

S.B. 155

THE LOCAL GOVERNMENT CODE OF 1987



AQUILINO PIMENTEL, JR.

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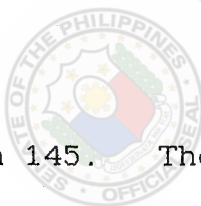
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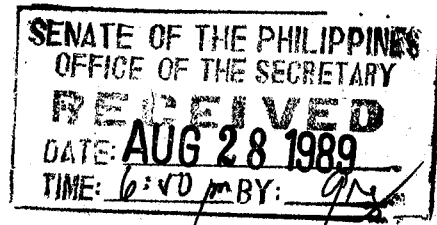
BOOK ONE

GENERAL PROVISIONS

S.B. 155



**AN ACT PROVIDING FOR
A LOCAL GOVERNMENT CODE**



SENATE
S. NO. 153

Introduced by Senator AQUILINO Q. PIMENTEL, JR.

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:

1 BOOK I

2 GENERAL PROVISIONS

3 TITLE ONE - BASIC PRINCIPLES

4 CHAPTER 1. - The Code: Policy and Application;

5 Definition of Terms

6 SECTION 1. Title of Act. - This Act shall be known
7 and referred to as the "Local Government Code of 1987".

8 SEC. 2. Declaration of Policy. - The State shall
9 ensure the autonomy of local government units to enable
10 them to attain their fullest development as self-reliant
11 communities and make them more effective partners in the
12 pursuit of national development and social progress. To
13 this end, the State shall enhance their capabilities in
14 discharging these responsibilities through a more
15 responsive and accountable local government structure
16 instituted through a system of decentralization whereby
17 local government shall be given more powers,
18 responsibilities and resources. THE PROCESS OF
19 DECENTRALIZATION SHALL PROCEED FROM THE CENTRAL GOVERNMENT
20 TO THE LOCAL GOVERNMENT UNITS. (Sec. 2, BP 337)

21 IT IS HEREBY DECLARED A POLICY OF THE STATE TO REQUIRE

1 ALL PLANNING AND DEVELOPMENT ENTITIES OF THE GOVERNMENT TO
2 CONDUCT CONSULTATIONS WITH APPROPRIATE LOCAL GOVERNMENT
3 UNITS, LOCAL NON-GOVERNMENTAL ORGANIZATIONS AND OTHER
4 CONCERNED SECTORS OF THE COMMUNITY BEFORE ANY PROJECT OR
5 PROGRAM THAT IMPACTS ON THE ENVIRONMENT IN THE MANNER
6 HEREINBELOW SPECIFIED IS IMPLEMENTED IN ANY PART OF THE
7 REPUBLIC. (S.B. 990)

8 SEC. 2-A. OPERATIVE PRINCIPLES OF DECENTRALIZATION.

9 - THE FORMULATION AND IMPLEMENTATION OF LOCAL AUTONOMY
10 POLICIES AND MEASURES, SHALL BE GOVERNED BY OPERATIVE
11 PRINCIPLES THAT WILL PROVIDE:

12 (A) AN EFFECTIVE ALLOCATION AMONG THE DIFFERENT LOCAL
13 GOVERNMENT UNITS OF THEIR RESPECTIVE POWERS, FUNCTIONS,
14 RESOURCES AND RESPONSIBILITIES;

15 (B) AN EFFICIENT AND DYNAMIC ORGANIZATIONAL AND
16 OPERATING MECHANISM FOR LOCAL GOVERNMENT UNITS THAT IS
17 RESPONSIVE TO THEIR DEVELOPMENT PLANS, PROGRAMS, AND GOALS;

18 (C) SUBJECT TO CIVIL SERVICE RULES AND REGULATION, THE
19 POWER AND AUTHORITY TO APPOINT AND REMOVE LOCAL OFFICIALS;

20 (D) ASSURANCE THAT VESTING OF DUTY, RESPONSIBILITY AND
21 ACCOUNTABILITY TO LOCAL GOVERNMENT UNITS MUST BE COUPLED
22 WITH PROVISIONS FOR REASONABLY ADEQUATE RESOURCES AND
23 WHEREWITHAL TO DISCHARGE THEIR POWERS AND CARRY OUT THEIR
24 FUNCTIONS AND HENCE, THEY SHALL HAVE THE POWER TO CREATE
25 AND ENLARGE THEIR OWN SOURCES OF INCOME, TO HAVE A JUST
26 SHARE IN NATIONAL TAXES, AND TO EQUITABLY SHARE IN THE
27 PROCEEDS OF THE UTILIZATION AND DEVELOPMENT OF THE NATIONAL
28 WEALTH WITHIN THEIR RESPECTIVE AREAS;

29 (E) THE PREROGATIVE TO ENSURE THAT THE ACTS OF THEIR
30 COMPONENT UNITS ARE WITHIN THE SCOPE OF THEIR PRESCRIBED
31 POWERS AND FUNCTIONS, AND TO GROUP THEMSELVES, CONSOLIDATE
32 OR COORDINATE THEIR EFFORTS, SERVICES, AND RESOURCES FOR
33 PURPOSES COMMONLY BENEFICIAL TO THEM;

34 (F) THE OPPORTUNITY TO ENHANCE THEIR CAPABILITIES BY
35 BEING ENCOURAGED TO ACTIVELY PARTICIPATE IN THE
36 IMPLEMENTATION OF NATIONAL GOVERNMENT PROGRAMS; AND

37 (G) PROVIDE WAYS AND MEANS FOR A CONTINUING MECHANISM
38 TO ENHANCE LOCAL AUTONOMY NOT ONLY BY LEGISLATIVE ENABLING
39 ACTS BUT ALSO BY ADMINISTRATIVE AND ORGANIZATIONAL REFORMS.

40 SEC. 3. Scope of Application of the Code. - This Code
41 shall apply to all provinces, cities, municipalities and
42 barangays, and such autonomous regions and metropolitan
43 political subdivisions as may be created by law, and, to

1 the extent herein provided, to officials, offices or
2 agencies of the national government. (Sec. 3, BP 337)

3 SEC. 4. Rules of Interpretation. - (1) Any power of
4 a local government unit shall be liberally interpreted
5 in its favor. Any fair and reasonable doubt as to the
6 existence of the power shall be interpreted in favor of the
7 local unit concerned.

8 (2) The general welfare provisions in this Code shall
9 be liberally interpreted so as to give more power to local
10 governments in promoting improvement of the quality of life
11 for all the people in the community.

12 (3) Vested rights existing on the date of the
13 effectivity of this Code arising out of contracts or any
14 other source of obligation between a local government unit
15 and another party, shall be governed by the original terms
16 and provisions of said contract or the law in force at the
17 time such rights became vested and in no case shall this
18 Code infringe on them.

19 (4) When in the resolution of controversies arising
20 under this Code no legal provision or jurisprudence can be
21 found to apply, resort may be had to the customs and
22 traditions in the place where the controversy arose. (Sec.
23 4, BP 337)

24 SEC. 5. Definition of Terms. - [When used in this
25 Code] UNLESS THE CONTENTS STATES OTHERWISE, the following
26 definitions shall apply:

27 (1) Abuse of Authority is an act done intentionally by
28 an employee or officer which is beyond the powers
29 conferred upon him. If, in so doing, he causes harm to
30 another person, he may be liable for damages;

31 (2) Actual Use shall refer to the purpose for which
32 the property is principally or predominantly utilized by
33 the person in possession thereof;

34 (3) Ad Valorem Tax is a levy on real property
35 determined on the basis of a fixed proportion of the value
36 of the property;

37 (4) Adjourn is to formally terminate the meeting or
38 session in progress.

39 (5) Agricultural Land is land devoted principally to
40 the raising of crops such as rice, corn, sugar cane,
41 tobacco, coconut, etc., or to pasturing, dairying, inland
42 fishery, salt making and other agricultural uses, including
43 timberlands and forest lands;

1 (6) Agricultural product is confined to the yield of
2 such as corn, rice, wheat, rye, hay, etc., and includes
3 ordinary salt as well as all kinds of fish and their by-
4 products, poultry, livestock and animal products whether in
5 their original form or not. The character of being
6 agricultural products is not taken away merely because the
7 produce undergoes processing at the hand of the producer or
8 owner for the purpose of working his product into a more
9 convenient and valuable form suited to meet the demand of
10 an expanded market, or for the purpose of increasing or
11 prolonging the marketability of the product.

12 The phrase "whether in their original form or not"
13 means the transformation of said products by the
14 application of simple processes to preserve or otherwise to
15 prepare said products for the market such as freezing,
16 drying, salting, smoking or stripping.

17 (7) Amusement is a pleasurable diversion and
18 entertainment. It is synonymous to recreation, relaxation,
19 avocation, pastime or fun.

20 (8) Amusement places includes theaters,
21 cinematographs, concert halls, circuses and other places
22 of amusement where one seeks admission to entertain himself
23 by seeing or viewing the show or performance. It includes
24 those places where one seeks admission to entertain himself
25 by direct participation.

26 (9) Appraisal is the act or process of determining the
27 value of a property as of a specific date for a specific
28 purpose.

29 (10) Appropriation refers to the estimates of
30 expenditures in a budget when finally approved by
31 appropriate authorities.

32 (11) Appropriations, Continuing refers to
33 appropriations for specific projects, such as those for
34 construction of physical structures, or for the acquisition
35 of real property or equipment, which shall continue to be
36 available until the project is completed or abandoned.
37 Reversions shall not be made of appropriations obligated by
38 contract. Appropriations not obligated by contract may not
39 be continued if the same would result in a negative balance
40 in the unappropriated account of the fund concerned.

41 (12) Assessment is the act or process of determining
42 the value of a property, or proportion thereof, subject to
43 tax, including the discovery listing and appraisal of

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1 properties;

2 (13) Assessment level is the percentage applied to the
3 market value to determine the taxable or assessed value of
4 the property;

5 (14) Assessed Value is the value placed on taxable
6 property by the assessor for ad valorem tax purposes. The
7 assessed value when multiplied by the tax rate will produce
8 the amount of tax due. It is synonymous to taxable value.

9 (14-A) BASIC SERVICES REFERS TO HEALTH SERVICES,
10 AGRICULTURAL EXTENSION SERVICES, ELEMENTARY SCHOOL SYSTEM,
11 AND PROVINCIAL, CITY, MUNICIPAL AND BARANGAY ROAD SYSTEM.

12 (15) Brewer includes all persons who manufacture
13 fermented liquors of any description for sale or delivery
14 to others, but does not include manufacturers of tuba,
15 basi, tapuy, or similar domestic fermented liquors whose
16 daily production do not exceed two hundred gauge liters.

17 (16) Budget shall be understood to mean a financial
18 plan embodying the estimates of income certified as
19 reasonably collectible by the local treasurer, and
20 appropriations covering the proposed expenditures for the
21 ensuing fiscal year. On the other hand, a "supplemental
22 budget" shall be understood to refer to a supplementary
23 financial plan embodying changes during the fiscal year in
24 the annual estimates of income and appropriations.

25 (17) Budget Document refers to the instrument used by
26 the budget-making authority to present a comprehensive
27 financial program to the appropriating body or sanggunian
28 concerned.

29 (18) Building refers to [all kinds of structure more
30 or less permanently attached to a piece of land, excluding
31 those which are merely superimposed on the soil] ANY
32 STRUCTURE BUILT FOR SUPPORT, SHELTER, OR ENCLOSURE OF
33 PERSONS, ANIMALS, CHATTELS OR PROPERTY OF ANY KIND. (R.A.
34 6541, National Building Code of the Philippines)

35 (19) Business means commercial activity customarily
36 engaged in as a means of livelihood and typically involving
37 some independence of judgment and power of decision.

38 (20) Calling means one's regular business, trade,
39 profession, vocation or employment which does not require
40 the passing of an appropriate government board or bar
41 examination, such as professional actors and actresses,
42 masseurs, commercial stewards and stewardesses, etc.

43 (21) Capital signifies the actual estate, whether in

1 money or property owned by an individual or corporation; it
2 is a fund with which it transacts its business which would
3 be liable to each creditor, and which in case of insolvency
4 passes to a receiver.

5 (22) Capital Investment is the capital which a person
6 puts in any undertaking or which he contributes to the
7 common stock of a partnership, corporation, or any other
8 juridical entity or association.

9 (23) Capital Outlays or Capital Expenditures refers to
10 the purchase of goods and services of a life-expectancy
11 extending beyond the fiscal year and which add to the
12 assets of the local government concerned, except furniture
13 and equipment of nominal value usually used in the conduct
14 of normal government operations.

15 (24) Charges refers to pecuniary liability, as rents
16 or fees against property, persons or organizations.

17 (25) Commercial Land is land devoted principally to
18 commercial purposes, and generally for the object of
19 profit.

20 (26) Confiscatory is that which amounts to undue
21 seizure or forfeiture of private property in favor of the
22 public treasury;

23 (27) Corporation includes joint-stock company,
24 partnership, association, insurance company, or any other
25 juridical entity, not matter how created.

26 The term "resident foreign" when applied to a
27 corporation means a foreign corporation engaged in trade or
28 business within the Philippines or having an office or
29 place of business therein.

30 (28) Current Operating Expenditures refers to
31 appropriations for the purchase of goods and services for
32 current consumption within the fiscal year, including the
33 acquisition of furniture and equipment of nominal value
34 usually used in the conduct of normal government
35 operations.

36 [(1)] (28-A) Dealer means one whose business is to
37 buy and sell merchandise, goods, and chattels, as a
38 merchant. He stands immediately between the producer or
39 manufacturer and the consumer and depends for his profit
40 not upon the labor he bestows upon his commodities but upon
41 the skill and foresight with which he watches the market.

42 (29) Decentralization is a basic administrative
43 concept and process of shifting and delegating power and

1 authority from a central point to subordinate levels within
2 the administrative hierarchy, in order to promote
3 independence, responsibility, and quicker decision-making
4 in adapting policies and programs to the needs of these
5 levels; the process of delegating authority or granting
6 some functions from the central government to local
7 government units or from a Department's central office to
8 field or regional offices. Decentralization may be by
9 devolution or deconcentration.

10 (30) Devolution is the act of conferring power and
11 authority by the central government upon the political
12 subdivisions of the state to perform specific functions and
13 responsibilities. As opposed to deconcentration which is
14 an administrative process requiring only the issuance of an
15 executive or administrative order to effect it, devolution
16 is a political process which must be effected through
17 legislation;

18 (31) Deconcentration is the delegation of authority by
19 the national government departments and agencies to their
20 regional, district, or field offices. The relationship is
21 administrative in nature and implies no transfer of final
22 authority from the national to the field level nor
23 diminution of central office powers or responsibilities;

24 (32) Depreciated Value is the value remaining after
25 deducting depreciation from either the replacement cost or
26 the replacement cost or the reproduction costs;

27 (33) Economic Life is the estimated period over which
28 it is anticipated that a machinery may profitably be
29 utilized;

30 (34) Eminent Domain is a sovereign prerogative
31 exercised by municipal corporations only when expressly
32 conferred by law, to possess and use private real property
33 for purposes deemed beneficial to the general public;

34 (35) Excessive means that which is characterized by
35 whatever is notably greater than what is moderate,
36 reasonable, proper, usual, necessary and just;

37 [(36) Expropriation is the exercise of the inherent
38 right of a government to appropriate individual property
39 rights. Normally, this is done with compensation to
40 existing owners, as under eminent domain, but it may place
41 without compensation,]

42 [(37)] (36) Ex-officio means by virtue of office or
43 official position, used to describe the nature of

1 membership or the designation of a public official in a
2 committee or organization;

3 [(38)] (37) Fee means a charge fixed by law or agency
4 for the services of a public officer;

5 [(39)] (38) Franchise is a right, privilege, or power
6 of a public concern which is given to private individuals
7 or corporations, under such terms and conditions as the
8 government may impose in the public interest and for public
9 security;

10 [(40)] (39) Fund is a sum of money or other resources
11 set aside for the purpose of carrying out specific
12 activities or attaining certain objectives in accordance
13 with special regulations, restrictions or limitations and
14 constitution an independent fiscal and accounting entity;

15 [(41)] (40) General Welfare Clause is a provision of
16 law conferring general authority to municipal corporations
17 to pass all ordinances which may be necessary for the
18 promotion of the good order and the general well-being of
19 the community;

20 [(42)] (41) Gross receipts includes all monies and
21 properties, received in consideration of services rendered
22 or articles sold, exchanged or leased, without any
23 deduction; or the whole amount of the receipt of the
24 business before the cost of production is deducted
25 therefrom.

26 [(43)] (42) Hotel includes any house or building or
27 portion thereof in which any person or persons may be
28 regularly harbored or received as transients or guests. A
29 hotel shall be considered as living quarters and shall have
30 the privilege to accept any number of guests and to serve
31 food to the guests or customers therein.

32 [(44)] (43) Housing, Socialized is the construction
33 of dwelling units by the government for the middle and
34 lower income class members of society, including the
35 construction of supporting infrastructures and other
36 facilities. In so doing, the government may expropriate
37 private lands, including improvements thereon, either by
38 itself or through any authorized agency or entity;

39 [(45)] (44) Improvement is a valuable addition made
40 to property or an amelioration in its condition, amounting
41 to more than mere repairs or replacement of [wage]
42 PARTS, costing labor or capital, and intended to enhance
43 its value, beauty or utility or to adapt it for new or

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1 further purposes;

2 [(46)] (45) Income covers all revenues and receipts
3 collected or received, forming the gross accretions of
4 funds of the government;

5 [(47)] (46) Independent Wholesaler means a person,
6 other than a manufacturer, producer or importer, who buys
7 commodities for resale to persons other than the end-user's
8 regardless of the quantity of the transactions;

9 [(48)] (47) Industrial Land is land devoted
10 principally to industry as capital investment;

11 [(49) Legislative Power is the authority to make laws
12 as distinguished from executive power which is the
13 authority to enforce laws. Legislative power as it applies
14 to local governments is the authority to pass resolutions
15 and ordinances. Legislative powers of municipal
16 corporations are generally vested in the Sanggunian and the
17 executive or administrative powers are generally vested in
18 the local chief executive and the heads of the designated
19 departments and other officers created by law;]

20 [(50)] (48) Levy means an imposition or collection of
21 an assessment, tax, tribute or fine;

22 [(51)] (49) License is a right or permission granted
23 in accordance with law by a competent authority to engage
24 in some business of occupation or to engage in some
25 transaction;

26 [(52)] (50) Local Autonomy is the state of self-
27 determination of local governments and their relative
28 freedom from central government control over local affairs
29 and concerns. Local autonomy presupposes the granting of
30 adequate authority to local units in determining and
31 administering policies concerning local affairs, and in the
32 exercise of political powers.

33 [(53)] (51) Local Government includes provinces,
34 cities, municipalities/barangays and autonomous regions and
35 metropolitan political subdivisions as may be provided for
36 by law;

37 [(54)] (52) Lodging house includes any house or
38 building, or portion thereof, in which any person or
39 persons may be regularly harbored or received as transients
40 for compensation. Taverns or inns shall be considered as
41 lodging houses;

42 [(55)] (53) Lowest Complying and Responsible Bid
43 refers to the proposal of one who offers the lowest price

1 meeting all the technical specifications and requirements
2 of the supplies desired and as a dealer in the line of
3 supplies involved, maintains a regular establishment, and
4 has complied religiously with previous commitments;

5 [(56)] (54) Machinery embraces machines, mechanical
6 contrivances, instruments, appliances and apparatus
7 attached to the real estate. It includes the physical
8 facilities available for production, as well as the
9 installations and appurtenant service facilities, together
10 with all other equipment designed for or essential to its
11 manufacturing industrial or agricultural purposes;

12 [(57)] (55) Manufacturer includes every person who,
13 for the purpose of sale or distribution to others and not
14 for his own use or consumption, by physical or chemical
15 process;

16 (a) alters the exterior texture or form, or inner
17 substance of any raw materials, manufactured or
18 partially manufactured production in such manner as to
19 prepare it for a special use or uses to which it could
20 not have been put in its original condition;

21 (b) alters the quality of any such raw material,
22 or manufactured or partially manufactured product so as
23 to reduce it to marketable shape or prepare it for any
24 use or industry; or

25 (c) combines any raw material, or manufactured or
26 partially manufactured product with other materials or
27 products of the same or of a different kind in such
28 manner that the finished product of such process or
29 manufacture can be put to a special use or uses to
30 which such material or manufactured or partially
31 manufactured product in its original condition could
32 not have been put.

33 [(58)] (56) Marginal Farmer refers to an individual
34 engaged in small scale subsistence farming, whose sale,
35 barter or exchanges of agricultural products produced by
36 himself do not exceed a gross value of P50,000.00 per
37 annum. (LOI 1055, August 17, 1980)

38 [(59)] (57) Market Premises refers to any open space
39 in the market compound; part of the market lot consisting
40 of bare ground not covered by market buildings, usually
41 occupied by transient vendors specially during market days.

42 [(60)] (58) Market Value is the highest price
43 estimated in terms of money which the property will buy if

1 exposed for sale in the open market allowing a reasonable
2 time to find a purchaser who buys with knowledge of all the
3 uses to which it is adapted and for which it is capable of
4 being used. It is also referred to as the price at which a
5 willing seller would sell and a willing buyer would buy,
6 neither being under abnormal pressure;

7 [(61)] (59) Mineral Lands are lands in which minerals
8 exist in sufficient quantity or grade to justify the
9 necessary expenditures to be incurred in extracting and
10 utilizing such minerals;

11 (a) Mineral Lands Metallic are lands where
12 deposits are found to contain any of the metallic
13 elements or minerals, or their combination, such as
14 gold, silver, platinum, chromium, iron, manganese,
15 copper, nickel, lead, zinc, cinnabar, tungsten and the
16 like.

17 (b) Mineral Lands Non-Metallic, are lands where
18 deposits are found to contain such elements other than
19 those classified as metallic.

20 (c) Mineral Lands Non-Producing, are lands which
21 are subject to exploration and development.

22 (d) Mineral Lands Patented, are lands covered by
23 a duly issued mineral patent pursuant to law, signed by
24 the President of the Philippines.

25 (e) Mineral Lands Producing, are lands actually
26 producing minerals in commercial quantities.

27 (f) Mineral Lands Unpatented, are lands which were
28 located as mining claims under the provisions of
29 existing laws but are not yet covered by mineral
30 patent.

31 [(62)] (60) Motel includes any house or building or
32 portion thereof in which any person or persons may be
33 regularly harbored or received as transients or guests and
34 which is provided with a common enclosed garage or
35 individually enclosed garage where such transients or
36 guests may park their motor vehicles.

37 [(63)] (61) Motor Vehicle means any vehicle propelled
38 by any power other than muscular power using the public
39 roads, but excepting road rollers trolley cars, street-
40 sweepers, sprinklers, lawn mowers, bulldozers, graders,
41 forklifts, amphibian trucks, and cranes if not used on
42 public roads, vehicles which run only on rails or tracks,
43 and trailers and traction engines of all kinds used

1 exclusively for agricultural purposes.

2 [(64)] (62) Municipal Waters include not only streams,
3 lakes and tidal waters included within the municipality not
4 being the subject of private ownership, and not comprised
5 within national parks, public forest, timber lands, forest
6 reserves, or fishery reserves but also marine waters
7 included between two lines drawn perpendicularly to the
8 general coastline from points where the boundary lines of
9 the municipality or city touch the sea at low tide and a
10 third parallel with the general coastline and distant from
11 it three nautical miles. Where two municipalities are so
12 situated on the opposite shores that there is less than six
13 nautical miles of marine water between them, the third line
14 shall be a line equally distant from the opposite shores of
15 the respective municipalities;

16 [(65)] (63) Occupation means one's regular business
17 or employment, or an activity which principally takes up
18 one's time, thought and energies. It includes any calling,
19 business, trade, profession or vocation;

20 [(66)] (64) Operator includes the owner, manager,
21 administrator, or any other person who operates or is
22 responsible for the operation of business establishment or
23 undertaking.

24 [(67) Oppressive means unreasonably burdensome,
25 unjustly severe, or harsh.]

26 [(68)] (65) Ordinance is a legislative act passed by
27 the Sanggunian in the exercise of its law-making authority.
28 It prescribes a permanent rule of conduct of government, as
29 distinguished from a resolution which is temporary in
30 character. An ordinance to be valid must be passed within
31 the corporate powers of the local government unit and
32 according to the procedures prescribed by law, and it must
33 not contravene the Constitution or any statute. Where it
34 is unreasonable, oppressive, partial or discriminatory, it
35 may be declared void as violative of the due process or
36 equal protection clauses of the Constitution;

37 [(69)] (66) Original Cost for newly acquired machinery
38 not yet depreciated and appraised within the year of its
39 purchase, refers to the actual cost of the machinery to its
40 present owner, plus the cost of transportation, handling
41 and installation at the present site;

42 [(70)] (67) Pangkat ng Tagapagkasundo is a
43 conciliation panel at the barangay level composed of three

1 members from the Lupong Tagapayapa whose responsibility is
2 to explore all possibilities for amicable settlement after
3 parties to a complaint failed to settle matters before the
4 punong barangay;

5 [(71)] (68) Peddler means any person who, either for
6 himself or on commission, travels from place to place and
7 sells his goods or offers to sell and deliver the same.
8 Whether a peddler is a wholesaler peddler or a retail
9 peddler of a particular commodity shall be determined from
10 the definitions of wholesale dealer or retail dealer as
11 provided herein;

12 [(72)] (69) Person means every physical or moral real
13 or juridical and legal being, susceptible for rights and
14 obligations or being the subject of legal relations;

15 [(73)] (70) Police Power is the power of government
16 which is inherent in every sovereign body, exercise "to
17 prescribe regulations to promote the health, peace, morals,
18 education, and good order of the people," and legislate for
19 the expansion of the state's industries, development of its
20 resources, and enhancement of its prosperity. The exercise
21 of police power is vested in the legislative branch of the
22 government. By the general welfare clause, this power is
23 expressly delegated to municipal corporations;

24 [(74)] (71) Privilege means a right or immunity
25 granted as a peculiar benefit, advantage or favor;

26 [(75)] (72) Profession means a calling which requires
27 the passing of an appropriate government board or bar
28 examination, such as the practice of law, medicine, public
29 accountancy, engineering, etc.

30 [(76)] (73) Project is a subdivision of a program
31 covering a homogeneous group of activities and describing
32 the work to be done; any activity that involves the use of
33 one or more scarce resources during a specific time period
34 for the purpose of producing a socio-economic return in the
35 form of goods and services. As such a project may be
36 viewed as an investment where investment is taken in its
37 broad context to include expenditures not only on social
38 overhead such as education, health, and nutrition
39 services;

40 [(77)] (74) Public Market refers to any place,
41 building, or structure of any kind designated as such by
42 the local sanggunian;

43 [(78)] (75) Public Utility is a private enterprise so

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1 essential to the public interest as to justify an exclusive
2 franchise in return for submitting to regulation and the
3 obligation to serve its consumers without discrimination;

4 [(79)] (76) Quarry is an open cut in the earth's
5 surface from which materials are removed from a solid mass
6 in something like blocks;

7 [(80)] (77) Quorum is the minimum number which must
8 be present to constitute a valid meeting or session;

9 [(81)] (78) Reassessment is the assigning of new
10 assessed values to property, particularly real estate, as
11 the result of a general partial or individual reappraisal
12 of the property.

13 [(82)] (79) Recall is an act of removing and/or
14 replacing public officials before the expiration of their
15 term of office;

16 [(83)] (80) Receipt[s] refers to income realized from
17 operations and activities of the government or are received
18 by the government in the exercise of its corporate
19 functions, consisting of charges for services rendered, or
20 for conveniences furnished, or the price of a commodity
21 sold, as well as authorized contributions or aids from
22 other entities except provisional advances for budgetary
23 purposes. Loans for specific projects or activities shall
24 be considered as "receipts."

25 [(84)] (81) Referendum is the [principle or practice]
26 ACT of submitting for popular vote to electors, matters for
27 final decision.

28 [(85)] (82) Regional Autonomy is the power of region
29 to do things on its own with respect to its internal
30 affairs and development.

31 [(86)] (83) Remaining Economic life is the period of
32 time expressed in years from the date of appraisal to the
33 date when the machinery becomes valueless.

34 [(87)] (84) Remaining Value is the value
35 corresponding to the remaining useful life of the
36 machinery.

37 [(88)] (85) Rental means the value of the
38 consideration, whether in money or otherwise, given for the
39 enjoyment or use of a thing.

40 [(89)] (86) Replacement of Reproduction Cost is the
41 cost that would be incurred on the basis of current prices,
42 in acquiring an equally desirable substitute property, or
43 the cost of reproducing a new replica of the property on

1 the basis of current prices with the same or closely
2 similar material.

3 [(90)] (87) Residential Land is land principally
4 devoted to habitation.

5 [(91)] (88) Residents refers to natural persons who
6 have their habitual residence in the province, city,
7 municipality or barangay where they exercise their civil
8 rights and fulfill their civil obligations, and to
9 juridical persons for which the law or any other provisions
10 creating or recognizing them fixes their residences in a
11 particular province, city, municipality or barangay. In
12 the absence of such law, juridical persons are residents of
13 the province, city, municipality or barangay where their
14 legal representation is established or where they exercise
15 their principal functions.

16 [(92)] (89) Retail means a sale where the purchaser
17 buys the commodity for his own consumption, irrespective of
18 the quantity of the commodity sold.

19 [(93)] (90) Revenue includes taxes, fees and charges
20 that a state [of] OR its political subdivision collects
21 and receives into the treasury for public purposes.

22 [(94)] (91) Services means the duties, work or
23 business performed or discharged by a government official,
24 or by a private person as the case may be.

25 [(95)] (92) Stall refers to any allotted space or
26 booth in the public market where merchandise of any kind is
27 sold or offered for sale.

28 [(96)] (93) Suitable Substitute refers to that kind
29 of article which would serve substantially the same purpose
30 or produce substantially the same result as the brand, type
31 or make of article originally desired or requisitioned.

32 [(97)] (94) Supplies includes everything, except real
33 estate which may be needed in the transaction of public
34 business or in the pursuit of any undertaking, project, or
35 activity, of the nature of equipment, furniture, stationary
36 materials for construction or personal property of any
37 sort, including non-personal or contractual services such
38 as the repair and maintenance of equipment and furniture,
39 as well as trucking, hauling, janitorial, security, and
40 related or analogous services.

41 [(98)] (95) Tax means an enforced contribution,
42 usually monetary in form, levied by the law-making body on
43 persons and property subject to its jurisdiction for the

1 precise purpose of supporting government needs.

2 [(99)] (96) Terms and Conditions refers to other
3 requirements not affecting the technical specifications and
4 requirements of the supplies desired in procurement, such
5 as bonding, terms of delivery and payment, and related or
6 analogous preferments.

7 [(100)] (97) Trust Funds are private and public
8 monies which have officially come into the possession of
9 the government, or which have been received as a guaranty
10 for the fulfillment of some obligation. A trust fund is
11 available only for the specific purpose for which was
12 created or for which it came into the possession of the
13 government.

14 [(101)] (98) Unjust means deficient in justice and
15 fairness.

16 [(102)] (99) Utilities are the basic service system
17 required by a developed area, such as water supply,
18 sanitary sewers, electricity, gas and telephone service,
19 public transportation and garbage collection, provided by
20 the public or a publicly regulated agency.

21 [(103)] (100) Vessel includes any sort of boat,
22 craft, or other artificial contrivance used, or capable of
23 being used as a means of transportation on water.

24 [(104)] (101) Wharfrage means a fee assessed against
25 the cargo of a vessel engaged in foreign trade based on the
26 quantity, weight or measure received and/or discharged by
27 such vessel.

28 [(105)] (102) Wholesale means a sale where the
29 purchaser buys the commodities for resale, regardless of
30 the quantity of the transaction.

31 [(106)] (103) Work Program is a plan of the work
32 proposed to be done during a particular period by a
33 department or an agency. The work program is useful in
34 planning and in executing the budget since it provides a
35 basis for making expenditures estimates. The program
36 usually contains not only estimates or proposed work but
37 also data concerning work done in preceding years on which
38 the estimates are partly based.

39 [(107)] (104) Zoning in general is the demarcation of
40 a city or municipality by ordinance into zones and the
41 establishment of regulations to govern the use of the land
42 (commercial, industrial, residential, etc.) and the
43 location, bulk, height, use, and coverage of structures

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1 within each zone.

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

4 Article One - Creation, Division, Merger, Abolition
5 or Alteration of Boundaries of Local
6 Government Units

7 SEC. 6. - Authority to Create Local Government Units. -

8 A local government unit may be created, divided, merged,
9 abolished or their boundaries substantially altered either
10 by law enacted by the Congress of the Philippines in the
11 case of a province, city, municipality, autonomous region
12 or metropolitan political subdivision, or by ordinance
13 passed by the sangguniang panlalawigan or sangguniang
14 panlungsod in the case of a barangay located within their
15 respective territorial jurisdictions, subject to such
16 limitations and requirements prescribed in this Code.

17 SEC. 7. - Creation and Conversion. - (1) As a general
18 rule, the creation of a local government unit or its
19 conversion from one level into another level of local
20 government shall be based on factors relative to viability
21 and projected capacity to provide services which can be
22 clearly shown by such verifiable indicators as:

23 a. Population - which shall be determined by the total
24 number of inhabitants within the territorial jurisdiction
25 of the local government unit concerned;

26 b. Income - which must be sufficient to provide for
27 all essential government facilities and services, urban
28 amenities and special functions commensurate with the size
29 of its population, as expected of the particular local
30 government unit concerned based on acceptable standards;
31 and

32 c. Land area - which must be contiguous, unless it
33 includes two or more islands, and properly identified by
34 metes and bounds, WITH TECHNICAL DESCRIPTIONS, sufficient
35 enough to provide for such amenities, services and future
36 development to meet the requirements of its increasing
37 population.

38 SEC. 8. Division and Merger. - Division and merger of
39 existing local government units shall comply with the same
40 requirements herein prescribed for creation: Provided,
41 however, That in cases of division of local government
42 units, such division shall not diminish the population,
43 income and land area of any local unit below the minimum

1 requirements set by this Code.

2 SEC. [10] 9. Abolition of Local Government Units. -
3 Abolition of a local government unit shall be based upon
4 a showing that the population and income of the local
5 government unit concerned have been irreversibly reduced
6 below the minimum standards prescribed for its creation,
7 and that it has not attained any significant improvement
8 in the delivery of services during the preceding three
9 (3) calendar years, all of which shall be certified to
10 the Congress of the Philippines or to the sanggunian
11 concerned. No law or ordinance abolishing a local
12 government unit may be enacted unless said Act specifies
13 the province, city, municipality or barangay to which the
14 unit sought to be abolished will be incorporated or
15 merged with. (N)

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

26 SEC. 11. Selection and Transfer of Local Government
27 Site. - (1) The law or ordinance creating or merging local
28 government units shall specify the seat of government
29 within which the specific site for dispensation of
30 governmental and corporate services shall be conducted. In
31 selecting said site, factors relating to geographical
32 centrality, accessibility, transportation and communication
33 facilities, drainage and sanitation, development and
34 economic progress and other relevant considerations shall
35 be taken into account.

36 (2) When subsequent to the establishment of the local
37 government site, conditions and developments in said unit
38 have significantly changed, the sanggunian of the local
39 unit concerned may, after public hearing, by a vote of
40 two-thirds (2/3) of all its members, transfer the
41 government site to a location more suited to current needs
42 and anticipated future development and progress: Provided,
43 however, That no transfer of site shall be made outside the

1 territorial boundaries of the seat of government previously
2 established by law or ordinance. The old site together
3 with the improvements thereon may be disposed of by sale or
4 lease or conveyed to such other use as the sanggunian
5 concerned may deem beneficial to its inhabitants.

6 SEC. 12. Naming of Local Government Units. - [No
7 local government unit shall be named after a living person,
8 nor may a change of name be made unless for a justifiable
9 reason and, in any case, not oftener than once every ten
10 (10) years.]

11 THE SANGGUNIANG PANLALAWIGAN, THE SANGGUNIANG
12 PANLUNGSOD, OR THE SANGGUNIANG BAYAN, AS THE CASE MAY BE,
13 IS AUTHORIZED TO CHANGE THE NAMES OF THE FOLLOWING:

14 A) MUNICIPALITY OR BARANGAY;

15 B) STREET, AVENUE, BOULEVARD OR PUBLIC THOROUGHFARES;

16 AND

17 C) ANY OTHER PUBLIC PLACE OR BUILDING WHICH IS
18 LOCATED IN THE AREA OF THE LOCAL UNIT AND OWNED BY THE
19 LOCAL GOVERNMENT UNIT.

20 THE CHANGE OF NAMES OF A PRIMARY OR SECONDARY PUBLIC
21 SCHOOL SHALL BE SUBJECT TO THE APPROVAL OF A MAJORITY OF
22 VOTES CAST IN A PLEBISCITE IN THE POLITICAL UNIT AFFECTED.

23 NO LOCAL GOVERNMENT UNIT AND THE ABOVEMENTIONED SHALL
24 BE NAMED AFTER A LIVING PERSON, NOR A CHANGE OF NAME BE
25 MADE UNLESS FOR A JUSTIFIABLE REASON AND, IN ANY CASE, NOT
26 OFTENER THAN ONCE EVERY TEN (10) YEARS. ONLY FILIPINO
27 NAMES AND DESCRIPTIONS SHALL BE USED.

28 THE CHANGE OF NAME OF A PRIMARY OR SECONDARY SCHOOL
29 SHALL BE UPON THE RECOMMENDATION OF THE DIVISION
30 SUPERINTENDENT AND IN THE CASE OF PUBLIC COLLEGES AND
31 UNIVERSITIES, BY THE BOARD OF REGENTS.

32 THE CHANGE OF NAME OF PUBLIC HOSPITALS AND HEALTH
33 CENTERS SHALL BE UPON THE RECOMMENDATION OF THE PROVINCIAL
34 HEALTH OFFICER. (S.B. No. 300, S.B. No. 872 and 873)

35 SEC. 13. Beginning of Corporate Existence. - When a
36 new local government unit is created, its corporate
37 existence shall commence upon the qualification of its
38 chief executive and a majority of the members of its
39 sanggunian unless some other time is fixed therefor by the
40 law or ordinance creating it. (Sec. 6, BP 337)

41 Article Two - Governmental and Corporate
42 Powers of Local Governments

43 SEC. 14. Political and Corporate Nature of Local

1 Governments. - Every local government unit created or
2 recognized under this Code is a body politic and corporate
3 endowed with powers to be exercised by and through its
4 government in conformity with law. As such, it shall
5 exercise powers as a subdivision of the government and as a
6 corporate entity representing the inhabitants of its
7 territory. (Sec. 5, (2), BP 337)

8 [SEC. 15. Governmental Powers in General. - Every
9 local government unit shall exercise the powers expressly
10 granted, those necessarily implied therefrom, as well as
11 powers necessary and proper for governance such as those
12 designed to promote health and safety, enhance prosperity,
13 improve morals, and maintain peace and order in the local
14 unit, and preserve the comfort and convenience of the
15 inhabitants therein.]

16 SEC. 15. GENERAL WELFARE CLAUSE. - EVERY LOCAL
17 GOVERNMENT UNIT SHALL EXERCISE THE POWER EXPRESSLY GRANTED,
18 THOSE NECESSARILY IMPLIED THEREFROM, AS WELL AS POWERS
19 NECESSARY, APPROPRIATE, OR INCIDENTAL FOR ITS EFFICIENT AND
20 EFFECTIVE GOVERNANCE, SUCH AS TO FOSTER THE PRESERVATION
21 AND ENRICHMENT OF CULTURE, PROMOTE HEALTH AND SAFETY,
22 ENHANCE THE RIGHT OF THE PEOPLE TO A BALANCED ECOLOGY,
23 ENCOURAGE AND SUPPORT THE DEVELOPMENT OF APPROPRIATE AND
24 SELF-RELIANT SCIENTIFIC AND TECHNOLOGICAL CAPABILITIES,
25 IMPROVE MORALS, SECURE QUALITY AND AFFORDABLE EDUCATION,
26 ENHANCE ECONOMIC PROSPERITY AND SOCIAL JUSTICE AND MAINTAIN
27 PEACE AND ORDER WITHIN ITS TERRITORIAL JURISDICTION, AND
28 PRESERVE THE COMFORT AND CONVENIENCE OF ITS INHABITANTS.

29 SEC. 15-A. POWER TO ORGANIZE, GENERATE AND APPLY
30 RESOURCES. - EVERY PROVINCE, CITY OR MUNICIPALITY SHALL
31 HAVE THE POWER AND AUTHORITY TO ESTABLISH A LOCAL
32 GOVERNMENT ORGANIZATIONAL STRUCTURE THAT SHALL BE
33 RESPONSIVE TO THE EFFICIENT AND EFFECTIVE IMPLEMENTATION OF
34 ITS DEVELOPMENT PLANS, PROGRAM OBJECTIVES AND PRIORITIES;
35 TO CREATE ITS OWN SOURCE OF REVENUES AND TO LEVY TAXES,
36 FEES AND CHARGES WHICH SHALL ACCRUE EXCLUSIVELY FOR THE USE
37 AND DISPOSITION OF SAID LOCAL GOVERNMENT UNITS; TO HAVE A
38 JUST SHARE IN NATIONAL TAXES WHICH SHALL AUTOMATICALLY BE
39 RETAINED BY THEM; TO ACQUIRE, DEVELOP, LEASE, ENCUMBER,
40 ALIENATE OR OTHERWISE DISPOSE OF REAL OR PERSONAL PROPERTY
41 AND TO APPLY ITS RESOURCES AND ASSETS FOR PRODUCTIVE,
42 DEVELOPMENTAL OR WELFARE PURPOSES, IN THE EXERCISE OR
43 FURTHERANCE OF ITS GOVERNMENTAL OR PROPRIETARY POWERS AND

1 FUNCTIONS; AND THEREBY ENSURE THE DEVELOPMENT OF SUCH LOCAL
2 GOVERNMENT UNITS AS SELF-RELIANT COMMUNITIES AND EFFECTUATE
3 WAYS OF ENHANCING THEIR CAPABILITIES TO DISCHARGE THEIR
4 FUNCTIONS AND RESPONSIBILITIES. (Sec. 7, BP 337)

5 SEC. 16. Eminent Domain. - A local government unit
6 may, through its chief executive and acting pursuant to a
7 resolution of its sanggunian, exercise the right of eminent
8 domain and institute condemnation proceedings for public
9 use or purpose, upon payment of just compensation:
10 Provided, however, That the right of eminent domain may not
11 be exercised unless a valid and definite offer to buy the
12 property has been previously made to its owner or owners,
13 and such offer was not accepted. Provisions of existing
14 laws to the contrary notwithstanding, the amount to be paid
15 for the expropriated property shall be determined by the
16 Regional Trial Court hearing the case, based on the current
17 market value of the property. (Sec. 9, BP 337)

18 SEC. 17. Closure of Roads. - (1) A local government
19 unit may, through its chief executive, acting pursuant to a
20 resolution of its sanggunian and in accordance with the
21 provisions of this Code, permanently or temporarily close
22 any barangay, municipal, city or provincial road, street,
23 alley, park or square.

24 (2) No such way or place or any part thereof shall be
25 permanently closed without making provisions for the
26 maintenance of public safety therein. A property thus
27 permanently withdrawn from public use may be used or
28 conveyed for any purpose for which other real property
29 belonging to the local unit concerned might be lawfully
30 used or conveyed. (Sec. 13, BP 337)

31 (3) A road, street, alley, park or square may be
32 temporarily closed during an actual emergency or on the
33 occasion of fiesta celebrations, agricultural or industrial
34 fairs, or the under taking of public works and highways
35 activities, the duration of which shall be specified by the
36 local chief executive concerned in a written order:
37 Provided, however, That no road, street, alley, park or
38 square shall be temporarily closed for games or activities
39 not officially sponsored, recognized or approved by the
40 local government unit concerned. (Rule IX-B R & R, MLG)

41 SEC. 18. The Legislative Power. - (1) The legislative
42 power shall be exercised by the sanggunian in all levels of
43 local government in the form of ordinances and resolutions.

1 (2) SAID SANGGUNIANG IN ALL LEVELS OF LOCAL GOVERNMENT
2 IS HEREBY MANDATED TO CREATE A COMMITTEE ON ENVIRONMENTAL
3 PROTECTION TO ADDRESS LEGISLATION ON ALL SUCH ENVIRONMENTAL
4 PROTECTION MATTERS. (S.B. 965)

5 SEC. 19. Corporate Powers. - (1) Every local
6 government unit shall, as a corporation, have the following
7 powers:

- 8 a. To have continuous succession in its corporate
9 name;
10 b. To sue and be sued;
11 c. To have and use a corporate seal;
12 d. To acquire and convey real or personal property;
13 e. To enter into contracts; and
14 f. To exercise such other powers as are granted to
15 corporations, subject to limitations provided in this
16 Code
17 and other laws. (Sec. 12, BP 337)

18 (2) Local government units may continue with their
19 existing corporate seals but newly-created local
20 government units or those without corporate seals [to]
21 SHALL SECURE THE APPROVAL OF the Department of Local
22 Government through its regional offices. (Rule VI)

23 (3) Local government units shall enjoy full autonomy
24 in the exercise of their proprietary functions and in the
25 management of their economic enterprises, subject only to
26 the [limitation] LIMITATIONS provided in the Constitution
27 and this Code.

28 (4) That when national funds are used to construct
29 or repair national/provincial roads in provinces, the said
30 work should be done continuously and contiguously and not
31 on a leap-frogging basis to avoid areas that governors and
32 provincial treasurers do not favor politically. Such
33 violation will result in suspension or dismissal of the
34 governor and/or provincial treasurer.

35 SEC. 20. Liability for Damages - Local Government
36 units [and their officials] unless provided for by law are
37 accountable for their acts and therefore not exempt from
38 liability [of] FOR damages from citizens' complaints.

39 CHAPTER 3. - Intergovernmental Relations

40 Article One - National Government and Local Governments

41 SEC. 21. National Supervision over Local Governments.-

42 (1) [The President of the Philippines shall exercise
43 general supervision over local governments to ensure that

1 local affairs are administered according to law. General
2 supervision shall include the power to order an
3 investigation of the conduct of local government officials
4 whenever necessary for purposes of enforcement of the
5 provisions on administrative discipline. Such general
6 supervision shall be exercised primarily through the
7 Department of Local Government.] THE PRESIDENT OF THE
8 PHILIPPINES SHALL EXERCISE GENERAL SUPERVISION OVER LOCAL
9 GOVERNMENTS TO ENSURE THAT LOCAL AFFAIRS ARE ADMINISTERED
10 ACCORDING TO THE MANDATE OF THE CONSTITUTION AND
11 IMPLEMENTING LAWS. CONSISTENT WITH THE BASIC POLICY ON
12 DECENTRALIZATION, THE GENERAL SUPERVISION OF THE PRESIDENT
13 OVER LOCAL GOVERNMENTS SHALL BE EXERCISED THROUGH THE
14 APPROPRIATE DEPARTMENT, AND THE LATTER SHALL EXERCISE ITS
15 DELEGATED SUPERVISORY PREROGATIVES OVER MUNICIPALITIES AND
16 COMPONENT CITIES THROUGH THE PROVINCES, AND OVER BARANGAYS,
17 THROUGH MUNICIPALITIES AND CITIES, WITH THE VIEW TO
18 ENSURING THAT THE ACTS OF THE RESPECTIVE SUPERVISED UNITS
19 ARE WITHIN THE SCOPE OF THEIR PRESCRIBED POWERS AND
20 FUNCTIONS.

21 (2) Within six (6) months after the effectivity
22 of this Code, all departments and national offices having
23 to do with local government administration shall evolve
24 comprehensive and integrated standards and guidelines, to
25 obviate the need for requiring prior approval or pre-
26 clearance from the central government on regular and
27 recurring transactions and other activities normal to local
28 governments. In this regards, the Secretary of Local
29 Government shall establish and maintain appropriate
30 coordinative and consultative arrangements with other
31 Departments and national offices concerned with respect to
32 the integration of comprehensive standards and guidelines,
33 and to the monitoring and securing of proper compliance
34 with such standards and guidelines. Moreover, as a matter
35 of general policy, the Department of Local Government shall
36 exercise its supervisory authority over municipalities and
37 component cities through the provinces; over barangays
38 through municipalities and cities; and directly over highly
39 urbanized cities.

40 (3) Departments of national government agencies with
41 project implementation functions other than the Department
42 of Local Government, shall coordinate with each other and
43 with the local units concerned, and secure the desired

1 integration in the implementation of allied functions.

2 IT SHALL ENSURE THE PARTICIPATION OF LOCAL GOVERNMENTS
3 IN THE VARIOUS SUBSTANTIVE ASPECTS OF NATIONAL PROJECTS.

4 (4) Provisions of existing laws to the contrary
5 notwithstanding, the regional offices or appropriate field
6 units of the various departments and national agencies
7 shall be the major points of liaison between local
8 governments and the national government. For this purpose,
9 the national government shall, within six (6) months after
10 the effectivity of this Code, effect the substantial
11 delegation of authority and powers to the regional offices.
12 (Sec. 14, BP 337, Ex. Or. 870)

13 5) OFFICIAL OF NATIONAL GOVERNMENT OFFICES AND
14 GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS LOCATED IN THE
15 VARIOUS PROVINCES AND CITIES SHALL SUBMIT MONTHLY REPORTS,
16 TO INCLUDE BUDGETARY RELEASES AND EXPENDITURES, TO THE
17 GOVERNOR AND CITY MAYORS.

18 6) PROPOSED ANNUAL BUDGETS OF PROVINCIAL AND CITY
19 OFFICERS OF NATIONAL GOVERNMENT OFFICES AND GOVERNMENT-
20 OWNED AND CONTROLLED CORPORATIONS SHALL BE SUBJECT TO
21 APPROVAL OF GOVERNOR/CITY MAYORS, PRIOR TO AND SUBMISSION
22 TO REGIONAL OFFICES/CENTRAL OFFICES.

23 SEC. 21-A. DUTY OF GOVERNMENT AGENCY. - IT SHALL BE THE
24 DUTY OF THE GOVERNMENT AGENCY PLANNING, IMPLEMENTING OR
25 AUTHORIZING ANY PROJECT OR PROGRAM THAT CAUSES POLLUTION,
26 CLIMATIC CHANGE, DEPLETION OF NON-RENEWABLE RESOURCES, LOSS
27 OF CROP LAND, RANGELAND OR FORESTS, AND EXTINCTION OF
28 ANIMALS, INSECT OR FISH SPECIES IN A PROVINCE, CITY,
29 MUNICIPALITY OR BARANGAY TO EXPLAIN TO THE LOCAL GOVERNMENT
30 UNITS, NON-GOVERNMENT ORGANIZATIONS AND OTHER COMMUNITY
31 SECTORS CONCERNED WHAT THE PROJECT OR PROGRAM INTENDS TO
32 ACCOMPLISH, ITS IMPACT UPON THE PEOPLE AND THE COMMUNITY IN
33 TERMS OF THE ENVIRONMENT OR ECOLOGICAL BALANCE AND THE
34 MEASURES THAT WILL BE UNDERTAKEN TO PREVENT OR MINIMIZE THE
35 ADVERSE EFFECTS THEREOF. (S.B. 990)

36 SEC. 21-B. PRIOR CONSULTATIONS REQUIRED. - NO
37 PROJECT OR PROGRAM SHALL BE IMPLEMENTED OR ALLOWED
38 IMPLEMENTATION BY GOVERNMENT AUTHORITIES UNLESS THE
39 CONSULTANT THE CONSULTATIONS MENTIONED IN SECTIONS 2 AND
40 21-A, ABOVE, ARE COMPLIED WITH AND THE EXPRESS APPROVAL BY
41 THE PROVINCIAL BOARD OR CITY, MUNICIPAL OR BARANGAY COUNCIL
42 AFFECTED IS FIRST OBTAINED: PROVIDED, THAT, IN THE EVENT
43 THAT PEOPLE HAVE TO BE RELOCATED, NO EVICTION SHALL BE MADE

1 UNLESS APPROPRIATE RELOCATION SITES SHALL HAVE BEEN
2 PROVIDED.(S.B. 990)

3 SEC. 22. Technical and Financial Assistance; Technical
4 Supervision. - (1) Every department, office, agency or
5 instrumentality of the national government shall
6 render technical and provide financial assistance to
7 local governments necessary to carry out national
8 policies, plans, programs, projects and activities.

