer, or their duly authorized deputies.

14 SEC. 135. *Examination of Books of Accounts and*
15 *Pertinent Records of Businessmen by Local Treasurer.* - For
16 the purpose of effective enforcement and collection of the
17 taxes, fees and charges provided in this Code the local
18 treasurer may, by himself or thru any of his deputies duly
19 authorized in writing, examine the books, accounts and
20 other pertinent records of any person, partnership,
21 corporation or association doing business within his
22 jurisdiction to verify, assess and collect the true and
23 correct amount of the tax due from the taxpayer concerned.
24 Such examination shall be made during regular business
25 hours and not oftener than once every quarter for each
26 business establishment. Any examination conducted pursuant
27 to the provisions of this section shall be certified to by
28 the examining official and such certificate shall be made
29 of record in the books of accounts of the taxpayer
30 concerned. In a case where the examination herein
31 authorized is made by a duly authorized deputy of the local
32 treasurer the written authority of the deputy concerned
33 shall specifically state the name, address and business of
34 the taxpayer whose books, accounts and pertinent records
35 are to be examined, the date and place of such examination
36 and the procedure to be followed in conducting the same.
37 For this purpose, the records of the Internal Revenue
38 Office in the locality shall be made available to the
39 treasurer, his deputy or duly authorized examiner of the
40 local government unit concerned.

1 CHAPTER 4. Civil Remedies for Collection of Revenues

2 SEC. 136. *Application.* - The provisions of this
3 Chapter and the remedies provided herein may be used, as
4 far as their nature permits, for the collection of any
5 delinquent local tax or other revenue.

6 SEC. 137. *Local Government's Lien.* - Local taxes and
7 other revenues due a local government constitute a lien in
8 its favor, enforceable by proper legal action, superior to
9 all liens or charges in favor of private parties except as
10 provided for in the Labor Code not only upon any property
11 which may be subject to the charge but also upon property
12 used in the exercise of an occupation, business, or
13 privilege with respect to which the charge is imposed and
14 upon all property rights therein.

15 SEC. 138. *Civil Remedies.* - The civil remedies
16 available to enforce payment of delinquent taxes shall be
17 distraint of personal property, and by legal action.
18 Either of these remedies or both simultaneously may be
19 pursued at the discretion of the proper authority.

20 The payment of other revenues accruing to local
21 governments shall be enforced by legal action.

22 SEC. 139. *Distraint of Personal Property.* - The
23 remedy by distraint shall proceed as follows:

24 a) *Seizure.* - Upon failure of the person owing any
25 local tax to pay the same at the time required, the local
26 treasurer or his deputy may, upon written notice, seize or
27 confiscate any personal property belonging to that person
28 or any personal property subject to the tax lien in
29 sufficient quantity to satisfy the tax in question,
30 together with any increment thereto incident to delinquency
31 and the expenses of seizure subject to the exceptions in
32 section 198 of this Code. In this case the treasurer or
33 his deputy shall issue a duly authenticated certificate
34 based upon the records of his office showing the fact of
35 delinquency and the amount of the tax and penalty due.
36 This shall serve as sufficient warrant for the distraint of
37 personal property aforementioned, subject to the taxpayer's
38 right to claim exemption under the provisions of existing
39 laws. Distrained personal property shall be sold at public
40 auction in the manner herein provided for.

41 b) *Accounting of Distrained Goods.* - The officer
42 executing the distraint shall make or cause to be made an
43 account of the goods or effect distrained, a copy of which

1 signed by himself shall be left either with the owner or
2 person from whose possession the goods or effects were
3 taken or at the dwelling or place of business of that
4 person and with someone of suitable age and discretion, to
5 which list shall be added a statement of the sum demanded
6 and a note of the time and place of sale.

7 c) Publication. - The officer shall forthwith cause a
8 notification to be exhibited in not less than three public
9 and conspicuous places in the territory of the local
10 government where the distraint is made, specifying the time
11 and place of sale and the articles distrained. The time of
12 sale shall not be less than twenty days after notice to the
13 owner or possessor of the property as above specified and
14 the publication or posting of the notice. One place for
15 the posting of the notice shall be at the office of the
16 local chief executive of the local unit in which the
17 property is distrained.

18 d) Release of Distrained Property Upon Payment Prior
19 to Sale. - If at any time prior to the consummation of the
20 sale all proper charges are paid to the officer conducting
21 the sale, the goods or effects distrained shall be restored
22 to the owner.

23 e) Procedure of Sale. - At the time and place fixed
24 in the notice the officer shall sell the goods or effects
25 so distrained at public auction to the highest bidder for
26 cash. Within five days after the sale, the treasurer shall
27 make a report of the proceedings in writing to the local
28 chief executive concerned. Should the property distrained
29 be not disposed of within one hundred and twenty days from
30 the date of distraint, the same shall be considered as sold
31 to the local government for the amount of the assessment
32 made thereon by the Committee on Appraisal and to the
33 extent of the same amount, the tax delinquencies shall be
34 cancelled. Said Committee on Appraisal is hereby created
35 and shall be composed of the provincial treasurer as
36 chairman with the provincial auditor and provincial
37 assessor as members, in the case of provinces and
38 municipalities, and the city treasurer as chairman with the
39 city auditor and the city assessor as members in the case
40 of cities.

41 f) Disposition of Proceeds. - The proceeds of the sale
42 shall be applied to satisfy the tax, together with the
43 increments thereto incident to delinquency, and the

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1 expenses of the distraint and sale. Any residue over and
2 above what is required to pay the entire claim shall be
3 returned to the owner of the property sold. The expenses
4 chargeable upon the seizure and sale shall embrace only the
5 actual expense of seizure and preservation of the property
6 pending the sale, and no charge shall be imposed for the
7 services of the local treasurer or his deputy. Where the
8 proceeds of the sale are insufficient to satisfy the claim,
9 other property may, in like manner, be distrained until the
10 full amount due, including all expenses, is collected.

11 CHAPTER 5. Miscellaneous Provisions

12 SEC. 140. *Similar Tax or Fee not Specifically*
13 *Enumerated.* - Unless it is expressly prohibited by this
14 Code or other laws, the sanggunian of a local unit may
15 levy a tax or impose a fee on a tax base or subject
16 similar to those authorized in this Code but which may not
17 have been specifically enumerated herein.

18 SEC. 141. Any taxpayer aggrieved by a taxing ordinance
19 shall have the following remedies:

20 a) Before payment, he may file an action --

21 1) For declaratory relief, in case of doubt or
22 ambiguity in the provisions of the questioned
23 ordinance; or

24 2) To annul the ordinance should the same be
25 contrary to law or the constitution.

26 b) after payment, he may file an action --

27 1) For refund, in case of mistaken payment or,

28 2) For mandamus, in case the local government
29 concerned unjustly refuses to make the refund due a
30 taxpayer.

31 SEC. 142. *Withdrawal of Tax Exemption Privileges.* -
32 *With the exception of public hospitals and educational*
33 *institutions which are non-stock and non-profit, all public*
34 *and private corporations heretofore granted exemption from*
35 *payment of local taxes, fees and charges, shall now be*
36 *subject to the provisions of this Code.*

37 TITLE TWO. - REAL PROPERTY TAXATION

38 CHAPTER 1. General Provisions

39 SEC. 143. *Scope.* - This title shall govern the
40 appraisal and assessment of real property for purposes of
41 taxation by provinces, cities and municipalities, as well
42 as the levy, collection and administration of the real
43 property tax.

1 SEC. 144. *Fundamental Principles.* - The appraisal and
2 assessment of real property for taxation purposes shall be
3 guided by the following fundamental principles:

4 a) Real property shall be appraised at its current
5 and fair market value;

6 b) The appraisal of real property shall be uniform
7 in each local political subdivision;

8 c) Real property shall be classified for assessment
9 purposes on the basis of its actual use;

10 d) Real property shall be assessed on the basis of a
11 uniform standard of value within each local political
12 subdivision;

13 e) In no case shall the appraisal and assessment of
14 real property for taxation purposes and the collection of
15 the real property tax be let to any private person; and

16 f) The goal of real property assessment shall be the
17 equitable distribution of the tax burden.

18 CHAPTER 2. Appraisal and Assessment of Real Property

19 SEC. 145. *Appraisal of Real Property.* - All real
20 property, whether taxable or exempt, shall be appraised at
21 the current and fair market value prevailing in the
22 locality where the property is situated.

23 SEC. 146. *Declaration of Real Property by Owner or*
24 *Administrator.* - It shall be the duty of all persons,
25 natural or juridical, owning or administering real
26 property, including improvements therein, within a city or
27 municipality, or their duly authorized representative, to
28 prepare or cause to be prepared, and file with the
29 provincial, city or municipal assessor, a sworn statement
30 declaring the true value of their property whether
31 previously declared or undeclared, taxable or exempt, which
32 shall be the current and fair market value of the property,
33 as determined by the declarant. Such declaration shall
34 contain a description of the property sufficient in detail
35 to enable the assessor or his deputy to identify the same
36 for assessment purposes. The sworn declaration of real
37 property herein referred to shall be filed with the
38 assessor concerned in accordance with the implementing
39 rules and regulations

40 SEC. 147. *Duty of Person Acquiring Real Property or*
41 *Making Improvement Thereon.* - It shall also be the duty of
42 any person or his authorized representative acquiring at
43 any time real property in any municipality or city or

1 making any improvement on real property, to, prepare, or
2 cause to be prepared, and file with the provincial, city or
3 municipal assessor, a sworn statement declaring the true
4 value of subject property, within sixty (60) days after the
5 acquisition of such property, or upon completion or
6 occupancy of the improvement, whichever comes earlier.

7 SEC. 148. *Listing of Real Property in the Assessment*
8 *Rolls.* - a) In every province and city there shall be
9 prepared and maintained by the provincial or city assessor
10 an assessment roll wherein shall be listed all real
11 property, whether taxable or exempt located within the
12 unit's territorial jurisdiction. Real property shall be
13 listed and valued in the name of the owner or
14 administrator, or anyone having legal interest in the
15 property.

16 b) The undivided real property of a deceased person
17 may be listed and valued in the name of the estate or of
18 the heirs and devisees without designating them
19 individually; and undivided real property other than that
20 owned by a deceased may be listed and valued in the name
21 of one or more co-owners:

22 c) The real property of a corporation, partnership,
23 or association shall be entered and assessed in the same
24 manner as that of an individual.

25 d) Real property owned by the Republic of the
26 Philippines, its political subdivisions and any government-
27 owned corporation so exempt by its charter, the beneficial
28 use of which has been granted, for consideration or
29 otherwise, to a taxable person, shall be listed for
30 purposes of taxation in the name of the grantee, or of the
31 public entity if such property has been acquired for
32 resale or lease.

33 e) The assessment roll shall be prepared in accordance
34 with rules and regulations prescribed by the Secretary of
35 Finance.

36 SEC. 149. *Proof of Exemption of Real Property from*
37 *Taxation.* - Every person by or for whom real property is
38 declared, who shall claim tax exemption for such property
39 under this Code shall file with the provincial or city
40 assessor within thirty (30) days from the date of the
41 declaration of real property sufficient documentary
42 evidence in support of such claim, including corporate
43 charters, titles of ownership, articles of incorporation,

1 by laws, contracts, affidavits and certifications and
2 mortgage deeds and similar documents. If the required
3 evidence is not submitted within the period herein
4 prescribed, the property shall be listed as taxable in the
5 assessment roll. However, if it shall be proven to be tax
6 exempt the same shall be dropped from the roll of taxable
7 properties.

8 SEC. 150. *Real Property Identification System.* - All
9 declarations of real property made under the provisions of
10 this Code shall be kept and filed under a uniform
11 classification system to be established by the provincial
12 or city assessor.

13 SEC. 151. *Notification of Transfer of Real Property*
14 *Ownership.* - Any person who shall transfer real property
15 ownership to another shall notify the assessor of the local
16 unit wherein the property is situated within sixty (60)
17 days from the date of such transfer. The notification
18 shall include the particulars of the transfer, the
19 description of the property alienated, and the name and
20 address of the transferee.

21 SEC. 152. *Duty of Register of Deeds to Appraise*
22 *Assessor of Real Property Listed in Registry.* - a) To
23 ascertain whether or not any real property entered in the
24 Registry of Property has escaped discovery and listing for
25 the purpose of taxation, the Register of Deeds shall
26 prepare and submit to the provincial or city assessor,
27 within six (6) months from the date of effectivity of this
28 Code and every two (2) years thereafter, an abstract of
29 his registry, which shall include brief but sufficient
30 description of the real properties entered therein, their
31 present owners and the dates of their most recent transfer
32 or alienation accompanied by copies of corresponding deeds
33 of sale, donation or partition or other forms of
34 alienation.

35 b) It shall also be the duty of the Register of
36 Deeds to require every person who shall present for
37 registration a document of transfer, alienation or
38 encumbrance of real property to accompany the same with a
39 certificate to the effect that the real property subject
40 of the transfer, alienation or encumbrance, as the case
41 may be, has been fully paid of all real property taxes due
42 thereon. Failure to provide such certificate shall be a
43 valid cause for the Register of Deeds to refuse the

1 registration of the document.

2 SEC. 153. *Duty of Official Issuing Building Permit or*
3 *Certificate of Registration of Machinery to Transmit Copy*
4 *to Assessor.* - Any public official or employee who may now
5 or hereafter be required by law or regulation to issue to
6 any person a permit for the construction, addition, repair
7 or renovation of a building or permanent improvement, on
8 land, or a certificate of registration for any machinery,
9 including machines, mechanical contrivances, and
10 apparatus, attached or affixed on land, or to another real
11 property shall transmit a copy of such permit or
12 certificate, within thirty (30) days of its issuance, to
13 the assessor of the local unit wherein the property is
14 situated.

15 SEC. 154. *Duty of All Geodetic Engineers to Furnish*
16 *Copy of Plans to Assessor.* - it shall be the duty of all
17 geodetic engineers, public or private, to furnish free of
18 charge to the assessor of the local unit where the land is
19 located with a white or blue print copy of each of all
20 approved original or subdivision plans or maps of surveys
21 executed by them within thirty (30) days from receipt of
22 such plans from the Bureau of Lands or Land Registration
23 Commission or the National Urban Planning Commission, as
24 the case may be.

25 SEC. 155. *Preparation of Schedule of Values.* -
26 Before any general revision of property assessment is made
27 pursuant to the provisions of this Code, there shall be
28 prepared a Schedule of Market Values by provincial and city
29 assessors for the different classes of real property
30 situated in their respective local units for enactment by
31 ordinance of the sanggunian concerned. Any amendment
32 thereto shall likewise be prescribed by ordinance of the
33 sanggunian effecting such revision.

34 SEC. 156. *Authority of Assessor to Take Evidence.* -
35 For the purpose of obtaining information on which to base
36 the market value of any real property, the assessor of a
37 local unit or his deputy may summon witnesses, administer
38 oaths and take deposition concerning the property, its
39 ownership, amount, nature and value.

40 SEC. 157. *Classes of Real Property for Assessment*
41 *Purposes.* - For purposes of assessment, real property
42 shall be classified as residential, agricultural,
43 commercial, industrial or mineral. Mineral lands shall

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1 be further classified into metallic or non-metallic, and
2 further subdivided into patented or unpatented, and
3 producing or non-producing.

4 For purposes of this section, the following terms shall
5 be understood to mean:

6 a) mineral lands are lands in which minerals exist in
7 sufficient quantity or grade to justify the necessary
8 expenditures to be incurred in extracting and utilizing
9 such minerals; (n)

10 1) mineral lands metallic are lands where deposits
11 are found to contain any of the metallic elements or
12 minerals, or their combination, such as gold, silver,
13 platinum, chromium, iron, manganese, copper, nickel,
14 lead, zinc, cinnabar, tungsten and the like.

15 2) mineral lands non-metallic, are lands where
16 deposits are found to contain such elements other than
17 those classified as metallic.

18 3) mineral lands non-producing, are lands which
19 are subject to exploration and development.

20 4) mineral lands patented, are lands covered by
21 a duly issued mineral patent pursuant to law, signed by
22 the President of the Philippines.

23 5) mineral lands producing, are lands actually
24 producing minerals in commercial quantities.

25 6) mineral lands unpatented, are lands which were
26 located as mining claims under the provisions of
27 existing laws but are not yet covered by mineral
28 patent.

29 SEC. 158. *Special Classes of Real Property.* - All
30 lands, buildings and other improvements thereon, actually,
31 directly and exclusively used for religious, educational,
32 cultural, recreational or scientific purposes, as well as
33 public and private hospitals shall be classified as
34 special real property.

35 SEC. 159. *Actual Use of Real Property as Basis for*
36 *Assessment.* - Real property shall be assessed on the
37 basis of its actual use regardless of where located and
38 whoever uses it.

39 SEC. 160. *Assessment Levels.* - The assessment levels
40 to be applied to the current market value of real property
41 to determine its assessed value shall be fixed by ordinance
42 of the *sangguniang panislawigan* or *sangguniang panlungsod*:
43 *Provided, That in no case shall assessment levels be lower*

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1 than the 1986 assessment levels except where the character
2 of the property or the locality where it is situated has
3 undergone a substantial change nor increased to higher than
4 20% per year of the 1986 assessment levels:

5 a) On Lands:

6	<u>Actual Use</u>	<u>Assessment Level</u>
7	Residential	30%
8	Agricultural	30%
9	Commercial	50%
10	Industrial	50%
11	Mineral	50%
12	Timberland	50%

13 b) On Buildings and Other Structures:

14	<u>Market Value</u>	<u>Assessment Levels</u>		
15		Residential	Commercial/	Agricultural
16			Industrial	
17	P50,000 or less	15%	50%	40%
18	More than P50,000 but not			
19	exceeding P100,000	20%	50%	40%
20	More than P100,000 but not			
21	exceeding P150,000	25%	50%	45%
22	More than P150,000 but not			
23	exceeding P200,000	30%	50%	45%
24	More than P200,000 but not			
25	exceeding P250,000	35%	55%	50%

26 Market Value Assessment Levels

27		Residential	Commercial/	Agricultural
28			Industrial	
29	More than P250,000 but not			
30	exceeding P300,000	40%	55%	50%
31	More than P300,000 but not			
32	exceeding P350,000	45%	60%	55%
33	More than P350,000 but not			
34	exceeding P400,000	50%	60%	55%
35	More than P400,000 but not			
36	exceeding P500,000	55%	65%	60%
37	More than P500,000 but not			
38	exceeding P600,000	60%	70%	60%
39	More than P600,000 but not			
40	exceeding P700,000	65%	70%	65%
41	More than P700,000 but not			
42	exceeding P800,000	70%	75%	75%
43	More than P800,000 but not			

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1 exceeding P1,000,000 75% 75% 75%
2 More than P1,000,000 80% 80% 80%

3 c. On Machineries (PD 464, Sec. 20c)

4	<u>Actual Use</u>	<u>Assessment Level</u>
5	Agricultural	60%
6	Residential	70%
7	Commercial	80%
8	Industrial	80%
9	MINERAL	80%

10 d. On Special Classes: The assessment levels for all
11 lands, buildings, machineries and other improvements:

12	<u>Actual Use</u>	<u>Assessment Level</u>
13	Cultural	15%
14	Scientific	15%
15	Hospital	15%
16	Educational Institution	15%
17	<u>Actual Use</u>	<u>Assessment Level</u>
18	Anti-Pollution Environmental 19 protection and alternative energy MACHINERY/DEVICE	10%
20	Recreational	30%

21 The special class of real properties used for
22 recreational purposes herein referred to shall apply only
23 to [such] properties owned by sports and athletic clubs,
or socio-civic organizations not operated primarily for
profit. (N) (CONSIDERATION DEFERRED)

24 SEC. 161. General Revision of Assessments. - The
25 provincial and city assessor shall institute a general
26 revision of real property assessments within two years
27 after the effectivity of this Code and every five years
28 thereafter: Provided, however, That if property values in
29 a province or city, have greatly changed since the last
30 general revision, the provincial or city assessor may,
31 upon authority of the sanggunian concerned, undertake a
32 general revision of assessments in the local unit before
33 the fifth year from the effectivity of the last general
34 revision.

35 SEC. 162. Valuation of Real Property. - Upon the
36 discovery of real property or during the general revision
37 of property assessments as provided in the immediately
38 preceding Section, or at any time when requested by the
39 person in whose name the property is declared, the
40 provincial or city assessor or his authorized deputy shall
41 make an appraisal and assessment in accordance with the
42 provisions of this Code of the real property listed and
43 described in the declaration irrespective of any previous

1 assessment or taxpayer's valuation thereon: *Provided,*
2 however, That the assessment of real property shall not be
3 increased oftener than once every five (5) years in the
4 absence of new improvements increasing the value of said
5 property or of any change in its use, except as otherwise
6 provided in this Code.

7 SEC. 163. *Date of Effectivity of Assessment or*
8 *Reassessment.* - All assessments or reassessments made after
9 the first day of January of any year shall take effect on
10 the first day of January of the succeeding year: *Provided,*
11 however, That the reassessment of real property due to its
12 partial or total destruction, or to a major change in its
13 actual use, or to any great and sudden inflation or
14 deflation or real property values, or to the gross
15 illegality of the assessment when made or to any other
16 abnormal cause, shall be made within ninety (90) days from
17 the date any such cause or causes occurred, the same to
18 take effect at the beginning of the quarter next following
19 the reassessment.

20 SEC. 164. *Assessment of Property Subject to Back*
21 *Taxes.* - Real property declared for the first time shall
22 have back taxes assessed against it for the period during
23 which it would have been liable if assessed from the first
24 in proper course but in no case for more than five years
25 prior to the year of initial assessment: *Provided,*
26 however, That the back taxes shall be computed on the
27 basis of the applicable schedule of values in force during
28 the corresponding period. And *Provided, further,* That back
29 taxes for five (5) years from the date of effectivity of
30 this Code shall be considered waived if not actually
31 collected within five years after assessment: *Provided,*
32 finally, That all back taxes prior to 1986 even if assessed
33 shall be considered waived.

34 If said taxes are paid on or before the end of the
35 quarter following the date the notice of assessment was
36 received by the owner or his representative, no penalty for
37 delinquency shall be imposed otherwise the taxes shall be
38 subject to an interest upon the unpaid amount at the rate
39 of one (1) percent per month or fraction thereof, beginning
40 from the month following the end of the quarter subsequent
41 to the date of receipt of the notice of assessment until
42 the tax is fully paid.

43 (ALL BACK TAXES PRIOR TO 1986 EVEN IF ASSESSED SHALL BE
CONSIDERED WAIVED UNLESS COLLECTION CASE/S HAS/HAVE BEEN

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1 ACTUALLY FILED BEFORE AN APPROPRIATE COURT BEFORE THE
2 EFFECTIVITY OF THIS ACT. THEREAFTER, ACCRUED TAXES IF NOT
3 ACTUALLY COLLECTED AFTER A PERIOD OF FIVE (5) YEARS SHALL
4 BE CONSIDERED TO HAVE PRESCRIBED UNLESS A CASE IS FILED IN
5 A COMPETENT COURT WITHIN SUCH PERIOD. ANY PROVISION OF THE
6 NATIONAL INTERNAL REVENUE CODE (AS AMENDED), OTHER LAWS,
7 DECREES, EXECUTIVE ORDERS, RULES AND REGULATIONS AND OTHER
8 ISSUANCES INCONSISTENT HERewith ARE DEEMED REPEALED AND/OR
9 AMENDED. (N)

10 [THERE MIGHT BE ABUSES IN THESE PROVISION BECAUSE OF PERSON
11 WHO HAS CLOSE/AFFINITY TO THE WOULD BE POWERHOLDERS;
12 [PROPOSED BY SENATOR BALONGA. ORIGINAL PAGE 118]]
13 (CONSIDERATION DEFERRED)

14 SEC. 165. *Binding Effect of Assessment or*
15 *Reassessment.* - All assessments and reassessments made
16 under the provisions of this Code shall be valid and
17 binding on all persons having legal interest on the
18 property.

19 SEC. 166. *Notification of New or Revised Assessments.*
20 When real property is assessed for the first time or when
21 an existing assessment is increased or decreased, the
22 provincial or city assessor shall within thirty days give
23 written notice of such new or revised assessment to the
24 person in whose name the property is declared. The notice
25 may be delivered personally or by registered mail to the
26 last known address of the person to be served, or through
27 the assistance of the punong barangay.

28 SEC. 167. *Appraising Machinery.* - a) The current
29 market value of the machinery shall be determined on the
30 basis of the original cost in the case of newly acquired
31 machinery not yet depreciated and is appraised within the
32 year of its purchase. In the case of all others, the
33 current market value shall be determined by dividing the
34 remaining economic life of the machinery by its economic
35 life and multiplied by the replacement or reproduction
36 cost of the machinery as described in its manual of its
37 manufacture or in any document showing its cost of
38 manufacture.

39 b) If the machinery is imported, replacement or
40 reproduction cost shall be the original acquisition cost
41 which would normally include such costs as freight and
42 insurance charges, brokerage, arrastre and handling,
43 customs duties and taxes plus cost of inland transportation
44 and handling and significant installation charges at the
45 present site. The cost in foreign currency of imported
46 machinery shall be converted to peso cost on the basis of
47 foreign currency exchange rates as fixed by the Central
48 Bank

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1 SEC. 168. *Depreciation Allowance for Machinery.* - For
2 purposes of assessment, a depreciation allowance shall be
3 made for machinery at a rate not exceeding two and a half
4 percent (2.5%) of its original cost or its replacement or
5 reproduction cost, as the case may be, for each year of
6 use: *Provided,* That the remaining value for all kinds of
7 machinery shall be fixed at not less than
8 twenty-five per centum (25%) of such original or



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1 replacement cost for so long as the machinery is useful and
2 in operation.

3 CHAPTER 3. Assessment Appeals

4 SEC. 169. *Local Board of Assessment Appeals.* - Any
5 owner who is not satisfied with the action of the
6 provincial or city assessor in the assessment of his
7 property may, within sixty (60) days from the date of
8 receipt by him of the written notice of assessment as
9 provided in this Code, appeal to the Board of Assessment
10 Appeals of the province or city, by filing with it a
11 petition under oath using the form prescribed for the
12 purpose, together with copies of the tax declarations and
13 such affidavits or documents submitted in support of the
14 appeal.

15 SEC. 170. *Organization, Powers, Duties and Functions*
16 *of the Local Board of Assessment Appeals.* - a) The local
17 Board of Assessment Appeals shall be composed of the
18 Register of Deeds, as Chairman, the provincial or city
19 attorney and the provincial or city engineer, as members,
20 all of whom shall serve as such in an ex-officio capacity
21 without additional compensation.

22 b) In provinces and cities without a provincial or
23 city engineer, the highway district engineer shall serve as
24 member of the Board. In the absence of a regular appointee,
25 the officer performing the duties of the Register of Deeds,
26 or the provincial or city attorney, or the provincial, city
27 or highways district engineer, whether in an acting
28 capacity or as a duly designated officer-in-charge, shall
29 automatically become the chairman or member, respectively,
30 of the said Board, as the case may be.

31 c) The Chairman of the Board shall have the power to
32 designate any government employee of the province or city
33 to serve as secretary of the Board also without additional
34 compensation.

35 d) The chairman and members of the local Board shall
36 enter into the duties of their respective positions without
37 need of further appointment or special designation
38 immediately upon effectivity of this Code. They shall take
39 an oath or affirmation of office in the prescribed form.

40 SEC. 171. *Meetings of The Local Board of Assessment*
41 *Appeals.* - The local Board of Assessment Appeals shall meet
42 once a month and as often as may be necessary for the
43 prompt disposition of the appealed cases pending before it.

1 No member of the Board shall be entitled to per diems or
2 traveling expenses for his attendance in Board meetings,
3 except when conducting an ocular inspection in connection
4 with a case under appeal.

5 SEC. 172. *Expenses of the Board.* - All expenses of the
6 local Board of Assessment Appeals shall be charged against
7 the general fund of the province or city, as the case may
8 be. The sanggunian concerned shall appropriate the
9 necessary funds to enable the Board of Assessment Appeals
10 in their respective localities to operate effectively.

11 SEC. 173. *Action by the Local Board of Assessment*
12 *Appeals.* - a) The local Board of Assessment Appeals shall
13 decide the appeal within one hundred and twenty days from
14 the date of receipt of such appeal. The decision rendered
15 must be based on substantial evidence presented at the
16 hearing or at least contained in the record and disclosed
17 to the parties or such relevant evidence as a reasonable
18 mind might accept as adequate to support the conclusion.

19 b) In the exercise of its appellate jurisdiction, the
20 Board shall have the power to summon witnesses, administer
21 oaths, conduct ocular inspection, take depositions and
22 issue subpoena and subpoena duces tecum. The proceedings
23 of the Board shall be conducted solely for the purpose of
24 ascertaining the truth without necessarily adhering to
25 technical rules applicable in judicial proceedings.

26 c) The secretary of the Board shall furnish the
27 property owner and the provincial or city assessor with a
28 copy of the decision of the Board. In case the provincial
29 or city assessor concurs in the revision or the
30 assessment, it shall be his duty to notify the property
31 owner of such fact using the form prescribed for the
32 purpose. The owner or administrator of the property or
33 the assessor who is not satisfied with the decision of the
34 local Board of Assessment Appeals, may, within thirty days
35 after receipt of the decision of the local Board,
36 appeal to the proper Regional Trial Court for adjudication,
37 subject to the pertinent provisions of the rules of court.
(PD 454, Sec. 34 (CONSIDERATION DEFERRED))

38 SEC. 174. *Effect of Appeal on the Payment of Real*
39 *Property Tax.* - Appeals on assessments of real property
40 made under the provisions of this Code shall in no case
41 suspend the collection of the corresponding realty taxes
42 on the property involved as assessed by the provincial or
43 city assessor, without prejudice to subsequent adjustment

1 depending upon the final outcome of the appeal.

2 CHAPTER 4. Imposition of Real Property Tax

3 SEC. 175. Incidence of Real Property Tax. - There
4 shall be levied, assessed and collected in all provinces,
5 cities and municipalities an annual ad valorem tax on real
6 property such as land, buildings, machinery and other
7 improvements affixed or attached to real property not
8 hereinafter specifically exempted.

9 SEC. 176. Rates of Levy. - The *sangguniang*
10 *panlalawigan* or the *sangguniang panlungsod* shall fix a
11 uniform rate of real property tax applicable to their
12 respective localities as follows:

13 a) In the case of a province, the tax shall be fixed
14 by ordinance of the *sangguniang panlalawigan* at the rate of
15 not more than two percent of the assessed value of real
16 property; and

17 b) In the case of a city, the tax shall be fixed by
18 ordinance of the *sangguniang panlungsod* at the rate of not
19 less than one percent but not more than two percent of the
20 assessed value of real property.

21 SEC. 177. Exemptions From Real Property Tax. - The
22 following are exempted from payment of the real property
23 tax:

24 a) Real property owned by the Republic or any of its
25 political subdivisions: Provided, however, That this
26 exemption shall not apply to real property of the above-
27 named entities the beneficial use of which has been
28 granted, for consideration or otherwise, to a taxable
29 person or institution;

30 b) Non-stock, non-profit educational institutions,
31 charitable institutions, churches, parsonages, or convents
32 appurtenant thereto, mosques, non-profit cemeteries or
33 burial grounds, and all lands, buildings, and improvements
34 actually, directly, and exclusively used for religious,
35 charitable, or educational purposes.

36 c) Perennial trees and plants of economic value,
37 except where the land upon which they grow is planted
38 principally to such growth.

39 d) One family home for each family with an assessed
40 value of two hundred fifty (P250,000.00) thousand pesos or
41 less in the case of cities or one hundred thousand
42 pesos or less in the case of municipalities. Any excess of
43 the foregoing values shall be taxed accordingly pursuant to

1 this Code. The level of exemptions shall however be
2 adjusted after any periodic assessment or special
3 reassessment of real property.

4 The real property tax exemption privilege under
5 existing laws of all government, semi-government, and
6 private corporations, as well as individuals or juridical
7 persons not otherwise specified above are hereby withdrawn:
8 *Provided, however, That such withdrawal of any tax*
9 *exemption privilege shall be subject to national policy and*
10 *vested rights.*

11 CHAPTER 5. Special Levies on Real Property

12 SEC. 178. *Additional One Percent Tax on Real*
13 *Property for the Special Education Fund.* - There is hereby
14 imposed an annual tax of one percent (1%) on real property
15 to accrue to the Special Education Fund created under
16 Republic Act No. 5447, which shall be in addition to the
17 real property tax which local governments are authorized to
18 levy, assess, collect, and disburse under this Code.

19 SEC. 179. *Additional Ad Valorem Tax on Idle Lands.* -
20 There shall be an additional real property tax imposed on
21 idle lands at the rate of one hundred percent (100%) of the
22 tax imposed on productive lands.

23 SEC. 180. *Idle Lands, Coverage.* - For purposes of
24 real property taxation, idle lands shall include urban
25 lands of three hundred (300) square meters or more where
26 the market value of improvement is less than twenty percent
27 (20%) of the market value of the land. Rural lands of eight
28 hundred (800) square meters or more where the market value
29 of improvements is less than ten percent (10%) of the
30 market value of the land or which is not devoted to the
31 raising of crops, fruits, vegetables, poultry or hogs or
32 other productive activities. Lands planted to permanent
33 or perennial crops with at least fifty trees to a hectare
34 or a fraction thereof for lands less than a hectare shall
35 not be considered idle land. Lands actually used for
36 grazing purposes shall likewise not be considered idle
37 land.

38 SEC. 181. *Idle Lands Exempt from Tax.* - The special
39 levy on idle lands shall not apply to landowners who are
40 unable to improve, utilize or cultivate their lands due to
41 any of the following causes:

42 a) Adverse peace and order conditions as certified to
43 by the provincial commander or the station commander of the

1 Integrated National Police force, and the local chief
2 executive unless upon restoration of the peace and order
3 in any locality duly certified by the aforestated
4 authorities and if within one year from the date of such
5 certification the idle land has not been improved,
6 utilized or cultivated, tax may be imposed thereon
7 pursuant to the provisions of this Code.

8 b) Financial loss of the landowner due to fire, flood,
9 typhoon, earthquake and other causes of similar nature duly
10 attested to by the owner in an affidavit to be submitted to
11 the provincial or city assessor stating the ground or
12 grounds therein, unless the idle land is not improved to
13 the extent prescribed in the next preceding section within
14 two years from the date of the occurrence of the loss, in
15 which case, the tax imposable under the foregoing sections
16 shall be levied.

17 c) Existing court litigations involving the land
18 subject to tax as certified by the court under which the
19 case is pending unless said land is not improved within one
20 year after the final adjudication of the case, to the
21 extent provided in the next preceding section, in which
22 case the tax imposable under the preceding sections hereof
23 shall be levied. Final adjudication notwithstanding, the
24 landowner shall be exempt from the special levy until he
25 can take actual possession of the land from illegal
26 occupants.

27 d) Necessity to leave the land in a fallow state as
28 certified to by the provincial or city agriculturist
29 stating among others, the length of time after which the
30 land shall be considered ready for production, unless the
31 idle land is not improved to the extent prescribed in the
32 next preceding section within one year after the
33 termination of the period, in which case, the tax imposable
34 under the preceding sections hereof shall be imposed.

35 e) a voluntary offer to sell under the comprehensive
36 agrarian reform law duly received and acknowledged by the
37 Department of Agrarian Reform.

38 SEC. 182. Application for Exemption. - Any person
39 having legal interest on the land considered idle, desiring
40 to avail of the tax exemption thereon, shall file the
41 corresponding application therefor with the assessor of the
42 province or city where the land is situated. The
43 application shall state the ground or grounds under which

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1 the exemption is being claimed.

2 SEC. 183. *Listing of Idle Lands by the Assessor.* -
3 The provincial or city assessor shall make and keep an
4 updated record of all idle lands located within his area
5 of jurisdiction and, on the basis thereof, notify the
6 persons having legal interest on the land of the imposition
7 of the additional tax.

8 SEC. 184. *Special Assessment by ordinance.* - The
9 *sangguniang pambalawigan, sangguniang panlungsod* or
10 *sangguniang bayan* may, by ordinance, provide for the
11 special assessment of the lands comprised within its
12 territorial jurisdiction or parts thereof specially
13 benefited by public works and highways projects or
14 improvements financed by the National Government or by the
15 local unit concerned: Provided, however, That the new
16 assessment shall not exceed three percent (3%) of the
17 current assessment.

18 SEC. 185. *Publication of Special Assessment Ordinance.*
19 - The special assessment ordinance shall be published with
20 the list of the owners of the land affected thereby once a
21 week for four consecutive weeks in any newspaper of general
22 circulation in the local unit concerned, both in English
23 and in the local language or dialect. It shall also be
24 posted in three public conspicuous places once a week for
25 four consecutive weeks in the local unit where the lands
26 subject to the special assessment are located.

27 CHAPTER 6. Collection of Real Property Tax

28 SEC. 186. *Date of Accrual of Tax.* - The real property
29 tax for any year shall attach and become due and payable on
30 the first day of January, and from the same date said tax
31 and all penalties subsequently accruing thereto shall
32 constitute a lien upon the property subject to such tax.
33 The lien shall be superior to all other liens, mortgages,
34 or encumbrances of any kind whatsoever, and shall be
35 enforceable against the property owner or possessor, and
36 shall be removable only by the payment of the delinquent
37 taxes and penalties.

38 SEC. 187. *Collection of Tax to be the Responsibility*
39 *of Treasurers.* - The collection of the real property tax
40 and all penalties accruing thereto, and the enforcement of
41 the remedies provided for in this or any applicable laws,
42 shall be the responsibility of the provincial, city or
43 municipal treasurer where the property is situated.

1 SEC. 188. *Assessor to Furnish Local Treasurer with*
2 *Assessment Roll.* - The provincial or city assessor shall
3 prepare and submit to the treasurer of the local unit, on
4 or before the thirty-first day of December each year an
5 assessment roll containing a list of all persons to whom
6 real properties have been newly assessed or reassessed and
7 the values of such taxable properties.

8 SEC. 189. *Notice of Time for Collection of Tax.* - The
9 provincial, city or municipal treasurer shall, on or
10 before the thirty-first of January each year cause notice
11 of the periods during which real property tax may be paid
12 without penalty in their respective jurisdictions to be
13 posted at the main entrance of the provincial building or
14 city hall and of all municipal buildings and in a public
15 conspicuous place in each local unit, and published in a
16 newspaper of general circulation in the locality for at
17 least three (3) consecutive weeks.

18 SEC. 190. *Payment of Real Property Taxes*
19 *in Installments.* - Real property taxes may, in the
20 discretion of the taxpayer, be paid without penalty in
21 four equal installments; the first instalment to be due
22 and payable on or before March thirty-first; the second
23 instalment, on or before June thirty; the third
24 instalment, on or before September thirty and the last
25 instalment on or before December thirty-first, except the
26 special assessments authorized under Sections 184 and
27 185 of this Code which shall be governed by ordinance of
28 the *sanggunian* concerned.

29 All payments of real property taxes shall first be
30 applied to prior years delinquencies, interests and
31 penalties, if any, and only after the same are settled may
32 tax payments be credited for the current period.

33 SEC. 191. *Payment Under Protest.* - a) When a taxpayer
34 desires for any reason to pay his tax under protest, he
35 shall indicate the amount or portion thereof he is
36 contesting and such protest shall be annotated on the tax
37 receipts by writing thereon the words "paid under
38 protest".

39 b) In case of payments made under protest, the amount
40 or portion of the tax contested shall be held in trust by
41 the treasurer and the difference shall be treated as
42 revenue.

1 c) In the event that the protest is finally decided
2 in favor of the government, the amount or portion of the
3 tax held in trust by the treasurer shall accrue to the
4 revenue account, but if the protest shall be decided
5 finally in favor of the Protestant, the amount or portion
6 of the tax protested against may either be refunded to the
7 Protestant or applied as tax credit to any other existing
8 or future tax liability of the said protestant.

9 SEC. 192. *Repayment of Excessive Collections.* - When
10 it appears that an assessment of real property was
11 erroneous and unjust when made and the same was reduced
12 because of such error or injustice, the taxpayer shall be
13 entitled to the proper refund for taxes and penalties paid
14 by him.

15 Timely notice shall be given by the provincial, city or
16 municipal treasurer to every taxpayer whose assessment was
17 reduced and he shall be furnished an assessment certificate
18 showing the amount of refund to which he is entitled.

19 SEC. 193. *Restriction Upon Power of Court To Impeach*
20 *Tax.* - No court shall entertain any suit assailing the
21 validity of tax assessed under this Code until the taxpayer
22 shall have paid under protest the tax assessed against him,
23 nor shall any court declare any tax invalid by reason of
24 irregularities or informalities in the proceedings of the
25 officers charged with the assessment or collection of
26 taxes, or of failure to perform their duties within the
27 times herein specified for their performance unless such
28 irregularities, informalities or failure shall have
29 impaired the substantial rights of taxpayers: nor shall
30 any court declare any portion of the tax assessed under
31 the provisions of this Code invalid except upon condition
32 that the taxpayer shall pay the just amount of the tax as
33 determined by the court in the pending proceeding.

34 SEC. 194. *Notice of Delinquency in the Payment of the*
35 *Real Property Tax.* - a) When the real property tax or any
36 instalment thereof becomes delinquent the provincial, city
37 or municipal treasurer shall immediately notify the
38 delinquent taxpayer concerned. In the event that the said
39 taxpayer fails to settle the tax delinquency within thirty
40 (30) days from the said notice, the treasurer shall post at
41 the main entrance of the provincial capitol and of all
42 municipal or city halls and in a public and conspicuous
43 place in each barangay of the local unit concerned the

1 notice of delinquency.

2 b) Such notice shall specify the date upon which the
3 tax became delinquent and shall state the personal property
4 that may be seized to effect payment. It shall also state
5 that at any time before the seizure of the personal
6 property, payment may be made with penalty in accordance
7 with the next following section, and further, that unless
8 the tax and penalties be paid before the expiration of the
9 year for which the tax is due or the tax shall have been
10 judicially set aside, the entire delinquent real property
11 will be sold at public auction, and that thereafter the
12 full title to the property will remain with the purchaser,
13 subject only to the right of the delinquent taxpayer or
14 any other person in his behalf to redeem the sold property
15 within one (1) year from the date of sale.

16 SEC. 195. *Interests on Unpaid Real Property Tax.* -
17 Failure to pay the real property tax before the expiration
18 of the period for the payment without penalty of the
19 quarterly installments thereof shall subject the taxpayer
20 to the payment of a penalty of interest upon the unpaid
21 amount at the rate of two percent (2%) per month or
22 fraction thereof from due date until the tax shall be fully
23 paid: *Provided*, That in no case shall the total interests
24 exceed fifty percent (50%) of the delinquent tax.

25 SEC. 196. *Remedies: Cumulative, Simultaneous and*
26 *Unconditional.* - Collection of the real property tax may be
27 enforced through any or all the remedies provided under
28 this Code and the use or non-use of one remedy shall not
29 be a bar against the institution of the others. Formal
30 demand for the payment of delinquent tax penalties and
31 interests due need not be made before any of such remedies
32 may be resorted to. Notice of delinquency as required in
33 Section 194 hereof shall be sufficient for the purpose.

34 SEC. 197. *Distrainment of Personal Property in case of*
35 *Delinquency.* - After delinquency in the payment of the real
36 property tax for the year has occurred, payments of such
37 tax may be enforced by distraining the personal property
38 including the crops growing on land of the delinquent
39 taxpayer. In such case, the provincial or city treasurer
40 or his deputy shall issue a duly authenticated certificate
41 based upon the records of his office showing the fact of
42 delinquency and the amount of tax and penalty due and this
43 shall be sufficient warrant for the seizure of any non-

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1 exempt personal property belonging to the delinquent
2 taxpayer in question. Such process may be executed by the
3 provincial or city treasurer, his deputy, or any officer
4 authorized to execute legal process, following the
5 procedures prescribed in Section 140 of this Code.

6 SEC. 198. *Personal Property Exempt from Distrainment.* -

7 The following property shall be exempt from distraint and
8 the levy, attachment or execution for delinquency in the
9 payment of the real property tax:

10 a) Tools and the implements necessarily used by the
11 delinquent taxpayer in his trade or employment not
12 exceeding one hundred thousand pesos (P100,000.00).

13 b) One horse, cow, carabao, or other beast of burden,
14 such as the delinquent taxpayer may select; and necessarily
15 used by him in his ordinary occupation.

16 c) His necessary clothing, and that of all his
17 immediate family.

18 d) Household furniture and utensils necessary for
19 housekeeping and used for that purpose by the delinquent
20 taxpayer, such as he may select, not exceeding fifty
21 thousand pesos (P50,000.00).

22 e) Provisions, including crops, actually provided for
23 individual or family use sufficient for one year.

24 f) The professional libraries of lawyers, judges,
25 clergymen, doctors, accountants, schoolteachers, music
26 teachers, and other professionals duly licensed by the
27 government, not exceeding one hundred thousand pesos
28 (P100,000.00).

29 g) One fishing boat and net, by which a fisherman
30 earns his livelihood not exceeding one hundred thousand
31 pesos (P100,000.00) in value.

32 h) Any material or article forming part of a house or
33 improvement of any real property.

34 SEC. 199. *Advertisements of Sale of Real Property at*
35 *Public Auction.* - After the expiration of the year for
36 which the tax is due, the provincial or city treasurer
37 shall advertise the sale at public auction of the entire
38 delinquent real property to satisfy all the taxes,
39 penalties and interest due and the costs of sale. Such
40 advertisement shall be made by posting a notice for three
41 consecutive weeks at the main entrance of the provincial
42 capitol and at the main entrance of the city or municipal
43 hall, and in a public and conspicuous place in the

1 barangay wherein the property is situated, in English, and
2 the local language or dialect commonly used, and at the
3 discretion of the provincial or city treasurer, by
4 publication once a week for three (3) consecutive weeks in
5 a newspaper of general circulation published in the
6 province or city. The notice and publication shall state
7 the amount of the taxes, penalties and costs of sale; the
8 date, hour and place of sale, the name of the taxpayer
9 against whom the tax was assessed, its approximate area,
10 lot number, and location stating the street and block
11 number, barangay, municipality and the province or city
12 where the property to be paid is situated.

13 Copy of the notice shall forthwith be sent either by
14 registered mail or by messenger, or through the assistance
15 of the *punong barangay*, to the delinquent taxpayer, at his
16 address as shown in the tax rolls or property tax record
17 cards of the municipality or city where the property is
18 located, or at his residence, or known to said treasurer
19 or *punong barangay*: *Provided, however*, That a return to the
20 proof of service under oath shall be filed by the person
21 making the service with the provincial or city treasurer
22 concerned.

23 SEC. 200. *Stay of Sale of Real Property.* - At any
24 time during or before the sale, the taxpayer may stay all
25 proceedings by paying the taxes and penalties due on the
26 real property up to the time of tender and costs to the
27 provincial or city treasurer or his deputy conducting the
28 sale.

29 SEC. 201. *Discretion of Provincial or City Treasurer*
30 *to Buy Real Property in Behalf of Province or City.* - In
31 case there is no bidder at the public auction of the
32 delinquent real property, or if the highest bid is for an
33 amount not sufficient to pay the taxes, penalties and
34 costs of sale, the provincial or city treasurer may, in his
35 discretion, buy the delinquent real property in the name
36 of the province or city for the amount of taxes and
37 penalties due thereon, and the costs of sale.

38 SEC. 202. *Certificate of Sale to be Issued to the*
39 *Purchaser.* By the Provincial or City Treasurer or His
40 Deputy. - The purchaser at a public auction of delinquent
41 property shall receive from the provincial or city
42 treasurer, or his deputy, a certificate setting forth the
43 proceedings had at the sale, a description of the property

1 sold, the name of the purchaser, the sale price, as well as
2 the exact amount of the taxes and penalties due and the
3 costs of sale. The person in whose name the property is
4 listed and assessed shall be furnished with a copy of the
5 certificate of sale.

6 SEC. 203. *Report of Sale to Sanggunian Concerned.* -
7 The provincial or city treasurer or his deputy shall make a
8 report to the sanggunian concerned of the sale within ten
9 (10) days thereafter, and shall make the same appear in his
10 records.

11 SEC. 204. *Redemption of Real Property After Sale.* -
12 Within the term of one year from the date of the
13 registration of sale of the property, the delinquent
14 taxpayer or his representative, or in his absence, any
15 person holding a lien or claim over the property, shall
16 have the right to redeem the same by paying the provincial
17 or city treasurer or his deputy the total amount of taxes
18 and penalties due up to the date of redemption, the costs
19 of sale and the interest at the rate of twenty per centum
20 on the purchase price, and such payment shall invalidate
21 the sale certificate issued to the purchaser and shall
22 entitle the person making the same to a certificate from
23 the provincial or city treasurer, or his deputy, stating
24 that he had redeemed the property.

25 The provincial or city treasurer or his deputy shall
26 upon surrender by the purchaser of the certificate of sale
27 previously issued to him, forthwith return to the latter
28 the entire purchase price paid by him plus the interest at
29 twenty per centum (20%) per annum herein provided for, the
30 portion of the cost of sale and other legitimate expenses
31 incurred by him, and said property shall thereafter be
32 free from the lien of said taxes and penalties.

33 SEC. 205. *Possession and Usufruct of Real Property*
34 *Within One Year From Date of Sale.* - After the sale and
35 before redemption, or before the expiration of the term of
36 one (1) year fixed in the immediately preceding Section for
37 such redemption, the real property shall remain in the
38 possession of the delinquent taxpayer, who shall have the
39 right to the usufruct thereof.

40 SEC. 206. *Issuance of Final Bill of Sale.* - In case
41 the delinquent taxpayer or his representative, or any
42 person holding a lien or claim over the property, fails to
43 redeem the same within the period of one year from the

1 date of the registration of the sale of the property as
2 provided in Section 204 thereof, the provincial or city
3 treasurer shall make an instrument sufficient in form and
4 effect to convey to the purchaser the property purchased by
5 him, free from any encumbrances or third party claim
6 whatsoever and the said instrument shall succinctly set
7 forth all proceedings upon which the validity of the sale
8 depends. Any balance of the proceeds of the sale left
9 after deducting the amount of the taxes and penalties due
10 and the costs of sale shall be returned to the original
11 owner of the property or his representative.

12 SEC. 207. *Disposition of Real Property Acquired by*
13 *Province or City.* - The provincial or city treasurer shall
14 take charge of the delinquent real property acquired by
15 the province or city under the provisions of Section 201
16 of this Code, during which time the delinquent taxpayer
17 shall have possession and usufruct of such property in
18 accordance with Section 205 hereof. Said treasurer shall
19 take steps within two years from the date of issuance of
20 final bill of sale to dispose of the delinquent real
21 property at public auction subject to the penalties
22 provided in Section 204 hereof, but at any time before the
23 auction sale, any person in his own right may purchase
24 such property by paying the total amount of the taxes and
25 penalties due up to the time of purchase, the costs of
26 sale, and other legitimate expenses incurred by the
27 province or city with respect to the property, and an
28 additional penalty of twenty percent (20%) on the purchase
29 price: *Provided, however,* That any such repurchase at or
30 before auction sale shall be subject to the right of the
31 delinquent taxpayer or his representative or any person
32 holding lien or claim over the property to further redeem
33 said property within one (1) year from the date of
34 acquisition by the province or city in the manner provided
35 in Section 205 hereof and: *Provided, further,* That if
36 the treasurer has entered into a contract for the lease of
37 the property in the meantime, any purchase made hereunder
38 shall be subject to such contract.

39 SEC. 208. *Collection of Real Property Tax Through the*
40 *Courts.* - The delinquent real property tax shall constitute
41 a lawful indebtedness of the taxpayer to the province or
42 city and collection of the tax may be enforced by civil
43 action in any court of competent jurisdiction. The civil

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1 action shall be filed by the provincial or city attorney
2 or in his absence, by the provincial or city fiscal,
3 within fifteen (15) days after receipt of the statement of
4 delinquency certified to by the provincial or city
5 treasurer. This remedy shall be in addition to all other
6 remedies provided by law.

7 SEC. 209. *Suits Assailing Validity of Tax Sale.* - No
8 court shall entertain any suit assailing the validity of
9 the tax sale of real estate under this Code until the
10 taxpayer shall have paid to the court the amount for which
11 the real property was sold, together with interests of
12 twenty per centum per annum upon that sum from the date of
13 sale to the time of instituting the suit. The money so
14 paid to the court shall belong to the purchaser at the
15 tax sale if the deed is declared invalid but shall be
16 returned to the depositor if the action fails.

17 SEC. 210. *Payments of Delinquent Taxes on Property*
18 *Subject of Controversy.* - In any suit involving the
19 ownership or possession of, or succession to, real
20 property, the court shall, on its own motion or upon
21 representation of the provincial, city or municipal
22 treasurer or his deputy, condition the award of such
23 ownership, possession or succession to any party to the
24 controversy upon the payment to the court of the taxes and
25 penalties due on the property and all the costs that may
26 have accrued to the treasurer by reason of his
27 representation.

28 SEC. 211. *Treasurer to Certify Delinquencies Remaining*
29 *Uncollected.* - The provincial or city treasurer, or his
30 deputy shall prepare a certified list of all real property
31 tax delinquencies remaining uncollected or unsatisfied for
32 at least one year in his jurisdiction and a statement of
33 the reason or reasons for such non-collection or non-
34 satisfaction, and shall submit the same to the governor or
35 city mayor as the case may be. On or before December
36 thirty-first of the year immediately following that in
37 which the delinquencies have occurred, with a request of
38 assistance in the enforcement of the remedies for
39 collection provided herein.

1 CHAPTER 7. SPECIAL PROVISIONS

2 SEC. 212. *Provincial and City Assessors and Deputies.*

3 - a) The appointment, compensation, powers, duties and
4 functions of provincial and city assessors shall be
5 governed by the provisions of this Code.

6 b) Whenever the exigency of the service requires,
7 additional positions for deputy provincial or city
8 assessors may be created by the sanggunian concerned.

9 SEC. 213. *General Assessment Revision. Expenses*
10 *Incident Thereto.* - The sanggunian of the local government
11 unit concerned shall provide the necessary appropriations
12 to underwrite expenses incident to the general revision of
13 real property assessments.

14 All expenses incident to a general revision of property
15 assessments shall be divided equally between the province
16 and the municipality.



Senate Archives (TRIP)

1 SEC. 214. *Remission of Tax by Provincial or City*
2 *Sanggunian.* - In case of a general failure of crops or
3 substantial decrease in the prices of agricultural or
4 agri-based products, or similar widespread disaster in any
5 city or municipality, the *sangguniang panlalawigan* or
6 *sangguniang panlungsod* concerned, by ordinance passed prior
7 to the first day of January of any year, may remit, wholly
8 or partially, the real property tax or the penalties
9 thereon for the succeeding year in the city or
10 municipality affected by the disaster. The ordinance
11 must clearly state the reason or reasons for such
12 remission.

13 SEC. 215. *Remission or Reduction of Tax by the*
14 *President of the Philippines.* - The President of the
15 Philippines may, in his discretion, remit or reduce the
16 real property tax for any year in any city, municipality
17 or province if public interest so requires.

18 SEC. 216. *Duty of Register of Deeds and Notaries*
19 *Public to Assist the Provincial or City Assessor.* - It
20 shall be the duty of the register of deeds and notaries
21 public to furnish the provincial or city assessor with
22 copies of all contracts affecting real property
23 registered by or acknowledged before them.

24 SEC. 217. *Insurance Companies to Furnish Information.*
25 - Insurance companies are hereby required to furnish the
26 provincial or city assessor copies of any contract or
27 policy insurance on real property, buildings, structures
28 and improvements insured by them or such other documents
29 which may be necessary for the proper assessment thereof.

30 SEC. 218. *Fees in Court Actions.* - All court actions,
31 criminal or civil instituted at the instance of the
32 provincial or city treasurer or assessor under the
33 provisions of this Code, shall be exempt from the payment
34 of court and sheriff's fees.

35 SEC. 219. *Fees in Registration of Papers or Documents*
36 *on Sale of Delinquent Real Property to Province or City.* -
37 All certificates, documents, papers covering the sale of
38 delinquent property, to the province or city, if registered
39 in the Registry of deeds, shall be exempt from registration
40 fees.

41 SEC. 220. *Real Property Assessment Notices or Owner's*
42 *Copies of Tax Declarations to Be Exempt From Postal Charges*
43 *or Fees.* - All real property assessment notices or owner's

1 copies of tax declarations sent thru the mails by the
2 assessor shall be exempt from the payment of postal
3 charges or fees.

4 SEC. 221. Sale and Forfeitures Before Effectivity of
5 Code. - All sales and forfeitures of delinquent real
6 properties and tax delinquencies existing before the
7 effective date of this Code shall be governed by the
8 provisions of pertinent laws then in force.

9 TITLE THREE - ALLOTMENTS TO AND SHARING OF LOCAL
10 GOVERNMENTS IN THE PROCEEDS OF
11 NATIONAL AND LOCAL TAXATION

12 CHAPTER 1 - Internal Revenue and Specific
13 Tax Allotments

14 SEC. 222. Internal Revenue and Specific Taxes. - a)
15 Forty percent (40%) of the internal revenue and specific
16 tax collections not otherwise accruing to special funds and
17 special accounts shall accrue to local governments based
18 upon the collections of the second fiscal year preceding
19 the current fiscal year.

20 b) the share of the local government units shall be
21 distributed as follows:

- 22 1) Twenty percent (20%) to provinces;
23 2) Thirty-five percent (35%) to municipalities;
24 3) Thirty percent (30%) to cities; and
25 4) Fifteen percent (15%) to the barangay.

26 c) Except for the share of the barangay which shall
27 be distributed as follows:

- 28 1) Population - 35%
29 2) Land Area - 35% ; and
30 3) Equal Sharing 30%

31 the share of each level of local government shall be
32 distributed on the basis of the following:

- 33 1) Population - 30%
34 2) Land Area - 40%
35 3) Equal Sharing 20%; and
36 4) Revenue Collection
37 Performance - 10%

38 The incentive share shall be allocated as follows:

39	<u>COLLECTION EFFICIENCY</u>	<u>INCENTIVE ALLOTMENT</u>	
40	BELOW 60%	NONE	(SUBJECT TO REDRAFTING BY THE SPONSOR AND SENATOR TAMANO)
41	60% - 69%	10%	
42	70% - 79%	15%	

1 where the business subject to tax is situated or where the
2 sand and gravel are extracted.

3 b) Cities:

4 1) Seventy percent (70%) of the proceeds of the
5 franchise tax and the sand and gravel tax shall accrue to
6 the city; and

7 2) Thirty percent (30%) to the barangay where the
8 business is situated or where the sand and gravel are
9 extracted.

10 In the event that the business subject to franchise
11 tax is situated in two or more municipalities, the tax
12 accruing thereto shall be divided equally among them and
13 among the barangay concerned.

14 If the business subject to tax is situated in two (2)
15 or more barangay of a city, the tax accruing to the said
16 barangay shall be divided equally among them.

17 SEC. 226. Occupation Tax. -

18 a) Provinces:

19 1) Fifty percent of the proceeds of the occupation tax
20 as provided in Section 123 of this Code shall accrue to
21 the province; and

22 2) Fifty percent shall be divided equally among the
23 municipalities.

24 Where the tax is collected solely by the province, the
25 provincial treasurer shall remit the shares of the
26 municipalities within fifteen days following the end of the
27 month.

28 b) Cities:

29 1) Seventy percent (70%) of the proceeds of the
30 occupation tax collected in the city shall accrue to the
31 city; and

32 2) Thirty percent (30%) shall be divided equally among
33 the barangay.

34 SEC. 227. Tax on Admission. -

35 a) Provinces:

36 1) Fifty percent (50%) of the proceeds of the tax on
37 admission as provided in Section 123 of this Code shall
38 accrue to the province; and

39 2) Fifty percent (50%) to the municipality where the
40 place of amusement is situated.

41 b) Cities

42 (a) seventy percent (70%) of the proceeds of the tax
43 on admission shall accrue to the city; and

1 (b) thirty percent (30%) to the barangay where the
2 place of amusement is situated.

3 SEC. 228. Fees for Sealing and Licensing of Weights
4 and Measures. -

5 a) Provinces:

6 1) Fifty percent (50%) of the proceeds of the fees
7 for sealing and licensing of weights and measures as
8 provided in Section 123 of this Code shall accrue to the
9 province; and

10 2) Fifty percent (50%) to the municipality where the
11 weights and measures are utilized.

12 SEC. 229. Rental for Use of Municipal Water. -

13 a) Provinces:

14 1) Fifty percent (50%) of the proceeds of the rentals
15 for use of municipal waters as log ponds, as provided in
16 Section 123 of this Code, shall accrue to the province;

17 2) Thirty percent (30%) to the municipality where log
18 pond is situated; and

19 3) Twenty percent (20%) to the barangay where the log
20 pond is situated.

21 SEC. 230. Residence Tax. - The proceeds of the
22 residence tax shall be applied as follows:

23 1) Seventy percent (70%) of the collections made by
24 the city or municipality shall accrue to it; and

25 2) Thirty percent (30%) of the said collections shall
26 accrue to the barangay to be divided equally among them.

27 TITLE FOUR - CREDIT FINANCING FOR LOCAL

28 GOVERNMENTS

29 SEC. 231. Scope. - This title shall govern the
30 conduct and management of the credit transactions and
31 borrowings of provinces, cities and municipalities.

32 SEC. 232. POLICIES (Policy Pronouncements). -
33 (1) It shall be the basic policy that any local government
34 may avail of credit facilities and resort to borrowings
35 only if the local funds are not sufficient to finance the
36 prosecution, completion, expansion, operation, and
37 maintenance of local infrastructure and other socio-
38 economic development projects. (CONSIDERATION DEFERRED)

39 (2) In times of emergency or of an impending financial
40 dislocation that may prejudice the dispensation of public
41 services in the locality, provincial, city and municipal
42 governments may likewise secure provisional advances in the
43 manner prescribed herein or avail of credit lines that
44 government banks and other national lending institutions
45 may extend to them.

SEC. 233. Loans of Local Government Units. - a)

1 The provincial, city, and municipal governments may apply
2 with the Central Bank, any duly authorized government
3 bank or depository, government-owned or controlled
4 corporation, government financial institution, or any
5 domestic bank or lending institution loans in amounts not
6 exceeding, in their aggregate, twenty percent (20%) of the
7 average annual income actually realized from regular
8 sources by the borrowing local government unit for the last
9 two (2) fiscal years. The amount borrowed shall be
10 released to the provincial, city or municipal treasurer of
11 the local government unit concerned. The terms and
12 conditions thereof shall be agreed upon by the borrowing
13 local government unit and the lending bank.

14 b) The Philippine National Bank, the Development Bank
15 of the Philippines, the Government Service Insurance
16 System, the Land Bank of the Philippines and other national
17 lending institutions are hereby authorized to grant to the
18 local governments the loans, credits and other forms of
19 indebtedness herein referred to out of their loanable or
20 investible funds.

21 SEC. [263] 234. Bonds and other Long Term Securities. -

22 (1) Provinces, cities and municipalities are hereby
23 authorized to issue bonds, debentures, securities,
24 collaterals, notes and other obligations to finance self-
25 liquidating and/or income-producing development projects
26 DULY APPROVED BY THE REGIONAL DEVELOPMENT COUNCIL CONCERNED
27 [pursuant to the priorities established in the development
28 program as certified to by the National Economic and
29 Development Authority;] but in no case to exceed at any
30 time an aggregate amount equivalent to one percent of the
31 total assessed value of taxable real property within the
32 territorial jurisdiction of the local government unit.
33 [Whenever any province, city or municipality deems it
34 necessary to issue such bonds, debentures, securities,
35 collaterals, notes and other obligations,] the SANGGUNIANG
36 concerned shall, by ORDINANCE [resolution, so] declare
37 and state the terms and conditions of the bonds [and the
38 purpose] for which the proposed indebtedness is to be
39 incurred. For such ORDINANCE [resolution] to be valid,
40 it shall be passed by the affirmative vote of a majority of
41 all the members of the local SANGGUNIANG [reviewed in
42 accordance with the provisions of this Code] and approved
43 by the Monetary Board of the Central Bank [of the
44 Philippines and the National Economic and Development
45 Authority. (PD 752, Sec. 6a)]; PROVIDED, HOWEVER, THAT IN
46 THE CASE OF THE ORDINANCE PASSED BY A MUNICIPALITY OR A
47 COMPONENT CITY, IT MUST FIRST BE APPROVED BY THE
48 SANGGUNIANG PANGLALAWIGAN CONCERNED.

49 (2) Local government bonds shall be issued under the
50 [following] THE TERMS AND conditions AGREED UPON BETWEEN
51 THE LOCAL GOVERNMENT UNIT CONCERNED AND THE CENTRAL BANK.
52 [(PD 752, Sec. 6b)]

53 (a) They shall be in registered form and transferable
54 at the Central Bank [of the Philippines]; (PD 752, Sec.
55 6b(1))

56 (b) They shall not be sold at less than face value;
57 (PD 752, Sec. 6b(2))

58 (c) They shall be redeemable ten years or more from
59 date of issue but may be redeemed earlier by the local
60 government upon approval by a majority of all the members
61 of the local sanggunian. (PD 752, Sec. 6b(3))

1 [(d) Before issuance of the bonds, the Secretary of
2 Finance upon consultation with the Monetary Board of the
3 Central Bank of the Philippines shall fix the annual rate
4 of interest payable on the bonds, as well as the mode of
5 payment of the interest accruals thereon. and (PD 752,
6 Sec. 6b(4))]

7 [(e) Both the principal and interest on the bonds
8 shall be payable in legal tender of the Republic of the
9 Philippines. (PD 752, Sec. 6b(5))]

10 (3) Local government bonds issued under the authority
11 of this Section shall be exempt from all taxes levied by
12 the Republic (of the Philippines), or by any AGENCY
13 [authority], branch, division or political subdivision
14 thereof, which fact(s) shall be stated upon the face of the
15 bonds. (PD 752, Sec. 6c)

16 (4) [The] Local government bonds shall be acceptable
17 and received as security in any transaction with the
18 government where such security is required. (PD 752, Sec.
19 6d)

20 [(5) The local sanggunian concerned shall establish a
21 sinking fund for the purpose of redeeming at maturity the
22 bonds issued under this Section. Failure to provide the
23 necessary appropriation shall constitute a ground for
24 declaring inoperative the budget of the local government
25 unit concerned. The annual contributions to the sinking
26 fund shall cover in full the principal and interest due on
27 the bonds issued and the local sanggunian shall set aside
28 in the annual budgets of the local government the
29 corresponding appropriations therefor. (PD 752, Sec. 6e)]

30 [Said sinking fund shall be under the custody of the
31 Central Bank of the Philippines which may invest the same
32 in such manner as the Monetary Board may approve. Said
33 sinking fund shall be charged for all expenses incurred in
34 investing the same or portions thereof and credited with
35 the earnings and interest income arising from such
36 investments. (PD 752, Sec. 6g)]

37 SEC. [264] 235. Inter-Local Government Loans. -
38 Provinces, cities and municipalities may extend loans to
39 other provinces, cities and municipalities for such
40 purposes (as the repair and rehabilitation of government
41 property damaged by typhoons, floods, fire, or other
42 natural calamity; the purchase of relief goods, foodstuff
43 and medicine during emergencies; and the beautification of
44 parks, plazas, monuments and shrines) in amounts not
45 exceeding, in their aggregate, ten percent of the general
46 fund income from regular sources of the lending entity
47 actually realized during the next preceding fiscal year, as
48 certified to by the local treasurer and attested by the
49 auditor concerned, under such terms and conditions as may
50 be agreed upon by the parties. [payable within a period
51 of not exceeding twenty-four months from the date of
52 release of the full amount and at an interest rate of not
53 exceeding twelve percent per annum. (PD 752, Sec. 7)]

54 [Failure of the borrowing local government to
55 appropriate the annual amortizations and interest accruals
56 of the loans contracted under this Section shall constitute
57 a ground for declaring inoperative its budgets pursuant to
58 the pertinent provisions of EXISTING LAWS. (PD 752, Sec.
59 7)]

60 SEC [265] 236. Loans from Funds Secured by the National
61 Government from Foreign Sources. - [(1)] the President
62 MAY AUTHORIZE THE RELENDING TO LOCAL GOVERNMENT UNITS OF
63 ANY AMOUNT SOURCED FROM ANY LOAN SECURED FROM ANY FOREIGN
64 SOURCE SUBJECT TO SUCH TERMS AND CONDITIONS AGREED UPON BY
65 THE OFFICE OF THE PRESIDENT AND THE LOCAL GOVERNMENT UNIT
66 CONCERNED. THE AMOUNT OF THE LOAN SHALL BE RELEASED
67 DIRECTLY TO THE BORROWING LOCAL GOVERNMENT UNIT. (cf the
68 Philippines, or his duly authorized representative, may
69 negotiate and contract loans with foreign financial
70 institutions or other international organizations belonging
71 to countries with which the Philippines has diplomatic or
72 trade relations, or from foreign governments which are
73 members of the United Nations and, subject to such
74 conditions as he may impose, extend therefrom upon
75 recommendation of the Secretary of Finance and the National
76 Economic and Development Authority, one or several loans to
77 any provincial, city or municipal government through the
78 Development Bank of the Philippines or the Land Bank of the

1 Philippines for the purpose of financing the acquisition,
2 construction, installation, improvement and expansion of
3 capital improvement projects, such as electric powerplants,
4 waterworks and irrigation system, flood control systems,
5 composing plants, and telephone and radio communications
6 systems. (PD 752, Sec. 3a)]

7 ((2) Loan amortizations or repayments, including
8 accrued interest thereon, may be financed partly from the
9 income of the projects or services and from the regular
10 income of the borrowing local government unit, which must
11 be provided for and appropriated regularly in its budgets
12 until the loan and the interests thereon shall have been
13 repaid in full. (PD 752, Sec. 8b)]

14 ((3) The pertinent provisions of existing laws shall
15 likewise be complied with in the re-lending to the local
16 governments of proceeds of loans from foreign sources. (PD
17 752, Sec. 8c)]

18 ((4) Any two or more provinces, cities and/or
19 municipalities may jointly and severally undertake capital
20 improvement projects commonly beneficial to them and for
21 the purpose may negotiate and contract for loans in
22 accordance with the provisions of the foregoing
23 paragraphs. (PD 752, Sec. 8d)]

24 SEC. [266] 237. Financing Contracts with Private
25 Persons. - (1) Any provincial, city or municipal government
26 may enter into and bind itself by contract with any private
27 person, natural or juridical, for financing (such) self-
28 liquidating or income-producing projects UPON SUCH TERMS
29 AND CONDITIONS AS MAY BE AGREED UPON: (as the
30 construction of toll roads and bridges, the installation of
31 telephone systems, the acquisition of land and water
32 transport systems, as well as the operation and maintenance
33 of such projects, subject to the approval of the National
34 Economic and Development Authority, upon recommendation of
35 the Secretary of Finance:} Provided, That the aggregate
36 amounts of financing contracts that a local government may
37 enter into by virtue of this Section shall not exceed its
38 [the] legal borrowing capacity [of said local government],
39 as certified to by the Commission on Audit. (PD 752, Sec.
40 9)

41 ((2) The construction and prosecution of projects
42 under the authority of this Section shall be subject to the
43 following terms and conditions: (PD 752, Sec. 9)]

44 ((a) The provincial, city or municipal engineer, as
45 the case may be, upon formal request in writing by the
46 local chief executive, shall prepare the plans and
47 specifications for the proposed project, which shall be
48 subject to the approval of the local sanggunian. In the
49 absence of a municipal engineer, the plans and
50 specifications of the proposed project shall be prepared by
51 the provincial engineer. (PD 752, Sec. 9)]

52 ((2) Upon approval by the local sanggunian of the
53 project plans and specifications, the provincial, city or
54 municipal engineer concerned shall forthwith cause to be
55 published once every week for three consecutive weeks in at
56 least a newspaper of general circulation, a notice inviting
57 all eligible contractors to participate in a public bidding
58 for the projects so approved. The contract shall be
59 awarded to the lowest qualified bidder:} Provided, That
60 the winning bid shall not exceed by fifteen percent the
61 estimated cost of the project as computed by the local
62 engineer. (PD 752, Sec. 9)

63 The conduct of public bidding and award of contracts
64 for local government projects under this Section shall be
65 in accordance with existing laws and pertinent rules and
66 regulations. (PD 752, Sec. 9)

67 ((c) Any contractor who shall undertake the
68 prosecution of any project under this Section shall post
69 bond to protect the interest of the province, city or
70 municipality in such amounts as may be fixed by the local
71 sanggunian, and the provincial, city or municipal engineer
72 of the locality shall not allow any contractor to initiate
73 the prosecution of projects under this Section unless such
74 contractor shall present proof or evidence that he has
75 posted the required bond. (PD 752, Sec. 9)]

1 (d) The contractor shall be entitled to the contract
 2 price based on the winning bid plus interest on the unpaid
 3 balance thereof not exceeding twelve percent per annum.
 4 The provincial, city or municipal government concerned is
 5 authorized to charge and collect reasonable tolls or fees,
 6 in the presence of a duly authorized representative of the
 7 contractor, for the use of finished projects, which
 8 collections shall be turned over to the contractor at the
 9 end of every week for a period not exceeding twenty years.
 10 In the case of roads or bridges constructed pursuant to
 11 this Section, tolls shall be collected only on motor
 12 vehicles using the same and automatic traffic counters
 13 shall be installed in the entrance, terminal and
 14 intermediate toll gates. (PD 752, Sec. 9);

15 (e) The tolls or fees that will be charged for the
 16 use of roads, bridges, telephone systems, land transport
 17 systems, ferries and watercraft constructed, installed or
 18 acquired in accordance with this Section shall be levied in
 19 an appropriate local tax ordinance which shall be enacted
 20 by the local sanggunian and approved by the local chief
 21 executive pursuant to law. The pertinent change in the
 22 schedule or rates of such tolls and fees shall likewise be
 23 made through the enactment of an appropriate local tax
 24 ordinance (PD 752, Sec. 9);

25 (f) Collections from the tolls or fees authorized to
 26 be collected under this Section shall first be applied to
 27 the interest and the remainder to the principal in the
 28 amounting of the reports from such tolls or fees. (PD 752,
 29 Sec. 9)

30 (g) The imposition and collection of tolls or fees
 31 shall be discontinued after the principal expended on the
 32 project, and the interest thereof shall have been collected
 33 as certified to by the provincial, city and municipal
 34 treasurer concerned, and from that time the contract for
 35 such project shall be deemed extinguished. (PD 752, Sec.
 36 9);

37 (h) The projects undertaken under this Section shall
 38 be prosecuted under the supervision of the provincial, city
 39 or municipal engineer of the province, city or municipality
 40 as the case may be, or if there be no municipal engineer,
 41 by the provincial engineer of the province to which the
 42 municipality belongs, in accordance with the plans and
 43 specifications of the projects as approved by the local
 44 sanggunian. (PD 752, Sec. 9);

45 (i) The Provincial Attorney or City Legal Officer or
 46 Municipal Attorney, as the case may be, shall pass upon
 47 contracts executed pursuant to this Section to determine
 48 their legality and correctness of form. In the absence of
 49 the above-named officials, the responsibility shall devolve
 50 upon the provincial or city fiscal concerned. (PD 752, Sec.
 51 9);

52 (SEC. 267. Remedies, Sanctions and Penalties. -
 53 Provinces, cities and municipalities shall appropriate in
 54 their respective annual budgets such amounts as are
 55 sufficient and required to service loans and borrowings
 56 and/or redeem or retire bonds, debentures, securities,
 57 notes and other obligations issued by said local government
 58 units under this title and their failure to provide the
 59 appropriations herein required shall be a ground to declare
 60 inoperative the corresponding budgets of the borrowings
 61 entity. Furthermore, the Secretary of Finance is hereby
 62 empowered to enforce payments of obligations incurred under
 63 this title which have become due and demandable by
 64 withholding the corresponding amounts from internal revenue
 65 and specific tax allotments of the defaulting local
 66 government unit. (PD 752, Sec. 10);

67 (SEC. 268. Administrative Authority of the Secretary
 68 of Finance. - The Secretary of Finance shall promulgate,
 69 such rules and regulations as he may deem necessary for the
 70 proper and effective implementation of this title, pursuant
 71 to Section 21 hereof. (PD 752, Sec. 11); (CONSIDERATION
 72 DEFERRED)

1 TITLE FIVE - LOCAL FISCAL ADMINISTRATION

2 Chapter 1 - General Provisions

3 SEC. 238. *Scope.* - This title shall govern the conduct
4 and management of the financial affairs, transactions, and
5 operation of provinces, cities, municipalities and the
6 barangay, and shall provide the organization for local
7 fiscal administration in the local governments.

8 SEC. 239. *Fundamental Principles.* - Local government
9 financial affairs, transactions, and operations shall be
10 governed by the following fundamental principles:

11 a) No money shall be paid out of the treasury except
12 in pursuance of a lawful appropriation or other specific
13 statutory authority;

14 b) Public funds and monies shall be spent solely for
15 public purposes;

16 c) Revenue is obtainable only from sources expressly
17 authorized by law and collection thereof shall at all times
18 be acknowledged properly;

19 d) All monies officially received by a public officer
20 in any capacity or upon any occasion shall be counted for
21 as government funds, except as may otherwise be
22 specifically provided by law or competent authority;

23 e) Trust funds shall not be paid out of the treasury
24 except in fulfillment of the purpose for which the trust
25 was created or funds received;

26 f) Every officer of the government whose duties permit
27 or require the possession or custody of government funds
28 shall be properly bonded and such officer shall be
29 accountable and responsible for said funds and for the
30 safekeeping thereof in conformity with the provisions of
31 law;

32 g) Local governments shall formulate sound financial
33 plans and local budgets shall be based on functions,
34 activities, and projects as related to expected results;

35 n) Local budget plans and goals, shall, as much as
36 possible, harmonize with national and regional development
37 plans, goals and strategies in order to maximize the
38 utilization of resources and to avoid duplication in the
39 use of fiscal and physical resources;

40 i) National planning shall be linked to local planning
41 so as to provide an avenue for community participation and
42 initiative in the development process.

43 j) In the allocation of resources, priority shall be

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1 given to the disadvantaged sector of the community to
2 ensure social justice and economic development; and

3 k) Fiscal responsibility shall be shared by all those
4 exercising authority over the financial affairs,
5 transactions and operations of the local governments.

6 CHAPTER 2 - Local and Other Special Funds

7 Article I. - Receipt, Safekeeping and

8 Disposition of Local Funds

9
10 SEC. 240. Payment of Government Monies into the
11 Treasury. - Officers of the government authorized to
12 receive and collect monies arising from taxes, revenues, or
13 receipts of any kind shall remit the full amounts as
14 received and collected by them into the treasury of the
15 local government unit to which such officers in their
16 collecting capacity respectively pertain, to the credit of
17 the particular account or accounts to which the monies in
18 question properly belong.