9 (2) Departments may exercise technical supervision AT
10 NO EXTRA COST over local governments on technical aspects
11 over which they are responsible on the national level
12 unless otherwise provided in this Code. (Sec. 32, BP 337)

13 SEC. 23. Transfer of Responsibility. - As a [general]
14 policy[and where appropriate], the national government
15 shall [encourage and take the necessary measures for the]
16 transfer [of] responsibility and[the] corresponding
17 authority and funds relative to service delivery functions
18 from the national to the local governments or from a higher
19 to a lower level of local government:[Provided, however,
20 That such transfer need not be effected at the same time
21 and for all the units in any tier of local government. ,
22 but may be done on the basis of the capability of the local
23 unit or units concerned to assume and discharge the
24 responsibility sought to be transferred.]WITHIN SIX (6)
25 MONTHS FROM THE EFFECTIVITY THIS CODE. (Sec. 33, BP 337)

26 SEC. 23-A. - SECONDMENT OF PERSONNEL. ALL PERSONNEL OF
27 AN EXECUTIVE DEPARTMENT, AGENCY, OFFICE OR INSTRUMENTALITY
28 OF THE NATIONAL GOVERNMENT ASSIGNED TO A PROVINCE OR CITY
29 PERFORMING FRONT LINE SERVICE DELIVERY FUNCTIONS SHALL BE
30 SECONDED AUTOMATICALLY TO THE PROVINCE AND CITY; WITH THE
31 LOCAL CHIEF EXECUTIVE EXERCISING SUPERVISION, DIRECTION,
32 REVIEW AND EVALUATION OF THEIR WORK, TO EXERCISE
33 ADMINISTRATIVE AUTHORITY, INCLUDING PROMOTION AND
34 DISCIPLINARY ACTION IN CONSULTATION WITH THE MOTHER AGENCY
35 AND THE CIVIL SERVICE COMMISSION.

36 SECONDED PERSONNEL WILL NOT RECEIVE ADDITIONAL
37 COMPENSATION EXCEPT SUPPLEMENTARY TRANSPORTATION ALLOWANCE.
38 EXEMPT ARE DND PERSONNEL, AFP AND JUSTICE PERSONNEL.

39 SEC. 23-B. FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT
40 UNITS. WHERE NATIONAL EXECUTIVE DEPARTMENTS, AGENCIES,
41 INSTRUMENTALITIES OR OFFICES PROVIDE FUNDING OR FINANCIAL
42 COUNTERPART ASSISTANCE TO LOCAL GOVERNMENT PROJECTS, THE
43 IMPLEMENTATION OF SUCH PROJECTS SHALL DEVOLVE UPON AND BE

1 CARRIED OUT BY THE LOCAL GOVERNMENT CONCERNED, SUBJECT TO
2 SUCH SPECIFICATIONS COST STANDARDS, REPORTING AND
3 PERFORMANCE AUDIT AS MAY BE PRESCRIBED BY THE NATIONAL
4 EXECUTIVE DEPARTMENT, AGENCY, INSTRUMENTALITY OR OFFICE, AS
5 THE CASE MAY BE.

6 Article Two - Relation with Other National
7 Offices

8 SEC. 24. - The Department of Education, Culture and
9 Sports. - The Department of Education, Culture and Sports
10 shall exercise the same jurisdiction and powers over all
11 educational institutions established or supported by any
12 local government unit that it exercises over all other
13 public schools, including the appointment of personnel
14 thereto: Provided, however, That teachers who are paid
15 wholly OR PARTLY out of local funds shall be appointed only
16 upon recommendation of the local chief executive
17 concerned. (Sec. 30, BP 337)

18 SEC. 25. The Commission on Elections. - In addition to
19 the powers and functions conferred upon it by law, the
20 Commission on Elections shall enforce and administer all
21 laws and regulations relative to the conduct of an
22 election, initiative, referendum, plebiscite and recall in
23 local government units, with powers to promulgate the
24 necessary guidelines consistent with the provisions of the
25 Constitution and this Code (Sec. 46, 58 & 59, BP 337; Par.
26 (1), Sec. 2, Art. IX-C, 1986 Constitution)

27 SEC. 26. The National Police Commission. - (1) The
28 National Police Commission shall recruit, train and provide
29 local government units with the necessary police force for
30 the maintenance of peace and order in each locality,
31 proportionate in number to the population therein.

32 (2) As far as practicable, the officers and men of the
33 national police force shall be recruited proportionately
34 from all provinces, cities, autonomous regions and
35 metropolitan political subdivisions.

36 (3) The officers and men of the national police force
37 assigned to a local government unit shall be under the
38 operational supervision and control of the local chief
39 executive WHO ARE HEREBY CONSTITUTED AS REPRESENTATIVE OF
40 THE NATIONAL POLICE COMMISSION: Provided, however, That
41 technical supervision shall remain with the National Police
42 Commission including the exercise of administrative
43 discipline and standardization of salaries of the officers

1 and personnel concerned. (N)

2 SEC. 26-A. FIREMEN. - IN THE SAME MANNER AS IN THE
3 PRECEDING SECTION, FIREMEN SHALL BE SUBJECT TO SUPERVISION
4 BY THE CHIEF EXECUTIVE OF THE LOCAL GOVERNMENT UNIT TO
5 WHICH THEY ARE ASSIGNED, BE IN CASE OF UNUSUAL
6 CONFLAGRATION, MAY BE TEMPORARILY DEPLOYED OUTSIDE THEIR
7 USUAL JURISDICTION, UPON INSTRUCTIONS OF THE GOVERNOR OR
8 MAYOR CONCERNED.

9 SEC. 26-B. ROLE OF NGOS. - NON-GOVERNMENTAL
10 ORGANIZATIONS OR PRIVATE VOLUNTEER ORGANIZATIONS,
11 INCORPORATED AS NON-STOCK AND NON-PROFIT ENTITIES,
12 DEDICATED TO THE PUBLIC PURPOSE OF PROMOTING AND ENHANCING
13 THE WELFARE OF LOCAL COMMUNITIES SHALL, AS THEY ARE HEREBY
14 ENCOURAGED, TO BECOME IMPORTANT PARTNERS IN THE THRUST TO
15 ATTAIN EFFICIENT AND EFFECTIVE LOCAL GOVERNMENT AUTONOMY.
16 ACCORDINGLY, THEIR PARTICIPATION IN THE FORMULATION AND
17 IMPLEMENTATION OF LOCAL GOVERNMENT PROGRAMS AND PROJECTS
18 ARE TO BE EXTENDED ALL POSSIBLE SUPPORT IN THE PRIORITY
19 AREAS OF LOCAL GOVERNANCE.

20 SEC. 26-C. JOINT VENTURE AND OTHER COOPERATIVE
21 ARRANGEMENTS. - LOCAL GOVERNMENT UNITS MAY ENTER INTO
22 JOINT VENTURES OR SUCH OTHER COOPERATIVE OR COLLABORATIVE
23 ARRANGEMENTS WITH SUCH NON-GOVERNMENTAL ORGANIZATIONS TO
24 EXPLORE LIVELIHOOD OPPORTUNITIES AND DEVELOP LOCAL
25 ENTERPRISES CALCULATED TO IMPROVE PRODUCTIVITY AND INCOME,
26 DIVERSIFY AGRICULTURE, INDUCE RURAL INDUSTRIALIZATION,
27 PROMOTE ECOLOGICAL BALANCE, AND ENHANCE THE HEALTH,
28 PHYSICAL FITNESS AND THE ECONOMIC AND SOCIAL WELL-BEING OF
29 THE LOCAL PEOPLE AND COMMUNITIES.

30 Article Three - Inter-Local Government Relations

31 SEC. 27. Provincial Relations with Component Cities
32 and Municipalities. - The province, through the provincial
33 governor, shall see to it that every component city and
34 municipality within its territorial jurisdiction acts
35 within the scope of its assigned powers and functions.
36 Highly urbanized cities, as hereinafter provided, shall be
37 independent of the province. (Sec. 15 & 17, BP 337)

38 SEC. 27-A. POOLING BY LOCAL GOVERNMENTS - LOCAL
39 GOVERNMENT UNITS MAY GROUP, CONSOLIDATE, OR COORDINATE
40 THEIR EFFORTS, SERVICES AND RESOURCES FOR PURPOSES COMMONLY
41 BENEFICIAL TO THEM IN ACCORDANCE WITH EXISTING LAWS.

42 SEC. 27-B. DELIVERY OF SERVICES. IN ORDER THAT LOCAL
43 GOVERNMENT UNITS MAY BE MORE RESPONSIVE TO THE NEEDS OF

1 THEIR CONSTITUENCY, THE PROVINCES, CITIES AND
2 MUNICIPALITIES ARE HEREBY MANDATED TO ESTABLISH AND
3 MAINTAIN:

- 4 (1) HEALTH AND SOCIAL SERVICES;
- 5 (2) AGRICULTURAL EXTENSION SERVICES;
- 6 (3) ELEMENTARY SCHOOL SYSTEM; AND
- 7 (4) PROVINCIAL, CITY, MUNICIPAL AND BARANGAY ROADS
8 SYSTEM.

9 IN ORDER TO PERFORM ITS FUNCTIONS PROPERLY, INCLUDING
10 COMPLIANCE WITH THIS MANDATE, EACH LOCAL GOVERNMENT UNIT,
11 THROUGH THE LOCAL SANGGUNIANS, SHALL HAVE THE AUTHORITY TO
12 ESTABLISH AN ORGANIZATIONAL STRUCTURE CONDUCIVE TO THE
13 EFFICIENT AND EFFECTIVE IMPLEMENTATION OF ITS DEVELOPMENT
14 PLANS, PROGRAM OBJECTIVES AND PRIORITIES.

15 SEC. 28. Review of Component City and Municipal
16 Ordinances and Resolutions. - The sangguniang panlalawigan
17 shall review all ordinances and resolutions duly enacted or
18 adopted by the sangguniang panlungsod of component cities
19 or the sangguniang bayan of municipalities within its
20 territorial jurisdiction to ensure that these are within
21 the powers granted by law and in conformity with provincial
22 ordinances.

23 SEC. 29. Submission of Municipal Questions to the
24 Provincial Attorney or Fiscal. - In the absence of a
25 municipal attorney, the municipal government may secure the
26 opinion of the provincial attorney, [if any,] AND IN THE
27 ABSENCE OF THE LATTER IN EXCEPTIONAL CIRCUMSTANCES, [or]
28 the provincial fiscal on any legal question affecting the
29 municipality. (Sec. 18, BP 337; S.B. 1116)

30 SEC. 30. Acts of the Sangguniang Bayan Requiring
31 Approval of the Sangguniang Panlalawigan. - The following
32 acts of the sangguniang bayan shall be subject to the
33 approval of the sangguniang panlalawigan:

- 34 (1) Permanent closure of a public road,
35 street, alley, park or square;
- 36 (2) Donation of municipal funds or
37 alienation of municipal property; and (Sec. 19,
38 BP 337)
- 39 (3) [Negotiation for] Loans. (N)

40 SEC. 31. City and Municipal Supervision Over their
41 Respective Barangays. - The city or municipality, through
42 the city or municipal mayor concerned, shall have primary
43 responsibility for general supervision over the

1 government of every barangay within their respective
2 territorial jurisdictions to ensure that said barangays
3 act within the scope of their assigned powers and
4 functions. (Sec. 21 and 24, BP 337)

5 SEC. 32. Review of Barangay Ordinances and
6 Resolutions. - The sangguniang panlungsod or the
7 sangguniang bayan shall review all ordinances and
8 resolutions duly enacted or adopted by their respective
9 sangguniang barangay to ensure that these are within the
10 powers granted by law and in conformity with city or
11 municipal ordinances. (Sec. 22 and 25, BP 337)

12 TITLE TWO - ELECTIVE OFFICIALS

13 CHAPTER 1. - Qualifications and Election

14 [SEC. 33. Qualifications. - (1) An elective local
15 official must be a citizen of the Philippines, at least
16 twenty-three (23) years of age on election day, a
17 qualified voter registered as such in the local
18 government unit where he proposes to be elected, a
19 resident therein for at least one (1) year at the time of
20 the filing of his certificate of candidacy, and able to
21 read and write English, Filipino, or any other local
22 language or dialect.

23 (2) Candidates for the position of punong barangay or
24 member of the sangguniang barangay must be actual residents
25 in the barangay where they propose to be elected.

26 (3) A candidate for chairmanship of the kabataang
27 barangay need not be of the minimum age required in this
28 section.]

29 SEC. 33. QUALIFICATIONS. - (1) AN ELECTIVE LOCAL
30 OFFICIAL MUST BE A CITIZEN OF THE PHILIPPINES, A REGISTERED
31 VOTER IN THE BARANGAY, MUNICIPALITY, CITY OR PROVINCE WHERE
32 HE PROPOSES TO BE ELECTED, A RESIDENT THEREIN FOR AT LEAST
33 ONE YEAR AT THE TIME OF THE FILING OF HIS CERTIFICATE OF
34 CANDIDACY, AND ABLE TO READ AND WRITE FILIPINO, ENGLISH, OR
35 ANY OTHER LOCAL LANGUAGE OR DIALECT.

36 (2) CANDIDATES FOR THE POSITIONS OF GOVERNOR, VICE-
37 GOVERNOR, OR MEMBER OF THE SANGGUNIANG PANLALAWIGAN MUST BE
38 AT LEAST TWENTY-THREE (23) YEARS OF AGE ON ELECTION DAY.

39 (3) CANDIDATES FOR THE POSITIONS OF MAYOR OR VICE-
40 MAYOR MUST BE AT LEAST TWENTY-ONE (21) YEARS OF AGE ON
41 ELECTION DAY.

42 (4) CANDIDATES FOR THE POSITIONS OF MEMBER OF THE
43 SANGGUNIANG PANLUNGSOD OR MEMBER OF THE SANGGUNIANG BAYAN

1 MUST BE AT LEAST EIGHTEEN (18) YEARS OF AGE ON ELECTION
2 DAY. IF ELECTED AS A MEMBER OF THE SANGGUNIANG PANLUNGSOD
3 OR SANGGUNIANG BAYAN, THE MEMBER IS QUALIFIED TO FILL ANY
4 VACANCY IN THE OFFICE OF THE MAYOR OR VICE-MAYOR OR MAY BE
5 APPOINTED BY THE SECRETARY OF LOCAL GOVERNMENTS UPON
6 RECOMMENDATION OF THE CITY/MUNICIPAL MAYOR, AS THE CASE MAY
7 BE, PURSUANT TO SECTION 39 OF THIS CODE: PROVIDED, THAT
8 SAID MEMBER IS AT LEAST TWENTY-ONE (21) YEARS OF AGE AT THE
9 TIME OF HIS SUCCESSION.

10 (5) CANDIDATES FOR THE POSITIONS OF PUNONG BARANGAY
11 OR MEMBER OF THE SANGGUNIANG BARANGAY MUST BE AT LEAST
12 EIGHTEEN (18) YEARS OF AGE ON ELECTION DAY AND ACTUAL
13 RESIDENTS IN THE BARANGAY IN WHICH THEY SHALL BE ELECTED.

14 (6) ANY LAW ON CIVIL CAPACITY AND THE CAPACITY TO ACT
15 TO THE CONTRARY NOTWITHSTANDING, ANY MEMBER OF THE
16 SANGGUNIANG PANLUNGSOD OR SANGGUNIANG BAYAN, PUNONG
17 BARANGAY OR MEMBER OF THE SANGGUNIANG BARANGAY, CHAIRMAN OR
18 MEMBER OF THE YOUTH COUNCIL CAN EXERCISE ALL THE POWERS AND
19 DISCHARGE ALL THE DUTIES OF HIS OFFICE OR ANY OTHER OFFICE
20 TO WHICH HE MAY SUCCEED PURSUANT TO THIS CODE.

21 (7) CANDIDATES FOR CHAIRMANSHIP OF THE YOUTH COUNCIL
22 MUST BE AT LEAST FIFTEEN (15) YEARS OF AGE BUT NOT MORE
23 THAN TWENTY-ONE (21) YEARS OF AGE ON ELECTION DAY. (R.A.
24 6644)

25 SEC. 34. Disqualifications. - The following are
26 disqualified from running for any elective local position:

27 a. Any person who has been sentenced by final
28 judgment to suffer one (1) year or more of imprisonment,
29 within two (2) years after service of sentence;

30 b. Any person who has been removed from office as a
31 result of an administrative case or as a result of recall
32 process, within one (1) year after such removal;

33 c. Any person who has BEEN CONVICTED BY FINAL
34 JUDGMENT FOR [violated] VIOLATING his allegiance to the
35 Republic of the Philippines; and

36 d. Insane or feeble-minded persons. (Sec. 10, RA
37 3590, Revised Barrio Charter)

38 SEC. 35. Manner of Election. - (1) The governor, vice
39 governor, city mayor, city vice-mayor, municipal mayor,
40 municipal vice-mayor, and barangay officials shall be
41 elected at large in their respective units by the qualified
42 voters therein. However, the kabataang barangay chairman
43 for each barangay shall be elected by the registered voters

1 of the kabataang barangay assembly as hereinafter provided.

2 (2) The members of the [sangguniang panlalawigan,
3 sangguniang panlungsod and sangguniang bayan shall be
4 elected at large in their respective units, but the
5 representative of the league of barangays and the kabataang
6 barangay federation in said sanggunians shall be elected by
7 their own respective organizations, subject to the
8 supervision of the Commission on Elections[.] : PROVIDED,
9 HOWEVER, THAT MEMBERSHIP IN THE SANGGUNIANG PANLALAWIGAN
10 SHALL BE EQUALLY DISTRIBUTED AMONG THE LEGISLATIVE
11 DISTRICTS OF EACH PROVINCE AND THE MEMBERS THEREOF DIRECTLY
12 ELECTED BY THE CONSTITUENTS OF THE RESPECTIVE DISTRICTS.
13 (S.B. 1002) (Sec. 43, BP 337)

14 (3) There shall be one representative each from the
15 agricultural and industrial labor sectors in the
16 sangguniang panlalawigan, sangguniang panlungsod and
17 sangguniang bayan, who shall be appointed by the
18 [President of the Philippines] GOVERNOR/MAYOR whenever, as
19 determined by the sanggunian concerned, said sectors are of
20 sufficient number in the local unit to warrant
21 representation, after consultation with associations and
22 persons belonging to the sector concerned.

23 The sectoral representatives thus chosen shall not be
24 allowed to sit and participate in the deliberations of the
25 sanggunian unless and until they present their appointment
26 and oath or affirmation of office to the sanggunian
27 concerned.

28 SEC. 35-A. DATE OF ELECTION - THE ELECTIONS FOR
29 LOCAL OFFICIALS SHALL BE HELD ON THE 2ND MONDAY OF MAY 1992
30 AND ON THE SAME DAY AND MONTH EVERY THREE YEARS THEREAFTER.

31 SEC. [26] 36. Term of Office. - (1) The term of
32 office of all local elective officials, including those in
33 the barangay, shall be three (3) years, starting from noon
34 of June 30, 1992: Provided, however, That all local
35 officials first elected during the local elections
36 immediately following the ratification of the 1986
37 Constitution shall serve until June 30, 1992, or until
38 their successors shall have been duly elected and
39 QUALIFIED.

40 (2) No local elective official shall serve for more
41 than nine consecutive years in the same position.
42 Voluntary renunciation of the office for any length of time
43 shall not be considered as an interruption in the

1 continuity of service for the full term of which the
2 elective official concerned was elected.

3 CHAPTER 2. - Vacancies and Succession

4 SEC. [38] 37. Permanent Vacancy in the Office of
5 the Local Chief Executive. - (1) In case a permanent
6 vacancy arises when a governor, city or municipal mayor,
7 or punong barangay refuses to assume office, fails to
8 qualify, dies or is removed from office, voluntarily
9 resigns, or is otherwise permanently incapacitated to
10 discharge the functions of his office, the vice-governor,
11 city or municipal vice-mayor, or the member of the
12 sangguniang barangay who obtained the highest number of
13 votes in the election immediately preceding, as the case
14 may be, shall assume the office for the unexpired term of
15 the local chief executive concerned.

16 (2) In the event the vice-governor, city or municipal
17 vice-mayor, as the case may be, likewise refuses to assume
18 office or fails to qualify, dies or is removed from office,
19 voluntarily resigns or is otherwise permanently
20 incapacitated to discharge the functions of the office,
21 the member of the sangguniang panlalawigan, sangguniang
22 panlungsod or the sangguniang bayan, as the case may be,
23 who obtained the highest number of votes in the election
24 immediately preceding shall assume the office for the
25 unexpired term of the governor, city or municipal mayor
26 concerned.

27 (3) If the sanggunian member who obtained the highest
28 number of votes in the election immediately preceding
29 likewise refuses to assume office or fails to qualify, dies
30 or is removed from office, voluntarily resigns or is
31 otherwise permanently incapacitated to discharge the
32 functions of the office, the vacancy shall be filled by the
33 member of the sanggunian concerned who obtained the second
34 highest number of votes in the election immediately
35 preceding, for the unexpired term of the vacant office.
36 Succeeding vacancy or vacancies as a result of such
37 succession shall be filled automatically by other
38 sanggunian members as ranked on the basis of the number of
39 votes received during the local elections in which they ran
40 for office. (Sec. 48, BP 337)

41 (4) In case of a tie between and among the sanggunian
42 members who obtained the highest or the next highest number
43 of votes in the immediately preceding election, the same

1 shall be resolved by the drawing of lots. (N)

2 SEC. [39] 38. Permanent Vacancy in the Office of
3 the Vice-Governor, or City or Municipal Vice-Mayor. - (1)

4 In case a permanent vacancy arises when a vice-governor
5 or city or municipal vice-mayor assumes the office of
6 governor, or city or municipal mayor, as the case may be,
7 or refuses to assume office fails to qualify, dies, is
8 removed from office, voluntarily resigns or is otherwise
9 permanently incapacitated to discharge the functions of
10 his office, the sangguniang panlalawigan, sangguniang
11 panlungsod or sangguniang bayan member who obtained the
12 highest number of votes in the election immediately
13 preceding, as the case may be, shall assume the office
14 for the unexpired term of the vice-governor or city or
15 municipal vice-mayor concerned.

16 (2) If the sanggunian member who obtained the highest
17 number of votes in the election immediately preceding
18 likewise assumes the office of governor, or city or
19 municipal mayor, as the case may be, or refuses to assume
20 office, fails to qualify, dies or is removed from office,
21 voluntarily resigns or is otherwise permanently
22 incapacitated to discharge the functions of the office, the
23 vacancy shall be filled by the member of the sanggunian
24 concerned who obtained the second highest number of votes
25 in the election immediately preceding, for the unexpired
26 term of the vacant office. Succeeding vacancy or vacancies
27 as a result of such succession shall be filled
28 automatically by other sanggunian members as ranked on the
29 basis of the number of votes received during the local
30 elections in which they ran for office. (Sec. 89, BP 337)

31 (3) In case of tie between and among the sanggunian
32 members who obtained the highest or the next highest number
33 of votes in the immediately preceding election, the same
34 shall be resolved by the drawing of lots. (N)

35 SEC. [40] 39. Permanent Vacancies in Local
36 Legislative Bodies. - In case of permanent vacancy in

37 local legislative bodies, the Secretary of Local
38 Government shall appoint a qualified person to fill the
39 vacancy in the sangguniang panlalawigan and the
40 sangguniang panlungsod, upon recommendation of the
41 governor or city mayor concerned; the provincial
42 governor, in the case of sangguniang bayan members upon
43 recommendation of the municipal mayor concerned; or the

1 city or municipal mayor in the case of sangguniang
2 barangay members, upon recommendation of the barangay
3 assembly concerned.

4 Except for the sangguniang barangay, the appointee
5 shall [come from] BE NOMINATED BY the political party of
6 the sanggunian member who caused the vacancy, and shall
7 serve the unexpired term of the vacant office.

8 In case of vacancies in the representation of the
9 agricultural and industrial labor sectors in the
10 sangguniang panlalawigan, sangguniang panlungsod or the
11 sangguniang bayan the same shall be filled by appointment
12 by the [President of the Philippines] GOVERNOR/MAYOR,
13 pursuant to the provisions of paragraph (3), Section 35
14 of this Code.

15 SEC. [41] 40. Temporary Vacancy in the Office of
16 Governor, City or Municipal Mayor, or Punong Barangay. -

17 (1) In case of temporary incapacity of the governor,
18 city or municipal mayor, or punong barangay to perform
19 his duties on account of physical or legal causes, or
20 when he is on official leave of absence or on travel
21 outside the territorial jurisdiction of the Republic of
22 the Philippines, the vice-governor, city or municipal
23 vice-mayor, or the sangguniang barangay member who
24 obtained the highest number of votes in the election
25 immediately preceding, as the case may be, shall exercise
26 the powers, and perform the duties and functions of the
27 governor, city or municipal mayor, or punong barangay
28 concerned, except the power to appoint, suspend or
29 dismiss employees during the temporary incapacity of the
30 incumbent, or during the incumbent's official leave of
31 absence or travel abroad, or for a period of not more
32 than three (3) months.

33 (2) Upon the expiration of three (3) months, should
34 the temporary incapacity, official leave of absence, or
35 travel abroad subsist, the vice-governor, city or municipal
36 vice-mayor, or sangguniang barangay member concerned, as
37 the case may be, may exercise the power to appoint, suspend
38 or dismiss employees during his tenure.

39 (3) When the incumbent local chief executive is on
40 travel within the country, the vice-governor, city or
41 municipal vice-mayor, or sangguniang barangay member
42 concerned, as the case may be, shall assume the powers,
43 duties and functions of the office only upon written

1 authorization of the local chief executive concerned.
2 (Sec. 52, BP 337)

3 (4) In the event, however, that the local chief
4 executive concerned fails or refuses to issue such
5 authorization, the vice-governor, city or municipal
6 vice-mayor, or sangguniang barangay member concerned, as
7 the case may be, shall automatically assume the powers,
8 duties and functions of the office on the sixteenth day
9 of absence of the local chief executive concerned,
10 subject to the limitations provided in paragraph (1) of
11 this Section. (N)

12 (4) In no case shall a local chief executive
13 authorize any official of a local unit to assume the
14 powers, duties and functions of the office, other than
15 the vice-governor, the city or municipal vice-mayor or
16 the senior sangguniang barangay member concerned, as the
17 case may be. (N)

18 SEC. [42] 41. Approval of Leaves of Absence. - (1)
19 The leave of absence of local elective officials shall be
20 approved as follows:

21 (a) The leaves of absence of the vice-governor city
22 or municipal vice-mayor, or punong barangay and members
23 of the sanggunian in all levels, shall be approved by the
24 local chief executive concerned;

25 (b) Leaves of absence of the municipal mayor shall
26 be approved by the provincial governor; and

27 (c) Leaves of absence of the city mayor and the
28 provincial governor shall be approved by the Secretary of
29 Local Government or his duly authorized representative.
30 (Sec. 53, BP 337)

31 (2) Whenever the application for leave of absence
32 hereinabove specified is not acted upon within five
33 working days after receipt thereof, the application for
34 leave of absence shall be deemed to have been approved.
35 (N)

36 CHAPTER 3. - Local Legislation

37 SEC. [43] 42. Legislative Power. - (1) The
38 legislative bodies of local governments shall be the
39 sangguniang panlalawigan for the province; the
40 sangguniang panlungsod for the city; the sangguniang
41 bayan for the municipality; and the sangguniang barangay
42 for the barangay.

43 SEC. [44] 43. Internal Rules of Procedure. - (1)

1 On the first regular session immediately following the
2 election of its members and within ninety (90) days
3 thereafter, the sanggunian of local government units
4 shall formulate and adopt its own internal rules of
5 procedure, or update its existing rules of procedure.

6 (2) The rules of procedure shall embody the
7 following:

8 (a) The standing committee to be created which
9 shall include the Committee on Youth and Sports
10 Development;

11 (b) The chairman and members of each committee;

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

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

16 (e) The order of business for each session;

17 (g) The discipline of members for disorderly
18 behavior during sessions and habitual absenteeism,
19 including the imposition of fines and/or penalties
20 therefor, such as reprimand, exclusion from the
21 session, or suspension for not more than sixty (60)
22 days, any of which shall require the concurrence of
23 at least two-thirds vote of all the sanggunian
24 members; and

25 (h) Such other rules as the sanggunian may
26 adopt.

27 (3) The representative of the Youth Council
28 Federation in the sanggunian shall be the chairman of the
29 Committee on Youth and Sports Development.

30 SEC. [45] 44. Sessions of the Sanggunian. - (1) On
31 the first day of session immediately following the
32 election of its members, the sanggunian shall, by
33 resolution, fix the day, time and place of its regular
34 sessions: Provided, however, That the minimum number of
35 regular sessions shall be once a week for the sangguniang
36 panlalawigan and sangguniang panlungsod, twice a month
37 for the sangguniang bayan, and once a month for the
38 sangguniang barangay.

39 (2) When public interest so demands, special
40 sessions may be called by the local chief executive or a
41 majority of the members of the sanggunian: Provided,
42 however, That no per diems or allowances shall be given
43 to the sanggunian members for special sessions attended

1 in excess of four per month.

2 (3) In special sessions of the sanggunian, a written
3 notice to the members shall be served personally or left
4 with a responsible person at the member's usual place of
5 residence. Unless otherwise concurred in by two-thirds
6 vote of the sanggunian members present, there being a
7 quorum, no other matter may be considered at a special
8 session except those stated in the notice.

9 (4) All sanggunian sessions shall be open to the
10 public unless a closed session is ordered by an
11 affirmative vote of a majority of the members present,
12 there being a quorum, in the public interest or for
13 reasons of security, decency or morality. No two (2)
14 sessions, regular or special, may be held in a single
15 day.

16 SEC. [46] 45. Presiding Officer. - (1) The vice-
17 governor shall be the presiding officer of the
18 sangguniang panlalawigan; the city vice-mayor for the
19 sangguniang panlungsod; the municipal vice-mayor for the
20 sangguniang bayan; and the punong barangay for the
21 sangguniang barangay. The presiding officer shall vote
22 only to break a tie. (N)

23 (2) In the event of the inability of the regular
24 presiding officer, as hereinabove stipulated, to preside
25 at a sanggunian session, the members present and
26 constituting a quorum shall elect from among themselves a
27 temporary presiding officer. The temporary presiding
28 officer shall not vote even in case of a tie. [but] HE
29 shall certify within ten days from their passage all
30 ordinances and resolutions enacted or adopted by the
31 sanggunian.

32 SEC. [47] 46. Quorum. - (1) A majority of all the
33 elective and appointive members of the sanggunian shall
34 constitute a quorum to transact official business.
35 Should a question of quorum be raised during a session,
36 the presiding officer shall immediately proceed to call
37 the roll of the members and thereafter announce the
38 results.

39 (2) Where there is no quorum, the presiding officer
40 may declare a recess until such time as a quorum is
41 constituted, or a majority of the members present may
42 adjourn from day to day and may compel the immediate
43 attendance of any member absent without good cause by

1 issuing to the [Integrated] LOCAL [National] Police
2 assigned in the area an order for the arrest and
3 presentment of the absent member at the session.

4 (3) If there is still no quorum despite the
5 enforcement of the immediately preceding paragraph, no
6 business shall be transacted. The presiding officer,
7 upon proper motion duly approved by the members present,
8 shall then declare the session adjourned for lack of
9 quorum. (Sec. 13, Rule VII, MLG R & R)

10 SEC. [48] 47. Approval by the Local Chief
11 Executive. - (1) Every ordinance or resolution enacted
12 or adopted by the sanggunian shall be forwarded to the
13 local chief executive concerned for approval. The local
14 chief executive concerned shall affix his initials on
15 each and every page of the ordinance or resolution, and
16 the word "Approved" shall appear with his signature on
17 the last page thereof.

18 (2) Within fifteen (15) days, in the case of the
19 province, and ten (10) days in the case of the city,
20 municipality or barangay, after receipt of the ordinance
21 or resolution, the local chief executive shall return the
22 said ordinance or resolution to the sanggunian with
23 either his approval or his veto. If he does not return
24 it within that time, the ordinance or resolution shall be
25 deemed approved. (Sec. 15, Rule VII, MLGR & R)

26 SEC. [49] 48. Veto Power of the Local Chief
27 Executive. - (1) The local chief executive may veto any
28 ordinance or resolution on the ground that it would be
29 prejudicial to the public welfare, particularly stating
30 his reasons therefor in writing.

31 (2) The local chief executive shall have the power
32 to veto any particular item or items of an appropriation
33 ordinance, or of an ordinance or resolution directing the
34 payment of money or creating liability. In such a case,
35 the veto shall not affect the item or items which are not
36 objected to. The vetoed item or items shall not take
37 effect unless the sanggunian overrides the veto in the
38 manner herein provided; otherwise, the item or items in
39 the appropriation ordinance of the previous year
40 corresponding to those vetoed shall be deemed reenacted.

41 (3) The local chief executive may veto an ordinance or
42 resolution only once. The sanggunian may override the veto
43 of the local chief executive concerned by two-thirds vote

1 of all its members, thereby making the ordinance or
2 resolution effective without the approval of the local
3 chief executive concerned. (Sec. 16, Rule VII, R & R)

4 SEC. [50] 49. Review of Ordinances, Resolutions and
5 Executive Orders by the Sangguniang Panlalawigan. - (1)

6 Within seventy-two (72) hours after approval, the
7 component city or municipal secretary shall forward to
8 the sangguniang panlalawigan for review, copies of
9 approved ordinances, resolutions and executive orders
10 promulgated by the component city or municipal mayor.

11 (2) Within thirty (30) days after receipt of copies of
12 approved ordinances, resolutions and executive orders
13 promulgated by the component city or municipal mayor, the
14 sangguniang panlalawigan shall examine the documents or
15 transmit them to the provincial attorney, or if there be
16 none, to the provincial fiscal for prompt examination. The
17 provincial fiscal or provincial attorney shall, within a
18 period of fifteen (15) days from receipt of the documents,
19 inform the sangguniang panlalawigan of his written comments
20 or recommendations which may be considered by the
21 sangguniang panlalawigan in making its decision.

22 (3) If the sangguniang panlalawigan finds that an
23 ordinance, resolution or executive order is beyond the
24 power conferred upon the sangguniang panlungsod, the
25 sangguniang bayan, or the mayor concerned, it shall declare
26 such ordinance, resolution or executive order invalid in
27 whole or in part. The sangguniang panlalawigan shall enter
28 its actions upon the minutes and shall advise the
29 corresponding city or municipal authorities of the action
30 it has taken.

31 (4) If no action has been taken by the sangguniang
32 panlalawigan within thirty (30) days after submission of an
33 ordinance, resolution, or executive order, the same shall
34 be presumed consistent with law. (Sec. 18, Rule VII, R & R)

35 SEC. [51] 50. Review of Barangay Ordinances by the
36 Sangguniang Panlungsod or Sangguniang Bayan. - (1)

37 Within ten (10) days after its enactment, the sangguniang
38 barangay shall furnish copies of barangay ordinances to
39 the sangguniang panlungsod or sangguniang bayan
40 concerned, for review as to whether the ordinance is
41 consistent with law and with city or municipal
42 ordinances.

43 (2) Failure on the part of the sangguniang panlungsod

1 or sangguniang bayan, as the case may be, to take action on
2 barangay ordinances within thirty (30) days from receipt
3 thereof, carries the presumption of validity of said
4 ordinances.

5 (3) If within thirty (30) days, the sangguniang
6 panlungsod or sangguniang bayan, as the case may be, finds
7 the barangay ordinance inconsistent with law or with
8 city or municipal ordinances, the sanggunian concerned
9 shall return the ordinance with its comments and
10 recommendations to the sangguniang barangay concerned for
11 adjustment, amendment or modification, in which case, the
12 effectivity of the barangay ordinance is suspended until
13 such time as the revision called for is effected. (Sec.
14 18, Rule VII, R & R)

15 SEC. [52] 51. Enforcement of Disapproved
16 Ordinances, Resolutions or Executive Orders. - Any
17 attempt to enforce, promulgate or execute any ordinance,
18 resolution or executive
19 order after the disapproval thereof shall be sufficient
20 ground for the suspension or dismissal of the officer king
21 such attempt. (Sec. 19, Rule VII, MLG R & R)

22 SEC. [53] 52. Effectivity of Ordinances. - (1)
23 Unless otherwise stated in the ordinance or resolution,
24 the same shall take effect after the lapse of ten (10)
25 days from the date a copy thereof is posted in a
26 bulletin board at the entrance of the provincial capitol
27 or city, municipal or barangay hall, as the case may be,
28 and at least two (2) other conspicuous places in the
29 local unit concerned.

30 (2) Not later than five (5) days after the approval
31 of an ordinance or resolution, the secretary of the local
32 unit shall cause the posting thereof [in English, together
33 with a copy of the translation] in the dialect used and
34 understood by the majority of the people in the local unit
35 concerned, and shall record such fact in a book kept for
36 THE purpose, stating the dates of approval and posting.

37 (3) In the case of highly urbanized cities, the main
38 features of the ordinance or resolution must, in addition
39 to the requirement of posting be published in a newspaper
40 of general circulation within the city. (Sec. 20, Rule
41 VIII, MLG R & R)

42 CHAPTER 4. Suspension and Removal

43 SEC. [54] 53. Suspension and Removal: Grounds. - An

1 elective local official may be suspended or removed from
2 office on any of the following grounds committed while in
3 office:

4 (1) Disloyalty to the Republic of the Philippines;

5 (2) Culpable violation of the Constitution;

6 (3) Dishonesty, oppression, misconduct in office
7 and neglect of duty[;], OF SUCH A SERIOUS OR GRAVE NATURE;
8 (S.B. 884)

9 (4) Commission of any offense involving moral
10 turpitude;

11 (5) SERIOUS OR GRAVE [A]abuse of authority; (S.B.
12 884)

13 (6) Unauthorized absence for three consecutive months;
14 and (Sec. 60, BP 337)

15 (7) Such other grounds as may be provided in this
16 Code and other laws. (N)

17 SEC. [55] 54. Form and Filing of Complaints. - A
18 verified complaint against any erring local elective
19 official shall be [preferred] PREPARED as follows:

20 (1) Against any elective provincial or city official,
21 before the Secretary of Local Government;

22 (2) Against any elective municipal official, before
23 the sangguniang panlalawigan;

24 (3) Against any elective barangay official, before
25 the sangguniang panlungsod or the sangguniang bayan
26 concerned, as the case may be (Sec. 61, BP 337)

27 SEC. [56] 55. Notice of Hearing. - Within seven (7)
28 days after the complaint is filed, the Secretary of Local
29 Government, or the sanggunian concerned, as the case may
30 be, shall require the respondent to submit his verified
31 answer within seven (7) days from receipt of said
32 complaint, and commence the investigation of the case
33 within ten (10) days after receipt of such answer of the
34 respondent. WHEN THE RESPONDENT IS AN ELECTIVE PROVINCIAL
35 OR CITY OFFICIAL, SUCH HEARING AND INVESTIGATION SHALL BE
36 THE CONDUCTED IN THE PLACE WHERE HE RENDERS OR HOLDS
37 OFFICE. FOR ALL OTHER LOCAL ELECTIVE OFFICIALS, THE VENUE
38 SHALL BE PLACE WHERE THE SANGGUNIAN CONCERNED IS LOCATED.
39 No investigation shall, however, be held within ninety
40 (90) days immediately prior to any local election, and no
41 preventive suspension shall be imposed within the said
42 period. If preventive suspension has been imposed prior
43 to the aforesaid period, the preventive suspension shall

1 be deemed automatically lifted. (Sec. 62, BP 337)(S.B.
2 884)

3 SEC. [57] 56. Preventive Suspension. - (1)
4 Preventive suspension may be imposed by the Secretary of
5 Local Government if the respondent is an elective
6 provincial or city official; by the provincial governor if
7 the respondent is an elective municipal official; or by
8 the city or municipal mayor if the respondent is an
9 elective barangay official.

10 (2).. Preventive suspension may be imposed at any time
11 after the issues are joined, when there is reasonable
12 ground to believe that the respondent has committed the
13 act or acts complained of, when the evidence of
14 culpability is strong, when the gravity of the offense so
15 warrants, or when the continuance in office of the
16 respondent could influence the witnesses or pose a threat
17 to the safety and integrity of the records and other
18 evidence. In all cases, preventive suspension of local
19 elective officials shall not extend beyond sixty (60) days.

20 (3) At the expiration of sixty (60) days, the
21 suspended elective official shall be deemed reinstated in
22 office without prejudice to the continuation of the
23 proceedings against him until its termination. However,
24 if the delay in the proceedings of the case is due to his
25 fault, neglect, or request, the time of the delay shall
26 not be counted in computing the time of suspension. (Sec.
27 63, BP 337)

28 SEC. [58] 57. Salary of Respondent Pending
29 Suspension. - The respondent official preventively
30 suspended from office pending an investigation of charges
31 against him shall receive no salary or compensation during
32 such suspension; but, upon subsequent exoneration and
33 reinstatement, he shall be paid full salary or
34 compensation including such emoluments accruing during
35 such suspension. (Sec. 67, BP 337)

36 SEC. [59] 58. Rights of Respondent. - The respondent
37 shall be accorded full opportunity to appear and defend
38 himself in person or by counsel, to confront and cross-
39 examine the witnesses against him, and to require the
40 attendance of witnesses and the production of documentary
41 evidence in his favor through the compulsory process of
42 subpoena or subpoena duces tecum. (Sec. 64, BP 337)

43 SEC. [60] 59. Form and Notice of Decision. - (1)

1 Within thirty (30) days after the end of the
2 investigation, the Secretary of Local Government, or the
3 sanggunian concerned, as the case may be, shall render a
4 decision in writing stating clearly and distinctly the
5 facts and the reasons for such decision, copies of which
6 shall immediately be furnished the respondent and all
7 interested parties.

8 (2) The penalty of suspension shall not exceed the
9 unexpired term of the respondent, OR A TOTAL OF SIX MONTHS
10 FOR HIS ENTIRE TERM, nor shall said penalty be a bar to
11 the candidacy of the respondent so suspended as long as he
12 meets the qualifications required for the office. (Sec.
13 65, BP 337)(S.B. 884)

14 [The penalty of removal from office as a result of an
15 administrative investigation shall be considered a bar to
16 the candidacy of the respondent for the same office. (N)]

17 SEC. [61] 60. Administrative Appeals. - (1)
18 Administrative appeals from the decision of suspension or
19 removal shall be made within thirty (30) days from the
20 date on which the same was received, to the following
21 authorities whose decision shall be final and executory:

22 (a) The decision of the Secretary of Local Government
23 shall be appealable [to the President] DIRECTLY TO THE
24 SUPREME COURT ON CERTIORARI BASED ON A QUESTION OF LAW
25 SUBJECT TO THE PROVISIONS OF THE RULES OF COURT. (S.B. 884)

26 (b) The decision of the sanggunian concerned shall be
27 appealable to the Secretary of Local Government. (Sec. 66,
28 BP 337)

29 CHAPTER 5. Recall

30 SEC. [62] 61. By Whom Exercised; Requisites. - (1)
31 The power of recall shall be exercised by the registered
32 voters of the unit to which the local elective official
33 subject to such recall belongs.

34 (2) Recall shall be validly initiated only upon
35 petition of at least twenty-five percent (25%) of the
36 total number of registered voters in the local government
37 unit concerned based on the election in which the local
38 official sought to be recalled was elected. (Sec. 54, BP
39 337)

40 SEC. [63] 62. Who May be Recalled; Grounds for
41 Recall; When Recall May not be Held. - (1) Any elective
42 official may be recalled only once during his term of
43 office for loss of confidence.

1 (2) No recall shall take place within one year from
2 the date of the official's assumption of office or one
3 year immediately preceding a regular local election.
4 (Sec. 55, BP 337)

5 SEC. [64] 63. Form, Venue and Procedure for Recall. -

6 (1) A written petition for recall duly signed before the
7 election registrar or his representative, and in the
8 presence of a representative of the petitioner and a
9 representative of the official sought to be recalled, and
10 in a public place in the province, city, municipality or
11 barangay, as the case may be, shall be filed with the
12 Commission on Elections through its office in the local
13 unit concerned. The Commission on Elections or its duly
14 authorized representative shall cause the publication of
15 the petition in a public and conspicuous place for a period
16 of not less than ten (10) days nor more than twenty (20)
17 days, for the purpose of verifying the authenticity and
18 genuineness of the petition and the required percentage of
19 voters.

20 (2) Upon the lapse of the aforesaid period, the
21 Commission on Elections or its duly authorized
22 representative shall announce the acceptance of candidates
23 to the position and thereafter prepare the list of
24 candidates which shall include the name of the official
25 sought to be recalled.

26 (3) The Commission on Elections shall then set the
27 date for the election which shall not be later than thirty
28 (30) days after the announcement of the acceptance of
29 candidates for the election on recall in the case of the
30 city, municipal or barangay officials, and forty-five (45)
31 days in the case of provincial officials. The election
32 shall then be held on the date set, after which the winner
33 shall be certified and proclaimed by the Commission on
34 Election. (Sec. 56, BP 337)

35 SEC. [65] 64. Effectivity of Recall. - The recall of
36 a local elective official shall be effective only upon the
37 election and proclamation of a successor in the person of
38 the candidate receiving the highest number of votes cast
39 during the recall election. Should the official sought to
40 be recalled receive the highest number of votes,
41 confidence in him is thereby affirmed and he shall
42 continue in office. (Sec. 57, BP 337)

43 SEC. [66] 65. Prohibition From Resignation. - The

1 Local elective official sought to be recalled shall not be
2 allowed to tender his resignation while the recall process
3 is in progress.

4 SEC. [67] 66. Expenses Incident To Election on
5 Recall. - All expenses incident to elections on recall
6 shall be borne by the Commission on Elections.

7 TITLE THREE - PERSONNEL ADMINISTRATION

8 SEC. [68] 67. Responsibility for Personnel
9 Administration. - Each head of a local government unit
10 shall be responsible for personnel administration in his
11 unit and shall take all personnel actions in accordance
12 with the constitutional provisions relative to the civil
13 service and all laws and rules thereon, including such
14 policies, guidelines and standards as the Civil Service
15 Commission may establish. (Sec. 72, BP 337)

16 SEC. [69] 68. Appointment of Personnel of Local
17 Government. - (1) All officials and employees paid wholly
18 OR PARTLY out of provincial, city, municipal or barangay
19 funds shall be appointed by the governor, city mayor,
20 municipal mayor, or punong barangay as the case may be,
21 except as otherwise provided in this Code. (Sec. 73, BP
22 337)

23 (2) Appointments to positions in local governments,
24 except those classified by law as policy-determining,
25 primarily confidential, or highly technical in nature,
26 shall be made only according to merit and fitness to be
27 determined, as far as practicable, by competitive
28 examination.

29 (3) Appointments to the career service in local
30 governments shall be either permanent or temporary. A
31 permanent appointment shall be issued to a person who
32 meets all the requirements for the position to which he is
33 appointed, including the appropriate eligibility
34 prescribed by law or regulations.

35 (4) In the absence of appropriate eligibles and
36 whenever public interest requires the filling of a vacancy
37 in local governments, a temporary appointment may be issued
38 to a person who meets all the requirements for the
39 position to which he is being appointed except the
40 possession of the appropriate civil service eligibility.
41 Such temporary appointment shall not exceed twelve (12)
42 months but may be terminated sooner if a qualified civil
43 service eligible becomes available.

1 (5) A contractual appointment shall be issued only
2 when the proposed appointee undertakes a specific work or
3 project to be completed within a limited period not to
4 exceed one (1) year; when the proposed appointee has a
5 special or technical skill not available in the employing
6 local government unit; and when the proposed appointee
7 performs or accomplishes his work under his own
8 responsibility with minimum direction and supervision from
9 the hiring local government unit. At no instance may an
10 alien be extended a contractual appointment in local
11 governments.

12 (6) Local government personnel hired on a contractual
13 basis may be paid a higher compensation than that given to
14 employees occupying similar positions or performing
15 substantially the same duties and responsibilities, but not
16 more than the ceiling fixed by the Department of Local
17 Government.

18 (7) All appointments shall be made in such form,
19 content, and supporting documentation as the Civil Service
20 Commission may prescribe. Except as otherwise provided
21 by law, appointments of all officials and employees of
22 local governments shall be forwarded to the Civil Service
23 Commission within thirty (30) days from the date of
24 issuance thereof, otherwise, said appointments shall
25 become ineffective thirty (30) days thereafter.
26 Appointments of those who do not meet the appropriate
27 eligibility and/or required qualifications shall not be
28 made, except in cases allowed by law and the civil service
29 rules and regulations.

30 (8) An appointment issued in accordance with pertinent
31 laws and rules shall take effect immediately upon its
32 issuance by the appointing authority, and if the appointee
33 has assumed the duties of the position, he shall be
34 entitled to receive his salary at once without awaiting
35 for the attestation of his appointment by the Civil
36 Service Commission. The appointing authority, however,
37 shall be liable for the payment of the salary of the
38 appointee for actual services rendered in the event said
39 appointment is not attested by the Civil Service
40 Commission, due to the appointing authority's issuance of
41 the appointment in willful violation of existing laws or
42 rules. (PD No. 809)

43 SEC. [70] 69. Public Notice of Vacancy; Personnel

1 Selection Board. - (1) For the purpose of attracting the
2 best qualified Filipino citizens to enter the career
3 service of local governments, whenever a local chief
4 executive shall decide to fill a vacant career position,
5 he shall announce his intention to fill said vacancy by
6 posting a notice thereof in at least three (3) conspicuous
7 public places in the local unit concerned, for a period of
8 not less than fifteen (15) days.

9 (2) The personnel selection board shall be established
10 in each unit to assist the local chief executive in the
11 judicious and objective selection of personnel for
12 employment as well as for promotion, and in the
13 formulation of such policies as would contribute to
14 employee welfare.

15 (3) The personnel selection board shall be headed by
16 the local chief executive, and its members shall be
17 determined by resolution of the sanggunian concerned. A
18 representative of the Civil Service Commission, if any,
19 and the personnel officer of the local unit concerned
20 shall sit on the board as ex-officio members. (PD No.
21 807)

22 SEC. [71] 70. Limitation on Appointments. -
23 Provisions of existing laws to the contrary
24 notwithstanding, no official or employee in the career
25 service of local governments may be appointed by the local
26 chief executive, if the proposed appointee is related
27 within the fourth civil degree of consanguinity or
28 affinity to the appointing or recommending authority.

29 SEC. [72] 71. Organizational Structure and Staffing
30 Pattern. - (1) The Department of Local Government shall
31 prescribe minimum standards and guidelines for the
32 organizational structure and the corresponding staffing
33 pattern for local government units consistent with
34 efficiency, economy and effectiveness, based on
35 established organizational principles, taking into
36 consideration their service requirements and financial
37 capability.

38 (2) A local government unit may effect a
39 reorganization of its structure or alter its present
40 staffing pattern based on the standards and guidelines
41 prescribed by the Secretary of Local Government, but not
42 oftener than once every three (3) years. Said
43 reorganization or alteration of staffing pattern shall be

1 subject to review by the Department of Local Government;
2 Provided, however, That in the proposed reorganization or
3 alteration no career civil service employees may be removed
4 or demoted unless for caused provided by law.

5 SEC. [73] 72. Promotions. - Promotions in local
6 governments shall be in accordance with existing laws and
7 rules on the matter. The personnel selection board
8 constituted under Section 69 hereof, shall evolve a
9 screening process for determining employees deserving
10 promotion which may include tests of merit and fitness
11 under standards and guidelines established by the Civil
12 Service Commission. (Sec. 74, BP 337)

13 SEC. [74] 73. Salaries of Local Officials and
14 Personnel. - Provisions of existing laws to the contrary
15 notwithstanding, a division, section or unit shall be
16 organized in the Department of Local Government to evolve
17 a rational and responsive compensation plan for local
18 government officials and employees. For this purpose, the
19 said division, section or unit in the Department of Local
20 Government shall assume all the powers, duties and
21 functions of the Joint Commission on Local Government
22 Personnel Administration established under Presidential
23 Decree numbered one thousand one hundred and thirty six;
24 Provided, however, That, except for the vice-governors and
25 city and municipal vice-mayors, all other members of the
26 sangguniang in all levels of local government shall
27 receive only per diems for every session attended.

28 SEC. [75] 74. Separation From Local Government
29 Service. - (1) Career civil service officials and
30 employees separated from the service not for cause but as
31 a result of the abolition of the position or the
32 reorganization effected under the provisions of this Code,
33 shall as a general rule be reinstated in another vacant
34 position in the same local government unit without
35 diminution of salary.

36 (2) If the official or employee concerned is eligible
37 for retirement under existing laws, he shall be granted
38 such retirement and other benefits accruing to him under
39 the laws of general application in force at the time of
40 their separation.

41 Should the local official or employee concerned be
42 ineligible for retirement, said official or employee
43 separated from the service shall be granted a separation

1 pay equivalent to one month salary for every year of
2 service, over and above the commutation of his vacation
3 and sick leave benefits under existing laws.

4 (4) The benefits hereinabove granted shall be in the
5 nature of mandatory obligations of the local government
6 unit concerned, and shall take precedence in payment over
7 other obligations except contractual obligations.

8 (5) The provisions of this section likewise applies to
9 career service officials and employees of local government
10 whose resignation, tendered in line with the existing
11 national policy, have been accepted.

12 SEC. [76] 75. Resignations. - (1) Resignations of
13 local officials and employees shall not be considered
14 effective unless accepted by the following authorities:

15 a. The resignation of the governor, vice-governor
16 or city mayor, city vice-mayor and members of the
17 sangguniang panlalawigan or sangguniang panlungsod,
18 shall be acted upon by the Secretary of Local
19 Government.