19 SEC. 241. Local Funds. - a) Provincial, city,
20 municipal and barangay governments shall maintain only two
21 local funds, namely, the general fund and the
22 infrastructure fund and they shall be used to account for
23 such monies and resources as may be received in and
24 disbursed from the local treasury.

25 b) The General Fund shall consist of monies and
26 resources not otherwise accruing to any other fund and
27 shall be available for the payment of expenditures,
28 obligations or purposes not specifically declared by law as
29 chargeable to, or payable from, any other fund, though
30 transfers of monies or resources therefrom to other funds
31 of the local government for their augmentation and use may
32 be made by proper appropriation.

33 c) The Infrastructure Fund shall consist of monies and
34 resources raised or earmarked by law, including those which
35 under existing laws accrue to the road and bridge fund
36 allotments under existing laws and the provisions of this
37 Code, and transfers from the General Fund, which shall be
38 available exclusively for the following purposes:

39 1) Construction, improvement, maintenance and repair
40 of roads, bridges, and highways: Provided, however, That in
41 applying this fund to such uses, adequate provision shall
42 be made for the maintenance of existing unabandoned roads
43 and bridges before any new construction is undertaken.

44 2) Construction, improvement, maintenance, and repair

1 of wharves, piers, and docks, in accordance with plans and
2 specifications approved by the sanggunian concerned and for
3 removing obstructions to navigation.

4 3) Subsidizing or acquiring, operating and maintaining
5 means of transportation and communication within the
6 province, city, municipality, or barangay; or between the
7 province, city, municipality and barangay and neighboring
8 provinces, cities, municipalities and barangay or
9 islands.

10 4) Construction, improvement, maintenance and repair
11 of plazas, parks, monuments and playgrounds, street
12 lighting, artesian wells, irrigation systems, flood
13 control systems, sewerage and drainage systems, post
14 harvest facilities and other permanent public
15 improvements.

16 5) Acquisition of lands and buildings for public use.

17 d) The sanggunian of a local unit may, upon proper
18 justification, transfer any unappropriated balance of the
19 infrastructure fund to cover exceptionally urgent needs of
20 the province, city, municipality or barangay.

21 SEC. 242. *Special Education Fund.* - There shall be
22 maintained in the local treasuries a separate fund to be
23 known as the Special Education Fund which shall consist of
24 the proceeds of the additional one percent real property
25 tax levied and appropriated for educational purposes under
26 Section 179 of this Code.

27 SEC. 243. *Separation of Books and Depository Accounts.* -
28 Local treasurers shall maintain separate books and
29 depository accounts for each fund in their custody or
30 administration under such rules and regulations as the
31 Commission on Audit may prescribe.

1 SEC. 244. *Depository Accounts.* - The depository
2 accounts shall be in the name of the local government unit
3 and shall be deposited with banks nearest their respective
4 areas of jurisdiction duly designated as government
5 depositories by the Central Bank. The earnings of such
6 deposits shall accrue to the local government unit
7 concerned.

8 SEC. 245. *Separation of Personal Money from Public*
9 *Funds.* - Local treasurers and other accountable officers
10 shall keep personal monies separate and distinct from
11 government funds in their custody and shall not make profit
12 out of public money or otherwise apply the same to any use
13 not authorized by law.

14 ARTICLE II. - *Special Accounts*

15 SEC. 246. *Special Accounts to be Maintained in the*
16 *General Fund.* - Local governments shall maintain special
17 accounts in the general fund for the following:

- 18 a) Public utilities and other economic enterprises.
19 b) Loans, interests, bond issues and other
20 contributions for specific purposes.

21 Receipts and expenditures involving the above-mentioned
22 special accounts shall be properly recorded.

23 Net profits derived from the operation of public
24 utilities and other economic enterprises, when not needed
25 for the return of the loans made therefor, shall be spent
26 principally for the improvement of the public utilities or
27 the economic enterprises concerned. Any excess may be
28 utilized as part of the general fund of the local
29 government unit concerned.

30 CHAPTER 3 - *Budgeting*

31 Article I. *Local Government Budgets*

32 SEC. 247. *Form and Content.* - Local government
33 budgets shall primarily consist of two parts: a) the
34 estimates of income certified collectible by the treasurer
35 concerned; and b) the total appropriations covering 1)
36 the current operational expenditures; and 2) capital
37 outlays.

38 The budget document shall contain:

39 a) a budgetary message of the local chief executive
40 setting forth in brief the significance of the
41 appropriations proposed;

42 b) a brief summary of the functions and activities in
43 relation to the goals and objectives of the local

- 1 government for the fiscal period; and
- 2 c) summary financial statements setting forth:
- 3 1) the actual income and expenditures during the
- 4 last completed year;
- 5 2) the actual income and expenditures of the
- 6 first three quarters and the estimated income and
- 7 expenditures for the fourth quarter of the fiscal year
- 8 in progress;
- 9 3) the estimated income for the ensuing fiscal
- 10 year from ordinances and laws existing at the time the
- 11 proposed budget is transmitted, together with other
- 12 revenue-raising proposals, if any;
- 13 4) the estimated expenditures necessary to carry
- 14 out the functions and activities of the local
- 15 government for the ensuing fiscal year;
- 16 5) all essential facts regarding the bonded and
- 17 other long-term obligations and indebtedness of the
- 18 local government, if any;
- 19 6) summary statement of all statutory and
- 20 contractual obligations due; and
- 21 7) such other financial statements and data as
- 22 are deemed necessary or desirable in order to make
- 23 known in all practicable detail the financial condition
- 24 of the local government unit.

25 SEC. 248. *Submission of Detailed Statements of Income*

26 *and Expenditures.* - On or before April 15 of each year, the

27 local treasurers shall submit to their respective local

28 chief executives a certified statement covering the income

29 and expenditures pertaining to the preceding fiscal year;

30 the actual income and expenditures of the first three

31 quarters and the estimated income and expenditures for the

32 fourth quarter of the current year; and the estimates of

33 income for the ensuing fiscal year. The local treasurer

34 shall also certify to the reasonable probability of

35 realizing the estimates of income for the ensuing fiscal

36 year.

37 SEC. 249. *Submission of Budget Proposals by Heads of*

38 *Offices.* - Each head of office shall submit a statement of

39 the proposed expenditures recommended by him for his office

40 to the local chief executive on or before the date the said

41 local chief executive may determine, but not later than

42 April 15 of each year and in accordance with such policy

43 guidelines as the latter may issue in conformity with the

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1 general requirements of this Code.

2 Budget proposals for all offices, departments, or
3 projects shall be divided into two primary categories,
4 namely: the current operating expenditures and the capital
5 outlays. Such budget proposals shall be supported by:

6 a) Personnel schedules containing the following
7 information:

8 (a) A detailed plantilla of personnel indicating
9 position titles, names of incumbents, and present and
10 proposed rates of salaries and wages, excluding those hired
11 on the daily basis;

12 (b) Proposed new positions and corresponding
13 salary rates; and

14 (c) Positions proposed for abolition and the
15 aggregate amount of the salaries thereof.

16 b) Brief narrative description of the nature of the
17 work to be performed and explanation of the significance
18 and scope of each program.

19 SEC. 250. *Preparation of the Budget by the Local*
20 *Chief Executive.* - Upon receipt of the statements of income
21 and expenditures from the treasurer and the budget
22 proposals of the heads of offices as provided for in the
23 preceding section, the local chief executive shall prepare
24 the budget for the ensuing fiscal year in accordance with
25 Section 280 hereof.

26 The local chief executive shall submit the budget to
27 the *sanggunian* concerned not later than May sixteen of the
28 year. Failure to submit such annual budget shall subject
29 the local chief executive to such penalties as for
30 dereliction of duty.

31 SEC. 251. *Legislative Authorization of the Budget.*-
32 On or before the end of the fiscal year, the *sanggunian*
33 concerned shall approve through the enactment of an
34 appropriation ordinance the annual budgets for each fund of
35 the local government unit for the ensuing fiscal year on
36 the basis of the statement of the certified estimated
37 income and budget proposals submitted by the local chief
38 executive.

39 SEC. 252. *Effectivity of Budgets.* - The approved
40 annual budget shall be deemed to be operative and in full
41 force and effect as of the beginning of the calendar year.
42 A supplemental budget, however, shall take effect upon its
43 approval or on the date fixed in the appropriation

1 ordinance.

2 SEC. 253. *Changes in the Annual Budget.* - Changes in
3 the annual budget may be made within the fiscal year by way
4 of supplemental budgets which shall be enacted in the same
5 manner as the annual budget but not oftener than once each
6 quarter. Additional supplemental budgets, however, may in
7 times of emergency be enacted in the manner herein provided
8 to appropriate monies for the purchase of supplies and
9 materials and/or the payment of services, which are
10 exceptionally urgent or absolutely indispensable to prevent
11 imminent danger to, or loss of, life or property.

12 Whenever any change is made in the budget, the
13 supplemental appropriation ordinance shall clearly indicate
14 the various items of appropriation affected and the reasons
15 therefor.

16 SEC. 254. *Failure to Enact an Annual Budget.* - If the
17 *sanggunian* concerned fail to approve the annual budget at
18 the start of the calendar year, it shall continue to hold
19 sessions until the annual budget is approved without
20 additional remuneration and no other business may be taken
21 up by said *sanggunian* until the annual budget is approved.
22 If the *sanggunian* fails to enact the budget within a
23 period of ninety days from the first working day of the
24 calendar year, the budget of the preceding year shall be
25 deemed reenacted and shall remain in force and effect until
26 the proposed budget is passed by the the *sanggunian*
27 concerned.

28 If the local *sanggunian* shall fail to pass the annual
29 budget within ninety days after the beginning of the
30 ensuing calendar year, only the annual appropriations for
31 salaries and wages of existing positions, statutory and
32 contractual obligations, and essential operating expenses
33 authorized in the annual and supplemental budgets for the
34 preceding calendar year shall be deemed re-enacted and
35 disbursements of funds shall be in accordance therewith
36 until a new budget is approved.

37 In the implementation of a re-enacted budget, the local
38 treasurer concerned shall exclude from the estimates of
39 income for the preceding fiscal year those realized from
40 non-recurring sources, like national aids, proceeds from
41 loans, sale of assets, prior year adjustments, and other
42 analogous sources of income.

1 Should the revised income estimates be less than the
2 aggregate re-enacted appropriations, the treasurer shall
3 accordingly advise the sanggunian concerned which shall,
4 within ten days from receipt of such advice, make the
5 necessary adjustments or reductions. The revised
6 appropriations authorized by the sanggunian concerned shall
7 then be the basis for disbursements.

8 SEC. 255. *Eudgetary Requirements.* - The budgets of
9 provinces, cities, municipalities and barangay for any year
10 shall comply with the following requirements:

11 (a) The aggregate amount appropriated shall not exceed
12 the estimated income certified collectible by the local
13 treasurer;

14 (b) Full provisions shall be made for all statutory
15 and contractual obligations of the local government
16 concerned;

17 (c) In the case of provinces, cities and
18 municipalities, aids to legally constituted barangay shall
19 be provided in amounts not less than P1,000.00 per
20 barangay; and

21 (d) Two percent of the estimated revenue from regular
22 sources, shall be set aside as a yearly unappropriated
23 reserve to cover unforeseen expenditures arising from the
24 occurrence of natural calamities or financial dislocation
25 on account thereof.

26 SEC. 256. *General Limitations.* - a) Salaries and
27 wages of provincial, city, and municipal officials and
28 employees for one calendar year shall not exceed fifty
29 percent (50%) of the annual appropriations of the local
30 government unit concerned.

31 b) No official or employee shall receive a salary rate
32 higher than the maximum fixed by law or regulation for his
33 position or other positions of equivalent rank.

34 c) No local fund shall be appropriated to increase or
35 adjust salaries or wages of officials and employees of the
36 national government assigned in a local government unit
37 except as may hereafter be expressly authorized by law.

38 d) In case a reduction of salaries and wages becomes
39 necessary, such reduction shall be general in character and
40 the percentage thereof shall be uniform for similar rates
41 of salaries and wages. In cases of abolition of positions
42 in the competitive or career service, such abolition shall
43 be made in accordance with pertinent provisions of this

1 Code and of the Civil Service Law and Rules.

2 e) Non-funding of existing positions in the
3 competitive or non-competitive services which are occupied
4 by incumbents holding permanent appointments shall be
5 unlawful.

6 f) Changes in designation or nomenclature of positions
7 resulting in a promotion or demotion in rank and/or
8 increase or decrease in compensation shall not be
9 authorized, except when the positions are actually vacant,
10 and the filling of such positions shall be strictly made in
11 accordance with the Civil Service Law and Rules.

12 g) Except as may be expressly authorized by law,
13 creation of new positions and salary increases or
14 adjustments shall not be retroactive.

15 h) The annual appropriations for discretionary
16 purposes of the local chief executive shall not exceed two
17 percent (2%) of the real property tax collections actually
18 realized during the next preceding fiscal year.

19 SEC. 257. Review of Municipal or Component City
20 Budgets.- Municipal or component city budgets shall be
21 reviewed by the *Sangguniang panlalawigan* in the same manner
22 and within the same period as prescribed for municipal or
23 component city ordinances. The budgetary requirements and
24 general limitations prescribed for provincial and city
25 budgets shall likewise be applicable to municipal or
26 component city budgets.

27 If within ninety days from receipt of copies of the
28 municipal or component city budget from the *sangguniang*
29 *bayan* or *sangguniang panlungsod* concerned, the *sangguniang*
30 *panlalawigan* takes no action thereon, the same shall be
31 deemed to have been passed in accordance with law and shall
32 continue to be in full force and effect. If within ninety
33 days the *sangguniang panlalawigan* shall have ascertained
34 that a municipal or component city budget has not complied
35 with the budgetary requirements set forth in this Code or
36 when the income estimates certified by the municipal or
37 component city treasurer are found to be unrealistic and
38 improbable of collection, the *sangguniang panlalawigan*
39 shall within the ninety-day period hereinabove fixed,
40 declare the budget inoperative in its entirety. Items of
41 appropriation contrary to, or in excess of, any of the
42 general limitations prescribed in this Code shall be
43 disallowed or reduced accordingly and any other violation

1 of any of the aforesaid general limitations shall
2 constitute sufficient ground for declaring the budget
3 inoperative either in part or in its entirety.

4 The *sangguniang panlalawigan* shall within the ninety-
5 day period advise the *sangguniang bayan* or the *sangguniang*
6 *panlungsod* concerned through the municipal or component
7 city mayor of any action taken on the budget under review.
8 Following receipt of such advice, it shall be unlawful for
9 the municipal or component city treasurer to make further
10 disbursements of funds from any of the items of
11 appropriation declared inoperative, disallowed, or reduced.

12 SEC. 258. *Duration of Appropriation; Closing Special*
13 *Budgets.* - Appropriations ordinance for administrative
14 purpose shall terminate with the fiscal year and all
15 unexpended balances thereof shall be reverted on the
16 thirty-first day of December of each year to the
17 unappropriated account by way of a special budget which
18 shall serve as a supporting document to the corresponding
19 journal voucher. Similarly, thru the special budget, all
20 income accounts shall be brought into balance before
21 closing the books, reducing the classes of income that have
22 been overestimated and increasing those that have been
23 underestimated to the amounts actually realized.

24 Such special budgets reverting unexpended
25 appropriations for ordinary administrative purposes and of
26 income receivable and actual income adjustments shall not
27 require any action by the local *sanggunian*. However,
28 legislative action by the local *sanggunian* is necessary in
29 the following cases: a) where overdrafts in any of the
30 appropriation accounts have been incurred, and b)
31 reversions of continuing appropriations or appropriations
32 obligated by contract as may be authorized by law.

33 SEC. 259. *Submission of Detailed Statements of Income*
34 *and Expenditures for the Barangay Budgets.* - On or before
35 April 15 of each year, the barangay treasurer shall submit
36 to the *punong barangay* an estimate of incomes and
37 expenditures of the barangay for the ensuing year based upon
38 a certified statement issued by the municipal or city
39 treasurer covering the estimates of income from local
40 sources pertaining to the barangay concerned for the coming
41 year.

42 SEC. 260. *Barangay Budgets.* - a) Unless otherwise
43 provided in this Code, all the income of the barangay from

1 whatever source shall accrue to its general fund and shall,
2 at the option of the barangay, be kept as trust fund in the
3 custody of the city or municipal treasurer or in a
4 depository bank in or near the locality to be disbursed in
5 accordance with the provisions of this Code. Ten percent
6 (10%) of the total general fund of the barangay shall be
7 appropriated for the barangay youth council.

8 b). After deducting statutory and contractual
9 obligations, fifty percent of the remainder of the general
10 fund of the barangay shall be appropriated solely for
11 development projects, the plan and corresponding program of
12 work of which have been reviewed and approved by the city
13 or municipal development council. Action thereon by the
14 said council shall be made in not more than thirty working
15 days from submission thereto, otherwise the barangay
16 development plan and corresponding program of work thus
17 submitted shall be considered approved.

18 SEC. 261. *Budgetary Appropriations.* - a) Upon receipt
19 of the barangay statements specified under Section 259
20 hereof from the city or municipal treasurer, the *punong*
21 *barangay* shall prepare the barangay budget in the manner
22 and within the period prescribed in this Code. Thereafter,
23 the *punong barangay* shall submit the annual barangay budget
24 to the *sangguniang barangay* for legislative authorization
25 and/or enactment of the corresponding appropriation
26 ordinance.

27 b) The barangay budget shall be subject to the same
28 requirements and limitations provided in Sections 255 and
29 256 hereof.

30 c) Copies of the barangay budget shall be furnished
31 the *sangguniang panglungsod* or the *sangguniang bayan*, as
32 the case may be, through the city or municipal budget
33 officer within ten days from its approval. The *sanggunian*
34 concerned shall have the power to review such budget in
35 order to ensure that the provisions of this Code are
36 complied with. If within sixty days after the receipt of
37 the barangay budget the *sanggunian* concerned takes no
38 action thereon, the same shall continue to be in full force
39 and effect. If within the same period the *sanggunian*
40 concerned shall have ascertained that the barangay budget
41 contains appropriations in excess of the estimates of the
42 income duly certified as collectible or that the same has
43 not fully provided for statutory or contractual obligations

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1 of the barangay, the budget shall be declared inoperative
2 in its entirety. Items of appropriation in excess of those
3 provided in laws and executive orders shall be disallowed
4 or reduced accordingly.

5 d) Within the period hereinabove fixed, the
6 *sangguniang panglungsod* or *sangguniang bayan* concerned
7 shall return the barangay budget through the city or
8 municipal budget officer to the *punong barangay* with the
9 advice of action thereon for proper adjustments, in which
10 event the barangay shall operate on the previous year's
11 budget until such time that a new budget shall have met the
12 objections raised. Upon receipt of such advice, it shall
13 be unlawful for the barangay treasurer or the city or
14 municipal treasurer who has custody of the funds to make
15 further disbursements from any other items of appropriation
16 declared inoperative, disallowed or reduced.

17 SEC. 262. *Effectivity of the Barangay Budget.* - The
18 barangay budget approved by the *sangguniang barangay*
19 shall be operative and in full force and effect at the
20 beginning of the calendar year. A barangay supplemental
21 budget shall take effect upon its approval or on the date
22 fixed in the appropriation ordinance for its effectivity.

23 SEC. 263. *Barangay Financial Procedures.* - a) The
24 barangay treasurer shall collect all taxes due or unpaid,
25 fees and other charges and contributions accruing to the
26 barangay treasury and shall issue receipts therefor and
27 deposit the collections with the city or municipal treasury
28 or with the Philippine National Bank or any other
29 government bank or a duly authorized rural bank located in
30 or near the barangay. He may collect real property taxes
31 upon being deputized by the municipal or city treasurer,
32 issue receipts therefor and remit the same to the latter
33 within one (1) week from receipt thereof.

34 b) The barangay treasurer may be authorized by the
35 *sangguniang barangay* to make direct purchases amounting to
36 not more than one thousand pesos at any time for the
37 ordinary and essential needs of the barangay.

38 c) Copies of the financial records of the barangay
39 shall be furnished the office of the city or municipal
40 treasurer in simplified manner as prescribed by the
41 Commission on Audit. Representatives of the Commission on
42 Audit shall annually audit such accounts or as often as may
43 be necessary and make a report of the audit to the

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1 regulations as the Commission on Audit may prescribe.

2 SEC. 269. *Prohibition Against Pecuniary Interest.*- It
3 shall be unlawful for any local treasurer or other
4 accountable officer to have any pecuniary interest, direct
5 or indirect, in any contract, work or other business of the
6 local government unit of which he is the treasurer or
7 accountable officer.

8 SEC. 270. *Liability for Acts Done Upon Direction of*
9 *Superior Officer, or Upon Participation of Other Department*
10 *Heads or Officers of Equivalent Rank.* - The local treasurer
11 or other accountable officer shall not be relieved of
12 liability for illegal or improper use or application or
13 deposit of government funds or property by reason of his
14 having acted upon the direction of a superior officer,
15 elective or appointive, or upon participation of other
16 department heads or officers of equivalent rank. The
17 superior officer directing, or the department head
18 participating in such illegal or improper use or
19 application or deposit of government funds or property,
20 shall be jointly and severally liable with the local
21 treasurer or other accountable officer for the sum or
22 property so improperly used, applied or deposited. The
23 above liability shall be without prejudice to any criminal
24 liability they may incur under the revised penal code or
25 other penal laws.

26 SEC. 271. *Prohibition Against Expenses for Receptions*
27 *and Entertainment.* - No money shall be appropriated, used
28 or supplied for entertainment or receptions except to the
29 extent of representation allowances authorized by law or
30 for the reception of visiting dignitaries of foreign
31 governments or foreign missions.

32 SEC. 272. *Certification on, and Approval of,*
33 *Vouchers.* - Monies shall not be disbursed unless the
34 treasurer and the local budget officer concerned
35 correspondingly certify that funds are available and that
36 appropriation has been legally made for the purpose.
37 Vouchers and payrolls shall be certified to and approved by
38 the head of the department or office who has administrative
39 control of the fund concerned, as to validity, propriety
40 and legality of the claim involved. In all cases, the
41 approval of the local chief executive shall, be required
42 when local funds are involved.

1 In case of temporary absence or incapacity of the
2 department head or chief of office, the officer next-in-
3 rank shall automatically perform this function and he shall
4 be fully responsible therefor.

5 SEC. 273. *Officials Authorized to Draw Checks in*
6 *Settlement of Obligations.* - Checks in settlement of
7 obligations shall be drawn by the local treasure and
8 countersigned by the local chief executive concerned.

9 In case of temporary absence or incapacity of the
10 abovenamed officials, these duties shall devolve upon their
11 immediate assistants.

12 SEC. 274. *Disbursement of Local Funds and Statement of*
13 *Accounts.* - Disbursements shall be made in accordance with
14 the appropriations provided by the local sanggunian without
15 the necessity of further approval by said body. Within
16 thirty days after the close of each month, the local
17 treasurer shall furnish the sanggunian with such financial
18 statements as may be prescribed by the Commission on Audit.
19 In the case of the year-end statement of accounts, the
20 period shall be sixty (60%) days.

21 SEC. 275. *Rendition of Accounts.* - Local treasurers
22 and other local accountable officers shall render their
23 accounts within such time, in such form, style and
24 content and under such regulations as the Commission on
25 Audit may prescribe.

26 Provincial and city auditors shall certify the balances
27 arising in the accounts settled by them to the Chairman of
28 the Commission on Audit and to the proper local treasurer
29 and accountable officer. Similar certifications shall be
30 prepared for other local officers who may be held jointly
31 and severally liable for any loss or improper or
32 unauthorized use or misappropriation of government funds or
33 property.

34 SEC. 276. *Auditorial Visitation.* - The books,
35 accounts, papers and cash of any local treasurer or other
36 accountable officer shall at all times be open to the
37 inspection of the Commission on Audit or its duly
38 authorized representative.

39 In case an examination of the accounts of a local
40 treasurer discloses a shortage in cash which should be on
41 hand, it shall be the duty of the examining officer to
42 seize the office and its contents, notify the Commission on
43 Audit and the local chief executive concerned, and

1 thereupon immediately turn over to the next in rank in the
2 local treasury service concerned, the office of the
3 treasurer and its contents, close and render his accounts
4 to the date of turnover. The local treasurer or
5 accountable officer found with such shortage shall
6 automatically stand suspended from office.

7 The local treasury official who takes possession of the
8 office of the suspended local treasurer under this Section
9 shall ipso facto substitute the local treasurer until the
10 latter is restored or other provision has been lawfully
11 made for filling the office.

12 SEC. 277. *Accounting for Revenues.*- Estimated
13 revenues which remain unrealized at the close of the
14 calendar year shall not be booked nor credited to the
15 unappropriated surplus or any other account.

16 SEC. 278. *Accounting for Obligations.*- All lawful
17 expenditures and obligations incurred during a year shall
18 be taken up in the accounts of that year. Sanggunian
19 approval shall be required for appropriations for the
20 current year which are intended for payment of prior years'
21 obligations.

22 SEC. 279. *General Liability for Unlawful Expenditures.*-
23 Expenditures of funds or use of property in violation of
24 law shall be a personal liability of the official or
25 employee responsible therefor.

26 SEC. 280. *Posting in Conspicuous Places, Summary.* -
27 Local treasurers and other local accountable officers
28 shall, within thirty (30) days from the end of each
29 calendar year, post in at least three (3) conspicuous
30 public places in the locality, a summary of all revenues,
31 collections, income and other public funds received by the
32 province, city or municipality during the preceding
33 calendar year and all disbursements, expenditures and
34 utilization of said public funds. The summary shall
35 include the breakdown of all public funds received,
36 collected and disbursed by the locality.

37 SEC. 281. *The Official Fiscal Year.* - The official
38 fiscal year of local governments shall be the period
39 beginning with the first day of January and ending with the
40 thirty-first day of December of the following year. The
41 Local Governments must always have a balanced budget in
42 each fiscal year of operation.

1 TITLE SIX -- ACQUISITION, UTILIZATION, CARE,
2 CUSTODY AND DISPOSAL OF SUPPLIES
3 IN THE LOCAL GOVERNMENTS

4 SEC. 282. *Scope.* - This title shall govern the
5 procurement, care, utilization and disposal of supplies by
6 local governments and other aspects of supply management at
7 the local levels.

8 SEC. 283. *General Rule in Procurement or Disposal.* -
9 Except as otherwise herein provided, procurement of
10 supplies by local government units shall be thru
11 competitive public bidding. Supplies which have become
12 unserviceable or no longer needed shall be sold, whenever
13 applicable, at public auction.

14 SEC. 284. *Requirement of Requisition.* - No other
15 requisition for supplies shall be filled by the provincial,
16 city, municipal or barangay treasurer concerned for any
17 office or department of the local government except in
18 written form.

19 SEC. 285. *Officers Having Authority to Draw*
20 *Requisitions.* - Requisitions shall be drawn by the head of
21 office or department needing the supplies, who shall
22 certify as to their necessity for official use, and specify
23 the project or activity where the supplies are to be used.

24 SEC. 286. *Certificate Showing Existence of*
25 *Appropriation.* - Every requisition must be accompanied by a
26 certificate, signed by the local budget officer showing
27 that an appropriation therefor exists, and by the local
28 treasurer showing that the estimated amount of such
29 expenditure has been set aside for its liquidation.

30 SEC. 287. *Approval of Requisition.* - Approval of the
31 requisition by the head of office or department concerned
32 who has administrative control of the appropriation against
33 which the proposed expenditure is chargeable is sufficient,
34 except in the case of requisitions for supplies to be
35 carried in stock which shall be approved by the local chief
36 executive and the provincial or city auditor concerned:
37 *Provided,* That such supplies are listed or included in the
38 annual procurement plan and the maximum quantity thereof
39 does not exceed the estimated consumption corresponding to
40 a programmed three-month period: and *Provided, further,*
41 That nothing herein contained shall be construed as
42 authorizing the purchase of furniture and equipment for
43 stock purposes.

1 SEC. 288. *The Call for Bids.* - When procurement is to
2 be done at the local government level and except in certain
3 cases, the local treasurer shall call bids for open public
4 competition. The call for bids shall show the complete
5 specifications and technical descriptions of the supplies
6 desired and shall embody all terms and conditions of
7 participation and award, terms of delivery and payment and
8 of all other covenants affecting the transaction.

9 In all calls for bids, the right to waive any defect in
10 the tender as well as the right to accept the bid most
11 advantageous to the government shall be reserved. In no
12 case, however, shall failure to meet the specifications or
13 technical requirements of the supplies desired be waived.

14 SEC. 289. *Publication of Call for Bids.* - The call
15 for bids shall be given the widest publicity possible,
16 providing, by mail or otherwise, any known prospective
17 participant in the locality, of copies of the call and by
18 posting copies of the same in at least three conspicuous
19 public places within the immediate environs of the
20 provincial capitol, or city or municipal hall of the local
21 government unit involved.

22 In addition to the above modes of publicity, the notice
23 of the bidding may be published for three times within a
24 week in a newspaper of general circulation in the local
25 unit concerned when the local treasurer deems it necessary
26 in order to obtain the lowest responsible and complying
27 bid.

28 The opening of bids shall be in the presence of the
29 provincial or city auditor or his duly authorized
30 representative who shall identify and secure copies of the
31 bids and certify the abstract of the bidding.

32 SEC. 290. *The Committee on Awards.* - There shall be in
33 every province, city and municipality a Committee on Awards
34 to decide winning bids and questions of awards on
35 procurement and disposal of property.

36 The Committee on Awards shall be composed of the local
37 chief executive as Chairman, the vice mayor or vice
38 governor, or his representative, the local treasurer, the
39 head of office or department for whose use the supplies are
40 being procured, two representatives of accredited or
41 registered non-government organizations not otherwise
42 organized by the local chief executive who shall be
43 appointed by the chairman for a term of one (1) year, and

1 the president of either the provincial federation of the
2 association of barangay captains or the association of
3 barangay captains of the municipality or city concerned,
4 as members. In case the head of office or department
5 involved is already a member and as such would sit in a
6 dual capacity, a member of the local sanggunian, chosen by
7 the local chief executive shall sit as a third member:
8 *Provided, however, That no national official shall be a*
9 *member of the Committee on Awards: and Provided, further,*
10 *That the results of the bidding shall be made public by*
11 *posting the same in the municipal hall and in the public*
12 *market.*

13 SEC. 291. *Rule on Awards. - Awards in the procurement*
14 *of supplies shall be made to the lowest complying and*
15 *responsible bid which meets all the terms and conditions of*
16 *the contract or undertaking.*

17 SEC. 292. *Procurement Without Public Bidding. -*
18 *Procurement of supplies may be made without the benefit of*
19 *public bidding in the following modes:*

- 20 a) Emergency purchases;
21 b) Negotiated Purchases;
22 c) Direct purchases from manufacturers or
23 exclusive distributors; and
24 d) Purchase from other government entities.

25 SEC. 293. *Emergency Purchases. - In case of emergency*
26 *where the need for the supplies is exceptionally urgent or*
27 *absolutely indispensable and only to prevent imminent*
28 *danger to, or loss of, life or property, local government*
29 *units may make emergency purchases or place repair orders*
30 *without public bidding regardless of amount. Delivery and*
31 *utilization of purchase and/or repair orders under this*
32 *section shall be made within seven (7) days after the*
33 *placing of the same. Immediately after the emergency*
34 *purchase including purchases made during a calamity*
35 *intended to address or alleviate the problems caused by*
36 *the said calamity or repair order is made, the chief of*
37 *office or department making the emergency purchase or*
38 *repair order shall draw a regular requisition to cover the*
39 *same showing thereon:*

- 40 a) A complete description of the supplies acquired or
41 the work done or to be performed;
42 b) By whom furnished or executed;
43 c) Date of placing the order and the date and time of

1 delivery or execution;

2 d) The unit price and the total amount contracted for;

3 e) A clear explanation of the circumstances why
4 procurement was of such urgency that same cannot be done
5 thru regular course without involving danger to, or loss of
6 life;

7 f) A certification of the local treasurer to the
8 effect that the price paid or contracted for was the lowest
9 at the time of procurement; and

10 g) A certification of the local treasurer as to
11 availability of funds, and the local budget officer as to
12 availability of appropriations for the purpose.

13 SEC. 294. *Negotiated Purchase.* - In cases where the
14 need for the supplies is exceptionally urgent or absolutely
15 indispensable for the completion of certain projects non-
16 compliance of which would affect adversely the delivery of
17 essential public services, local government units may
18 undertake the procurement of supplies or place repair
19 orders by negotiated purchase without public bidding
20 regardless of amount. Delivery and utilization of purchase
21 and/or repair orders under this section shall be made
22 within seven (7) days after the placing of the same.
23 Immediately after the negotiated purchase or repair order
24 is made, the chief of office or department making the
25 negotiated purchase or repair order shall draw a regular
26 requisition to cover the same showing thereon:

27 a) A complete description of the supplies acquired or
28 the work done or performed;

29 b) By whom furnished or executed;

30 c) Date of placing the order and the date, and time of
31 delivery or execution;

32 d) The unit price and the total amount contracted for;

33 e) A clear explanation of the circumstances why
34 procurement was of such urgency that same could not be done
35 thru regular course;

36 f) A certification of the local treasurer to the
37 effect that the price paid or contracted for was the lowest
38 at the time of procurement; and

39 g) A certification of the local treasurer as to
40 availability of funds, and the local budget officer as to
41 availability of appropriations for the purpose.

42 SEC. 295. *Procurement from Duly Licensed Manufacturers.*

43 - Procurement may be made directly from duly licensed

1 manufacturers in cases of supplies of Philippine
2 manufacture or origin and in case there are two or more
3 manufacturers of the supplies desired, canvass of the known
4 manufacturers should be made to obtain the lowest price for
5 the quality of the supplies desired.

6 SEC. 296. *Procurement from Exclusive Philippine Agents*
7 *or Distributors.* - Procurement may, in the case of supplies
8 of foreign origin, be preferably made directly from the
9 exclusive Philippine distributors or agents as certified to
10 by the Bureau of Supply Coordination or by any equivalent
11 office, subject to the following conditions:

12 a) That the exclusive Philippine distributor has no
13 subdealers selling at the lower prices; and

14 b) No suitable substitutes of substantially the same
15 quality are available at lower prices.

16 SEC. 297. *Procurement from Government Entities.* -
17 Procurement may be made directly from government entities
18 providing the supplies desired.

19 SEC. 298. *Annual Procurement Program.* - a) On or before
20 April 15 each year, the local chief executive shall prepare
21 an annual procurement program for the ensuing fiscal year
22 which shall contain and show an itemized list of the
23 estimated quantity of supplies needed for that year, a
24 complete description thereof as to kind, quantity and
25 quality, the estimated cost, and the balance on hand.
26 However, the total estimated cost of the approved annual
27 procurement program shall not exceed the total
28 appropriations authorized for the acquisition of supplies.
29 The local government units may supplement the supplies and
30 equipment provided by the supreme court to the trial courts
31 located in their respective areas

32 b) Except in emergency cases or where urgent
33 indispensable needs could not have been reasonably
34 anticipated no purchase of supplies shall be made unless
35 included in, or covered by, the approved procurement
36 program, non-compliance of which shall be a ground for
37 suspension or dismissal of the official responsible
38 therefor.

39 c) The conversion of excess cash into supplies stock
40 is hereby prohibited except to the extent of the kind and
41 quantity specified on the approved annual procurement plan.

42 SEC. 299. *Primary and Secondary Accountability for*
43 *Government Property.* - a) Each head of department or

1 office of a province, city, municipality or barangay shall
2 be primarily accountable for all government property
3 assigned or issued to his department or office. The
4 person or persons entrusted with the possession or custody
5 of government property under the accountability of any head
6 of department or office shall be immediately accountable to
7 such officer.

8 b) The head of department or office primarily
9 accountable for government property may require any person
10 in possession of the property or having custody and control
11 thereof under him to keep such records and make such
12 reports as may be necessary for his own information and
13 protection.

14 c) Buildings and other physical structures shall be
15 under the accountability and responsibility of the local
16 chief executive.

17 d) Every officer primarily accountable for government
18 property shall keep a complete record of all property under
19 his charge and render his accounts therefor semi-annually
20 to the sanggunian of the local government unit concerned.

21 SEC. 300. *Responsibility for the Proper Use and Care*
22 *of Government Property.* - The person in actual physical
23 possession of government property or entrusted with its
24 custody and control shall be responsible for the proper use
25 and care of the property and he shall exercise due
26 diligence in the utilization and safekeeping thereof.

27 SEC. 301. *Measure of Liability of Persons Accountable*
28 *for Government Property.* - a) The person primarily
29 accountable for government property shall be liable for its
30 money value in case of the illegal, improper or
31 unauthorized use of the property, or misapplication
32 thereof, by himself or any other person for whose acts he
33 may be responsible, and he shall be liable for all loss,
34 damage, or deterioration occasioned by negligence in the
35 keeping or use of such property unless it is proved that he
36 has exercised due diligence and care in the utilization and
37 safekeeping thereof.

38 b) No accountable person shall be relieved from
39 liability by reason of his having acted under the direction
40 of a superior officer in using property with which he is
41 chargeable; but the officer directing any illegal,
42 unauthorized or improper use of property shall first be
43 required to answer thereof.

1 c) In cases of loss, damage or deterioration of
2 government property arising from or attributable to,
3 negligence in security, the head of the security agency
4 shall be held liable therefor.

5 SEC. 302. *Credit for Loss Occurring in Transit or Due*
6 *to Casualty.* - When a loss of government property occurs
7 while the same is in transit or is caused by fire, force
8 majeure, or other casualty, the officer accountable
9 therefor or having custody thereof shall immediately notify
10 the provincial or city auditor concerned within thirty days
11 from the date the loss occurred or for such longer period
12 as the provincial or city auditor concerned may in the
13 particular case allow, and he shall present his application
14 for relief, with the available evidence in support thereof.
15 An officer who fails to comply with this requirement shall
16 not be relieved of liability or allowed credit for any such
17 loss in the settlement of his accounts.

18 A provincial or city auditor shall not allow credit for
19 these losses unless so expressly authorized by the Chairman
20 of the Commission on Audit, to be exercised only if the
21 loss is not in excess of Fifty thousand pesos. When in any
22 case, the allowance of credit is not within the competency
23 of the provincial or city auditor, the application and
24 evidence, with the recommendation of the auditor, shall be
25 forwarded to the Chairman of the Commission on Audit for
26 his action.

27 SEC. 303. *Property Disposal.* - When property of any
28 local government unit has become unserviceable for any
29 cause, or, is no longer needed, it shall, upon application
30 of the officer accountable therefor, be inspected and
31 appraised by the provincial or city auditor or any of his
32 duly authorized representatives or that of the Commission
33 on Audit, and if found valueless or unusable, shall be
34 destroyed in the presence of the inspecting officer.

35 If found valuable, the same shall be sold at public
36 auction to the highest bidder under the supervision of the
37 Committee on Awards and in the presence of the provincial
38 or city auditor or his duly authorized representatives.
39 Notice of the public auction shall be posted in at least
40 three conspicuous places and if the acquisition cost
41 exceeds one hundred thousand pesos (P100,000.00), notice
42 of auction shall be published at least two (2) times within
43 a reasonable period in a newspaper of general circulation

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1 in the locality.

2 SEC. 304. *Negotiated Sale of Property.* - Property no
3 longer needed may also be disposed of at a private sale at
4 such prices as may be determined by the Committee on
5 Awards, subject, however, to the approval of the Commission
6 on Audit or its duly authorized representative when the
7 acquisition or transfer cost of the property exceeds Fifty
8 thousand pesos.