20 b. The resignation of the municipal mayor shall
21 be acted upon by the provincial governor concerned.

22 c. The resignation of the members of the
23 sangguniang bayan shall be acted upon by the
24 sangguniang panlalawigan.

25 d. The resignation of the punong barangay and
26 members of the sangguniang barangay shall be acted
27 upon by the city or municipal mayor, as the case may
28 be.

29 e. The resignation of local appointive officials
30 and employees shall be acted upon by the appointing
31 authority concerned.

32 (2) Copies of the resignation, together with the
33 action taken thereon by the aforesaid authorities, shall
34 be furnished the Department of Local Government through
35 its Regional Offices.

36 SEC. [77] 76. Hours of Work. - Except for local
37 elective officials who are to render public service at all
38 times, all other local government officials and employees
39 are required to render not less than eight hours of work;
40 Provided, however, That when the interest of public
41 service requires, the local chief executive may extend the
42 daily hours of work of any or all the officials or
43 employees in the local unit, or require them to work on

1 Saturdays, Sundays and Holidays. Such additional hours of
2 service shall be compensated [for in] AS AN overtime [pay]
3 WORK, AND TO BE PAID REGULARLY [subject to the availability
4 of local funds. (PD No. 807)]

5 SEC. [78] 77. Leave Privileges of Local Elective
6 Officials. - (1) The provincial governor, the vice-
7 governor, the city or municipal mayor and the city or
8 municipal vice-mayor shall be entitled to 15 days vacation
9 and 15 days sick leave of absence with pay for every year
10 of service rendered which shall be commutable. All other
11 elective local officials shall not be entitled to any
12 leave privileges. (N)

13 SEC. [79] 78. Vacation and Sick Leave Privileges of
14 Appointive Local Officials and Employees. - After six (6)
15 months of continuous and satisfactory service, appointive
16 officials and employees of local governments shall be
17 entitled to fifteen (15) days vacation leave and fifteen
18 (15) days sick leave with full pay for each year of
19 service. Such leave shall be computed exclusive of
20 Saturdays, Sundays and Holidays.

21 All absences in excess of earned vacation and sick
22 leave credits shall be without pay. Any appointive local
23 government official or employee who has accrued leaves
24 with pay to his credit shall not be granted leave without
25 pay until his leave credits are first exhausted.

26 Leave without pay shall not exceed one (1) year unless
27 for justifiable reasons, such leave is extended by the local
28 chief executive concerned. (PD No. 807)

29 SEC. [80] 79. Cumulation and Commutation of Vacation
30 and Sick Leave Privileges. - (1) Vacation and sick leave
31 privileges shall be cumulative and any part thereof not
32 taken within the calendar year in which earned shall be
33 carried over to the succeeding year.

34 (2) The local chief executive may authorize the
35 commutation of vacation and/or sick leave credits on or
36 before the beginning of a leave of absence of a local
37 appointive official or employee, and authorize the payment
38 of the money value thereof to be charged against the
39 appropriation for the position.

40 (3) When an appointive local government official or
41 employee resigns, retires, or is separated from the service
42 through no fault of his own, he shall be entitled to the
43 commutation of all the accumulated vacation and sick leaves

1 to his credit without limitation as to the number of days,
2 exclusive of Saturdays, Sundays and Holidays.

3 (4) No appointive local government official or
4 employe whose leave has been commuted following his
5 separation from the service shall be reinstated in the
6 same position before the expiration of the period
7 corresponding to his commuted leaves.

8 (5) When an appointive local government official or
9 employee transfers from his local unit to another
10 government office, his vacation and sick leave credits
11 shall likewise be transferred. (PD No. 807)

12 SEC. [80-A] 79-A. Maternity Leaves. - (1) In addition
13 to the leave privileges granted under Sections 78 and 79
14 hereof women in the service of local governments holding
15 permanent or temporary appointments shall be entitled to
16 maternity leave in the event of pregnancy, subject to the
17 following conditions:

18 (a) Permanent and regular employees who have
19 rendered two or more years of continuous government
20 service shall be entitled to sixty days maternity leave
21 with full pay. The two or more years of continuous
22 service herein required shall exclude government
23 service under provisional or temporary status.

24 (b) Permanent and regular employees as well as
25 temporary employees who have rendered less than two
26 years of continuous government service shall be
27 entitled to sixty days with half pay.

28 (c) Temporary employees who have rendered less
29 than two years of continuous government service shall
30 be entitled to such number of days of maternity leave
31 with pay based on the ratio of thirty days of maternity
32 leave to two years of continuous government service.

33 (d) Temporary employees who pass civil service
34 examinations given before the date of the application
35 for maternity leave but the results of which
36 examinations are released after such date of
37 application, shall be entitled to the maternity leave
38 privileges granted to regular employees as of the date
39 when said civil service examinations were given;
40 Provided, That the eligibility acquired by the employee
41 concerned is appropriate for appointment to the
42 position and the salary attached thereto.

43 (e) In the case of women separated from the

1 service and subsequently reemployed as regular or
2 temporary employees of local governments a gap of three
3 months or less between the separation and reemployment
4 shall be disregarded for purposes of granting of
5 maternity leave privileges. (Sec. 12, CSC, Rule XVI)

6 (2) Casual and emergency employees in the service of
7 local governments shall be entitled to maternity leave
8 privileges granted under paragraph (1-c) of this section,
9 long as they meet the required years of continuous
10 government service provided in paragraph (1) hereof.
11 Broken services of a casual or emergency employee shall be
12 added together for purposes of availment of maternity
13 leave privileges herein provided. (CA 647, as amended by
14 RA 1564)

15 (3) Abortion or miscarriage of women in the service
16 of local governments shall entitle the employee concerned
17 to the availment of maternity leave privileges subject to
18 the conditions hereinabove provided. (GAO Decision No.
19 217w, 1941)

20 (4) A woman employed in the service of local
21 governments in a permanent and regular capacity shall be
22 entitled to avail of maternity leave privilege of sixty
23 days with full pay, even if at the time of her pregnancy
24 she was on an extended leave of absence without pay. (CSC
25 Ruling, 1956)

26 (5) Women employed in the service of local governments
27 may apply for maternity leave privileges for a period less
28 than sixty days, but she shall be entitled to full pay upon
29 return to duty. (CSC Rulings, 1956, 1958)

30 (6) In every instance of pregnancy, irrespective of
31 frequency, a woman employed in the service of local
32 governments shall be entitled to the maternity leave
33 privileges herein provided. (CSC Ruling 1956; Sec. 12,
34 Rule XVI, CSC; SV Opinion No. 141, 1973)

35 (7) A woman employed in the service of local
36 governments in a permanent capacity for two years or more,
37 but whose promotional appointment has been approved as
38 temporary, shall be entitled to full maternity leave
39 privileges. (CSC Ruling, 1976)

40 (8) Availment of the money value of maternity leave
41 privileges shall be allowed. (GAO Decision No. 461, 1947)

42 SEC. [81] 80. Grievance Committee. - (1) In every
43 local unit, the local chief executive shall establish a

1 system to inquire into, act upon, resolve or settle
2 complaints and grievances presented by local government
3 employees.

4 For this purpose, the local chief executive shall
5 create a grievance committee to be composed of a chairman
6 and two (2) members. The chairman shall come from the
7 office of the local chief executive and the other two (2)
8 members shall be the head of the administrative
9 department, division or office where the particular
10 grievance arose. When the grievance concerns the head of a
11 department, division or office, he shall be disqualified
12 from being a member of the grievance committee and the
13 local chief executive shall designate in his place the head
14 of another department, division or office to sit as a
15 committee member only for purposes of revolving or settling
16 the particular grievance.

17 (2) The grievance committee shall receive and find
18 the most efficacious way of resolving or settling
19 complaints and grievances on matters pertaining to or
20 affecting the office or the performance by employees of
21 their official duties or which otherwise adversely
22 affect the public service.

23 In acting upon, resolving or settling complaints and
24 grievances, the committee shall not be bound by technical
25 rules of procedure or evidence and shall mediate or
26 conciliate the parties as informally, expeditiously and
27 as fairly as possible. In these proceedings, the parties
28 involved must appear in person without the assistance of
29 counsel or representative. (PD No. 807)

30 SEC. [82] 81. Administrative Discipline. -
31 Investigation and adjudication of administrative
32 complaints against appointive local officials and
33 employees as well as their suspension and removal shall be
34 in accordance with the civil service law and rules and
35 other laws affecting the civil service. The results of
36 such administrative investigations shall be reported to the
37 Civil Service Commission. (Sec. 77, BP 337)

38 SEC. [83] 82. Preventive Suspension of Local
39 Appointive Officials and Employees. - (1) If from the
40 complaint filed and the answer of the respondent thereto,
41 the local chief executive determines that there is
42 reasonable ground to believe that the respondent has
43 committed the act or acts of dishonesty, oppression, grave

1 misconduct, neglect in the performance of duty, or other
2 offenses which would warrant the respondent's removal from
3 the service, or the continuance in office of the
4 respondent could influence the witnesses or pose a threat
5 to the safety and integrity of the records and other
6 evidences, the local chief executive may preventively
7 suspend the respondent for a period not exceeding ninety
8 (90) days.

9 (2) At the expiration of ninety (90) days, the
10 suspended official shall be automatically reinstated in
11 office without prejudice to the continuation of the
12 administrative proceedings against him until its
13 termination. If the delay in the proceedings of the case
14 is due to the fault, neglect or request of the respondent,
15 the time of the delay shall not be counted in computing
16 the period of suspension herein provided. (PD No. 807)

17 SEC. [84] 83. Administrative Investigation. - In each
18 local government unit, administrative investigation may be
19 conducted by an investigator or two or more investigators
20 duly authorized to act as such by the local chief
21 executive. Said investigator or investigators shall
22 conduct hearings on disciplinary cases brought against
23 appointive local officials and employees paid wholly out
24 of local funds, and submit their findings and
25 recommendations within fifteen (15) days from the
26 conclusion of the hearings, to the local chief executive
27 concerned.

28 SEC. [85] 84. Disciplinary Jurisdiction. - Except as
29 otherwise provided by law, the local chief executive shall
30 have authority to remove, separate, suspend and otherwise
31 discipline officials and employees under his jurisdiction
32 who are subject to his appointing authority. If the
33 penalty imposed is suspension without pay for not more
34 than thirty (30) days, his decision shall be final. If
35 the penalty imposed is heavier, the decision shall be
36 appealable to the Civil Service Commission which has final
37 authority upon all matters relating to the conduct,
38 discipline and efficiency of local government officials
39 and employees. IF THE RESPONDENT IS IN THE CAREER
40 EXECUTIVE SERVICE, APPEAL SHOULD BE MADE IN ACCORDANCE WITH
41 THE CIVIL SERVICE LAW. (Par. (1) Sec. 78, BP 337)

42 SEC. [86] 85. Execution Pending Appeal. - An appeal
43 shall not prevent a decision from becoming executory, and

1 in case the penalty is suspension or removal, the
2 respondent shall be considered as having been placed under
3 preventive suspension during the pendency of an appeal in
4 the event he wins such appeal. In the event the appeal
5 results in the respondent's complete exoneration, he shall
6 be paid his salary corresponding to the period during which
7 the appeal was pending. (Par (2) Sec. 78, BP 337)

8 SEC. [87] 86. Practice of Profession. - (1) All
9 local elective officials who receive per diems as
10 compensation, may practice their profession without the
11 necessity of securing permission therefor.

12 (2) As a general policy, all local elective and
13 appointive officials and employees receiving regular
14 salaries are prohibited from the practice of their
15 profession or teaching in schools during regular office
16 hours while in the service of local governments, subject
17 to the following exceptions:

18 (a) Doctors of medicine may practice their
19 profession even during official hours of work on
20 occasions of emergency.

21 (b) Local elective officials who are members of
22 the Bar may practice their profession without securing
23 permission therefor: Provided, That:

24 (1) They do not appear as counsel before any
25 court in any civil case wherein a local government unit
26 or any office, agency, or instrumentality of the
27 government is the adverse party;

28 (2) They do not appear as counsel in any
29 criminal case wherein an officer or employee of the
30 national or local government is accused of an offense
31 committed in relation to his office;

32 (3) They shall not collect any fees for their
33 appearance in any administrative proceedings; and

34 (4) They shall not use [government time]
35 LEGAL OFFICE HOURS, property and personnel in the
36 practice of their profession.

37 (3) Prior written permission shall not be required
38 for the practice of profession or teaching in schools after
39 regular office hours.

40 SEC. [88] 87. Statement of Assets. - (1) Before
41 assuming office, and from time to time thereafter as may
42 be provided by law, an official or employee of a local
43 government unit shall file a sworn statement of assets,

1 liabilities and property holdings. In like manner, upon
2 the expiration of the term of office or upon resignation
3 or separation from the service for any cause, an official
4 or employee of a local government unit shall file a sworn
5 statement of assets, liabilities and property holdings.

6 (2) The sworn statement hereinabove required shall be
7 filed as follows:

8 a. All elective officials shall file their
9 statements with the Department of Local Government
10 through the regional offices.

11 b. All appointive officials and employees of
12 local governments shall file their statements with
13 respective offices.

14 In all instances, a copy of the statement of assets,
15 liabilities and property holdings shall be preserved in the
16 individual personal records file, under the custody of the
17 personnel office, division or section of the local unit
18 concerned.

19 SEC. [89] 88. Oath of Office. - All local elective
20 and appointive officials and employees shall, upon
21 assumption to office, take an oath or affirmation of
22 office in the prescribed form duly subscribed. The oath
23 or affirmation of office shall be filed and preserved in
24 the manner hereunder provided:

25 a. All elective officials shall file their oath
26 or affirmation of office with the Department of Local
27 Government through the regional offices.

28 b. All appointive officials and employees shall
29 file their oath or affirmation of office with the office
30 of their respective local chief executives. A copy of the
31 oath or affirmation of office of all local elective and
32 appointive officials and employees shall be preserved in
33 the individual personal records file under the custody of
34 the personnel office, division or section of the local unit
35 concerned.

36 SEC. [90] 89. Prohibited Business and Pecuniary
37 Interest. - (1) It shall be unlawful for any local
38 government official or employee, DIRECTLY OR INDIRECTLY,
39 INDIVIDUALLY OR AS A MEMBER OF A FIRM:

40 a. To engage in any business transaction with the
41 local government unit [which] WHERE he is an official
42 or employee or [over which] WHERE he has the power of
43 supervision, or with any of its authorized officials,

1 boards, agents or attorneys, whereby money is to be
2 paid, or property or any other thing of value is to be
3 transferred, directly or indirectly, out of the
4 resources of the local government unit to such person
5 or firm;

6 b. To purchase any real estate or other property
7 forfeited in favor of such unit which shall be sold
8 for unpaid taxes or assessment, or by virtue of legal
9 process at the suit of said unit; and

10 c. To be surety for any person having contract or
11 doing business with the local government unit for the
12 performance of which surety may be required.

13 (2) All other prohibitions governing the conduct of
14 national public officers relating to prohibited business
15 and pecuniary interest as provided for by law shall also be
16 applicable to local government officials and employees for
17 purposes of implementation of this section.

18 SEC. [91] 90. Partisan Political Activity. - No
19 local government official or employee in the career civil
20 service shall engage directly or indirectly in any
21 partisan political activity or take part in any election,
22 initiative, referendum, plebiscite or recall except to
23 vote, nor shall he use his official authority or influence
24 to coerce the performance of any political activity of
25 any person or body. He may, however, express his views on
26 current political issues, or mention the names of certain
27 candidates for public office whom he supports. Local
28 officials and employees holding political offices may take
29 PART in partisan political and electoral activities, but
30 it shall be unlawful for them to solicit contributions
31 from their subordinates or subject these subordinates to
32 any of the prohibited acts under the Revised Election
33 Code. (PD 807)

34 SEC. [92] 91. Appointment of Elective and Appointive
35 Officials and Candidates Who Lost in An Election. - (1)
36 For the duration of his term or service to local
37 governments, no elective or appointive local official or
38 employee shall be eligible for appointment or designation
39 in any capacity to any other public office or position in
40 the government or any subdivision agency or
41 instrumentality thereof, including government-owned and
42 controlled corporations or their subsidiaries, unless
43 otherwise provided by law or by the primary function of his

1 position.

2 (2) No candidate who has lost in any election shall,
3 within one (1) year after such election, be appointed to
4 any office in the government or any government-owned or
5 controlled corporation or in any of their subsidiaries.

6 SEC. [93] 92. Additional or Double Compensation. -

7 No local elective or appointive official or employee shall
8 receive additional, double, or indirect compensation,
9 unless specifically authorized by law. [, nor] HE
10 CANNOT accept without the consent of the Congress, any
11 present, emolument, office, or title of any kind from any
12 foreign government. Pensions, gratuities, honoraria[,] AND
13 allowances [and similar benefits] shall not be considered
14 as additional, double, or indirect compensation.

15 SEC. [94] 93. Permission to Leave Station. - (1)

16 Provincial, city, municipal and barangay appointive
17 officials going on official travel, shall apply and secure
18 written permission from their respective local chief
19 executives before departure. The application shall
20 specify the reasons for such travel, and the remission
21 shall be given or withheld based on considerations of
22 public interest, financial capability of the local unit
23 concerned and urgency of reason.

24 Should such application remain unacted upon by the
25 local chief executive concerned within three (3) working
26 days from receipt thereof, it shall be presumed to have
27 been approved thereafter.

28 (2) Mayors of component cities and municipalities
29 shall give prior written notice to the provincial governor
30 for any travel outside of their station.

31 (3) Provincial governors and mayors of highly
32 urbanized cities shall give prior written notice to the
33 Secretary of Local Government for any travel outside of
34 their stations.

35 (4) National field officers assigned to local
36 government units shall not leave their official stations
37 without giving prior written notice to the local chief
38 executive concerned. Such notice shall state the duration
39 of travel and the name of the officer whom he shall
40 designate to act for and in his behalf during his absence.

41 SEC. [95] 94. Annual Report. - On or before March 31
42 of each year, the local chief executive of every local
43 government unit shall submit an annual report on the

1 socio-economic, political and peace and order conditions,
2 and such other matters concerning his local unit, covering
3 the immediately preceding calendar year. A copy of the
4 report shall be forwarded to the Department of Local
5 Government through its regional offices and to the
6 sanggunian of the local unit concerned. Component cities
7 and municipalities shall, likewise, provide the sangguniang
8 panlalawigan copies of their respective annual reports. All
9 local chief executives shall, likewise, submit special
10 reports to the Department of Local Government through its
11 regional offices, on any unusual or unexpected events and
12 occurrences in their localities, especially so if such
13 information will promote a more responsive inter-
14 governmental relationship.

15 Title Four. - Local School Boards

16 SEC. [96] 95. Creation and Composition. - (1) In
17 every province, city or municipality, there shall be
18 established, respectively a provincial school board, city
19 school board or municipal school board, which shall be
20 composed as follows:

21 (a) In the case of the provincial school board,
22 the division superintendent of schools as chairman, and
23 the provincial treasurer, the representative of the
24 Youth Council Federation in the sangguniang
25 panlalawigan, and the president or duly elected
26 representative of the federation of parent-teachers
27 associations, as members.

28 (b) In the case of the city school board, the
29 city superintendent of schools as chairman, the city
30 treasurer, the representative of the Youth Council
31 Federation in the sangguniang panlungsod, and the
32 president or duly elected representative of the
33 federation of parent-teachers associations as members.

34 (c) In the case of the municipal school board,
35 the district supervisor as chairman, and the municipal
36 treasurer, the representative of the Youth Council
37 Federation in the sanggunian bayan and the president or
38 duly elected representative of the federation of
39 parent-teachers associations as members.

40 (2) In the event that a province or city has two or
41 more school superintendents, and in the event that a
42 municipality has two or more district supervisors, the
43 chairman of the local school board shall be determined as

1 follows:

2 (a) The regional director of the Department of
3 Education, Culture and Sports shall designate the
4 chairman for the provincial and city school boards; and

5 (b) The division superintendent of schools shall
6 designate the district supervisor who will serve as
7 chairman of the municipal school board.

8 (3) The performance of the duties and responsibilities
9 of the above-mentioned officials in their respective school
10 boards shall not be delegated.

11 SEC. [97] 96. Functions. - The provincial, city or
12 municipal school board, shall:

13 (1) Determine, in accordance with the criteria set by
14 the Department of Education, Culture and Sports, the annual
15 supplementary budgetary needs for the operation and
16 maintenance of public schools within the province, city or
17 municipality, and the supplementary local cost of
18 adequately meeting such needs, which shall be reflected in
19 the form of an annual school board budget corresponding to
20 the board's share of the proceeds of the additional real
21 property tax constituting the Special Education Fund.

22 (2) Apply for a share in the stabilization portion of
23 the Special Education Funds, which share shall, upon
24 approval of the application therefor, by the Secretary of
25 Education be remitted to the provincial, city or municipal
26 treasurer concerned.

27 (3) Authorize the provincial, city or municipal
28 treasurer, as the case may be, to disburse funds from the
29 provincial, city or municipal share in the Special
30 Education Fund pursuant to the budget prepared and in
31 accordance with existing rules and regulations.

32 SEC. [98] 97. Meetings and Quorum; Review of Budget.

33 - (1) The board shall meet at least once a month or as
34 often and the chairman and vice chairman and must always be
35 present.

36 (2) Three (3) members shall constitute a quorum, but
37 the chairman and vice-chairman and must always be present
38 when the school budget is being prepared and considered.
39 The affirmative vote of the three (3) members shall be
40 necessary to approve the budget.

41 (3) The annual school board budget and supplemental
42 budgets shall be subject to review and approval by the
43 local chief executive concerned.

1 SEC. [99] 98. Compensation and Remuneration. - The
2 chairman and members of the provincial, city or municipal
3 school boards shall perform their duties as such without
4 compensation or remuneration. Members thereof who are not
5 government officials or employees shall be entitled to
6 necessary traveling expenses and allowances chargeable
7 against the funds of the school board concerned.

8 Title Five: - Other Provisions Applicable
9 to Local Government Units

10 CHAPTER 1. Settlement of Boundary Disputes

11 SEC. [100] 99. Boundary Disputes, Defined. -
12 Boundary disputes arise when a portion or the whole of the
13 territorial limits of a local government unit is claimed by
14 two or more local government units.

15 SEC. [101] 100. Jurisdictional Responsibility for
16 Settlement of Boundary Disputes. - (1) Where the boundary
17 dispute involves two or more barangays in the same city or
18 municipality, the disputes shall be heard and decided by
19 the sangguniang panlungsod or the sangguniang bayan, as the
20 case may be.

21 (2) Where the boundary dispute involves two or more
22 municipalities within the same province, the dispute shall
23 be heard and decided by the sangguniang panlalawigan of the
24 province where the municipalities concerned are situated.

25 (3) Where the areas under dispute are claimed by
26 municipalities situated in different provinces, the dispute
27 shall be heard and decided jointly by the sangguniang
28 panlalawigan of the provinces concerned.

29 (4) Where the boundary dispute involves a municipality
30 and a component city situated in different provinces, the
31 dispute shall be heard and decided jointly by the
32 sangguniang panlalawigan of the provinces concerned.

33 (5) Where the areas under dispute are claimed by
34 either a component city or municipality on the one hand and
35 a highly urbanized city on the other, the dispute shall be
36 heard and decided jointly by the sangguniang panlalawigan
37 and the sangguniang panlungsod concerned.

38 (6) Where the areas under dispute are claimed by
39 different highly urbanized cities, the dispute shall be
40 heard and decided jointly by the sangguniang panlungsod of
41 the highly urbanized cities concerned.

42 SEC. [102] 101. Primary Purpose of Hearing. -
43 Hearings on boundary disputes by the sanggunian concerned,

1 as stipulated in the immediately preceding section, shall
2 be for the primary purpose of affording the parties
3 involved an opportunity to reach an amicable settlement.

4 SEC. [103] 102. Failure to Reach Amicable
5 Settlement. - In case no amicable settlement is reached by
6 the contending local government units within sixty (60)
7 days after the start of the hearing, the sanggunian hearing
8 the dispute shall issue certification to the effect that no
9 amicable settlement has been reached, and promulgate a
10 decision based on its own findings within fifteen (15) days
11 after the termination of said hearing.

12 SEC. [104] 103. Appeal. - Within the time and manner
13 prescribed by the Rules of Court, any party may elevate the
14 decision of the sanggunian concerned to the Regional Trial
15 Court of the province where the areas in dispute are
16 located, or the Regional Trial Court of the province which
17 first took cognizance of the case in the event the boundary
18 dispute involves two or more provinces. The Regional Trial
19 Court shall decide on the appeal within one (1) year from
20 the start of court proceedings. Pending final resolution of
21 the dispute by the Regional Trial Court, the status of the
22 disputed area prior to the dispute shall be maintained and
23 continued for all legal purposes.

24 CHAPTER 2. LOCAL Initiative and Referendum

25 SEC. [105] 104. LOCAL Initiative Defined. - The
26 legal process whereby the registered voters of a local
27 government unit may directly propose and enact ordinances
28 or approve, reject or amend any ordinance or resolution
29 enacted or adopted by the sanggunian, in whole or in part,
30 shall be known as LOCAL initiative.

31 SEC. 104-A. WHO MAY EXERCISE. - THE POWER OF
32 INITIATIVE AND REFERENDUM MAY BE EXERCISED BY ALL
33 REGISTERED VOTERS OF THE COUNTRY, AUTONOMOUS REGIONS,
34 PROVINCES, CITIES, MUNICIPALITIES AND BARANGAYS. (SEC. 4,
35 R.A. 6735)

36 SEC. [106] 105. Procedure [for] IN LOCAL Initiative.
37 - [(1) Initiative shall be validly commenced only upon
38 the registration of a petition for the enactment of a
39 proposed ordinance or the approval, rejection or amendment
40 of an existing ordinance or resolution, with the
41 representative of the Commission on Elections in the local
42 government where the process is sought to be affected.

43 (2) The petition shall be accompanied with a copy of

1 the proposed ordinance or the proposed amendment to an
2 existing ordinance or resolution.

3 (3) The petition should be signed by at least ten
4 percent (10%) of the total number of registered voters in
5 the local unit concerned, of which every component local
6 government unit shall be represented by at least three
7 percent (3%) of the registered votes thereof.

8 (4) The Commission on Elections or its duly authorized
9 representative shall cause the publication of the petition,
10 including its required documentary attachments, in a public
11 and conspicuous place for a period of not less than ten
12 (10) days nor more than twenty (20) days for the purpose of
13 verifying the authenticity and genuineness of the petition
14 and the required percentages of voters.

15 (5) Upon the lapse of the aforesaid period, the
16 Commission on Elections or its duly authorized
17 representative shall set a date for the holding of the
18 referendum to decide the issues, which shall not be later
19 than thirty (30) days after verification, in the case of
20 the city, municipal or barangay ordinances or resolutions,
21 and forty-five (45) days in the case of provincial,
22 regional or metropolitan ordinances or resolutions.

23 (6) The referendum shall then be held on the date set,
24 after which the Commission on Elections shall certify and
25 proclaim the results.]

26 (1) NOT LESS THAN TWO THOUSAND (2,000) REGISTERED
27 VOTERS IN CASE OF AUTONOMOUS REGIONS ONE THOUSAND (1,000)
28 IN CASE OF PROVINCES AND CITIES, ONE HUNDRED (100) IN CASE
29 OF MUNICIPALITIES, AND FIFTY (50) IN CASE OF BARANGAYS, MAY
30 FILE A PETITION WITH THE REGIONAL ASSEMBLY OR LOCAL
31 LEGISLATIVE BODY, RESPECTIVELY, PROPOSING THE ADOPTION,
32 ENACTMENT, REPEAL, OR AMENDMENT, OF ANY LAW, ORDINANCE OR
33 RESOLUTION.

34 (2) IF NO FAVORABLE ACTION THEREON IS MADE BY LOCAL
35 LEGISLATIVE BODY WITHIN THIRTY (30) DAYS FROM ITS
36 PRESENTATION, THE PROPONENTS THROUGH THEIR DULY AUTHORIZED
37 AND REGISTERED REPRESENTATIVE MAY INVOKE THEIR POWER OF
38 INITIATIVE, GIVING NOTICE THEREOF TO THE LOCAL LEGISLATIVE
39 BODY CONCERNED.

40 (3) THE PROPOSITION SHALL BE NUMBERED SERIALLY
41 STARTING FROM ONE (1). THE SECRETARY OF LOCAL GOVERNMENT
42 OR HIS DESIGNATED REPRESENTATIVE SHALL EXTEND ASSISTANCE IN
43 THE FORMULATION OF THE PROPOSITION.

1 (4) TWO OR MORE PROPOSITIONS MAY BE SUBMITTED IN AN
2 INITIATIVE.

3 (5) PROPONENTS SHALL HAVE ONE HUNDRED TWENTY (120)
4 DAYS IN CASE OF AUTONOMOUS REGIONS, NINETY (90) DAYS IN
5 CASE OF PROVINCES AND CITIES, SIXTY (60) DAYS IN CASE OF
6 MUNICIPALITIES, AND THIRTY (30) DAYS IN CASE OF BARANGAYS,
7 FROM NOTICE MENTIONED IN SUBSECTION (2) HEREOF TO COLLECT
8 THE REQUIRED NUMBER OF SIGNATURES.

9 (6) THE PETITION SHALL BE SIGNED BEFORE THE ELECTION
10 REGISTRAR, OR HIS DESIGNATED REPRESENTATIVES, IN THE
11 PRESENCE OF A REPRESENTATIVE OF THE PROPONENT, AND A
12 REPRESENTATIVE OF THE REGIONAL ASSEMBLIES AND LOCAL
13 LEGISLATIVE BODIES CONCERNED IN A PUBLIC PLACE IN THE
14 AUTONOMOUS REGION OR LOCAL GOVERNMENT UNIT, AS THE CASE MAY
15 BE. SIGNATURE STATIONS MAY BE ESTABLISHED IN AS MANY
16 PLACES AS MAY BE WARRANTED.

17 (7) UPON THE LAPSE OF THE PERIOD HEREIN PROVIDED, THE
18 COMMISSION ON ELECTIONS, THROUGH ITS OFFICE IN THE LOCAL
19 GOVERNMENT UNIT CONCERNED SHALL CERTIFY AS TO WHETHER OR
20 NOT THE REQUIRED NUMBER OF SIGNATURES HAS BEEN OBTAINED.
21 FAILURE TO OBTAIN THE REQUIRED NUMBER IS A DEFEAT OF THE
22 PROPOSITION.

23 (8) IF THE REQUIRED NUMBER OF SIGNATURES IS OBTAINED,
24 THE COMMISSION SHALL THEN SET A DATE FOR THE INITIATIVE AT
25 WHICH THE PROPOSITION SHALL BE SUBMITTED TO THE REGISTERED
26 VOTERS IN THE LOCAL GOVERNMENT UNIT CONCERNED FOR THEIR
27 APPROVAL WITHIN NINETY (90) DAYS FROM THE DATE OF
28 CERTIFICATION BY THE COMMISSION, AS PROVIDED IN SUBSECTION
29 (7) HEREOF, IN CASE OF AUTONOMOUS REGIONS, SIXTY (60) DAYS
30 IN CASE OF PROVINCES AND CITIES, FORTY-FIVE (45) DAYS IN
31 CASE OF MUNICIPALITIES, AND THIRTY (30) DAYS IN CASE OF
32 BARANGAYS. THE INITIATIVE SHALL THEN BE HELD ON THE DATE
33 SET, AFTER WHICH THE RESULTS THEREOF SHALL BE CERTIFIED AND
34 PROCLAIMED BY THE COMMISSION ON ELECTIONS. (SEC. 13, R.A.
35 6735)

36 SEC. [107] 106. Effectivity of [Initiative] LOCAL
37 PROPOSITIONS. - [Should the proposed ordinance, or the
38 approval, rejection or amendment of an existing ordinance
39 or resolution be approved in the referendum, the same shall
40 be immediately effective and shall not be subject to the
41 veto power of the local chief executive concerned, nor the
42 reviewing power vested by law on higher authorities.] IF THE
43 PROPOSITION IS APPROVED BY A MAJORITY OF THE VOTES CAST, IT

1 SHALL TAKE EFFECT FIFTEEN (15) DAYS AFTER CERTIFICATION BY
2 THE COMMISSION AS IF AFFIRMATIVE ACTION THEREON HAD BEEN
3 MADE BY THE LOCAL LEGISLATIVE BODY AND LOCAL EXECUTIVE
4 CONCERNED. IF IT FAILS TO OBTAIN SAID NUMBER OF VOTES, THE
5 PROPOSITION IS CONSIDERED DEFEATED. (SEC. 14, R.A. 6735)

6 SEC. 106-A. LIMITATIONS ON LOCAL INITIATIVES. - (1)
7 THE POWER OF LOCAL INITIATIVE SHALL NOT BE EXERCISED MORE
8 THAN ONCE A YEAR.

9 (2) INITIATIVE SHALL EXTEND ONLY TO SUBJECTS OR
10 MATTERS WHICH ARE WITHIN THE LEGAL POWERS OF THE LOCAL
11 LEGISLATIVE BODIES TO ENACT.

12 (3) IF AT ANY TIME BEFORE THE INITIATIVE IS HELD, THE
13 LOCAL LEGISLATIVE BODY SHALL ADOPT IN TOTO THE PROPOSITION
14 PRESENTED, THE INITIATIVE SHALL BE CANCELLED. HOWEVER,
15 THOSE AGAINST SUCH ACTION MAY, IF THEY SO DESIRE, APPLY FOR
16 INITIATIVE IN THE MANNER HEREIN PROVIDED. (SEC. 15, R.A.
17 6735)

18 SEC. 106-B. LIMITATIONS UPON LOCAL LEGISLATIVE
19 BODIES. - ANY PROPOSITION ON ORDINANCE OR RESOLUTION
20 APPROVED THROUGH THE SYSTEM OF INITIATIVE AND REFERENDUM AS
21 HEREIN PROVIDED SHALL NOT BE REPEALED, MODIFIED OR AMENDED,
22 BY THE LOCAL LEGISLATIVE BODY CONCERNED WITHIN SIX (6)
23 MONTHS FROM THE DATE THEREFROM, AND MAY BE AMENDED,
24 MODIFIED OR REPEALED BY THE LOCAL LEGISLATIVE BODY WITHIN
25 THREE (3) YEARS THEREAFTER BY A VOTE OF THREE-FOURTHS (3/4)
26 OF ALL ITS MEMBERS; PROVIDED, HOWEVER, THAT IN CASE OF
27 BARANGAYS THE PERIOD SHALL BE ONE (1) YEAR AFTER THE
28 EXPIRATION OF THE FIRST SIX (6) MONTHS. (SEC. 16, R.A.
29 6735)

30 SEC. 106-C. LOCAL REFERENDUM. - NOTWITHSTANDING THE
31 PROVISION OF SECTION 104-A HEREOF, ANY LOCAL LEGISLATIVE
32 BODY MAY SUBMIT TO THE REGISTERED VOTERS OF AUTONOMOUS
33 REGION, PROVINCES, CITIES, MUNICIPALITIES AND BARANGAYS FOR
34 THE APPROVAL OR REJECTION, ANY ORDINANCE OR RESOLUTION DULY
35 ENACTED OR APPROVED.

36 SAID REFERENDUM SHALL BE HELD UNDER THE CONTROL AND
37 DIRECTION OF THE COMMISSION WITHIN SIXTY (60) DAYS IN CASE
38 OF PROVINCES AND CITIES, FORTY-FIVE (45) DAYS IN CASE OF
39 MUNICIPALITIES AND THIRTY (30) DAYS IN CASE OF BARANGAYS.

40 THE COMMISSION SHALL CERTIFY AND PROCLAIM THE RESULTS
41 OF THE SAID REFERENDUM. (SEC. 17, R.A. 6735)

42 SEC. 106-D. AUTHORITY OF COURTS. - NOTHING IN THIS
43 ACT SHALL PREVENT OR PRECLUDE THE PROPER COURTS FROM

1 DECLARING NULL AND VOID ANY PROPOSITION APPROVED PURSUANT
2 TO THIS ACT FOR VIOLATION OF THE CONSTITUTION OR WANT OF
3 CAPACITY OF THE LOCAL LEGISLATIVE BODY TO ENACT THE SAID
4 MEASURE. (SEC. 18, R.A. 6735)



Senate Archives (LRAS)

BOOK TWO

FISCAL MATTERS

S.B. 155

**AN ACT PROVIDING FOR
A LOCAL GOVERNMENT CODE**



BOOK II

FISCAL MATTERS

TITLE I. TAXATION IN LOCAL GOVERNMENTS

CHAPTER 1. - General Provisions

SEC. [108] 107. Scope. - The provisions hereunder embodied shall govern the exercise by provinces, cities, municipalities and barangays of their taxing and other revenue-raising powers.

SEC. [109] 108. 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 basic policy of autonomy and as provided for in this Code.

SEC. [110] 109. 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 in each local political subdivision. The Local Government shall 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.

(b) Taxes and other impositions shall be based as much 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) Taxes and other impositions must not be contrary to law, public policy and national economic policy, nor in restraint of trade;

(f) In no case shall the collection of local taxes and other impositions be let to any person;

(g) The monies collected by virtue of the provisions of this Code shall ensure solely to the benefit of and subject to disposition by, the local government imposing the tax or fee, unless otherwise specifically provided herein;

(h) IT SHALL BE THE RESPONSIBILITY OF EACH LOCAL POLITICAL SUBDIVISION to evolve a progressive system of taxation; and

1 (i) The power of the people to directly propose and
2 enact resolutions and ordinances or approve and reject any
3 ordinance or resolution passed by the local legislative
4 body.

5 SEC. [1111] 110. Local Taxing Authority. - Whenever
6 the power to impose a tax or other revenue is exercised
7 under this Code, that power shall be exercised by the
8 sanggunian of the local unit concerned.

9 SEC. [1112] 111. Common Limitations on the Taxing
10 Powers of Local Governments. - The exercise of the taxing
11 powers of provinces, cities, municipalities and barangays
12 shall not extend to the imposition of the following:

13 (a) Documentary stamp tax;

14 [(b) Taxes on forest products and forest concessions;]

15 [(c)] (b) Taxes on estates, inheritance, gifts,
16 legacies and other acquisitions mortis causa, except as
17 otherwise provided in this Code;

18 [(d)] (c) Taxes on income of any kind whatsoever;

19 [(e)] (d) Taxes or fees for the registration of motor
20 vehicles and for the issuance of all kinds of licenses or
21 permits for the driving thereof [except motorized
22 tricycles];

23 [(f)] (e) Customs duties, registration fees of vessels
24 except as otherwise provided in this Code, and wharfage on
25 wharves, tonnage dues, and all other kinds of customs fees,
26 charges and dues except wharfage on wharves constructed and
27 maintained by the local government concerned at rates not
28 exceeding those fixed by the Tariff and Customs Code;

29 [(g)] (f) Taxes of any kind on banks and insurance
30 companies;

31 [(h)] (g) Taxes on premiums paid by owners of property
32 who obtain insurance directly with foreign insurance
33 companies;

34 [(i)] (h) Export taxes, fees, or other levies on
35 Philippine finished manufactured or processed products, and
36 products of Philippine cottage industries;

37 [(j)] (i) Taxes and other impositions upon goods
38 carried into or out of or passing through, the territorial
39 jurisdictions of local governments in the guise of
40 unreasonable charges for wharfage, use of bridges or
41 otherwise, or other taxes in any form whatsoever upon such
42 goods or merchandise;

43 [(k)] (j) Taxes or fees on agricultural products when

1 sold by the farmer or producer thereof, whether in their
2 original form or not;

3 [(1)] (k) Percentage tax on sales, except as otherwise
4 provided in this Code;

5 [(m)] (l) Taxes of any kind on the [national and]
6 local governments (PD 426);

7 [(n)] That revenue measures on local taxation basically
8 start with the current existing tax measures and
9 graduated rates and can only be increased to no more than
10 20% of the current base year or a total of no more than
11 100% in five (5) years;] and

12 [(o) (n)] (m) Taxes, fees or difference in rates of
13 such taxes or fees on the businesses of registered firms or
14 enterprises other than the taxes, fees or rates based on
15 the classification shown in the certificate of
16 registration issued by the Board of Investments in the
17 implementation of the Omnibus Investment Code.

18 CHAPTER 2. - Specific Provisions on the Taxing
19 and other Revenue-Raising Powers
20 of Local Governments

21 ARTICLE I. Provinces

22 SEC. [113] 112. Scope of Power. - Except as
23 otherwise provided in this Code, the province may impose,
24 among others, the taxes, fees or charges specifically
25 mentioned in this Article.

26 SEC. [114] 113. Tax on Transfer of Real Property
27 Ownership. - The province may impose a tax on the sale,
28 donation, barter, or on any other mode of transferring
29 ownership or title, of real property at the rate of not
30 exceeding one-fourth of one percent of the total
31 consideration or on the assessed value of the property in
32 case there is no substantial monetary consideration
33 involved in the transfer. For this purpose, the Register
34 of Deeds of the province concerned shall, before
35 registering any deed, require the presentation of the
36 evidence of payment of this tax. Real property, for
37 purposes of this tax, refers only to land, buildings, and
38 machineries intended by the owner of the land or building
39 for an industry or works which may be carried on in a
40 building or on a piece of land and which tends directly to
41 meet the needs of the said industry or works.

42 SEC. [115] 114. Tax on Business of Printing and
43 Publication. - The province may impose a tax on the

1 business of persons engaged in the printing and/publication
2 of:

3 (a) any newspaper, magazine, review, or bulletin
4 appearing at regular intervals, with fixed prices for
5 subscription and sale and published in the province;

6 (b) books, cards, posters, leaflets, handbills,
7 certificates receipts, pamphlets, and others of similar
8 nature, at the rate of not exceeding one half of one
9 percent of the gross annual receipts for the preceding
10 calendar year. In the case of newly started business, the
11 rate [to be prescribed is one peso per thousand pesos of
12 authorized capital stock but not lower than the current
13 existing rates.] SHALL NOT EXCEED TWO HUNDRED PESOS FOR A
14 PRINTER, ONE HUNDRED PESOS FOR A PUBLISHER AND THREE
15 HUNDRED PESOS FOR ONE WHO IS BOTH A PRINTER AND A
16 PUBLISHER. The receipts from the printing and/or
17 publishing of books or other reading materials prescribed
18 by the Department of Education, Culture and Sports as
19 school texts or references shall not be included in the
20 gross receipts subject to the tax herein imposed.

21 SEC. [116] 115. Franchise Tax. - Any provision of
22 law to the contrary notwithstanding, the province may
23 impose a tax on businesses enjoying franchise, based on the
24 gross receipts realized within its territorial
25 jurisdiction, at the rate of not exceeding one-half OF ONE
26 percent of the gross annual receipts for the preceding
27 calendar year. In the case of newly started business, the
28 rate to be prescribed [is one-tenth of one percent of
29 authorized capital stock but not lower than three thousand
30 pesos (P3,000).] SHALL NOT EXCEED THREE THOUSAND PESOS
31 PER YEAR. SIXTY PER CENT OF THE TAX SHALL ACCRUE TO THE
32 GENERAL FUND OF THE MUNICIPALITIES AND FORTY PER CENT TO
33 THE GENERAL FUND OF THE PROVINCE WHERE THE BUSINESS IS
34 LOCATED ON THE BASIS OF THE GROSS ANNUAL RECEIPTS DERIVED
35 THEREFROM BY THE FRANCHISE HOLDER.

36 SEC. [117] 116. Sand and Gravel Fee. - The province
37 may levy [and] [collect a fee] A TAX of not exceeding
38 one peso (P1.00) per cubic meter of ordinary stones, sand,
39 gravel, earth and other materials extracted from public and
40 private lands or from the beds of seas, lakes, rivers,
41 streams, creeks, and other public waters within the
42 jurisdiction of the province.

43 [The permit to extract the materials shall be issued by

1 the Director of Mines or his duly authorized representative
2 without in any manner precluding any city, municipality or
3 barangay from being a permit holder using its corporate
4 personality. The extraction of materials under this
5 section shall be governed by regulations issued by the
6 Director of Mines.]

7 THE MUNICIPALITY WHERE MATERIALS ARE EXTRACTED SHALL
8 COLLECT SAID TAX AND SHARE IN THE PROCEEDS OF THE TAX
9 HEREIN AUTHORIZED AT A RATE OF NOT MORE THAN FIFTY PERCENT
10 (50%) THEREOF AND REMIT FIFTY PERCENT (50%) OF THE PROCEEDS
11 OF THE TAX TO THE PROVINCIAL TREASURER AS PART OF THE SHARE
12 OF THE PROVINCE."

13 THE PERMIT TO EXTRACT THE MATERIALS SHALL BE ISSUED BY
14 THE LOCAL EXECUTIVE OR HIS DULY AUTHORIZED REPRESENTATIVE
15 AND THE EXTRACTION THEREOF SHALL BE GOVERNED BY RULES AND
16 REGULATIONS ISSUED BY THE DIRECTOR OF THE BUREAU OF MINES."

17 SEC. [118] 117. Occupation Tax. - The province shall
18 levy an annual occupation tax on all persons engaged in the
19 exercise or practice of their profession or calling [at
20 such amounts and classification to be determined by the
21 sangguniang panlalawigan and at a rate not exceeding
22 P200.00 annually.]

23 (A) ONE HUNDRED FIFTY PESOS: LAWYERS, MEDICAL
24 PRACTITIONERS, ARCHITECTS, INTERIOR DECORATORS, CERTIFIED
25 PUBLIC ACCOUNTANTS, CIVIL/ELECTRICAL/CHEMICAL/MECHANICAL/
26 MINING OR SANITARY ENGINEERS, PHARMACISTS, MEDICAL
27 TECHNOLOGISTS, INSURANCE AGENTS AND SUB-AGENTS, CUSTOMS
28 BROKERS, MARINE SURVEYORS, ACTUARIES, REGISTERED MASTER
29 PLUMBERS, REGISTERED ELECTRICIANS, VETERINARIANS, DENTISTS,
30 OPTOMETRISTS, OPTICIANS, COMMERCIAL AVIATORS, PROFESSIONAL
31 APPRAISERS OR CONNOISSEURS OF TOBACCO AND OTHER DOMESTIC OR
32 FOREIGN PRODUCTS, LICENSED CHIEF MASTERS AND MARINE CHIEF
33 ENGINEERS.

34 MECHANICAL PLANT ENGINEERS, JUNIOR MECHANICAL ENGINEERS
35 AND CERTIFIED PLANT MECHANICS, UNLESS THEY ARE PROFESSIONAL
36 MECHANICAL ENGINEERS AND HAVE PAID THE CORRESPONDING FIXED
37 TAX FOR MECHANICAL ENGINEERS.

38 INDUSTRIAL ENGINEERS, PROFESSIONAL BASKETBALL PLAYERS,
39 PROFESSIONAL BASKETBALL COACHES, TELEVISION, MOVIE AND
40 STAGE DIRECTORS, PROFESSIONAL GOLFERS, PROFESSIONAL BOXERS,
41 PROFESSIONAL TENNIS PLAYERS AND PROFESSIONAL MODELS.

42 (b) ONE HUNDRED PESOS: LAND SURVEYORS, CHIEF MATES,
43 MARINE SECOND ENGINEERS, REGISTERED NURSES, CHRIPODISTS,

1 TATTOOERS, MASSEURS, PELOTARIS, JOCKEYS, PROFESSIONAL
2 ACTORS AND ACTRESSES, STAGE PERFORMERS, HOSTESSES,
3 STATISTICIANS, COMMERCIAL STEWARDS AND STEWARDESSES, FLIGHT
4 ATTENDANTS, INSURANCE ADJUSTERS, DIETITIANS AND EMBALMERS,
5 CERTIFIED MORTICIANS, RADIO-TELEVISION-NEWSCASTERS/
6 ANNOUNCERS, RADIO-TELEVISION-MOVIE-STAGE PRODUCTION
7 DESIGNERS, REGISTERED TOURIST GUIDES, FOREIGN COMPUTER
8 TECHNICIANS, GOLFERS, BOXERS, TENNIS PLAYERS, BOWLERS,
9 CHESS PLAYERS, AND OTHER PLAYERS OF PROFESSIONAL GAMES
10 SUPERVISED BY THE GAMES AND AMUSEMENT BOARD, PROFESSIONAL
11 ATHLETIC COACHES AND ASSISTANT COACHES, PROFESSIONAL
12 ATHLETIC TRAINERS, PROFESSIONAL ANIMAL TRAINERS, SECOND
13 MATES, THIRD MATES, THIRD MARINE ENGINEERS AND FOURTH
14 MARINE ENGINEERS, X-RAY TECHNICIANS, FORESTERS AND
15 GEOLOGISTS, MIDWIVES, CHEMISTS, ASSOCIATE AND ASSISTANT
16 ELECTRICAL ENGINEERS, MARINE OFFICERS, AND THERAPISTS.

17 SUCH OTHER OCCUPATION AS MAY BE DETERMINED BY THE
18 RESPECTIVE LOCAL COUNCIL.

19 INDIVIDUALS WITH MORE THAN ONE PROFESSION WHO HAVE
20 ALREADY PAID THE CORRESPONDING OCCUPATION TAX FOR THE
21 PROFESSION WITH THE HIGHEST OCCUPATION TAX NEED NOT PAY FOR
22 THE OTHER PROFESSION OR PROFESSIONS.

23 Every person legally authorized to practice his
24 profession or calling shall pay the tax to the province
25 where he practices his profession or pursues his calling,
26 or where he maintains his principal office in cases where
27 the person practices his profession or pursues his calling
28 in several places; Provided, That such person who has paid
29 the corresponding occupation tax as herein fixed shall be
30 entitled to practice his profession or calling in all parts
31 of the Philippines without being subjected to any other
32 national or local tax, license or fee for the practice of
33 such profession or calling. Any individual or corporation
34 employing a person shall require payment by that person of
35 the privilege tax on occupation before employment and
36 annually thereafter. The occupation tax shall be payable
37 annually, on or before the thirty first day of January.
38 Any person first beginning an occupation or calling after
39 the month of January must however pay the full tax before
40 engaging therein. One line of occupation or calling does
41 not become exempt by being conducted with some other
42 occupation or calling for which the tax has been paid.
43 Professionals exclusively employed in the Government shall

1 be exempt from the payment of this tax. The occupation tax
2 shall be collected by the municipal treasurers within ten
3 days following the end of the month of Section [255] 253
4 of this Code shall be remitted to the provincial treasurer
5 within fifteen days following the end of the month of
6 collection. THIRTY PERCENT OF THE PROCEEDS OF THE TAX
7 COLLECTED SHALL ACCRUE TO THE GENERAL FUND OF THE PROVINCE
8 AND SEVENTY PERCENT SHALL BE DIVIDED EQUALLY AMONG THE
9 MUNICIPALITIES. Any person subject to the occupation tax
10 shall write or print in deed, receipts,
11 prescriptions, reports, books of accounts, plans and
12 designs, surveys and maps, as the case may be, the number
13 of the official receipt issued to him.

14 SEC. [119] 118. Amusement Tax on Admission. - The
15 province shall impose a tax on admission to be collected
16 from the proprietors, lessees, or operators of theaters,
17 cinematographs, concert halls, circuses and other places of
18 amusement at rates to be determined by the sangguniang
19 panlalawigan, but in no case lower than [thirty] TWENTY
20 percent not higher than [fifty] THIRTY percent of the
21 amount of admission. In the case of theaters or
22 cinematographs, the taxes herein prescribed shall first be
23 deducted and withheld by the proprietors, lessees, or
24 operators of the theaters or cinematographs and paid to the
25 provincial treasurer concerned thru the municipal treasurer
26 ON A MONTHLY BASIS AND before the gross receipts are
27 divided between the proprietors, lessees, or operators of
28 the theaters or cinematographs and the distributors of the
29 cinematographic films. The holding of operas, concerts,
30 dramas, recitals, painting and art exhibitions, flower
31 shows, musical programs, literary and oratorical
32 presentations except film exhibitions and radio or
33 phonographic records thereof, shall be exempt from the
34 payment of the taxes herein imposed. The taxes hereinabove
35 imposed shall be due and payable within the first twenty
36 days of the month following each [quarter] MONTH by the
37 proprietor, lessee, or operator, concerned, and such taxes
38 to be determined on the basis of a true and complex return
39 of the amount of gross receipts derived during the
40 preceding [quarter] MONTH. If the tax is not paid within
41 the time fixed hereinabove the taxpayer shall be subject to
42 such surcharges, interest and penalties prescribed by this
43 Code. In case of willful neglect to file the return and

1 pay the tax within the time required or in case fraudulent
2 return is filed or a false return is willfully made, the
3 taxpayer shall be subject to a surcharge of fifty percent
4 of the correct amount of the tax due in addition to the
5 interest and penalties provided by this Code.

6 SEC. [120] 119. Fees for Sealing and Licensing of
7 Weights and Measures. - The province shall collect fees
8 for the sealing and licensing of weights and measures in
9 accordance with [a] FOLLOWING schedules: [to be
10 determined by the sangguniang panlalawigan at rates not
11 lower than P2.00 nor higher than P10.00 per unit of
12 measure.]

13 (a) FOR SEALING LINEAR METRIC MEASURES:

14 MEASURES NOT OVER ONE METER - FIVE PESOS

15 MEASURES OVER ONE METER - TEN PESOS

16 (b) FOR SEALING METRIC MEASURES OF CAPACITY:

17 MEASURES NOT OVER TEN LITERS - FIVE PESOS

18 MEASURES OVER TEN LITERS - TEN PESOS

19 (c) FOR SEALING METRIC INSTRUMENTS OF WEIGHT:

20 THOSE WITH A CAPACITY OF NOT MORE

21 THAN THIRTY KILOGRAMS - TEN PESOS

22 THOSE WITH A CAPACITY OF MORE THAN

23 THIRTY KILOGRAMS BUT NOT MORE

24 THAN THREE HUNDRED KILOGRAMS - FIFTEEN PESOS

25 THOSE WITH A CAPACITY OF MORE THAN

26 THREE HUNDRED BUT NOT MORE - TWENTY-FIVE

27 THAN THREE THOUSAND KILOGRAMS PESOS

28 THOSE WITH A CAPACITY OF MORE THAN

29 THREE HUNDRED KILOGRAMS - THIRTY PESOS

30 (d) FOR AN APOTHECARY BALANCE OR OTHER BALANCE OF
31 PRECISION, THE FEE SHALL BE DOUBLED.

32 (e) A COMPLETE SET OF WEIGHTS FOR EACH SCALE OR
33 BALANCE SHALL BE SEALED FREE OF CHARGE. FOR EACH EXTRA
34 WEIGHT, THE FEE SHALL BE TWO PESOS AND FIFTY CENTAVOS.
35 THIRTY PERCENT (30%) OF THE PROCEEDS OF THE FEES SHALL
36 ACCRUE TO THE GENERAL FUND OF THE PROVINCES AND SEVENTY
37 PERCENT (70%) TO THE GENERAL FUND OF THE MUNICIPALITY WHERE
38 COLLECTED."

39 The fees herein levied shall be paid at the place where
40 the business is conducted. In the case of a peddler or
41 similar itinerant vendor using only one weight of measure,
42 he shall pay the fees in his place of residence. Municipal
43 treasurers are hereby required to keep full sets of

1 secondary standards in their offices for the use in testing
2 of weights and measures. These secondary standards shall
3 be compared with the fundamental standards in the National
4 Institute of Science and Technology at least once a year.
5 When found to be sufficiently accurate, the secondary
6 standards shall be distinguished by label, tag, or seal,
7 and shall be accompanied by a certificate showing the
8 amount of its variation from the fundamental standards. If
9 the variation is of sufficient magnitude to impair the
10 utility of the instrument, it shall be destroyed in the
11 National Institute of Science and Technology. The
12 [sangguniang panlalawigan] NATIONAL INSTITUTE OF SCIENCE
13 AND TECHNOLOGY (NIST) shall prescribe the necessary
14 regulations for the use of such weights and measures.

15 SEC. [121] 120. Tax on Peddlers. - An annual tax
16 [on peddlers engaged in the sale of any merchandise or
17 article of commerce within the province, shall be imposed a
18 tax to be determined by the sangguniang panlalawigan a rate
19 not lower than P5.00 nor higher than P100.00 annually.
20 Individually ambulant peddlers like newspaper boys, balut
21 vendors, bottler buyers and sellers, are not subject to any
22 type of taxes or permits for as long as they work
23 individually for themselves and not act as commission
24 agents or salesmen for companies or corporations.] AT THE
25 RATES NOT EXCEEDING THOSE FIXED HEREUNDER:

- 26 (a) PEDDLERS OF ANY ARTICLE OF MERCHANDISE
27 CARRIED IN TRUCKS OR MOTOR VEHICLES - FIFTY PESOS
28 (b) PEDDLERS OF ANY ARTICLE OF MERCHANDISE
29 CARRIED IN A MOTORIZED BICYCLE, TRICYCLE
30 OR OTHER MOTORIZED SIMILAR VEHICLES
31 OTHER THAN THOSE SPECIFIED IN LETTER
32 (a) ABOVE -TWENTY-FIVE
33 PESOS
34 (c) PEDDLERS OF ANY ARTICLE OF MERCHANDISE
35 CARRIED IN CART, CARRETELA OR OTHER
36 VEHICLES DRAWN BY ANIMALS - TWENTY PESOS
37 (d) PEDDLERS OF ANY ARTICLE OF MERCHANDISE
38 CARRIED ON BICYCLE, PEDICAB OR OTHER
39 SIMILAR VEHICLES - FIVE PESOS
40 (e) PEDDLERS OF ANY OTHER ARTICLE OF
41 MERCHANDISE CARRIED BY PERSON - TEN PESOS

42 THE TAXES HEREIN PROVIDED, SHALL AT THE OPTION OF
43 THE TAXPAYER, BE PAID ON AN ANNUAL OR SEMESTRAL



4/16

1 BASIS."

2 SEC. [122] 121. Annual fixed tax per delivery truck
3 or van of manufacturers or producers of, or dealers in,
4 certain products. - Manufacturers or producers of, or
5 dealers in, distilled spirits, fermented liquors, soft
6 drinks, cigars, and cigarettes delivering or distributing
7 their products to sales outlets, or selling to consumers,
8 whether directly or indirectly within the province shall be
9 subject to an annual fixed tax of not exceeding one hundred
10 and fifty pesos (P150) per delivery truck or van payable to
11 the province.

12 Manufacturers or producers of, or dealers in, products
13 other than distilled spirits, fermented liquors, soft
14 drinks, cigars, and cigarettes, delivering or distributing
15 their products to sales outlets, or selling to consumers,
16 whether directly or indirectly, within the province shall
17 be subject to an annual fixed tax of not exceeding one
18 hundred pesos per delivery truck or van payable to the
19 province.

20 The manufacturers, producers, and dealers referred to
21 in the foregoing paragraphs shall be exempt from the tax on
22 peddlers prescribed in this Code and from any municipal
23 permit fee or other regulatory fees. The province,
24 however, may still levy and collect from said
25 manufacturers, producers, and dealers a permit fee in
26 accordance with Section 111 of this Code, which in no case
27 shall exceed fifty pesos per annum regardless of the number
28 of vehicles used by the business within the province. (PD
29 No. 426)

30 SEC. [123] 122. Rental fee for use of municipal
31 waters, rivers, etc. as log pond. - Any provision of
32 existing laws or rules, to the contrary notwithstanding,
33 the province may charge an annual rental fee for the use of
34 municipal waters, rivers, lakes, and the like within its
35 territorial jurisdiction as log pond at the rate prescribed
36 by the sangguniang panlalawigan which in no case shall be
37 less than P0.50 nor more than P2.00 per square meter of
38 water space occupied.

39 THIRTY PERCENT (30%) OF THE PROCEEDS OF THE RENTAL
40 SHALL ACCRUE TO THE PROVINCE AND FIFTY PERCENT (50%) TO THE
41 MUNICIPALITY OR MUNICIPALITIES IN EQUAL SHARES AND TWENTY
42 PERCENT (20%) TO THE BARANGAY, WHERE THE LOG POND IS
43 LOCATED.

1 [SEC. 124. Fee for Registration of Pawnshops. - Any
2 provision of existing laws or rules to the contrary
3 notwithstanding, the province shall, commencing January 1,
4 1988, assume the responsibility for the registration of
5 pawnshops doing business within its territorial
6 jurisdiction, and charge fees therefor at rates not lower
7 than one-thousand pesos nor higher than five-thousand pesos
8 annually. The graduated registration fee shall be based on
9 the capital investment of each pawnshop so registered. The
10 registration fee imposed under this section shall be in
11 addition to such other business licenses, fees and charges
12 which may be imposed by local government units pursuant to
13 the provisions of this Code. (N)]

14 SEC. [124] 123. TAX ON THE BUSINESS OF BREEDING
15 GAMECOCKS. THE PROVINCE MAY IMPOSE TAXES ON THE BUSINESS OF
16 BREEDING GAMECOCKS AT THE RATES NOT EXCEEDING THOSE FIXED
17 HEREUNDER:

	AMOUNT OF TAX PER ANNUM
18	
19	
20	P 5.00
21	10.00
22	20.00
23	25.00
24	40.00
25	55.00
26	70.00
27	100.00
28	140.00
29	210.00
30	300.00
31	400.00
32	550.00
33	700.00
34	900.00
35	1,200.00
36	1,400.00
37	P 2.00 PER COCK

38 IMPORTED COCKS FOR BREEDING PURPOSES ARE EXEMPTED
39 PROVIDED THE IMPORTER IS REGISTERED WITH THE BOARD OF
40 INVESTMENTS (BOI).

41 SIXTY PERCENT (60%) OF THE PROCEEDS SHALL ACCRUE TO
42 THE GENERAL FUND OF THE MUNICIPALITY WHERE SAID TAX IS
43 COLLECTED AND FORTY PERCENT (40%) TO THE GENERAL FUND OF



1 THE PROVINCE.

2 SEC. [124a.] 123-A. Specific Limitations on
3 Provinces. - Except as otherwise provided in this Code,
4 the province shall not levy the following:

5 (a) Business tax;

6 (b) Fishery rental and license fees;

7 (c) Tax on articles subject to specific tax under
8 provisions of the National Internal Revenue Code;

9 (d) Taxes and other impositions enumerated in this
10 Code which provinces may not prescribe; and

11 (e) Municipal fees and charges under subsequent
12 sections of this Code.

13 ARTICLE 2. Municipalities

14 SEC. [125] 124. Scope of Powers. - Except as
15 otherwise provided in this Code, the municipality may
16 levy, among others, the taxes, fees, or charges provided in
17 this Article, at rates provided for by the sangguniang
18 bayan.

19 SEC. [126] 125. Tax on Business. - The municipality
20 may impose a tax on businesses as follows:

21 (a) Tax on the business of manufacturing, importing,
22 exporting, producing, wholesaling or retailing of, or
23 dealing in, any article of commerce of whatever kind or
24 nature at graduated rates not lower than P200.00 nor higher
25 than P50,000.00 annually.

26 In the case of newly started business, the tax shall be
27 at the rate of not exceeding one-tenth of one percent of
28 the capital investment as fixed by the sangguniang bayan.

29 For purposes of collection of the tax, manufacturers
30 and producers maintaining or operating branch or sales
31 offices elsewhere shall record the sale in the branch or
32 sales office making the sale and the tax thereon shall
33 accrue to the local government where the branch or sales
34 office is located. In cases where there is no such branch
35 or sales office in the locality where the sales is
36 effected, the sale shall be duly recorded in the principal
37 office along with the sales made in said principal office.
38 Fifty percent of all sales recorded in the principal office
39 shall be taxable by the local government where the
40 principal office is located, while the remaining fifty
41 percent shall be deemed as sales made in the factory and
42 shall be taxable by the local government where the factory
43 is located.

1 In cases where a manufacturer or producer has two or
2 more factories situated in different localities, the fifty
3 per cent sales allocation mentioned in the next preceding
4 paragraph shall be pro-rated among the localities where the
5 factories are situated in proportion to their respective
6 volumes of production during the period for which the tax
7 is due.

8 The foregoing sales allocation shall be applied
9 irrespective of whether or not sales are made in the
10 locality where the factory is situated.

11 The tax on the business of manufacturing, producing,
12 importing, exporting, wholesaling or retailing of the
13 following essential commodities, shall be one-half of the
14 rates prescribed by the sangguniang bayan:

15 (1) wheat flour, meat, dairy products, locally-
16 manufactured canned goods and other preserved foodstuffs,
17 sugar, salt and other agricultural, marine and fresh-water
18 products;

19 (2) cooking oil, cooking gas and firewood;

20 (3) laundry soap, medicine and household remedies;

21 (4) locally-manufactured fabrics;

22 (5) agricultural implements, fertilizers and
23 insecticides;

24 (6) poultry and other animal feeds; and

25 (7) rice and corn.

26 (b) On cafes, cafeteria, ice-cream and other
27 refreshment parlors, restaurants, soda fountain bars,
28 carinderias or food caterers at rates to be determined by
29 the sangguniang bayan, at graduated rates not lower than
30 P50.00 nor higher than P1,000.00 annually. In the case of a
31 newly started business the tax shall be at the rate of not
32 exceeding one-tenth of one percent of its capital
33 investment as determined by the sangguniang bayan.

34 In cases where a single person or juridical entity
35 conducts or operates two or more of the related businesses
36 mentioned in Subsection (a) or in Subsection (b) above, the
37 computation of the tax shall be based on the combined total
38 gross receipts of the said two or more related businesses.

39 (c) On all business establishments principally
40 rendering or offering to render services at graduated rates
41 to be determined by the sangguniang bayan, which in no case
42 shall be less than P50.00 nor more than P10,000.00.

43 In the case of a newly started business, the tax shall

1 be at the rate of not exceeding one-half of one percent of
2 its capital investment as determined by the sangguniang
3 bayan.

4 (d) On the business of brewers, rectifiers, distillers,
5 and repackers of liquors, distilled spirits and/or wines at
6 rates [to be determined by the sangguniang bayan which in
7 no case shall be less than P50.00 nor more than P1,000.00.]
8 NOT EXCEEDING THOSE FIXED HEREUNDER:

	amount of tax per annum
11 1) wholesale dealers in	
12 foreign liquors	P 800.00
13 2) wholesale dealers in	
14 domestic liquors	600.00
15 3) retail dealers in	
16 foreign liquors	300.00
17 4) retail dealers in	
18 domestic liquors	150.00
19 5) retail dealers in	
20 vine liquors	75.00
21 6) retail dealer in	
22 fermented liquors	120.00
23 7) wholesale dealers in	
24 fermented liquors	300.00
25 8) retail dealers in tuba,	
26 basi, and/or tapay	75.00

27 (e) Tax on tobacco dealers [and peddlers such as:
28 retail leaf tobacco dealers; wholesale leaf tobacco
29 dealers;] AT RATES NOT EXCEEDING THOSE FIXED HEREUNDER:

	Amount of tax per annum
31 1) Retail leaf tobacco dealers	P 100.00
32 2) Wholesale leaf tobacco dealers	400.00

33 TAX IN TOBACCO DEALERS AND PEDDLER SUCH AS: retail
34 tobacco dealers; wholesale tobacco dealers; retail peddlers
35 of manufactured tobacco, and wholesale peddlers of
36 manufactured tobacco, at graduate rates to be determined by
37 the sangguniang bayan which in no case shall be less than
38 P100.00 nor more than [P500.00] P400.00.

39 THIRTY PERCENT (30%) OF THE PROCEEDS SHALL ACCRUE TO
40 THE GENERAL FUND OF THE PROVINCE AND SEVENTY PERCENT (70%)
41 TO THE GENERAL FUND OF THE MUNICIPALITY WHERE COLLECTED.

42 (f) Tax on amusement devices, such as jukebox

1 machines; machines or apparatus for visual entertainment;
 2 and apparatus for weighing persons, at rates [not lower]
 3 than P50.00 but] not exceeding [P20.00 for each devise]
 4 THOSE FIXED HEREUNDER:

	AMOUNT OF TAX
	PER ANNUM
5	
6	
7 1) EACH JUKEBOX MACHINE	P 150.00
8 2) EACH MACHINE OR APPARATUS	
9 FOR VISUAL ENTERTAINMENT	100.00
10 3) EACH APPARATUS FOR PERSONS	45.00

11 (g) Tax on amusement places wherein the customers
 12 thereof actively participate without making bets or wagers,
 13 including but not limited to the following: night or day
 14 clubs; cocktail lounges or bars; skating rinks; cabarets or
 15 dance halls; bath houses, swimming pools, resorts and other
 16 similar places; steam baths, saunas and other similar
 17 establishments; billiards and pool halls, bowling alleys;
 18 circuses, carnivals, and the like; merry-go-rounds,
 19 roller-coasters, ferris wheels, swings, shooting galleries,
 20 and other similar contrivances; theaters and cinema houses;
 21 boxing stadiums and boxing contests; race tracks for
 22 conducting horse races; and cockpits and cockfights. [, at
 23 rates not lower than P50.00 nor higher than P10,000.00
 24 annually.]

	AMOUNT OF TAX
	PER ANNUM
25	
26	
27 1) NIGHT AND DAY CLUBS	P 8,000.00
28 2) NIGHT CLUBS OR DAY CLUBS	6,000.00
29 3) COCKTAIL LOUNGES OR BARS	2,000.00
30 4) CABARETS OR DANCE HALLS	1,500.00
31 5) SKATING RINKS	750.00
32 6) BATH HOUSES, SWIMMING POOLS,	
33 RESORT AND OTHER SIMILAR PLACES	1,000.00
34 7) STEAM BATHS, SAUNAS AND OTHER	
35 SIMILAR ESTABLISHMENTS (PER CUBICLE)	_____
36 8) BILLIARD AND POOL HALLS:	
37 - FOR THE FIRST TABLE	100.00
38 - FOR EACH ADDITIONAL TABLE	40.00
39 9) BOWLING ALLEYS:	
40 - AUTOMATIC, PER LANE	200.00
41 - NON-AUTOMATIC, PER LANE	150.00
42 10) CIRCUSES, CARNIVALS, AND THE LIKE:	
43 - FIRST TEN DAYS, PER DAY	40.00

1 - DAYS THEREAFTER, PER DAY 5.00

2 11) MERRY-GO-ROUNDS, ROLLER-COASTER,
3 FERRIES WHEELS, SWINGS, SHOOTING
4 GALLERIES, AND OTHER SIMILAR AMUSEMENT

5 THIRTY PERCENT (30%) OF THE PROCEEDS SHALL ACCRUE TO
6 THE GENERAL FUND OF THE PROVINCE AND SEVENTY PERCENT (70%)
7 TO THE GENERAL FUND OF THE MUNICIPALITY WHERE COLLECTED.

8 TAX ON COCKFIGHTS, DERBY AND INTERNATIONAL DERBY AT
9 RATES NOT EXCEEDING THOSE FIXED HEREUNDER:

10 AMOUNT OF TAX
11 PER ANNUM

12 1) INTERNATIONAL DERBY, COCKFIGHT/DAY P 2,000.00

13 2) PER COCKFIGHT, INTERNATIONAL DERBY 200.00

14 (h) Tax on pawnshops, money shops, lending investors
15 finance and investment companies, INSURANCE COMPANIES and
16 banks, ANY PROVISION OF SPECIAL LAWS TO THE CONTRARY
17 NOTWITHSTANDING except the Central Bank of the
18 Philippines. [, based on the amount of capital investment
19 at rates not lower than P500.00 nor higher than P10,000.00
20 annually.]

21 AMOUNT OF TAX
22 PER ANNUM

23 1) PAWNSHOPS

24 - WITH A CAPITAL OF:

25 LESS THAN P50,000.00 P 2,000.00

26 P50,000.00 OR MORE BUT

27 LESS THAN P100,000.00 3,000.00

28 P100,000.00 OR MORE BUT

29 LESS THAN P200,000.00 4,000.00

30 P200,000.00 OR MORE 8,000.00

31 2) MONEY SHOPS 400.00

32 3) LENDING INVESTORS 600.00

33 4) FINANCE AND INVESTMENT COMPANIES:

34 - PRINCIPAL OFFICE 4,000.00

35 - FOR EACH BRANCH, PAYABLE TO THE
36 MUNICIPALITY WHERE THE BRANCH
37 IS LOCATED 800.00

38 5) INSURANCE COMPANIES:

39 - PRINCIPAL OFFICE 5,000.00

40 - FOR EACH BRANCH, PAYABLE TO THE
41 MUNICIPALITY WHERE THE BRANCH
42 IS LOCATED 1,500.00

43 6) COMMERCIAL BANKS:

1	- PRINCIPAL OFFICE	5,000.00
2	- FOR EACH BRANCH, PAYABLE TO THE	
3	MUNICIPALITY WHERE THE BRANCH	
4	IS LOCATED	1,000.00
5	7) SAVINGS BANKS:	
6	- PRINCIPAL OFFICE	8,000.00
7	- FOR EACH BRANCH, PAYABLE TO THE	
8	MUNICIPALITY WHERE THE BRANCH	
9	IS LOCATED	800.00
10	8) RURAL BANKS:	
11	- PRINCIPAL OFFICE	1,000.00
12	- EACH BRANCH OR AGENCY	500.00
13	9) STOCKMARKETS AND/OR DEALERS IN	
14	SECURITIES AND FOREIGN EXCHANGE:	
15	- PRINCIPAL OFFICE	2,000.00
16	- FOR EACH BRANCH, PAYABLE TO THE	
17	CITY/MUNICIPALITY WHERE THE	
18	BRANCH IS LOCATED	800.00
19	THIRTY PERCENT (30%) OF THE PROCEEDS SHALL	
20	AUTOMATICALLY ACCRUE TO THE GENERAL FUND OF THE PROVINCE	
21	AND SEVENTY PERCENT (70%) TO THE GENERAL FUND OF THE	
22	MUNICIPALITY WHERE COLLECTED.	

(i) Tax on boarding houses based on the number of accommodations at rates not [lower than P50.00 nor higher than P1,000.00 annually.] EXCEEDING THOSE FIXED HEREUNDER:

	AMOUNT OF TAX
	PER ANNUM
23	
24	
25	
26	
27	
28	1) LESS THAN 10 BOARDERS P 40.00
29	2) 10 TO 19 BOARDERS 60.00
30	3) 20 TO 39 BOARDERS 80.00
31	4) 40 OR MORE BOARDERS 100.00
32	ON PER PERSONS WHO ACCEPT BEDSPACERS WITH
33	ACCOMMODATIONS FOR:

	AMOUNT OF TAX
	PER ANNUM
34	
35	
36	1) LESS THAN 10 BEDSPACERS P 20.00
37	2) 10 TO 19 BEDSPACERS 30.00
38	3) 20 TO 39 BEDSPACERS 40.00
39	4) 40 OR MORE BEDSPACERS 50.00

(j) Tax on lodging houses based on the number of accommodations at rates not [lower than P500.00 nor higher than P3,000.00.] NOT EXCEEDING THOSE FIXED HEREUNDER:

	AMOUNT OF TAX
--	---------------

1	ACCOMMODATIONS FOR	PER ANNUM
2	- LESS THAN 15 LODGERS	P 900.00
3	- 15 TO 24 LODGERS	1,350.00
4	- 25 OR MORE LODGERS	1,800.00

5 (k) Tax on hotels and motels based on gross receipt
6 for each at rates lower than P200.00 nor higher than
7 P2,000.00 per quarter. In the case of a newly started
8 business, the tax shall not be less than the minimum
9 prescribed by the sangguniang bayan.

10 (l) Tax on private detectives or security agencies at
11 rates not lower than P100.00 nor higher than P1,000.00
12 annually.

13 (m) Tax on real estate dealers and subdivision
14 operators. [, at rates not lower than P50.00 nor higher
15 than P1,000.00 annually.]

16 The computation of the tax on subdivision operator
17 shall be based only on the total area of the remaining lots
18 titled in the name of the subdivision operator, [.] AT THE
19 RATE OF P0.05 PER SQUARE METER PER ANNUM.

20 The computation of the tax on lessors of real estate
21 shall be based on gross receipts for the preceding year, at
22 the rates [to be determined by the sangguniang bayan.]
23 NOT EXCEEDING THOSE FIXED HEREUNDER:

24 ON LESSORS OF REAL ESTATE:

25	GROSS RECEIPTS FOR THE	AMOUNT OF TAX
26	PRECEDING YEAR:	PER ANNUM
27	1) LESS THAN P1,000.00	EXEMPT
28	2) P1,000.00 OR ABOVE BUT	
29	LESS THAN P4,000.00	P 25.00
30	3) P4,000.00 OR ABOVE BUT	
31	LESS THAN P10,000.00	62.50
32	4) P10,000.00 OR ABOVE BUT	
33	LESS THAN P20,000.00	187.00
34	5) P20,000.00 OR ABOVE BUT	
35	LESS THAN P30,000.00	375.00
36	6) P30,000.00 OR MORE BUT	
37	LESS THAN P50,000.00	625.00
38	7) FOR EVERY P1,000.00 IN EXCESS OF	
39	P50,000.00 FOR REAL PROPERTY USED	
40	FOR PURPOSES OTHER THAN RESIDENTIAL	6.25
41	8) FOR EVERY P5,000.00 IN EXCESS OF	
42	P50,000.00 FOR REAL PROPERTY USED	
43	FOR RESIDENTIAL PURPOSES	6.25

1 ON LESSORS OF REAL ESTATE EXCLUDING SUBDIVISION
2 OPERATORS ON NEWLY STARTED BUSINESS:

3 WITH AN INITIAL CAPITAL OF: ANNUAL TAX

4 1) LESS THAN P10,000.00 P 250.00

5 2) P10,000.00 OR MORE BUT
6 LESS THAN P50,000.00 500.00

7 3) P50,000.00 OR MORE BUT
8 LESS THAN P100,000.00 750.00

9 4) P100,000.00 OR MORE BUT
10 LESS THAN P200,000.00 1,500.00

11 5) P200,000.00 OR MORE BUT
12 LESS THAN P400,000.00 2,250.00

13 6) P400,000.00 OR MORE BUT
14 LESS THAN P700,000.00 4,000.00

15 7) P700,000.00 OR MORE BUT
16 LESS THAN P1,000,000.00 6,000.00

17 8) P1,000,000.00 OR MORE BUT
18 LESS THAN P1,500,000.00 8,750.00

19 9) P1,500,000.00 OR MORE BUT
20 LESS THAN P2,500,000.00 10,500.00

21 10) P2,500,000.00 OR MORE BUT
22 LESS THAN P3,000,000.00 13,750.00

23 11) P3,000,000.00 OR MORE BUT
24 LESS THAN P5,000,000.00 16,000.00

25 12) P5,000,000.00 OR MORE BUT
26 LESS THAN P6,500,000.00 20,000.00

27 13) P6,500,000.00 OR MORE BUT
28 LESS THAN P8,000,000.00 25,000.00

29 14) P8,500,000.00 OR MORE BUT
30 LESS THAN P10,000,000.00 31,500.00

31 15) FOR EVERY P500,000.00 OR
32 FRACTION THEREOF IN EXCESS
33 OF P10,000,000.00 1,000.00

34 In the case of a newly started business of lessors of
35 real estate, the tax shall [not] be [less than] the
36 minimum [fixed by the sangguniang bayan.] PRESCRIBED
37 ABOVE.

38 (n) Tax on golf links at rates not [lower than]
39 [P5,000.00 nor] higher than [P10,000.00] P5,000.00
40 annually.

41 (o) Tax on fishponds/fishpens, oyster and mussel
42 culture beds, fish breeding grounds, per hectares or
43 fraction thereof at rates not lower than [P50.00] P10.00

1 per hectare nor higher than [P75.00] P100.00 per
2 hectare annually.

3 (p) tax on private cemeteries and memorial parks, at
4 rates not [lower than P500.00 nor higher than P5,000.00
5 per hectare annually.] EXCEEDING THE FOLLOWING:

	AMOUNT OF TAX PER ANNUM
6	
7	
8 1) LESS THAN 2 HECTARES	P 1,000.00
9 2) TWO TO 5 HECTARES	
10 3) MORE THAN 5 HECTARES	2,000.00

11 (q) Taxes on billboards, signboards and advertisements
12 based on area in square meters or a fraction thereof at
13 rates not [lower than P10.00 nor higher than P100.00
14 annually.] EXCEEDING THE FOLLOWING:

15 AMOUNT OF TAX
16 PER ANNUM

17 1) BILLBOARDS OR SIGNBOARDS	
18 FOR ADVERTISEMENT OF BUSINESS,	
19 PER SQUARE METER OR FRACTION THEREOF:	
20 - SINGLE FACE	P 18.00
21 - DOUBLE FACE	36.00
22 2) BILLBOARDS OR SIGNS FOR	
23 PROFESSIONALS, PER SQUARE	
24 METER OR FRACTION THEREOF	15.00
25 3) BILLBOARDS, SIGNS OR	
26 ADVERTISEMENT FOR BUSINESS	
27 AND PROFESSIONS PAINTED ON	
28 ANY BUILDING OR STRUCTURE OR	
29 OTHERWISE SEPARATED OR DETACHED	
30 THEREFROM, PER SQUARE METER	
31 OR FRACTION THEREOF	16.00
32 4) ADVERTISEMENT BY MEANS OF	
33 PLACARDS, PER SQUARE METER	
34 OR FRACTION THEREOF	16.00
35 5) ADVERTISEMENTS FOR BUSINESS OR	
36 PROFESSION BY MEANS OF SLIDES	
37 IN MOVIES PAYABLE BY OWNERS	
38 OF MOVIE HOUSES	200.00

39 In addition to the taxes provided above, for the use of
40 electric or neon lights in billboards a tax shall be
41 imposed per square foot or fraction thereof at rates not
42 lower than P50.00 nor higher than P3,000.00 per square
43 meter annually.

1 Signs, signboards, billboards and advertisements
2 displayed at the place where the profession or business
3 advertised is conducted shall be exempt from the tax herein
4 provided.

5 (r) Tax on the business of operating privately-owned
6 public markets based on gross receipts for each quarter, at
7 rates [not lower than P500.00 nor higher than P5,000.00
8 per quarter.]

9 GROSS QUARTERLY RECEIPTS

10	1) LESS THAN P5,000.00	P	125.00
11	2) P5,000.00 OR MORE BUT		
12	LESS THAN P10,000.00		250.00
13	3) P10,000.00 OR MORE BUT		
14	LESS THAN P20,000.00		500.00
15	4) P20,000.00 OR MORE BUT		
16	LESS THAN P30,000.00		750.00
17	5) P30,000.00 OR MORE BUT		
18	LESS THAN P40,000.00		1,000.00
19	6) P40,000.00 OR MORE BUT		
20	LESS THAN P50,000.00		1,250.00
21	7) P50,000.00 OR MORE BUT		
22	LESS THAN P60,000.00		1,500.00
23	8) P60,000.00 OR MORE BUT		
24	LESS THAN P70,000.00		1,750.00
25	9) P70,000.00 OR MORE BUT		
26	LESS THAN P80,000.00		2,000.00
27	10) P80,000.00 OR MORE BUT		
28	LESS THAN P90,000.00		2,250.00
29	11) P90,000.00 OR MORE BUT		
30	LESS THAN P100,000.00		2,500.00
31	12) FOR EVERY P1,000.00 IN		
32	EXCESS OF P100,000.00		25.00

33 In the case of newly-started privately-owned public
34 markets, the tax shall not be less than the minimum
35 prescribed by the sangguniang bayan in the immediately
36 preceding paragraph for the first quarter of operations (PD
37 426).

38 (s) Tax on operators or owners of rice, corn or coffee
39 will engage mainly in the milling of rice, corn or coffee
40 belonging to other persons, based on total capacity per
41 machine for every twelve hours, at rates to be prescribed
42 by the sangguniang bayan.

43 (t) Tax on persons engaged in the business of

1 operating motorized tricycles for hire within the
2 territorial jurisdiction of the municipality at the rate of
3 [not lower than P200.00 nor higher than P500.00 per unit
4 annually] P150.00 PER ANNUM PER OWNER OR OPERATOR PLUS
5 P100.00 PER ANNUM PER MOTORIZED TRICYCLE FOR HIRE.

6 This tax shall be in lieu of the fixed and common
7 carriers taxes presently levied under the National Internal
8 Revenue Code of 1977, as amended.

9 SEC. [127] 126. Fees and Charges. - The municipality
10 may likewise collect the following fees and charges at
11 rates not lower than P5.00 nor higher than P500.00:

12 (a) Cart and sledge registration fees;

13 (b) Circus or menagerie parades, and other parades
14 using banners, floats, or musical instruments except civic
15 and military parades and religious processions;

16 (c) Registration fees on large cattles;

17 (d) Building permit fee based on the projected building
18 or repair costs;

19 (e) Marriage fees [;] AT THE FOLLOWING RATES:

20 1) APPLICATION FEE P 15.00

21 2) LICENSE FEE 5.00

22 (f) Registration fees on the civil status of persons [.
23 For the registration of documents and for] AT THE
24 FOLLOWING RATES:

25 1) PER REGISTRATION OF LEGITIMIZATION P 10.00

26 2) PER REGISTRATION OF ADOPTION 10.00

27 3) PER REGISTRATION OF ANNULMENT OF MARRIAGE 25.00

28 4) PER REGISTRATION OF DIVORCE 25.00

29 5) PER REGISTRATION OF A CHANGE OF NAME 15.00

30 6) PER CERTIFIED COPIES OF ANY DOCUMENT IN
31 THE REGISTER FOR EACH 100 WORDS 2.00
32 PER DOCUMENT

33 certified copies of documents free of charge for officials
34 use at the request of a competent court or other government
35 agency. The issuance of certified copies of birth
36 certificates of children reaching school age when such
37 certificates are required for admission to the primary
38 grades of the public schools shall be considered official
39 and given free of charge;

40 (g) Secretary's fees - For the issuance of copies of
41 official records and documents [;] AT THE FOLLOWING RATES:
42 FOR 200 WORDS OR LESS P 3.00

43 1) FOR EVERY 100 WORDS FOR EVERY 100 WORDS

- 1 OR FRACTION THEREOF, IN EXCESS OF 200
2 TYPEWRITTEN (NOT WORDS OR FRACTION
3 1.00 INCLUDING THE CERTI- THEREOF
4 FICATION AND ANY
5 NOTATION)
- 6 2) WHERE THE COPY TO BE FOR EACH PAGE 4.00
7 FURNISHED IS IN A
8 PRINTED FORM IN WHOLE FOR EACH DUPLICATE 1.00
9 OR IN PART, FOR EACH
10 PAGE (DOUBLE THIS FEE
11 IF THERE ARE 2 PAGES
12 IN A SHEET)
- 13 3) FOR EACH CERTIFICATE OF CORRECTNESS
14 (WITH SEAL OF OFFICE) WRITTEN ON THE
15 COPY OR ATTACHED THERETO 4.00
- 16 4) FOR CERTIFYING THE OFFICIAL ACT OF A
17 MUNICIPAL JUDGE OR OTHER CERTIFICATE
18 (JUDICIAL) WITH SEAL 4.00
- 19 5) FOR CERTIFIED COPIES OF ANY PAPER,
20 RECORDS, DECREE, JUDGMENT OR ENTRY
21 OF WHICH ANY PERSON IS ENTITLED TO
22 DEMAND AND RECEIVE A COPY (IN CONNECTION
23 WITH JUDICIAL PROCEEDINGS) FOR EACH 100 WORDS 2.00
24 PER DOCUMENT
- 25 6) XEROX OR ANY OTHER PER DOCUMENT:
26 COPY PRODUCED BY - FOR THE 1ST PAGE 3.00
27 COPYING MACHINE - FOR THE SUCCEEDING
28 PER PAGE PAGES, PER PAGE 2.00
- 29 7) PHOTO COPY PER PAGE PER DOCUMENT:
30 - FOR THE 1ST PAGE 8.00
31 - FOR THE SUCCEEDING
32 PAGES, PER PAGE 5.00
- 33 (h) Police clearance fee, per certificate;
34 (i) Fees for the impounding and/or sale of stray
35 animals, including cost of feeds;
36 (j) Burial permit fee;
37 (k) Fee for exhumation of cadaver;
38 (l) Fee for removal of cadaver [;] AT P10.00;
39 (m) Dog license fee; and
40 (n) Bicycle permit fee [.] AT P7.00.
- 41 [The local civil registrar may issue certified copies
42 of documents free of charge for official use at the request
43 of a competent court or other government agency. The



1 issuance of certified copies of birth certificates of
2 children reaching school age when such certificates are
3 required for admission to the primary grades of the public
4 schools shall be considered official and given free of
5 charge.]

6 SEC. [128] 127. Fishery Rentals or Fees. - SUBJECT
7 TO EXISTING LAWS AND TO THE RULES AND REGULATIONS OF THE
8 DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES,
9 municipalities, in the exercise of their authority to grant
10 exclusive fishery rights and license individual fishing
11 gears in municipal waters, may levy or fix rentals or fees
12 therefor in accordance with the provisions of this section
13 in conjunction with other operative laws and regulations
14 [or] ON municipal fisheries.

15 THIRTY PERCENT (30%) OF THE PROCEEDS SHALL ACCRUE TO
16 THE GENERAL FUND OF THE PROVINCE AND SEVENTY PERCENT (70%)
17 TO THE GENERAL FUND OF THE MUNICIPALITY WHERE COLLECTED.

18 (a) Grant of Fishery Rights and Licensing of Fishing
19 Vessel. - Pursuant to the authority of the municipality the
20 sangguniang bayan may:

21 (1) Grant the exclusive fishery to erect fish corrals,
22 operate fishponds or oyster or mussel culture beds, or make
23 or catch bangus fry or kawagkaway or fry of other species
24 for propagation, by public auction, within definite portion
25 or area of the municipal waters, for which purpose the
26 sangguniang bayan shall divide the municipal waters into
27 fishing zones with fixed areas and boundaries and minimum
28 annual rental for each zone;

29 (2) Grant the privilege of taking fish from municipal
30 waters by nets, traps or other fishing gears to persons
31 qualified under the provisions of this section and other
32 existing laws on municipal fisheries;

33 (3) Issue licenses for the operation of fishing
34 vessels of three (3) tons or less for which purpose the
35 sangguniang bayan is empowered to promulgate.

36 A license of any locality shall not fish in the
37 municipal waters of another locality without first securing
38 the necessary license from, and paying the corresponding
39 taxes and fees therefor to the latter municipality.

40 Deep-sea fishermen duly licensed under the provisions
41 of existing laws may be allowed to fish in municipal waters
42 if they secure the necessary license therefor from the
43 municipal authorities concerned and pay the corresponding

1 taxes or fees.

2 (b) Operation of Fishing Zone in Case there are no
3 Bidders. If, after two notices for the grant of exclusive
4 fishery rights thru public auction, no interested bidders
5 opt to lease any fishing zone within the municipal waters,
6 the sangguniang bayan is hereby authorized to erect fish
7 corrals, operate fishponds or oyster or mussel culture
8 beds, or catch banqus fry or kawag kawag within a definite
9 area or portion of the municipal waters subject to the
10 payment of national taxes.

11 In the court fishery rights are awarded to individuals
12 after public auction, the license fees therefor shall be
13 determined by the sangguniang bayan at rate not lower than
14 P50.00 nor higher than P5,000.00 annually.

15 (c) Privilege of Residents to Take Fish in Municipal
16 Waters. - Any person who is not a grantee of a license or
17 privilege to engage in commercial fishing shall be allowed
18 to fish for domestic use in any municipal waters, in case
19 no communal fishery therein has been established;
20 Provided, however, That in no case shall fishing be allowed
21 within two hundred meters from a fish corral licensed by
22 the municipality; Provided, further, That no fish caught
23 under this privilege shall be sold.

24 SEC. [129] 128. Specific Limitations on Taxing Power
25 of Municipalities. - Except as otherwise provided in this
26 Code, the municipality shall not levy the following:

27 (a) Taxes, fees, and charges that the province or city
28 is authorized to levy in this Code;

29 (b) Taxes on articles, subject to specific tax under
30 the provisions of the National Internal Revenue Code as
31 amended; and

32 (c) Taxes and other impositions enumerated in Section
33 [112] 111 of this Code.

34 Article 3. Cities

35 SEC. [130] 129. Scope of Power. - Except as otherwise
36 provided in this Code, the city may levy and collect, among
37 others, any of the taxes, fees and other impositions that
38 the province or the municipality may levy and collect at
39 rates to be determined by the sangguniang panlungsod,
40 subject to such limitations as are provided in this Code
41 and other laws. The rates of the taxes, fees, or other
42 impositions that the city shall fix may exceed the maximum
43 rates allowed for the province or municipality by not more

1 than fifty percent.

2 The city may levy any tax, fee or other imposition not
3 specifically enumerated or otherwise herein provided for
4 subject to the provisions of this Code.

5 SEC. [131] 130. Additional Taxing Powers. - Nothing
6 herein shall be construed as prohibiting the city from
7 levying taxes on articles subject to specific tax under the
8 provisions of the National Internal Revenue Code but in no
9 case shall the rate of the specific tax imposed by the city
10 on such articles exceed fifty percent of the rates provided
11 in the National Internal Revenue Code.

12 SEC. [132] 131. Specific Limitation on Taxing Power
13 of Cities. - Except as otherwise provided in this Code, the
14 city shall not levy the taxes and other impositions
15 enumerated in Section [112] 111 of this Code.

16 Article 4. Barangays

17 SEC. [133] 132. Scope of Power. - Except as otherwise
18 authorized, the exercise of the taxing and other revenue-
19 raising powers of the barangay is hereby limited to the
20 taxes, fees, charges, and contributions provided for in
21 this Code.

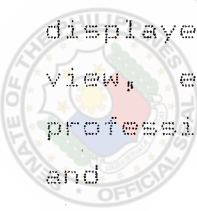
22 SEC. [134] 133. License Taxes and Fees. - A barangay
23 may levy taxes or fees on the following, at rates that
24 shall not exceed thirty percent, in the case of a barangay
25 in a municipality and fifteen percent, in the case of a
26 barangay in the city on a similar tax or fee already
27 imposed by the city or municipality:

28 (a) Stores and signs, signboards and billboards
29 displayed or maintained in any place exposed to public
30 view, except those displayed at the place where the
31 profession or business advertised is conducted (FD 426);
32 and

33 [(b) Gamecocks owned by residents of the barangay and
34 on the cockfights conducted therein. Nothing herein shall
35 be construed as to authorize the sangguniang barangay to
36 issue permits for cockfights.]

37 SEC. [135] 134. Service Charges. - Barangays may
38 collect reasonable charges for services rendered in
39 connection with the regulation of the use of barangay-owned
40 properties or service facilities such as palay, copra or
41 tobacco driers and the like.

42 SEC. [136] 135. Barangay Clearance. - No city or
43 municipality may issue any business licenses or permits



1 unless a barangay clearance has first been secured from the
2 barangay where the business is proposed to be conducted,
3 for which service the sangguniang barangay may impose a
4 reasonable fee not exceeding P10.00 annually.

5 Article 5. Common Revenue-Raising Powers

6 SEC. [137] 136. Market Fees. - Local governments may
7 collect fees or rentals for the occupancy or use of public
8 markets and premises in accordance with the provisions of
9 this Article.

10 (a) Subdivision of Market Building and Rates of Fees
11 and Rentals Therefor. - The public market shall be
12 subdivided into sections with each section housing one
13 class or group of allied goods, commodities or merchandise.
14 The sanggunian of a local unit shall fix for each section,
15 reasonable rates of fees or rentals per square meter of
16 space per month and/or day.

17 In case there are several market buildings, or
18 pavilions, each one of them shall be given a number or
19 other designation for better identification.

20 (b) Rentals for Fixed Stalls, Booths and Tiendas.-
21 Rentals for fixed stalls, booths and tiendas shall be fixed
22 by the month to be paid within the first twenty days of the
23 month. The fixed stalls, booths and tiendas situated in
24 the best locations shall be assigned higher rates per
25 square meter than those less favorably located: Provided,
26 That said higher rates per square meter shall be within the
27 range of such rates determined by the local sanggunian.

28 (c) Market Fees for the Occupancy of Market Premises.
29 - The market fees for the occupancy of market premises
30 shall be fixed at such reasonable rate per day per square
31 meter of space occupied therein, or a fraction thereof.

32 (d) Market Entrance Fee. - In lieu of the regular
33 market fees based on the space occupied, a market entrance
34 fee may be imposed on all transient vendors of any
35 commodity or merchandise being brought into the public
36 market for sale on the basis of weight, bundle, sack, can
37 cartload, or any other convenient unit of measure. The
38 amount of entrance fee to be imposed shall not exceed the
39 amount of market fee collectible where the fee charged is
40 on the basis of space occupied by the said commodity or
41 merchandise.

42 In case the vendor from whom an entrance fee was
43 collected occupies any table, cubicle or other space with

1 an area in excess of what he paid for, he shall be required
2 to pay the correct amount of fee due thereon less what he
3 may have already paid as entrance fees.

4 Duly licensed suppliers or distributors of goods,
5 commodities or general merchandise of permanent occupants
6 of market stalls, booths, tiendas, or other space, as well
7 as the same occupants when they bring in goods, commodities
8 or merchandise to replenish or augment their stock, shall
9 not be considered as transient vendors required to pay the
10 market entrance fee herein authorized.

11 (e) Payment of Fees. - Unless otherwise provided
12 herein, the market fee must be paid in advance before any
13 person can sell, or offer to sell any commodity or
14 merchandise within the public market and its premises.

15 (f) Adjudication of Vacant Market Stalls to
16 Applicants. - The sanggunian of a local unit shall
17 promulgate rules and regulations governing the adjudication
18 of vacant stalls in the public market to applicants.

19 (g) Duties and Powers of the Provincial, City and
20 Municipal Treasurers. - The treasurer shall exercise
21 visitorial rights over public markets only for purposes of
22 effective tax collection. General management of public
23 markets shall be as provided for by the sanggunian
24 concerned.

25 (h) Issuance of Cash Tickets to Transient Vendors;
26 Prohibition on Transfer Thereof. - Cash tickets shall be
27 issued to the vendor buying the same and his name shall be
28 written on the back thereof. The cash tickets shall
29 pertain only to the person buying the same and shall be
30 good only for the space or spaces of market premises to
31 which they are assigned while in the hands of the original
32 purchaser. If a vendor disposes of his merchandise by
33 wholesale to another vendor, the latter shall purchase anew
34 tickets if he desires to sell the same merchandise even if
35 this is done in the same place occupied by the previous
36 vendor.

37 (i) Prohibition. - The peddling or sale outside the
38 public market site or premises of foodstuffs which easily
39 deteriorate, like fish and meat, is hereby prohibited.

40 (j) Penalties. - Any person occupying or using space
41 in the public market without first paying the fees herein
42 above provided, shall be subject to the payment of market
43 fees in an amount equivalent to three times as much as the

1 regular rate for the space so occupied. Any person
2 occupying more space than what is duly leased to him shall
3 pay double the regular rate for such extra space; and, any
4 person who fails to pay the monthly rent within the time
5 fixed herein shall pay a penalty of twenty-five percent of
6 the rent due. The lease contract of any person found
7 habitually incurring the foregoing violations shall be
8 cancelled.

9 SEC. [138] 137. Slaughterhouse Fees. - Local
10 governments may collect fees for the slaughter of animals
11 and the use of corrals in accordance with the provisions of
12 this section.

13 (a) Permit Fee to Slaughter. - Before any animal is
14 slaughtered for public consumption, a permit therefor shall
15 be secured from the health officer concerned or his duly
16 authorized representative and the corresponding fee
17 collected at a reasonable rate to be fixed by the local
18 sanqgunian.

19 (b) Rates of Slaughter Fees. - Slaughter fees may be
20 fixed per head of animal or per kilo of the dressed meat
21 thereof. The slaughter fees shall be prescribed by the
22 sanqgunian concerned at rates not lower than [P0.05]
23 P0.25 nor higher than [P0.25] P1.25 per kilo, or not
24 [less than P5.00 nor] EXCEEDING THE FOLLOWING: [more
25 than P25.00 per head.]

26 FOR PUBLIC CONSUMPTION ON THE BASIS OF HEAD:

27	1) LARGE CATTLE, PER HEAD	P 50.00
28	2) HOGS, PER HEAD	30.00
29	3) GOATS, PER HEAD	20.00
30	4) SHEEP, PER HEAD	20.00
31	5) OTHERS, PER HEAD	20.00

32 If fees are to [e] BE charged per kilo, each slaughter
33 house shall be provided with a balance on which all dressed
34 meat, including the liver, heart, tongue, and other parts
35 utilized for consumption shall be weighed. The weighing
36 shall be made under the supervision of the local treasurer
37 or his duly authorized representative.

38 (c) Place of Slaughter. - The slaughter of any kind of
39 animal for sale to, or consumption of, the public shall be
40 done only in the city or municipal slaughter-house. The
41 slaughter of animals intended for home consumption may be
42 done elsewhere except large cattle; Provided, That the
43 animals slaughtered for home consumption shall not be sold

1 or offered for sale,

2 (d) Requirements for the Issuance of a Permit for the
3 Slaughter of Larger Cattle. - Upon issuance of the permit
4 hereinabove required, large cattle shall be slaughtered at
5 the city or municipal slaughterhouse or in any other place
6 as may be authorized by the local sanggunian. Before
7 issuing the permit for the slaughter of large cattle, the
8 treasurer shall require for branded cattle the production
9 of the certificate of ownership if the owner is the
10 applicant, or the original certificate of ownership and the
11 certificate of transfer showing title in the name of the
12 person applying for the permit if he is not the original
13 owner. If the applicant is not the original owner and
14 there is no certificate of transfer made in his favor, one
15 such certificate shall be issued and the corresponding fee
16 collected therefor. For unbranded cattle that have not yet
17 reached the required age for branding, the treasurer shall
18 require such evidence as will be satisfactory to him
19 regarding the ownership of the animal for which permit to
20 slaughter has been requested. For unbranded cattle of the
21 required age, the necessary owners and transfer
22 certificates shall be issued and the corresponding fees
23 collected therefor before the permit is granted (PD 426).

24 (e) Corral fee. - Fees at the rates not exceeding
25 those fixed [by the sanggunian of the local unit, which
26 shall not be less than P0.50 nor more than P1.00 per head
27 per day or fraction thereof] HEREUNDER may be collected
28 for the animals to be slaughtered which are deposited and
29 kept in a corral owned by the local government.

30 CORRAL FEE PER DAY

31	1) LARGE CATTLE, PER HEAD	P	3.00
32	2) HOGS, PER HEAD		2.00
33	3) GOATS, PER HEAD		1.00.
34	4) SHEEP, PER HEAD		1.20
35	5) OTHERS, PER HEAD		1.00

36 SEC. [139] 138. Public Utility Charges. - Local
37 governments shall have the power to collect charges for
38 services rendered in connection with the operation of
39 public utilities owned, operated, and maintained by them,
40 at the rates to be fixed by the sanggunian concerned. NO
41 ceiling shall be set on the annual net profit that may be
42 derived therefrom. The operation of public utilities shall
43 be subject to auditing rules and regulations.

1 SEC. [140] 139. Tuition Fees AND OTHER COLLECTIONS. -
2 Local governments may collect tuition fees in the schools
3 they operate. No charge AND COLLECTIONS OF WHATEVER KIND
4 OR NATURE shall in any case be made for elementary and
5 secondary education. Monies collected from tuition fees
6 shall be spent only for educational purposes.

7 SEC. [141] 140. Tolls for Roads, Bridges, Canals and
8 Ferries. - When the sanggunian of a local unit shall deem
9 it necessary for the maintenance of any road or canal
10 within its territory, it may designate that road or canal
11 or part thereof, or any bridge or ferry, built or to be
12 built, or maintained as part thereof, as a toll road,
13 bridge, canal or ferry, and may fix tolls therefor at
14 reasonable rates.

15 In the exercise of the authority above conferred the
16 sanggunian may erect toll gates or equip ferries and may
17 employ persons necessary to operate them. The proceeds
18 derived from these sources shall be applied only to the
19 payment of interests and sinking fund charges, in case the
20 toll road, canal or bridge has been financed from loans or
21 bond issues and to the repair and maintenance of the road,
22 canal or bridge for which the collections were made. In the
23 event that such proceeds exceed the amount which the local
24 government shall apply annually to the payment of interests
25 and sinking fund charges on the bonds and to the repair or
26 maintenance of the road, canal or bridge for which the
27 collections were made, the sanggunian concerned may utilize
28 the proceeds for public works and capital outlays purposes
29 only. No toll or ferriage authorized herein shall be
30 collected from:

31 (a) officers of the diplomatic corps of foreign
32 governments;

33 (b) officers and enlisted men of the Armed Forces of
34 the Philippines;

35 (c) members of the integrated national police;

36 (d) national, provincial, municipal or barangay
37 officials and employees on official business;

38 (e) any person traveling on foot or mounted on an
39 animal, alone or accompanying animals;

40 (f) vehicles engaged primarily in the carrying of
41 mail; and

42 (g) animal-drawn vehicles.

43 When the local sanggunian decides that the collection

1 of tolls in accordance with the provisions hereof may be
2 discontinued without injury to the public service, the
3 road, bridge, canal or ferry in question shall be declared
4 free for public use.

5 NO TOLLS OR FEES FOR THE USE OF ROADS, BRIDGES, CANALS,
6 AND FERRIES, CAN BE IMPOSED BY PRIVATE INDIVIDUALS OR
7 ASSOCIATIONS WITHOUT FIRST SECURING THE APPROVAL OF THE
8 LOCAL SANGGUNIANG.