9 SEC. 305. *Transfer Without Cost.* - Property
10 unserviceable or no longer needed by any local government
11 unit may be transferred without cost to another government
12 unit, local, national or corporate, at an appraised
13 valuation determined by the local Committee on Awards.
14 Such transfer shall be subject to the approval of the local
15 *sanggunian* making thereof and by the head of the department
16 or officer receiving the property.

17 SEC. 306. *Implementing Rules and Regulations.* - The
18 Commission on Audit shall promulgate rules and regulations
19 to effectively implement the provisions of this Title.



BOOK III

LOCAL GOVERNMENT UNITS

TITLE ONE. - THE BARANGAY

CHAPTER 1. Role and Creation of Barangay

SEC. 307. *Role of Barangay.* - As the basic political unit, the barangay serves as the primary planning and implementing unit of government programs, projects and activities, and as a forum in which the collective views of the people in the community shall be crystallized and considered, and disputes amicably settled.

SEC. 308. *Manner of Creation.* - A barangay may be created, named, and its boundaries defined, altered or modified, by law or by an ordinance of the *sangguniang panlalawigan* or *sangguniang panlungsod*, as the case may be, subject to the approval by a majority of the votes cast in a plebiscite called for the purpose by the Commission on Elections to be held in the unit or units affected within such period of time as may be determined by law or ordinance creating said barangay. In the case of creation of the barangay in municipalities by the *sangguniang panlalawigan*, the recommendation of the *sangguniang bayan* concerned shall be necessary.

SEC. 309. *Requisites for Creation.* - (1) A barangay may be created out of a contiguous territory:

a) In the poblacion of cities and municipalities if the proposed barangay has a population of at least three thousand inhabitants and a land area of at least ten hectares, and

b) In places outside the poblacion, if the proposed barangay has a population of at least one thousand inhabitants and a land area of at least fifty (50) hectares: *Provided*, That the creation of the new barangay shall not reduce the population and land area of the original barangay to less than the above minimum requirements: *Provided*, further, That the National Census and Statistics Office shall certify as to the population and the provincial or city assessor shall certify as to the land area requirements.

(2) The territorial jurisdiction of the new barangay shall be properly identified by metes and bounds, and with technical descriptions and by more or less permanent natural boundaries, and need not be contiguous if it comprises two or more islands.

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1 SEC. 310. *Consolidation of Barangay.* - (1) Within a
2 period of one year after the effectivity of this Code, the
3 provincial governor or city mayor, as the case may be,
4 shall prepare a consolidation plan for all barangay within
5 his area of jurisdiction based on the criteria provided for
6 in the immediately preceding section, after consultation
7 with the municipalities and/or barangay affected.

8 (2) The barangay consolidation plan shall be submitted
9 to the *sangguniang panlalawigan* or *sangguniang panlungsod*
10 concerned for the enactment of the corresponding ordinance
11 creating the consolidated barangay, subject to the
12 Constitutional requirement of plebiscite to be conducted by
13 the Commission on Elections in the area or areas affected.

14 SEC. 311. *Naming of Barangay.* - The name of an
15 existing barangay may not be changed unless for a
16 justifiable reason and not oftener than once every ten
17 years. In no case shall a new barangay be named after a
18 living person or after a deceased relative within the
19 fourth civil degree of an incumbent government official.

20 CHAPTER 2. -- Barangay Officials and Offices

21 SEC. 312. *Chief Officials and Offices.* - (1)
22 There shall be in each barangay a *punong barangay*, six (6)
23 elective *sangguniang barangay* members, the barangay youth
24 council chairman, a barangay secretary and a barangay
25 treasurer.

26 (2) Executive officers of barangay brigades and such
27 other positions or offices as may be deemed necessary to
28 carry out the purpose of the barangay government may be
29 created by the *sangguniang barangay* in accordance with the
30 *needs of Public Service.*

31 SEC. 313. *Persons in Authority.* - For purposes of the
32 Revised Penal Code, the *punong barangay*, *sangguniang*
33 *barangay* members, and members of the *lupong tagapamayapa* in
34 each barangay shall be deemed as persons in authority,
35 while such other barangay members who may be designated by
36 law and charged with the maintenance of public order,
37 protection and security of life and property, or the
38 maintenance of a desirable and balanced environment, and
39 any barangay member who comes to the aid of persons in
40 authority, shall be deemed as agents of persons in
41 authority.

CHAPTER 3 . The Punong Barangay

SEC. 314. *Powers, Duties and Functions.* - (1) The punong barangay shall be the head of the barangay government and shall exercise such powers, and person such duties and functions as are provided in this Code and other laws.

(2) The punong barangay shall:

(a) Enforce all laws and ordinances which are operative within the barangay;

(b) Negotiate, enter into, and sign contracts for and in behalf of the barangay, upon authorization of the sangguniang barangay;

(c) Maintain public order in the barangay and assist the city or municipal mayor and the sangguniang panlungsod or sangguniang bayan members who are assigned to take charge of their district, in the performance of their duties and functions in such barangay;

(d) Call and preside over the sessions of the sangguniang barangay and the barangay assembly, and vote only to break a tie;

(e) Upon approval by a majority of all the members of the sangguniang barangay, appoint or replace the barangay treasurer and other barangay officials;

(f) Organize and lead an emergency group whenever the same may be necessary for the maintenance of peace and order or on occasions of emergency or calamity within the barangay;

(g) Prepare the annual and supplemental budgets of the barangay;

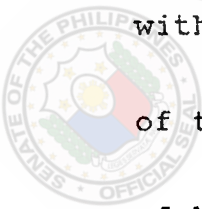
(h) Approve vouchers relating to the disbursement of barangay funds;

(i) Enforce laws and regulations relating to pollution and environmental control, effect the arrest of violators thereof, and where feasible, create, protect, preserve, and maintain communal forests and watersheds;

(j) Administer the operation of the Katarungang Pambarangay in accordance with the provisions of this Code;

(k) Insure coordination between the barangay youth council and the sangguniang barangay;

(l) Look after the general welfare of the



1 barangay;

2 (m) Conduct an annual 'boys and girls week' in
3 such a manner and at such a time as the *sangguniang*
4 *barangay* shall provide by ordinance: *Provided, That,*
5 such ordinance shall include in the observance of said
6 'boys and girls week' the election of a *punong*
7 *barangay*, *sangguniang barangay* members, and other
8 elective and appointive barangay officials among in-
9 school and community youth residing in the barangay
10 from the ages of thirteen to seventeen, to hold office
11 as boy and girl officials during the said week and to
12 perform such duties and conduct such activities as may
13 be provided in the ordinance; and

14 (n) Exercise such other powers and perform such
15 other duties and functions as may be provided by law or
16 ordinance.

17 SEC. 315. *Compensation.* - The *punong barangay* shall
18 receive honoraria, allowances and other emoluments as may
19 be authorized by law or by the *sangguniang barangay* in
20 accordance with the provisions of this Code but in no case
21 shall it be less than one thousand pesos (P1,000) a
22 month.

23 The members of the *sangguniang barangay*, the *barangay*
24 *secretary* and the *barangay treasurer* shall receive
25 honoraria, allowances and other emoluments as may be
26 authorized by law or by the *sangguniang barangay* in
27 accordance with the provisions of this Code but in no case
28 shall it be less than five hundred pesos (P500.00) a
29 month.

30 Beginning the Christmas following the approval of this
31 Act and every Christmas thereafter, the *punong barangay*
32 shall receive a Christmas bonus of one thousand pesos
33 (P1,000.00) to be taken from the budget allotment for all
34 barangay or from such other funds of the barangay.

35 CHAPTER 4 . The Sangguniang Barangay

36 SEC. 316. *Composition.* - The *sangguniang barangay*
37 shall be the legislative body of the barangay and shall be
38 composed of the *punong barangay* as presiding officer, the
39 six *sangguniang barangay* members elected at large, and the
40 chairman of the barangay youth council as members.

41 SEC. 317. *Powers, Duties and Functions.* - The
42 *Sangguniang barangay* shall:

1 (a) Enact such ordinance as may be necessary and to
2 discharge the responsibilities conferred upon it by law,
3 and such as shall be necessary and proper to promote
4 health and safety, enhance prosperity and general welfare,
5 improve morals, maintain peace and order in the barangay,
6 and preserve the comfort and convenience of the inhabitants
7 therein:

8 (b) Construct and maintain barangay roads, bridges,
9 viaducts, sidewalks, playgrounds and parks, school
10 buildings, water supply systems, drainage, irrigation,
11 sewerage, public toilet facilities and other public works
12 projects and facilities within the barangay, chargeable to
13 the barangay development fund or other funds actually
14 available for the purpose without need of the prior
15 approval of any national or local government agency.

16 For this purpose, the punong barangay may exercise the
17 power of eminent domain with the approval of the
18 sangguniang panlungsod or the sangguniang bayan, as the
19 case may be; (CONSIDERATION DEFERRED)

20 (c) Assist in the establishment, organization and
21 promotion of cooperative enterprises that will improve the
22 economic condition and well-being of the barangay
23 residents. Such enterprises may include credit unions,
24 cooperatives for the sale or purchase of commodities and
25 produce, warehouses, activities relating to agricultural
26 and livestock production and marketing, fishing, home arts,
27 barangay industries, public service utilities, and other
28 activities which may promote the welfare of the barangay
29 inhabitants; (SUBJECT TO RECASTING BY SENATOR ANGARA)

30 (d) Solicit or accept, in any or all the foregoing
31 public works and cooperative enterprise, such cooperation
32 as is made available by national, provincial, city or
33 municipal agencies established by law to render financial,
34 technical and advisory assistance to barangay residents:
35 *Provided, however,* That in soliciting or accepting such
36 cooperation, the sangguniang barangay may not pledge any
37 sum of money for expenditure in excess of amounts currently
38 in the barangay treasury or encumbered for other purposes;

39 (e) Provide reasonable per diems as well as travel
40 expenses for sangguniang barangay members and other
41 officials in the barangay, subject to the availability of
42 funds: *Provided, however,* that the total expenditures for
43 these purposes shall not exceed ten per centum (10%) of the
total annual income of the barangay, nor should such

1 compensation, per diems, and travel expenses exceed those
2 granted to *sangguniang panlungsod* or *sangguniang bayan*
3 members, or the mayor of the city or municipality to which
4 such barangay belong. The *sanggunian barangay* may increase
5 the salaries of the incumbent barangay officials which
6 shall not be effective until the next term.

7 (f) Submit to the *sangguniang panlungsod* or the
8 *sangguniang bayan* such suggestions or recommendations as it
9 may see fit for the improvement of the barangay or for the
10 welfare of the inhabitants thereof;

11 g) Hold lawful fund-raising activities for a defined
12 barangay project without securing permits therefor from any
13 national or local office or agency, to be undertaken not
14 oftener than once in a quarter nor within a period of
15 thirty (30) days immediately preceding a national or local
16 election, recall, referendum or plebiscite, the proceeds of
17 which shall accrue to a trust fund of the barangay and that
18 only one (1) of the four (4) allowable fund-raising
19 activities in a year shall be exempted from amusement tax:
20 *Provided*, That said fund-raising activities shall observe
21 national policy standards on moral conduct, health, safety
22 and the protection of life of persons participating in the
23 activity: *Provided*, further, That the *sangguniang barangay*
24 through the *punong barangay* shall render a public
25 accounting of the funds raised at the completion of the
26 project for which the fund-raising activity was undertaken.

27 (h) Provide, maintain and regulate the use of multi-
28 purpose pavements, post-harvest facilities, communal
29 irrigation, barangay waterworks, barangay markets or
30 similar projects constructed with government funds for
31 public service within the jurisdiction of the barangay and
32 charge reasonable fees for such use;

33 i) Initiate community assemblies and forums on common
34 community problems such as sanitation and health, nutrition
35 and literacy;

36 (j) Organize such community barangay service units
37 as may be necessary;

38 (k) Enact an annual and supplemental budgets of the
39 barangay in accordance with law;

40 (l) Authorize the *punong barangay* to enter into
41 contracts in behalf of the barangay: *Provided*, That
42 contracts conveying real property or interest therein or
43 creating a lien upon the same, shall be approved by the

1 city or municipal mayor concerned: *Provided, further,* That
2 no contract involving the expenditure of two thousand pesos
3 (P2,000.00) or more shall be entered into or authorized
4 until the barangay treasurer shall have certified to the
5 *sangguniang barangay* that funds have been duly appropriated
6 for such purpose and the amount necessary to cover the
7 proposed contract is available for expenditure on account
8 thereof. Such certificate shall be attached to the
9 contract as part thereof and the sum so certified shall not
10 thereafter be made available for expenditure for any other
11 purpose until the said contract is lawfully abrogated or
12 executed at no cost to the barangay;

13 (m) Authorize the barangay treasurer to make direct
14 purchases amounting to not more than one thousand
15 (P1,000.00) pesos at any one time for the ordinary and
16 essential administrative needs of the barangay;

17 (n) Prescribe fines of not more than five hundred
18 (P500.00) pesos for violation of barangay ordinances;

19 o) Provide for the proper development and welfare of
20 children in the barangay by promoting and supporting the
21 activities of the barangay level council for the protection
22 of children provided for under the Child and Youth Welfare
23 Code. deal with the problem of drug abuse and other forms
24 of juvenile delinquency, and establish, when feasible, a
25 barangay-level Center for the Total Development of Infants
26 and Children, ages below one (1) to six (6);

27 (p) In coordination with the Department of Education,



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1 Culture and Sports, establish a non-formal education
2 center in the barangay which shall provide education and
3 training to adults and out-of-school youth to enable them
4 to acquire skills for industry and agriculture, improve the
5 literacy of those who cannot avail of the facilities of
6 formal education, prepare them for productive activities by
7 developing their self-reliance, proper attitude and
8 behavior towards work and implement the non-formal
9 educational policies and programs of the Department of
10 Education, Culture and Sports and other agencies of the
11 government and, conduct a *palarong barangay* as an
12 annual activity which shall include traditional sports and
13 athletic competitions included in national and
14 international games;

15 q) Accept monies, materials and voluntary labor for
16 specific public work and cooperative enterprises of the
17 barangay from residents, landowners, producers and
18 merchants in the barangay; grants-in-aid, subsidies,
19 contributions, and revenues made available to the barangay
20 from national, provincial, city or municipal funds; and
21 monies from private agencies and individuals: *Provided,*
22 *That monies or properties donated by private agencies and*
23 *individuals for specific purposes shall accrue to the*
24 *barangay as a special trust fund for that purpose;*

25 r) Exercise such powers, and perform such duties and
26 functions as are necessary to carry out the foregoing
27 provisions or other laws or ordinances.

28 SEC. 318. *Duties of Sangguniang Barangay Members.* - In
29 addition to their duties as members of the sangguniang
30 barangay, they shall:

31 (a) Assist the punong barangay in the discharge of his
32 duties and functions;

33 (b) Act as peace officers in the maintenance of public
34 order or as persons in authority in their barangay; and

35 (c) Perform such other duties as the punong barangay
36 may delegate or as may be provided by law or ordinance.

37 SEC. 319. *Privileges of Sangguniang Barangay Officials.*

38 - (1) The punong barangay, the sangguniang barangay
39 members, the barangay Youth Council chairman, the barangay
40 treasurer and the barangay secretary shall:

41 (a) Be entitled to per diems, travel expenses,
42 and allowances in such amounts as may be determined by
43 the sangguniang barangay in accordance with the rates

1 provided by law, subject to availability of barangay
2 funds after deducting statutory and mandatory
3 budgetary expenditures, but in no case shall they, in
4 the aggregate, be more than five hundred pesos
5 (P500.00) a month.

6 (b) Be entitled during their incumbency, to
7 insurance coverage, the premiums for which shall be
8 shouldered by the barangay;

9 (c) Be entitled to free hospitalization in any
10 government hospital or institution which shall
11 include surgery or surgical expenses, medicines not
12 exceeding five thousand pesos (P5,000.00) per
13 confinement, room and other hospital expenses.
14 Hospitalization benefit shall be extended to the legal
15 spouses and legitimate children of such barangay
16 officials: *Provided, however,* that any barangay
17 official afflicted with an illness before assuming
18 office is likewise entitled to the aforestated
19 benefits: *Provided, further,* That the foregoing
20 benefit will no longer accrue to them when they are
21 covered by the Government Service Insurance System; and

22 (d) Be exempted during their incumbency from
23 paying tuition, matriculation, entrance and library
24 fees for all their legitimate dependent children
25 attending public high schools and for a maximum of
26 two (2) of their legitimate dependent children TAKING
27 UP COLLEGE COURSES. THE BARANGAY OFFICIAL CONCERNED
28 MAY AVAIL OF THE EDUCATIONAL PRIVILEGES, HIMSELF.
(CONSIDERATION DEFERRED)

29 (2) Whenever during their term of office any barangay
30 official suffers injury or incurs illness while in the line
31 of duty which, for all intents and purposes, renders him
32 incapable of further performing his duties and functions,
33 or that death supervenes, the educational privileges
34 granted to children of barangay officials [under this
35 section] shall continue [to be made available to them even
36 after the death or permanent incapacity of the barangay
37 official concerned,] until the SAID CHILDREN SHALL
38 GRADUATE FROM A FOUR-YEAR COURSE IN COLLEGE [term of his
39 office expires.] (N) **HELD IN ABEYANCE**

40 (3) Elective barangay officials shall have preference
41 in appointments to any government position or in any
42 government-owned or controlled corporation including their
43 subsidiaries after their tenure of office, provided they
44 are qualified in accordance with the civil service rules
45 and regulations and the requirements of the position in
46 question.

47 (4) The surviving spouse or legal heirs of every
48 barangay official who dies during his incumbency in the
49

1 course of the performance of duty or on the occasion
2 thereof shall be entitled to burial benefits chargeable
3 against the general fund of the barangay in an amount not
4 less than five thousand pesos (P5,000.00). In the event
5 the barangay funds are insufficient for this purpose, the
6 same shall be chargeable against the funds of the city or
7 municipality to which the barangay belongs.

8 CHAPTER 5. Appointive Barangay Officials

9 SEC. 320. *The Barangay Secretary.* - (1) The punong
10 barangay shall appoint the barangay secretary who shall
11 hold office at his pleasure and whose appointment shall
12 not be subject to attestation by the civil service
13 commission.

14 (2) The barangay secretary shall be of legal age,
15 qualified voter and an actual resident of the barangay
16 concerned.

17 (3) No person shall be appointed barangay secretary if
18 he is a *sangguniang barangay* member or a relative of the
19 punong barangay within the third civil degree of
20 consanguinity or affinity.

21 SEC. 321. *Powers, Duties and Functions of Barangay*
22 *Secretary.* - (a) Keep custody of all records of the
23 *sangguniang barangay* and the barangay assembly meetings;

24 (b) Prepare and keep the minutes of all meetings of
25 the *sangguniang barangay* and the barangay assembly;

26 (c) Prepare separate a lists of the members of the
27 barangay and the registered voters of the barangay
28 assembly, and have the same posted in conspicuous places
29 within the barangay;

30 (d) Register all new members of the barangay;

31 (e) Assist in the preparation of all necessary forms
32 for the conduct of barangay elections, initiative,
33 referenda or plebiscites, in coordination with the
34 Commission on Elections;

35 (f) Assist the municipal civil registrar in the
36 registration of births, deaths and marriages; (BP 337, Sec.
95[3f])

37 (g) Keep a record of all inhabitants of the barangay
38 containing the following items of information: name,
39 address, place and date of birth, sex, citizenship,
40 occupation, and such other items of information as may be
deemed necessary; and (BP 337, Sec. 95[3g]) SUBJECT TO
RECASTING BY THE SPONSOR

41 h) Submit to the *sangguniang barangay* once every three
42 (3) years a report on the actual number of barangay
43 residents.

1 (i) Exercise such other powers and perform such other
2 duties and functions as may be prescribed by law or
3 ordinance.

4 SEC. 322. *The Barangay Treasurer.* - (1) The *punong*
5 *barangay* shall appoint the barangay treasurer with the
6 concurrence of the *sangguniang barangay*. The appointment
7 of the barangay treasurer shall not be subject to
8 attestation by the Civil Service Commission.

9 (2) The barangay treasurer shall be of legal age,
10 qualified voter and an actual resident of the barangay
11 concerned.

12 (3) No person shall be appointed barangay treasurer if
13 he is a *sangguniang barangay* member or a relative of the
14 *punong barangay* within third civil degree of consanguinity
15 or affinity.

16 (4) He shall be bonded in accordance with existing
17 laws in an amount to be determined by the *sangguniang*
18 *barangay*, but not exceeding ten thousand pesos, the
19 premiums for which shall be defrayed by the barangay.

20 (5) He shall:

21 (a) Keep custody of barangay property and funds
22 not deposited with the city or municipal treasurer;

23 (b) Collect and receive taxes, fees,
24 contributions, monies, materials, and all other
25 resources accruing to the barangay treasury and issue
26 official receipts therefor;

27 (c) Disburse funds in accordance with the
28 financial procedures provided in this Code;

29 (d) Submit to the *punong barangay* certified and
30 detailed statements of actual receipts for the calendar
31 year immediately preceding for the preparation of the
32 barangay budget within such period as may be provided
33 by existing laws;

34 (e) Render a written accounting report after the
35 end of each calendar year of all barangay funds and
36 property under his custody which report shall be made
37 available to the public or to the members of the
38 barangay assembly and other government agencies
39 concerned;

40 (f) Certify to the availability of funds whenever
41 necessary;

42 (g) Plan and attend to the rural postal circuit
43 within his own jurisdiction; and

1 (h) Exercise such other powers and perform such
2 other duties and functions as may be prescribed by
3 law or ordinance.

4 SEC. 323. *Other Appointive Officials.* - The
5 qualifications, duties and functions of all other barangay
6 officials appointed by the *punong barangay* shall be
7 governed by the provisions of this Code and other laws or
8 by barangay ordinance.

9 CHAPTER 6. The Barangay Assembly

10 SEC. 324. *Composition, Meetings.* - (1) The barangay
11 assembly shall be composed of all persons who are actual
12 residents of the barangay for at least six months, fifteen
13 years of age or over, citizens of the Philippines and duly
14 registered in the list of barangay assembly members kept by
15 the barangay secretary.

16 (2) The barangay assembly shall meet at least twice a
17 year to hear and discuss the semestral report of the
18 *sangguniang barangay* concerning its activities and
19 finances. Its meeting shall be held upon call of the
20 *punong barangay* or at least four members of the *sangguniang*
21 *barangay* or upon written petition of at least one-tenth of
22 its members.

23 (3) No meeting of the barangay assembly shall take
24 place unless written notice is given one week prior to
25 the meeting except on matters involving public safety or
26 security, in which case notice within a reasonable time
27 shall be sufficient. The *punong barangay* or, in his
28 absence, the *sangguniang barangay* member acting as *punong*
29 *barangay*, or any assembly member selected during the
30 meeting, shall act as presiding officer at all meetings of
31 the assembly. The barangay secretary, or, in his absence,
32 any member designated by the presiding officer to act as
33 secretary, shall discharge the duties of secretary of the
34 barangay assembly.

35 (4) For the purpose of conducting business and taking
36 any official action in the barangay assembly, it is
37 necessary that at least one-tenth of its members be present
38 to constitute a *quorum*. All actions shall require a
39 majority of those present and voting at a meeting, there
40 being a *quorum*.

41 SEC. 325. *Powers of the Barangay Assembly.* - The
42 barangay assembly shall:

43 (a) Initiate legislative process by recommending to

1 the *sangguniang barangay* the adoption of measures for the
2 welfare of the *barangay*;

3 (b) Activate the process of initiative on questions
4 and issues presented therein; and

5 (c) Hear and pass upon the semestral report of the
6 *sangguniang barangay* concerning its activities and
7 finances.

8 CHAPTER 7. Barangay League

9 SEC. 326. *Purpose of Organization.* - There shall be
10 an organization of all *barangay* to be known as the
11 *Barangay League*, with chapters in municipalities, cities,
12 provinces and on the national level, for purposes of
13 determining representations in legislative and policy-
14 making bodies and for crystallizing issues affecting local
15 government administration.

16 SEC. 327. *Representation.* - Every *barangay* shall be
17 represented by the *punong barangay*, or in his absence or
18 incapacity, by a *sangguniang barangay* member duly elected
19 for the purpose from among its members, in all meetings
20 and/or deliberations called by the city and municipal
21 chapters of the League.

22 SEC. 328. *Organization.* - (1) The League at all
23 levels shall be organized in the following manner:

24 (a) The League in each level shall elect a board
25 of directors and a set of officers. The president of
26 each level shall represent the chapter concerned in the
27 next higher level of organization.

28 (b) The city and municipal chapters of the League
29 shall be composed of the *barangay* representative of
30 cities and municipalities respectively; the duly
31 elected presidents of the city and municipal chapters
32 shall constitute the provincial chapter of the League;
33 and the duly elected president of the various
34 provincial chapters, including the president of the
35 Metropolitan Manila chapter, shall constitute the
36 national chapter of the League.

37 (2) A secretary-general shall be chosen from among the
38 members of the national chapter of the League who shall be
39 charged with the maintenance of the organization in the
40 absence of the duly elected officers or upon the
41 dissolution of the organization.

42 (3) The duly elected presidents of the League in the
43 municipal, city and provincial levels including the

1 component cities and municipalities of Metropolitan Manila
2 shall be *ex-officio* members of the *sangguniang bayan*,
3 *sangguniang panlungsod* or *sangguniang panlalawigan*,
4 respectively, and shall serve as such only during their
5 term of office as barangay officials in their own
6 respective local units, which in no case shall be beyond
7 the term of office of the *sanggunian* concerned.

8 SEC. 329. *Functions and Duties of the League.* - The
9 League shall:

10 (a) Adopt measures for the promotion of the welfare of
11 all barangay officials;

12 (b) Give priority to programs designed for the total
13 development of the barangay, consistent with the policies,
14 programs and projects of the national government;

15 (c) Assist in the education of barangay residents for
16 citizen participation in local government administration,
17 in order to promote a united and concerned action for the
18 achievement of countrywide development goals:

19 (d) Supplement the efforts of government in creating
20 opportunities for gainful employment within the barangay;

21 (e) Serve as a forum of the barangay in seeking the
22 necessary assistance of government and private entities for
23 the welfare of all the barangay; and

24 (f) Perform such other functions and duties as the
25 League may prescribe for the welfare of the organization.

26 SEC. 330. *Funding of the League.* - (1) The League
27 in all levels shall derive all its funds from fund-raising
28 campaigns or programs in pursuance of specific projects for
29 the upliftment of the barangay, without the necessity of
30 securing permits therefor, subject, however, to the
31 pertinent provisions of the Revised Election Code.

32 (2) All funds of the League in all levels of the
33 organization shall be deposited as trust funds with their
34 respective municipal, city, provincial or national
35 treasurers, and be disbursed in accordance with approved
36 resolutions by the chapter concerned, subject to auditing
37 rules and regulations of the organization.

38 SEC. 331. *Constitution and By-Laws of the League.* -
39 All other matters not herein otherwise provided for
40 touching on the internal organization and operations of the
41 League shall be covered by the Constitution and ByLaws of
42 the organization, which are hereby made supplementary to
43 the foregoing provisions.

1 CHAPTER 8. Katarungang Pambarangay

2 SEC. 332. *Lupong Tagapamayapa*. - (1) There is hereby
3 created in each barangay a body to be known as *Lupong*
4 *Tagapamayapa*, hereinafter referred to as *Lupon* composed of
5 the punong barangay as chairman and not less than ten (10)
6 nor more than twenty (20) members, to be constituted every
7 two years in the manner hereinafter provided.

8 (2) Any suitable person actually residing or working
9 in the barangay, not otherwise expressly disqualified by
10 law, and taking into account considerations of integrity,
11 impartiality, independence of mind, sense of fairness, and
12 reputation for probity, including educational attainment,
13 may be appointed a member of the *Lupon*.

14 (3) A notice to constitute the *Lupon*, which shall
15 include the names of proposed members who have expressed
16 their willingness to serve, shall be prepared by the punong
17 barangay within thirty (30) days from the effectivity of
18 this Code, and thereafter within the first ten (10) days of
19 January of every other year. Such notice shall be posted
20 in three (3) conspicuous places in the barangay
21 continuously for a period of not less than three (3) weeks.

22 (4) The punong barangay, taking into consideration any
23 opposition to the proposed appointment or any
24 recommendations for appointment as may have been made
25 within the period of posting, shall within ten (10) days
26 thereafter, appoint as members those whom he determines to
27 be suitable therefor.

28 Appointments shall be in writing signed by the punong
29 barangay and attested by the barangay secretary.

30 (5) The list of appointed members shall be posted in
31 three (3) conspicuous places in the barangay for the entire
32 duration of their term of office.

33 SEC. 333. *Oath and Term of Office*. - Upon appointment,
34 each member shall take an oath of office before the punong
35 barangay. He shall hold office until December 31 of the
36 calendar year subsequent to the year of his appointment
37 unless sooner terminated by resignation, transfer of
38 residence or place of work, or withdrawal of appointment by
39 the punong barangay with the concurrence of the majority of
40 all the members of the *Lupon*.

41 SEC. 334. *Vacancies*. - Should a vacancy occur in the
42 *Lupon* for any cause, the punong barangay shall appoint a
43 suitable replacement as soon as possible. The person

1 appointed shall hold office only for the unexpired portion
2 of the term of the member whom he replaced.

3 SEC. 335. *Functions of the Lupon.* - The Lupon shall:

4 (1) Exercise administrative supervision over the
5 conciliation panels hereinafter provided;

6 (2) Meet regularly once a month to provide a forum for
7 the exchange of ideas among its members and the public on
8 matters relevant to the amicable settlement of disputes,
9 and to enable the various panels to share with one another
10 their observations and experiences in effecting speedy
11 resolution of disputes; and

12 (3) Exercise such other powers and perform such other
13 duties and functions as may be provided for by law or
14 ordinance.

15 SEC. 336. *Secretary of the Lupon.* - The barangay
16 secretary shall concurrently be the secretary of the Lupon.
17 He shall note the results of the mediation proceedings
18 before the *punong barangay* and shall submit a report
19 thereon to the proper city or municipal courts. He shall
20 also receive the records of proceedings submitted to him by
21 the various conciliation panels. He shall issue the
22 certification referred to in Section 373 par. 5 hereof.

23 SEC. 337. *Conciliation Panels.* - (1) There shall be
24 constituted for each dispute brought before the Lupon a
25 conciliation panel to be known as *Pangkat ng*
26 *Tagapagkasundo*, hereinafter referred to as *Pangkat*,
27 consisting of three (3) members who shall be chosen by
28 agreement of the parties to the dispute from the list of
29 membership of the Lupon.

30 (2) Should the parties fail to agree, they shall, in
31 the presence of the *punong barangay* or secretary, make the
32 selection in the following manner: one party, determined
33 by lot, shall strike out from the list one name; the other
34 party shall in turn strike out another; the parties shall
35 thereafter continue alternately to strike out names until
36 there shall remain on the list only four (4), three (3) of
37 whom shall be the members of the *Pangkat*, and the fourth,
38 to be determined by lot, shall be the alternate.

39 (3) In the event any of the four (4) remaining names
40 is, for cause to be passed upon solely by the *punong*
41 *barangay*, still objected to by a party, the procedure
42 provided for in the next succeeding section shall be
43 followed.

1 (4) Should there be more than one complaint or
2 respondent, each side to the dispute shall choose its
3 representative to the striking-out process hereinabove
4 described.

5 (5) The three (3) members constituting the *Pangkat*
6 shall elect from among themselves the chairman and the
7 secretary. The secretary of the *Pangkat* shall keep minutes
8 of its proceedings attested by the chairman and submit a
9 copy thereof to the *Lupon* secretary and to the proper city
10 or municipal court. He shall issue and cause to be served
11 notices to the parties concerned give, certified true
12 copies of any public record in his custody that is not by
13 law otherwise declared confidential.

14 SEC. 338. *Vacancies in the Pangkat.* -- Any vacancy in
15 the *Pangkat* shall be filled by the *punong barangay* from
16 among the other members of the *Lupon*, to be determined by
17 lot.

18 SEC. 339. *Substitution for the Punong Barangay.* -- In
19 the event the incumbent *punong barangay* ceases to hold
20 office or is unable to perform his duties as provided
21 herein, the order of succession to his position as provided
22 in this Code shall be followed, and the successor shall
23 assume the powers, duties and functions of a *punong*
24 *barangay* in the administration of the *Katarungang*
25 *Pambarangay*.

26 SEC. 340. *Character of Office and Service of Lupon*
27 *Members.* -- (1) The members of the *Lupon* shall be deemed as
28 public officers and persons in authority, within the
29 meaning of the Revised Penal Code.

30 (2) The members of the *Lupon* or *Pangkat* shall serve
31 without compensation or allowance whatsoever. Such service
32 by any *Lupon* or *Pangkat* member, whether he be in public or
33 private employment, shall be deemed to be on official time
34 and no such member shall suffer any diminution in
35 compensation or allowance by reason thereof.

36 SEC. 341. *Legal Advice.* -- The *punong barangay* or any
37 member of the *Lupon* or *Pangkat* may, whenever necessary in
38 the exercise of his functions in the administration of the
39 *Katarungang Pambarangay*, seek the advice of the provincial,
40 city or municipal attorney or fiscal.

41 SEC. 342. *Subject Matter for Amicable Settlement.* --
42 The *Lupon* of each *barangay* shall have authority to bring
43 together the contending parties actually residing in the

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1 city or municipality for amicable settlement of all
2 disputes except:

3 (1) Where one party is the government, or any
4 subdivision or instrumentality thereof; and

5 (2) Where one party is a public officer or employee,
6 and the dispute relates to the performance of his official
7 functions.

8 SEC. 343. *Venue.* - (1) Disputes between persons
9 actually residing in the same barangay shall be brought for
10 amicable settlement before the *Lupon* of said barangay.
11 Those involving actual residents of different barangay
12 within the same city or municipality shall be brought in
13 the barangay where the respondent or any of the respondents
14 actually resides, at the option of the complainant.
15 However, all disputes which involve real property or any
16 interest therein shall be brought in the barangay where the
17 real property or any part thereof is situated.

18 (2) Objections to venue shall be raised in the
19 mediation proceedings before the *punong barangay* as
20 hereinafter provided; otherwise, the same shall be deemed
21 waived. Any legal question which may confront the *punong*
22 *barangay* in resolving objections to venue may be submitted
23 to the Secretary of Justice whose ruling thereon shall be
24 binding.

25 SEC. 344. *Subject Matter for Amicable Settlement.* -
26 The *Lupon* of each barangay shall have authority to bring
27 together the parties actually residing in the same city or
28 municipality for amicable settlement of all disputes except
29 the following:

30 (a) Offenses punishable by imprisonment exceeding six
31 months and/or a fine exceeding Five thousand pesos
32 (P5,000.00).

33 (b) Disputes involving parties who actually reside in
34 barangay of different cities or municipalities, except
35 where such barangay adjoin each other and the parties
36 thereto agree to submit their differences to amicable
37 settlement by an appropriate *lupon*;

38 (c) Disputes involving real property located in
39 different cities or municipalities unless the parties
40 thereto agree to submit their differences to amicable
41 settlement by an appropriate *lupon*;

42 (d) Offenses where there is no private offended party;
43 and

1 (e) Such other classes of disputes which the President
2 of the Philippines may in the interest of justice
3 determine, upon recommendation of the Secretary of Justice.

4 SEC. 345. *Procedure for Amicable Settlement.* -- (1)
5 Any individual who has a cause of action against another
6 individual involving any matter within the authority of the
7 Lupon may complain orally or in writing to the *punong*
8 *barangay*.

9 (2) Upon receipt of the complaint, the *punong barangay*
10 shall within the next working day summon the respondent or
11 respondents, with notice to the complainant or complainants
12 for them and their witnesses to appear before him for a
13 mediation of their conflicting interests. If the *punong*
14 *barangay* fails in his effort within fifteen days from the
15 first meeting of the parties before him, he shall forthwith
16 set a date for the constitution of the *Pangkat* pursuant to
17 Section 374 hereof.

18 (3) The *Pangkat* shall convene not later than three
19 days from its constitution, on the day and hour set by the
20 *punong barangay*, to hear parties and their witnesses,
21 simplify issues, and explore all possibilities for amicable
22 settlement. For this purpose, the *Pangkat* may issue
23 summons for the personal appearance of parties and
24 witnesses before it. In the event that a party moves to
25 disqualify any member of the *Pangkat* by reason of
26 relationship, bias, interest or any other similar grounds
27 discovered after the constitution of the *Pangkat*, the
28 matter shall be resolved by the affirmative vote of the
29 majority of the *Pangkat* whose decision shall be final.
30 Should disqualification be decided upon, the resulting
31 vacancy shall be filled as herein provided for.

32 (4) The *Pangkat* shall arrive at a settlement or
33 resolution of the dispute within fifteen (15) days from the
34 day it convenes in accordance with this section. This
35 period shall, at the discretion of the *Pangkat*, be
36 extendible for another period which shall not exceed
37 fifteen (15) days except in clearly meritorious cases.

38 SEC. 346. *Form of Settlement.* - All amicable settlement
39 shall be in writing, in a language or dialect known to the
40 parties, signed by them and attested by the *punong barangay*
41 or the chairman of the *Pangkat*, as the case may be. When
42 the parties to the dispute do not use the same language or
43 dialect, the settlement shall be written in the languages

1 or dialects known to them.

2 SEC. 347. *Conciliation Among Members of the Cultural*
3 *Communities.* The customs and traditions of the cultural
4 communities shall be applied in settling disputes between
5 members of the cultural communities.

6 If only one party is a member of the cultural
7 community, the customs and traditions of the member of the
8 cultural community shall likewise be considered in the
9 amicable settlement of disputes.

10 SEC. 348. *Conciliation, Pre-condition to Filing of*
11 *Complaint in Court.* - No complaint, petition, action or
12 proceeding involving any matter within the authority of the
13 *Lupon* shall be filed or instituted in court or any other
14 government office for adjudication unless there has been a
15 confrontation of the parties before the *Lupon* chairman or
16 the *Pangkat* and no conciliation or settlement has been
17 reached as certified by the *Lupon* secretary or the *Pangkat*
18 secretary, attested by the *Lupon* or the *Pangkat* chairman,
19 or unless the settlement has been repudiated. However, the
20 parties may go directly to court in the following
21 instances:

22 (1) Where the accused is under detention;

23 (2) Where a person has otherwise been deprived of
24 personal liberty calling for *habeas corpus* proceedings;

25 (3) Actions coupled with provisional remedies such as
26 preliminary injunction, attachments, delivery of personal
27 property and support *pendente lite*; and

28 (4) Where the action may otherwise be barred by the
29 Statute of Limitations.

30 SEC. 349. *Arbitration.* - (1) The parties may, at
31 any stage of the proceedings, agree in writing that they
32 shall abide by the arbitration award of the *punong barangay*
33 or the *Pangkat*. Such agreement to arbitrate may within
34 five (5) days from the date thereof, be repudiated for the
35 same grounds and in accordance with the procedure
36 hereinafter prescribed. The arbitration award shall be
37 made after the lapse of the period for repudiation and
38 within ten (10) days thereafter.

39 (2) The arbitration award shall be in writing in a
40 language or dialect known to the parties. When the parties
41 to the dispute do not use the same language or dialect, the
42 award shall be written in the languages or dialects known
43 to them.

1 SEC. 350. *Proceedings Open to the Public; Exception.* -
2 All proceedings for settlement shall be public and
3 informal: *Provided.* That the *punong barangay* or the
4 *Pangkat*, as the case may be, may *motu proprio* or upon
5 request of any party exclude the public from the
6 proceedings in the interest of decency or public morals.

7 SEC. 351. *Appearance of Parties in Person.* - In all
8 *Katarungang Pambarangay* proceedings, the parties must
9 appear in person without the assistance of counsel or
10 representative, with the exception of minors and
11 incompetents who may be assisted by their next of kin who
12 are not lawyers.