9 SEC. [142] 141. Charge for Holding Benefits. - The
10 sanggunian of a local unit is hereby authorized to hold
11 benefits to raise funds for some specific purpose having in
12 view the general welfare of the local government and its
13 inhabitants, without the need of securing a permit
14 therefor. The proceeds thereof shall be disbursed for the
15 specific purpose for which the benefit was held and the
16 excess of the proceeds, if any, shall accrue to the general
17 fund of the local government concerned. No such benefit
18 shall be held within forty-five days immediately preceding
19 a national or local election [.] AND WITHIN THE SAME
20 PERIOD OF TIME AFTER A NATIONAL OR LOCAL ELECTION.

21 SEC. [143] 142. Permit Fee. - A local government unit
22 may collect a fee sufficient to cover the cost of
23 regulation, inspection, and surveillance relative to the
24 issuance of a permit which shall be required of an
25 individual or any juridical entity before the same shall
26 engage in any business or occupation under the provisions
27 of this Code.

28 SEC. [144] 143. Service Charge. - The local
29 government may collect a charge for any service rendered by
30 it in an amount reasonably commensurate to such service.

31 SEC. [145] 144. Parking Charges. - Local government
32 units may charge reasonable fees for the use of parking
33 spaces, or facilities for parking owned or operated by the
34 local unit, or portions of roads or streets allotted by the
35 local sanggunian for parking space, at rates not [lower
36 than P1.00 per hour or a fraction] EXCEEDING THE
37 FOLLOWING: [thereof but in no case above P15.00 a day for
38 temporary parking or at rates not lower than P100.00 nor
39 higher than P500.00 per quarter for night parking of cars,
40 buses, trucks, jeeps, jeepneys, containerized vans,
41 trailers or any other vehicle of conveyance.]

42 A. IN METROPOLITAN MANILA AND CITIES:

43 (A) FOR CARS:

1	- FOR THE FIRST TWO (2) HOURS		
2	OR FRACTION THEREOF	P	2.00
3	- FOR EACH SUBSEQUENT HOUR		
4	OR FRACTION THEREOF		.50
5	(B) <u>FOR BUSES, TRUCKS AND OTHERS:</u>		
6	- FOR THE FIRST HOUR		
7	OR FRACTION THEREOF		4.00
8	- FOR EACH SUBSEQUENT HOUR		
9	OR FRACTION THEREOF		1.00
10	- FOR CONTINUOUS PARKING		
11	FOR TWELVE (12) HOURS		5.00
12	- FOR CONTINUOUS PARKING		
13	FOR TWENTY-FOUR (24) HOURS		10.00
14	(C) <u>NIGHT PARKING:</u>		
15	FOR USING STREET, SIDEWALK OR PUBLIC PLACE OR IN		
16	FRONT OF THEIR HOUSES AND PLACE OF BUSINESS AS A PRIVATE		
17	GARAGE OR PARKING SPACE.		
18	- FOR CARS OR JEEPNEYS	P	150.00/QUARTER
19	- FOR BUSES AND TRUCKS		200.00/QUARTER
20	B. IN MUNICIPALITIES		
21	(A) <u>FOR CARS:</u>		
22	- FOR THE FIRST TWO (2) HOURS		
23	OR FRACTION THEREOF	P	1.00
24	- FOR EACH SUBSEQUENT HOUR		
25	OR FRACTION THEREOF		.25
26	(B) <u>FOR BUSES, TRUCKS, AND OTHERS:</u>		
27	- FOR THE FIRST HOUR		
28	OR FRACTION THEREOF		2.00
29	- FOR EACH SUBSEQUENT HOUR		
30	OR FRACTION THEREOF		.50
31	- FOR CONTINUOUS PARKING		
32	FOR TWENTY-FOUR (24) HOURS		5.00
33	(C) <u>NIGHT PARKING:</u>		
34	- FOR CARS OR JEEPNEYS	P	75.00/QUARTER
35	- FOR BUSES AND TRUCKS		100.00/QUARTER
36	- FOR CONTAINERIZED VANS/TRAILERS		5.00/DAY OR
37			FRACTION THEREOF

Article 6. Residence Tax

SEC. [146] 145. The Imposition and Rates of the Residence Tax. - The levy and collection of the residence tax shall be in accordance with the provisions of this Code.

(a) Individual Liable to Residence Tax. - Every

1 inhabitant of the Philippines eighteen years of age or over
2 who has been regularly employed on a wage or salary for at
3 least thirty consecutive working days during any calendar
4 year [at the rate] SHALL PAY AN ANNUAL RESIDENCE TAX of
5 not less than one peso a [day] YEAR, or who is engaged
6 in business or occupation, or who owns real property with
7 an aggregate assessed value of One thousand pesos or more,
8 or who is required by law to file an income tax return
9 shall LIKEWISE pay an annual residence tax of one peso
10 and an annual additional tax which in no case shall exceed
11 Five thousand pesos in accordance with the following
12 schedule:

13 (1) For every Five thousand pesos worth of real
14 property in the Philippines, owned by such person during
15 the preceding year, based on the valuation used for the
16 payment of the real property tax under existing laws, found
17 in the assessment rolls of the city or municipality where
18 the property is situated, two pesos;

19 (2) For every Five thousand pesos of gross receipts or
20 earnings, in excess of Ten thousand pesos, derived by such
21 person from his business in the Philippines during the
22 preceding year, two pesos; and

23 (3) For every One thousand pesos of salaries or gross
24 receipts or earnings derived by such person from the
25 exercise of any profession in the Philippines or from the
26 pursuit of any occupation therein during the preceding
27 year, one peso.

28 For the purpose of the additional tax, dividends
29 received by the taxpayer from any corporation shall not be
30 considered as part of his gross receipts or earnings.

31 In the case of husband and wife, the additional tax
32 herein imposed shall be based upon the total property owned
33 by them or upon the total gross receipts or earnings
34 derived by them.

35 (b) Entities Liable to Residence Tax. - Every
36 corporation no matter how created or organized, whether
37 domestic or resident foreign, engaged in or doing business
38 in the Philippines shall pay an annual residence tax of
39 fifty pesos and an annual additional tax which, in no case,
40 shall exceed Ten thousand pesos, in accordance with the
41 following schedule:

42 (1) For every Five thousand pesos worth of real
43 property in the Philippines owned by it during the

1 preceding year, based on the valuation used for the payment
2 of the real property tax under existing laws, found in the
3 assessment rolls of the municipality or city where the real
4 property is situated, two pesos; and

5 (2) For every Five thousand pesos of gross receipts or
6 earnings, derived by it from its business in the
7 Philippines during the preceding year, two pesos. However,
8 the dividends received by a corporation from another
9 corporation shall not, for the purpose of the additional
10 tax, be considered as part of the gross receipts or
11 earnings of said corporation.

12 (c) Exemptions. - The following are exempt from the
13 residence tax:

14 (1) Diplomatic and consular representatives and
15 civilian and military officers of foreign powers;

16 (2) Transient visitors when their stay in the
17 Philippines does not exceed three months.

18 (d) Place of Payment. - The residence taxes due from
19 an individual or a juridical entity shall be paid in the
20 place of residence of the individual or in the place where
21 the principal office of the juridical entity is located.

22 (e) Time for Payment; Penalties for Delinquency. -
23 Liability for the residence taxes accrues on the first day
24 of January of each year as regards persons then residents
25 of the Philippines and liable to the taxes; and if a person
26 so liable fails to pay the taxes on or before the last day
27 of June, and those who reach the age of eighteen years or
28 otherwise lose the benefit of exemption on or before that
29 day, liability shall attach upon the day of arrival or upon
30 the day the exemption ceases; and if arriving or becoming
31 liable on or before the last day of March, they shall
32 likewise be delinquent upon failure to pay the taxes on or
33 before the thirtieth day of June, but such persons,
34 arriving or becoming liable after the last day of March
35 shall have twenty days within which to pay the taxes
36 without becoming delinquent. Persons who come to reside in
37 the Philippines or arrive at the age of eighteen years on
38 or after the first day of July of any year or who cease to
39 belong to an exempt class on or after the same date, shall
40 not be subject to the taxes for that year. As regards
41 corporations which may be established or organized on or
42 before the thirtieth of June, liability for the residence
43 tax for that year attaches, and if becoming liable on or

1 before the last day of March shall have twenty days within
2 which to pay the taxes without becoming delinquent; those
3 which may be established or organized on or after the first
4 day of July of any year shall not be subject to the tax for
5 such year.

6 If the taxes are not paid within the time prescribed
7 above, there shall be added to the unpaid amount an
8 interest of fifteen percent from the due date until it is
9 paid.

10 (f) Residence Certificate. - A residence certificate
11 shall be issued to every person or corporation upon payment
12 of the residence tax. A residence certificate shall also
13 be issued to any person or corporation not liable to the
14 payment of the residence tax upon payment of one peso.

15 (g) Presentation of Residence Certificate upon Certain
16 Occasions. - When a person liable to the taxes prescribed
17 in this Section acknowledges any document before a notary
18 public, takes the oath of office upon election or
19 appointment to any position in the government service;
20 receives any license, certificate or permit from any public
21 authority, pays any tax or fee, receives any money from any
22 public fund, or transacts other official business, or
23 receives any salary or wage from any person or corporation
24 it shall be the duty of such person or officer of such
25 corporation with whom such transaction is had or business
26 done or from whom any salary or wage is received to require
27 the exhibition of the residence certificate showing the
28 payment of the residence taxes by such person. The
29 presentation of the residence certificate shall not be
30 required in connection with the registration of a voter.
31 When, through its authorized officers, any corporation
32 liable to the taxes prescribed in this Section receives any
33 license, certificate or permit from any public authority,
34 pays any tax or fee, receives any money from any public
35 fund, or transacts other official business, it shall be the
36 duty of the public official with whom such transaction is
37 had or business done to require the exhibition of the
38 residence certificate showing the payment of the residence
39 taxes by such corporation. The certificate mentioned in
40 the two preceding paragraphs shall be the one issued for
41 the current year, except from January until April fifteen
42 of each year and except also in the case of the payment of
43 the residence tax at any time during the year, in which

1 shall suffice.

2 (h) Collection of the Proceeds. - The Bureau of
3 Internal Revenue shall collect the residence taxes through
4 the city and municipal treasurers in accordance with
5 prescribed regulations.

6 CHAPTER 3. Collection of Taxes.

7 SEC. [147] 146. Fixing of the Tax and Manner of
8 Payment. - Except as otherwise provided in this Code, all
9 local taxes shall be fixed by the year, although the same
10 may be paid in quarterly installments.

11 SEC. [148] 147. Accrual of the Tax. - All local
12 taxes shall accrue on the first day of January of each year
13 as regards subjects then liable therefor, but an entirely
14 new tax, or any change in the rate of an existing tax,
15 provided by an ordinance entered during the current year
16 shall accrue at the beginning of the quarter next following
17 the date of effectivity of the ordinance. (PD 426)

18 SEC. [149] 148. Time for the Payment. - Unless
19 otherwise specifically provided in this Code, all taxes due
20 and accruing to the local governments shall be paid within
21 the first twenty days of January or of each subsequent
22 quarter, as the case may be. The local sanggunian may for
23 a justifiable reason or cause, like floods, fire, typhoons
24 and other natural calamities, extend for an additional
25 period of not exceeding thirty days the time for payment of
26 a license tax without penalty.

27 SEC. [150] 149. Surcharges and Interest on Unpaid
28 Tax, Fee, or Charge. - Except as otherwise specifically
29 provided in this Code, failure to pay the tax, fee, or
30 charge within the time required shall subject the taxpayer
31 to a surcharge not exceeding twenty-five percent of the
32 amount of the tax, fee or charge due plus an interest upon
33 the unpaid amount at the rate of fifteen percent per annum
34 from the due date until the tax, fee, or charge is fully
35 paid, except tuition fees which shall not be subject to any
36 surcharge or interest. Where an extension of time for the
37 payment of the tax has been granted and the amount is not
38 paid in full prior to the expiration of the extension, the
39 interest of fifteen percent per annum shall be collected on
40 the unpaid amount from the date it becomes originally due
41 until fully paid.

42 SEC. [151] 150. Interest on Other Unpaid Revenues. -
43 Where the amount of any other revenue due the local

1 government, except voluntary contributions or donations, is
2 not paid on the date fixed in the ordinance, in the
3 contract, expressed or implied, or upon the occurrence of
4 the event which gave rise to its collection, there shall be
5 collected as part of the amount, an interest thereon at the
6 rate of one-half percent a month from the due date until it
7 is paid.

8 SEC. [152] 151. Collection of Local Revenue by
9 Treasurer. - All the taxes, fees and charges due to local
10 governments shall be collected by the provincial, city,
11 municipal or barangay treasurer, or their duly authorized
12 deputies.

13 SEC. [153] 152. Examination of Books of Accounts and
14 Pertinent Records of Businessmen by Local Treasurer. - For
15 the purpose of effective enforcement and collection of the
16 taxes, fees and charges provided in this Code the local
17 treasurer may, by himself or thru any of his deputies duly
18 authorized in writing, examine the books, accounts and
19 other pertinent records of any person, partnership,
20 corporation or association doing business within his
21 jurisdiction to verify, assess and collect the true and
22 correct amount of the tax due from the taxpayer concerned.
23 Such examination shall be made during regular business
24 hours and not oftener than once every quarter for each
25 business establishment. Any examination conducted pursuant
26 to the provisions of this section shall be certified to by
27 the examining official and such certificate shall be made
28 of record in the books of accounts of the taxpayer
29 concerned. In a case where the examination herein
30 authorized is made by a duly authorized deputy of the local
31 treasurer the written authority of the deputy concerned
32 shall specifically state the name, address and business of
33 the taxpayer whose books, accounts and pertinent records
34 are to be examined, the date and place of such examination
35 and the procedure to be followed in conducting the same.

36 CHAPTER 4. Civil Remedies for Collection
37 of Revenues

38 SEC. [154] 153. Application of Article. - The
39 provisions of this Chapter and the remedies provided herein
40 may be used, as far as their nature permits, for the
41 collection of any delinquent local tax or other revenue.

42 SEC. [155] 154. Local Government's Lien. - Local
43 taxes and other revenues due a local government constitute

1 a lien in its favor, enforceable by proper legal action,
2 superior to all liens or charges in favor of private
3 parties not only upon any property which may be subject to
4 the charge but also upon property used in the exercise of
5 an occupation, business, or privilege with respect to which
6 the charge is imposed and upon all property rights therein.

7 SEC. [156] 155. Civil Remedies. - The civil remedies
8 available to enforce payment of delinquent taxes shall be
9 distraint of personal property, and by legal action.
10 Either of these remedies or both simultaneously may be
11 pursued at the discretion of the proper authority.

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

14 SEC. [157] 156. Distraint of Personal Property. - The
15 remedy by distraint shall proceed as follows:

16 (a) Seizure. - Upon failure of the person owing any
17 local tax to pay the same at the time required, the local
18 treasurer or his deputy may, upon written notice, seize or
19 confiscate any personal property belonging to that person
20 or any personal property subject to the tax lien in
21 sufficient quantity to satisfy the tax in question,
22 together with any increment thereto incident to delinquency
23 and the expenses of seizure. In this case the treasurer or
24 his deputy shall issue a duly authenticated certificate
25 based upon the records of his office showing the fact of
26 delinquency and the amount of the tax and penalty due.
27 This shall serve as sufficient warrant for the distraint of
28 personal property aforementioned, subject to the taxpayer's
29 right to claim exemption under the provisions of existing
30 laws. Distrainted personal property shall be sold at public
31 auction in the manner herein provided for.

32 (b) Accounting of Distrainted Goods. - The
33 officer executing the distraint shall make or cause to be
34 made an account of the goods or effect distrainted, a copy
35 of which signed by himself shall be left either with the
36 owner or person from whose possession the goods or effects
37 were taken or at the dwelling or place of business of that
38 person and with someone of suitable age and discretion, to
39 which list shall be added a statement of the sum demanded
40 and a note of the time and place of sale.

41 (c) Publication. - The officer shall forthwith cause a
42 notification to be exhibited in not less than three public
43 and conspicuous places in the territory of the local

1 government where the distraint is made, specifying the time
2 and place of sale and the articles distrained. The time of
3 sale shall not be less than twenty days after notice to the
4 owner or possessor of the property as above specified and
5 the publication or posting of the notice. One place for
6 the posting of the notice shall be at the office of the
7 local chief executive of the local unit in which the
8 property is distrained.

9 (d) Release of Distrained Property Upon Payment Prior
10 to Sale. - If at any time prior to the consummation of the
11 sale all proper charges are paid to the officer conducting
12 the sale, the goods or effects distrained shall be restored
13 to the owner.

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

32 (f) Disposition of Proceeds. - The proceeds of the
33 sale shall be applied to satisfy the tax, together with the
34 increments thereto incident to delinquency, and the
35 expenses of the distraint and sale. Any residue over and
36 above what is required to pay the entire claim shall be
37 returned to the owner of the property sold. The expenses
38 chargeable upon the seizure and sale shall embrace only the
39 actual expense of seizure and preservation of the property
40 pending the sale, and no charge shall be imposed for the
41 services of the local treasurer or his deputy. Where the
42 proceeds of the sale are insufficient to satisfy the claim,
43 other property may, in like manner, be distrained until the

1 full amount due, including all expenses, is collected.

2 CHAPTER 5. Miscellaneous Provisions

3 SEC. [158] 157. Similar Tax or Fee not Specifically
4 Enumerated. - The sanggunian of a local unit may exercise
5 the power to impose a tax or fee on a tax base of subject
6 similar to those authorized in this Code but which may not
7 have been specifically enumerated herein.

8 SEC. [159] 158. Tax or Fee not Provided For. - Where
9 the tax base or tax subject is not similar or comparable
10 to any tax base or subject specifically mentioned or
11 otherwise provided for in this Code, the province, city,
12 municipality or barangay may impose a tax, fee or other
13 imposition thereon which shall not be unjust, excessive,
14 oppressive or confiscatory, or contrary to declared
15 national policy.

16 SEC. [160] 159. Tax Ordinances of Local Units. - All
17 existing tax ordinances of provinces, cities,
18 municipalities and barangays shall be deemed ipso facto
19 nullified as of December 31, [1987] 1989.

20 The local sanggunian shall, after public hearing, enact
21 their respective local tax ordinances pursuant to the
22 provisions of this Code, to take effect January 1,
23 [1988] 1990. Except for the power of review over
24 municipal and barangay ordinances by higher level
25 sanggunian bodies provided in this Code, no other body or
26 agency may review local tax ordinances. This provision,
27 however, should not in any manner be interpreted to
28 curtail the right of the people to resort at initiative as
29 defined in this Code, nor to curtail the right of persons
30 prejudiced by local tax ordinances to resort to appropriate
31 judicial remedies.

32 SEC. [161] 160. Withdrawal of Tax Exemption
33 Privileges. - All public and private corporations
34 heretofore granted exemption from payment of local taxes,
35 fees and charges, shall now be subject to the provisions
36 of this Code.

37 SEC. [162] 161. Authority of the Secretary of Finance
38 to Issue Rules and Regulations. - The Secretary of Finance
39 is hereby authorized to issue the necessary rules and
40 regulations on local taxation pursuant to Section 21
41 hereof.

42 TITLE TWO. - REAL PROPERTY TAXATION

43 CHAPTER 1. General Provisions

1 SEC. [163] 162. Scope. - This title shall govern the
2 appraisal and assessment of real property for purposes of
3 taxation by provinces, cities and municipalities, as well
4 as the levy, collection and administration of the real
5 property tax.

6 SEC. [164] 163. Fundamental Principles. - The
7 appraisal and assessment of real property for taxation
8 purposes shall be guided by the following fundamental
9 principles:

10 (1) Real property shall be appraised at its current
11 and fair market value;

12 (2) The appraisal of real property shall be uniform
13 in each local political subdivision;

14 (3) Real property shall be classified for assessment
15 purposes on the basis of its actual use;

16 (4) Real property shall be assessed on the basis of a
17 uniform standard of value within each local political
18 subdivision;

19 (5) In no case shall the appraisal and assessment of
20 real property for taxation purposes and the collection of
21 the real property tax be let to any private person; and

22 (6) The goal of real property assessment shall be the
23 equitable distribution of the tax burden.

24 SEC. [165] 164. Administration of the Real Property
25 Tax. - Without in any manner infringing on the autonomy of
26 local government units, the Secretary of Finance, pursuant
27 to Section 21 of this Code, shall:

28 (1) Evolve a comprehensive system of real property
29 appraisal that will ensure fair and realistic property
30 valuations for taxations' purposes;

31 (2) Establish uniform assessment methods and
32 procedures that will equalize property values in each
33 local political subdivision;

34 (3) Ensure that the ad valorem tax on real property
35 shall be just, uniform and equitable;

36 (4) Adopt the necessary measures that will promote
37 maximum tax collection efficiency at the local levels; and

38 (5) Formulate and adopt policies and procedures that
39 will improve technical skills and develop reasonable
40 standards of performance in the local assessment and
41 treasury services. To attain the foregoing objectives, the
42 Secretary of Finance shall undertake the formulation and
43 implementation of policies on all aspects of real property

1 tax administration.

2 CHAPTER 2. Appraisal and Assessment of Real Property

3 SEC. [166] 165. Appraisal of Real Property. - All
4 real property, whether taxable or exempt, shall be
5 appraised at the current and fair market value prevailing
6 in the locality where the property is situated.

7 SEC. [167] 166. Declaration of Real Property by the
8 Assessor. - The provincial or city assessor shall declare
9 each real property in the name of the registered owner or
10 administrator if known, or against an unknown owner, as
11 the case may be, and shall assess the property for
12 taxation in accordance with the provisions of this Code.
13 No oath shall be required of a declaration thus made by the
14 provincial or city assessor.

15 SEC. [168] 167. Listing of Real Property in the
16 Assessment Rolls. - (1) In every province and city there
17 shall be prepared and maintained by the provincial or city
18 assessor an assessment roll wherein shall be listed all
19 real property, whether taxable or exempt located within
20 the unit's territorial jurisdiction. Real property shall
21 be listed and valued in the name of the owner or
22 administrator, or anyone having legal interest in the
23 property.

24 (2) The undivided real property of a deceased person
25 may be listed and valued in the name of the estate or of
26 the heirs and devisees without designating them
27 individually; and undivided real property other than that
28 owned by a deceased may be listed and valued in the name
29 of one or more co-owners: Provided, however, That such
30 heir, devisee or co-owner shall be liable severally for
31 all obligations imposed by this Code and for the payment
32 of the real property tax with respect to the undivided
33 property.

34 (3) The real property of a corporation, partnership,
35 or association shall be entered and assessed in the same
36 manner as that of an individual.

37 (4) Real property owned by the Republic of the
38 Philippines, its political subdivisions and any government-
39 owned corporation so exempt by its charter, the beneficial
40 use of which has been granted, for consideration or
41 otherwise, to a taxable person, shall be listed for
42 purposes of taxation in the name of the grantee, or of the
43 public entity if such property has been acquired for

1 resale or lease.

2 (5) The assessment roll shall be prepared in
3 accordance with rules and regulations prescribed by the
4 Secretary of Finance.

5 SEC. [169] 168. Proof of Exemption of Real Property
6 from Taxation. - Every person by or for whom real property
7 is declared, who shall claim tax exemption for such
8 property under this Code shall file with the provincial or
9 city assessor within thirty days from the date of the
10 declaration of real property sufficient documentary
11 evidence in support of such claim, including corporate
12 charters, titles of ownership, articles of incorporation,
13 by laws, contracts, affidavits and certifications and
14 mortgage deeds and similar documents. If the required
15 evidence is not submitted within the period herein
16 prescribed, the property shall be listed as taxable in the
17 assessment roll. However, if it shall be proven to be tax
18 exempt the same shall be dropped from the roll of taxable
19 properties.

20 SEC. [170] 169. Real Property Identification System.
21 - All declarations of real property made under the
22 provisions of this Code shall be kept and filed under a
23 uniform classification system to be established by the
24 provincial or city assessor in accordance with the rules
25 and regulations prescribed by the Secretary of Finance.

26 SEC. [171] 170. Notification of Transfer of Real
27 Property Ownership. - Any person who shall transfer real
28 property ownership to another shall notify the assessor of
29 the local unit wherein the property is situated within
30 sixty days from the date of such transfer. The
31 notification shall include the particulars of the
32 transfer, the description of the property alienated, and
33 the name and address of the transferee.

34 SEC. [172] 171. Duty of Register of Deeds to Appraise
35 Assessor of Real Property Listed in Registry. - (1) To
36 ascertain whether or not any real property entered in the
37 Registry of Property has escaped discovery and listing for
38 the purpose of taxation, the Register of Deeds shall
39 prepare and submit to the provincial or city assessor,
40 within six months from the date of effectivity of this
41 Code and every two years thereafter, an abstract of his
42 registry, which shall include brief but sufficient
43 description of the real properties entered therein, their

1 present owners and the dates of their most recent transfer
2 or alienation accompanied by copies of corresponding deeds
3 of sale, donation or partition or other forms of
4 alienation.

5 (2) It shall also be the duty of the Register of
6 Deeds to require every person who shall present for
7 registration a document of transfer, alienation or
8 encumbrance of real property to accompany the same with a
9 certificate to the effect that the real property subject
10 of the transfer, alienation or encumbrance, as the case
11 may be, has been fully paid of all real property taxes due
12 thereon. Failure to provide such certificate shall be a
13 valid cause for the Register of Deeds to refuse the
14 registration of the document.

15 SEC. [173] 172. Duty of Official Issuing Building
16 Permit or Certificate of Registration of Machinery to
17 Transmit Copy to Assessor. - Any public official or
18 employee who may now or hereafter be required by law or
19 regulation to issue to any person a permit for the
20 construction, addition, repair or renovation of a building
21 or permanent improvement, on land, or a certificate of
22 registration for any machinery, including machines,
23 mechanical contrivances, and apparatus, attached or
24 affixed on land, or to another real property shall
25 transmit a copy of such permit or certificate, within
26 thirty days of its issuance, to the assessor of the local
27 unit wherein the property is situated.

28 SEC. [174] 173. Duty of Surveyors to Furnish Copy of
29 Plans to Assessor. - It shall be the duty of all surveyors,
30 public or private, to furnish free of charge to the
31 assessor of the local unit where the land is located with
32 a white or blue print copy of each of all approved
33 original or subdivision plans or maps of surveys executed
34 by them within thirty days from receipt of such plans from
35 the Bureau of Lands or Land Registration Commission or the
36 National Urban Planning Commission, as the case may be.

37 SEC. [175] 174. Preparation of Schedule of Values. -
38 Before any general revision of property assessment is made
39 pursuant to the provisions of this Code, there shall be
40 prepared a Schedule of Market Values by provincial and city
41 assessors for the different classes of real property
42 situated in their respective local units for enactment by
43 ordinance of the sanggunian concerned. Any amendment

1 thereto shall likewise be prescribed by ordinance of the
2 sanggunian effecting such revision.

3 SEC. [176] 175. Authority of Assessor to Take
4 Evidence. - For the purpose of obtaining information on
5 which to base the market value of any real property, the
6 assessor of a local unit or his deputy may summon
7 witnesses, administer oaths and take deposition concerning
8 the property, its ownership, amount, nature and value.

9 SEC. [177] 176: Classes of Real Property for
10 Assessment Purposes. - (1) For purposes of assessment,
11 real property shall be classified as residential,
12 agricultural, commercial, industrial or mineral. Mineral
13 lands shall be further classified into metallic or non-
14 metallic, and further subdivided into patented or
15 unpatented, and producing or non-producing.

16 (2) For assessment purposes, the technical definitions
17 of the foregoing classification of mineral lands shall be
18 as provided for in Section 5 of this Code.

19 SEC. [178] 177. Special Classes of Real Property. -
20 All lands, buildings and other improvements thereon,
21 actually, directly and exclusively used for educational,
22 cultural, recreational or scientific purposes, as well as
23 public and private hospitals shall be classified as
24 special.

25 SEC. [179] 178. Actual Use of Real Property as Basis
26 for Assessment. - Real property shall be assessed on the
27 basis of its actual use regardless of where located and
28 whoever uses it and that each qualified voter is entitled
29 to one (1) exemption on residential house and lot
30 apartment, condominium, and townhouses included) actually
31 used for that purpose.

32 SEC. [180] 179. Assessment Levels. - The assessment
33 levels to be applied to the current market value of
34 real property to determine its assessed value shall be
35 fixed by ordinance of the sangguniang panlalawigan or
36 sangguniang panlungsod: Provided, That in no case shall
37 assessment levels be lower than the 1986 assessment levels
38 nor increased to higher an 20% per year of the 1986
39 assessment levels:

40 a. On Lands:

41 <u>Actual Use</u>	<u>Assessment Level</u>
42 Residential	30%
43 Agricultural	40%

1	Commercial		50%	
2	Industrial		50%	
3	Mineral		50%	
4	Timberland		50%	
5	b. <u>On Buildings and Other Structures:</u>			
6	<u>Market Value</u>	<u>Assessment Levels</u>		
7		Residential	Commercial/ Industrial	Agricultural
8				
9	P50,000 or less	15%	50%	40%
10	More than P50,000 but not			
11	exceeding P100,000	20%	50%	40%
12	More than P100,000 but not			
13	exceeding P150,000	25%	50%	45%
14	More than P150,000 but not			
15	exceeding P200,000	30%	50%	45%
16	More than P200,000 but not			
17	exceeding P250,000	35%	55%	50%
18	<u>Market Value</u>	<u>Assessment Levels</u>		
19		Residential	Commercial/ Industrial	Agricultural
20				
21	More than P250,000 but not			
22	exceeding P300,000	40%	55%	50%
23	More than P300,000 but not			
24	exceeding P350,000	45%	60%	55%
25	More than P350,000 but not			
26	exceeding P400,000	50%	60%	55%
27	More than P400,000 but not			
28	exceeding P500,000	55%	65%	60%
29	More than P500,000 but not			
30	exceeding P600,000	60%	70%	60%
31	More than P600,000 but not			
32	exceeding P700,000	65%	70%	65%
33	More than P700,000 but not			
34	exceeding P800,000	70%	75%	75%
35	More than P800,000 but not			
36	exceeding P1,000,000	75%	75%	75%
37	More than P1,000,000	80%	80%	80%
38	c. <u>On Machineries</u>			
39	<u>Actual Use</u>	<u>Assessment Level</u>		
40	Agricultural		60%	
41	Residential		70%	
42	Commercial		80%	
43	Industrial		80%	

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

3 Actual Use Assessment Level

4 Cultural 15%

5 Scientific 15%

6 Hospital

7 Actual Use Assessment Level

8 Anti-Pollution 20%

9 Recreational 30%

10 The special class of real properties used for
11 recreational purposes herein referred to shall apply only
12 to such properties owned by sports and athletic clubs, or
13 socio-civic organizations not operated primarily for
14 profit.

15 Assessment levels for lands, machineries, and those
16 classified as special classes may be based further on
17 market value as may be fixed by ordinance of the
18 sangguniang panlalawigan or sangguniang panlungsod
19 concerned.

20 SEC. [181] 180. General Revision of Assessments. -

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

31 SEC. [182] 181. Valuation of Real Property. - Upon

32 the discovery of real property or during the general
33 revision of property assessments as provided in the
34 immediately preceding section, or at any time when
35 requested by the person in whose name the property is
36 declared, the provincial or city assessor or his
37 authorized deputy shall make an appraisal and assessment
38 in accordance with the provisions of this Code of the real
39 property listed and described in the declaration
40 irrespective of any previous assessment or taxpayer's
41 valuation thereon: Provided, however, That the assessment
42 of real property shall not be increased oftener than once
43 every five years in the absence of new improvements

1 increasing the value of said property or of any change in
2 its use, except as otherwise provided in this Code.

3 SEC. [183] 182. Date of Effectivity of Assessment or
4 Reassessment. - All assessments or reassessments made after
5 the first day of January of any year shall take effect on
6 the first day of January of the succeeding year: Provided,
7 however, That the reassessment of real property due to its
8 partial or total destruction, or to a major change in its
9 actual use, or to any great and sudden inflation or
10 deflation or real property values, or to the gross
11 illegality of the assessment when made or to any other
12 abnormal cause, shall be made within ninety days from the
13 date any such cause or causes occurred, the same to take
14 effect at the beginning of the quarter next following the
15 reassessment.

16 SEC. [184] 183. Assessment of Property Subject to
17 Back Taxes. - Real property declared for the first time
18 shall have back taxes assessed against it for the period
19 during which it would have been liable if assessed from
20 the first in proper course but in no case for more than
21 [ten] FIVE years prior to the year of initial
22 assessment: Provided, however, That the back taxes shall
23 be computed on the basis of the applicable schedule of
24 values in force during the corresponding period. AND
25 PROVIDED FURTHER THAT BACK TAXES FOR FIVE YEARS FROM THE
26 DATE OF EFFECTIVITY OF THIS CODE SHALL BE CONSIDERED WAIVED
27 IF NOT ACTUALLY COLLECTED WITHIN FIVE YEARS AFTER
28 ASSESSMENT. PROVIDED, FINALLY THAT ALL BACK TAXES PRIOR TO
29 1983 EVEN IF ASSESSED SHALL BE CONSIDERED WAIVED.

30 If said taxes are paid on or before the end of the
31 quarter following the date the notice of assessment was
32 received by the owner or his representative, no penalty for
33 delinquency shall be imposed otherwise the taxes shall be
34 subject to an interest upon the unpaid amount at the rate
35 [or] OF [two] ONE percent per month or fraction
36 thereof, beginning from the month following the end of the
37 quarter following the date of receipt of the notice of
38 assessment until the tax is fully paid.

39 ALL BACK TAXES PRIOR TO 1983 EVEN IF ASSESSED SHALL BE
40 CONSIDERED WAIVED UNLESS COLLECTION CASE/S HAS/HAVE BEEN
41 ACTUALLY FILED BEFORE AN APPROPRIATE COURT BEFORE THE
42 EFFECTIVITY OF THIS ACT. THEREAFTER, ACCRUED TAXES IF NOT
43 ACTUALLY COLLECTED AFTER A PERIOD OF FIVE (5) YEARS SHALL

1 BE CONSIDERED TO HAVE PRESCRIBED UNLESS A CASE IS FILED IN
2 A COMPETENT COURT WITHIN SUCH PERIOD. ANY PROVISION OF THE
3 NATIONAL INTERNAL REVENUE CODE (AS AMENDED), OTHER LAWS,
4 DECREES, EXECUTIVE ORDERS, RULES AND REGULATIONS AND OTHER
5 ISSUANCES INCONSISTENT HEREWITH ARE DEEMED REPEALED AND/OR
6 AMENDED.

7 SEC. [185] 184. Binding Effect of Assessment or
8 Reassessment. - All assessments and reassessments made
9 under the provisions of this Code shall be valid and
10 binding on all persons having legal interest on the
11 property.

12 SEC. [186] 185. Notification of New or Revised
13 Assessments. When real property is assessed for the first
14 time or when an existing assessment is increased or
15 decreased, the provincial or city assessor shall within
16 thirty days give written notice of such new or revised
17 assessment to the person in whose name the property is
18 declared. The notice may be delivered personally or by
19 REGISTERED mail to the last known address of the person
20 to be served, or through the assistance of the punong
21 barangay.

22 SEC. [187] 186. Appraising Machinery. - (1) The
23 current market value of the machinery shall be determined
24 on the basis of the original cost in the case of newly
25 acquired machinery not yet depreciated and is appraised
26 within the year of its purchase. In the case of all
27 others, the current market value shall be determined by
28 dividing the remaining economic life of the machinery by
29 its economic life and multiplied by the replacement or
30 reproduction cost of said machinery AS DESCRIBED IN THE
31 MANUAL OF SAID MACHINERY IN CERTIFICATION OF ITS
32 MANUFACTURE.

33 (2) If the machinery is imported, replacement or
34 reproduction cost shall be the original acquisition cost
35 which would normally include such costs as freight and
36 insurance charges, brokerage, arrastre and handling,
37 customs duties and taxes plus cost of inland
38 transportation and handling and significant installation
39 charges at the present site. The cost in foreign currency
40 of imported machinery shall be converted to peso cost on
41 the basis of foreign currency exchange rates as fixed by
42 the Central Bank of the Philippines.

43 SEC. [188] 187. Depreciation Allowance for Machinery.

1 - For purposes of assessment, a depreciation allowance
2 shall be made for machinery at a rate not exceeding ten
3 per centum of its original cost or its replacement or
4 reproduction cost, as the case may be, for each year of
5 use: Provided, That the remaining value for all kinds of
6 machinery shall be fixed at not less than twenty per
7 centum of such original or replacement cost for so long as
8 the machinery is useful and in operation.

9 CHAPTER 3. Assessment Appeals

10 SEC. [189] 188. Local Board of Assessment Appeals. -

11 Any owner who is not satisfied with the action of the
12 provincial or city assessor in the assessment of his
13 property may, within sixty days from the date of receipt by
14 him of the written notice of assessment as provided in
15 this Code, appeal to the Board of Assessment Appeals of
16 the province or city, by filing with it a petition under
17 oath using the form prescribed for the purpose, together
18 with copies of the tax declarations and such affidavits or
19 documents submitted in support of the appeal.

20 SEC. [190] 189. Organization, Powers, Duties and
21 Functions of the Local Board of Assessment Appeals. - (1)

22 The local Board of Assessment Appeals shall be composed of
23 the Register of Deeds, as Chairman, the provincial or city
24 attorney and the provincial or city engineer, as members,
25 all of whom shall serve as such in an ex-officio capacity
26 without additional compensation.

27 (2) In provinces and cities without a provincial or
28 city engineer, the highway district engineer shall serve as
29 member of the Board. In the absence of a regular
30 appointee, the officer performing the duties of the
31 Register of Deeds, or the provincial or city fiscal, or
32 the provincial, city or highways district engineer,
33 whether in an acting capacity or as a duly designated
34 officer-in-charge, shall automatically become the chairman
35 or member, respectively, of the said Board, as the case
36 may be.

37 (3) The Chairman of the Board shall have the power to
38 designate any government employee of the province or city
39 to serve as secretary of the Board also without additional
40 compensation.

41 (4) The chairman and members of the local Board shall
42 enter into the duties of their respective positions without
43 need of further appointment or special designation

1 immediately upon effectivity of this Code. They shall take
2 an oath or affirmation of office in the prescribed form.

3 SEC. [191] 190. Meetings of the Local Board of
4 Assessment Appeals. - The local Board of Assessment
5 Appeals shall meet once a month and as often as may be
6 necessary for the prompt disposition of the appealed cases
7 pending before it. No member of the Board shall be
8 entitled to per diems or traveling expenses for his
9 attendance in Board meetings, except when conducting an
10 ocular inspection in connection with a case under appeal.

11 SEC. [192] 191. Expenses of the Board. - All expenses
12 of the local Board of Assessment Appeals shall be charged
13 against the general fund of the province or city, as the
14 case may be. The sanggunian concerned shall appropriate
15 the necessary funds to enable the Board of Assessment
16 Appeals in their respective localities to operate
17 effectively.

18 SEC. [193] 192. Action by the Local Board of
19 Assessment Appeals. - (1) The local Board of Assessment
20 Appeals shall decide the appeal within one hundred and
21 twenty days from the date of receipt of such appeal. The
22 decision rendered must be based on substantial evidence
23 presented at the hearing or at least contained in the
24 record and disclosed to the parties or such relevant
25 evidence as a reasonable mind might accept as adequate to
26 support the conclusion.

27 (2) In the exercise of its appellate jurisdiction,
28 the Board shall have the power to summon witnesses,
29 administer oaths, conduct ocular inspection, take
30 depositions and issue subpoena and subpoena duces tecum.
31 The proceedings of the Board shall be conducted solely for
32 the purpose of ascertaining the truth without necessarily
33 adhering to technical rules applicable in judicial
34 proceedings.

35 (3) The secretary of the Board shall furnish the
36 property owner and the provincial or city assessor with a
37 copy of the decision of the Board. In case the provincial
38 or city assessor concurs in the revision or the
39 assessment, it shall be his duty to notify the property
40 owner of such fact using the form prescribed for the
41 purpose. The owner or administrator of the property or
42 the assessor who is not satisfied with the decision of the
43 local Board of Assessment Appeals, may, within thirty days

1 after receipt of the decision of the local Board, appeal
2 to the proper Regional Trial Court for adjudication,
3 subject to the pertinent provisions of the rules of Court.

4 SEC. [194] 193. Effect of Appeal on the Payment of
5 Real Property Tax. - Appeals on assessments of real
6 property made under the provisions of this Code shall in
7 no case suspend the collection of the corresponding realty
8 taxes on the property involved as assessed by the
9 provincial or city assessor, without prejudice to
10 subsequent adjustment depending upon the final outcome of
11 the appeal.

12 CHAPTER 4. Imposition of Real Property Tax

13 SEC. [195] 194. Incidence of Real Property Tax. -
14 There shall be levied, assessed and collected in all
15 provinces, cities and municipalities an annual ad valorem
16 tax on real property such as land, buildings, machinery
17 and other improvements affixed or attached to real
18 property not hereinafter specifically exempted.

19 SEC. [196] 195. Rates of Levy. - The sangguniang
20 panlalawigan or the sangguniang panlungsod shall fix a
21 uniform rate of real property tax applicable to their
22 respective localities as follows:

23 (1) In the case of a province, the tax shall be fixed
24 by ordinance of the sangguniang panlalawigan at the rate
25 of not less than one percent but not more than two percent
26 of the assessed value of real property; and

27 (2) In the case of a city, the tax shall be fixed by
28 ordinance of the sangguniang panlungsod at the rate of not
29 less than one percent but not more than two percent of the
30 assessed value of real property.

31 SEC. [197] 196. Exemptions from Real Property Tax.
32 - The following are exempted from payment of the real
33 property tax:

34 (a) Real property owned by the Republic of the
35 Philippines or any of its political subdivisions: Provided,
36 however, That this exemption shall not apply to real
37 property of the above-named entities the beneficial use of
38 which has been granted, for consideration or otherwise, to
39 a taxable person;

40 (b) Charitable institutions, [churches, parsonages
41 or convents] appurtenant thereto, mosques, non-profit
42 cemeteries or burial grounds, and all lands, buildings and
43 improvements actually, directly and exclusively used for

1 [religious or] charitable purposes; and

2 (c) Perennial trees and plants of economic value,
3 except where the land upon which they grow is planted
4 principally to such growth. The real property tax
5 exemption privilege under existing laws of all government,
6 semi-government, and private corporations, as well as
7 individuals or juridical persons not otherwise specified
8 above are hereby withdrawn.

9 CHAPTER 5. Special Levies on Real Property

10 SEC. [198] 197. Additional One Percent Tax on Real
11 Property for the Special Education Fund. - There is hereby
12 imposed an annual tax of one percent on real property to
13 accrue to the Special Education Fund created under Republic
14 Act No. 5447, which shall be in addition to the real
15 property tax which local governments are authorized to
16 levy, assess, and collect under this Code.

17 SEC. [199] 198. Additional Ad Valorem Tax on Idle
18 Agri-cultural Lands. - There shall be an additional real
19 property tax imposed on idle agricultural lands at the
20 rate of not less than 5% [but not more than 7%] of the
21 assessed value of the property. A uniform rate of idle
22 land tax applicable to their respective localities shall
23 be fixed by ordinance of the sangguniang panlalawigan or
24 sangguniang panlungsod.

25 SEC. [200] 199. Idle Lands, Coverage. - For purposes
26 of real property taxation, idle lands shall be understood
27 to include agricultural lands more than one hectare in
28 area suitable for cultivation, dairying, inland fishery
29 and other agricultural uses, three fourths of which remain
30 uncultivated or unimproved as certified to by the
31 provincial agriculturist. Agricultural lands planted to
32 permanent or perennial crops with at least fifty trees to
33 a hectare shall not be considered idle land. Lands
34 actually used for grazing purposes shall likewise not be
35 considered idle land.

36 SEC. [201] 200. Idle Lands Exempt from Tax. - The
37 special levy on idle lands shall not apply to landowners
38 who are unable to improve, utilize or cultivate their
39 lands due to any of the following causes:

40 (a) Adverse peace and order conditions as certified to
41 by the provincial commander or the station commander of
42 the Integrated National Police force, unless upon
43 restoration of the peace and order in any locality duly

1 certified by the aforestated authorities and if within one
2 year from the date of such certification the idle land has
3 not been improved, utilized or cultivated, tax may be
4 imposed thereon pursuant to the provisions of this Code.

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

14 (c) Existing court litigations involving the land
15 subject to tax as certified by the court under which the
16 case is pending unless said land is not improved within
17 one year after the final adjudication of the case, to the
18 extent provided in the next preceding section, in which
19 case the tax imposable under the preceding sections hereof
20 shall be levied.

21 (d) Necessity to leave the land in a fallow state as
22 certified to by the provincial agriculturist stating among
23 others, the length of time after which the land shall be
24 considered ready for production, unless the idle land is
25 not improved to the extent prescribed in the next
26 preceding section within one year after the termination of
27 the period, in which case, the tax imposable under the
28 preceding sections hereof shall be imposed.

29 (e) Unfavorable physical factors, such as rocky nature
30 of ground and uneven topography in the case of agricultural
31 land, which render the land unsuitable for cultivation as
32 certified to by the provincial agriculturist. In all cases
33 the landowner shall be duly notified by the provincial or
34 city assessor, as the case may be, of the imposition of
35 the tax.

36 SEC. [202] 201. Application for Exemption. - Any
37 person having legal interest on the land considered idle,
38 desiring to avail of the tax exemption thereon, shall file
39 the corresponding application therefor with the assessor of
40 the province or city where the land is situated. The
41 application shall state the ground or grounds under which
42 the exemption is being claimed.

43 SEC. [203] 202. Listing of Idle Lands by the

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

6 SEC. [204] 203. Special Levy by Local Governments. -

7 The sangguniang panlalawigan, sangguniang panlungsod or
8 sangguniang bayan may, by ordinance, provided for the
9 imposition and collection of a special levy on the lands
10 comprised within its territorial jurisdiction or parts
11 thereof especially benefited by public works and highways
12 projects or improvements financed by the national
13 government or by the local unit concerned: Provided,
14 however, That the total amount of the special levy herein
15 authorized shall correspond only to not more than sixty
16 percent of the costs of said improvements or
17 infrastructures, including the costs of acquiring land and
18 such other real property in connection therewith.

19 SEC. [205] 204. Ordinance Imposing a Special Levy. -

20 A tax ordinance providing for the levying and collection
21 of a special levy shall describe with reasonable accuracy
22 the nature, extent and location of the work to be
23 undertaken, the probable cost of the proposed work so
24 established, the limits whereof shall be stated by
25 monuments and lines, and the number of annual installments
26 which shall not be less than five nor more than ten, in
27 which said special levy shall be payable. The sanggunian
28 concerned shall not be obliged, in the apportionment and
29 computation of the special levy, to establish a uniform
30 percentage of all lands subject to the payment of the tax
31 for the entire district, but it may fix different rates
32 for different parts or sections thereof, depending on
33 whether such land is more or less benefited by the
34 proposed work, nor shall the sanggunian concerned be
35 required to follow the percentage limitations imposed by
36 the foregoing sections of this Code.

37 SEC. [206] 205. Publication of Proposed Ordinance

38 Imposing a Special Levy. - The proposed special levy
39 ordinance shall be published with the list of the owners
40 of the land affected thereby once a week for four
41 consecutive weeks in any newspaper of general circulation
42 in the local unit concerned, both in English and in the
43 local dialect. The proposed ordinance shall also be

1 posted in three public conspicuous places once a week for
2 four consecutive weeks in the local unit where the
3 properties subject to the special levy are located.

4 SEC. [207] 206. Protest Against Special Levy. - Not
5 later than thirty days after the last publication of the
6 ordinance and the list of landowners included in the
7 district subject to special levy, a protest may be
8 submitted to the sanggunian enacting the special levy
9 ordinance, signed by a majority of the landowners
10 affected, setting forth the addresses of the signers and
11 arguments in support of their objection or protest against
12 the improvement to be made or against the special levy
13 imposed by ordinance. If no protest is filed within the
14 time and under the conditions above specified, the special
15 levy ordinance shall become effective ten days after its
16 approval by the sanggunian concerned.

17 SEC. [208] 207. Hearing of Protest. - The sanggunian
18 proposing a special levy ordinance shall designate a date
19 and place for the hearing of the protest filed in
20 accordance with the next preceding section and shall give
21 reasonable time to all Protestants who have given their
22 addresses and to all landowners affected by such protest,
23 and shall order the publication once a week for two
24 consecutive weeks in a newspaper of general circulation in
25 the locality, of the place and date of the hearing. Said
26 notice shall likewise be posted in three conspicuous public
27 places in the local unit affected by the proposed special
28 levy ordinance. After the proper hearing, the sanggunian
29 concerned shall render its decision, sending copies thereof
30 to all interested parties, and shall order the publication
31 of such decision in a newspaper of general circulation in
32 the locality for two consecutive weeks in the manner
33 hereinabove provided.

34 A decision of the sangguniang panlalawigan or
35 sangguniang panlungsod of a highly urbanized city shall be
36 considered final and executory should no appeal be filed
37 in the proper court by any affected party, within thirty
38 days after the promulgation of the decision. In the case
39 of decisions made by the sangguniang bayan or the
40 sangguniang panlungsod of component cities, the same shall
41 undergo automatic review by the sangguniang panlalawigan of
42 the province of which they are components, and shall
43 become final and executory thirty days after the automatic

1 review.

2 SEC. [209] 208. Fixing the Amount of Special Levy. -

3 The special levy herein authorized shall be apportioned,
4 computed and assessed according to the assessed valuation
5 of the lands affected as shown by the books of the
6 assessor concerned, or its current assessed value as fixed
7 by said assessor if the property does not appear of record
8 in his books. Upon the effectivity of the special levy
9 ordinance, the assessor concerned shall forthwith proceed
10 to determine the annual amount of special tax assessed
11 against each parcel of land comprised within the district
12 especially benefited and shall send to each landowner a
13 written notice thereof by mail.

14 SEC. [210] 209. Payment of Special Levy. - All sums

15 due from any landowner or owners as payment of special
16 levy shall be payable to the provincial, city or municipal
17 treasurer concerned or his deputy in the same manner as
18 the annual ordinary tax levied upon real property, and
19 shall be subject to the same penalties for delinquency and
20 be enforced by the same means as said annual ordinary
21 realty tax, and all said sums together with any of said
22 penalties shall, from the dates on which they are
23 assessed, constitute special liens upon the land concerned
24 and shall have preference over other liens there may be on
25 said land with the sole exception of the lien for non-
26 payment of the ordinary real property tax.

27 CHAPTER 6. Collection of Real Property Tax

28 SEC. [211] 210. Date of Accrual of Tax. - The real

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

38 SEC. [212] 211. Collection of Tax to be the
39 Responsibility of Local Treasurers. - The collection of

40 the real property tax and all penalties accruing thereto,
41 and the enforcement of the remedies provided for in this
42 Code or any applicable laws, shall be the responsibility
43 of the provincial, city or municipal treasurer where the

1 property is situated.

2 SEC. [213] 212. Assessor to furnish Local Treasurer
3 with Assessment Roll. - The provincial or city assessor
4 shall prepare and submit to the treasurer of the local
5 unit, on or before the thirty-first day of December each
6 year an assessment roll containing a list of all persons
7 to whom real properties have been newly assessed or
8 reassessed and the values of such taxable properties.

9 SEC. [214] 213. Notice of Time for Collection of
10 Tax. - The provincial, city or municipal treasurer shall,
11 on or before the thirty-first of January each year cause
12 notice of the periods during which real property tax may
13 be paid without penalty in their respective jurisdictions
14 to be posted at the main entrance of the provincial
15 building or city hall and of all municipal buildings and
16 in a public conspicuous place in each local unit, and
17 published in a newspaper of general circulation in the
18 locality for at least three consecutive weeks.

19 SEC. [215] 214. Payment of Real Property Taxes in
20 Installments. - Real Property taxes may, in the discretion
21 of the taxpayer, be paid without penalty in four equal
22 installments; the first installment to be due and payable
23 on or before March thirty-first; the second installment, on
24 or before June thirty; the third installment, on or before
25 September thirty and the last installment on or before
26 December thirty-first, except the special levies
27 authorized under Sections [205 to 211] 204 TO 210 of this
28 Code which shall be governed by ordinance of the sanggunian
29 concerned.

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

35 SEC. [216] 215. Payment Under Protest. - (1) When a
36 tax- payer desires for any reason to pay his tax under
37 protest, he shall indicate the amount or portion thereof
38 he is contesting and such protest shall be annotated on
39 the tax receipts by writing thereon the words "paid under
40 protest". Verbal protests shall be confirmed in writing
41 with a statement of the ground/grounds therefor, within
42 thirty days. The tax may be paid under protest and in
43 such case it shall be the duty of the provincial, city or

1 municipal treasurers to annotate the ground or grounds
2 therefor on the receipt.

3 (2) In case of payments made under protest, the
4 amount or portion of the tax contested shall be held in
5 trust by the treasurer and the difference shall be treated
6 as revenue.

7 (3) In the event that the protest is finally decided
8 in favor of the government, the amount or portion of the
9 tax held in trust by the treasurer shall accrue to the
10 revenue account, but if the protest shall be decided
11 finally in favor of the Protestant, the amount or portion
12 of the tax protested against may either be refunded to the
13 Protestant or applied as tax credit to any other existing
14 or future tax liability of the said protester.