13 SEC. 352. *Admissions.* - Admissions made in the course
14 of any of the proceedings for settlement shall not be
15 admissible for any purpose in any other proceeding.

16 SEC. 353. *Effect of Amicable Settlement and Arbitration*
17 *Award.* - The amicable settlement and arbitration award
18 shall have the force and effect of a final judgment of a
19 court upon the expiration of ten (10) days from the date
20 thereof unless repudiation of the settlement has been made
21 or a petition for nullification of the award has been filed
22 before the proper city or municipal court.

23 SEC. 354. *Execution.* - The amicable settlement or
24 arbitration award may be enforced by execution by the *lupon*
25 within three (3) months from the date of the
26 settlement. After the lapse of such time, the settlement
27 may be enforced by action in the appropriate city or
28 municipal court.

29 SEC. 355. *Repudiation.* - Any party to the dispute may,
30 within ten (10) days from the date of the settlement,
31 repudiate the same by filing with the *punong barangay* a
32 statement to that effect sworn to before him, where the
33 consent is vitiated by fraud, violence or intimidation.
34 Such repudiation shall be sufficient basis for the issuance
35 of the certification for filing a complaint as hereinabove
36 provided.

37 SEC. 356. *Transmittal of Settlement and Arbitration*
38 *Award to the Court.* - The Secretary of the *Lupon* shall
39 transmit the settlement or the arbitration award to the
40 local city or municipal court within five (5) days from the
41 date of the award or from the lapse of the ten-day period
42 repudiating the settlement and shall furnish copies thereof
43 to each of the parties to the settlement and the *punong*

1 *barangay.*

2 SEC. 357. *Power to Administer Oaths.* - The *punong*
3 *barangay* and members of the *Pangkat* are hereby authorized
4 to administer oaths in connection with any matter relating
5 to all proceedings in the implementation of the *Katarungang*
6 *Pambarangay.*

7 SEC. 358. *Administration; Rules and Regulations.* -
8 The governor or city mayor, as the case may be, shall see
9 to the efficient and effective implementation and
10 administration of the *Katarungang Pambarangay.* For this
11 purpose, he is hereby empowered to promulgate rules and
12 regulations, upon consultation with the provincial or city
13 attorney, as the case may be.

14 SEC. 359. *Appropriations.* - The appropriation for the
15 effective implementation of the *Katarungang Pambarangay*
16 shall be provided for annually in the provincial or city
17 budgets.

18 CHAPTER 9. The BARANGAY Youth Council

19 SEC. 360. *Creation.* - (1) There shall be in every
20 *barangay* a *barangay Youth Council*, to be composed of a
21 chairman, six councilors elected by the registered voters
22 of the youth assembly in accordance with law, a secretary
23 and a treasurer.

24 (2) A *barangay Youth Council* official who during his
25 term of office shall have passed the age of twenty-one
26 shall immediately lose rights to the office and the
27 privileges appurtenant thereto.

28 SEC. 361. *The barangay Youth Assembly.* - The *barangay*
29 youth Assembly shall be composed of all Filipino citizens
30 actually residing in the *barangay* for at least six months,
31 who are fifteen but not more than twenty-one years of
32 age, and who are duly registered in the list of the
33 *barangay Youth Council* or in the official *barangay* list in
34 the custody of the *barangay* secretary.

35 SEC. 362. *Meetings of the Youth Assembly.* - The youth
36 Assembly shall meet at the call of the chairman of the
37 Youth Council or upon written petition of at least one-
38 tenth of its members to decide important issues affecting
39 the youth of the *barangay.*

40 SEC. 363. *Powers and Functions of the Youth Council.* -
41 The Youth Council shall have the following powers and
42 functions:

43 (a) Promulgate resolutions necessary to carry out the

1 objectives of the youth in the barangay in accordance with
2 the applicable provisions of this Code;

3 (b) Initiate programs designed to enhance the social,
4 political, economic, cultural, intellectual, moral,
5 spiritual and physical development of the members;

6 (c) Hold fund-raising activities the proceeds of which
7 shall be tax exempt and shall accrue to the general fund of
8 the Youth Council: *Provided, however,* That in the
9 appropriation thereof, the specific purpose for which such
10 activity has been held shall be first satisfied;

11 (d) Create such bodies or committees as it may deem
12 necessary to effectively carry out Youth Council programs
13 and activities;

14 (e) Perform such other functions and exercise such
15 powers as the *sangguniang barangay* may determine or
16 delegate; and

17 (f) Exercise such other powers and perform such other
18 duties and functions as may be prescribed by law or
19 ordinance.

20 SEC. 364. *Meetings of the Youth Council.* - The Youth
21 Council shall meet regularly twice a month on the date,
22 time and place to be fixed by the said council. Special
23 meetings may be called by the Youth Council chairman or any
24 three of its members by giving written notice to all
25 members of the date, time, place and agenda of the meeting
26 at least one day in advance. Notices of regular or special
27 meetings shall be furnished the *punong barangay* and the
28 *sangguniang barangay*.

29 A majority of the members of the Youth Council shall
30 constitute a *quorum* to do business.

31 SEC. 365. *Qualifications.* - An elective official of
32 the Youth Council must, on the day of election, be a
33 Filipino citizen, a qualified voter of the youth assembly,
34 a resident of the barangay for at least six months
35 immediately prior to election, be able to read and write
36 Filipino, English, or the local dialect, must be at least
37 fifteen years but not more than twenty-one (21) years of
38 age.

39 SEC. 366. *Terms of Office.* - The Youth Council
40 chairman and members shall hold office for a period of
41 three years unless sooner removed for cause as provided by
42 law, permanently incapacitated, dies, or resigns from
43 office.

1 SEC. 367. *The Youth Council Chairman.* - The
2 registered voters of the youth Assembly shall elect a
3 chairman who shall automatically become an *ex-officio*
4 member of the *sangguniang barangay* upon his assumption of
5 office. As such, he shall exercise the same powers,
6 discharge the same duties and functions, and enjoy the same
7 privileges as the regular *sangguniang barangay* members, and
8 shall be the chairman of the committee on youth and sports
9 development in the *sanggunian*.

10 SEC. 368. *Powers and Duties of the Youth Council*
11 *Chairman.* - Aside from the duties which may be assigned to
12 him by the *sangguniang barangay*, the Youth Council
13 chairman shall:

14 (a) Call and preside over all meetings of the youth
15 Assembly and the Youth Council;

16 (b) Implement policies, programs, and projects within
17 his jurisdiction in coordination with the *sangguniang*
18 *barangay*;

19 (c) Exercise general supervision over the affairs and
20 activities of the Youth Council and the official conduct of
21 its members, and such other officers of the Youth Council
22 within his jurisdiction;

23 (d) With the concurrence of the Youth Council, appoint
24 from among the members of the youth Assembly, the secretary
25 and treasurer, and such other officers as may be deemed
26 necessary; and

27 (e) Exercise such other powers and perform such other
28 duties and functions as may be prescribed by law or
29 ordinance.

30 SEC. 369. *The Youth Council Secretary.* - The Youth
31 Council secretary shall.

32 (a) Be the custodian of all records of the youth
33 Assembly and Council;

34 (b) Prepare and keep the minutes of all meetings of
35 the Youth Assembly and Council;

36 (c) Prepare all forms necessary for the conduct of
37 registration, elections, initiatives, referenda or
38 plebiscites, in coordination with the *barangay* secretary
39 and the Commission on Elections; and

40 (d) Discharge such other duties as the chairman of
41 Youth Council may prescribe or direct.

42 SEC. 370. *The Youth Council Treasurer.* - The Youth
43 Council treasurer shall:

1 (a) Take custody of all Youth Council property and
2 funds;

3 (b) Collect and receive contributions, monies,
4 materials and all other resources intended for the youth
5 council and assembly;

6 (c) Disburse funds in accordance with an approved
7 budget of the Youth Council;

8 (d) Certify to the availability of funds whenever
9 necessary;

10 (e) Submit to the Youth Council and to the *sangguniang*
11 *barangay* certified and detailed statements of actual
12 receipts and expenditures every end of the month; and

13 (f) Perform such other duties and discharge such other
14 functions as the chairman or Youth Council may direct.

15 SEC. 371. *Privileges of Youth Council Officials.* - The
16 Youth Council chairman shall have the same privileges
17 enjoyed by other *sangguniang barangay* officials under this
18 Code subject to such requirements and limitations herein
19 provided. Other Youth Council officials shall enjoy
20 exemption from tuition and matriculation fees for attending
21 public secondary and collegiate schools during their
22 incumbency: *Provided, however,* That the public school or
23 colleges they enroll in shall be reimbursed by the *barangay*
24 concerned the corresponding amounts for tuition and
25 matriculation fees: *Provided, further,* That the youth
26 council officials shall enroll in public schools or
27 colleges nearest their *barangay*

28 SEC. 372. *Succession and Filling of Vacancies.* - (1)
29 In case a Youth Council chairman refuses to assume office,
30 fails to qualify, is convicted of a felony, voluntarily
31 resigns, dies, is permanently incapacitated, is removed
32 from office, or has been absent without authorization for
33 more than three consecutive months the Youth Council member
34 who obtained the highest number of votes in the election
35 immediately preceding shall assume the position of chairman
36 for the unexpired portion of the term, and shall discharge
37 the powers and duties, and enjoy the rights and privileges
38 appurtenant to the office.

39 In case the Youth Council member concerned refuses to
40 assume the position or fails to qualify, the council member
41 obtaining the next highest number of votes shall assume the
42 position of chairman for the unexpired portion of the term.

43 (2) In case two or more Youth Council members obtain

1 identical highest number of votes, the Youth Council, by a
2 majority vote of all its members shall elect the successor.

3 (3) After the vacancy shall have been filled, the
4 Youth Council Chairman shall call a special election to
5 complete the membership of the said Council. Such
6 appointed or elected councilor shall hold office for the
7 unexpired portion of the term of the vacant seat.

8 (4) In case of suspension of the Youth Council
9 chairman, the successor, as determined in the immediately
10 preceding paragraph of this section shall assume the
11 position during the period of such suspension.

12 CHAPTER 10. The Barangay Youth Council Federation

13 SEC. 373. *The barangay Youth Council Federation.* -

14 (1) There shall be an organization of all the Youth
15 Council organizations to be known as follows: in
16 municipalities, municipal federation of Youth Councils; in
17 cities, City Federation of Youth Councils; in provinces,
18 Provincial Federation of Youth Councils; in special
19 metropolitan political subdivisions, Metropolitan
20 Federation of Youth Councils; in autonomous regions,
21 autonomous region federation of youth councils; in regions,
22 regional federation of youth councils; and on the national
23 level, the national youth council.

24 (2) The Barangay Youth Council federations shall, at
25 all levels elect from among themselves the president,
26 vice-presidents and such other officers as may be necessary
27 and shall be organized in the following manner:

28 (a) The City and municipal federations shall
29 consist of the Youth Council chairmen of each barangay;

30 (b) The provincial federation shall be composed
31 of the municipal and component City Federation
32 presidents;

33 (c) The metropolitan federation shall be composed
34 of the municipal and component city federation
35 presidents;

36 (d) The Autonomous Region Federation shall be
37 composed of federation presidents from the provinces
38 and cities comprising the autonomous region; and

39 (e) The Regional Federation shall be composed of
40 provincial federation and highly urbanized city
41 federation presidents.

42 (3) The elected president of each provincial, HIGHLY
43 URBANIZED CITY, METROPOLITAN, [GEOGRAPHICAL AREA,]
AUTONOMOUS REGION, AND REGIONAL federation shall constitute
the National Youth Council. CONSIDERATION DEFERRED

1 SEC. 374. *Federation and National Council by-Laws,*
2 *Rules and Regulations: Term, Election, Removal and*
3 *Suspension in the Federation of Youth Councils.* - The term
4 of office, manner of election, removal and suspension of
5 the officers of the Youth Council federations at all levels
6 shall be governed by the by-laws of the federation, as
7 adopted by the National Youth Council in conformity with
8 the provisions of this Code.

9 SEC. 375. *Membership in Sanggunian or Council.* - (1)
10 A Barangay Youth Council chairman upon certification of his
11 election by the Commission on Elections, and during his
12 tenure of office, if elected as federation president, shall
13 sit as a member of the provincial, city or municipal
14 sanggunian, as the case may be, without need for further
15 appointment.

16 (2) A Barangay Youth Council chairman upon
17 certification of his election by the Commission on
18 Elections and during his tenure of office, if elected as
19 federation president, shall sit as a member of the
20 metropolitan, autonomous region or regional council, as
21 the case may be, without need for further appointment.

22 (3) The vice-president of the federation, the
23 president of which has been elected to a higher federation
24 presidency, shall sit as a member of the sanggunian or
25 council concerned, without need for further appointment.

26 (4) As member of the sanggunian or council, the
27 federation president or vice president, as the case may be,
28 shall be a member of the committee on Youth and Sports
29 Development with the preferential right to be the chairman
30 in case said Youth Council chairman belongs to the majority
31 in said sanggunian or council.

32 TITLE TWO. - THE MUNICIPALITY

33 CHAPTER 1. - Role and Creation of Municipalities

34 SEC. [410] 376. Role of Municipalities. - The
35 municipality, consisting of a group of barangay[s], shall
36 serve primarily as a main line government for the
37 coordination and delivery of basic, regular and direct
38 services within its jurisdiction. (BP 337, Sec. 133)
39 (CONSIDERATION DEFERRED)

40 SEC. [411] 377. Manner of Creation. - A municipality
41 may be created, named, and its boundaries defined, altered
42 or modified only by an Act of the CONGRESS, subject to
43 approval by a majority of the votes cast in a plebiscite to
44 be CONDUCTED BY THE COMMISSION ON ELECTIONS WITHIN ONE
45 HUNDRED TWENTY DAYS FROM THE DATE OF ITS EFFECTIVITY IN THE
46 UNITS OR UNITS AFFECTED. (CONSIDERATION DEFERRED)

47 SEC. [412] 378. Requisites for Creation. - (1) A
48 municipality may be created out of a contiguous territory
49 which has at least TWENTY-FIVE THOUSAND INHABITANTS as
50 certified by the National Census and Statistics Office, and
51 has an average annual income, as certified by the

5/22

1 provincial treasurer, of at least Five million pesos
2 (P5,000,000.00) for the last TWO consecutive years, and
3 the creation thereof shall not reduce the population and
4 income of the ORIGINAL municipality or municipalities at
5 the time of said creation to less than the minimum
6 requirements under this section. The territory need not be
7 contiguous if it comprises two or more islands. (BP
8 337, Sec. 135[1]) (CONSIDERATION DEFERRED)

9 (2) The average annual income shall include the income
10 allotted for both the general fund and the infrastructure
11 funds, exclusive of trust funds, transfers and non-
12 recurring income. (BP 337, Sec. 135[2]) (CONSIDERATION
13 DEFERRED)

14 (3) The territorial jurisdiction of a new municipality
15 shall NOT BE LESS THAN FIVE THOUSAND HECTARES and shall be
16 properly identified by metes and bounds or by MORE OR LESS
17 PERMANENT natural boundaries. (BP 337, Sec. 135[3])
18 (CONSIDERATION DEFERRED)

19 SEC. 379. Consolidation of Municipalities. - (1)
20 Within a period of one year after the effectivity of this
21 Code, the provincial governor shall prepare a consolidation
22 plan for all municipalities within his area of jurisdiction
23 based on the criteria provided for in the immediately
24 preceding section, after consultation with the
25 municipalities affected.

26 (2) The municipal consolidation plan shall be
27 submitted to the *sangguniang panlalawigan* for indorsement
28 by resolution to the Congress for the enactment of the
29 corresponding legislation, subject to the Constitutional
30 requirement of plebiscite to be conducted by the Commission
31 on Elections in the area or areas affected.

32 CHAPTER 2. Municipal Officials in General

33 SEC. 380. *Officials of the Municipal Government.* -

34 (1) There shall be in each municipality, a mayor, a vice
35 mayor, *sangguniang bayan* members, a municipal secretary, a
36 municipal treasurer, a municipal assessor, a municipal
37 budget officer, and a municipal planning and development
38 coordinator.

39 (2) The *sangguniang bayan* may maintain existing
40 offices not mentioned in paragraph (1) of this section or
41 create such other offices as may be necessary to carry out
42 the purposes of the municipal government.

1 such, he shall have command, general and operational
2 control, supervision and direction of all the elements
3 of the local police forces in his municipality.

4 (e) Represent the municipality in its business
5 transactions and sign on its behalf all contracts,
6 obligations and official documents made in accordance
7 with law or ordinance;

8 (f) Coordinate the implementation of technical
9 services rendered by national offices, including public
10 works and road-and-bridge programs in the community;

11 (g) Require all executive and administrative
12 officers, agents and employees of the municipal,
13 provincial, and national offices stationed therein, to
14 make officially available to him such books, records
15 and other papers in their custody, not otherwise
16 classified by law as confidential to facilitate the
17 exercise of his executive power;

18 (h) Determine, according to law or ordinance, the
19 time, manner, and place of payment of the salaries and
20 wages of the officers and employees of the
21 municipality;

22 (i) Call a meeting of any or all the municipal
23 officials at such place and time as he may designate;

24 (j) Direct the formulation of municipal
25 development plans and programs, and once approved by
26 the *sangguniang bayan*, supervise and direct the
27 execution and implementation thereof;

28 (k) Call upon any national official or employee
29 stationed in the municipality to coordinate in the
30 formulation, and implementation of plans, programs and
31 projects, and seek his advice and recommendation on
32 matters affecting the municipality;

33 (l) Grant licenses and permits in accordance with
34 existing laws or municipal ordinances and revoke them
35 for violation of the conditions upon which they have
36 been granted;

37 (m) Maintain peace and order in the municipality,
38 and in pursuance thereof, he shall be entitled to
39 possess and carry the necessary firearms within this
40 territorial jurisdiction, subject to existing rules and
41 regulations on the possession and carrying of firearms;

42 (n) At least ten and one-half months before the
43 beginning of each calendar year require each head of

1 office to prepare and submit to him an estimate of the
2 appropriation for the operation of each office during
3 the ensuing calendar year, which estimate shall be
4 prepared on the basis of programs, projects, activities
5 and workloads, and such estimates of appropriation,
6 after evaluation, shall form part of the budget of the
7 municipality;

8 (o) Submit to the *sangguniang bayan* the annual
9 budget of the municipality for the ensuing calendar
10 year on or before the time fixed in local budgeting
11 regulations;

12 (p) Enforce laws, municipal ordinances and
13 resolutions and issue necessary orders for their
14 faithful and proper enforcement and execution;

15 (q) Ensure that all taxes and other revenues of
16 the municipality are collected and that municipal funds
17 are spent in accordance with law, ordinances and
18 regulations;

19 (r) Adopt measures to safeguard all the lands,
20 buildings, records, monies, credits, and other property
21 rights of the municipality;

22 (s) Make known to the people of the municipality,
23 by proclamation or communication delivered to the
24 barangay, all general laws or governmental orders
25 affecting them;

26 (t) Cause to be instituted administrative or
27 judicial proceedings against any officer or employee of
28 the municipality who may have committed any offense in
29 the performance of his official duties;

30 (u) Cause to be instituted judicial proceedings
31 in connection with the violation of ordinances, for the
32 recovery of taxes, fees and charges, and for the
33 recovery of property and funds and otherwise protect
34 the interest of the municipality;

35 (v) When the public interest so requires, call
36 upon the appropriate law enforcement agencies in the
37 province to suppress disorder, riot, lawless violence,
38 rebellious or conspiracy or to apprehend violators of
39 law;

40 (w) Give such information and recommend such
41 measures to the *sangguniang bayan* as he shall deem
42 advantageous to the municipality;

43 (x) Allocate and assign rooms to municipal and

1 other public officials who, by law or ordinance, are
2 entitled to office space in the municipal building;

3 (y) Take appropriate action on vacation, sick and
4 maternity leaves of officers and employees appointed by
5 him and authorize the commutation of the money value
6 thereof when proper;

7 (z) Authorize trips outside the municipality of
8 officers and employees including those seconded to
9 the municipality, subject to existing laws, rules and
10 regulations;

11 (aa) Approve the commutation of the
12 transportation and representation allowances of chiefs
13 of offices of the municipality as authorized by law;

14 (bb) Exercise direct supervision and control over
15 the property and supply management of the municipality;

16 (cc) Furnish copies of executive orders issued by
17 him to the provincial governor within seventy-two hours
18 after their issuance;

19 (dd) Conduct an annual 'boys and girls week' in
20 such a manner and at such a time as the *sangguniang*
21 *bayan* shall provide by ordinance: *Provided, That,* such
22 ordinance shall include in the observance of said 'boys
23 and girls week' the election of a municipal mayor,
24 vice-mayor, *sangguniang bayan* members, and other
25 elective and appointive municipal officials among in-
26 school and community youth residing in the municipality
27 from the ages of thirteen to seventeen, to hold office
28 as boy and girl officials during the said week and to
29 perform such duties and conduct such activities as may
30 be provided in the ordinance;

31 (ee) Where feasible create, protect, maintain and
32 develop communal forests and watersheds;

33 (ff) Solemnize marriages pursuant to law; and

34 (gg) Perform such other duties and exercise such
35 other powers as may be prescribed by law or ordinance.

36 Article Two. - The Vice Mayor

37 SEC. 382. *Compensation, Powers, Duties and Functions.* -

38 (1) The vice mayor shall receive a monthly compensation as
39 provided by the *sanggunian* concerned but in no case less
40 than the following:

41 a) First class, ten thousand **nine hundred**
42 **eighty-six** pesos (P10,986.00);

43 b) Second class, **ten thousand three hundred**

- 1 seventy-five pesos (P10,375);
2 c) Third class, nine thousand seven hundred
3 sixty-five pesos (P9,765.00);
4 d) Fourth Class, nine thousand one hundred
5 fifty-five pesos (P9,155.00);
6 e) Fifth Class, eight thousand five hundred
7 forty-four pesos (P8,544.00);
8 f) Sixth Class, seven thousand nine hundred
9 thirty-four (P7,934.00).

10 In addition to emoluments and allowances subject to rules
11 and regulations of the Commission on Audit.

12 (2) he shall:

13 (a) Be the presiding officer of the *sangguniang*
14 *bayan*;

15 (b) Assume the office of the mayor in any of the
16 cases provided for in Section 45 paragraph (1) of
17 this Code;

18 (c) Exercise the power and perform the duties and
19 functions of the mayor in the cases provided for in
20 Section 48 of this Code: and

21 (d) Exercise such other powers and perform such
22 other duties and functions as may be prescribed by law
23 or ordinance.

24 Article Three. - The Sangguniang Bayan

25 SEC. 383. *Composition.* - The *sangguniang bayan* shall
26 be the legislative body of the municipality and shall be
27 composed of the vice mayor, as the presiding officer, and

28 (a) for the first three classes of municipalities twelve
29 (12) members elected at large including four (4) members
30 representing labor, agriculture and such other sectors as
31 may be determined by the sanggunian, (b) for the other
32 classes of municipalities ten (10) members elected at large
33 including four (4) members representing such sectors as may
34 be determined by the *sanggunian* in addition to the
35 president of the municipal chapter of the Association of
36 *Punong Barangay* and the president of the municipal
37 federation of youth councils.

38 SEC. 384. *Sessions.* - (1) The *sangguniang bayan*
39 shall hold at least one regular session a week on the days
40 which shall be fixed by resolution. special sessions may
41 be called by the mayor or a majority of the members of the
42 *sangguniang bayan* as often as necessary.

43 (2) In the event of inability of the vice-mayor to act

1 as presiding officer on account of a trip on official
2 business, absence on leave, sickness, or any temporary
3 incapacity, the members constituting a quorum shall choose
4 from among themselves the temporary presiding officer.

5 (3) The temporary presiding officer shall not vote
6 except in case of a tie but he shall certify within ten
7 days to all ordinances and resolutions enacted or adopted.
8 If within said period the ordinances and resolutions are
9 not signed by the temporary presiding officer, the said
10 ordinances and resolutions shall be deemed to have been
11 signed and the municipal secretary shall forward them to
12 the mayor for such action as may be authorized by law.

13 (4) THE SANGGUNIANG BAYAN SHALL ADOPT ITS OWN RULES OF
14 PROCEDURE, and KEEP A RECORD OF ITS PROCEEDINGS. [AND] FOR
15 DISORDERLY behavior [CONDUCT] DURING SESSIONS or habitual
16 absenteeism, WITH THE CONCURRENCE OF TWO-THIRDS OF ALL ITS
17 MEMBERS, it may censure, REPRIMAND, EXCLUDE FROM THE
18 SESSION, [OR] SUSPEND FOR NOT MORE THAN SIXTY DAYS or expel
19 AN ERRING MEMBER: Provided That, a member convicted of any
20 crime involving moral turpitude by final judgment where the
21 penalty imposed is imprisonment of at least six months
22 shall be automatically expelled from the sanggunian. (BP
23 337, Sec. 147[4]) (DEFERRED)

24 (5) The sessions of the sangguniang bayan shall be
25 open to the public unless otherwise ordered by an
26 affirmative vote of a majority of the members present,
27 there being a quorum on the grounds of security of the
28 municipality or where public interest warrants.

29 SEC. 385. *Compensation, Powers, Duties and Functions.* -

30 (1) Except the vice mayor, the sangguniang bayan members
31 shall receive a monthly compensation as provided for by the
32 sanggunian but in no case shall it be less than the
33 following:

34 a) First class, nine thousand seven hundred
35 seventy-nine pesos (P9,779.00);

36 b) Second class, nine thousand two hundred
37 thirty-six pesos (P9,236.00);

38 c) Third class, eight thousand six hundred ninety
39 three pesos (P8,693.00);

40 d) Fourth Class, eight thousand one hundred fifty
41 pesos (P8,150.00);

42 e) Fifth Class, seven thousand six hundred six
43 pesos (P7,606.00);

f) Sixth Class, seven thousand sixty-three pesos
(P7,063.00).

In addition to allowances and emoluments subject to the
rules and regulations of the Commission on Audit: Provided,
That the total salaries and wages of all municipal

1 officials and employees shall not exceed fifty percent
2 (50%) of the total annual appropriations of the
3 municipality concerned. **The wages for projects arising from**
4 **municipal loans shall likewise be limited to fifty percent**
5 **(50%):** *Provided, further,* That the sanggunian shall not
6 increase the monthly compensation of its members during
7 their term.

8 (2) The *sangguniang bayan* shall:

9 (a) Enact such ordinances and issues regulations
10 as may be necessary to carry out and discharge the
11 responsibilities conferred upon it by law, and such as
12 shall be necessary and proper to maintain peace and
13 order, improve public morals, promote prosperity,
14 ensure protection of property, and provide for the
15 health, safety, comfort, convenience and general
16 welfare of the municipality and its inhabitants;

17 (b) Prescribe reasonable limits and restraints on
18 the use of property;

19 (c) For violation of municipal ordinances,
20 provide for the imposition of a fine not exceeding **ten**
21 **thousand pesos (P10,000.00)** or six (6) months
22 imprisonment, or both fine and imprisonment at the
23 discretion of the court;

24 (d) Levy taxes for general and specific purposes
25 and fix the rates in accordance with the provisions of
26 this Code and other laws;

27 (e) Impose and fix reasonable fees and charges
28 for all services rendered by the municipality to
29 private parties;

30 (f) Provide for the establishment and maintenance
31 of public markets, ferries, wharves, abattoirs or
32 slaughterhouses, pounds and cemeteries;

33 (g) Upon the majority vote of all the members,
34 authorize the municipal mayor to negotiate and contract
35 loans and other forms of indebtedness subject to
36 existing laws and regulations;

37 (h) Grant the exclusive privilege of constructing
38 fish corrals, or taking or catching fish or fry of any
39 species for propagation within any definite portion or
40 area of the municipal waters, in accordance with law;

41 (i) Grant loans or aids to other local government
42 units or to national, provincial and municipal
43 institutions of a charitable benevolent or educational

1 character;

2 (j) Appropriate money for the promotion of the
3 general welfare of the municipality and its
4 inhabitants;

5 (k) Fix in accordance with law the number and
6 rates of salaries of officials and employees of the
7 municipality paid from municipal funds and provide for
8 such expenditures as are necessary for the proper
9 conduct of the activities of the municipal government;

10 (l) Provide funds for construction and
11 maintenance or rental of buildings for the use of the
12 municipality;

13 (m) Upon the majority vote of all the members,
14 authorize the municipal mayor to lease to private
15 parties municipal public buildings held in a
16 proprietary capacity, subject to existing laws, rules
17 and regulations;

18 (n) Name streets and buildings owned by the
19 municipality and, for justifiable reasons, change not
20 oftener than once every ten years, the names of streets
21 and public buildings located within the boundaries of
22 the municipality, and regulate the numbering of houses
23 and buildings;

24 (o) Provide for the maintenance of a waterworks
25 system or district for supplying water to its
26 inhabitants and for the purification of the source of
27 supply and places through which the same passes,
28 regulate the consumption and use of water and fix and
29 collect charges therefor; provide for the construction,
30 repair and use of hydrants, pumps, cisterns and
31 reservoirs;

32 (p) Review all ordinances approved by the
33 *sangguniang barangay* to determine whether they are in
34 conformity with laws or municipal ordinances;

35 (q) Upon recommendation of the mayor, and in
36 accordance with the provisions of this Code and other
37 laws, create, consolidate, and reorganize municipal
38 offices when deemed necessary in the interest of
39 efficiency and economy;

40 (r) Regulate any business subject to municipal
41 license tax or fees and prescribe the conditions under
42 which a municipal license may be revoked;

43 (s) Charge a reasonable fee upon any person

1 engaged in any business or occupation in the
2 municipality before issuing a municipal permit
3 therefor, and provide conditions upon which the
4 business or occupation may be conducted;

5 (t) Regulate and fix the license fees for signs,
6 signboards, and billboards displayed at the place or
7 places where the profession or business advertised
8 thereby is in whole or in part conducted;

9 (u) Upon the majority vote of all the members,
10 grant franchises to any person or corporation to do
11 business within the municipality. to establish,
12 construct, operate and maintain a ferry, wharf, market
13 or slaughterhouse, or undertake such other activities
14 as may be allowed by existing laws;

15 (v) Regulate the inspection, weighing and
16 measuring of articles of commerce;

17 (w) Authorize the payment of compensation or
18 additional compensation, as the case may be, to any
19 officer or employee, or to a person not in government
20 service to temporarily fill a vacancy at a rate equal
21 to that actually received by the regular incumbent;

22 (x) Adopt zoning and subdivision ordinances or
23 regulations, subject to the provisions of existing
24 laws;

25 (y) Provide for the care of the poor, the aged,
26 the sick, or persons of unsound mind, delinquent and
27 abandoned minors, and disabled or handicapped persons
28 as well as adult offenders;

29 (z) Provide for the construction, improvement,
30 repair and maintenance of municipal streets, avenues,
31 alleys, sidewalks, bridges, parks and other public
32 places, and regulate the use thereof, and prohibit the
33 construction or placing of obstacles or encroachments
34 on them;

35 (aa) Provide for the lighting, cleaning and
36 sprinkling of streets and public places, prohibit
37 littering thereon, and provide for the efficient and
38 regular collection and disposal of garbage;

39 (bb) Regulate the drilling and excavation of the
40 ground for the laying of gas, water, sewer, and other
41 pipes; the building and repair of tunnels, sewers,
42 drains and other similar structures; erecting of poles
43 and the use of crosswalks, curbs and gutters therein.

1 and adopt measures to ensure public safety against open
2 canals, manholes, live wires and other similar hazards
3 to life and property, and provide just compensation or
4 relief for persons suffering from them;

5 (cc) Provide for the establishment, maintenance,
6 and regulation of the use of public drains, sewers and
7 public baths;

8 (dd) Regulate the selling, giving away or
9 dispensing of intoxicating malt, vinous, mixed or
10 fermented liquors at retail outlets;

11 (ee) Provide for the abatement of nuisance;

12 (ff) Penalize habitual drunkenness in public
13 places, vagrancy, mendicancy, prostitution, the
14 establishment and maintenance of houses of ill repute,
15 gambling and all fraudulent devices for the purpose of
16 obtaining money or property, or the printing,
17 circulation, exhibition or sale of obscene articles,
18 pictures, books or publications;

19 (gg) Provide for the suppression of riots,
20 vandalism, tumultuous affrays, disturbances and
21 disorderly assemblies;

22 (hh) Provide for the impounding of stray
23 animals;

24 (ii) Adopt measures to prevent and penalize
25 cruelty to animals;

26 (jj) Adopt measures and regulations to protect
27 the public from fire, floods, conflagration, typhoons,
28 drought, earthquakes, and other public calamities, and
29 provide relief for persons suffering from them;

30 (kk) Require owners, administrators, or tenants
31 of buildings and premises to keep and maintain them in
32 a sanitary condition, and should they fail to do so,
33 cause them to be cleared and kept in a sanitary
34 condition and the cost thereof to be assessed against
35 the owner, administrator or tenant, as the case may be,
36 which cost shall constitute a lien against the
37 property;

38 (ll) Provide for the regulation and inspection of
39 meat, fruits, poultry, milk, fish, vegetables and other
40 foodstuffs for public consumption;

41 (mm) Adopt quarantine regulations as are
42 desirable or necessary to prevent the introduction and
43 spread of diseases;

1 (nn) Establish fire limits in populous centers
2 and prescribe the kinds of buildings that may be
3 constructed or repaired within them;

4 (oo) Regulate cockpits, cockfighting and the
5 keeping or training of gamecocks;

6 (pp) Regulate garages and the keeping of
7 conveyances for hire and designate stands to be
8 occupied by public vehicles when not in use;

9 (qq) Regulate the construction and operation of
10 private markets, talipapa, or other similar buildings
11 and physical structures;

12 (rr) Regulate cafes, restaurants, beerhouses,
13 hotels, motels, inns, pension houses and lodging
14 houses, except travel agencies, tourist guides, and
15 tourist transports.

16 (ss) Regulate public dancing schools, public
17 dance halls and sauna baths or massage parlors;

18 (tt) Regulate the establishment and operation of
19 billiard pools, theatrical performances, circuses and
20 other forms of entertainment;

21 (uu) Regulate the establishment and provide for
22 the inspection of steam boiler and storage of
23 inflammable and combustible materials within the
24 municipality;

25 (vv) Establish a scholarship fund for poor but
26 deserving students for the payment of tuition and other
27 school fees, subject to such terms and conditions as
28 may be determined by ordinance;

29 (wv) Define boundaries and change the names of the
30 barangay within the municipality;

31 (xx) Provide group insurance for members of the
32 barangay tanod and other service units within the
33 municipality with public or private insurance
34 companies, whenever the finances of the municipality so
35 warrant; and

36 (yy) Conduct a *palarong bayan*, in coordination
37 with the Department of Education, Culture and Sports,
38 as a year-round or annual activity which shall include
39 traditional games and sports, and disciplines included
40 in national and international competitions;

41 (zz) Create, maintain, protect, and develop
42 communal forests and watersheds and provide for
43 imprisonment not exceeding six (6) months and/or a fine

1 not exceeding ten thousand pesos (P10,000.00) in case
2 of unauthorized cutting of any tree as defined by an
3 ordinance;

4 (aaa) Confirm all appointments by the municipal
5 mayor from the rank of division chiefs of each
6 department to the heads of the departments; and

7 (bbb) Exercise such other powers and perform such
8 other duties and functions as may be prescribed by law
9 or ordinance.

10 (3) Public utilities owned by the municipality may be
11 operated by the municipality or may be leased to private
12 parties preferably cooperatives under such terms and
13 conditions that may be imposed by the *sangguniang bayan*.

14 (4) When any ferry, market, or slaughterhouse
15 belonging to a municipality is to be leased to a private
16 party, or cooperative it shall be awarded to the highest
17 bidder for a period of not less than one year, renewable
18 under such terms as the *sangguniang bayan* may impose.

19 Article Four. The Municipal Secretary

20 SEC. 386. *Appointment, Compensation, Powers, Duties and*
21 *Functions.* - (1) There shall be a municipal secretary who
22 shall be appointed by the municipal mayor with the
23 concurrence of the majority of all the members of
24 *sangguniang bayan*, and whose term of office shall be co-
25 terminous with said *sanggunian*. The compensation,
26 allowances and other emoluments of the municipal secretary
27 who shall have the rank of a department head shall be
28 determined by law or ordinance. No person shall be
29 appointed municipal secretary unless he is a citizen of the
30 Philippines, resident of the municipality, of good moral
31 character, at least twenty-one (21) years of age, a holder
32 of a degree preferably in Law, Commerce, Public
33 Administration or any other related course from a duly
34 accredited or recognized college or university, and a
35 holder of a first grade Civil Service eligibility or its
36 equivalent: *Provided, That if no first grade eligible has*
37 *applied for the position in the municipality, a second*
38 *grade or a sub-professional career eligible can qualify.*

39 (2) He shall:

40 (a) Attend meetings of the *sangguniang bayan*,
41 keep the minutes of its proceedings and record other
42 acts of the municipal government;

43 (b) Record in a book kept for the purpose, all

1 ordinances and resolutions enacted or adopted by the
2 *sangguniang bayan*, with the dates of their enactment
3 and publication;

4 (c) Forward to the *sangguniang panlalawigan*
5 copies of approved ordinances and resolutions within
6 seventy-two hours after their approval;

7 (d) Forward to the mayor for appropriate action
8 ordinances and resolutions enacted or adopted by the
9 *sangguniang bayan* which have been certified as such by
10 the presiding officer within **seventy-two (72)** hours
11 after their enactment or adoption;

12 (e) Keep and affix the corporate seal of the
13 municipality on all ordinances and resolutions signed
14 by the mayor and on all other official documents and
15 papers of the municipal government as may be required
16 by law or ordinance;

17 (f) Attest to all executive orders,
18 proclamations, ordinances and resolutions signed by the
19 mayor;

20 (g) Translate into the dialect used by the
21 majority of the people of the municipality all
22 ordinances immediately after their approval, and have
23 the translation posted, together with the original at
24 the main entrance of the municipal building and in
25 other conspicuous public places in the barangay of the
26 municipality;

27 (h) Furnish certified copies of all records and
28 documents in his charge not otherwise classified as
29 confidential, upon payment to the municipal treasurer
30 of the fees prescribed by ordinances;

31 (i) Keep his office and all records therein which
32 are not of a confidential character open to public
33 inspection during the usual business hours;

34 (j) Act as custodian of the municipal library and
35 archives, if any and annually account for them; and

36 (k) Exercise such other powers and perform such
37 other duties and functions as may be prescribed by law
38 or ordinance.

39 Article Five. - The Municipal Treasurer

40 SEC. 387. *Appointment, Qualifications, Compensation,*
41 *Powers, Duties and Functions.* - (1) The municipal
42 treasurer shall be appointed by the municipal mayor **from a**
43 **list of nominees prepared by the Secretary of Finance,**

1 subject to the concurrence of the majority of all the
2 members of the *sangguniang bayan* and to Civil Service law,
3 rules and regulations.

4 (2) No person shall be appointed municipal treasurer
5 unless he is a citizen of the Philippines, an actual
6 resident of the municipality, of good moral character, at
7 least twenty-one years (21) of age, a holder of a degree
8 preferably in Law, Commerce, Public Administration or any
9 other related course from a duly accredited or recognized
10 college or university, and a holder of a first grade Civil
11 Service eligibility or its equivalent.

12 (3) The municipal treasurer shall receive such
13 compensation, allowances and other emoluments as may be
14 provided by law or ordinance.