15 SEC. [217] 216. Repayment of Excessive Collections.

16 - When it appears that an assessment of real property was
17 erroneous and unjust when made and the same is reduced
18 because of such error or injustice and not by reason of
19 damage incurred or deterioration suffered by such property
20 subsequent to the date of original assessment, the
21 taxpayer shall be entitled to the proper refund for taxes
22 and penalties paid by him for not more than three years.

23 Timely notice shall be given by the provincial, city
24 or municipal treasurer to every taxpayer whose assessment
25 is so reduced and he shall be furnished an assessment a
26 certificate showing the amount of refund to which he is
27 entitled for payment already made.

28 SEC. [218] 217. Restriction Upon Power of Court To
29 Impeach Tax. - No court shall entertain any suit assailing

30 the validity of tax assessed under this Code until the
31 taxpayer shall have paid under protest the tax assessed
32 against him, nor shall any court declare any tax invalid
33 by reason of irregularities or informalities in the
34 proceedings of the officers charged with the assessment or
35 collection of taxes, or of failure to perform their duties
36 within the times herein specified for their performance
37 unless such irregularities, informalities or failure shall
38 have impaired the substantial rights of taxpayers; nor
39 shall any court declare any portion of the tax assessed
40 under the provisions of this Code invalid except upon
41 condition that the taxpayer shall pay the just amount of
42 the tax as determined by the court in the pending
43 proceeding.

1 SEC. [219] 218. Notice of Delinquency in the Payment
2 of the Real Property Tax. - (1) Upon the real property
3 tax or any installment thereof becoming delinquent the
4 provincial, city or municipal treasurer shall immediately
5 cause notice of the fact to be posted at the main entrance
6 of the provincial capitol and of all municipal or city
7 halls and in a public and conspicuous place in each
8 barangay of the local unit concerned. The notice of
9 delinquency shall also be published once a week for three
10 consecutive weeks, in a newspaper of general circulation
11 in the province or city, if any; there be

12 (2) Such notice shall specify the date upon which the
13 tax became delinquent and shall state that personal
14 property may be seized to effect payment. It shall also
15 state that at any time before the seizure of personal
16 property, payment may be made with penalty in accordance
17 with the next following section, and further, that unless
18 the tax and penalties be paid before the expiration of the
19 year for which the tax is due or the tax shall have been
20 judicially set aside, the entire delinquent real property
21 will be paid at public auction, and that thereafter the
22 full title to the property will remain with the
23 purchaser, subject only to the right of the delinquent
24 taxpayer or any other persons in his behalf to redeem the
25 sold property within one year from the date of sale.

26 SEC. [220] 219. Interests on Unpaid Real Property
27 Tax. - Failure to pay the real property tax before the
28 expiration of the period for the payment without penalty
29 of the quarterly installments thereof shall subject the
30 taxpayer to the payment of a penalty of interest upon the
31 unpaid amount at the rate of two percent per month or
32 fraction thereof from due date until the tax shall be fully
33 paid; Provided, That in no case shall the total interest
34 exceed fifty percent of the delinquent tax.

35 SEC. [221] 220. Remedies, Cumulative, Simultaneous
36 and Unconditional. - Collection of the real property tax
37 may be enforced through any or all the remedies provided
38 under this Code and the use or non-use of one remedy shall
39 not be a bar against the institution of the others.
40 Formal demand for the payment of delinquent tax penalties
41 and interests due need not be made before any of such
42 remedies may be resorted to. Notice of delinquency as
43 required in Section [220] 219 hereof shall be sufficient

1 for the purpose.

2 SEC. [222] 221. Distrainment of Personal Property for
3 Delinquency. - After delinquency in the payment of the real
4 property tax for the year has occurred, payments of such
5 tax may be enforced by distraining the personal property
6 including the crops growing on land of the delinquent
7 taxpayer. In such case, the provincial or city treasurer
8 or his deputy shall issue a duly authenticated certificate
9 based upon the records of his office showing the fact of
10 delinquency and the amount of tax and penalty due and this
11 shall be sufficient warrant for the seizure of any non-
12 exempt personal property belonging to the delinquent
13 taxpayer in question. Such process may be executed by the
14 provincial or city treasurer, his deputy, or any officer
15 authorized to execute legal process, following the
16 procedures prescribed in Section [157] 156 of this Code.

17 SEC. [223] 222. Personal Property Exempt from
18 Distrainment of Levy. - The following property shall be
19 exempt from distrainment and the levy, attachment or
20 execution for delinquency in the payment of the real
21 property tax:

22 (a) Tools and the implements necessarily used by the
23 delinquent taxpayer in his trade or employment.

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

27 (c) His necessary clothing, and that of all his
28 family.

29 (d) Household furniture and utensils necessary for
30 housekeeping and used for that purpose by the delinquent
31 taxpayer, such as he may select, of a value not exceeding
32 five thousand pesos.

33 (e) Provisions, including crops, actually provided for
34 individual or family use sufficient for four months.

35 (f) The professional libraries of lawyers, judges,
36 [lawyers, clergymen, doctors, school teachers, and music
37 teachers, not exceeding five thousand pesos in value.]

38 (g) One fishing boat and net, not exceeding the total
39 value of five thousand pesos, by the lawful use of which a
40 fisherman earns his livelihood.

41 (h) Any material or article forming part of a house or
42 improvement of any real property.

43 SEC. [224] 223. Advertisements of Sale of Real

1 Property at Public Auction. - After the expiration of the
2 year for which the tax is due, the provincial or city
3 treasurer shall advertise the sale at public auction of
4 the entire delinquent real property to satisfy all the
5 taxes, penalties and interest due and the costs of sale.
6 Such advertisement shall be made by posting a notice for
7 three consecutive weeks at the main entrance of the
8 provincial capitol and at the main entrance of the city or
9 municipal hall, and in a public and conspicuous place in
10 the barangay wherein the property is situated, in English,
11 and the local dialect commonly used, and at the discretion
12 of the provincial or city treasurer, by publication once a
13 week for three consecutive weeks in a newspaper of general
14 circulation published in the province or city. The notice
15 and publication shall state the amount of the taxes,
16 penalties and costs of sale; the date, hour and place of
17 sale, the name of the taxpayer against whom the tax was
18 assessed, its approximate area, lot number, and location
19 stating the street and block number, barangay, municipality
20 and the province or city where the property to be paid is
21 situated.

22 Copy of the notice shall forthwith be sent either by
23 registered mail or by messenger, or through the punong
24 barangay, to the delinquent taxpayer, at his address as
25 shown in the tax rolls or property tax record cards of the
26 municipality or city where the property is located, or at
27 his residence, if known to said treasurer or punong
28 barangay; Provided, however, That a return to the proof of
29 service under oath shall be filed by the person making the
30 service with the provincial or city treasurer concerned.

31 SEC. [225] 224. Stay of Sale of Real Property. - At
32 any time during or before the sale, the taxpayer may stay
33 all proceedings by paying the taxes and penalties due on
34 the real property up to the time of tender and costs to
35 the provincial or city treasurer or his deputy conducting
36 the sale.

37 SEC. [226] 225. Discretion of Provincial or City
38 Treasurer to Buy Real Property in Behalf of Province or
39 City. - In case there is no bidder at the public auction
40 of the delinquent real property, or if the highest bid is
41 for an amount not sufficient to pay the taxes, penalties
42 and costs of sale, the provincial or city treasurer may,
43 in his discretion, buy the delinquent real property in the

1 name of the province or city for the amount of taxes
2 penalties due thereon, and the costs of sale.

3 SEC. [227] 226. Certificate of Sale to be Issued
4 Purchaser, Province or City. - The purchaser at a public
5 auction of delinquent property shall receive from the
6 provincial or city treasurer, or his deputy, a certificate
7 setting forth the proceedings had at the sale, a
8 description of the property sold, the name of the
9 purchaser, the sale price, as well as the exact amount of
10 the taxes and penalties due and the costs of sale. The
11 person in whose name the property is listed and assessed
12 shall be furnished with a copy of the [sale certificate.]
13 CERTIFICATE OF SALE.

14 SEC. [228] 227. Report of Sale to Sanggunian
15 Concerned. - The provincial or city treasurer or his
16 deputy shall make a report to the sanggunian concerned of
17 the sale within thirty days thereafter, and shall make the
18 same appear in his records.

19 SEC. [229] 228. Redemption of Real Property After
20 Sale. - Within the term of one year from the date of the
21 registration of sale of the property, the delinquent
22 taxpayer or his representative, or in his absence, any
23 person holding a lien or claim over the property, shall
24 have the right to redeem the same by paying the provincial
25 or city treasurer or his deputy the total amount of taxes
26 and penalties due up to the date of redemption, the costs
27 of sale and the interest at the rate of twenty percentum
28 on the purchase price, and such payment shall invalidate
29 the sale certificate issued to the purchaser and shall
30 entitle the person making the same to a certificate from
31 the provincial, or city treasurer or his deputy, stating
32 that he had redeemed the property.

33 The provincial or city treasurer or his deputy shall
34 upon surrender by the purchaser of the certificate of sale
35 previously issued to him, forthwith return to the latter
36 the entire purchase price paid by him plus the interest at
37 twenty per centum per annum herein provided for, the
38 portion of the cost of sale and other legitimate expenses
39 incurred by him, and said property shall thereafter be
40 free from the lien of said taxes and penalties.

41 SEC. [230] 229. Possession and Usufruct of Real
42 Property Within One Year From Date of Sale. - After the
43 sale and before redemption, or before the expiration of

1 the term of one year fixed in the immediately preceding
2 section for such redemption, the real property shall
3 remain in the possession of the delinquent taxpayer, who
4 shall have the right to the usufruct thereof.

5 SEC. [231] 230. Issuance of Final Bill of Sale. - In
6 case the delinquent taxpayer or his representative, or any
7 person holding alien or claim over the property, fails to
8 redeem the same within the period of one year from the
9 date of sale as provided in Section [230] 229 thereof, the
10 provincial or city treasurer shall make an instrument
11 sufficient in form and effect to convey to the purchaser
12 the property purchased by him, free from any encumbrances
13 or third party claim whatsoever and the said instrument
14 shall succinctly set forth all proceedings upon which the
15 validity of the sale depends. Any balance of the proceeds
16 of the sale left after deducting the amount of the taxes
17 and penalties due and the costs of sale shall be returned
18 to the original owner of the property or his
19 representative.

20 SEC. [232] 231. Disposition of Real Property
21 Acquired by Province or City. - The provincial or city
22 treasurer shall take charge of the delinquent real
23 property acquired by the province or city under the
24 provisions of Section [227] 226 of this Code, during
25 which time the delinquent taxpayer shall have possession
26 and usufruct of such property in accordance with Section
27 [231] 229 hereof. Said treasurer shall take steps within
28 two years from the date of issuance of final bill of sale
29 to dispose of the delinquent real property at public
30 auction subject to the penalties provided in Section
31 228 hereof, but at any time before the auction sale,
32 [any person in his own right may repurchase,] THE OWNER
33 SHALL HAVE FIRST RIGHT TO REPURCHASE the costs of sale,
34 and other legitimate expenses incurred by the province or
35 city with respect to the property, and an additional
36 penalty of twenty percent on the purchase price: Provided,
37 however, That any such repurchase at or before auction
38 sale shall be subject to the right of the delinquent
39 taxpayer or his representative or any person holding lien
40 or claim over the property to further redeem said property
41 within one year from the date of acquisition by the
42 province or city in the manner provided in Section [230]
43 229 hereof and: Provided, further, That if the treasurer

1 has entered into a contract for the lease of the property
2 in the meantime, any repurchase made hereunder shall be
3 subject to such contract.

4 SEC. [233] 232. Collection of Real Property Tax
5 Through the Courts. - The delinquent real property tax
6 shall constitute a lawful indebtedness of the taxpayer to
7 the province or city and collection of the tax may be
8 enforced by civil action in any court of competent
9 jurisdiction. The civil action shall be filed by the
10 provincial or city fiscal within fifteen days after
11 receipt of the statement of delinquency certified to by
12 the provincial or city treasurer. This remedy shall be in
13 addition to all other remedies provided by law.

14 SEC. [234] 233. Suits Assailing Validity of Tax
15 Sale. - No court shall entertain any suit assailing the
16 validity of the tax sale of real estate under this Code
17 until the taxpayer shall have paid to the court the amount
18 for which the real property was sold, together with
19 interests of twenty per centum per annum upon that sum
20 from the date of sale to the time of instituting suit.
21 The money so paid into court shall belong to the purchaser
22 at the tax sale if the deed is declared invalid but shall
23 be returned to the depositor if the action fails.

24 Neither shall any court declare a sale invalid by
25 reason of irregularities or informalities in the
26 proceedings committed by the officer charged with this
27 duty of making sale, or by reason of failure by him to
28 perform his duties within the time herein specified for
29 their performance unless it shall have been proven that
30 such irregularities, informalities or failure have
31 impaired the substantial rights of the taxpayer.

32 SEC. [235] 234. Payments of Delinquent Taxes on
33 Property Subject of Controversy. - In any suit involving
34 the ownership or possession of, or succession to, real
35 property, the court shall, on its own motion or upon
36 representation of the provincial, city or municipal
37 treasurer or his deputy, condition the award of such
38 ownership, possession or succession to any party to the
39 controversy upon the payment to the court of the taxes and
40 penalties due on the property and all the costs that may
41 have accrued to the treasurer by reason of his
42 representation.

43 SEC. [236] 235. Treasurer to Certify Delinquencies

1 Remaining Uncollected. - The provincial or city treasurer
2 or their deputies shall prepare a certified list of all
3 real property tax delinquencies remaining uncollected or
4 unsatisfied for at least one year in his jurisdiction and
5 a statement of the reason or reasons for such non-
6 collection or non-satisfaction, and shall submit the same
7 both to the Secretary of Finance and the Secretary of
8 Local Government on or before December thirty-first of the
9 year immediately succeeding that in which the
10 delinquencies have occurred, with a request of assistance
11 in the enforcement of the remedies for collection provided
12 herein.

13 CHAPTER 7. SPECIAL PROVISIONS

14 SEC. [237] 236. Provincial and City Assessors and
15 Deputies. - (1) The appointment, compensation, powers,
16 duties and functions of provincial and city assessors
17 shall be governed by the provisions of this Code.

18 (2) Whenever the exigency of the service requires,
19 additional positions for deputy provincial or city
20 assessors may be created by the sanggunian concerned,
21 subject to the availability of local funds for the
22 purpose.

23 (3) The supervision of the Department of Finance over
24 provincial or city assessors and their deputies shall be
25 confined solely to the setting up of standards of
26 operation. Compliance with said standards of operation
27 shall be under the monitoring authority of the Department
28 of Local Government.

29 SEC. [238] 237. General Assessment Revision,
30 Expenses Incident Thereto. - The sanggunian of local
31 government shall provide the necessary appropriations to
32 underwrite expenses incident to the general revision of
33 real property assessments using for the purpose any
34 unappropriated balances in the general road and bridge
35 fund and/or permanent public improvement fund, or any
36 underestimated revenues accruing thereto, or reversions of
37 authorized appropriations in their respective budgets which
38 are not otherwise urgently needed, provisions of existing
39 laws to the contrary notwithstanding.

40 All expenses incident to a general revision of property
41 assessments shall be divided by ordinance of the
42 sangguniang panlalawigan between the province and the
43 municipality; in such amount proportionate to the taxable

1 land area of the municipality concerned.

2 SEC. [239] 238. Remission of Tax by Provincial or
3 City Sanggunian. - In case of a general failure of crops
4 or substantial decrease in the prices of agricultural or
5 agri- based products, or similar widespread disaster in
6 any city or municipality, the sangguniang panlalawigan or
7 sangguniang panlungsod concerned, by ordinance passed
8 prior to the first day of January of any year, may remit,
9 wholly or partially, the real property tax or the
10 penalties thereon for the succeeding year in the city or
11 municipality affected by the disaster, but an ordinance so
12 disposing must clearly state the reason or reasons for
13 such remission.

14 SEC. [240] 239. Remission or Reduction of Tax by the
15 President of the Philippines. - The President of the
16 Philippines may, in his discretion, remit or reduce the
17 real property tax for any year in any city, municipality
18 or province if in his perception public interest so
19 requires.

20 SEC. [241] 240. Duty of Register of Deeds and
21 Notaries Public to Assist the Provincial or City Assessor.
22 - It shall be the duty of the register of deeds and
23 notaries public to furnish the provincial or city assessor
24 with copies of all contracts conveying, leasing, or
25 mortgaging real property received by, or acknowledged
26 before them.

27 SEC. [242] 241. Insurance Companies to Furnish
28 Information. - Insurance companies are hereby required to
29 furnish the provincial or city assessor copies of any
30 contract or policy insurance on buildings, structures and
31 improvements insured by them or such other documents which
32 may be necessary for the proper assessment thereof.

33 SEC. [243] 242. Fees in Court Actions. - All court
34 actions, criminal or civil instituted at the instance of
35 the provincial or city treasurer or assessor under the
36 provisions of this Code, shall be exempt from the payment
37 of court and sheriff's fees.

38 SEC. [244] 243. Fees in Registration of Papers or
39 Documents on Sale of Delinquent Real Property to Province
40 or City. - All certificates, documents, papers covering
41 the sale of delinquent property, to the province or city,
42 if registered in the Registry of Property, shall be exempt
43 from registration fees.

1 SEC. [245] 244. Promulgation of Rules and
2 Regulations. - The Secretary of Finance and the Secretary
3 of Local Government shall jointly promulgate the rules and
4 regulations, prescribe the forms to be used and the
5 procedures to be followed in carrying out properly and
6 effectively the provisions of this Code.

7 SEC. [246] 245. Real Property Assessment Notices or
8 Owner's Copies of Tax Declarations to be Exempt From
9 Postal Charges or Fees. - All real property assessment
10 notices or owner's copies of tax declarations sent thru
11 the mails by the assessor shall be exempt from the payment
12 of postal charges or fees.

13 SEC. [247] 246. Sale and Forfeitures Before
14 Effectivity of Code. - All sales and forfeitures of
15 delinquent real properties and tax delinquencies existing
16 before the effective date of this Code shall be governed
17 by the provisions of pertinent laws then in force.

18 TITLE THREE - ALLOTMENTS TO AND SHARING OF LOCAL
19 GOVERNMENTS IN THE PROCEEDS OF
20 NATIONAL AND LOCAL TAXATION

21 CHAPTER 1 - Internal Revenue and Specific
22 Tax Allotments

23 SEC. [249] 247. Internal Revenue and Specific Taxes.
24 - [(1) An aggregate of internal revenue and specific taxes
25 not otherwise accruing to special funds and special
26 accounts in the general fund shall accrue to local
27 governments to be computed on the basis of the collections
28 of the second fiscal year proceeding the current fiscal
29 year.]

30 (1) IN LIEU OF THE INTERNAL REVENUE ALLOTMENTS,
31 SPECIFIC TAX ALLOTMENTS AND BUDGETARY AID GRANTED TO LOCAL
32 GOVERNMENTS, THIRTY FIVE PERCENT OF THE GENERAL FUND NOT
33 OTHERWISE ACCRUING TO SPECIAL FUNDS AND SPECIAL ACCOUNTS
34 SHALL ACCRUE AND BE DIRECTLY RELEASED TO LOCAL GOVERNMENTS
35 TO BE COMPUTED ON THE BASIS OF THE COLLECTIONS OF THE
36 SECOND FISCAL YEAR PRECEDING THE CURRENT FISCAL YEAR.

37 (2) This allotment shall be distributed as follows:

- 38 (a) Twenty percent (20%) to provinces;
39 (b) Thirty five percent (35%) to municipalities;
40 (c) Thirty percent (30%) to cities; and
41 (d) Fifteen percent (15%) to barangays.

42 (3) Except for the share of barangays which shall be
43 distributed equally, the share of each level of local

1 government shall be distributed on the basis of the
2 following:

3	Population	- [40%]	30%
4	Land Area	- [20%]	40%
5	Equal sharing	-	20%
6	Revenue Collection		
7	Performance	- [20%]	10%

8 (4) The share of each local unit as hereinabove
9 stipulated shall automatically be released to them on a
10 quarterly basis.

11 SEC. [250] 248. Local Development Projects. - (1)
12 Each local government unit shall appropriate in their
13 annual general fund budgets no less than forty percent
14 (40%) of its annual internal revenue and specific tax
15 allotment for development projects.

16 [The development plans of the local units shall be
17 subject to the approval of the Secretary of Local
18 Government, who shall issue the necessary guidelines for
19 the purpose.]

20 THE DEVELOPMENT PLANS OF THE LOCAL GOVERNMENT UNITS
21 SHALL BE FURNISHED BY THE DEPARTMENT OF LOCAL GOVERNMENT
22 AND THE REGIONAL DEVELOPMENT COUNCILS FOR THEIR INFORMATION
23 AND GUIDANCE.

24 CHAPTER 2 - The Real Property Tax

25 SEC. [251] 249. Distribution of Proceeds of the Real
26 Property Tax. - (1) The proceeds of the real property tax
27 collected pursuant to Section [197] 195 of this Code
28 shall be distributed as follows:

29 (a) Forty percent shall accrue to municipality
30 where the property is situated;

31 (b) Forty percent shall accrue to the province
32 where the property is situated; and

33 (c) Twenty percent shall accrue to and be divided
34 equally among the duly constituted barangays
35 of the municipality where the property subject
36 to tax is situated.

37 (2) In the case of the city, Twenty percent of the
38 real property tax collected shall accrue to and be
39 divided equally among the duly constituted barangays of the
40 city where the property subject to tax is situated;
41 while the remaining eighty percent shall accrue to the
42 city where the property is situated.

43 SEC. [252] 250. Application of Proceeds. - (1) The

1 proceeds of the real property tax pertaining to the city
2 and to the municipality shall accrue entirely to their
3 respective general funds. In the case of the province,
4 one-fourth thereof shall accrue to its road and bridge
5 fund and the remaining three-fourths to its general fund.

6 (2) The entire proceeds of the additional one percent
7 real property tax levied for the Special Education Fund
8 created under R.A. No. 5447 collected in the province or
9 city on real property situated in their respective
10 territorial jurisdictions shall be distributed as follows:

11 (a) Collections in provinces: sixty percent shall
12 accrue to the municipality where the property subject to
13 the tax is situated; thirty percent shall accrue to the
14 province; and ten percent shall be remitted to the
15 Treasurer of the Philippines to be expended exclusively for
16 stabilizing the Special Education Fund in municipalities,
17 cities and provinces in accordance with the provisions of
18 Republic Act No. 5447.

19 (b) Collections in Cities: Eighty percent shall be
20 retained by the city; and twenty percent shall be remitted
21 to the Treasurer of the Philippines to be expended
22 exclusively for stabilizing the Special Education Fund in
23 municipalities, cities and provinces as provided in
24 Republic Act No. 5447.

25 (3) The proceeds of all delinquent taxes and penalties
26 as well as the income realized from the use, lease or other
27 disposition of real property acquired by the province,
28 city, municipality or barangay at a public auction in
29 accordance with the provisions of this Code, and the
30 proceeds of the sale of the delinquent real property or of
31 the redemption thereof, shall accrue to the local unit
32 concerned in the same manner and proportion as if the tax
33 or taxes had been paid in regular course.

34 (4) The proceeds of the additional real property tax
35 on idle private lands shall accrue to the respective
36 general funds of the province or city where the land
37 subject to the tax is situated.

38 CHAPTER 3 - Sharing of Proceeds of
39 Local Taxation

40 SEC. [253] 251. Franchise Tax. - Fifty percent of the
41 proceeds of the franchise tax as provided in Section [116]
42 115 of this Code shall accrue to the general fund of the
43 province, forty percent to the general fund of the

1 municipality serviced by the business, and ten percent
2 shall accrue to the general fund of the barangay where the
3 business subject to franchise tax is situated. In the
4 event that the business subject to franchise tax is
5 situated in two or more local government units, the tax
6 accruing thereto shall be divided equally among the local
7 units concerned.

8 SEC. [254] 252. Sand and Gravel Tax. - Fifty percent
9 of the proceeds of the sand and gravel tax provided under
10 Section [117] 116 of this Code shall accrue to the general
11 fund of the province, forty percent to the general fund of
12 the municipality where the materials are extracted, and ten
13 percent shall accrue to the general fund of the barangay
14 where the materials are extracted.

15 The sand and gravel tax shall be collected by the
16 municipal treasurers and only the share of the province
17 shall be remitted to the provincial treasurer within ten
18 days following the end of the month of collection.

19 Where the sand and gravel tax is collected solely by
20 the province, the provincial treasurer shall remit the
21 share of municipalities and barangays at the close of each
22 collection month.

23 SEC. [255] 253. Occupation Tax. - Fifty percent of the
24 proceeds of the occupation tax as provided in Section [118]
25 117 of this Code shall accrue to the general fund of the
26 province, thirty percent shall be divided equally among the
27 municipalities and twenty percent shall be divided equally
28 among the barangays. Where the tax is collected solely by
29 the province, the provincial treasurer shall remit the
30 shares of the municipalities and barangays within fifteen
31 days following the end of the month of collection.

32 SEC. [256] 254. Tax on Admission - Seventy-five
33 percent of the proceeds of the tax on admission as provided
34 in Section [119] 118 of this Code shall accrue to the
35 general fund of the province and twenty-five percent shall
36 accrue to the municipality where the place of amusement is
37 situated.

38 SEC. [257] 255. Fees for Sealing and Licensing of
39 Weights and Measures. - Twenty-five percent of the proceeds
40 of the fees for sealing and licensing of weights and
41 measures as provided in Section [120] 119 of this Code
42 shall accrue to the general fund of the province and
43 seventy-five percent shall accrue to the municipality where

1 the fee is collected.

2 SEC [258] 256. Rental for Use of Municipal Water.-
3 Forty percent of the proceeds of the rentals for use of
4 municipal waters as log ponds, as provided in Section 122
5 of this Code, shall accrue to the province, fifty percent
6 to the municipality, or municipalities in equal shares and
7 ten percent to the barangay or barangays in equal shares,
8 where the log pond is located.

9 SEC. [259] 257. Residence Tax. - The proceeds of the
10 residence tax shall be applied as follows:

11 (1) Five percent of the total collection of provinces,
12 cities and municipalities shall accrue to the general fund
13 of the national government. The provincial or city
14 treasurer concerned shall remit to the National Treasurer
15 the five percent share of the National Government in the
16 proceeds of the tax within ten days after the end of each
17 quarter.

18 (2) The balance of ninety-five percent shall be
19 apportioned as follows:

20 (a) In provinces, 40 percent of the remaining
21 collection shall accrue to the general fund of the
22 province, 40 percent to the municipalities and 20 percent
23 to be divided equally among the barangays;

24 (b) In cities, 80 percent of the remaining collection
25 shall accrue to the general fund of the city and 20 percent
26 to be divided equally among the barangays.

27 The city or municipal treasurer shall retain the share
28 of the city or municipality and the barangays within its
29 jurisdiction and remit to the provincial treasurer the
30 share of the province, as well as the five percent share
31 of the National Government, within five days after the end
32 of each month.

33 TITLE FOUR - CREDIT FINANCING FOR LOCAL
34 GOVERNMENTS

35 SEC. [260] 258. Scope. - This title shall govern the
36 conduct and management of the credit transactions and
37 borrowings of provinces, cities and municipalities.

38 SEC. [261] 259. Policy Pronouncements. - (1) It
39 shall be the basic policy that any local government may
40 avail of credit facilities and resort to borrowings only if
41 the local funds are not sufficient to finance the
42 prosecution, completion, expansion, operation, and
43 maintenance of local infrastructure and other socio-

1 economic development projects.

2 (2) In times of emergency or of an impending financial
3 dislocation that may prejudice the dispensation of public
4 services in the locality, provincial, city and municipal
5 governments may likewise secure provisional advances in the
6 manner prescribed herein or avail of credit lines that
7 government banks and other national lending institutions
8 may extend to them for the purpose of stabilizing local
9 finances.

10 SEC. [262] 260. Provisional Advances. - Upon
11 recommendation of the Secretary of Finance, provincial,
12 city, and municipal governments may secure from the Central
13 Bank of the Philippines and/or any other duly authorized
14 government bank or depository, provisional advances in
15 amounts not exceeding, in their aggregate, twenty-five
16 percent of the average annual income actually realized from
17 regular sources by the borrowing local government unit for
18 the last three fiscal years, the amount granted to be
19 released to the provincial, city or municipal treasurer
20 concerned. Provisional advances, including the interest
21 accruals thereon shall be payable within the first quarter
22 of the fiscal year following the grant thereof.

23 Provisional advances shall not be taken up as revenue
24 available for appropriation by the local government and
25 shall be spent and disbursed solely to finance expenditures
26 covered by duly authorized appropriations in the approved
27 budget of the borrowing local unit for the current fiscal
28 year.

29 In case of failure of the borrowing local government to
30 settle in full said provisional advances within the
31 prescribed time for payment, the Secretary of Finance is
32 hereby authorized to order the withholding of the internal
33 revenue and specific tax allotments accruing to the local
34 government concerned and the direct remittance of the
35 amount involved to the lending bank or institution or
36 settlement of the outstanding obligation.

37 SEC. [263] 261. Domestic Loans, Credits and Other
38 Forms of Indebtedness. - (1) Provincial, city and
39 municipal governments may upon recommendation of the
40 Secretary of Finance, contract loans, credits, and other
41 forms of indebtedness with the Philippine National Bank,
42 the Development Bank of the Philippines, the Government
43 Service Insurance System, and/or other national lending

1 institutions to finance the construction, installation,
2 improvement, expansion, operation, or maintenance of
3 electric light and power plants, public markets and
4 slaughter-houses, waterworks and irrigation systems,
5 telephone and radio communications systems, government
6 housing projects, the purchase of rural and urban estates
7 and other capital investment projects, subject to such
8 terms and conditions as may be prescribed by law and the
9 provisions of the respective charters of the aforesaid
10 banks and lending institutions.

11 (2) Provincial, city and municipal governments may
12 likewise secure from the Land Bank of the Philippines
13 short, medium and long term loans and advances against
14 security of real estate and/or other acceptable assets for
15 the establishment, development or expansion of
16 agricultural, industrial, home building or home financing
17 projects and other productive enterprises.

18 (3) The Philippine National Bank, the Development
19 Bank of the Philippines, the Government Service Insurance
20 System, the Land Bank of the Philippines and other national
21 lending institutions are hereby authorized to grant to the
22 local governments the loans, credits and other forms of
23 indebtedness herein referred to for the purposes specified
24 above out of their loanable and/or investible funds,
25 subject to such terms and conditions as may be prescribed
26 by law and the pertinent provisions of their respective
27 charters and to such policies, rules and regulations that
28 their governing Boards may promulgate for the purpose.

29 (4) The provincial, city and municipal governments
30 shall provide in their respective budgets the necessary
31 appropriations for the payment of the principal and
32 interest on the loans or other forms of indebtedness
33 contracted under this Section as they fall due and become
34 payable until the total obligation shall have been paid in
35 full. Failure of the local government unit concerned to
36 provide the necessary appropriations shall constitute a
37 ground for declaring its budget inoperative.

38 SEC. [264] 262. Deferred-payment Financing Schemes.

39 - Provincial, city and municipal governments may likewise
40 acquire heavy equipment, plant machinery and such necessary
41 accessories under a supplier's credit or deferred-payment
42 plan, subject to the law on purchasing and such other rules
43 and regulations that the Secretary of Finance may

1 promulgate pursuant to Section 21 hereof.

2 No local government entity shall enter into a purchase
3 contract under a deferred-payment plan unless previous
4 loans secured elsewhere shall have been paid in full or are
5 being paid in accordance with approved amortization
6 schedules.

7 SEC. [265] 263. Bonds and other Long Term Securities.

8 - (1) Provinces, cities and municipalities are hereby
9 authorized to issue bonds debentures, securities,
10 collaterals, notes and other obligations to finance self-
11 liquidating and/or income-producing development projects
12 pursuant to the priorities established in the development
13 program as certified to by the National Economic and
14 Development Authority, but in no case to exceed at any time
15 an aggregate amount equivalent to one percent of the total
16 assessed value of taxable real property within the
17 territorial jurisdiction of the local government unit.
18 Whenever any province, city or municipality deems it
19 necessary to issue such bonds, debentures, securities,
20 collaterals, notes and other obligations, the sanggunian
21 concerned shall, by resolution, so declare and state the
22 terms and condition of the bonds and the purpose for which
23 the proposed indebtedness is to be incurred. For such
24 resolution to be valid, it shall be passed by the
25 affirmative vote of a majority of all the members of the
26 local sanggunian reviewed in accordance with the provisions
27 of this Code and approved by the Monetary Board of the
28 Central Bank of the Philippines and the National Economic
29 and Development Authority.

30 (2) Local government bonds shall be issued under the
31 following conditions:

32 (a) They shall be in registered form and transferable
33 at the Central Bank of the Philippines;

34 (b) They shall not be sold at less than face value;

35 (c) They shall be redeemable ten years or more from
36 date of issue but may be redeemed earlier by the local
37 government upon approval by a majority of all the members
38 of the local sanggunian.

39 (d) Before issuance of the bonds, the Secretary of
40 Finance upon consultation with the Monetary Board of the
41 Central Bank of the Philippines shall fix the annual rate
42 of interest payable on the bonds, as well as the mode of
43 payment of the interest accruals thereon; and

1 (e) Both the principal and interest on the bonds shall
2 be payable in legal tender of the Republic of the
3 Philippines.

4 (3) Local government bonds issued under the authority
5 of this Section shall be exempt from all taxes levied by
6 the Republic of the Philippines, or by any authority,
7 branch, division or political subdivision thereof, which
8 facts shall be stated upon the face of the bonds.

9 (4) The Local government bonds shall be acceptable and
10 received as security in any transaction with the government
11 where such security is required.

12 (5) The local sanggunian concerned shall establish a
13 sinking fund for the purpose of redeeming at maturity the
14 bonds issued under this Section. Failure to provide the
15 necessary appropriation shall constitute a ground for
16 declaring inoperative the budget of the local government
17 unit concerned. The annual contributions to the sinking
18 fund shall cover in full the principal and interest due on
19 the bonds issued and the local sanggunian shall set aside
20 in the annual budgets of the local government the
21 corresponding appropriations therefor.

22 Said sinking fund shall be under the custody of the
23 Central Bank of the Philippines which may invest the same
24 in such manner as the Monetary Board may approve. Said
25 sinking fund shall be charged for all expenses incurred in
26 investing the same or portions thereof and credited with
27 the earnings and interest income arising from such
28 investments.

29 SEC. [266] 264. Inter-Local Government Loans. -
30 Provinces, cities and municipalities may extend loans to
31 other provinces, cities and municipalities for such
32 purposes as the repair and rehabilitation of government
33 property damaged by typhoons, floods, fire, or other
34 natural calamity; the purchase of relief goods, foodstuff
35 and medicine during emergencies; and the beautification of
36 parks, plazas, monuments and shrines in amounts not
37 exceeding, in their aggregate, ten percent of the general
38 fund income from regular sources of the lending entity
39 actually realized during the next preceding fiscal year, as
40 certified to by the local treasurer and attested by the
41 auditor concerned, under such terms and conditions as may
42 be agreed upon by the parties, payable within a period of
43 not exceeding twenty-four months from the date of release

1 of the full amount and at an interest rate of not exceeding
2 twelve percent per annum.

3 Failure of the borrowing local government to
4 appropriate the annual amortizations and interest accruals
5 of the loans contracted under this Section shall constitute
6 a ground for declaring inoperative its budgets pursuant to
7 the pertinent provisions of existing laws.

8 SEC. [267] 265. Loans from Funds Secured by the
9 National Government from Foreign Sources. (1) The
10 President of the Philippines, or his duly authorized
11 representative, may negotiate and contract loans with
12 foreign financial institutions or other international
13 organizations belonging to countries with which the
14 Philippines has diplomatic or trade relations, or from
15 foreign governments which are members of the United Nations
16 and, subject to such conditions as he may impose, extend
17 therefrom upon recommendation of the Secretary of Finance
18 and the National Economic and Development Authority, one or
19 several loans to any provincial, city or municipal
20 government through the Development Bank of the Philippines
21 or the Land Bank of the Philippines for the purpose of
22 financing the acquisition, construction, installation,
23 improvement and expansion of capital improvement projects,
24 such as electric powerplants, waterworks and irrigation
25 system, flood control systems, composing plants, and
26 telephone and radio communications systems.

27 (2) Loan amortizations or repayments, including
28 accrued interest thereon, may be financed partly from the
29 income of the projects or services and from the regular
30 income of the borrowing local government unit, which must
31 be provided for and appropriated regularly in its budgets
32 until the loan and the interests thereon shall have been
33 repaid in full.

34 (3) The pertinent provisions of existing laws shall
35 likewise be complied with in the re-lending to the local
36 governments of proceeds of loans from foreign sources.

37 (4) Any two or more provinces, cities and/or
38 municipalities may jointly and severally undertake capital
39 improvement projects commonly beneficial to them and for
40 the purpose may negotiate and contract for loans in
41 accordance with the provisions of the foregoing
42 paragraphs.

43 SEC. [268] 266. Financing Contracts with Private

1 Persons. - (1) Any provincial, city or municipal government
2 may enter into and bind itself by contract with any private
3 person, natural or judicial, for financing such self-
4 liquidating or income-producing projects as the
5 construction of toll roads and bridges, the installation of
6 telephone systems, the acquisition of land and water
7 transport systems, as well as the operation and maintenance
8 of such projects, subject to the approval of the National
9 Economic and Development Authority, upon recommendation of
10 the Secretary of Finance: Provided, That the aggregate
11 amounts of financing contracts that a local government may
12 enter into by virtue of this Section shall not exceed the
13 legal borrowing capacity of said local government as
14 certified to by the Commission on Audit.

15 (2) The construction and prosecution of projects under
16 the authority of this Section shall be subject to the
17 following terms and conditions:

18 (a) The provincial, city or municipal engineer, as the
19 case may be, upon formal request in writing by the local
20 chief executive, shall prepare the plans and specifications
21 for the proposed project, which shall be subject to the
22 approval of the local sanggunian. In the absence of a
23 municipal engineer, the plans and specifications of the
24 proposed project shall be prepared by the provincial
25 engineer.

26 (b) Upon approval by the local sanggunian of the
27 project plans and specifications, the provincial, city or
28 municipal engineer concerned shall forthwith cause to be
29 published once every week for three consecutive weeks in at
30 least a newspaper of general circulation, a notice inviting
31 all eligible contractors to participate in a public bidding
32 for the projects so approved. The contract shall be
33 awarded to the lowest qualified bidder: Provided, That
34 the winning bid shall not exceed by fifteen percent the
35 estimated cost of the project as computed by the local
36 engineer.

37 The conduct of public bidding and award of contracts
38 for local government projects under this Section shall be
39 in accordance with existing laws and pertinent rules and
40 regulations.

41 (c) Any contractor who shall undertake the prosecution
42 of any project under this Section shall post bond to
43 protect the interest of the province, city or municipality

1 in such amounts as may be fixed by the local sanggunian,
2 and the provincial, city or municipal engineer of the
3 locality shall not allow any contractor to initiate the
4 prosecution of projects under this Section unless such
5 contractor shall present proof or evidence that he has
6 posted the required bond.

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

21 (e) The tolls or fees that will be charged for the use
22 of roads, bridges, telephone systems, land transport
23 systems, ferries and watercraft constructed, installed or
24 acquired in accordance with this Section shall be levied in
25 an appropriate local tax ordinance which shall be enacted
26 by the local sanggunian and approved by the local chief
27 executive pursuant to law. The pertinent change in the
28 schedule or rates of such tolls and fees shall likewise be
29 made through the enactment of an appropriate local tax
30 ordinance

31 (f) Collections from the tolls or fees authorized to
32 be collected under this Section shall first be applied to
33 the interest and the remainder to the principal in the
34 amounting of the reports from such tolls or fees.

35 (g) The imposition and collection of tolls or fees
36 shall be discontinued after the principal expended on the
37 project, and the interest thereof shall have been collected
38 as certified to by the provincial, city and municipal
39 treasurer concerned, and from that time the contract for
40 such project shall be deemed extinguished.

41 (h) The projects undertaken under this Section shall
42 be prosecuted under the supervision of the provincial, city
43 or municipal engineer of the province, city or municipality

1 as the case may be, or if there be no municipal engineer,
2 by the provincial engineer of the province to which the
3 municipality belongs, in accordance with the plans and
4 specifications of the projects as approved by the local
5 sanggunian.

6 (3) The Provincial Attorney or City Legal Officer or
7 Municipal Attorney, as the case may be, shall pass upon
8 contracts executed pursuant to this Section to determine
9 their legality and correctness of form. In the absence of
10 the above-named officials, the responsibility shall devolve
11 upon the provincial or city fiscal concerned.

12 SEC. [269] 267. Remedies, Sanctions and Penalties.-
13 Provinces, cities and municipalities shall appropriate in
14 their respective annual budgets such amounts as are
15 sufficient and required to service loans and borrowings
16 and/or redeem or retire bonds, debentures, securities,
17 notes and other obligations issued by said local government
18 units under this title and their failure to provide the
19 appropriations herein required shall be a ground to declare
20 inoperative the corresponding budgets of the borrowings
21 entity. Furthermore, the Secretary of Finance is hereby
22 empowered to enforce payments of obligations incurred under
23 this title which have become due and demandable by
24 withholding the corresponding amounts from internal revenue
25 and specific tax allotments of the defaulting local
26 government unit.

27 SEC. [270] 268. Administrative Authority of the
28 Secretary of Finance. - The Secretary of Finance shall
29 promulgate, such rules and regulations as he may deem
30 necessary for the proper and effective implementation of
31 this title, pursuant to Section 21 hereof.

32 TITLE FIVE - LOCAL FISCAL ADMINISTRATION

33 Chapter 1 - General Provisions

34 SEC. [271] 269. Scope. - This title shall govern the
35 conduct and management of the financial affairs,
36 transactions, and operation of provinces, cities,
37 municipalities and barangays, and shall provide the
38 organization for local fiscal administration in the local
39 governments.

40 SEC. [272] 270. Fundamental Principles. - Local
41 government financial affairs, transactions, and operations
42 shall be governed by the following fundamental principles:

43 (1) No money shall be paid out of the treasury except

1 in pursuance of a lawful appropriation or other specific
2 statutory authority;

3 (2) Public funds and monies shall be spent solely for
4 public purposes;

5 (3) Revenue is obtainable only from sources expressly
6 authorized by law and collection thereof shall at all times
7 be acknowledged properly;

8 (4) All monies officially received by a public
9 officer in any capacity or upon any occasion shall be
10 counted for as government funds, except as may otherwise be
11 specifically provided by law or competent authority;

12 (5) Trust funds shall not be paid out of the treasury
13 except in fulfillment of the purpose for which the trust
14 was created or funds received;

15 (6) Every officer of the government whose duties
16 permit or require the possession or custody of government
17 funds shall be properly bonded and such officer shall be
18 accountable and responsible for said funds and for the
19 safekeeping thereof in conformity with the provisions of
20 law;

21 (7) Local governments shall formulate sound financial
22 plans and local budgets shall be based on functions,
23 activities, and projects as related to expected results;

24 (8) Local budget plans and goals, shall, as much as
25 possible, harmonize with national and regional development
26 plans, goals and strategies in order to maximize the
27 utilization of resources and to avoid duplication in the
28 use of fiscal and physical resources;

29 (9) National planning shall be linked to local
30 planning so as to provide an avenue for community
31 participation and initiative in the development process.

32 In the formulation of regional budgets, local needs and
33 aspirations as articulated by the citizenry shall be
34 considered;

35 (10) In the allocation of resources, priority shall be
36 given to the disadvantaged sector of the community to
37 ensure social justice and economic; and

38 (11) Fiscal responsibility shall be shared by all those
39 exercising authority over the financial affairs,
40 transactions and operations of the local governments.

41 SEC. [273] 271. Supervisory Authority of the
42 Department of Budget and Management. - The Department of
43 Budget and Management shall exercise supervision over the

1 local budget and expenditure programs and activities of
2 local governments through its regional offices.

3 It shall be the responsibility of the Department of
4 Budget and Management to review and evaluate and take
5 appropriate action on the annual principal and supplemental
6 budgets and other financial statements covering all funds
7 of provinces and cities; and to review and formulate
8 recommendations ordinances of legislative bodies the
9 sanggunian panlalawigan and the sangguniang panglungsod
10 involving appropriation of local funds, within sixty days
11 after receipt thereof by the regional offices of the
12 Department of Budget and Management.

13 It shall be the specific responsibility of the
14 Department of Budget and Management of provinces and cities
15 to:

16 (1) Formulate and execute expenditure policies
17 conducive to fiscal stability and social and economic
18 growth of local government units in line with national and
19 regional development goals and strategies;

20 (2) Provide local governments with fiscal policy
21 guidelines in local budget preparation and review budgets
22 of provinces and cities with a view to enhance efficient,
23 effective and maximum utilization of local funds and
24 resources;

25 (3) Evaluate annual principal and supplemental budgets
26 of provinces and cities to determine compliance with
27 statutory and other mandatory requirements;

28 (4) Examine and process applications of local
29 governments for cash advances and budgetary aids under
30 national budget lump sums or other funds with respect to
31 their budgetary or fiscal implications and prepare
32 appropriate recommendations thereon;

33 (5) Examine and analyze provincial and city trial
34 balances, books of accounts, and other financial reports,
35 as may be necessary in the fulfillment of the budget
36 function;

37 (6) Compile statistical data, prepare and analyze
38 consolidated financial statements of local governments, and
39 review projections and forecasts of local government income
40 and expenditures;

41 (7) Provide technical assistance to local governments in
42 the preparation, authorization, execution and
43 accountability phases of the budget process;

1 (8) Formulate and promulgate rules and regulations for
2 the effective performance of all the foregoing functions;
3 and

4 (9) Perform other related functions as may be provided
5 for by this Code and other laws.

6 SEC. [274] 272. Supervisory Authority of the
7 Department of Finance. - The Department of Finance shall
8 exercise technical supervision over local treasury and
9 assessment personnel pertaining to the generation of local
10 government income, borrowings, other receipts, and local
11 treasury operations.

12 It shall be the responsibility of the Department of
13 Finance to:

14 (1) Formulate and execute financial policies that will
15 promote the financial stability and growth of local
16 governments;

17 (2) Adopt and enforce measures that will improve local
18 treasury operations and foster effective financial
19 management in local governments; and

20 (3) Ensure the proper use, custody and safekeeping of
21 public funds in local government.

22 CHAPTER 2 - Local and Other Special Funds

23 Article I. - Receipt, Safekeeping and

24 Disposition of Local Funds

25 SEC. [275] 273. Payment of Government Monies into the
26 Treasury - Officers of the government authorized to receive
27 and collect monies arising from taxes, revenues, or
28 receipts of any kind shall remit the full amounts as
29 received and collected by them into the treasury of the
30 local government unit to which such officers in their
31 collecting capacity respectively pertain, to the credit of
32 the particular account or accounts to which the monies in
33 question properly belong.

34 SEC. [276] 274. Local Funds. - (1) Provincial, city
35 and municipal governments shall maintain only two local
36 funds; namely, the general fund and the infrastructure fund
37 and they shall be used to account for such monies and
38 resources as may be received in and disbursed from the
39 local treasury.

40 (2) The General Fund shall consist of monies and
41 resources not otherwise accruing to any other fund and
42 shall be available for the payment of expenditures,
43 obligations or purposes not specifically declared by law as

1 chargeable to, or payable from, any other fund, though
2 transfers of monies or resources therefrom to other funds
3 of the local government for their augmentation and use may
4 be made by proper appropriation.

5 (3) The Infrastructure Fund shall consist of monies
6 and resources raised or embarked by law, including those
7 which under existing laws accrue to the road and bridge
8 fund, allotments under existing laws and the provisions of
9 this Code, and transfers from the General Fund, which shall
10 be available exclusively for the following purposes:

11 (a) Repair, maintenance, improvement, and
12 construction of roads, bridges, and highways: Provided,
13 however, That in applying this fund to such uses, adequate
14 provision shall be made for the maintenance of existing
15 unabandoned roads and bridges before any new construction
16 is undertaken.

17 (b) Providing and maintaining of wharves, piers, and
18 docks, in accordance with plans and specifications approved
19 by the sanggunian concerned and for removing obstructions
20 to navigation.

21 (c) Subsidizing or acquiring, operating and
22 maintaining means of water transportation within the
23 province, city or municipality, or between the province,
24 city and municipality and neighboring provinces, cities and
25 municipalities or islands or to bridge rivers and provide
26 facilities for communication and transportation by river,
27 as well as for establishing and operating telephone
28 systems.

29 (d) Construction, improvement, maintenance and repair
30 of wharves, piers and docks, plazas, parks, monuments and
31 playgrounds; street lighting, artesian wells, irrigation
32 systems, flood control systems, sewerage and drainage
33 systems, and other permanent public improvements.

34 (e) Acquisition of lands and buildings for public use.

35 (4) The sanggunian of a local unit may, upon proper
36 justification, transfer any unappropriated balance of the
37 infrastructure fund to cover exceptionally urgent needs of
38 the province, city or municipality.

39 SEC. [277] 275. Special Education Fund. - There
40 shall be maintained in the local treasuries a separate fund
41 to be known as the Special Education Fund which shall
42 consist of the respective shares of provinces, cities and
43 municipalities in the proceeds of the additional one

1 percent real property tax levied and appropriated for
2 educational purposes under the provisions of this Code.

3 SEC. [278] 276. Separation of Books and Depository
4 Accounts.- Local treasurers shall maintain separate books
5 and depository accounts for each fund in their custody or
6 administration under such rules and regulations as the
7 Commission on Audit may prescribe.

8 SEC. [279] 277. Depository Accounts. - Local
9 treasurers are hereby authorized to maintain their
10 depository accounts in the name of the local unit with
11 banks nearest their respective areas of jurisdiction duly
12 designated as government depositories by the Central Bank
13 of the Philippines, earnings of such deposits shall accrue
14 to the local government unit concerned.

15 SEC. [280] 278. Separation of Personal Money from
16 Public Funds. - Local treasurers and other accountable
17 officers shall keep personal monies separate and distinct
18 from government funds in their custody and shall not make
19 profit out of public money or otherwise apply the same to
20 any use not authorized by law.

21 ARTICLE II. - Special Accounts

22 SEC. [281] 279. Special Accounts to be Maintained in
23 the General Fund. - Local governments shall maintain
24 special accounts in the general fund for the following:

25 A. Public utilities and other economic enterprises.

26 B. Loans, interests, bond issues and other
27 contributions for specific purposes.

28 Receipts and expenditures involving the above-mentioned
29 special accounts shall be properly taken up thereunder.

30 Net profits derived from the operation of public
31 utilities and other economic enterprises, when not needed
32 for the return of the advances made therefor, shall be
33 spent principally for the improvement of the public utility
34 or the economic enterprises concerned. Any excess may be
35 utilized as part of the general fund of the local
36 government unit concerned.

37 CHAPTER 3 - Budgeting

38 Article I. Local Government Budgets

39 SEC. [282] 280. Form and Content. - Local government
40 budgets shall primarily consist of two parts: (1) the
41 estimates of income certified collectible by the treasurer
42 concerned; and (2) the total appropriations covering (a)
43 the current operation expenditures; and (b) capital

1 outlays.

2 The budget document shall contain:

3 (1) a budgetary message of the local chief executive
4 setting forth in brief the significance of the
5 appropriations proposed;

6 (2) a brief summary of the functions and activities in
7 relation to the goals and objectives of the local
8 government for the fiscal period; and

9 (3) summary financial statements setting forth:

10 (a) the actual income and expenditures
11 during the last completed year;

12 (b) the actual income and expenditures of
13 the first three quarters and the estimated income
14 and expenditures for the fourth quarter of the
15 fiscal year in progress;

16 (c) the estimated income for the ensuing
17 fiscal year from ordinances and laws existing at
18 the time the proposed budget is transmitted,
19 together with other revenue-raising proposals, if
20 any;

21 (d) the estimated expenditures necessary to
22 carry out the functions and activities of the
23 local government for the ensuing fiscal year;

24 (e) all essential facts regarding the bonded
25 and other long-term obligations and indebtedness
26 of the local government, if any;

27 (f) summary statement of all statutory and
28 contractual obligations due; and

29 (g) such other financial statements and data
30 as are deemed necessary or desirable in order to
31 make known in all practicable detail the financial
32 condition of the local government unit.

33 SEC. [283] 281. Submission of Detailed Statements of
34 Income and Expenditures. - On or before the fifteenth day
35 of April of each year, the local treasurers shall submit to
36 their respective local chief executives a certified
37 statement covering the income and expenditures pertaining
38 to the preceding fiscal year; the actual income and
39 expenditures of the first three quarters and the estimated
40 income and expenditures for the fourth quarter of the
41 current year; and the estimates of income for the ensuing
42 fiscal year. The local treasurer shall also certify to the
43 reasonable probability of realizing the estimates of income



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1 for the ensuing fiscal year.

2 SEC. [284] 282. Submission of Budget Proposals by
3 Heads of Offices. - Each head of office shall submit a
4 statement of the proposed expenditures recommended by him
5 for his office to the local chief executive on or before
6 the date the said local chief executive may determine, but
7 not later than April fifteenth of each year and in
8 accordance with such policy guidelines as the latter may
9 issue in conformity with the general requirements of this
10 Code.

11 Budget proposals for all offices, departments, or
12 projects shall be divided into two primary categories,
13 namely: the current operating expenditures and the capital
14 outlays. Such budget proposals shall be supported by:

15 (1) Personnel schedules containing the following
16 information:

17 (a) A detailed plantilla of personnel indicating
18 position titles, names of incumbents, and present and
19 proposed rates of salaries and wages, excluding those hired
20 on the daily basis;

21 (b) Proposed new positions and corresponding salary
22 rates; and

23 (c) Positions proposed for abolition and the aggregate
24 amount involved.

25 (2) Brief narrative description of the nature of the
26 work to be performed and explanation of the significance
27 and scope of each program.

28 SEC. [285] 283. Preparation of the Budget by the
29 Local Chief Executive. - Upon receipt of the statements of
30 income and expenditures from the treasurer and the budget
31 proposals of the heads of offices as provided for in the
32 preceding section, the local chief executive shall prepare
33 the budget for the ensuing fiscal year in accordance with
34 Section [282] 280 hereof.

35 The local chief executive shall submit the budget to
36 the sanggunian concerned not later than May sixteen of the
37 year. Failure to submit such annual budget shall subject
38 the local chief executive to such penalties as for
39 dereliction of duty.

40 SEC. [286] 284. Legislative Authorization of the
41 Budget.- On or before the end of the fiscal year, the
42 sanggunian concerned shall approve through the enactment of
43 an appropriation ordinance the annual budgets for each fund

1 of the local government unit for the ensuing fiscal year on
2 the basis of the statement of the certified estimated
3 income and budget proposals submitted by the local chief
4 executive.

5 Should the sanggunian concerned fail to approve the
6 annual budget at the start of the calendar year, it shall
7 continue to hold sessions until the annual budget is
8 approved without additional remuneration and no other
9 business may be taken up by said sanggunian until the
10 annual budget is approved. If the sanggunian until the
11 annual fails to enact the budget within a period of ninety
12 days the first working day of the calendar year, the
13 budget proposal shall be deemed to have been approved by
14 the sanggunian concerned.

15 SEC. [287] 285. Effectivity of Budgets. - The
16 approved annual budget shall be deemed to be operative and
17 in full force and effect as of the beginning of the
18 calendar year. A supplemental budget, however, shall take
19 effect upon its approval or on the date fixed in the
20 appropriation ordinance for its effectivity.

21 SEC. [288] 286. Changes in the Annual Budget. -
22 Changes in the annual budget may be made within the fiscal
23 year by way of supplemental budgets which shall be enacted
24 in the same manner as the annual budget but not oftener
25 than once each quarter. Additional supplemental budgets,
26 however, may in times of emergency be enacted in the manner
27 herein provided to set aside appropriations for the
28 purchase of supplies and materials and/or the payment of
29 services, which are exceptionally urgent or absolutely
30 indispensable to prevent imminent danger to, or loss of,
31 life or property.

32 Whenever any change is made in the budget, the
33 supplemental appropriation ordinance shall clearly indicate
34 the various items of appropriation affected and the reasons
35 for the change.

36 SEC. [289] 287. Failure to Enact an Annual Budget. -
37 If the local sanggunian shall fail to pass the annual
38 budget within ninety days after the beginning of the
39 ensuing calendar year, or when the budget which has been
40 enacted is declared inoperative in its entirety by the
41 reviewing officer, only the annual appropriations for
42 salaries and wages of existing positions, statutory and
43 contractual obligations, and essential operating expenses

1 authorized in the annual and supplemental budgets for the
2 preceding calendar year shall be deemed re-enacted and
3 disbursements of funds shall be in accordance therewith
4 until a new budget or a revised budget meeting the
5 objections of the reviewing officer is approved.

6 In the implementation of a re-enacted budget, the local
7 treasurer concerned shall exclude from the estimates of
8 income for the preceding fiscal year those realized from
9 non-recurring sources, like national aids, proceeds from
10 loans, sale of assets, prior year adjustments, and other
11 analogous sources of income.

12 Should the revised income estimates be less than the
13 aggregate re-enacted appropriations, the treasurer shall
14 accordingly advise the sanggunian concerned which shall,
15 within ten days from receipt of such advice, make the
16 necessary adjustments or reductions. The revised
17 appropriations authorized by the sanggunian concerned shall
18 then be the basis for disbursements.

19 SEC. [290] 288. Budgetary Requirements. - The
20 budgets of provinces, cities, municipalities and barangays
21 for any year shall comply with the following requirements:

22 (a) The aggregate amount appropriated shall not exceed
23 the estimated income certified collectible by the local
24 treasurer;

25 (b) Full provisions shall be made for all statutory
26 and contractual obligations of the local government
27 concerned;

28 (c) In the case of provinces, cities and
29 municipalities, aids to legally constituted barangays shall
30 be provided in amounts not less than P1,000.00 per
31 barangay; and

32 (d) Two percent of the estimated revenue from regular
33 sources, shall be set aside as a yearly unappropriated
34 reserve to cover unforeseen expenditures arising from the
35 occurrence of natural calamities or financial dislocation
36 on account thereof.

37 SEC. [291] 289. General Limitations. - (1) The
38 total annual appropriations for salaries and wages of
39 provincial, city and municipal officials and employees for
40 one calendar year shall not exceed fifty-five percent
41 (55%), in the case of all first and second class provinces,
42 cities and municipalities, and sixty-five percent (65%), in
43 the case of those lower than second class, of the total

1 annual income actually realized from regular sources during
2 the next preceding calendar year. The appropriations for
3 salaries and wages of officials and employees in the public
4 schools, hospitals, health and agricultural services,
5 public utilities, markets and slaughter-houses, and other
6 economic enterprises owned, operated and maintained by the
7 province, city or municipality, as well as representation
8 and emergency cost-of-living allowances, shall not be
9 included in the computation of the maximum amount
10 expendable for salaries and wages.

11 (2) No official or employee shall receive a salary
12 rate higher than the maximum fixed by law or regulation for
13 his position or other positions of equivalent rank.

14 (3) No local fund shall be appropriated to increase or
15 adjust salaries or wages of officials and employees of the
16 national government assigned in a local government unit
17 except as may hereafter be expressly authorized by law.

18 (4) In case a reduction of salaries and wages becomes
19 necessary, such reduction shall be general in character and
20 the percentage thereof shall be uniform for similar rates
21 of salaries and wages. In cases of abolition of positions
22 in the competitive or career service, such abolition shall
23 be made in accordance with pertinent provisions of this
24 Code and of the Civil Service Law and Rules.

25 (5) Non-funding of existing positions in the
26 competitive or non-competitive services which are occupied
27 by incumbents holding permanent appointments shall be
28 unlawful.

29 (6) Changes in designation or nomenclature of
30 positions resulting in a promotion or demotion in rank
31 and/or increase or decrease in compensation shall not be
32 authorized, except when the position is actually vacant,
33 and the filling of such positions shall be strictly made in
34 accordance with the Civil Service Law and Rules.

35 (7) Except as may be expressly authorized by law,
36 creation of new positions and salary increases or
37 adjustments shall not be retroactive but, rather,
38 invariably prospective in effect.

39 (8) The annual appropriations for discretionary
40 purposes of the local chief executive shall not exceed five
41 percent of the real property tax collections actually
42 realized during the next preceding fiscal year.

43 SEC. [292] 290. Review of Provincial and City

1 Budgets.- Within ten days from receipt by the provincial or
2 city budget officer of copies of the provincial or city
3 budget approved by the sangguniang panlalawigan or
4 sangguniang panlungsod, he shall furnish copies thereof to
5 the regional office of the Department of Budget and
6 Management who shall have the power to review the same in
7 order to ascertain compliance with the foregoing
8 requirements and general limitations. If within ninety days
9 after receipt of his copies of the provincial or city
10 budgets, the regional office of the Department of Budget
11 and Management takes no action thereon, the same shall be
12 deemed to have been passed in accordance with law and shall
13 continue to be in full force and effect. If within the
14 same period the regional office of the Department of Budget
15 and Management shall have ascertained that a provincial or
16 city budget has not complied with the budgetary
17 requirements set forth in Section [290] 288 hereof, the
18 budget shall be declared inoperative in its entirety.
19 Items of appropriation contrary to, or in excess of, any of
20 the general limitations prescribed in Section [291] 289
21 hereof, shall be disallowed or reduced accordingly and any
22 violation of any of the aforesaid general limitations shall
23 constitute sufficient ground for declaring the budget
24 inoperative either in part or in its entirety.

25 The regional office of the Department of Budget and
26 Management shall, within the ninety-day period hereinabove
27 fixed, advise the provincial governor or the city mayor
28 concerned thru the local budget officer of any action taken
29 on the budget under review. Following receipt of such
30 advice, it shall be unlawful for the provincial or city
31 treasurer to make further disbursements of funds from any
32 of the items of appropriation declared inoperative,
33 disallowed or reduced.

34 SEC. [293] 291. Review of Municipal Budgets.-
35 Municipal budgets shall be reviewed by the Sanggunian
36 panlalawigan in the same manner and within the same period
37 as prescribed for municipal ordinances. The budgetary
38 requirements and general limitations prescribed for
39 provincial and city budgets shall likewise be applicable to
40 municipal budgets.

41 If within ninety days from receipt of copies of the
42 municipal budget from the sangguniang bayan concerned, the
43 sangguniang panlalawigan takes no action thereon, the same

1 shall be deemed to have been passed in accordance with law
2 and shall continue to be in full force and effect. If
3 within ninety days the sangguniang panlalawigan shall have
4 ascertained that a municipal budget has not complied with
5 the budgetary requirements set forth in this Code or when
6 the income estimates certified by the municipal treasurer
7 are found to be unrealistic and improbable of collection,
8 the sangguniang panlalawigan shall within the ninety-day
9 period hereinabove fixed, declare the budget inoperative in
10 its entirety. Items of appropriation contrary to, or in
11 excess of, any of the general limitations prescribed in
12 this Code shall be disallowed or reduced accordingly and
13 any other violation of any of the aforesaid general
14 limitations shall constitute sufficient ground for
15 declaring the budget inoperative either in part or in its
16 entirety.

17 The sangguniang panlalawigan shall within the ninety-
18 day period advise the sangguniang bayan concerned through
19 the municipal mayor of any action taken on the budget under
20 review. Following receipt of such advice, it shall be
21 unlawful for the municipal treasurer to make further
22 disbursements of funds from any of the items of
23 appropriation declared inoperative, disallowed, or reduced.

24 SEC. [294] 292. Duration of Appropriation: Closing
25 Special Budgets. - Appropriations for ordinance
26 administrative purpose shall terminate with the fiscal year
27 and all unexpended balances thereof shall be reverted on
28 the thirty-first day of December of each year to the
29 unappropriated account by way of a special budget which
30 shall serve as a supporting document to the corresponding
31 journal voucher. Similarly, thru the special budget, all
32 income accounts shall be brought into balance before
33 closing the books, reducing the classes of income that have
34 been overestimated and increasing those that have been
35 underestimated to the amounts actually realized.

36 Such special budgets reverting unexpended
37 appropriations for ordinary administrative purposes and of
38 income receivable and actual income adjustments shall not
39 require any action by the local sanggunian. However,
40 legislative action by the local sanggunian is necessary in
41 the following cases: (1) where overdrafts in any of the
42 appropriation accounts have been incurred; and (2)
43 reversions of continuing appropriations or appropriations

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1 obligated by contract as may be authorized by law.

2 SEC. [295] 293. Submission of Detailed Statements of
3 Income and Expenditures for the Barangay Budgets. - On or
4 before the fifteenth day of April of each year, the
5 municipal or city treasurer shall furnish the punong
6 barangay with a certified statement covering the estimates
7 of income from local sources and expenditures pertaining to
8 the ensuing fiscal year and thereby certify to the
9 reasonable probability of realizing the estimates of income
10 prepared and submitted by the barangay treasurer.

11 SEC. [296] 294. Barangay Budgets. - (1) Unless
12 otherwise provided in this Code, all the income of the
13 barangay from whatever source shall accrue to its general
14 fund and shall be kept as trust fund in the custody of the
15 city or municipal treasurer to be disbursed in accordance
16 with the provisions of this Code. Ten percent of the total
17 general fund of the barangay shall be set aside for the
18 kabataang barangay.

19 (2) After deducting statutory and contractual
20 obligations, forty percent of the remainder of the general
21 fund of the barangay shall be set aside solely for
22 development projects, the plan and corresponding program of
23 work of which have been reviewed and approved by the city
24 or municipal development council. Action thereon by the
25 said council shall be made in not more than thirty working
26 days from submission, otherwise the barangay development
27 plan and corresponding program of work thus submitted shall
28 be considered approved.

29 (3) Each province, city and municipality shall give an
30 annual contribution in an amount not less than five
31 hundred nor more than one thousand pesos to every barangay
32 within their respective jurisdiction. A local government
33 unit may grant additional contributions to barangays within
34 its jurisdiction through the sangguniang barangay.

35 SEC. [297] 295. Budgetary Appropriations. - (1) Upon
36 receipt of the barangay statements specified under Section
37 [294] 292 hereof from the city or municipal treasurer, the
38 punong barangay shall prepare the barangay budget in the
39 manner and within the period prescribed in this Code.
40 Thereafter, the punong barangay shall submit the annual
41 barangay budget to the sangguniang barangay for legislative
42 authorization and/or enactment of the corresponding
43 appropriation ordinance.

1 (2) The barangay budget shall be subject to the same
2 requirements and limitations provided in Sections [290]
3 288 and [291] 289 hereof.

4 (3) Copies of the barangay budget shall be furnished
5 the sangguniang panlungsod or the sangguniang bayan, as
6 the case may be, through the city or municipal budget
7 officer within ten days from its approval. The sanggunian
8 concerned shall have the power to review such budget in
9 order to ensure that the provisions of this Code are
10 complied with. If within sixty days after the receipt of
11 the barangay budget the sanggunian concerned takes no
12 action thereon, the same shall continue to be in full force
13 and effect. If within the same period the sanggunian
14 concerned shall have ascertained that the barangay budget
15 contain appropriations in excess of the estimates of the
16 income duly certified collectible or that the same has not
17 fully provided for statutory or contractual obligations of
18 the barangay, the budget shall be declared inoperative in
19 its entirety. Items of appropriation in excess of those
20 provided in laws and executive orders shall be disallowed
21 or reduced accordingly.

22 (1) Within the period hereinabove fixed, the
23 sangguniang panlungsod or sangguniang bayan concerned
24 shall return the barangay budget through the city or
25 municipal budget officer to the punong barangay with the
26 advice of action thereon for proper adjustments, in which
27 event the barangay shall operate on the previous year's
28 budget until such time that a new budget shall have met the
29 objections presented. Upon receipt of such advice, it
30 shall be unlawful for the barangay treasurer or the city or
31 municipal treasurer who has custody of the funds to make
32 further disbursements from any other items of appropriation
33 declared inoperative, disallowed or reduced.

34 SEC. [298] 296. Effectivity of the Barangay Budget. -
35 The barangay budget approved by the sangguniang barangay
36 shall be operative and in full force and effect at the
37 beginning of the calendar year. A barangay supplemental
38 budget shall take effect upon its approval or on the date
39 fixed in the appropriation ordinance for its effectivity.

40 SEC. [299,] 297. Barangay Financial Procedures. - (1)
41 The barangay treasurer shall collect all taxes due or
42 unpaid including real property taxes, fees and other
43 charges and contributions accruing to the barangay treasury

1 for which he shall issue official receipts and shall
2 deposit all collections with the city or municipal treasury
3 within a period of one week after receipt thereof:
4 Provided, That he collects the taxes due in his own
5 barangay only after being deputized by the treasurer
6 concerned for the purpose. He shall disburse the same in
7 accordance with the budget and upon resolution of the
8 sangguniang barangay, upon vouchers signed by the payee and
9 approved by the punong barangay, and subject to the
10 availability of funds in the barangay treasury and to all
11 existing and applicable auditing rules and regulations.

12 All other funds collected for a specific purpose shall
13 be considered as special trust fund and shall be deposited
14 in the name of the barangay with the nearest depository
15 bank in the area.

16 (2) The barangay treasurer may be authorized by the
17 sangguniang barangay to make direct purchases amounting to
18 not more than one thousand pesos at any time for the
19 ordinary and essential needs of the barangay. The petty
20 cash that the barangay treasurer may be authorized to hold
21 for the purpose shall not exceed twenty percent of the
22 funds available and to the credit of the barangay treasury.

23 (3) The financial records of the barangay shall be
24 kept in the office of the city or municipal treasurer in
25 simplified manner as prescribed by the Commission on Audit.
26 Representatives of the Commission on Audit shall annually
27 audit such accounts or as often as may be necessary and
28 make a report of the audit to the sangguniang bayan or
29 sangguniang panglungsod, as the case may be. The
30 Commission on Audit shall prescribe and put into effect
31 simplified procedure for barangay finances within one year
32 following the effectivity of this Code.

33 SEC. [300] 298. Disbursement of Appropriations for
34 Development Project. - Appropriations for development
35 projects of local governments shall not be disbursed until
36 after the corresponding work programs shall have been
37 reviewed by the Secretary of Local Government or his duly
38 authorized representative. The Secretary shall issue the
39 guidelines necessary in the proper implementation of this
40 Section.

41 SEC. [301] 299. Administrative Issuances; Budget
42 Operations Manual. - The Secretary of Budget and Management
43 jointly with the Chairman of the Commission on Audit shall,

1 within one year from the effectivity hereof, promulgate a
2 Budget Operations Manual for local governments to improve
3 and systematize methods, techniques and procedures employed
4 in budget preparation, authorization, execution and
5 accountability.

6 CHAPTER 4. - Expenditures, Disbursements,
7 Accounting and Accountability

8 SEC. [302] 300. Prohibition Against Expenditures
9 for Religious or Private Purposes. - No public money or
10 property shall be appropriated or applied for the benefit
11 of any religious sector activity nor any other undertaking
12 or purpose of a private character.

13 SEC. [303] 301. Use of Appropriated Funds. - Funds
14 shall be available exclusively for the specific purpose for
15 which they have been appropriated. No transfers or
16 reversions of appropriations from one item to another shall
17 be made except as authorized by the local sanggunian.

18 SEC. [304] 302. Restriction Upon Limits of
19 Disbursements. - Disbursements in accordance with
20 appropriations in the approved local budget may be made
21 from any local funds in the custody of the treasurer but
22 the total disbursements from any local fund shall in no
23 case exceed the actual collections plus fifty percent of
24 the uncollected estimated revenue accruing to such fund;
25 Provided, however, That no cash overdraft in any local
26 fund shall be incurred at the end of the fiscal year.

27 In case of emergency caused by typhoon, earthquake, or
28 any other public calamity, the local sanggunian may
29 authorize the treasurer to continue making disbursements
30 from any local fund in his possession in excess of the
31 limitations herein provided, but only for such purpose and
32 amounts included in the approved local budgets.

33 Any overdraft which may be incurred at the end of the
34 year in any local fund by virtue of the provisions hereof
35 shall be covered with the first collections of the
36 following fiscal year accruing to such local fund.

37 SEC. [305] 303. Prohibition Against Advance Payments.
38 - No money shall be paid on account of any contract for
39 which no services have as yet been rendered or no
40 deliveries have as yet been made.

41 SEC. [306] 304. Cash Advances. - No cash advance
42 shall be granted to any local official or employee,
43 appointive or elective, unless in accordance with the rules

1 and regulations as the Commission on Audit may prescribe.

2 SEC. [307] 305. Prohibition Against Pecuniary
3 Interest.- It shall be unlawful for any local treasurer or
4 other accountable officer to have any pecuniary interest,
5 direct or indirect, in any contract, work or other business
6 of the local government unit of which he is the treasurer
7 or accountable officer.

8 SEC. [308] 306. Liability for Acts Done Upon Direction
9 of Superior Officer, or Upon Participation of Other
10 Department Heads or Officers of Equivalent Rank. - The
11 local treasurer or other accountable officer shall not be
12 relieved of liability for illegal or improper use or
13 application or deposit of government funds or property by
14 reason of his having acted upon the direction of a superior
15 officer, elective or appointive, or upon participation of
16 other 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.

23 SEC. [309] 307. Prohibition Against Expenses for
24 Receptions and Entertainment.- No money shall be
25 appropriated, used or supplied for entertainment or
26 receptions except to the extent of representation
27 allowances authorized by law or for the reception of
28 visiting dignitaries of foreign governments or foreign
29 missions, or when expressly authorized by the President in
30 specific cases.

31 SEC. [310] 308. Certification on, and Approval of,
32 Vouchers.- Monies shall not be disbursed unless the
33 treasurer and the local budget officer concerned
34 correspondingly certify that funds are available and that
35 appropriation has been legally made for the purpose.
36 Vouchers and payrolls shall be certified to and approved by
37 the head of the department or office who has administrative
38 control of the fund concerned, as to validity, propriety
39 and legality of the claim involved. In all cases, the
40 approval of the local chief executive shall, be required
41 when local funds are involved.

42 In case of temporary absence or incapacity of the
43 department head or chief of office, the officer next-in-

1 rank shall automatically perform this function and he shall
2 be fully responsible therefor.

3 SEC. [311] 309. Officials Authorized to Draw Checks
4 in Settlement of Obligations. - Checks in settlement of
5 obligations shall be drawn by the local treasurer and
6 countersigned by the local chief executive concerned.

7 In case of temporary absence or incapacity of the
8 abovenamed officials, these duties shall devolve upon their
9 immediate assistance.

10 SEC. [312] 310. Disbursement of Local Funds and
11 Statement of Accounts. - Disbursements shall be made in
12 accordance with the appropriations provided by the local
13 sanggunian without the necessity of further approval by
14 said body. Within forty days after the close of each
15 month, the local treasurer shall furnish the sanggunian
16 with such financial statements as may be prescribed by the
17 Commission on Audit. In the case of the year-end
18 statement of accounts, the period shall be sixty days.

19 SEC. [313] 311. Rendition of Accounts. - Local
20 treasurers and other local accountable officers shall
21 render their accounts within such time, in such form, style
22 and contents and under such regulations as the Commission
23 on Audit may prescribe.

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

32 SEC. [314] 312. Auditorial Visitation. - The books,
33 accounts, papers and cash of any local treasurer or other
34 accountable officer shall at all times be open to the
35 inspection of the Commission on Audit or its duly
36 authorized representative.

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

1 treasurer and its contents, close and render his accounts
2 to the date of turnover. The local treasurer or
3 accountable officer found with such shortage shall
4 automatically stand suspended from office.

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

10 SEC. [315] 313. Accounting for Revenues.- Estimated
11 revenues which remain unrealized at the close of the
12 calendar year shall not be booked nor credited to the
13 unappropriated surplus or any other account.

14 SEC. [316] 314. Accounting for Obligations.- All
15 lawful expenditures and obligations incurred during a year
16 shall be taken up in the accounts of that year. Sanggunian
17 approval shall be required for appropriations for the
18 current year which are intended for payment of prior years'
19 obligations.

20 SEC. [317] 315. General Liability for Unlawful
21 Expenditures.- Expenditures of funds or use of property in
22 violation of law shall be a personal liability of the
23 official or employee responsible therefor.

24 SEC. 315-A. POSTING IN CONSPICUOUS PLACES, SUMMARY. -
25 LOCAL TREASURERS AND OTHER LOCAL ACCOUNTABLE OFFICERS
26 SHALL, WITHIN THIRTY (30) DAYS FROM THE END OF EACH
27 CALENDAR YEAR, POST IN AT LEAST THREE (3) CONSPICUOUS
28 PUBLIC PLACES IN THE LOCALITY, A SUMMARY OF ALL REVENUES,
29 COLLECTIONS, INCOME AND OTHER PUBLIC FUNDS RECEIVED BY THE
30 PROVINCE, CITY OR MUNICIPALITY DURING THE PRECEDING
31 CALENDAR YEAR AND ALL DISBURSEMENTS, EXPENDITURES AND
32 UTILIZATION OF SAID PUBLIC FUNDS. THE SUMMARY SHALL
33 INCLUDE THE BREAKDOWN OF ALL PUBLIC FUNDS RECEIVED,
34 COLLECTED AND DISBURSED BY THE LOCALITY. (S.B. 624)

35 SEC. [318] 316. The Official Fiscal Year. - The
36 official fiscal year of local governments shall be the
37 period beginning with the first day of January and ending
38 with the thirty-first day of December of the following
39 year. The Local Governments must always have a balanced
40 budget in each fiscal year of operation. In line with
41 this, a sample format of the statement of financial
42 operations of local government units is hereby recommended,
43 as follows:

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EXHIBIT 'A'
SAMPLE FORMAT OF THE
STATEMENT OF FINANCIAL OPERATIONS OF
LOCAL GOVERNMENT UNITS

- A. TOTAL RECEIPTS
 - 1. Operating Receipts
 - a. Proceeds from Sale of Goods and Services (especially public utilities)
 - b. Current Subsidies from National Government
 - 2. Other Receipts
See Exhibit "A-1"
- B. CURRENT EXPENDITURES
 - 1. Operating Expenditures
 - a. Salaries and Wages
 - b. Office Stationery and Supplies
 - c. Other Operating Expenditures (enumerate)
 - 2. Other Current Expenditures
 - a. Interest Payments to National Government
 - b. Tax payments to National Government
 - c. Other Current Expenditures (enumerate)
- C. CAPITAL EXPENDITURES
 - 1. Acquisition of Capital Assets
 - 2. Other Capital Expenditures (enumerate)
- D. INTERNAL CASH GENERATION (A minus B)
- E. FINANCING REQUIREMENT (A minus B minus C)
- F. EXTERNAL FINANCING (NET)
- G. DOMESTIC FINANCING (NET)

EXHIBIT "A-1"

NOTES TO EXHIBIT "A"

- I. "Other Receipts" Component
 - A. Taxes
 - 1. Provinces
 - Tax on Transfer of Real Property Ownership
 - Tax on Business of Printing and Publication
 - Franchise Tax
 - Sand and Gravel Fee
 - Occupation Tax
 - Amusement Tax on Admission
 - Tax on Peddlers
 - Annual Fixed Tax on Delivery Truck or Van of Manufacturers/Producers/Dearlers of Certain Products



- 1 2. Municipalities
- 2 - Tax on Business (manufacturing, importing,
- 3 exporting, producing, wholesaling and
- 4 retailing/dealing of any article of commerce
- 5 or whatever kind or nature)
- 6 3. Cities
- 7 - Scope of Power: Except as otherwise provided
- 8 in this Code, the city may levy and collect;
- 9 among others, any of the taxes, fees and
- 10 other impositions that the province or the
- 11 municipality may levy and collect at rates to
- 12 be determined by the SANGGUNIANG PANLUNGSOD,
- 13 subject to such limitations as are provided
- 14 in this Code and other laws (see Section 129
- 15 of the Code).
- 16 4. Barangays
- 17 - License Taxes and Fees
- 18 B. Fees and Charges
- 19 1. Provinces
- 20 - Fees for Sealing and Licensing of Weights and
- 21 Measures
- 22 - Rental Fee for use of municipal waters,
- 23 rivers, etc. as log pond
- 24 - Fee for registration of pawnshops
- 25 2. Municipalities
- 26 - Various fees and charges: circus or
- 27 menagerie parades, cart and sledge
- 28 registration, building permit, registration
- 29 of cattle, marriage, civil status of persons,
- 30 secretary (records and documents), police
- 31 clearance, impounding/sale of animals, burial
- 32 permit, excavation/removal of cadaver, dog
- 33 license and bicycle permit (see Section 126
- 34 of the Code).
- 35 3. Cities
- 36 - Scope of Power: Except as otherwise provided
- 37 in this Code, the city may level and collect,
- 38 among others, any of the taxes, fees and
- 39 other impositions that the province or
- 40 municipality may levy and collect at rates to
- 41 be determined by the SANGGUNIANG PANLUNGSOD,
- 42 subject to such limitations as are provided
- 43 in this Code and other laws (see Section 129



- 1 of the Code).
- 2 4. Barangays
- 3 - License Taxes and Fees
- 4 - Service Charges
- 5 - Barangay Clearance
- 6 5. Common Revenue-Raising Power
- 7 a. Market fees
- 8 b. Slaughterhouse fees
- 9 c. Public utility charges
- 10 d. Tuition fees
- 11 e. Tolls for roads, bridges, canals and ferries
- 12 f. Charges for holding benefits
- 13 g. Permit fees
- 14 h. Service charges
- 15 i. Parking charges
- 16 II. Proceeds from Real Property Tax (see Section 194 of
- 17 the Code)
- 18 Distribution of Proceeds (see Sec. 249 of the Code)
- 19 A. 40% to municipality where the property is located
- 20 B. 40% to province where property is located
- 21 C. 20% to barangay where property is located
- 22 III. Special Levies on Real Property (see Chapter 5)
- 23 IV. Residence Tax (see Sec. 257 of the Code)
- 24 A. 5% of proceeds to the general fund of the national
- 25 government
- 26 B. 95% - In provinces, 40% to the general fund
- 27 of the province, 40% to the municipalities, 20% to the
- 28 barangays
- 29 - In cities, 80% to the general fund of the
- 30 city, 20% to the barangays
- 31 V. Allotments to and Sharing of Local Governments in the
- 32 Proceeds of National and Local Taxation (see Title 3, Book
- 33 II of the Code)
- 34 A. Internal Revenue and Specific Tax Allotment
- 35 1. 20% to provinces
- 36 2. 35% to municipalities
- 37 3. 30% to cities
- 38 4. 15% to barangays
- 39 B. Share of Each Level of Local Government-Determined
- 40 on the basis of:
- 41 1. Population - [40%] 30%
- 42 2. Land Area - [20%] 40%
- 43 3. Equal Sharing - 20%

1 4. Revenue Collection Performance - [20%] 10%

2 VI. Historically, local government units in the Philippines
3 derive their revenues from the following major sources:

4 A. Real Property tax;

5 B. License tax;

6 C. Profits and receipts from operations of public
7 utilities and other business enterprises (including
8 public markets) as well as fees charged for services
9 rendered and for registration of certain activities;

10 D. National Allotment, both regular and special,
11 consisting of a fixed percentage of all national
12 internal revenue collections;

13 E. National aids and loans, the amount carrying from
14 year to year, depending on need, availability of funds
15 and how disposed the national government is in granting
16 financial assistance to local units.

17 TITLE SIX - ACQUISITION, UTILIZATION, CARE,
18 CUSTODY AND DISPOSAL OF SUPPLIES
19 IN THE LOCAL GOVERNMENTS

20 SEC. [318] 317. Scope. - This title shall govern the
21 procurement, care, utilization and disposal of supplies by
22 local governments and other aspects of supply management at
23 the local levels.

24 SEC. [319] 318. General Rule in Procurement or
25 Disposal. - Except as otherwise herein provided,
26 procurement of supplies by local government units shall be
27 thru competitive public bidding. Supplies which have
28 become unserviceable or no longer needed shall be sold,
29 whenever applicable, at public auction.

30 SEC. [320] 319. Requirement of Requisition. - No
31 other for supplies shall be filled by the provincial, city,
32 municipal or barangay treasurer concerned for any office or
33 department of the local government except upon written
34 requisition as herein provided.

35 SEC. [321] 320. Officers Having Authority to Draw
36 Requisitions. - Requisitions shall be drawn by the head of
37 office or department needing the supplies, who shall
38 certify as to their necessity for official use, and specify
39 the project or activity where the supplies are to be used.

40 SEC. [322] 321. Certificate Showing Existence of
41 Appropriation. - Every requisition must be accompanied by a
42 certificate, signed by the local budget officer showing
43 that an appropriation therefor exists, and by the local

1 treasurer showing that the estimated amount of such
2 expenditure has been set aside for its liquidation.

3 SEC. [323] 322. Approval of Requisition. - Approval
4 of the requisition by the head of office or department
5 concerned who has administrative control of the
6 appropriation against which the proposed expenditure is
7 chargeable is sufficient, except in the case of
8 requisitions for supplies to be carried in stock which
9 shall be approved by the local chief executive and the
10 provincial or city auditor concerned; Provided, That such
11 supplies are listed or included in the annual procurement
12 plan and the maximum quantity thereof does not exceed the
13 estimate consumption corresponding to a programmed three-
14 month period; and Provided, further, That nothing herein
15 contained shall be construed as authorizing the purchase of
16 furniture and equipment for stock purposes.

17 SEC. [324] 323. The Call for Bids. - When procurement
18 is to be done at the local government level and save in
19 exempt cases, the local treasurer shall call bids for open
20 public competition. The call for bids shall show the
21 complete specifications and technical descriptions of the
22 supplies desired and shall embody all terms and conditions
23 of participation and award, terms of delivery and payment
24 and of all other covenants affecting the transaction.

25 In all calls for bids, the right to waive any defect in
26 the tender as well as the right to accept the bid most
27 advantageous to the government shall be reserved. In no
28 case, however, shall failure to meet the specifications or
29 technical requirements of the supplies desired be waived.

30 SEC. [325] 324. Publication of Call for Bids. - The
31 call for bids shall be given the widest publicity possible,
32 providing, by mail or otherwise, any known prospective
33 participant in the locality, of copies of the call and by
34 posting copies of the same in at least three conspicuous
35 public places within the immediate environs of the
36 provincial capitol, or city or municipal hall of the local
37 government unit involved.

38 In addition to the above modes of publicity, the notice
39 of the bidding may be published for three times within a
40 week in a newspaper of general circulation in the local
41 unit concerned when the local treasurer deems it necessary
42 in order to obtain the lowest responsible and complying
43 bid.

1 The opening of bids shall be in the presence of the
2 provincial or city auditor or his duly authorized
3 representative who shall identify and secure copies of the
4 bids and certify the abstract of the bidding.

5 SEC. [326] 325. The Committee on Awards. - There shall
6 be in every province, city and municipality a Committee on
7 Awards to decide winning bids and questions of awards on
8 procurement and disposal of property.

9 The Committee on Awards shall be composed of the local
10 chief executive as Chairman with the local treasurer and
11 the head of office or department for whose use the supplies
12 are being procured, as member. In case the head of office
13 or department involved is already a member and as such
14 would sit in a dual capacity, a member of the local
15 sanggunian chosen by the local chief executive shall sit as
16 a third member: Provided, however, That no national
17 official shall be a member of the Committee on Awards.
18 AND PROVIDED FURTHER THAT THE RESULTS OF THE BIDDING SHALL
19 BE MADE PUBLIC BY POSTING THE SAME IN THE MUNICIPAL HALL
20 AND IN THE PUBLIC MARKET.

21 SEC. [327] 326. Rule on Awards. - Awards in the
22 procurement of supplies shall be made to the lowest
23 complying and responsible bid which meets all the terms and
24 conditions of the contract or undertaking.

25 SEC. [328] 327. Procurement Without Public Bidding. -
26 Procurement of supplies may be made without the benefit of
27 public bidding in the following modes:

- 28 (1) Personal canvass of responsible merchants;
29 (2) Emergency purchases;
30 (3) Negotiated Purchase;
31 (4) Direct purchases from manufacturers or
32 exclusive distributors; and
33 (5) Purchase from other government entities
34 or foreign governments.

35 SEC. [329] 328. Procurement thru Personal Canvass. -
36 Procurement of supplies may be effected after personal
37 canvass of at least five responsible merchants in the
38 locality by a committee of three composed of
39 representatives of the individual members of the Committee
40 on Awards. The award shall be decided by the Committee on
41 Awards.

42 Purchases under this section shall not exceed the
43 amounts specified hereunder for all items in any one month.



1 for each local unit;

2 Provinces and Cities:

3 First and second class - One hundred thousand pesos;

4 Third and fourth class - Seventy-five thousand pesos;

5 Lower than fourth

6 class - Fifty thousand pesos.

7 Municipalities:

8 First Class - Seventy-five thousand pesos;

9 Second and Third Class - Fifty thousand pesos;

10 Fourth Class and below - Twenty-five thousand pesos.

11 SEC. [330] 329. Emergency Purchases. - In case of
12 emergency where the need for the supplies is exceptionally
13 urgent or absolutely indispensable and only to prevent
14 imminent danger to, or loss of, life or property, local
15 government units may make emergency purchases or place
16 repair orders without public bidding regardless of amount.
17 Delivery and utilization of purchase and/or repair orders
18 under this section shall be made within fifteen (15) days
19 after the placing of the same. Immediately after the
20 emergency purchase or repair order is made, the chief of
21 office or department making the emergency purchase or
22 repair order shall draw a regular requisition to cover the
23 same showing thereon:

24 (a) A complete description of the supplies acquired or
25 the work done or to be performed;

26 (b) By whom furnished or executed;

27 (c) Date of placing the order and the date and time of
28 delivery or execution;

29 (d) The unit price and the total amount contracted
30 for;

31 (e) A clear explanation of the circumstances why
32 procurement was of such urgency that same cannot be done
33 thru regular course without involving danger to, or loss of
34 life;

35 (f) A certification to the effect that the price paid
36 or contracted for was the lowest at the time of
37 procurement; and

38 (g) A certification of the local treasurer as to
39 availability of funds, and the local budget officer as to
40 availability of appropriations for the purpose.

41 SEC. [331] 330. Negotiated Purchase. - In cases where
42 the need for the supplies is exceptionally urgent or
43 absolutely indispensable for the completion of certain

1 projects non-compliance of which would affect adversely the
2 delivery of essential public services, local government
3 units may undertake the procurement of supplies or place
4 repair orders by negotiated purchase without public bidding
5 regardless of amount. Delivery and utilization of purchase
6 and/or repair orders under this section shall be made
7 within seven (7) days after the placing of the same.
8 Immediately after the negotiated purchase or repair order
9 is made, the chief of office or department making the
10 negotiated purchase or repair order shall draw a regular
11 requisition to cover the same showing thereon:

12 (a) A complete description of the supplies acquired or
13 the work done or performed;

14 (b) By whom furnished or executed;

15 (c) Date of placing the order and the date, and time
16 of delivery or execution;

17 (d) The unit price and the total amount contracted
18 for;

19 (e) A clear explanation of the circumstances why
20 procurement was of such urgency that same could not be done
21 thru regular course;

22 (f) A certification to the effect that the price paid
23 or contracted for was the lowest at the time of
24 procurement; and

25 (g) A certification of the local treasurer as to
26 availability of funds, and the local budget officer as to
27 availability of appropriations for the purpose.

28 SEC. [332] 331. Procurement from Duly Licensed
29 Manufacturers. - Procurement may be made direct from duly
30 licensed manufacturers in cases of supplies of Philippine
31 manufacture or origin and in case there are two or more
32 manufacturers of the supplies desired, canvass of the known
33 manufacturers should be made to obtain the lowest price for
34 the quality of the supplies desired.

35 SEC. [333] 332. Procurement from Executive Philippine
36 Agents or Distributors. - Procurement may, in the case of
37 supplies of foreign origin, be made direct from the
38 exclusive Philippine distributors or agents as certified to
39 by the Bureau of Supply Coordination, subject to the
40 following conditions:

41 (a) That the exclusive Philippine distributor has no
42 subdealers selling at the lower prices; and

43 (b) No suitable substitutes of substantially the same

1 quality are available at lower prices.

2 SEC. [334] 333. Procurement from Government Entities
3 or Foreign Government. - Procurement may be made direct from
4 government entities producing the supplies desired
5 including units or agencies of foreign governments with
6 whom the Philippines maintains diplomatic relations. In
7 the latter case, prior authority from the office of the
8 President shall be required.

9 SEC. [335] 334. Annual Procurement Program. - (1) On
10 or before the fifteenth day of April each year, the local
11 chief executive shall prepare an annual procurement program
12 for the ensuing fiscal year which shall contain and show an
13 itemized list of the estimated quantity of supplies needed
14 for the entire ensuing fiscal year, a complete description
15 thereof as to kind, quantity and quality, the estimated
16 cost, and the balance on hand. However, the total
17 estimated cost of the approved annual procurement program
18 shall not exceed the total appropriations authorized for
19 the acquisition of supplies.

20 (2) Except in emergency cases or where urgent
21 indispensable needs could not have been reasonably
22 anticipated no purchase of supplies shall be made unless
23 included in, or covered by, the approved procurement
24 program, non-compliance of which shall be a ground for
25 suspension or dismissal of the official responsible
26 therefor.

27 (3) The conversion of excess cash into supplies stock
28 is hereby prohibited except to the extent of the kind and
29 quantity specified on the approved annual procurement plan.

30 SEC. [336] 335. Primary and Secondary Accountability
31 for Government Property. - (1) Each head of department or
32 office of a province, city, municipality or barangay shall
33 be primarily accountable for all government property
34 assigned or issued to his department or office. The
35 person or persons entrusted with the possession or custody
36 of government property under the accountability of any head
37 of department or office shall be immediately accountable to
38 such officer.

39 (2) The head of department or office primarily
40 accountable for government property may require any person
41 in possession of the property or having custody and control
42 thereof under him to keep such records and make such
43 reports as may be necessary for his own information and

1 protection.

2 (3) Buildings and other physical structures shall be
3 under the accountability and responsibility of the local
4 chief executive.

5 (4) Every officer primarily accountable for government
6 property shall keep a complete record of all property under
7 his charge and render his accounts therefor semi-annually
8 to the sanggunian of the local government unit concerned.

9 SEC. [337] 336. Responsibility for the Proper Use and
10 Care of Government Property. - The person in actual
11 physical possession of government property or entrusted
12 with its custody and control shall be responsible for the
13 proper use and care of the property and he shall exercise
14 due diligence in the utilization and safekeeping thereof.

15 SEC. [338] 337. Measure of Liability of Persons
16 Accountable for Government Property. - (1) The person
17 immediately accountable for government property shall be
18 liable for its money value in case of the illegal, improper
19 or unauthorized use of the property, or misapplication
20 thereof, by himself or any other person for whose acts he
21 may be responsible, and he shall be liable for all loss,
22 damage, or deterioration occasioned by negligence in the
23 keeping or use of such property unless it is proved that he
24 has exercised due diligence and care in the utilization and
25 safekeeping thereof.

26 (2) No accountable person shall be relieved from
27 liability by reason of his having acted under the direction
28 of a superior officer in using property with which he is
29 chargeable; but the officer directing any illegal,
30 unauthorized or improper use of property shall first be
31 required to answer thereof.

32 (3) In cases of loss, damage or deterioration of
33 government property arising from or attributable to,
34 negligence in security, the head of the security agency
35 shall be held liable therefor.

36 SEC. [339] 338. Credit for Loss Occurring in Transit
37 or Due to Casualty. - When a loss of government property
38 occurs while the same is in transit or is caused by fire,
39 force majeure, or other casualty, the officer accountable
40 therefor or having custody thereof shall immediately notify
41 the provincial or city auditor concerned within thirty days
42 from the date the loss occurred or for such longer period
43 as the provincial or city auditor concerned may in the

1 particular case allow, and he shall present his application
2 for relief, with the available evidence in support thereof.
3 An officer who fails to comply with this requirement shall
4 not be relieved of liability or allowed credit for any such
5 loss in the settlement of his accounts.

6 A provincial or city auditor shall not allow credit for
7 these losses unless so expressly authorized by the Chairman
8 of the Commission on Audit, to be exercised only if the
9 loss is not in excess of Fifty thousand pesos, when in any
10 case, the allowance of credit is not within the competency
11 of the provincial or city auditor, the application and
12 evidence, with the recommendation of the auditor, shall be
13 forwarded to the Chairman of the Commission on Audit for
14 his action.

15 SEC. [340] 339. Property Disposal. - When property of
16 any local government unit has become unserviceable for any
17 cause, or, is no longer needed, it shall, upon application
18 of the officer accountable therefor, be inspected and
19 appraised by the provincial or city auditor or any of his
20 duly authorized representatives or that of the Commission
21 on Audit, and if found valueless or unusable, shall be
22 destroyed in the presence of the inspecting officer.

23 If found valuable, the same shall be sold at public
24 auction to the highest bidder under the supervision of the
25 Committee on Awards and in the presence of the provincial
26 or city auditor or his duly authorized representatives.
27 Notice of the public auction shall be posted in at least
28 three conspicuous places and if the acquisition cost
29 exceeds Fifty thousand pesos, notice of auction shall be
30 published at least three times within a reasonable period
31 in a newspaper of general circulation in the locality.

32 SEC. [341] 340. Negotiated Sale of Property. -
33 Property no longer needed may also be disposed of at a
34 private sale at such prices as may be determined by the
35 Committee on Awards, subject, however, to the approval of
36 the Commission on Audit or its duly authorized
37 representative when the acquisition or transfer cost of the
38 property exceeds Fifty thousand pesos.

39 When real property is involved, the disposal shall be
40 subject to the approval of the Office of the President and
41 the Commission on Audit regardless of the value or cost
42 involved.

43 SEC. [342] 341. Transfer Without Cost. - Property

1 unserviceable or no longer needed by any local government
2 unit may be transferred without cost to another government
3 unit, local, national or corporate, at an appraised
4 valuation determined by the local Committee on Awards.
5 Such transfer shall be subject to the approval of the local
6 sanggunian making the transfer and by the head of the
7 department or officer receiving the property.

8 SEC. [343] 342. Implementing Rules and Regulations. -
9 The Secretary of Finance and the Commission on Audit shall
10 jointly promulgate rules and regulations to effectively
11 implement the provisions of this Title, including
12 requirements as to testing, inspection and standardization,
13 subject to the provisions of section 21 hereof.



Senate Archives (LRAD)

BOOK THREE

LOCAL GOVERNMENT UNITS

S.B. 155



**AN ACT PROVIDING FOR
A LOCAL GOVERNMENT CODE**

BOOK III

LOCAL GOVERNMENT UNITS

TITLE ONE. - THE BARANGAY

CHAPTER 1. Role and Creation of Barangays

SEC. [344] 343. Role of Barangays. - 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.

SEC. [345] 344 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 the law or ordinance creating said barangay. In the case of creation of barangays by the sangguniang panlalawigan, the recommendation of the sangguniang bayan concerned shall be necessary.

SEC. [346] 345. Requisites for Creation. - (1) A barangay may be created out of a contiguous territory which has a population of at least [Five] THREE thousand inhabitants as certified by the National Census and Statistics Office, and a land area of at least Fifty hectares as certified by the provincial, city or municipal assessor and the Director of Lands or his deputies: Provided, That the creation thereof shall not reduce the population and land area of the mother barangay or barangays to less than the above minimum requirements.

(2). The territorial jurisdiction of the new barangay shall be properly identified by metes and bounds, [or] AND WITH TECHNICAL DESCRIPTIONS AND by more or less permanent natural boundaries, and need not be contiguous if it comprises two or more islands.

SEC. [347] 346. Consolidation of Barangays. - (1) Within a period of one year after the effectivity of this Code, the provincial governor or city mayor, as the case may be, shall prepare a consolidation plan for all barangays within his area of jurisdiction based on the criteria provided for in the immediately preceding section,

1 after consultation with the municipalities and/or barangays
2 affected.

3 (2) The barangay consolidation plan shall be submitted
4 to the sangguniang panlalawigan or sangguniang panlungsod
5 concerned for the enactment of the corresponding ordinance
6 creating the consolidated barangays, subject to the
7 Constitutional requirement of plebiscite to be conducted by
8 the Commission on Elections in the area or areas affected.

9 SEC. [348] 347. Naming of Barangays. - The name of
10 an existing barangay may not be changed unless for a
11 justifiable reason and not oftener than once every ten
12 years. In no case shall a new barangay be named after a
13 living person.

14 CHAPTER 2. - Barangay Officials and Offices

15 SEC. [349] 348. Chief Officials and Offices. - (1)
16 There shall be in each barangay a punong barangay, six (6)
17 elective sangguniang barangay members, the Barangay Youth
18 Council chairman, a barangay secretary and a barangay
19 treasurer.

20 (2) Executive officers of barangay brigades and such
21 other positions or offices as may be deemed necessary to
22 carry out the purpose of the barangay government may be
23 created by the sangguniang barangay in accordance with the
24 needs of public service.

25 (3) The Department of Local Government shall prescribe
26 minimum standards and guidelines with respect to the
27 organizational structure, staffing pattern and other
28 relevant operational aspects of barangays.

29 SEC. [350] 349. Persons in Authority. - For purposes
30 of the Revised Penal Code, the punong barangay, sangguniang
31 barangay members, and members of the Lupong Tagapamayapa in
32 each barangay shall be deemed as persons in authority,
33 while such other barangay members who may be designated by
34 law and charged with the maintenance of public order,
35 protection and security of life and property, or the
36 maintenance of a desirable and balanced environment, and
37 any barangay member who comes to the aid of persons in
38 authority, shall be deemed agents of persons in authority.
39 (N)

40 CHAPTER 3. The Punong Barangay

41 SEC. [351] 350. Powers, Duties and
42 Functions. - (1) The punong barangay shall be the head of
43 the barangay government and shall exercise such powers, and

1 perform such duties and functions as are provided in this
2 Code and other laws.

3 (2) The punong barangay shall:

4 (a) Enforce all laws and ordinances which are
5 operative within the barangay;

6 (b) Negotiate, enter into, and sign contracts
7 for and in behalf of the barangay, upon authorization
8 of the sangguniang barangay;

9 (c) Maintain public order in the barangay and
10 assist the city or municipal mayor and the sangguniang
11 panlungsod or sangguniang bayan members who are
12 assigned to take charge of their district, in the
13 performance of their duties and functions in such
14 barangay;

15 (d) Call and preside over the sessions of the
16 sangguniang barangay and the barangay assembly, and
17 vote only to break a tie in such sessions;

18 (e) Appoint or replace the barangay secretary,
19 TREASURER and other officers of the barangay;

20 (f) Upon approval by a majority of all the
21 members of the sangguniang barangay, appoint or
22 replace the barangay treasurer;

23 (g) Organize and lead an emergency group whenever
24 the same may be necessary for the maintenance of peace
25 and order or on occasions of emergency or calamity
26 within the barangay;

27 (h) Prepare the annual and supplemental budgets
28 of the barangay;

29 (i) Approve vouchers relating to the disbursement
30 of barangay funds;

31 (j) Enforce laws and regulations relating to
32 pollution and environmental control and effect the
33 arrest of violators thereof;

34 (k) See to the administration of the Katarungang
35 Pambarangay in accordance with the provisions of this
36 Code;

37 (l) [Exercise general supervision over the
38 affairs of the kabataang barangay youth council for
39 purposes of coordination with the sangguniang barangay]
40 SECURE COORDINATION BETWEEN KABATAANG BARANGAY AND
41 SANGGUNIANG BARANGAY;

42 (m) Look after the general welfare of the
43 barangay; [and]

1 (n) CONDUCT AN ANNUAL 'BOYS AND GIRLS WEEK' IN
2 SUCH A MANNER AND AT SUCH A TIME AS THE SANGGUNIANG
3 BARANGAY SHALL PROVIDE BY ORDINANCE: PROVIDED, THAT,
4 SUCH ORDINANCE SHALL INCLUDE IN THE OBSERVANCE OF SAID
5 'BOYS AND GIRLS WEEK' THE ELECTION OF A PUNONG
6 BARANGAY, SANGGUNIANG BARANGAY MEMBERS, AND OTHER
7 ELECTIVE AND APPOINTIVE BARANGAY OFFICIALS AMONG IN-
8 SCHOOL AND COMMUNITY YOUTH RESIDING IN THE BARANGAY
9 FROM THE AGES OF THIRTEEN TO SEVENTEEN, TO HOLD OFFICE
10 AS BOY AND GIRL OFFICIALS DURING THE SAID WEEK AND TO
11 PERFORM SUCH DUTIES AND CONDUCT SUCH ACTIVITIES AS MAY
12 BE PROVIDED IN THE ORDINANCE: AND

13 (o) Exercise such other powers and perform such
14 other duties and functions as may be provided by law or
15 ordinance.

16 SEC. [352] 351. Possession and Carrying of Firearms.

17 - In the performance of his peace and order functions, the
18 punong barangay shall be entitled to possess and carry the
19 necessary firearms within his territorial jurisdictions,
20 subject to existing LAWS, rules and regulations. [on the
21 possession and carrying of firearms.]

22 SEC. [353] 352. Compensation. - The punong barangay

23 shall receive such compensation, allowances and other
24 emoluments as may be authorized by law or by the
25 sangguniang barangay in accordance with the provisions of
26 this Code [.] BUT IN NO CASE SHALL IT BE LESS THAN P500 A
27 MONTH.