15 (4) The municipal treasurer shall:

16 (a) Collect all monies and revenues accruing to
17 the municipality and issue proper receipts therefor
18 showing the date, the amount paid, the name of the
19 person making the payment and the amount upon which it
20 is paid;

21 (b) Disburse all municipal funds and other funds
22 entrusted to him by law or by competent authority, in
23 accordance with duly authorized appropriations and upon
24 properly executed vouchers bearing the approval of the
25 proper authorities;

26 (c) Submit to the municipal mayor certified
27 statements of actual and estimated income in connection
28 with the preparation of annual and supplemental budgets
29 of the municipality;

30 (d) Advise the *sangguniang bayan* and other
31 municipal officials concerned on the disposition of
32 municipal funds and on all municipal fiscal matters;

33 (e) For taxation purposes inspect, under the
34 supervision of the *sangguniang bayan*, the operation of
35 public utilities belonging to, leased or operated by,
36 the municipal government and all other commercial and
37 industrial enterprises of the municipality;

38 (f) Deposit all funds of the municipality with a
39 depository bank nearest their area of jurisdiction,
40 designated by the *sangguniang bayan* in the name of the
41 municipality;

42 (g) Certify jointly with the barangay treasurers
43 to the collectibility of the estimated tax receipts and

1 income of the barangay governments for the ensuing
2 calendar year;

3 (h) On or before the twentieth day of each month,
4 furnish the mayor and the *sangguniang bayan* a statement
5 of the appropriations, actual expenditure and balance
6 of all funds and accounts as of the last day of the
7 preceding month;

8 (i) Approve the registration of large cattle;

9 (j) Perform, as deputy of the provincial
10 treasurer in the municipality, such other duties not
11 inconsistent with law as the provincial treasurer may
12 assign to him;

13 (k) Keep a detailed account of all monies
14 received and pay or dispose of the same pursuant to
15 lawful authority;

16 (l) Charge, at rates to be fixed by the
17 *sangguniang bayan*, fees for public services and
18 supplies made available by his office to private
19 parties; and

20 (m) Exercise such other powers and perform such
21 other duties and functions as may be prescribed by law
22 or ordinance.

23 SEC. 388. *Temporary Disability.* - In the event of
24 inability of the treasurer to discharge the duties of his
25 office on account of a trip on official business, absence
26 on leave, sickness, suspension or other temporary
27 disability, the treasury official next in rank in the
28 municipality shall discharge the duties of the office,
29 provisions of existing laws to the contrary
30 notwithstanding.

31 SEC. 389. *Inspection of Municipal Treasurer's Accounts,*
32 *Automatic Suspension of Delinquent Treasurer.* - The books,
33 accounts, papers and cash in the custody of the municipal
34 treasurer shall at all times be open to inspection in
35 accordance with existing laws.

36 In case an examination discloses a shortage in the cash
37 which should be on hand or any misuse of the funds, in
38 violation of the law, it shall be the duty of the examining
39 officer to seize the cash books, accounts and papers,
40 verifying the amount of cash so seized in the presence of
41 at least two municipal officers designated by the mayor,
42 who shall certify to the amount so seized. Thereupon, the
43 municipal treasurer shall automatically stand suspended

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1 from office. The municipal mayor shall immediately report
2 the suspension to the Secretary of Finance for the latter's
3 appropriate action. The funds so seized shall be treated
4 as a municipal deposit in the account of the assistant
5 municipal treasurer or the treasury official next in rank
6 in the municipality until the municipal treasurer is
7 restored or a new municipal treasurer is appointed to
8 replace him.

9 SEC. 390. *Compensation.* - One third of the basic
10 salary of the municipal treasurer shall be shouldered by
11 the provincial government for his services as deputy of the
12 provincial treasurer. Two thirds shall be shouldered by
13 the municipal government where he is rendering service.



1 ARTICLE FIVE-A. - THE MUNICIPAL ASSESSOR

2 SEC. 391. *Appointment, Qualifications, Compensation,*
3 *Powers, Duties and Functions.* - (1) The municipal assessor
4 shall be appointed by the mayor with the concurrence of the
5 majority of all the members of the *sangguniang bayan* and
6 subject to civil service law, rules and regulations.

7 (2) No person shall be appointed municipal assessor
8 unless he is a citizen of the Philippines, an actual
9 resident of the municipality, of good moral character, at
10 least twenty-one (21) years of age, a holder of a degree
11 preferably in Law, Civil or Mechanical Engineering,
12 Commerce or Business Administration or any other related
13 course from a recognized college or university, a holder of
14 a first grade civil service eligibility or its equivalent,
15 and has at least three years experience in assessment work;

16 (3) The municipal assessor shall receive such
17 compensation, allowances and other emoluments as may be
18 provided by law or ordinance.

19 (4) The municipal assessor shall submit a periodic
20 report to the municipal mayor and to the provincial
21 assessor. he shall:

22 (a) Establish a systematic method of assessment
23 of real property in the manner prescribed by law and in
24 accordance with rules and regulations issued by the
25 department of finance;

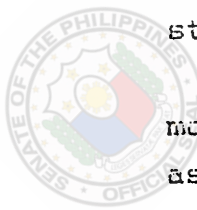
26 (b) Install and maintain a real property
27 identification and accounting system conforming to the
28 standards prescribed by the Department of Finance;

29 (c) Prepare, install and maintain a system of tax
30 mapping showing graphically all property subject to
31 assessment in the municipality and gather all necessary
32 data concerning the same;

33 (d) Make frequent physical surveys to check and
34 determine whether all real property within the
35 municipality are listed in the assessment rolls;

36 (e) Appraise all items of real property at
37 current market value in accordance with law and conduct
38 regular ocular inspections to determine if all
39 properties are assessed correctly;

40 (f) Keep a correct record of all transfers,
41 leases and mortgages of real property, rentals,
42 insurance, and cost of construction of buildings and
43 other improvements on land and land income for



1 assessment purposes;

2 (g) Apply uniformly the assessment levels fixed
3 by law to the current market value of all property
4 subject to assessment;

5 (h) Cancel assessments, in case several
6 assessments have been made for the same property,
7 except the one properly made, but if any assessee or
8 his representative shall object to the cancellation of
9 the assessment made in his name, such assessment shall
10 not be cancelled but the fact shall be noted on the tax
11 declaration and assessment rolls and other property
12 books of records. Preference however, shall be given
13 to the assessment of the person who has the best title
14 to the property, or in default thereof, of the person
15 who has possession of the property;

16 (i) Eliminate from the assessment roll of taxable
17 property those which have been destroyed or which,
18 being exempted, have been improperly included in the
19 same; decrease the assessment where property previously
20 assessed has suffered a permanent loss of value by
21 reason of storm, flood, fire or other calamity and
22 increase the assessment where improvements have been
23 made upon the property subsequent to the last
24 assessment;

25 (j) Attend personally or through his duly
26 authorized representative all sessions of the local
27 board of assessment appeals and present any information
28 or record in his possession as may be required by the
29 board in determining the current assessment of the real
30 property under appeal;

31 (k) Issue certificates pertaining to, or issue
32 certified copies of the assessment records of, real
33 property and all other records relative to its
34 assessment upon payment of a service charge or fee
35 fixed therefor by the *sangguniang bayan*;

36 (l) Make a report every semester of all
37 assessments during said period and submit copies of
38 said report to all the officials of the municipal
39 government including the *sangguniang barangay*; and

40 (m) Exercise such other powers and perform such
41 other duties and functions as may be prescribed by law
42 or ordinance.

1 Article Six. - The Municipal Budget Officer

2 SEC. 392. *Appointment, Qualifications, Compensation,*
3 *Powers, Duties and Functions.* - (1) The municipal budget
4 officer shall be appointed by the municipal mayor, with the
5 concurrence of the majority of all members of the
6 *sangguniang bayan* and subject to Civil Service law, rules
7 and regulations.

8 (2) No person shall be appointed municipal budget
9 officer unless he is a citizen of the Philippines, an
10 actual resident of the municipality, of good moral
11 character, at least twenty-one (21) years of age, has
12 completed at least two years of college education in a
13 recognized college or university, a holder of a first grade
14 Civil Service eligibility or its equivalent, and has
15 acquired at least three years of experience in budgeting or
16 in any related field.

17 (3) The municipal budget officer shall receive such
18 compensation, emoluments and allowances as may be provided
19 by law or ordinance.

20 (4) Under the general supervision and administrative
21 control of the municipal mayor, the municipal budget
22 officer shall:

23 (a) Exercise general supervision and control over
24 the municipal budget office;

25 (b) Provide technical and staff services to the
26 mayor and other local officials on budget matters;

27 (c) Prepare forms, orders and circulars embodying
28 instructions on budgetary and appropriation matters for
29 the approval of the municipal mayor;

30 (d) Review and consolidate the budget estimates
31 of the municipal government and exercise technical
32 review over budgets of barangay under the jurisdiction
33 of the municipality.

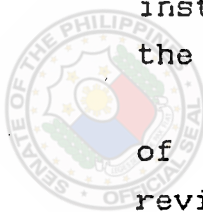
34 (e) Prepare the executive and special budgets of
35 the municipality;

36 (f) Evaluate allotment requests and prepare
37 corresponding recommendations;

38 (g) Study and evaluate budgetary implications of
39 proposed legislation and submit comments and
40 recommendations thereon;

41 (h) Submit budgetary reports to the municipal
42 mayor;

43 (i) Coordinate with the municipal treasurer for



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1 purposes of municipal government budgeting; and

2 (j) Exercise such other powers and perform such
3 other duties and functions as may be prescribed by law
4 or ordinance.

5 Article Seven. - The Municipal Planning and
6 Development Coordinator

7
8 SEC. 393. *Appointment, Qualifications, Compensation,*
9 *Powers, Duties and Functions.* - (1) The municipal
10 planning and development coordinator shall be appointed by
11 the municipal mayor, with the concurrence of the majority
12 of all the members of the *sangguniang bayan* and subject to
13 Civil Service law, rules and regulations.

14 (2) No person shall be appointed municipal planning
15 and development coordinator unless he is a citizen of the
16 Philippines, an actual resident of the municipality, of
17 good moral character, at least twenty-one (21) years of
18 age, a holder of a college degree preferably in law,
19 engineering, commerce, public administration or any related
20 course from a recognized college or university, a holder of
21 A first grade civil service eligibility or its equivalent,
22 and has at least three years experience in planning or in
23 any related field.

24 (3) The municipal planning and development coordinator
25 shall receive such compensation, emoluments and allowances
26 as may be provided by law or ordinance.

27 (4) He shall:

28 (a) Formulate an integrated economic, social,
29 physical and other development objectives and policies
30 for the consideration and approval of the *sangguniang*
31 *bayan* and the municipal mayor;

32 (b) Conduct continuing studies, researches and
33 relevant trainings necessary to evolve plans and
34 programs for implementation;

35 (c) Integrate and coordinate all sectoral plans
36 and studies undertaken by the different functional
37 groups or agencies;

38 (d) Monitor and evaluate the implementation of
39 the different development programs, projects and
40 activities in the municipality;

41 (e) Prepare municipal comprehensive plans and
42 other development planning documents;

43 (f) Analyze municipal income and expenditure

1 patterns, and formulate and recommend fiscal plans and
2 policies for the consideration and approval of the
3 sangguniang bayan and the municipal mayor:

4 (g) Promote citizen participation through
5 development planning at the barangay and municipal
6 levels;

7 (h) Exercise general supervision and control of
8 the day-to-day activities of the municipal planning and
9 development office personnel and the divisions,
10 sections or officers placed under its supervision; and

11 (i) Exercise such other powers and perform such
12 other duties and functions as may be prescribed by law
13 or ordinance.

14 (5) The municipal planning and development coordinator
15 shall be the ex-officio municipal civil registrar, and
16 shall perform all the powers, duties and functions
17 appurtenant thereto. He shall be directly responsible to
18 the Executive Director of the National Census and
19 Statistics Office, insofar as civil registration in the
20 municipality is concerned.

21 SEC. 394. *Municipal Building Official - Appointment,*
22 *Qualifications, Compensation, Powers, Duties and Functions.*
23 - The municipal building official shall be appointed by the
24 municipal mayor with the concurrence of the majority of the
25 members of the sangguniang bayan and subject to Civil
26 Service law, rules and regulations, and must be a
27 licensed civil engineer or architect. The compensation
28 powers, duties and functions of the municipal building
29 official shall be determined by the sangguniang bayan
30 concerned.

31 SEC. 395. *Municipal Attorney.* - The position of
32 municipal attorney may be created with the rank of a
33 department head in municipalities where it is needed and if
34 their finances warrant.

35 CHAPTER 4. League of Municipalities

36 SEC. 396. *Purpose of Organization.* - There shall be
37 an organization of all municipalities to be known as the
38 League of Municipalities for the purpose of crystallizing
39 issues affecting municipal administration.

40 SEC. 397. *Representation.* - Every municipality shall
41 be represented by the municipal mayor, or in his absence or
42 incapacity, by the municipal vice mayor or a sangguniang
43 bayan member duly elected for the purpose from among its

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1 membership in all meetings and/or deliberations called by
2 the provincial and national chapters of the League of
3 Municipalities.

4 SEC. 398. *Organization.* - (1) The League of
5 Municipalities in each level shall elect a board of
6 directors and a set of officers. The duly elected
7 presidents of the provincial chapters including the
8 president of the Metropolitan Manila chapter, shall
9 constitute the national chapter of the League of
10 Municipalities.

11 (2) A secretary-general shall be chosen from among the
12 members of the national chapter of the League of
13 Municipalities who shall be charged with the maintenance of
14 the organization in the absence of the duly elected
15 officers or upon the dissolution of the organization.

16 SEC. 399. *Functions and Duties of the League of*
17 *Municipalities.* - The League of Municipalities shall:

18 (a) Adopt measures for the promotion of the welfare of
19 all municipal officials and employees;

20 (b) Give priority to programs designed for the total
21 development of the municipalities, consistent with the
22 policies, programs and projects of the national government;

23 (c) Assist in the education of municipal residents for
24 citizen participation in municipal government
25 administration, in order to promote a united and concerted
26 action for the achievement of countrywide development
27 goals;

28 (d) Supplement the efforts of government in creating
29 opportunities for gainful employment within the
30 municipality;

31 (e) Serve as a forum for ideas and seeking the
32 necessary assistance of government and private entities for
33 the welfare of all the municipalities; and

34 (f) Perform such other functions and duties as the
35 League of Municipalities may prescribe for the welfare of
36 the organization.

37 SEC. 400. *Funding of the League of Municipalities.* -

38 (1) The League of Municipalities in all levels shall
39 derive all its funds from fund-raising campaigns or
40 programs in pursuance of specific projects for the
41 upliftment of municipalities, without the necessity of
42 securing permits therefor, subject, however, to the
43 pertinent provisions of the Revised Election Code.

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1 (2) All funds of the League of Municipalities in the
2 provincial and national levels of the organization shall be
3 deposited as trust funds with their respective provincial
4 or national treasurers, and be disbursed in accordance with
5 approval resolutions by the chapter concerned, subject to
6 auditing rules and regulations of the organization.

7 SEC. 401. *Constitution and By-laws of the League of*
8 *Municipalities.* - All other matters not herein otherwise
9 provided for involving the internal organization and
10 operations of the League of Municipalities shall be covered
11 by the Constitution and Bylaws of the organization, which
12 are hereby made suppletory to the foregoing provisions.

13 TITLE THREE. - THE CITY

14 CHAPTER 1. - Role and Creation of Cities

15 SEC. 402. *Role of Cities.* - As a political unit
16 covering urbanized and developed communities the city shall
17 serve as a main line government for the coordination and
18 delivery of all basic, regular and direct services within
19 its jurisdiction.

20 SEC. 403. *Manner of Creation.* - A city may be created,
21 divided, merged, abolished or its boundaries altered, only
22 by an Act of Congress in accordance with the criteria
23 established in this Code, subject to the approval by a
24 majority of the votes cast in a plebiscite in the unit or
25 units affected. Except as may otherwise be provided in
26 such Act, the plebiscite shall be conducted by the
27 Commission on Elections within one hundred twenty days of
28 its effectivity.

29 SEC. 404. *Requisites for Creation.* - (1) A municipality
30 may be converted into a component city if it has a
31 population of not less than one hundred thousand as
32 certified by the National Census and Statistics Office, and
33 an average regular annual income, as certified by the
34 Secretary of Finance, of at least ten million pesos for the
35 last two (2) consecutive years. The territory shall
36 comprise at least ten thousand hectares and need not be
37 contiguous if it comprises two or more islands.

38 (2) The regular annual income shall include the income
39 allotted for both the general and infrastructure funds
40 exclusive of trust funds, transfers, and non-recurring
41 income.

42 SEC. 405. *Cities, Classified.* - A city may either be
43 component or highly urbanized.

1 SEC. 406. *Highly Urbanized Cities.* - (1) Cities with
2 a minimum population of two (2) hundred thousand as
3 certified by the National Census and Statistics Office, and
4 with the latest annual income of at least fifty (50)
5 million pesos as certified by the Secretary of Finance,
6 shall be classified as highly urbanized cities.

7 Highly urbanized cities shall be independent of the
8 province.

9 (2) Cities which do not meet the above requirements
10 shall be considered component cities of the province in
11 which they are geographically located. If a component city
12 is located within the boundaries of two or more provinces,
13 said city shall be considered a component of the province
14 of which it used to be a municipality.

15 (3) Qualified voters of highly urbanized cities shall
16 be excluded from participating in provincial elections
17 while those in component cities shall be allowed to
18 participate in said elections.

19 SEC. 407. *Duty to Declare Highly Urbanized Status.* -
20 It shall be the duty of the Office of the President to
21 declare a city highly urbanized within thirty days after it
22 shall have met the minimum requirements prescribed in the
23 immediately preceding section, and upon proper application
24 therefor.

25 CHAPTER 1-A. AUTONOMOUS SPECIAL ECONOMIC ZONES

26 SEC. 408. *Establishment of Autonomous Special*
27 *Economic Zones Subject to the Prior Approval of the Local*
28 *Government Concerned.* - Autonomous special economic zones
29 that may be established by law in selected areas of the
30 country shall be subject to concurrence by the local
31 government units included therein.

32 CHAPTER 2. City Officials in General

33 SEC. 409. *Officials of the City Government.* - (1)
34 There shall be in each city a mayor, a vice mayor,
35 *sangguniang panlungsod* members, a city administrator, a
36 city secretary, a city treasurer, a city assessor, city
37 school superintendent, city health officer, city attorney,
38 a city budget officer, a city engineer, a city planning and
39 development coordinator, a city environmental officer, city
40 general services officer, a city cooperative and
41 agricultural officer; and

42 (2) The *sangguniang panlungsod* may maintain existing
43 offices not mentioned in paragraph (1) of this section, or

1 create such other offices as may be necessary to carry out
2 the purposes of the city government upon approval by the
3 city mayor.

4 CHAPTER 3. - Officials and Offices Common to All Cities

5 Article One. - The City Mayor

6 SEC. 410. Chief Executive, Compensation, Powers,
7 Duties and Functions. - The city mayor shall be the chief
8 executive of the city government, and shall exercise such
9 powers, duties and functions as provided in this Code and
10 other laws. He shall receive a monthly compensation as
11 provided by the *sangguniang panlungsod* but in no case shall
12 it be less than the following:

13 (a) Manila, Quezon City and highly urbanized cities,
14 twenty thousand pesos (P20,000.00);

15 (b) Component cities,

16 1) First class, seventeen thousand seventy-five
17 pesos (P17,075.00);

18 2) Second class, sixteen thousand two hundred
19 twenty-one pesos (P16,221.00);

20 3) Third class, fifteen thousand three hundred
21 sixty-eight pesos (P15,368.00);

22 4) Fourth Class, fourteen thousand five hundred
23 sixteen pesos (P14,516.00);

24 5) Fifth Class, thirteen thousand six hundred
25 sixty pesos (P13,660.00);

26 6) Sixth Class, twelve thousand nine hundred
27 thirty-four pesos (P12,934.00).

28 In addition to the allowances and emoluments subject to
29 rules and regulations of the Commission on Audit.

30 (2) The city mayor shall:

31 (a) Ensure that the laws of the Philippines and
32 the ordinances and resolutions of the city are duly
33 observed and enforced;

34 (b) Maintain peace and order in the city, and in
35 pursuance thereof, he shall be entitled to possess and
36 carry the necessary firearms within its territorial
37 jurisdiction, subject to existing rules and regulations
38 on the possession and carrying of firearms;

39 (c) Prepare and submit to the *sangguniang*
40 *panlungsod* the annual budget of the city for the
41 ensuing calendar year on the date and in the manner
42 provided and prescribed by law;

43 (d) See to it that executive officers and

1 employees of the city faithfully discharge their
2 respective duties, and for the purpose, cause, if
3 necessary, the institution and filing of appropriate
4 criminal or administrative action;

5 (e) Furnish the *sangguniang panlungsod* from time
6 to time, such information and recommend such measures
7 as he shall deem appropriate or necessary;

8 (f) Examine the books, records, and papers of all
9 offices, officers, agents or employees of the city;

10 (g) Represent the city in its business
11 transactions, and sign all warrants drawn on the city
12 treasury and all bonds, contracts and obligations of
13 the city;

14 (h) Appoint, in accordance with civil service
15 law, rules and regulations, all officers and employees
16 of the city, where appointments are not otherwise
17 provided in this Code;

18 (i) Cause to be instituted judicial proceedings
19 to recover property and funds of the city wherever
20 found, and cause to be defended all suits against the
21 city, or otherwise protect its interests;

22 (j) Ensure that all taxes and other revenues of
23 the city are collected, and the city funds applied in
24 accordance with law or ordinance to the payment and
25 settlement of the city expenses and obligations;

26 (k) Exempt, upon the recommendation of the
27 superintendent of city schools, deserving but
28 financially disadvantaged students from the payment of
29 tuition and other school fees or any part thereof;

30 (l) Take such emergency measures as may be
31 necessary to protect the public from fire, prevent and
32 mitigate the effects of floods, storms, earthquakes and
33 other public calamities;

34 (m) Grant or refuse to grant, pursuant to law,
35 city licenses or permits, and revoke the same for
36 violation of law or ordinance or the conditions upon
37 which they are granted;

38 (n) Require owners of houses, building or other
39 structures constructed without the necessary permit or
40 in violation of existing law or ordinance, to remove or
41 demolish such houses, buildings or structures within
42 thirty days, or cause its removal or demolition at the
43 expense of the owner;

1 (o) Grant permits to hold benefits, excepting
2 prohibited games of chance, for public and charitable
3 purposes without requiring approval of the Department
4 of Social Services and Development;

5 (p) Act on the commutation of vacation, sick and
6 maternity leaves and of trips outside the city of
7 chiefs of offices appointed by him;

8 (q) Initiate appropriate action against any
9 national government official or employee rendering
10 service within the city to draw the attention of the
11 corresponding superior officer to the transgression of
12 the official or employee concerned;

13 (r) Authorize payment of medical attendance,
14 necessary transportation, subsistence, and hospital
15 fees officials and employees of the city who suffer any
16 injury arising out of or in the course of their
17 employment and consider absence in such cases not
18 chargeable against any leave credit of the employee
19 concerned;

20 (s) Approve the commutation of such
21 transportation allowances as may be authorized by law
22 for chiefs of offices subject to the availability of
23 funds;

24 (t) Direct the preparation and formulation of the
25 development plan and program of the city, and upon
26 approval by the *sangguniang panlungsod*, direct and
27 supervise the implementation and execution of the same;

28 (u) Exercise direct supervision and control over
29 property and supply management matters in the city
30 government;

31 (v) Call a meeting of any or all of the officers
32 and employees of the city;

33 (w) Conduct an annual 'boys and girls week' in
34 such manner and at such a time as the *sangguniang*
35 *panlungsod* shall provide by ordinance: *Provided, That,*
36 such ordinance shall include in the observance of said
37 'boys and girls week' the election of a city mayor,
38 vice-mayor, *sangguniang panlungsod* members, and other
39 elective and appointive city officials among in-school
40 and community youth residing in the city from the ages
41 of thirteen to seventeen, to hold office as boy and
42 girl officials during the said week and to perform such
43 duties and conduct such activities as may be provided

1 in the ordinance;

2 (x) Create, maintain, protect, and develop
3 communal forests and watersheds;

4 (y) Act as *ex-officio* representative of the
5 National Police Commission and as such, he shall have
6 command, general and operational control, supervision
7 and direction over all the elements of the local police
8 forces;

9 (z) Exercise general supervision over all
10 employees of the National Government seconded to the
11 city;

12 (aa) Solemnize marriages pursuant to law;

13 (bb) Issue building permits pursuant to law; and

14 (cc) Perform such other duties and exercise such
15 other powers as may be prescribed by law or ordinance.

16 Article Two. - The Vice Mayor

17 SEC. 411. *Functions and Compensation.* - (1) The vice
18 mayor shall:

19 (a) Be the presiding officer of the *sangguniang*
20 *panlungsod*;

21 (b) Assume the office of the city mayor for the
22 unexpired term of the latter in the event of permanent
23 vacancy;

24 (c) Exercise the powers and perform the duties
25 and functions of the city mayor in cases provided for
26 in Section 48 of this Code; and

27 (d) Exercise such other powers and perform such
28 other duties and functions as may be prescribed by law
29 or ordinance.

30 (2) The vice-mayor shall receive a monthly
31 compensation as provided by the sanggunian but in no case
32 shall it be less than the following:

33 (A) Manila, Quezon city and highly urbanized
34 cities, eighteen thousand pesos (P18,000.00);

35 (B) Component cities

36 1) First class, fifteen thousand three
37 hundred thirty-two pesos (P15,332.00);

38 2) Second class, fourteen thousand five
39 hundred sixty-five pesos (P14,565.00);

40 3) Third class, thirteen thousand seven
41 hundred ninety-nine pesos (P13,799.00);

42 4) Fourth Class, thirteen thousand thirty-
43 two pesos (P13,032.00);

2/5/

1 5) Fifth Class, twelve thousand two
2 hundred sixty-five pesos (P12,265.00);

3 6) Sixth Class, eleven thousand six hundred
4 fourteen pesos (P11,614.00).

5 In addition to other allowances and emoluments subject to
6 the rules and regulations of the Commission on Audit.

7 Article Three. - The Sangguniang Panlungsod

8 SEC. 412. *Composition and Compensation* - (1) The
9 *sangguniang panlungsod*, as the legislative body of the
10 city, shall be composed of the vice mayor, as presiding
11 officer, the elected *sangguniang panlungsod* members, and
12 the presidents of the city barangay leagues and the city
13 federation of youth councils.

14 (2) Except the city vice mayor, members of the
15 *sangguniang panlungsod* shall each receive a monthly
16 compensation as provided by the sanggunian but in no case
17 it shall be less than the following:

18 (A) Manila, Quezon City and highly urbanized
19 cities, sixteen thousand five hundred pesos
20 (P16,500.00)

21 (B) Component Cities

22 1) First Class, thirteen thousand thirty-
23 three pesos (P13,033.00);

24 2) Second Class, twelve thousand three
25 hundred eighty-two pesos (P12,382.00);

26 3) Third Class, eleven thousand seven
27 hundred thirty pesos (P11,730.00);

28 4) Fourth Class, eleven thousand seventy-
29 eight pesos (P11,078.00);

30 5) Fifth Class, ten thousand two hundred
31 seventy-seven pesos (P10,277.00);

32 6) Sixth Class, nine thousand eight
33 hundred seventy-three pesos (P9,873.00).

34 In addition to other allowances and emoluments subject to
35 the rules and regulations of the Commission on Audit:
36 *Provided*, That the total salaries and wages of city
37 officials and employees shall not exceed fifty percent
38 (50%) of the total annual appropriations of the city. The
39 wages for projects arising from city loans shall likewise
40 be limited to fifty percent (50%): *Provided*, further, That
41 the *sanggunian* shall not increase the compensation of its
42 members during their term.

43 (3) Cities with a population of more than one hundred



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1 thousand to two hundred thousand shall elect twelve (12)
2 members of the *sangguniang panlungsod* at large; cities with
3 a population of more than two hundred to three hundred
4 thousand shall be entitled to elect fourteen (14) members
5 of the *sangguniang panlungsod*; and cities with a population
6 of more than three hundred thousand shall be entitled to
7 elect sixteen (16) members of the said *sanggunian*
8 including four (4) members representing labor, agriculture
9 and such other sectors as may be determined by the
10 *sanggunian*: Provided, That, the above number of elected
11 *sangguniang panlungsod* members shall not include the
12 president of the city barangay leagues and the city
13 federation of youth councils: Provided, further, That
14 nothing in this Code shall reduce the number of existing
15 councilors of cities beyond the limit set forth herein.

16 (4) No increase in the membership in the *sangguniang*
17 *panlungsod* under this section shall be effected except
18 through the regular election for local officials next
19 following the certification by the National Census and
20 Statistics Office of the increase in population, after
21 conducting an actual census in the city concerned.

22 SEC. 413. Powers Duties and Functions. - The
23 *sangguniang panlungsod* shall:

24 (a) Enact such ordinances as may be necessary to carry
25 into effect and discharge the responsibilities conferred
26 upon it by law, and such as shall be necessary and proper
27 to maintain peace, law and order, improve the morals,
28 promote prosperity and general welfare and provide for
29 health safety, convenience and protection of property
30 therein;

31 (b) Appropriate funds for expenses of the city
32 government, and fix the salaries of its officers and
33 employees according to law;

34 (c) Provide for the levy and collection of taxes and
35 other city revenues and apply the same to the payment of
36 the expenses of the city in accordance with appropriations;

37 (d) Grant tax exemptions subject to the approval of
38 two-thirds (2/3) vote of all of its members;

39 e) Regulate, fix the license fee for, and tax any
40 business or profession being carried on and exercised
41 within the territorial jurisdiction of the city, including
42 travel agencies, tourist guides, tourist transports,
43 hotels, resorts, de luxe restaurants, and tourist inns;

1 f) Provide for the construction, purchase and lease of
2 buildings necessary for the use of the city;

3 g) Establish and maintain public elementary, secondary
4 and collegiate schools subject to such limitations as may
5 be prescribed by the Department of Education, Culture and
6 Sports; and, conduct a palarong lungsod, in coordination
7 with the Department of Education, Culture and Sports, as an
8 annual activity which shall include traditional sports
9 included in national and international games;

10 h) Establish fire limits or zones, determine the kinds
11 of buildings and structures that may be erected within said
12 limits or zones and regulate the same, subject to
13 applicable provisions of law;

14 i) Make suitable provisions to protect the public from
15 conflagrations and to prevent and mitigate the effects of
16 famine, floods, storms and other public calamities, and
17 provide relief to victims thereof;

18 j) Provide for the lighting, cleaning and sprinkling
19 of street and other public places; summarily remove
20 encroachments and constructions on them; regulate their
21 use, the putting up thereon of signs, signposts, awning and
22 awning posts; prohibit littering, the placing, depositing,
23 leaving or throwing of garbage, refuse or other filth and
24 provide for their collection and disposition; regulate the
25 digging and excavation for the laying of gas, water, power
26 and other pipelines, the building and repair of tunnels,
27 sewers and drains, and all structures thereunder; the
28 placing, stringing, attaching, installing, repair and
29 construction of all gas mains, electric, telegraph and
30 telephone wires, conduits, meters and other apparatus, and
31 the correction, condemnation or removal of the same when
32 dangerous or defective;

33 k) Name and change the names of all streets, public
34 buildings and other public places not oftener than once
35 every ten years; regulate traffic upon the same; construct,
36 maintain and regulate the use of bridges, viaducts and
37 culverts;

38 l) Regulate amusement facilities and events having the
39 tendency to annoy people; suspend, suppress or prohibit the
40 operation of said amusement facilities and events in order
41 to protect the social and moral welfare of the community.

42 m) Establish and maintain waterworks for the purpose
43 of supplying water to the inhabitants of the city, purify

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1 the source of supply, regulate the use and prevent the
2 wastage of water, and fix and collect fees therefor;
3 regulate the construction, repair, and use of hydrants,
4 pumps, cisterns and reservoirs; and for the purpose of
5 protecting and ensuring the purity and quantity of the
6 water supply of the city, extend its ordinances over all
7 territories within the drainage area of such water supply,
8 and within one hundred meters of any reservoir, conduit,
9 canal, aqueduct, pumping station or watershed used in
10 connection with the water service:

11 n) Prohibit and penalize cruelty to animals, regulate
12 their keeping and use, restrict or prohibit their running
13 at large; establish and maintain a city pound and fix the
14 fees for poundage; provide for the distraining, impounding,
15 killing or sale of the same; and impose penalties upon the
16 owners of said animals for the violation of any ordinance
17 in relation thereto. Large cattle and all other animals of
18 the bovine family shall be disposed of in accordance with
19 law;

20 o) Require any land or building to be kept in
21 sanitary conditions at the expense of the owner or tenant,
22 and upon failure to comply with such an order, have the
23 work done, and assess the expenses upon the land or
24 building;

25 p) Provide for the construction and keeping in repair
26 of drains, sewers and cesspools, and regulate the
27 construction and use of private water closets, privies,
28 sewers, drains and cesspools;

29 q) Provide for the burial or cremation of the dead in
30 such place and in such manner as prescribed by law or
31 ordinance.

32 r) Establish and operate or authorize the
33 establishment and operation of markets and slaughterhouses,
34 and regulate the preparation and sale of meat, poultry,
35 fish, vegetables, fruits and other provisions or articles
36 of food offered for sale;

37 s) Adopt measures to prevent the introduction and
38 spread of disease;

39 t) Declare, prevent and abate nuisance;

40 u) Provide for an efficient machinery for the registry
41 of births, marriages, deaths, and other acts affecting
42 civil status of persons;

43 v) Suppress gambling activities and prohibit the

1 maintenance of gambling houses, houses of ill fame,
2 prostitution dens, houses where prohibited drugs are
3 unlawfully kept, dispensed or used and other similar
4 establishments;

5 w) Prohibit the printing, circulation, sale,
6 distribution or exhibition of immoral and obscene pictures,
7 films, articles, books or any other kind of pornographic
8 publications;

9 x) Prevent and suppress riots, affrays, disturbances
10 and disorderly assemblies, habitual drunkenness in public
11 places, drug addiction, vagrancy, mendicancy, prostitution,
12 gambling and other forms of disorderly or unlawful conduct,
13 and adopt measures for the rehabilitation of drug addicts,
14 alcoholics, vagrants, mendicants, prostitutes, gamblers and
15 juvenile delinquents;

16 y) Fix the fees and/or charges for all services
17 rendered by the city or any of its offices;

18 z) Establish or aid in the establishment and
19 maintenance of secondary and vocational and technical
20 schools and other institutions of higher learning and, with
21 the approval of the Department of Education, Culture, and
22 Sports, fix reasonable tuition and other school fees in the
23 educational institutions of higher learning supported by
24 the city;

25 aa) Appropriate money for purposes not specified by
26 law, having in view the general welfare of the city and its
27 inhabitants;

28 bb) Create, define boundaries, and change the names of
29 barangay in the city pursuant to the requirements of law;

30 cc) Create, consolidate, and reorganize city offices
31 and positions wholly supported by local funds;

32 dd) Review tax and appropriation ordinances, and if so
33 required, other ordinances approved by the sangguniang
34 barangay to determine if they are within the powers
35 conferred upon it by law;

36 ee) Authorize the payment of compensation or
37 additional compensation, as the case may be, to any officer
38 or employee designated to fill a temporary vacancy at a
39 rate equal to that actually received by the regular
40 incumbent;

41 ff) Provide for the care of the poor, the aged, the
42 sick, persons of unsound mind and abandoned minors, and for
43 the care and rehabilitation of disabled or handicapped

1 persons and of juvenile delinquents;

2 gg) Float bonds for the purpose of raising funds to
3 finance development projects, subject to applicable
4 provisions of law;

5 hh) Penalize violation of its ordinances by a fine of
6 not more than one thousand pesos (P1,000.00) or
7 imprisonment of not exceeding six months, or both such fine
8 and imprisonment at the discretion of the court;

9 ii) Grant franchises to any person or corporation to
10 do business within the city to establish, construct,
11 operate and maintain a ferry or wharf, or undertake such
12 other income-producing activities as may be allowed by law,
13 subject to the conditions it may impose;

14 jj) Regulate cockpits, cockfighting and the keeping or
15 training of gamecocks.

16 kk) Provide group insurance or additional insurance
17 coverage to all city barangay officials including members
18 of barangay tanod and other service units, with public or
19 private insurance companies whenever finances of the city
20 so warrant;

21 ll) Where feasible create, maintain, protect and
22 develop communal forests and watersheds and provide for
23 imprisonment not exceeding six (6) months and/or fine not
24 exceeding ten thousand pesos (P10,000.00) in case of
25 unauthorized cutting of any tree; and

26 mm) Exercise such other powers and perform such other
27 duties and functions as may be prescribed by law or
28 ordinance.

29 Article Four. - The City Secretary

30 SEC. 414. *Appointment, Compensation, Powers, Duties and*
31 *Functions.* - (1) There shall be a city secretary who shall
32 be appointed by the city mayor with the concurrence with
33 the majority of all the members of the *sangguniang*
34 *panlungsod*, and whose term of office shall be co-terminous
35 with said *sanggunian*. The compensation, allowances and
36 other emoluments of the city secretary who shall have the
37 rank of a department head shall be determined by law or
38 ordinance.

39 No person shall be appointed city secretary unless he
40 is a citizen of the Philippines, a resident of the city,
41 of good moral character, a holder of a college degree
42 preferably in law, commerce or public administration from a
43 duly accredited or recognized college or university, and a

1 holder of a first grade civil service eligibility or its
2 equivalent: *Provided*, That if no first grade eligible has
3 applied for the position in the city, a second grade or a
4 sub-professional career eligible can qualify.

5 (2) The city secretary shall:

6 (a) Be responsible for keeping a full record of
7 the proceedings of the *sangguniang panlungsod* and
8 filing all documents relative thereto as part of the
9 public records of the city;

10 (b) Record in a book kept for the purpose all
11 approved ordinances and resolutions enacted or adopted
12 by the *sangguniang panlungsod* with the dates of their
13 approval and publication;

14 (c) Keep the seal of the *sangguniang panlungsod*
15 and affix the same, with his signature, to all
16 ordinances and resolutions and to all official acts of
17 the said *sanggunian*, which he shall present for
18 signature to the presiding officer;

19 (d) Keep the corporate seal of the city and affix
20 the same with his signature on all ordinances and
21 resolutions and on all other official documents and
22 papers signed by the city mayor, as may be required by
23 law or ordinance;

24 (e) Attest to all executive orders,
25 proclamations, ordinances and resolutions signed by the
26 city mayor;

27 (f) Upon request, furnish certified copies of all
28 city records and documents in his charge which are not
29 of a confidential character, and charge such fees as
30 may be prescribed by ordinance of the *sangguniang*
31 *panlungsod*, to be paid directly to the city treasury;

32 (g) Keep his office and all records therein which
33 are not of a confidential character open to the public
34 during the usual business hours; and

35 (h) Exercise such other powers and perform such
36 other duties and functions as may be prescribed by law
37 or ordinance.

38 Article Five. - The City Treasurer

39 SEC. 415. *Appointment, Qualifications, Compensation,*
40 *Powers, Duties, and Functions* - (1) The city treasurer
41 shall be appointed by the city mayor from a list
42 prepared by the Department of Finance with the
43 concurrence of the majority of all the members of the

1 *sangguniang* *panlungsod*, and subject to civil service law.
2 rules and regulations.

3 (2) No person shall be appointed city treasurer unless
4 he is a citizen of the Philippines, an actual resident of
5 the city, of good moral character, a holder of a college
6 degree preferably in Law, Commerce or Public Administration
7 from a recognized college or university, a holder of a
8 first grade Civil Service eligibility or its equivalent,
9 and has been in the treasury or accounting service for at
10 least five years, two of which as an assistant city
11 treasurer.

12 (3) The city treasurer shall receive such
13 compensation, allowances and other emoluments as may be
14 provided by law or ordinance.

15 (4) The city treasurer shall:

16 (a) Advise the city mayor, the *sangguniang*
17 *panlungsod*, other city officials, and the national
18 officials assigned to the city on all fiscal matters;

19 (b) Collect taxes throughout the city, including
20 national, provincial and municipal taxes and other
21 revenues authorized by law;

22 (c) Take custody of and exercise supervision over
23 all city funds, and render monthly reports to the city
24 mayor of all income, disbursement and balances of funds
25 during the period, and furnish copies thereof to the
26 *sangguniang* *panlungsod* and to all department heads of
27 the city government;

28 (d) Take charge of the disbursement of all city
29 and other funds the custody of which may be entrusted
30 to him by law or other competent authority;

31 (e) Inspect, by authority of the *sangguniang*
32 *panlungsod*, the operation of public utilities belonging
33 to, leased or operated by, the city government, such as
34 telegraph and telephone, land and water transportation,
35 waterworks, electric-light plants, irrigation systems,
36 bonded warehouses, ferries, slaughterhouses, and other
37 commercial and industrial enterprises of the city, and
38 all private commercial and industrial establishments
39 within the city for purposes of implementing tax laws
40 and ordinances; and

41 (f) Perform such other duties as may be required
42 by law or ordinance.



1 SEC. 416. *Assistant City Treasurers.* - (1) When the
2 exigency of the service so requires, an assistant city
3 treasurer may be appointed by the city mayor with the
4 concurrence of the majority of all the members of the
5 *sangguniang panlungsod*, and subject to Civil Service law,
6 rules and regulations.

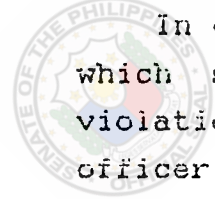
7 (2) No person shall be appointed assistant city
8 treasurer unless he is a citizen of the Philippines, an
9 actual resident of the city, of good moral character, a
10 holder of a college degree preferably in Law, Commerce or
11 Public Administration from a recognized college or
12 university, a holder of a first grade civil service
13 eligibility or its equivalent, and has had at least five
14 years experience in the treasury or accounting service, the
15 last two years of which as administrative deputy or its
16 equivalent.

17 (3) The assistant city treasurer shall receive such
18 compensation, allowances and other emoluments as may be
19 provided by law or ordinance.

20 (4) The assistant city treasurer shall assist the city
21 treasurer and perform such duties as the latter may assign
22 to him. He shall have authority to administer oaths.

23 SEC. 417. *Inspection of City Treasurer's Accounts,*
24 *Automatic Suspension of Delinquent Treasurer.* - The books,
25 accounts, papers and cash in the custody of the city
26 treasurer shall at all times be open to inspection by the
27 Commission on Audit in accordance with existing laws.

28 In case an examination discloses a shortage in the cash
29 which should be on hand or any misuse of the funds in
30 violation of law, it shall be the duty of the examining
31 officer to seize the cash, books, accounts and papers,
32 verifying the amount of cash so seized in the presence of
33 at least two officers designated by the city mayor, who
34 shall certify to the amount so seized. Thereupon, the city
35 treasurer shall automatically stand suspended from office.
36 The city mayor shall immediately initiate administrative
37 charges or criminal proceedings against the treasurer
38 concerned. The funds so seized shall be treated as city
39 deposit in the account of the assistant city treasurer or
40 the treasury official next in rank in the city until the
41 city treasurer is restored or a new city treasurer is
42 appointed to replace him.



1 Article Six. The City Assessor

2 SEC. 418. *Appointment, Qualifications, Compensation,*
3 *Powers and Duties.* - (1) The city assessor shall be
4 appointed by the city mayor, with the concurrence of the
5 majority of all the members of the *sangguniang panlungsod*,
6 and subject to civil service law, rules and regulations.

7 (2) No person shall be appointed city assessor unless
8 he is a citizen of the Philippines, an actual resident of
9 the city, of good moral character, a holder of a degree
10 preferably in law, civil or mechanical engineering,
11 commerce or any other related course from a recognized
12 college or university, a holder of a first grade civil
13 service eligibility or its equivalent, and has acquired
14 experience in real property assessment work or in any
15 related field for at least five years.

16 (3) The city assessor shall:

17 (a) Establish a systematic method of assessment
18 of real property in the manner prescribed by law;

19 (b) Install and maintain a real property
20 identification and accounting system conforming to the
21 standards prescribed by law;

22 (c) Prepare, install and maintain a system of tax
23 mapping showing graphically all property subject to
24 assessment in the city and gather all necessary data
25 concerning the same;

26 (d) Make frequent physical surveys to check and
27 determine whether all real property within the city are
28 properly listed in the assessment rolls;

29 (e) Appraise all items of real property at
30 current market value in accordance with law and conduct
31 regular ocular inspections to determine if all
32 properties are assessed correctly;

33 (f) Keep a correct record of all transfers,
34 leases, and mortgages of real property, rentals,
35 insurance, and cost of construction of buildings and
36 other improvements on land and land income for
37 assessment purposes;

38 (g) Apply uniformly the assessment levels fixed
39 by law to the current market value of all property
40 subject to assessment;

41 (h) Cancel assessments, in case several have been
42 made for the same property, except the one properly
43 made, but if any assessee or his representative shall

1 object to the cancellation of the assessment made in
2 his name, such assessment shall not be cancelled but
3 the fact shall be noted on the tax declaration and
4 assessment rolls and other property books of records.
5 Preference, however, shall be given to the assessment
6 of the person who has the best title to the property,
7 or in default thereof, of the person who has possession
8 of the property:

9 (i) Eliminate from the assessment roll of taxable
10 property those which have been destroyed or which,
11 being exempted, have been improperly included in the
12 same: decrease the assessment where property previously
13 assessed has suffered a permanent loss of value by
14 reason of storm, flood, fire or other calamity; and
15 increase the assessment where improvements have been
16 made upon the property subsequent to the last
17 assessment:

18 (j) Attend personally or through his duly
19 authorized representative all sessions of the local
20 board of assessment appeals and present any information
21 or record in his possession as may be required by the
22 board in determining the correct assessment of the
23 real property under appeal;

24 (k) Issue certificates pertaining to or issue
25 certified copies of the assessment records of real
26 property and all other records relative to its
27 assessment upon payment of a service charge or fee
28 fixed therefor by the *sangguniang panlungsod*:

29 (l) Make a report every semester of all
30 assessments during said period and submit copies of
31 said report to all the officials of the city government
32 including the *sangguniang barangay*; and

33 m) To recommend measures to the appropriate
34 authorities to prevent speculation on real properties;

35 n) To recommend measures to the appropriate
36 authorities for adequate provision of low-cost social
37 housing;

38 o) Exercise such other powers and perform such
39 other duties and functions as may be prescribed by law
40 or ordinance.

41 (4) The city assessor shall receive such compensation,
42 allowances and other emoluments as may be provided by
43 ordinance.

1 SEC. 419. *The Assistant City Assessor.* - (1) Whenever
2 the exigency of the service requires, an assistant city
3 assessor may be appointed by the city mayor with the
4 concurrence of the majority of all the members of the
5 *sangguniang panlungsod*, and subject to Civil Service law,
6 rules and regulations.

7 (2) No person shall be appointed assistant city
8 assessor unless he is a citizen of the Philippines, an
9 actual resident of the city, of good moral character, a
10 holder of a degree preferably in law, civil or mechanical
11 engineering, commerce or any related course from a
12 recognized college or university, a holder of a first grade
13 Civil Service eligibility or its equivalent, and has
14 acquired experience in real property assessment work or in
15 any related field for at least three years.

16 (3) The assistant city assessor shall receive such
17 compensation, allowances and other emoluments as may be
18 provided by law or ordinance.

19 (4) The assistant city assessor shall assist the city
20 assessor and perform such duties as the latter may assign
21 to him. He shall have the authority to administer oaths on
22 all declarations of real property for purposes of
23 assessment.

24 "INSERTION BY THE SPONSOR ENUMERATING THE
25 DUTIES OF THE CITY, SUPERINTENDENT
26 OF SCHOOLS, THE CITY HEALTH OFFICER
27 AND THE CITY ATTORNEY"

28 Article Seven. - The City Engineer

29 SEC. 420. *Appointment, Qualifications, Compensation,*
30 *Powers, Duties and Functions.* - (1) The city engineer
31 shall be appointed by the city mayor, with the concurrence
32 of the majority of all the members of the *sangguniang*
33 *panlungsod*, and subject to Civil Service law, rules and
34 regulations.

35 (2) No person shall be appointed city engineer unless
36 he is a citizen of the Philippines, an actual resident of
37 the city, of good moral character, a licensed civil
38 engineer, and has been an assistant city engineer or has
39 engaged in the practice of his profession for at least five
40 (5) years.

41 (3) The city engineer shall receive such compensation,
42 emoluments and allowances as may be determined by law or
43 ordinance.

44 (4) The city engineer shall:

1 (a) Take charge of all the surveying and
2 engineering works of the city, and perform such service
3 in connection with public improvements, or any work
4 entered upon or projected by the city or any office
5 thereof, as may require the skill and experience of a
6 civil engineer;

7 (b) Ascertain, record and establish monuments of
8 the city survey and from thereon extend the surveys of
9 the city, and locate, establish, and survey all city
10 property and also private property abutting on the
11 same, whenever directed by the city mayor;

12 (c) Prepare and submit plans, maps,
13 specifications and estimates for buildings, streets,
14 bridges, docks, and other public works, and supervise
15 the construction and repair of the same;

16 (d) Make such tests and inspection of engineering
17 materials used in construction and repair as may be
18 necessary to protect the city from the use of materials
19 of a poor or dangerous quality;

20 (e) Prevent the encroachment of private buildings
21 and fences on the streets and public places of the
22 city;

23 (f) Conduct general supervision and inspection of
24 all private docks and landing places and other property
25 bordering on the rivers, esteros, and waterways of the
26 city, and issue permits for the construction, repair
27 and removal of the same, and enforce all ordinances
28 relating to the same;

29 (g) Supervise the laying of mains and connections
30 for the purpose of supplying gas to the residents of
31 the city;

32 (h) Periodically inspect and report on the
33 conditions of public property and public works to the
34 *sangguniang panlungsod* and the city mayor;

35 (i) Regulate and supervise the location and use
36 of engines, boilers, forges, and other manufacturing
37 and heating appliances in accordance with law and
38 ordinance relating thereto, and charge fees, at rates
39 to be fixed by the *sangguniang panlungsod* for services
40 and supplies furnished by his office;

41 (j) Inspect and supervise the construction,
42 repair, removal and safety of private buildings, and
43 regulate and enforce the numbering of houses in



1 accordance with ordinances of the city;

2 (k) With the previous approval of the city mayor
3 in each case, order the removal of materials employed
4 in the construction or repair of any building or
5 structure made in violation of law or ordinance, and
6 cause buildings and structures dangerous to the public
7 to be made secure or torn down;

8 (l) File and preserve all maps, plans, notes,
9 surveys and other papers and documents pertaining to
10 his office;

11 (m) To act as the ex-officio city highways
12 engineer; and

13 (n) Exercise such other powers and perform such
14 other duties and functions as may be prescribed by law
15 or ordinance.

16 Article Eight - The City Budget Officer

17 SEC. 421. *Appointment, Qualifications, Compensation,*
18 *Powers, Duties and Functions.* - (1) The city budget
19 officer shall be appointed by the city mayor with the
20 concurrence of the majority of all the members of the
21 *sangguniang panlungsod*, and subject to Civil Service law,
22 rules and regulations.

23 (2) No person shall be appointed city budget officer
24 unless he is a citizen of the Philippines, an actual
25 resident of the city, of good moral character, a holder of
26 a degree preferably in law, commerce, public administration
27 or in any related course from a recognized college or
28 university, a holder of a first grade civil service
29 eligibility or its equivalent, and has at least five
30 years experience in budgeting or in any related field.

31 (3) The city budget officer shall receive such
32 compensation, allowances and other emoluments as may be
33 determined by law or ordinance.

34 (4) The city budget officer shall take charge of the
35 city budget office and provide technical and staff services
36 to the city mayor and other city officials on budget
37 matters. He shall:

38 (a) Advise the city mayor on the orders and
39 circulars to be issued on all budgetary and
40 appropriation matters;

41 (b) Consult and coordinate with the city
42 treasurer on the projection of the estimated income of
43 the city for the ensuing calendar year.

1 (c) Review and consolidate the budget proposals
2 of the different offices of the city government and of
3 the barangay under the jurisdiction of the city;

4 (d) Assist the city mayor in the preparation of
5 the annual executive and special budgets;

6 (e) Evaluate allotment requests and submit his
7 recommendations to the city mayor;

8 (f) Study and evaluate budgetary implications of
9 proposed legislation and submit comments and
10 recommendations thereon;

11 (g) Submit quarterly budgetary reports to the
12 city mayor; and

13 (h) Exercise such other powers and perform such
14 other duties and functions as may be prescribed by law
15 or ordinance.

16 Article Nine. - The City Planning and
17 Development Coordinator

18 SEC. 422. *Appointment, Qualifications, Compensation,*
19 *Powers, Duties and Functions.* - (1) The city planning and
20 development coordinator shall be appointed by the city
21 mayor with the concurrence of the majority of all the
22 members of the *sangguniang panlungsod*, and subject to Civil
23 Service law, rules and regulations.

24 (2) No person shall be appointed city planning and
25 development coordinator unless he is a citizen of the
26 Philippines, an actual resident of the city, of good moral
27 character, a holder of a degree preferably in law, civil
28 engineering, commerce, public administration or any related
29 course from a recognized college or university, a holder of
30 a first grade civil service eligibility or its equivalent,
31 and has at least five years experience in planning or in
32 any related field.

33 (3) The city planning and development coordinator
34 shall receive such compensation, emoluments and allowances
35 as may be determined by law or ordinance.

36 (4) He shall:

37 (a) Formulate an integrated economic, social,
38 physical and other development objectives and policies
39 for the consideration and approval of the *sangguniang*
40 *panlungsod* and the city mayor;

41 (b) Conduct continuing studies, researches, and
42 relevant training necessary to evolve plans and
43 programs for implementation;

1 (c) Integrate and coordinate all sectoral plans
2 and studies undertaken by the different functional
3 groups or agencies;

4 (d) Monitor and evaluate the implementation of
5 the different development programs, projects and
6 activities in the city;

7 (e) Prepare comprehensive plans and other
8 development planning documents;

9 (f) Analyze the city income and expenditure
10 patterns, and formulate and recommend fiscal plans and
11 policies for the consideration and approval of the
12 *sangguniang panlungsod* and the city mayor;

13 (g) Promote citizen participation through
14 development planning at the *barangay* level;

15 (h) Exercise general supervision and control of
16 the day-to-day activities of the city planning and
17 development office personnel; and

18 (i) Exercise such other powers and perform such
19 other duties and functions as may be prescribed by law
20 or ordinance.

21 ARTICLE TEN - THE CITY POPULATION OFFICER

22 SEC. 423. *Appointment, Qualifications, Compensation,*
23 *Powers, Duties and Functions.* - (1) The city population
24 officer shall be appointed by the city mayor, with the
25 concurrence of the majority of all the members of the
26 *sangguniang panlungsod*, and subject to civil service law,
27 rules, and regulations.

28 (2) No person shall be appointed city population
29 officer unless he is a citizen of the Philippines, an
30 actual resident of the city, of good moral character, a
31 holder of a college degree, and a holder of a first grade
32 Civil Service eligibility or its equivalent and has
33 acquired at least five (5) years experience in population
34 development or in any related field.

35 (3) The city population officer shall receive such
36 compensation emoluments and allowances as may be determined
37 by law or ordinance.

38 (4) The city population officer shall:

39 (a) Initiate, review and recommend changes in
40 policies and objectives, plans and programs,
41 techniques, procedures and practices in the promotion
42 of responsible parenthood, family welfare and
43 population development in the city;

1 (b) Administer, coordinate, supervise and control
2 the implementation of the city population development
3 program;

4 (c) Maintain and update a population data bank
5 for program operations and development planning
6 purposes;

7 (d) Conduct relevant trainings to evolve
8 effective plans and programs towards population
9 development; and

10 (e) Exercise such other powers and perform such
11 other functions related to population development as
12 may be prescribed by law or ordinance.

13 ARTICLE ELEVEN. - THE CITY ADMINISTRATOR

14 SEC. 424. Appointment, Qualifications, Compensation,
15 Powers and Duties. - (1) The city administrator shall be
16 appointed by the city mayor, with the concurrence of the
17 majority of all the members of the *sangguniang panlungsod*,
18 and subject to Civil Service law, rules and regulations.

19 (2) No person shall be appointed city administrator
20 unless he is a citizen of the Philippines, an actual
21 resident of the city, of good moral character, a holder of
22 a degree preferably in law, commerce or public
23 administration from a recognized college or university, a
24 holder of a first grade Civil Service eligibility or its
25 equivalent, and has acquired experience in the discharge of
26 management functions for at least five years.

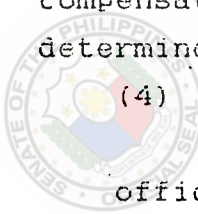
27 (3) The city administrator shall receive such
28 compensation, emoluments and allowances as may be
29 determined by law or ordinance.

30 (4) The city administrator shall:

31 (a) Assist in coordinating the work of all the
32 officers of the city, under the supervision, direction,
33 and control of the city mayor, and for this purpose, he
34 may convene the chiefs of offices and other officials
35 of the city;

36 (b) Establish and maintain a sound personnel
37 program for the city designed to promote career
38 development and uphold the merit principle in the city
39 government service;

40 (c) Direct and supervise the continuing study and
41 analysis of the internal organization, management
42 practices and operational procedures of the city
43 government offices with the end in view of instituting



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1 effective administrative reforms;

2 (d) maintain direct administrative supervision
3 over all market personnel except market collectors;

4 (e) Maintain and supervise cleanliness and
5 beautification of all public markets and premises;

6 (f) Formulate plans and policies for the
7 establishment of new public markets;

8 (g) Enforce all ordinances, rules and regulations
9 pertaining to or covering the administration and
10 operation of public markets; and

11 (h) Exercise such other powers and perform such
12 other duties and function as may be prescribed by law
13 or ordinance.

14 ARTICLE TWELVE. - THE CITY ENVIRONMENTAL OFFICER

15 SEC. 425. *Appointment. Qualifications. Compensation.*

16 *Powers, Duties and Functions.* - (1) The city
17 environmental officer shall be appointed by the mayor with
18 the concurrence of the majority of all the members of the
19 *sangguniang panlungsod* and subject to the Civil Service
20 rules and regulations.

21 (2) No person shall be appointed city environmental
22 officer unless he is a citizen of the Philippines, an
23 actual resident of the city, of good moral character, a
24 holder of a degree preferably in agriculture, forestry or
25 any related course from a recognized college or university,
26 has a first grade civil service eligibility or its
27 equivalent, and has at least five years experience in
28 forestry or in any related field.

29 (3) The city environmental officer shall receive such
30 compensation, emoluments and allowances as may be
31 determined by law or ordinance.

32 (4) He shall:

33 (a) Create, maintain, protect and develop
34 communal forests, watersheds and commercial forests
35 like industrial tree farms and agro-forestry projects.
36 to achieve these objectives he shall:

37 1) Obtain the necessary funds to pursue such
38 projects;

39 2) Hire and train technicians for extension
40 services;

41 3) Establish nurseries to produce seedlings;

42 4) Identify project sites for segregation or
43 acquisition;

1 5) Organize and mobilize people in the
2 upland communities to undertake such projects;

3 6) Coordinate with DENR and other government
4 agencies;

5 (b) Exercise such other powers and perform such
6 other duties and functions as may be prescribed by law
7 or ordinance.

8 ARTICLE THIRTEEN. - THE CITY COOPERATIVE OFFICER

9 SEC. 425. *Appointment, Qualifications, Compensation,*
10 *Powers, Duties and Functions.* - (1) The city cooperative
11 officer shall be appointed by the mayor with the
12 concurrence of the majority of all the members of the
13 *sangguniang panlungsod* and subject to the Civil Service
14 rules and regulations.

15 (2) No person shall be appointed city cooperative
16 officer unless he is a citizen of the Philippines, an
17 actual resident of the city, of good moral character, a
18 holder of a degree preferably in business administration
19 with special training in cooperatives or any related course
20 a recognized college or university, has a first grade Civil
21 Service eligibility or its equivalent, and has at least
22 five years service in cooperative organization.

23 (3) The city cooperative officer shall receive such
24 compensation, emoluments and allowances as may be
25 determined by law or ordinance.

26 (4) He shall:

27 (a) Promote the organization and development of
28 cooperatives. To achieve this objective he shall:

29 1) Train cooperative technicians for
30 extension work;

31 2) Identify groups in the urban and rural
32 areas who are interested in organizing cooperatives;

33 3) Upon request of these groups, conduct for
34 free cooperative seminars;

35 4) Assist them in the formulation of their
36 constitution and by-laws and other pertinent
37 documents needed for the registration of their
38 cooperatives;

39 5) Whenever feasible, provide assistance
40 which will contribute to the viability of existing
41 cooperatives;

42 6) Coordinate closely with the cooperative
43 development authority and existing cooperatives;

1 7) Exercise such other powers and perform
2 such other duties and functions as may be
3 prescribed by law or ordinance.

4 CHAPTER 4. League of Cities

5 SEC. 427. *Purpose of Organization.* - There shall be an
6 organization of all cities of the country to be known as
7 the League of Cities whose principal purpose is to
8 facilitate interaction and cooperation by and among cities.

9 SEC. 428. *Representation.* - Every city shall be
10 represented by the city mayor, or in his absence or
11 incapacity, by the vice mayor or a *sangguniang pambunso*
12 member duly elected for the purpose from among its
13 membership in all meetings and/or deliberations called by
14 the League of Cities.

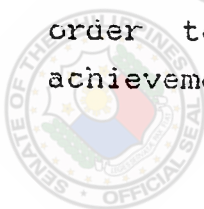
15 SEC. 429. *Organization.* - The League of Cities shall
16 elect a board of directors and a set of officers. A
17 secretary general shall be chosen who shall be charged with
18 the day to day operation and activity of the league.

19 SEC. 430. *Functions and Duties of the League of Cities.*
20 - The League of Cities shall:

21 (a) Adopt measures for the promotion of the welfare of
22 the cities, city officials and employees;

23 (b) Give priority to programs designed for the total
24 development of cities, consistent with policies,
25 programs and projects of the National Government;

26 (c) Assist in the education of city residents for
27 citizen participation in city government administration, in
28 order to promote a united and concerted action for the
29 achievement of countrywide development goals:



1 (d) Supplement the efforts of the national and
2 provincial governments in creating opportunities for
3 gainful employment within the cities;

4 (e) Serve as a forum for crystallizing ideas and
5 seeking the necessary assistance of government and private
6 entities for the welfare of all cities; and

7 (f) Perform such other functions and duties as the
8 League of Cities may prescribe for the welfare of the
9 organization.

10 SEC. 431. *Funding of the League of Cities.* - (1) The
11 League of Cities shall derive all its funds from fund-
12 raising campaigns or programs in pursuance of specific
13 projects for the upliftment of cities, without the
14 necessity of securing permits therefor, subject, however,
15 to the pertinent provisions of the Revised Election Code
16 and from contributions from member cities.

17 (2) All funds of the League of Cities shall be
18 deposited as trust funds with the organization's national
19 treasurer and be disbursed in accordance with approved
20 resolutions of the board, subject to auditing rules and
21 regulations of the organization and of the Commission on
22 Audit.

23 SEC. 432. *Constitution and By-Laws of the League of*
24 *Cities.* - The League of Cities shall be governed by its
25 Constitution and By-laws as well as the pertinent
26 provisions of this Code.

27 TITLE FOUR. THE PROVINCE

28 CHAPTER 1. - Role and Creation of Provinces

29 SEC. 433. *Role of Provinces.* - As a political unit
30 comprised of municipalities and component cities, the
31 province shall serve as an effective mechanism in the
32 development process and assume basically province-wide
33 functions, roles and activities.

34 SEC. 434. *Manner of Creation.* - A province may be
35 created, named and its boundaries defined, altered or
36 modified, only by an Act of Congress and subject to the
37 approval by a majority of the votes cast in a plebiscite
38 to be held in the unit or units affected. The plebiscite
39 shall be conducted by the Commission on Elections within
40 one hundred twenty days from the date of effectivity of
41 said Act, unless otherwise provided therein.

42 SEC. 435. *Requisites for Creation.* - A province may be
43 created if it has a territory of at least 350,000 hectares.

1 a population of at least one million, an average annual
2 income, as certified by the Department of Finance, of not
3 less than twenty million pesos (P20,000,000.00) for the
4 last two consecutive years, and its creation shall not
5 reduce the population, income and territory of the
6 original unit or units at the time of said creation to
7 less than the minimum requirements under this Code. The
8 territory need not be contiguous if it comprises two or
9 more islands.

10 The average estimated annual income shall include the
11 income allotted for both the general and infrastructure
12 funds, exclusive of trust funds, transfers and
13 nonrecurring income.

14 SEC. 436. *Existing Sub-Province.* - The provision of
15 the preceding section notwithstanding existing sub-
16 provinces and their component municipalities are hereby
17 converted into regular province upon the effectivity of
18 this Code: *Provided,* That the conversion is ratified in
19 appropriate plebiscites called for the purpose in the units
20 affected.

21 CHAPTER 2 - Provincial Officials in General

22 SEC. 437. *Officials of the Provincial Government.* -

23 (1) There shall be in each province a governor, a vice
24 governor, members of the *sangguniang panlalawigan*, a
25 provincial administrator, a provincial secretary, a
26 provincial treasurer, a provincial assessor, a provincial
27 budget officer, a provincial engineer, a provincial
28 agriculturist, a provincial planning and development
29 coordinator, provincial attorney, a provincial
30 environmental officer, a provincial cooperative officer and
31 provincial population officer.

32 (2) The *sangguniang panlalawigan* may maintain existing
33 office not mentioned in paragraph (1) of this section, or
34 create such other offices as may be necessary to carry out
35 the purposes of the provincial government,

36 SEC. 438. *Residence and Office.* - During the
37 incumbency of the governor he shall have his official
38 residence in the capital of the province. as far as
39 practicable, all elective and appointive officials shall
40 hold office in the provincial capital: *Provided,* That upon
41 resolution of the *sangguniang panlalawigan*, elective and
42 appointive officials of the province may hold office in any
43 municipality within the province for a period of not more

1 than one (1) week for any given month.

2 CHAPTER 3. - Officials and Offices Common to all Provinces

3 Article One. - The Provincial Governor

4 SEC. 439. *Provincial Governor as Chief Executive of the*
5 *Province, Powers, Duties and Functions.* - (1) The governor
6 shall be the chief executive of the provincial government
7 and shall exercise such powers and perform such duties and
8 functions as provided in this Code and other laws.

9 (2) The governor shall receive a monthly compensation
10 as provided by the *sangguniang panlalawigan* but in no case
11 shall it be less than the following:

- 12 a) First class, twenty thousand pesos
13 (₱20,000.00);
14 b) Second class,
15 c) Third class,
16 d) Fourth Class,
17 e) Fifth Class,
18 f) Sixth Class,

19 In addition to emoluments and allowances subject to the
20 rules and regulations of the Commission on Audit.

21 (3) The governor shall:

22 (a) Exercise supervision and control over all
23 services and offices of the provincial government and
24 over all national officials and employees seconded to
25 the province;

26 (b) Be responsible to the *sangguniang*
27 *panlalawigan* for the program of government;

28 (c) Direct the formulation of provincial
29 development plans and programs, and once approved by
30 the *sangguniang panlalawigan* direct the execution and
31 implementation of the same;

32 (d) On the first regular session of the
33 *sangguniang panlalawigan* in every calendar year and
34 from time to time thereafter, present the program of
35 government and recommend for the consideration of the
36 said *sanggunian* such measures as he may deem necessary
37 and proper;

38 (e) Appoint the heads of offices and other
39 employees of the provincial government whose salaries
40 are entirely or mainly paid out of provincial funds and
41 whose appointments are not herein otherwise provided
42 for, and those whom he may be authorized by law to
43 appoint: *Provided, That the appointments from the rank*

1 of division chiefs of every department to department
2 heads shall be confirmed by the majority of all the
3 members of the *sangguniang panlalawigan*;

4 (f) Upon authority of the *sangguniang*
5 *panlalawigan*, represent the province in all its
6 business transactions and sign on its behalf all bonds,
7 contracts and obligations and other official documents
8 made in accordance with law or ordinance;

9 (g) Exempt poor but deserving students from the
10 payment of tuition and other school fees; (BP 337,
11 Sec.203) (DEFERRED)

12 (h) Grant licenses or permits in accordance with
13 law or provincial ordinances or revoke the same for
14 violation of the conditions upon which they are
15 granted;

16 (i) Allocate and assign rooms to provincial and
17 other officials and employees who, by law, are entitled
18 to office space in the provincial capitol;

19 (j) Determine according to law or ordinance the
20 time, manner and place of payment of the salaries and
21 wages of the officers and employees of the province;

22 k) Coordinate the administration of services
23 rendered by national offices and agencies in the
24 province;

25 l) Call upon any national official or employee
26 stationed in the province to advise him on matters
27 affecting the province and make recommendations
28 thereon;

29 m) Represent the province in inter-provincial or
30 regional sports councils or committees and coordinate
31 the efforts of component political units in the
32 regional and/or national "palaro" or sports development
33 activities; and call a convention or meeting of any or
34 all the heads of component political units and other
35 local officials in the province at such place and time
36 as he may designate for inter-provincial, regional, or
37 other activities affecting any or all of the component
38 political units;

39 n) In aid of his executive and administrative
40 powers, require all national officers and employees
41 stationed in the province to make available to him such
42 books, records and other papers as are in their
43 custody, except those classified by law as
44 confidential;

1 o) Enforce laws, provincial ordinances and
2 resolutions and issue the necessary orders for their
3 faithful and proper enforcement and execution, and in
4 pursuance thereof, he shall be entitled to carry the
5 necessary firearms within his territorial jurisdiction,
6 subject to existing rules and regulations on the
7 possession and carrying of firearms;

8 p) At least ten and one-half months before the
9 beginning of each calendar year, require each head of
10 office or department to prepare and submit to him an
11 estimate of appropriations for the operation of each
12 office or department during the ensuing calendar year,
13 which estimate shall be prepared on the basis of
14 programs, projects, activities and workloads, and such
15 estimates of appropriations, after evaluation, shall
16 form part of the executive budget of the province;

17 q) Finalize and submit to the *sangguniang*
18 *panlalawigan* the annual budget of the province for the
19 ensuing calendar year on or before the time fixed in
20 local budgeting regulations;

21 r) Ensure that officers and employees, of the
22 province properly discharge their respective functions
23 and duties;

24 s) Adopt measures to safeguard all lands,
25 buildings, record, monies, credits and other property
26 and rights of the province;

27 t) Make known to the people of the component
28 units of the province all general laws or governmental
29 orders which especially concern them;

30 u) Cause to be instituted in accordance with law,
31 administrative and or judicial proceedings against any
32 officer or employee of the province or any elective
33 official of its component units who may have committed
34 any offense in the performance of his official
35 functions and duties;

36 v) Cause to be instituted administrative and/or
37 judicial proceedings in connection with the violation
38 of ordinances for the collection of taxes, fees and
39 charges and the recovery of property and funds of the
40 province and cause to be defended all suits against it,
41 and otherwise protect its interest;

42 w) Visit, at least once in six months, the
43 component units of the province to acquaint himself

1 with local conditions, advise authorities, receive
2 complaints on the official conduct of local officials
3 and for other purposes;

4 x) Act on vacation, sick and maternity leaves of
5 officers and employees appointed by him and the
6 commutation of the money value thereof;

7 y) Authorize trips outside the province of
8 provincial officers and employees including national
9 government officials or employees seconded to the
10 province for a period not exceeding thirty days;

11 z) Approve the commutation of the transportation
12 and representation allowances of heads of offices and
13 other officials of the province as authorized by law;

14 aa) Exercise direct supervision and control of all
15 matters pertaining to property and supply management
16 functions of the provincial government;

17 bb) Conduct an annual 'boys and girls week' in
18 such manner and at such a time as the *sangguniang*
19 *panlalawigan* shall provide by ordinance. *Provided,*
20 *That,* such ordinance shall include in the observance of
21 said 'boys and girls week' the election of a provincial
22 governor, vice-governor, *sangguniang panlalawigan*
23 members, and other elective and appointive provincial
24 officials among in-school and community youth residing
25 in the province from the ages of thirteen and
26 seventeen, to hold office as boy and girl officials
27 during the said week and to perform such duties and
28 conduct such activities as may be provided in the
29 ordinance; and

30 cc) Conduct a *palarong panlalawigan*, in
31 coordination with the Department of Education, Culture
32 and Sports, as an annual activity which shall include
33 traditional sports, included in national and
34 international games; and

35 dd) Create, maintain, protect and develop
36 communal forests and watersheds;

37 ee) Ensure that the construction and repair of
38 roads and highways funded by the National Government
39 shall be made, as far as practicable, in a continuous
40 and spatially contiguous manner; and

41 ff) Exercise such other powers and perform such
42 other duties and functions as may be prescribed by law
43 or ordinance.

Article Two. - The Vice-Governor

SEC. 440. Compensation, Powers, Duties and Functions.

(1) The vice-governor shall:

(a) Be the presiding officer of the *sangguniang panlalawigan*;

(b) Assume the office of the governor for the unexpired term of the latter in the cases provided for in paragraph (1) of Section 45 of this Code;

(c) Exercise the powers and perform the duties and functions of the governor in the cases provided for in Section 48 of this Code; and

(d) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(2) The vice governor shall receive a monthly compensation as provided by the *sangguniang panlalawigan* but in no case shall it be less than the following:

(A) First class, thirteen thousand pesos (P13,000.00);

(B) Second class, eleven thousand pesos (P11,000.00);

(C) Third class, nine thousand pesos (P9,000.00);

(D) Other classes, seven thousand pesos (P7,000.00);

In addition to the emoluments and allowances subject to the rules and regulations of the Commission on Audit.

Article Three. - The Sangguniang Panlalawigan

SEC. 441. Composition.- (1) The provincial legislative power shall be vested in the *sangguniang panlalawigan*.

(2) The *sangguniang panlalawigan* shall be composed of the vice governor, as presiding officer, eleven (11) members elected at large including three (3) representatives from labor, agriculture and such other sectors as may be determined by the *sanggunian panlalawigan* in addition to the presidents of the provincial league of barangay, the league of municipalities, league of municipal councils and the provincial federation of youth councils.

SEC. 442. Powers, Duties and Functions. - (1) The members of the *sangguniang panlalawigan* shall each receive a monthly compensation as provided by the *sangguniang panlalawigan* but shall in no case be less than the following

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- 1 (a) First class, eleven thousand pesos
2 (P11,000.00);
3 (b) Second class, ten thousand pesos
4 (P10,000.00);
5 (c) Third class, nine thousand pesos (P9,000.00);
6 (d) Other classes, eight thousand pesos
7 (P8,000.00);

8 In addition to emoluments and allowances subject to the
9 rules and regulations of the Commission on Audit: *Provided*,
10 That the total salaries and wages of provincial officials
11 and employees shall not exceed fifty percent (50%) of the
12 total annual appropriations. The wages for projects arising
13 from provincial loans shall likewise be limited to fifty
14 percent (50%): *Provided, further*, That the sanggunian shall
15 not increase the monthly compensation of its members during
16 their term.

17 (2) The *sangguniang panlalawigan* shall:

18 a) Enact such ordinances as may be necessary to
19 carry into effect and discharge the responsibilities
20 conferred upon it by law, to maintain peace, law and
21 order, improve public morals, promote prosperity and
22 general welfare, and provide for the health, safety,
23 comfort and convenience of the inhabitants; and for
24 the welfare of the province pass ordinances or issue
25 regulations which provide housing; maintain ecological
26 balance and pollution control; enforce land use plans
27 and zoning; provide adequate facilities for water,
28 light, telephone and telegraph, and an integrated
29 sewerage and waste disposal system;

30 b) Create, maintain, protect and develop communal
31 forests and watersheds and provide for imprisonment not
32 exceeding six months and or fine not exceeding ten
33 thousand pesos in case of unauthorized cutting of any
34 tree.

35 c) Prescribe reasonable limits and restraints on
36 the use of property, and for violation of ordinances,
37 provide for imposition of a fine not exceeding one
38 thousand pesos or six months imprisonment, or both
39 such fine and imprisonment at the discretion of the
40 court;

41 d) Levy taxes for general and special purposes
42 and fix the taxes thereof in accordance with the
43 provisions of this Code;

1 e) Impose and fix reasonable fees and charges for
2 all services rendered by the province to private
3 parties;

4 f) Upon the majority vote of all the members,
5 authorize the governor to negotiate and contract loans
6 and other forms of obligation in accordance with the
7 provisions of the Code, or to float bonds for
8 development projects, subject to such limitations as
9 may be provided by this Code;

10 g) Upon recommendation of the provincial
11 governor, appropriate money for purposes not specified
12 by the law which will promote the general welfare of
13 the province and its inhabitants;

14 h) Fix in accordance with law the number and
15 salaries of officials and employees of the province
16 paid from provincial funds and provide for
17 expenditures that are necessary for the proper conduct
18 of the activities of the provincial government;

19 i) Provide funds for the construction,
20 maintenance and rental of buildings for the use of the
21 province;

22 j) Provide for the establishment and maintenance
23 of an adequate provincial jail and detention center
24 and appropriate sufficient funds for the subsistence of
25 prisoners and detainees.

26 k) Regulate and fix such license fees as are
27 provided for in this Code and other laws;

28 l) Provide or facilitate the establishment and
29 maintenance of a waterworks system or district
30 waterworks for supplying water to inhabitants of its
31 component cities and municipalities;

32 m) Review ordinances and resolutions approved by
33 the *sanggunian* of component cities and municipalities
34 within the authority granted by law;

35 n) Authorize the payment of compensation or
36 additional compensation, as the case may be to any
37 officer or employee, or to any person not in the
38 government service appointed temporarily to fill a
39 vacancy at a rate of salary authorized for the
40 position pursuant to law;

41 o) Provide for the establishment and operation of
42 secondary, professional and technical and vocational
43 schools and colleges subject to existing laws and

1 regulations and, with the advice of the division
2 superintendent of schools, fix reasonable fees for
3 instruction therein;

4 p) Provide for the establishment and maintenance
5 of centers and facilities for the rehabilitation and
6 reformation of vagrants, drug addicts, alcoholics,
7 mendicants, prostitutes, juvenile delinquents and
8 convicts on probation or parole or who have served
9 their sentence;

10 q) Adopt measures and issue regulations to
11 protect the public from floods, conflagrations,
12 typhoons, droughts, earthquakes and other calamities
13 and provide relief for persons suffering from the
14 same;

15 r) Adopt measures and safeguards against
16 pollution for the preservation of the natural
17 ecosystems in the province in consonance with approved
18 standards on human settlements and environmental
19 sanitation;

20 s) Provide for the construction, improvement,
21 repair and maintenance of roads, bridges, waterways,
22 parks and playgrounds, and other public works, and
23 regulate the use thereof;

24 t) Make provisions within the financial capacity
25 of the province, for the care of the poor, the aged,
26 the sick, or persons of unsound mind, the care and
27 rehabilitation of delinquent and abandoned minors and
28 other disabled or handicapped persons;

29 u) Provide for the suppression of riots,
30 vandalism, tumultuous affrays, disturbances and
31 disorderly assemblies;

32 v) Adopt measures on quarantine as may from time
33 to time be deemed desirable or necessary to prevent
34 the introduction and spread of diseases;

35 w) Adopt such measures as would enhance the full
36 implementation of the agrarian reform program of the
37 government; and

38 x) Confirm all appointments made by the
39 provincial governor from the rank of division chiefs of
40 every departments to department heads; and

41 y) Exercise such other powers and perform such
42 other duties and functions as may be prescribed by law
43 or ordinance.

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1 Article Four. - The Provincial Secretary

2 SEC. 443. *Appointment, Compensation, Powers, Duties*
3 *and Functions.* - (1) There shall be a provincial secretary
4 who shall be appointed by the provincial governor with the
5 concurrence of the majority of all the members of the
6 *sangguniang panlalawigan*, and whose term of office shall
7 be co-terminous with said *sanggunian*. The compensation,
8 allowances and other emoluments of the provincial
9 secretary who shall have the rank of a department head
10 shall be determined by law or ordinance.

11 (2) The provincial secretary shall:

12 (a) Attend meetings of the *sangguniang*
13 *panlalawigan*, keep the minutes of its proceedings,
14 and record other acts of the provincial government;

15 (b) Keep the seal of the province and affix the
16 same with his signature to all ordinances, resolutions
17 and other official acts of the *sangguniang panlalawigan*
18 and present the same to the presiding officer for his
19 signature;

20 (c) Forward to the provincial governor copies
21 of approved ordinances and resolutions;

22 (d) Furnish upon request of any interested party
23 certified copies of records of public character in his
24 charge, upon payment to the provincial treasurer of
25 such fees as may be prescribed by ordinance;

26 (e) Record in a book kept for the purpose, all
27 ordinances and resolutions enacted or adopted by the
28 *sangguniang panlalawigan*, with the dates of passage
29 and publication thereof;

30 (f) Cause each ordinance passed to be published
31 as herein provided;

32 (g) Exercise general supervision over the staff
33 of the *sanggunian panlalawigan*; and

34 (h) Exercise such other powers and perform such
35 other duties and functions as may be provided by law
36 or ordinance.

37 (3) No person shall be appointed provincial secretary
38 unless he is a citizen of the Philippines, of good moral
39 character, a resident of the province, a holder of a
40 college degree preferably in law, commerce or public
41 administration from a duly accredited or recognized college
42 or university, and a first grade civil service eligible or
43 its equivalent: *Provided, That, if no first grade eligible*

1 has applied for the position in the province, a second
2 grade or a sub-professional career eligible can qualify.

3 Article Five. - The Provincial Treasurer

4 SEC. 444. *Appointment, Qualifications, Compensations,*
5 *Powers, Duties and Functions.* - (1) The provincial
6 treasurer shall be appointed by the provincial governor
7 with the concurrence of the majority of all the members of
8 the *sangguniang panlalawigan*, and subject to civil service
9 law, rules and regulations.

10 (2) No person shall be appointed provincial treasurer
11 unless he is a citizen of the Philippines, an actual
12 resident of the province, of good moral character, a
13 holder of a college degree preferably in law, commerce or
14 public administration from a recognized college or
15 university, a first grade civil service eligible or its
16 equivalent, and has at least five years of experience in
17 the treasury or accounting service two of which as
18 assistant city or provincial treasurer.

19 (3) The provincial treasurer shall receive such
20 compensation, allowances and other emoluments as may be
21 provided by law or ordinance.

22 (4) The provincial treasurer shall:

23 (a) Advise the governor, the *sangguniang*
24 *panlalawigan* and other provincial and national
25 officers concerned with the disposition of provincial
26 funds on all matters relative to public finance;

27 (b) Collect taxes throughout the province
28 including national, provincial and municipal taxes and
29 other revenues authorized by law;

30 (c) Take custody of and exercise supervision over
31 all provincial funds;

32 (d) Take charge of the disbursement and
33 accounting of all provincial funds and other funds the
34 custody of which may be entrusted to him by law or
35 other competent authority;

36 (e) Exercise technical supervision over all
37 treasury offices of component municipalities;

38 (f) Inspect, under the authority of the
39 *sangguniang panlalawigan*, all commercial and industrial
40 enterprises of the province and all private commercial
41 and industrial establishments with the province in
42 relation to the implementation of provincial tax
43 ordinances; and

1 (g) Exercise such other powers and perform such
2 other duties and functions as may be prescribed by law
3 or ordinance.

4 SEC. 445. *Assistant Provincial Treasurers.* - When the
5 exigency of the service so requires, an assistant
6 provincial treasurer may be appointed by the governor with
7 the concurrence of the majority of all the members of the
8 *sangguniang panlalawigan*, and subject to civil service
9 law, rules and regulations.

10 (2) No person shall be appointed assistant provincial
11 treasurer unless he is a citizen of the Philippines, an
12 actual resident of the province, of good moral character, a
13 holder of a college degree preferably in law, commerce or
14 public administration from a recognized college or
15 university, a holder of a first grade civil service
16 eligibility or its equivalent, and has at least five
17 years experience in the treasury or accounting service.

18 (3) The assistant provincial treasurer shall receive
19 such compensation, allowances and other emoluments as may
20 be provided by law or ordinance.

21 (4) The assistant provincial treasurer shall assist
22 the provincial treasurer and perform such duties as the
23 latter may assign to him. He shall have authority to
24 administer oaths concerning notices and notifications to
25 those delinquent in the payment of the real property tax
26 and concerning official matters relating to the accounts
27 of the provincial treasurer or otherwise arising in the
28 offices of the provincial treasurer and the provincial
29 assessor.

30 Article Six. - The Provincial Assessor

31 SEC. 446. *Appointment, Qualifications, Compensation,*
32 *Powers, Duties and Functions.* - (1) The provincial
33 assessor shall be appointed by the provincial governor
34 with the concurrence of the majority of all the members of
35 the *sangguniang panlalawigan*, and subject to civil service
36 law, rules and regulations.

37 (2) No person shall be appointed provincial assessor
38 unless he is a citizen of the Philippines, an actual
39 resident of the province, of good moral character, a
40 holder of a degree preferably in law, civil or mechanical
41 engineering, commerce or any other related course from a
42 recognized college or university, a holder of a first grade
43 civil service eligibility or its equivalent, and has

1 acquired experience in real property assessment work or in
2 any related field for at least five years.

3 (3) The provincial assessor shall receive such
4 compensation, allowances and other emoluments as may be
5 provided by law or ordinance.

6 (4) The provincial assessor shall:

7 (a) Initiate, review, and recommend changes in
8 policies and objectives, plans and programs,
9 techniques, procedures and practices in the assessment
10 and revision of real property values;

11 (b) Establish a systematic method of assessment;

12 (c) Install and maintain a real property
13 identification and accounting system;

14 (d) Prepare, install and maintain a system of
15 tax-mapping, showing graphically all property subject
16 to assessment and gather all data concerning the same;

17 (e) Make frequent physical surveys to check and
18 determine whether all real property within the province
19 are properly listed in the assessment rolls;

20 (f) Appraise all real property at current market
21 value and conduct regular ocular inspection to
22 determine if they are assessed correctly.

23 (g) Keep a record of all transfers, leases, and
24 mortgages of real property rentals, insurance, and
25 cost of construction of buildings and other
26 improvements on land for assessment purposes;

27 (h) Apply uniformly the assessment levels for the
28 current market value of all property subject to
29 assessment;

30 (i) Cancel all assessments, except those which
31 are properly made, in case several assessments have
32 been made for the same property;

33 (j) Cancel, raise, or lower, as the case may
34 require, the assessment of any parcel or item of real
35 property in the province;

36 (k) Issue certified copies of assessment records
37 of real property and all other records relative to its
38 assessment upon payment of a service charge or fee to
39 the provincial treasurer;

40 (l) Submit a report every semester of all
41 assessments as well as cancellations and modifications
42 of assessments done during the period. to the governor,
43 each member of the *sangguniang panlalawigan*, and all

1 mayors of component cities and municipalities; and

2 (m) Exercise such other powers and perform such
3 other duties and functions as may be prescribed by law
4 or ordinance.

5 SEC. 447. *The Assistant Provincial Assessor.* - (1)

6 When the exigency of the service so requires, an assistant
7 provincial assessor may be appointed by the provincial
8 governor with the concurrence of the majority of all the
9 members of the sangguniang panlalawigan, and subject to
10 civil service law, rules and regulations.

11 (2) No person shall be appointed assistant provincial
12 assessor unless he is a citizen of the Philippines, an
13 actual resident of the province, of good moral character, a
14 holder of a degree preferably in law, civil or mechanical
15 engineering, commerce or any related course from a
16 recognized college or university, a holder of a first
17 grade civil service eligibility or its equivalent, and has
18 acquired experience in real property assessment work or in
19 any related field for at least five years.

20 (3) The assistant provincial assessor shall receive
21 such compensation, allowances and other emoluments as may
22 be provided by law or ordinance.

23 (4) The assistant provincial assessor shall assist
24 the provincial assessor and perform such duties as the
25 latter may assign to him. He shall have the authority to
26 administer oaths on all declarations of real property for
27 purposes of assessment.

28 Article Seven - The Provincial Budget Officer

29 SEC. 448. *Appointment, Qualifications, Compensation,*
30 *Powers, Duties and Functions.* - (1) The provincial budget
31 officer shall be appointed by the governor, with the
32 concurrence of the majority of all the members of the
33 sangguniang panlalawigan, and subject to civil service law,
34 rules and regulations.

35 (2) No person shall be appointed provincial budget
36 officer unless he is a citizen of the Philippines, an
37 actual resident of the province, of good moral character, a
38 holder of a degree preferably in law, commerce, public
39 administration or any related course from a recognized
40 college or university, a holder of a first grade civil
41 service eligibility or its equivalent, and has acquired at
42 least five years experience in budgeting or in any related
43 field.

1 (3) The provincial budget officer shall receive such
2 compensation, emoluments and allowances as may be
3 determined by law or ordinance.

4 (4) The provincial budget officer shall:

5 (a) Exercise general supervision over the
6 provincial budget office;

7 (b) Prepare forms, orders and circulars embodying
8 instructions on budgetary and appropriation matters for
9 the signature of the provincial governor;

10 (c) Review and consolidate the budget estimates
11 of the different offices of the provincial government;

12 (d) Supervise the preparation of executive and
13 special budgets of the province;

14 (e) Assist the provincial governor during budget
15 hearings;

16 (f) Study and evaluate budgetary implications of
17 proposed legislation and submit comments, and
18 recommendations thereon;

19 (g) Submit periodic budgetary reports to the
20 governor;

21 (h) Coordinate with the provincial treasurer for
22 purpose of provincial government budgeting; and

23 (i) Exercise such other powers and perform such
24 other duties and functions as may be prescribed by law
25 or ordinance.

26 SEC. 449. *Budget Preparation.* - Each provincial
27 office shall submit its request for appropriation to the
28 provincial budget officer on or before the date fixed by
29 law and in accordance with existing rules and budgetary
30 regulations.

31 Article Eight. - The Provincial Engineer

32 SEC. 450. *Appointment, Qualifications, Compensation,*
33 *Powers, Duties and Functions.* - (1) The Provincial
34 engineer shall be appointed by the governor, with the
35 concurrence of the majority of all the members of the
36 *sangguniang panlalawigan*, and subject to civil service law,
37 rules and regulations.

38 (2) No person shall be appointed provincial engineer
39 unless he is a citizen of the Philippines, an actual
40 resident of the province, of good moral character, a
41 licensed civil engineer, and with adequate background and
42 experience in his profession for at least five years.

43 (3) The provincial engineer shall receive such

1 compensation, emoluments and allowances as may be
2 prescribed by law or ordinance.

3 (4) The provincial engineer shall:

4 (a) Initiate, review, and recommend changes in
5 policies and objectives; plans and programs,
6 techniques, procedures and practices in infrastructure
7 development and public works in general of the
8 provincial government;

9 (b) Advise the governor on infrastructure, public
10 works and engineering matters;

11 (c) Administer, coordinate, supervise and control
12 the construction, maintenance, improvement and repair
13 of roads, bridges, and other engineering and public
14 works projects of the provincial government;

15 (d) Promulgate rules and regulations necessary to
16 carry out office objectives, policies and functions;

17 (e) Provide engineering services to the province
18 and its component units as well as to the barangay,
19 including investigations and surveys, architectural and
20 engineering designs, feasibility studies, and project
21 management; and

22 (f) Exercise such other powers and perform such
23 other duties and functions as may be prescribed by law
24 or ordinance.

25 Article Nine. - The Provincial Agriculturist

26 SEC. 451. *Appointment, Qualifications, Compensation,*
27 *Powers, Duties and Functions.* - (1) The provincial
28 agriculturist shall be appointed by the governor, with the
29 concurrence of the majority of all the members of the
30 *sangguniang panlalawigan*, and subject to civil service law,
31 rules and regulations.

32 (2) No person shall be appointed provincial
33 agriculturist unless he is a citizen of the Philippines,
34 an actual resident of the province, of good moral
35 character, a holder of a degree in agriculture or any
36 related course from a recognized college or university, a
37 holder of a first grade civil service eligibility or its
38 equivalent, and has acquired experience in the practice of
39 his profession for at least five years.

40 (3) The provincial agriculturist shall receive such
41 compensation, emoluments and allowances as may be
42 determined by law or ordinance.

43 (4) The provincial agriculturist shall:

1 (a) Initiate, review, and recommend changes in
2 policies and objectives, plans and programs,
3 techniques, procedures and practices in agricultural
4 promotion and production;

5 (b) Advise the governor on matters pertaining to
6 agriculture;

7 (c) Plan, supervise, and coordinate all
8 agricultural projects and activities of the provincial
9 government;

10 (d) Coordinate with regulatory governmental
11 agencies and assist in basic research on crops and
12 animals, on preventive control of diseases and pests,
13 and on agricultural matters, in general; and

14 (e) Exercise such other powers and perform such
15 other duties and functions as may be prescribed by law
16 or ordinance.

17 Article Ten. -- The Provincial Planning and
18 Development Coordinator

19 SEC. 452. *Appointment, Qualifications, Compensation,*
20 *Powers, Duties and Functions.* - (1) The provincial
21 planning and development coordinator shall be appointed by
22 the governor, with the concurrence of the majority of all
23 the members of the *sangguniang panlalawigan*, and subject to
24 civil service law, rules and regulations.

25 (2) No person shall be appointed provincial planning
26 and development coordinator unless he is a citizen of the
27 Philippines, an actual resident of the province, of good
28 moral character, a holder of a degree preferably in law,
29 civil engineering, commerce, public administration or any
30 related course from a recognized college or university, a
31 holder of a first grade civil service eligibility or its
32 equivalent, and has at least five years experience in
33 planning or in any related field.

34 (3) The provincial planning and development
35 coordinator shall receive such compensation, emoluments and
36 allowances as may be determined by law or ordinance.

37 (4) The provincial planning and development
38 coordinator shall:

39 (a) Formulate an integrated economic, social and
40 physical and other development objective and policies
41 for the consideration and approval of the *sangguniang*
42 *panlalawigan* and the provincial governor;

43 (b) Conduct continuing studies, researches, and

1 relevant trainings necessary to evolve plans and
2 programs for implementation;

3 (c) Integrate and coordinate all sectoral plans
4 and studies undertaken by the different functional
5 groups or agencies;

6 (d) Monitor and evaluate the implementation of
7 the different development programs, projects and
8 activities in the province;

9 (e) Prepare comprehensive plans and other
10 development planning documents;

11 (f) Analyze the provincial income and expenditure
12 patterns, and formulate and recommend fiscal plans and
13 policies for the consideration and approval of the
14 *sangguniang panlalawigan* and the provincial governor;

15 (g) Promote citizen participation through
16 development planning at the municipal and provincial
17 levels;

18 (h) Exercise general supervision and control of
19 the day-to-day activities of the provincial planning
20 and development office personnel; and

21 (i) Exercise such other powers and perform such
22 other duties and functions as may be prescribed by law
23 or ordinance.

24 ARTICLE ELEVEN - THE PROVINCIAL POPULATION OFFICER

25 SEC. 453. *Appointment, Qualifications, Compensation,*
26 *Powers, Duties and Functions.* - (1) The provincial
27 population officer shall be appointed by the governor, with
28 the concurrence of the majority of all the members of the
29 *sangguniang panlalawigan*, and subject to civil service law,
30 rules and regulations.

31 (2) No person shall be appointed provincial population
32 officer unless he is a citizen of the Philippines, an
33 actual resident of the province, of good moral character, a
34 holder of a degree, a holder of a first grade civil service
35 eligibility or its equivalent, and has acquired at least
36 five (5) years experience in population development or in
37 any related field.

38 (3) The provincial population officer shall receive
39 such compensation, emoluments and allowances as may be
40 determined by law or ordinance.

41 (4) The provincial population officer shall:

42 (a) Initiate, review and recommend changes in
43 policies and objectives, plans and programs,

1 techniques, procedures and practices in the promotion
2 of responsible parenthood, family welfare and
3 population development in the province.

4 (b) Administer, coordinate, supervise and control
5 the implementation of the provincial population
6 development program.

7 (c) Maintain and update a population data bank
8 for program operations and development planning
9 purposes.

10 (d) Conduct relevant trainings to evolve
11 effective plans and programs towards population
12 development.

13 (e) Exercise such other powers and perform such
14 other functions related to population development as
15 may be prescribed by law or ordinance.

16 ARTICLE ELEVEN - THE PROVINCIAL ATTORNEY

17 SEC. 454. *Appointment, Qualifications, Compensation,*
18 *Powers and Duties.* - (1) The provincial attorney shall,
19 subject to civil service law, rules and regulations, be
20 appointed by the provincial governor with the concurrence of
21 the majority of all the members of the *sangguniang*
22 *panlalawigan*.

23 (2) No person shall be appointed provincial attorney
24 unless he is a citizen of the Philippines, an actual
25 resident of the province, of good moral character, a member
26 of the Philippine Bar, of proven integrity and competence
27 and has been in the actual practice of the legal profession
28 for at least five (5) years prior to his appointment or has
29 held during like period, any position requiring the
30 qualifications of a lawyer.

31 (3) He shall receive such compensation, emoluments and
32 allowances as may be fixed by law or ordinances enacted by
33 *sangguniang panlalawigan*.

34 (4) He shall be the chief legal adviser and legal
35 officer/counsel for civil cases of the province and any
36 municipality thereof, including its offices, and as such
37 shall:

38 (A) Represent the province and any municipality
39 thereof, to the exclusion of the provincial fiscal, in
40 all civil actions and special proceedings wherein the
41 province/municipality or any officer thereof, in his
42 official capacity, is a party: *Provided*, That in cases
43 where the municipality in question is a party adverse

1 to the provincial government or to some other
2 municipality in the same province, a special municipal
3 attorney may be employed thereof:

4 (B) When required, draft ordinances, contracts,
5 bonds, leases and other instruments, involving any
6 interest of the province or any municipality thereof,
7 and inspect and pass upon any such instruments already
8 drawn;

9 (C) Examine and review, to the exclusion of the
10 provincial fiscal, upon receipt from the *sangguniang*
11 *panlalawigan*, the ordinances and resolutions approved
12 by the *sangguniang bayan* and executive orders
13 promulgated by the municipal mayor, subsequently inform
14 the *sangguniang panlalawigan* in writing of any defect
15 or impropriety which he may discover therein and make
16 such comments or recommendations;

17 (D) Give his opinion in writing, to the exclusion
18 of the provincial fiscal, when requested by the
19 governor or the *sangguniang panlalawigan*, including the
20 municipal mayor and the *sangguniang bayan* of said
21 province, upon any question relating to the province or
22 municipality or the rights and duties of its officers;

23 (E) Investigate or cause to be investigated any
24 provincial or municipal officer or employee for neglect
25 or misconduct in office, or any person, firm or
26 corporation holding any franchise or exercising any
27 public privilege from the province or municipality
28 thereof, for failure to comply with any condition, or
29 to pay any consideration mentioned in the grant of such
30 franchise or privilege, and recommend appropriate
31 action to the *sangguniang panlalawigan* and the
32 provincial governor, and the *sangguniang bayan* and
33 municipal mayor respectively;

34 (F) Institute and prosecute in the province's and
35 municipality's interest when directed by the governor
36 or municipal mayor respectively, a civil action on any
37 bond, lease or other contract upon any breach or
38 violation thereof; and

39 (G) Exercise such other powers and perform such
40 other duties and functions as may be prescribed by law
41 or ordinance.

1 ARTICLE TWELVE. - THE PROVINCIAL ADMINISTRATOR

2 SEC. 455. *Appointment, Qualifications, Compensation,*
3 *Powers and Duties.* - (1) The provincial administrator
4 shall be appointed by the governor, with the concurrence of
5 the majority of all the members of the sangguniang
6 panlalawigan, and subject to civil service law, rules and
7 regulations.

8 (2) No person shall be appointed provincial
9 administrator unless he is a citizen of the Philippines, an
10 actual resident of the province, of good moral character, a
11 holder of a degree preferably in law, commerce or public
12 administration from a recognized college or university, a
13 holder of a first grade civil eligibility or its
14 equivalent; and has acquired experience in the discharge of
15 management functions for at least five years.

16 (3) The provincial administrator shall receive such
17 compensation, emoluments and allowances as may be
18 determined by law or ordinance.

19 (4) The provincial administrator shall:

20 (A) Assist in coordinating the work of all the
21 officers of the province, under the supervision,
22 direction, and control of the governor, and for this
23 purpose, he may convene the chiefs of offices and other
24 officials of the province;

25 (B) Establish and maintain a sound personnel
26 program for the province designed to promote career
27 development and uphold the merit principle in the
28 provincial government service;

29 (C) Direct and supervise the continuing study and
30 analysis of the internal organization, management
31 practices and operational procedures of the provincial
32 government offices with the end in view of instituting
33 effective administrative reforms;

34 (D) Maintain direct administrative supervision
35 over all market personnel except market collectors;

36 (E) Maintain and supervise cleanliness and
37 beautification of all public markets and premises;

38 (F) Formulate plans and policies for the
39 establishment of new public markets;

40 (G) Enforce all ordinances, rules and regulations
41 pertaining to or covering the administration and
42 operation of public markets; and

43 (H) Exercise such other powers and perform such

1 other duties and function as may be prescribed by law
2 or ordinance.

3 ARTICLE THIRTEEN. - THE PROVINCIAL ENVIRONMENTAL OFFICER

4 SEC. 456. *Appointment, Qualifications, Compensation,*
5 *Powers, Duties and Functions.* - (1) The provincial
6 environmental officer shall be appointed by the governor
7 with the concurrence of the majority of all the members of
8 the sangguniang panlalawigan and subject to the civil
9 service rules and regulations.

10 (2) No person shall be appointed provincial
11 environmental officer unless he is a citizen of the
12 Philippines, an actual resident of the province, of good
13 moral character, a holder of a degree preferably in
14 agriculture, forestry or any related course from a
15 recognized college or university, has a first grade civil
16 service eligibility or its equivalent, and has at least
17 five years experience in forestry or in any related field.

18 (3) The provincial environmental officer shall receive
19 such compensation, emoluments and allowances as may be
20 determined by law or ordinance.

21 (4) He shall:

22 (A) Create, maintain, protect and develop
23 communal forests, watersheds and commercial forests
24 like industrial tree farms and agro-forestry projects.
25 to achieve these objectives he shall:

26 1) Obtain the necessary funds to pursue such
27 projects;

28 2) Hire and train technicians for extension
29 services;

30 3) Establish nurseries to produce seedlings;

31 4) Identify project sites for segregation or
32 acquisition;

33 5) Organize and mobilize people in the
34 upland communities to undertake such projects;

35 6) Coordinate with DENR and other government
36 agencies;

37 (B) Exercise such other powers and perform such
38 other duties and functions as may be prescribed by law
39 or ordinance.

40 ARTICLE FOURTEEN. - THE PROVINCIAL COOPERATIVE OFFICER

41 SEC. 457. *Appointment, Qualifications, Compensation,*
42 *Powers, Duties and Functions.* - (1) The provincial
43 cooperative officer shall be appointed by the governor with

1 the concurrence of the majority of all the members of the
2 sangguniang panlalawigan and subject to the civil service
3 rules and regulations.

4 (2) No person shall be appointed provincial
5 environmental officer unless he is a citizen of the
6 Philippines, an actual resident of the province, of good
7 moral character, a holder of a degree preferably in
8 business administration with special training in
9 cooperatives or any related course from a recognized
10 college or university, has a first grade civil service
11 eligibility or its equivalent, and has at least five years
12 service in cooperative organization.

13 (3) The provincial cooperative officer shall receive
14 such compensation, emoluments and allowances as may be
15 determined by law or ordinance.

16 (4) He shall:

17 (A) Promote the organization and development of
18 cooperatives. To achieve this objective he shall:

19 1) Train cooperative technicians for
20 extension work;

21 2) Identify groups in the urban and rural
22 areas who are interested in organizing
23 cooperatives;

24 3) Upon request of these groups, conduct for
25 free cooperative seminars;

26 4) Assist them in the formulation of their
27 constitution and by-laws and other pertinent
28 documents needed for the registration of their
29 cooperatives;

30 5) Whenever feasible, provide assistance
31 which will contribute to the viability of existing
32 cooperatives;

33 6) Coordinate closely with the cooperative
34 development authority and existing cooperatives;

35 7) Exercise such other powers and perform
36 such other duties and functions as may be
37 prescribed by law or ordinance.

38 CHAPTER 4. League of Provinces

39 SEC. 458. *Purpose of Organization.* - There shall be
40 an organization of all provinces of the country to be
41 known as the League of Provinces for the principal purpose
42 of facilitating interaction and operation by and among
43 provinces. For this purpose, metropolitan political

1 subdivisions such as Metropolitan Manila shall be
2 considered as separate provincial units.

3 SEC. 459. *Representation.* - Every province shall be
4 represented by the provincial governor or in his absence
5 or incapacity, by the vice governor or a *sangguniang*
6 *panlalawigan* member duly elected for the purpose from
7 among its membership in all meetings and/or deliberations
8 called by the League of Provinces.

9 SEC. 460. *Organization.* - The League of Provinces
10 shall elect a board of directors and a set of officers.
11 A secretary-general shall be chosen to manage the day to
12 day affairs of the organization.

13 SEC. 461. *Functions and Duties of the League of*
14 *Provinces.* - The League of Provinces shall:

15 (a) Adopt measures for the promotion of the welfare
16 of provinces, provincial officials and employees;

17 (b) Give priority to programs designed for the total
18 development of the cities, consistent with the policies,
19 programs and projects of the national government;

20 (c) Assist in the education of the citizenry for
21 citizen participation in local government administration,
22 in order to promote a united and concerted action for the
23 achievement of countrywide development goals;

24 (d) Supplement the efforts of the national government
25 in creating opportunities for gainful employment in the
26 province; (N)

27 (e) Serve as a forum for crystallizing ideas and
28 seek the necessary assistance of government and private
29 entities for the welfare of all the provinces; and

30 (f) Perform such other functions and duties as the
31 League of Provinces may prescribe for the welfare of the
32 organization.

33 SEC. 462. *Funding of the League of Provinces.* - The
34 League of Provinces shall derive all its funds from fund-
35 raising campaigns or programs in pursuance of specific
36 projects for the upliftment of provinces, without the
37 necessity of securing permits therefor, subject, however,
38 to the pertinent provisions of the Revised Election Code
39 and from contributions of the member provinces.

40 (2) All funds of the League of Provinces shall be
41 deposited as trust funds with the organization's treasurer
42 and be disbursed in accordance with approved resolutions
43 of the board, subject to auditing rules and regulations of

1 the organization and the Commission on Audit.
2 SEC. 463. Constitution and Bylaws of the League of
3 Provinces. - The League of Province shall be governed by
4 the Constitution and By-laws of the organization, subject
5 to the provisions of this Code.



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book iv

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BOOK IV

MISCELLANEOUS AND FINAL PROVISIONS

TITLE ONE. - General PROVISIONS

SEC. 464. Barangay councilors, municipal councilors, city councilors, lady municipal or city councilors, vicemayors, provincial board members, and provincial vice governors may organize their respective leagues inconsonance with the provisions of this code and other pertinent laws.

The leagues organized under the preceding paragraph shall be governed by their respective constitutions and by-laws subject to the provisions of this code and other pertinent laws.

The leagues may derive their funds from fund raising campaigns or programs and from contributions of the local government units to which the aforementioned local officials belong.

SEC. 465. For the purpose of this code, municipal waters shall include not only streams, lakes and tidal waters included within the municipality not being the subject of private ownership, and not comprised within national parks, public forest, timber lands, forest reserves, or fishery reserves but also marine waters included between two lines drawn perpendicularly to the general coastline from points where the boundary lines of the municipality or city touch the sea at low tide and a third parallel with the general coastline and distant from it three nautical miles. Where two municipalities are so situated on the opposite shores that there is less than six nautical miles of marine water between them, the third line shall be a line equally distant from the opposite shores of the respective municipalities.

TITLE TWO - PENAL PROVISIONS

SEC. 466. *Withholding of Privileges Accorded to Sangguniang Barangay.* - Willful and malicious withholding of any of the privileges accorded to *sangguniang barangay* officials, including the barangay secretary and the barangay treasurer under Section 320 of this Code shall be punishable with suspension or dismissal of the official or employee responsible therefor.

SEC. 467. *Failure to Call a Semestral Meeting of the Barangay Assembly.* - Failure to call a semestral meeting of the barangay assembly as provided for under Section 325

1 of this Code shall be punishable with suspension or
2 dismissal of the barangay official responsible therefor.

3 SEC. 468. *Engaging in Business Transactions or*
4 *Possessing Pecuniary Interest.* - Any local government
5 official and any person or persons dealing with him who
6 violate the prohibitions provided in Section 96 hereof,
7 shall be punished with *prison correccional* or a fine of
8 not less than three thousand (P3,000.00) pesos nor more
9 than ten thousand (P10,000.00) pesos, or both such
10 imprisonment and fine, at the discretion of the court.

11 SEC. 469. *Refusal or Failure to Appear as Witness in*
12 *the Implementation of the Katarungang Pambarangay.* -
13 Refusal or willful failure of any party or witness to
14 appear in compliance with a summon issued pursuant to the
15 provisions on the *Katarungang Pambarangay* may be punished
16 by the city or municipal court as for indirect contempt of
17 court upon application filed therewith by the *Lupon*
18 chairman, the *Pangkat* chairman, or by any of the
19 contending parties. Further, such refusal or willful
20 failure to appear shall be reflected in the records of the
21 *lupon* secretary or in the minutes of the *Pangkat* secretary
22 and shall bar the complainant from seeking judicial
23 recourse for the same cause of action, and the respondent
24 from filing any counterclaim arising out of or necessarily
25 connected therewith. Willful failure or refusal without
26 justifiable cause on the part of any *Pangkat* member to act
27 as such, as determined by the vote of majority of all the
28 other members of the *Lupon* whose decision thereon shall be
29 final, shall result in his disqualification from public
30 office in the city or municipality for a period of one
31 year.

32 SEC. 470. *Unlawful Use of Residence Certificates.* -
33 Any person who, with intent to defraud the government
34 deceives the courts, or misleads any treasurer or other
35 person, uses, attempts to use, or is in possession of any
36 residence certificate issued to any other person or
37 corporation shall be punished by a fine of not exceeding
38 two hundred pesos or imprisonment for a term of not more
39 than six months, or both such fine imprisonment at the
40 discretion of the court.

41 SEC. 471. *Falsification or Counterfeiting of Residence*
42 *Certificate.* - Any person who makes, sells, or uses any
43 false or counterfeit residence certificate which is an

1 imitation of, or purports to be, a lawful residence
2 certificate; who alters the written or printed figures or
3 letters contained therein; who has in his possession any
4 such false, counterfeit or altered certificate for the
5 purpose of using the same in the payment of revenue or in
6 securing any exemption or privilege conferred by law; or
7 who procures the commission of any such offense by
8 another, shall for each offense be punished by a fine in a
9 sum not less than two hundred pesos nor more than five
10 thousand pesos, or imprisonment for a term of not less
11 than two months nor more than five years, or both at the
12 discretion of the court.

13 SEC. 472. *Violation of any Provision on Taxation.* -
14 Any person who violates any of the taxation provisions of
15 this Code or any ordinance or regulation promulgated in
16 accordance therewith, for which delinquency no specific
17 penalty is provided herein or by any other law, shall be
18 punished by a fine of not more than three hundred pesos,
19 or imprisonment for not more than six months, or both, at
20 the discretion of the court.

21 SEC. 473. *Violation of Tax Ordinance.* - Except as
22 otherwise specifically provided in this Code, the
23 *sanggunian* of a local government unit is authorized to
24 prescribe fines or penalties for violation of tax
25 ordinances but in no case shall such fines or penalties
26 exceed one thousand pesos, or imprisonment for six months,
27 or both such fine and imprisonment at the discretion of the
28 court.

29 SEC. 474. *Omission of Property From Assessment or Tax*
30 *Rolls by Officers and Other Acts.* - Any officer charged
31 with the duty of assessing real property who shall
32 willfully fail to assess, or shall intentionally omit from
33 the assessment or tax roll, any real property which he
34 knows to be lawfully taxable or shall willfully or through
35 gross negligence under assess any real property or shall
36 intentionally violate or fail to perform any duty imposed
37 upon him by law relating to the assessment of taxable real
38 property, shall upon conviction be punished by a fine of
39 not more than one thousand pesos or by imprisonment of not
40 more than one year, or both, at the discretion of the
41 court.

42 The same penalty shall be imposed upon any officer
43 charged with the duty of collecting the tax due on real

1 property who shall willfully fail to collect the tax and
2 institute the necessary proceedings for the collection of
3 the same.

4 Any other officer required by this Code to perform
5 acts relating to the administration of the real property
6 tax or to assist the assessor or treasurer in such
7 administration, who shall willfully fail to discharge such
8 duties, shall, upon conviction be punished by A fine of
9 not exceeding one thousand pesos or by imprisonment of not
10 more than six months, or both, at the discretion of the
11 court.

12 SEC. 475. *Government Agents Delaying Assessment of Real*
13 *Property and Assessment Appeals.* - Any government official
14 who shall intentionally and deliberately delay the
15 assessment of real property, or the filing of any appeal
16 against its assessment, if such is patently indicated,
17 shall upon conviction, be punished by a fine of not more
18 than one thousand pesos or by imprisonment of not more than
19 one year, or both, at the discretion of the court.

20 SEC. 476. *Failure to Dispose of Delinquent Real*
21 *Property.* - Any provincial or city treasurer who fails to
22 comply with the provisions of Section 199 of this Code and
23 any other local government official whose acts hinder the
24 prompt disposition of delinquent real property at public
25 auction shall upon conviction, be subject to a fine of one
26 thousand pesos or imprisonment of not less than one year
27 or both such fine and imprisonment at the discretion of the
28 court.

29 SEC. 477. *Award of Contracts Under the Credit*
30 *Financing Provisions.* - It shall be unlawful for any public
31 official or employee in the provincial, city or municipal
32 government, or their relatives within the fifth civil
33 degree of consanguinity or affinity, to enter into, or be
34 in any way interested in, any contract for the
35 construction, prosecution, acquisition, operation or
36 maintenance of any project awarded pursuant to the
37 provisions of title hereof or for the furnishing of any
38 supplies, materials or equipment of any kind, to be used
39 in the project. Any person who violates the provisions of
40 this Section shall upon conviction be removed from office
41 and suffer imprisonment not exceeding two years.

42 SEC. 478. *Refusal, Obstruction or Delay in the*
43 *Repayment of Local Government Loans.* - Elective and

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1 appointive officials who shall refuse to pay, obstruct the
2 payment, or cause unnecessary delay in the repayment of
3 loans, indebtedness and obligations of local governments
4 shall be personally and jointly or severally, liable to
5 pay a fine of not less than P10,000.00 but not more than
6 P50,000.00 or suffer imprisonment from 2 years to 5 years,
7 or both such fine and imprisonment, at the discretion of
8 the court.

9 TITLE THREE. - PROVISIONS FOR IMPLEMENTATION

10 SEC. 479. *Mandatory Review Every Five Years.* - The
11 Congress shall undertake a mandatory review of this Code at
12 least once every five years and as often as it may be
13 deemed necessary.

14 SEC. 480. *Free Insurance Coverage.* - The Government
15 Service Insurance System shall establish and administer an
16 appropriate system under which the *punong barangay* and the
17 members of the *sangguniang barangay* shall enjoy free
18 insurance coverage as provided in this Code and other
19 pertinent law. For this purpose, the Government Service
20 Insurance System is hereby empowered to issue rules and
21 regulations and determine the appropriation needed to
22 support the system, the premiums for which shall be borne
23 by the local government unit concerned.

24 SEC. 481. *Inventory of Infrastructure and Other*
25 *Community Facilities.* - (1) Each local government unit
26 shall conduct a periodic inventory of infrastructure and
27 other community facilities and undertake the maintenance,
28 repair, improvement, or reconstruction of these
29 facilities, through a closer cooperation among the various
30 agencies of the government operating within the province or
31 city so that maximum performance is achieved with minimum
32 resources.

33 (2) No infrastructure or community project within the
34 territorial jurisdiction of any local government unit shall
35 be undertaken without the knowledge of the local chief
36 executive and the *sanggunian* concerned.

37 SEC. 482. *Personal Retirement and/or Benefits.* - Any
38 official or employee of a local government unit separated
39 from the service as a result of the reorganization effected
40 under this Code shall, if entitled under the laws then in
41 force, receive the retirement and other benefits accruing
42 thereunder.

1 SEC. 483. *Records and Properties.* - All records
2 equipment, buildings, facilities, and other properties of
3 any office or body of a local government unit abolished or
4 reorganized under this Code shall be transferred to the
5 office or body to which its powers, functions and
6 responsibilities substantially pertain.

7 SEC. 484. *Possession and Carrying of Firearms.* - In
8 the performance of his peace and order functions, the
9 *punong barangay* shall be entitled to possess and carry the
10 necessary firearms within his territorial jurisdiction,
11 subject to existing laws, rules and regulations.

12 TITLE FOUR. - FINAL PROVISIONS

13 SEC. 485. *Separability Clause.* - If, for any reason
14 or reasons, any part or provision of this Code shall be
15 held to be unconstitutional or invalid, other parts or
16 provisions hereof which are not affected thereby shall
17 continue to be in full force and effect.

18 SEC. 486. *Repealing Clause.* - (1) All general and
19 special laws, acts, city charters, decrees, executive
20 orders, proclamations and administrative regulations, or
21 part or parts thereof which are inconsistent with any of
22 the provisions of this Code are hereby repealed or
23 modified accordingly.

24 (2) The provisions of Republic Act 1939, regarding
25 the hospital fund, Republic Act 5447, regarding the special
26 education fund, and P.D. 632, regarding the Integrated
27 National Police, the revised Administrative Code which
28 requires local governments to provide for the subsistence
29 of prisoners, including national prisoners who have not
30 been shipped to Manila, P.D. 144 as amended, and P.D. 477
31 which provides that local governments shall appropriate at
32 least 20% of their internal revenue allotment for
33 development projects, and that the corresponding
34 development plans shall be subject to the approval of the
35 Department of Local Government which require local
36 governments to contribute to such funds, are hereby
37 repealed and rendered of no force and effect.

38 SEC. 487. *Effectivity Clause.* - This Code shall take
39 effect thirty days after its publication in the *Official*
40 *Gazette* or in at least three (3) newspapers of general
41 circulation.

Approved,