28 BEGINNING THE CHRISTMAS FOLLOWING THE APPROVAL OF THIS
29 ACT AND EVERY CHRISTMAS THEREAFTER, THE PUNONG BARANGAY
30 SHALL RECEIVE A CHRISTMAS BONUS OF FIVE HUNDRED PESOS
31 (P500.00) TO BE TAKEN FROM THE BUDGET ALLOTMENT FOR ALL
32 BARANGAYS OR FROM SUCH OTHER FUNDS OF THE NATIONAL TREASURY
33 NOT OTHERWISE APPROPRIATED. (S. No. 187, Ctte. Report # 66
34 dated 12-02-87)

35 CHAPTER 4 . The Sangguniang Barangay

36 SEC. [354] 353. Composition. - The sangguniang
37 barangay shall be the legislative body of the barangay and
38 shall be composed of the punong barangay as presiding
39 officer, the six sangguniang barangay members elected at
40 large, and the chairman of the youth council as members.

41 SEC. [355] 354. Powers, Duties and Functions. -
42 Sangguniang barangay shall:

43 (a) Enact such ordinance as may be necessary to [put

1 in to effect] and to discharge the responsibilities
2 conferred upon it by law, and such AS shall be necessary
3 and proper to promote health and safety, enhance prosperity
4 and general welfare, improve morals, [and] maintain peace
5 and order in the barangay, and preserve the comfort and
6 convenience of the inhabitants therein;

7 (b) Provide for the construction and maintenance of
8 barangay roads, bridges, viaducts, sidewalks, playgrounds
9 and parks, school buildings, water supply systems, drainage,
10 irrigation, sewerage, public toilet facilities and other
11 public works projects and facilities within the barangay,
12 chargeable to the barangay development fund or other funds
13 actually available for the purpose. For this purpose, the
14 punong barangay may exercise the power of eminent domain
15 with the approval of the sangguniang panlungsod or the
16 sangguniang bayan, as the case may be;

17 (c) Assist in the establishment, organization and
18 promotion of cooperative enterprises that will improve the
19 economic condition and well-being of the barangay
20 residents. Such enterprises may include credit unions,
21 cooperatives for the sale or purchase of commodities and
22 produce, warehouses, activities relating to agricultural
23 and livestock production and marketing, fishing, home arts,
24 barangay industries, and other activities which may promote
25 the welfare of the barangay inhabitants;

26 (d) Solicit or accept, in any or all the foregoing
27 public works and cooperative enterprise, such cooperation
28 as is made available by national, provincial, city or
29 municipal agencies established by law to render financial,
30 technical and advisory assistance to barangay residents:
31 Provided, however, That in soliciting or accepting such
32 cooperation, the sangguniang barangay may not pledge any
33 sum of money for expenditure in excess of amounts currently
34 in the barangay treasury or encumbered for other purposes;

35 (e) Provide reasonable per diems as well as travel
36 expenses for sangguniang barangay members and other
37 officials in the barangay, subject to the availability of
38 funds: Provided, however, That the total expenditures for
39 these purposes shall not exceed sixty percentum (60%) of
40 the total annual income of the barangay, nor should such
41 compensation, per diems, and travel expenses exceed those
42 granted to sangguniang panlungsod or sangguniang bayan
43 members, or the mayor of the city or municipality to which

1 such barangays belong; (N).

2 (f) Submit to the sangguniang panlungsod or the
3 sangguniang bayan such suggestions or recommendations as it
4 may see fit for the improvement of the barangay or for the
5 welfare of the inhabitants thereof;

6 (g) Hold fund-raising activities for barangay purposes
7 without securing permits therefor from any national or
8 local office or agency, the proceeds from which shall be
9 tax-exempt and shall accrue to the general fund of the
10 barangay: Provided, That in the appropriation thereof, the
11 specific purpose for which such fund-raising activity has
12 been held shall be first satisfied: Provided, further,
13 That no benefits or fund-raising activities shall be
14 undertaken in the barangay within a period of thirty (30)
15 days immediately preceding a national or local election,
16 recall, referendum or plebiscite;

17 (h) Regulate the use of cement pavements, grain or
18 copra driers or patios, communal irrigation, barangay
19 waterworks, barangay markets or similar projects
20 constructed with government funds for public service within
21 the jurisdiction of the barangay and charge reasonable fees
22 for such use;

23 (i) Organize regular lecture programs, and community
24 assemblies to encourage citizen participation in government
25 and to enlighten the people on the physical, socio-
26 cultural, moral, civic, political, educational and other
27 matters of public interest;

28 (j) Provide for the organization of such community
29 [brigades] BARANGAY SERVICE UNITS as may be authorized
30 by law;

31 (k) Enact an annual and supplemental budgets of the
32 barangay in accordance with law;

33 (l) Authorize the punong barangay to enter into
34 contracts in behalf of the barangay: Provided, That
35 contracts conveying real property or interest therein or
36 creating a lien upon the same, shall be approved by the
37 city or municipal mayor concerned: Provided, further, That
38 no contract involving the expenditure of two thousand pesos
39 or more shall be entered into or authorized until the
40 barangay treasurer shall have certified to the sangguniang
41 barangay that funds have been duly appropriated for such
42 purpose and the amount necessary to cover the proposed
43 contract is available for expenditure on account thereof.

1 Such certificate shall be attached to the contract as part
2 thereof and the sum so certified shall not thereafter be
3 made available for expenditure for any other purpose until
4 the said contract is lawfully abrogated or executed at no
5 cost to the barangay;

6 (m) Authorize the barangay treasurer to make direct
7 purchases amounting to not more than one thousand
8 (P1,000.00) pesos at any one time for the ordinary and
9 essential administrative needs of the barangay;

10 (n) Act on the resignation of sangguniang barangay
11 members and other officers of the barangay;

12 (o) Recommend [from time to time] ONCE EVERY TWO (2)
13 YEARS to the city or municipal assessor, through the
14 sangguniang panlungsod or sangguniang bayan the
15 reassessment of real properties located in the barangay;

16 (p) Whenever feasible, initiate the [organization]
17 ESTABLISHMENT of a barangay high school and colleges in
18 accordance with law;

19 (q) Prescribe fines of not more than five hundred
20 (P500.00) pesos for violation of barangay ordinances;

21 (r) Provide for the proper development and welfare of
22 the children in the barangay and deal with the problem of
23 juvenile delinquency in consonance with existing laws;

24 (s) In coordination with the Department of Education,
25 Culture and Sports, establish a non-formal education center
26 in the barangay which shall provide education and training
27 to adults and out-of-school youth to enable them to acquire
28 skills for industry and agriculture, improve the literacy
29 of those who cannot avail of the facilities of formal
30 education, prepare them for productive activities by
31 developing their self-reliance, proper attitude and
32 behavior towards work and implement the non-formal
33 educational policies and programs of the Department of
34 Education, Culture and Sports and other agencies of the
35 government AND, CONDUCT A PALARONG BARANGAY AS A YEAR-ROUND
36 OR ANNUAL ACTIVITY WHICH SHALL INCLUDE COMPETITIONS IN
37 TRADITIONAL GAMES AND SPORTS, AND DISCIPLINES INCLUDED IN
38 NATIONAL AND INTERNATIONAL COMPETITIONS; [S. #308, Ctte.
39 Report # 293 dated 07-26-88]

40 (t) Accept or solicit monies, materials and voluntary
41 labor for specific public work and cooperative enterprises
42 of the barangay from resident, [landholders] LANDOWNERS,
43 producers and merchants in the barangay; monies from

1 grants-in-aid, subsidies, contributions, and revenues made
2 available to the barangays from national, provincial city
3 or municipal funds; and monies from private agencies and
4 individuals: Provided, That monies or properties donated by
5 private agencies and individuals for specific purposes
6 shall accrue to the barangay as a special trust fund for
7 that purpose; [and]

8 (u) PROMOTE AND SUPPORT THE ACTIVITIES OF THE
9 BARANGAY-LEVEL COUNCIL FOR THE PROTECTION OF CHILDREN
10 PROVIDED FOR UNDER THE CHILD AND YOUTH WELFARE CODE AND
11 ESTABLISH, WHERE FEASIBLE, A BARANGAY-LEVEL CENTER FOR THE
12 TOTAL DEVELOPMENT OF CHILDREN, AGES BELOW ONE TO FOUR; [S.
13 Nos. 602 and 604] AND

14 [(u)] (v) Exercise such powers, and perform such
15 duties and functions as are necessary to carry out the
16 foregoing provisions or which may be provided for by law or
17 ordinance.

18 SEC. [356] 355. Duties of Sangguniang Barangay
19 Members. - In addition to their duties as members of the
20 sangguniang barangay, they shall:

21 (a) Assist the punong barangay in the discharge of his
22 duties and functions;

23 (b) Act as peace officer in the maintenance of public
24 order [or] as person in authority in their barangay; and

25 (c) Perform such other duties as the punong barangay
26 may delegate or as may be provided by law or ordinance.

27 SEC. [357] 356. Privileges of Sangguniang Barangay
28 Officials. - (1) The punong barangay, the sangguniang
29 barangay members, the youth council chairman, the barangay
30 treasurer and the barangay secretary shall:

31 (a) Be entitled to compensation, per diems travel
32 expenses and allowances in such amounts as may be
33 determined by the sangguniang barangay in accordance
34 with the rates provided by law, subject to availability
35 of barangay funds after deducting statutory and
36 mandatory budgetary expenditures;

37 (b) Be entitled during their incumbency, to
38 insurance coverage, the premiums for which shall be
39 shouldered by the national government;

40 (c) Be entitled to free [medical care including
41 subsistence, medicines and medical attendance]
42 HOSPITALIZATION in any government hospital or
43 institution WHICH SHALL INCLUDE SURGERY OR SURGICAL

1 EXPENSES, MEDICINES NOT EXCEEDING FIVE THOUSAND PESOS
2 (P5,000.00) PER CONFINEMENT, ROOM AND OTHER HOSPITAL
3 EXPENSES. HOSPITALIZATION BENEFIT SHALL BE EXTENDED TO
4 THE LEGAL SPOUSES AND LEGITIMATE CHILDREN OF SUCH
5 BARANGAY OFFICIALS: PROVIDED, HOWEVER, THAT ANY
6 BARANGAY OFFICIAL AFFLICTED WITH AN ILLNESS BEFORE
7 ASSUMING OFFICE IS ENTITLED TO THE AFORESTATED
8 BENEFITS; and (S.B. 1144, Romulo)

9 (d) Be exempted during their incumbency from
10 paying tuition, matriculation, entrance and library
11 fees for all their legitimate dependent children
12 attending public high schools and for a maximum of two
13 (2) of their legitimate dependent children attending
14 college. In the event that the attending official
15 concerned does not have any legitimate dependent
16 children, he may avail of the educational privilege
17 himself.

18 (2) Whenever during their term of office any barangay
19 official suffers injury or incurs illness while in the line
20 of duty which, for all intents and purposes, renders him
21 incapable of further performing his duties and functions,
22 or that death supervenes, the educational privileges
23 granted to children of barangay officials under this
24 section shall continue to be made available to them even
25 after the death or permanent incapacity of the barangay
26 official concerned, until the term of his office expires.

27 (N)

28 (3) Elective barangay officials shall have preference
29 in appointments to any government position or in any
30 government-owned or controlled corporation including their
31 subsidiaries after their tenure of office.

32 (4) The surviving spouse or legal heirs of every
33 barangay official who dies during his incumbency shall be
34 entitled to burial [enefits] BENEFITS chargeable against
35 the general fund of the barangay in an amount not less than
36 one thousand (1,000.00) pesos. In the event the barangay
37 funds are insufficient for this purpose, the [ame] SAME
38 shall be chargeable against the funds of the city or
39 municipality to which the barangay belongs.

40 CHAPTER 5. Appointive Barangay Officials

41 SEC. [358] 357. The Barangay Secretary. - (1) The
42 punong barangay shall appoint the barangay secretary who
43 shall hold office at his pleasure and whose appointment

1 shall not be subject to attestation by the Civil Service
2 Commission.

3 (2) No person shall be appointed barangay secretary if
4 he is a sangguniang barangay member or a relative of the
5 punong barangay within the third civil degree of
6 consanguinity or affinity.

7 [(3) He shall:]

8 SEC. [358-A] 357-A. POWERS, DUTIES AND FUNCTIONS OF
9 BARANGAY SECRETARY. -

10 (a) Keep custody of all records of the sangguniang
11 barangay and the barangay assembly meetings;

12 (b) Prepare and keep the minutes of all meetings of
13 the sangguniang barangay and the barangay assembly;

14 (c) Prepare separate a lists of the members of the
15 barangay and the registered voters of the barangay
16 assembly, and have the same posted in conspicuous places
17 within the barangay;

18 (d) Register all new members of the barangay;

19 (e) Assist in the preparation of all necessary forms
20 for the conduct of barangay elections, initiative,
21 referenda or plebiscites, in coordination with the
22 Commission on Elections;

23 (f) Assist the municipal civil registrar in the
24 registration of births, deaths and marriages;

25 (g) Keep a record of all inhabitants of the barangay
26 containing the following items of information: name,
27 address, place and date of birth, sex, citizenship,
28 occupation, and such other items of information as may be
29 deemed necessary; and

30 (h) Exercise such other powers and perform such other
31 duties and functions as may be prescribed by law or
32 ordinance.

33 SEC. [359] 358. The Barangay Treasurer. - The punong
34 barangay shall appoint the barangay treasurer, with the
35 concurrence of the sangguniang barangay. The appointment
36 of the barangay treasurer shall not be subject to
37 attestation by the Civil Service Commission.

38 (2) He shall be bonded in accordance with existing
39 laws in an amount to be determined by the sangguniang
40 barangay, but not exceeding ten thousand pesos, the
41 premiums for which shall be defrayed by the city or
42 municipality where the barangay belongs.

43 (3) No person shall be appointed barangay treasurer if

1 he is a sangguniang barangay member or a relative of the
2 punong barangay within third civil degree of consanguinity
3 or affinity.

4 (4) He shall:

5 (a) Keep custody of barangay property and funds
6 not deposited with the city or municipal treasurer;

7 (b) Collect and receive taxes, fees,
8 contributions, monies, materials, and all other
9 resources accruing to the barangay treasury and issue
10 official receipts therefor;

11 (c) Disburse funds in accordance with the
12 financial procedures provided in this Code;

13 (d) Submit to the punong barangay certified and
14 detailed statements of actual receipts for the calendar
15 year immediately preceding for the preparation of the
16 barangay budget within such period as may be provided
17 by existing laws;

18 (e) Render a written accounting report after the
19 end of each calendar year of all barangay funds and
20 property under his custody which report shall be made
21 available to the public or to the members of the
22 barangay assembly and other government agencies
23 concerned;

24 (f) Certify to the availability of funds whenever
25 necessary;

26 (g) Plan and attend to the rural postal circuit
27 within his own jurisdiction; and

28 (h) Exercise such other powers and perform such
29 other duties and functions as may be prescribed by law
30 or ordinance.

31 SEC. [360] 359. Other Appointive Officials. - The
32 qualifications, duties and functions of all other barangay
33 officials appointed by the punong barangay shall be
34 governed by the provisions of this Code and other laws or
35 by ordinance.

36 CHAPTER 6. The Barangay Assembly

37 SEC. [361] 360. Composition, Meetings. - (1) The
38 barangay assembly shall be composed of all persons who
39 [have] ARE actual residents of the barangay for at least
40 six months, fifteen years of age or over, citizens of the
41 Philippines and duly registered in the list of barangay
42 assembly members kept by the barangay secretary.

43 (2) The barangay assembly shall meet at least twice a

1 year to hear and discuss the semestral report of the
2 sangguniang barangay concerning its activities and
3 finances. Its meeting shall be held upon call of the
4 punong barangay or at least four members of the sangguniang
5 barangay or upon written petition of at least one-tenth of
6 its members.

7 (3) No meeting of the barangay assembly shall take
8 place unless WRITTEN notice is given one week prior to
9 the meeting except on matters involving public safety or
10 security, in which case notice within a reasonable time
11 shall be sufficient. The punong barangay or, in his
12 absence, the sangguniang barangay member acting as punong
13 barangay, or any assembly member selected during the
14 meeting, shall act as presiding officer at all meetings of
15 the assembly. The barangay secretary, or, in his absence,
16 any member designated by the presiding officer, to act as
17 secretary, shall discharge the duties of secretary of the
18 barangay assembly.

19 (4) For the purpose of conducting business and taking
20 any official action in the barangay assembly, it is
21 necessary that at least one-tenth of its members be present
22 to constitute a quorum. All actions shall require a
23 majority of those present and voting at a meeting, there
24 being a quorum.

25 SEC. [362] 361. Powers of the Barangay Assembly. -

26 The barangay assembly shall:

27 (a) Initiate legislative process by recommending to
28 the sangguniang barangay the adoption of measures for the
29 welfare of the barangay;

30 (b) Decide on adopting the process of initiative on
31 questions and issues presented therein; and

32 (c) Hear and pass upon the semestral report of the
33 sangguniang barangay concerning its activities and
34 finances.

35 CHAPTER 7. League of Barangays

36 SEC. [363] 362. Purpose of Organization. - There
37 shall be an organization of all barangays to be known as
38 the League of Barangays, with chapters in municipalities,
39 cities, provinces and on the national level, for purposes
40 of determining representations in legislative and policy-
41 making bodies and for crystallizing issues affecting local
42 government administration.

43 SEC. [364] 363. Representation. - Every barangay

1 shall be represented by the punong barangay, or in his
2 absence or incapacity, by a sangguniang barangay member
3 duly elected for the purpose from among its members, in all
4 meetings and/or deliberations called by the city and
5 municipal chapters of the League of Barangays.

6 SEC. [365] 364. Organization. - (1) The League of
7 Barangays at all levels shall be organized in the following
8 manner:

9 (a) The League in each level shall elect a board of
10 directors and a set of officers. The president of each
11 level shall represent the chapter concerned in the next
12 higher level of organization.

13 (b) The city and municipal chapters of the League of
14 Barangays shall be composed of the barangay representative
15 of cities and municipalities respectively; the duly
16 elected presidents of the city and municipal chapters shall
17 constitute the provincial chapter of the League, and the
18 duly elected president of the various provincial chapters,
19 including the president of the Metropolitan Manila chapter,
20 shall constitute the national chapter of the League of
21 Barangays.

22 (2) A secretary-general shall be chosen from among the
23 members of the national chapter of the League of Barangays
24 who shall be charged with the maintenance of the
25 organization in the absence of the duly elected officers or
26 upon the dissolution of the organization.

27 (3) The duly elected presidents of the League of
28 Barangays in the municipal, city and provincial levels
29 INCLUDING THE COMPONENT CITIES AND MUNICIPALITIES OF
30 METROPOLITAN MANILA shall be ex-officio members of the
31 sangguniang bayan, sangguniang panlungsod or sangguniang
32 panlalawigan, respectively, and shall serve as such only
33 during their term of office as barangay officials in their
34 own respective local units, which in no case shall be
35 beyond the term of office of the sanggunian concerned.

36 SEC. [266] 365. Functions and Duties of the League of
37 Barangays. - The League of Barangays shall :

38 (a) Adopt measures for the promotion of the welfare of
39 all barangay officials;

40 (b) Give priority to programs designed for the total
41 development of the barangays, consistent with the policies,
42 programs and projects of the national government;

43 (c) Assist in the education of barangay residents for

1 citizen participation in local government administration,
2 in order to promote a united and concerned action for the
3 achievement of countrywide development goals;

4 (d) Supplement the efforts of government in creating
5 opportunities for gainful employment within the barangay;

6 (e) Serve as a forum of barangays in seeking the
7 necessary assistance of government and private entities for
8 the welfare of all the barangays; and

9 (f) Perform such other functions and duties as the
10 League of Barangays may prescribe for the welfare of the
11 organization. •

12 SEC. [367] 366. Funding of the League of Barangays. -

13 (1) The League of Barangays in all levels shall derive all
14 its funds from fund-raising campaigns or programs in
15 pursuance of specific projects for the upliftment of the
16 barangays, without the necessity of securing permits
17 therefor, subject, however, to the pertinent provisions of
18 the Revised Election Code.

19 (2) All funds of the League of Barangays in all levels
20 of the organization shall be deposited as trust funds with
21 their respective municipal, city, provincial or national
22 treasurers, and be disbursed in accordance with approved
23 resolutions by the chapter concerned, subject to auditing
24 rules and regulations of the organization.

25 SEC. [368] 367. Constitution and ByLaws of the League
26 of Barangays. - All other matters not herein otherwise
27 provided for touching on the internal organization and
28 operations of the League of Barangays shall be covered by
29 the Constitution and ByLaws of the organization, which are
30 hereby made supplementary to the foregoing provisions.

31 CHAPTER 8. Katarungang Pambarangay

32 SEC. [369] 368. Lupong Tagapayapa. - (1) There is
33 hereby created in each barangay a body to be known as
34 Lupong Tagapayapa, hereinafter referred to as Lupon
35 composed of the punong barangay as chairman and not less
36 than ten (10) nor more than twenty (20) members, to be
37 constituted every two years in the manner hereinafter
38 provided.

39 (2) Any suitable person actually residing or working
40 in the barangay, not otherwise expressly disqualified by
41 law, and taking into account considerations of integrity,
42 impartiality, independence of mind, sense of fairness, and
43 reputation for probity, including educational attainment,

1 may be appointed a member of the Lupon.

2 (3) A notice to constitute the Lupon, which shall
3 include the names of proposed members who have expressed
4 their willingness to serve, shall be prepared by the punong
5 barangay within thirty (30) days from the effectivity of
6 this Code, and thereafter within the first ten (10) days of
7 January of every other year. Such notice shall be posted
8 in three (3) conspicuous places in the barangay
9 continuously for a period of not less than three (3) weeks.

10 (4) The punong barangay, taking into consideration any
11 opposition to the proposed appointment or any
12 recommendations for appointment as may have been made
13 within the period of posting, shall within ten (10) days
14 thereafter, appoint as members those whom he determines to
15 be suitable therefor.

16 Appointments shall be in writing signed by the punong
17 barangay and attested by the barangay secretary.

18 (5) The list of appointed members shall be posted in
19 three (3) conspicuous places in the barangay for the entire
20 duration of their term of office.

21 SEC. [370] 369. Oath and Term of Office. - Upon
22 appointment, each member shall take an oath of office
23 before the punong barangay. He shall hold office until
24 December 31 of the calendar year subsequent to the year of
25 his appointment unless sooner terminated by resignation,
26 transfer of residence or place of work, or withdrawal of
27 appointment by the punong barangay with the concurrence of
28 the majority of all the members of the Lupon.

29 SEC. [371] 370. Vacancies. - Should a vacancy occur in
30 the Lupon for any cause, the punong barangay shall appoint
31 a suitable replacement as soon as possible. The person
32 appointed shall hold office only for the unexpired portion
33 of the term of the member whom he replaced.

34 SEC. [372] 371. Functions of the Lupon. - The Lupon
35 shall:

36 (1) Exercise administrative supervision over the
37 conciliation panels hereinafter provided;

38 (2) Meet regularly once a month to provide a forum for
39 the exchange of ideas among its members and the public on
40 matters relevant to the amicable settlement of disputes,
41 and to enable the various panels to share with one another
42 their observations and experiences in effecting speedy
43 resolution of disputes; and

1 (3) Exercise such other powers and perform such other
2 duties and functions as may be provided for by law or
3 ordinance.

4 SEC. [373] 372. Secretary of the Lupon. - The
5 barangay secretary shall concurrently be the secretary of
6 the Lupon. He shall note the results of the mediation
7 proceedings before the punong barangay and shall submit a
8 report thereon to the proper city or municipal courts. He
9 shall also receive the records of proceedings submitted to
10 him by the various conciliation panels. He shall issue
11 the certification referred to in Section 373 par. 5 hereof.

12 SEC. [374] 373. Conciliation Panels. - (1) There
13 shall be constituted for each dispute brought before the
14 Lupon a conciliation panel to be known as Pangkat ng
15 Tagapagkasundo, hereinafter referred to as Pangkat,
16 consisting of three (3) members who shall be chosen by
17 agreement of the parties to the dispute from the list of
18 membership of the Lupon.

19 (2) Should the parties fail to agree, they shall, in
20 the presence of the punong barangay or secretary, make the
21 selection in the following manner: one party, determined
22 by lot, shall strike out from the list one name; the other
23 party shall in turn strike out another; the parties shall
24 thereafter continue alternately to strike out names until
25 there shall remain on the list only four (4), three (3) of
26 whom shall be the members of the Pangkat, and the fourth,
27 to be determined by lot, shall be the alternate.

28 (3) In the event any of the four (4) remaining names
29 is, for cause to be passed upon solely by the punong
30 barangay, still objected to by a party, the procedure
31 provided for in the next succeeding section shall be
32 followed.

33 (4) Should there be more than one complaint or
34 respondent, each side to the dispute shall choose its
35 representative to the striking-out process hereinabove
36 described.

37 (5) The three (3) members constituting the Pangkat
38 shall elect from among themselves the chairman and the
39 secretary. The secretary of the Pangkat shall keep minutes
40 of its proceedings attested by the chairman and submit a
41 copy thereof to the Lupon secretary and to the proper city
42 or municipal court. He shall issue and cause to be served
43 notices to the PARTIES CONCERNED give, certified true

1 copies of any public record in his custody that is not by
2 law otherwise declared confidential.

3 SEC. [375] 374. Vacancies in the Pangkat. - Any
4 vacancy in the Pangkat shall be filled by the punong
5 barangay from among the other members of the Lupon, to be
6 determined by lot.

7 SEC. [376] 375. Substitution for the Punong Barangay.
8 - In the event the incumbent punong barangay ceases to
9 hold office or is unable to perform his duties as provided
10 herein, the order of succession to his position as provided
11 in this Code shall be followed, and the successor shall
12 assume the powers, duties and functions of a punong
13 barangay in the administration of the Katarungang
14 Pambarangay.

15 SEC. [377] 376. Character of Office and Service of
16 Lupon Members. - (1) The members of the Lupon shall be
17 deemed as public officers and persons in authority, within
18 the meaning of the Revised Penal Code.

19 (2) The members of the Lupon or Pangkat shall serve
20 without compensation or allowance whatsoever. Such service
21 by any Lupon or Pangkat member, whether he be in public or
22 private employment, shall be deemed to be on official time
23 and no such member shall suffer any diminution in
24 compensation or allowance by reason thereof.

25 SEC. [378] 377. Legal Advice. - The punong barangay or
26 any member of the Lupon or Pangkat may, whenever necessary
27 in the exercise of his functions in the administration of
28 the Katarungang Pambarangay, seek the advice of the
29 provincial, city or municipal attorney or fiscal.

30 SEC. [379] 378. Subject Matter for Amicable
31 Settlement. - The Lupon of each barangay shall have
32 authority to bring together the contending parties actually
33 residing in the city or municipality for amicable
34 settlement of all disputes except:

35 (1) Where one party is the government, or any
36 subdivision or instrumentality thereof; and

37 (2) Where one party is a public officer or employee,
38 and the dispute relates to the performance of his official
39 functions.

40 SEC. [380] 379. Venue. - (1) Disputes between
41 persons actually residing in the same barangay shall be
42 brought for amicable settlement before the Lupon of said
43 barangay. Those involving actual residents of different

1 barangays within the same city or municipality shall be
2 brought in the barangay where the respondent or any of the
3 respondents actually resides, at the [election] OPTION
4 of the [complaint] COMPLAINANT. However, all disputes
5 which involve real property or any interest therein shall
6 be brought in the barangay where the real property or any
7 part thereof is situated.

8 (2) Objections to venue shall be raised in the
9 mediation proceedings before the punong barangay as
10 hereinafter provided; otherwise, the same shall be deemed
11 waived. Any legal question which may confront the punong
12 barangay in resolving objections to venue may be submitted
13 to the Secretary of Justice whose ruling thereon shall be
14 binding.

15 (3) The Lupon shall have no [property] JURISDICTION
16 over the following disputes:

17 (a) Disputes involving parties who actually
18 reside in barangays of different cities or
19 municipalities, except where such barangays adjoin each
20 other;

21 (b) Disputes involving real property located in
22 different cities or municipalities;

23 (c) Offenses punishable by imprisonment exceeding
24 sixty (60) days, or a fine exceeding five hundred
25 (P500.00) pesos;

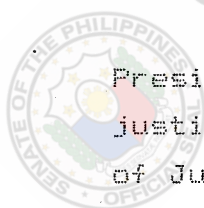
26 (d) Offenses where there is no private offended
27 party; and

28 (e) Such other classes of disputes which the
29 President of the Philippines may in the interest of
30 justice determine, upon recommendation of the Secretary
31 of Justice and the Secretary of Local Government.

32 SEC. [381] 380. Procedure for Amicable Settlement. -

33 (1) Any individual who has a cause of action against
34 another individual involving any matter within the
35 authority of the Lupon may complain orally or in writing to
36 the punong barangay.

37 (2) Upon receipt of the complaint, the punong barangay
38 shall within the next working day summon the respondent or
39 respondents, with notice to the complainant or complainants
40 for them and their witnesses to appear before him for a
41 mediation of their conflicting interests. If the punong
42 barangay fails in his effort within fifteen days from the
43 first meeting of the parties before him, he shall forthwith



1 set a date for the constitution of the Pangkat pursuant to
2 Section [337] 374 hereof.

3 (3) The Pangkat shall convene not later than three
4 days from its constitution, on the day and hour set by the
5 punong barangay, to hear parties and their witnesses,
6 simplify issues, and explore all possibilities for amicable
7 settlement. For this purpose, the Pangkat may issue
8 summons for the personal appearance of parties and
9 witnesses before it. In the event that a party moves to
10 disqualify any member of the Pangkat by reason of
11 relationship, bias, interest or any other similar grounds
12 discovered after the constitution of the Pangkat, the
13 matter shall be resolved by the affirmative vote of the
14 majority of the Pangkat whose decision shall be final.
15 Should disqualification be decided upon, the resulting
16 vacancy shall be filled as herein provided for.

17 (4) The Pangkat shall arrive at a settlement or
18 resolution of the dispute within fifteen (15) days from the
19 day it convenes in accordance with this section. This
20 period shall, at the discretion of the Pangkat, be
21 extendible for another period which shall not exceed
22 fifteen (15) days except in clearly meritorious cases.

23 SEC. [382] 381. Form of Settlement. - All amicable
24 settlement shall be in writing, in a language or dialect
25 known to the parties, signed by them and attested by the
26 punong barangay or the chairman of the Pangkat, as the case
27 may be. When the parties to the dispute do not use the
28 same language or dialect, the settlement shall be written
29 in the languages or dialects known to them.

30 SEC. [383] 382. Conciliation, Pre-condition to Filing
31 of Complaint in Court. - No complaint, petition, action or
32 proceeding involving any matter within the authority of the
33 Lupon shall be filed or instituted in court or any other
34 government office for adjudication unless there has been a
35 confrontation of the parties before the Lupon chairman or
36 the Pangkat and no conciliation or settlement has been
37 reached as certified by the Lupon secretary or the Pangkat
38 secretary, attested by the Lupon or the Pangkat chairman,
39 or unless the settlement has been repudiated. However, the
40 parties may go directly to court in the following
41 instances:

42 (1) Where the accused is under detention;

43 (2) Where a person has otherwise been deprived of

1 personal liberty calling for habeas corpus proceedings;

2 (3) Actions coupled with provisional remedies such as
3 preliminary injunction, attachments, delivery of personal
4 property and support pendente lite; and

5 (4) Where the action may otherwise be barred by the
6 Statute of Limitations.

7 SEC. [384] 383. Arbitration. - (1) The parties may,
8 at any stage of the proceedings, agree in writing that they
9 shall abide by the arbitration award of the punong barangay
10 or the Pangkat. Such agreement to arbitrate may within
11 five (5) days from the date thereof, be repudiated for the
12 same grounds and in accordance with the procedure
13 hereinafter prescribed. The arbitration award shall be
14 made after the lapse of the period for repudiation and
15 within ten (10) days thereafter.

16 (2) The arbitration award shall be in writing in a
17 language or dialect known to the parties. When the parties
18 to the dispute do not use the same language or dialect, the
19 award shall be written in the languages or dialects known
20 to them.

21 SEC. [385] 384. Proceedings Open to the Public;
22 Exception. - All proceedings for settlement shall be
23 public and informal: Provided, That the punong barangay or
24 the Pangkat, as the case may be, may motu proprio or upon
25 request of a party exclude the public from the proceedings
26 in the interest of privacy, decency or public morals.

27 SEC. [386] 385. Appearance of Parties in Person. - In
28 all Katarungang Pambarangay proceedings, the parties must
29 appear in person without the assistance of counsel or
30 representative, with the exception of minors and
31 incompetents who may be assisted by their next of kin who
32 are not lawyers.

33 SEC. [387] 386. Admissions. - Admissions made in the
34 course of any of the proceedings for settlement may be
35 admissible for any purpose in any other proceeding.

36 SEC. [388] 387. Effect of Amicable Settlement and
37 Arbitration Award. - The amicable settlement and
38 arbitration award shall have the force and effect of a
39 final judgment of a court upon the expiration of ten (10)
40 days from the date thereof unless repudiation of the
41 settlement has been made or a petition for nullification of
42 the award has been filed before the proper city or
43 municipal court.

1 SEC. [389] 388. Execution. - The amicable settlement
2 or arbitration award may be enforced by execution within
3 [one (1) year] THREE (3) MONTHS from the date of the
4 settlement. After the lapse of such time, the settlement
5 may be enforced by action in the appropriate city or
6 municipal court.

7 SEC. [390] 389. Repudiation. - Any party to the
8 dispute may, within ten (10) days from the date of the
9 settlement, repudiate the same by filing with the punong
10 barangay a statement to that effect sworn to before him,
11 where the consent is vitiated by fraud, violence or
12 intimidation. Such repudiation shall be sufficient basis
13 for the issuance of the certification for filing a
14 complaint as hereinabove provided.

15 SEC. [391] 390. Transmittal of Settlement and
16 Arbitration Award to the Court. - The Secretary of the
17 Lupon shall transmit the settlement or the arbitration
18 award to the local city or municipal court within five (5)
19 days from the date of the award or from the lapse of the
20 ten-day period repudiating the settlement and shall furnish
21 copies thereof to each of the parties to the settlement and
22 the punong barangay.

23 SEC. [392] 391. Power to Administer Oaths. - The
24 punong barangay and members of the Pangkat are hereby
25 authorized to administer oaths in connection with any
26 matter relating to all proceedings in the implementation of
27 the Katarungang Pambarangay.

28 SEC. [393] 392. Administration; Rules and
29 Regulations. - The Secretary of Local Government shall see
30 to the efficient and effective implementation and
31 administration of the Katarungang Pambarangay. For this
32 purpose, he is hereby empowered to promulgate rules and
33 regulations, upon consultation with the Secretary of
34 Justice. In the process, the Secretary of Local Government
35 may seek the cooperation and coordination from other
36 ministries, agencies or instrumentalities of the national
37 government, and such ministries, agencies or
38 instrumentalities are hereby directed to render assistance
39 whenever so requested.

40 SEC. [394] 393. Appropriations. - The appropriation
41 for the effective implementation of the Katarungang
42 Pambarangay shall be provided for annually in the General
43 Appropriations Act.

1 CHAPTER 9. The Youth Council

2 SEC. [395] 394. Creation. - (1) There shall be in
3 every barangay a Youth Council, to be composed of a
4 chairman, six councilors elected by the registered voters
5 of the Youth Assembly in accordance with law, a secretary
6 and a treasurer.

7 (2) A Youth Council official who during his term of
8 office shall have passed the age of twenty-[three] ONE
9 shall immediately lose rights to the office and the
10 privileges appurtenant thereto.

11 SEC. [396] 395. The Youth Assembly. - The Youth
12 Assembly shall be composed of all Filipino citizens
13 actually residing in the barangay for at least six months,
14 who are fifteen but not more than twenty- [three] ONE
15 years of age, and who are duly registered in the list of
16 the Youth Council or in the official barangay list in the
17 custody of the barangay secretary.

18 SEC. [397] 396. Meetings of the Youth Assembly. - The
19 Youth Assembly shall meet at the call of the chairman of
20 the Youth Council or upon written petition of at least
21 one-tenth of its members to decide important issues
22 affecting the youth of the barangay.

23 SEC. [398] 397. Powers and Functions of the Youth
24 Council. - The Youth Council shall have the following
25 powers and functions:

26 (a) Promulgate resolutions necessary to carry out the
27 objectives of the youth in the barangay in accordance with
28 the applicable provisions of this Code;

29 (b) Initiate programs designed to enhance the social,
30 political, economic, cultural, intellectual, moral,
31 spiritual and physical development of the members;

32 (c) Hold fund-raising activities the proceeds of which
33 shall be tax exempt and shall accrue to the general fund of
34 the Youth Council: Provided, however, That in the
35 appropriation thereof, the specific purpose for which such
36 activity has been held shall be first satisfied;

37 (d) Create such bodies or committees as it may deem
38 necessary to effectively carry out Youth Council programs
39 and activities;

40 (e) Perform such other functions and exercise such
41 powers as the sangguniang barangay may determine or
42 delegate; and

43 (f) Exercise such other powers and perform such other

1 duties and functions as may be prescribed by law or
2 ordinance.

3 SEC. [399] 398. Meetings of the Youth Council. - The
4 Youth Council shall meet regularly twice a month on the
5 date, time and place to be fixed by the said council.
6 Special meetings may be called by the Youth Council
7 chairman or any three of its members by giving written
8 notice to all members of the date, time, place and agenda
9 of the meeting at least one day in advance. Notices of
10 regular or special meetings shall be furnished the punong
11 barangay and the sangguniang barangay.

12 A majority of the members of the Youth Council shall
13 constitute a quorum to do business.

14 SEC. [400] 399. Qualifications. - An elective
15 official of the Youth Council must, on the day of election,
16 be a Filipino citizen, a qualified voter of the Youth
17 Assembly, a resident of the barangay for at least six
18 months immediately prior to election, be able to read and
19 write Pilipino, English, or the local dialect, must be at
20 least fifteen years but not more than twenty-three years of
21 age. [, and must not have any of the qualifications
22 prescribed in Section ___ of this Code.]

23 SEC. [401] 400. Terms of Office. - The Youth Council
24 chairman and members shall hold office for a period of
25 three years unless sooner removed for cause as provided by
26 law, permanently incapacitated, dies, or resigns from
27 office.

28 SEC. [402] 401. The Youth Council Chairman. - The
29 registered voters of the Youth Assembly shall elect a
30 chairman who shall automatically become an ex-officio
31 member of the sangguniang barangay upon his assumption of
32 office. As such, he shall exercise the same powers,
33 discharge the same duties and functions, and enjoy the same
34 privileges as the regular sangguniang barangay members, and
35 shall be the chairman of the committee on youth and sports
36 development in said sanggunian.

37 SEC. [403] 402. Powers and Duties of the Youth Council
38 Chairman. - Aside from the duties which may be assigned to
39 him by the sangguniang barangay, the Youth Council chairman
40 shall:

41 (a) Call and preside over all meetings of the Youth
42 Assembly and the Youth Council;

43 (b) Implement policies, programs, and projects within

1 his jurisdiction in coordination with the sangguniang
2 barangay;

3 (c) Exercise general supervision over the affairs and
4 activities of the Youth Council and the official conduct of
5 its members, and such other officers of the Youth Council
6 within his jurisdiction;

7 (d) With the concurrence of the Youth Council, appoint
8 from among the members of the Youth Assembly, the secretary
9 and treasurer, and such other officers as may be deemed
10 necessary; and

11 (e) Exercise such other powers and perform such other
12 duties and functions as may be prescribed by law or
13 ordinance.

14 SEC. [404] 403. The Youth Council Secretary. - The
15 Youth Council secretary shall :

16 (a) Be the custodian of all records of the Youth
17 Assembly and Council;

18 (b) Prepare and keep the minutes of all meetings of
19 the Youth Assembly and Council;

20 (c) Prepare all forms necessary for the conduct of
21 registration, elections, initiatives, referenda or
22 plebiscites, in coordination with the barangay secretary
23 and the Commission on Elections; and

24 (d) Discharge such other duties as the chairman of
25 Youth Council may prescribe or direct.

26 SEC. [405] 404. The Youth Council Treasurer. - The
27 Youth Council treasurer shall:

28 (a) Take custody of all Youth Council property and
29 funds;

30 (b) Collect and receive contributions, monies,
31 materials and all other resources intended for the Youth
32 Council and Assembly;

33 (c) Disburse funds in accordance with an approved
34 budget of the Youth Council;

35 (d) Certify to the availability of funds whenever
36 necessary;

37 (e) Submit to the Youth Council and to the sangguniang
38 barangay certified and detailed statements of actual
39 receipts and expenditures every end of the month; and

40 (f) Perform such other duties and discharge such other
41 functions as the chairman or Youth Council may direct.

42 SEC. [406] 405. Privileges of Youth Council Officials.

43 - The Youth Council chairman shall have the same privileges

1 enjoyed by other sangguniang barangay officials under this
2 Code subject to such requirements and limitations herein
3 provided. Other Youth Council officials shall enjoy
4 exemption from tuition and matriculation fees for attending
5 public secondary and collegiate schools during their
6 incumbency: Provided, however, that the public school or
7 colleges they enroll in shall be reimbursed by the national
8 government the corresponding amounts for tuition and
9 matriculation fees: Provided, further, That the Youth
10 Council officials shall enroll in public schools or
11 colleges nearest their area of jurisdiction.

12 SEC. [407] 406. Succession and Filling of Vacancies. -

13 (1) In case a Youth Council chairman refuses to assume
14 office, fails to qualify, is convicted of a felony,
15 voluntarily resigns, dies, is permanently incapacitated, is
16 removed from office, or has been absent without
17 authorization for more than three consecutive months the
18 Youth Council member who obtained the highest number of
19 votes in the election immediately preceding shall assume
20 the position of chairman for the unexpired portion of the
21 term, and shall discharge the powers and duties, and enjoy
22 the rights and privileges appurtenant to the office.

23 In case the Youth Council member concerned refuses to
24 assume the position or fails to qualify, the council member
25 obtaining the next highest number of votes shall assume the
26 position of chairman for the unexpired portion of the term.

27 (2) In case two or more Youth Council Members obtain
28 identical highest number of votes, the Youth Council, by a
29 majority vote of all its members shall elect the successor.

30 (3) After the vacancy shall have been filled, the
31 Youth Council Chairman shall call a special election to
32 complete the membership of the said Council. Such
33 appointed or elected councilor shall hold office for the
34 unexpired portion of the term of the vacant seat.

35 (4) In case of suspension of the Youth Council
36 chairman, the successor, as determined in the immediately
37 preceding paragraph of this section shall assume the
38 position during the period of such suspension.

39 CHAPTER 10. The Youth Council Federation

40 SEC. [408] 407. The Youth Council Federation. - (1)

41 There shall be an organization of all the Youth Council
42 organizations to be known as follows: in municipalities,
43 Municipal Federation of Youth Councils; in cities, City

1 Federation of Youth Councils; in provinces, Provincial
2 Federation of Youth Councils; and on the national level,
3 the National Youth Council.

4 (2) The Youth Council federations shall, at all levels
5 be organized in the following manner:

6 (a) The city and municipal federations shall
7 consist of the youth council chairmen of each barangay
8 who shall elect from among themselves the city or
9 municipal federation president and such other officers
10 as may be necessary.

11 (b) The provincial federation shall be composed
12 of the municipal and city federation presidents who
13 shall elect from among themselves a set of officers.
14 The elected president of each provincial federation
15 shall constitute the National Youth Council.

16 SEC. [409] 408. Term, Election, Removal and Suspension
17 in the Federation of Youth Councils. - The term of office,
18 manner of election, removal and suspension of the officers
19 of the Youth Council federations at all levels shall be
20 governed by the bylaws of the organization as may be
21 adopted and promulgated by the National Youth Council, in
22 conformity with the provisions of this Code.

23 SEC. [410] 409. Membership in Sanggunian. - (1) Upon
24 certification of his election by the Commission on
25 Elections, and during his tenure of office, the provincial,
26 city or municipal federation president shall sit as a
27 member of the provincial, city or municipal sanggunian
28 INCLUDING THOSE OF METROPOLITAN MANILA, as the case may
29 be, without need for further appointment.

30 (2) Should a city or municipal federation president be
31 elected subsequently to the position of president of the
32 provincial federation; he shall be entitled to membership
33 in the sangguniang panlalawigan of the province concerned.
34 The vice president of the municipal or city federation
35 shall sit as a member of the sangguniang bayan or
36 sangguniang panlungsod concerned.

37 (3) As member of the sanggunian, the provincial, city
38 or municipal federation president or vice president shall
39 automatically become the chairman of the Committee on Youth
40 and Sports Development in said sanggunian INCLUDING THOSE
41 OF METROPOLITAN MANILA.

42
43

1 TITLE TWO. - THE MUNICIPALITY

2 CHAPTER 1. - Role and Creation of Municipalities

3 SEC. [411] 410. Role of Municipalities. - The
4 municipality, consisting of a group of barangays, shall
5 serve primarily as a general-purpose government for the
6 coordination and delivery of basic, regular and direct
7 services within its jurisdiction.

8 SEC. [412] 411. Manner of Creation. - A municipality
9 may be created, named, and its boundaries defined, altered
10 or modified only by an Act of the Congress of the
11 Philippines, subject to approval by a majority of the votes
12 cast in a plebiscite to be conducted by the Commission on
13 Elections within one hundred twenty days from the date of
14 its effectivity.

15 SEC. [413] 412. Requisites for Creation. - (1) A
16 municipality may be created out of a contiguous territory
17 which has at least twenty-five thousand inhabitants as
18 certified by the National Census and Statistics Office, and
19 has an average annual income, as certified by the
20 provincial treasurer, of at least five hundred
21 thousand pesos for the last three consecutive years, and
22 the creation thereof shall not reduce the population and
23 income of the mother municipality or municipalities at the
24 time of said creation to less than the minimum requirements
25 under this section. The territory need not be contiguous
26 if it comprises two or more islands.

27 (2) The average annual income shall include the income
28 allotted for both the general fund and the infrastructure
29 funds, exclusive of trust funds, transfers and non-
30 recurring income.

31 (3) The territorial jurisdiction of a new municipality
32 shall not be less than five thousand hectares and shall be
33 properly identified by metes and bounds or by more or less
34 permanent natural boundaries.

35 SEC. [414] 413. Consolidation of Municipalities. -

36 (1) Within a period of one year after the effectivity of
37 this Code, the provincial governor shall prepare a
38 consolidation plan for all municipalities within his area
39 of jurisdiction based on the criteria provided for in the
40 immediately preceding section, after consultation with the
41 municipalities affected.

42 (2) The municipal consolidation plan shall be
43 submitted to the sangguniang panlalawigan for indorsement

1 by resolution to the Secretary of Local Government who, in
2 his discretion, shall submit the same to the Congress of
3 the Philippines for the enactment of the corresponding
4 legislation, subject to the Constitutional requirement of
5 plebiscite to be conducted by the Commission on Elections
6 in the area or areas affected. (N)

7 CHAPTER 2. Municipal Officials in General

8 SEC. [415] 414. Officials of the Municipal
9 Government. - (1) There shall be in each municipality, a
10 mayor, a vice mayor, sangguniang bayan members, a municipal
11 secretary, a municipal treasurer, A MUNICIPAL ASSESSOR, a
12 municipal budget officer, and a municipal planning and
13 development coordinator.

14 (2) The sangguniang bayan may maintain existing
15 offices not mentioned in paragraph (1) of this section or
16 create such other offices as may be necessary to carry out
17 the purposes of the municipal government.

18 (3) The Secretary of Local Government shall prescribe
19 minimum standards and guidelines with respect to the
20 organization structure, staffing pattern and other relevant
21 operational aspects of governance of municipalities.

22 CHAPTER 3. Officials and Offices Common to All
23 Municipalities

24 Article One. - The Municipal Mayor

25 SEC. [416] 415. Powers, Duties and Functions. - (1)
26 The mayor shall be the chief executive of the municipal
27 government and shall exercise such powers, duties and
28 functions as provided in this Code and other laws.

29 (2) He shall:

30 (a) Exercise general supervision and control over
31 all local administrative affairs including all
32 officials and employees appointed by him;

33 (b) Subject to the provisions of the civil
34 service law, rules and regulations, appoint all
35 officers and employees of the municipal government,
36 except those which are specifically provided in this
37 Code;

38 (c) Represent the municipality in its business
39 transactions and sign on its behalf all contracts,
40 obligations and official documents made in accordance
41 with law or ordinance;

42 (d) Coordinate the implementation of technical
43 services rendered by national offices, including public

1 works and road-and-bridge programs in the community;

2 (e) Require all executive and administrative
3 officers, agents and employees of the municipal,
4 provincial, and national offices stationed therein, to
5 make officially available to him such books, records
6 and other papers in their custody, not otherwise
7 classified by law as confidential to facilitate the
8 exercise of his executive power;

9 (f) Determine, according to law or ordinance, the
10 time, manner, and place of payment of the salaries and
11 wages of the officers and employees of the
12 municipality;

13 (g) Call a meeting of any or all the municipal
14 officials at such place and time as he may designate;

15 (h) Direct the formulation of municipal
16 development plans and programs, and once approved by
17 the sangguniang bayan, supervise and direct the
18 execution and implementation thereof;

19 (i) Call upon any national official or employee
20 stationed in the municipality to coordinate in the
21 formulation, and implementation of plans, programs and
22 projects, and seek his advice and recommendation on
23 matters affecting the municipality;

24 (j) Grant licenses and permits in accordance with
25 existing laws or municipal ordinances and revoke them
26 for violation of the conditions upon which they have
27 been granted;

28 (k) Maintain peace and order in the municipality,
29 and in pursuance thereof, he shall be entitled to
30 possess and carry the necessary firearms within this
31 territorial jurisdiction, subject to existing rules and
32 regulations on the possession and carrying of firearms;

33 (l) At least ten and one-half months before the
34 beginning of each calendar year require each head of
35 office to prepare and submit to him an estimate of the
36 appropriation for the operation of each office during
37 the ensuing calendar year, which estimate shall be
38 prepared on the basis of programs, projects, activities
39 and workloads, and such estimates of appropriation,
40 after evaluation, shall form part of the budget of the
41 municipality;

42 (m) Submit to the sangguniang bayan the annual
43 budget of the municipality for the ensuing calendar

1 year on or before the time fixed in local budgeting
2 regulations;

3 (n) Enforce laws, municipal ordinances and
4 resolutions and issue necessary orders for their
5 faithful and proper enforcement and execution;

6 (o) Ensure that all taxes and other revenues of
7 the municipality are collected and that municipal funds
8 are spent in accordance with law, ordinances and
9 regulations;

10 (p) Adopt measures to safeguard all the lands,
11 buildings, records, monies, credits, and other property
12 rights of the municipality;

13 (q) Make known to the people of the municipality,
14 by proclamation or communication delivered to the
15 barangays, all general laws or governmental orders
16 affecting them;

17 (r) Cause to be instituted administrative or
18 judicial proceedings against any officer or employee of
19 the municipality who may have committed any offense in
20 the performance of his official duties;

21 (s) Cause to be instituted judicial proceedings
22 in connection with the violation of ordinances, for the
23 recovery of taxes, fees and charges, and for the
24 recovery of property and funds and otherwise protect
25 the interest of the municipality;

26 (t) When the public interest so requires, call
27 upon the [Philippine Constabulary] APPROPRIATE LAW
28 ENFORCEMENT AGENCIES in the province to suppress
29 disorder, riot, lawless violence, rebellious or
30 seditious conspiracy or to apprehend violators of law;

31 (u) Give such information and recommend such
32 measures to the sangguniang bayan as he shall deem
33 advantageous to the municipality;

34 (v) Allocate and assign rooms to municipal and
35 other public officials who, by law or ordinance, are
36 entitled to office space in the municipal building;

37 (w) Take appropriate action on vacation, sick and
38 maternity leaves of officers and employees appointed by
39 him and authorize the commutation of the money value
40 thereof when proper;

41 (x) Authorize trips outside the municipality of
42 officers and employees [appointed by him] SUBJECT TO
43 EXISTING LAWS, RULES AND REGULATIONS;

1 (y) Approve the commutation of the transportation
2 and representation allowances of chiefs of offices of
3 the municipality as authorized by law;

4 (z) Exercise direct supervision and control over
5 the property and supply management of the municipality;

6 (aa) Furnish copies of executive orders issued by
7 him to the provincial governor within seventy-two hours
8 after their issuance;

9 (bb) CONDUCT AN ANNUAL 'BOYS AND GIRLS WEEK'
10 IN SUCH A MANNER AND AT SUCH A TIME AS THE SANGGUNIANG
11 BAYAN SHALL PROVIDE BY ORDINANCE: PROVIDED, THAT, SUCH
12 ORDINANCE SHALL INCLUDE IN THE OBSERVANCE OF SAID 'BOYS
13 AND GIRLS WEEK' THE ELECTION OF A MUNICIPAL MAYOR,
14 VICE-MAYOR, SANGGUNIANG BAYAN MEMBERS, AND OTHER
15 ELECTIVE AND APPOINTIVE MUNICIPAL OFFICIALS AMONG IN-
16 SCHOOL AND COMMUNITY YOUTH RESIDING IN THE MUNICIPALITY
17 FROM THE AGES OF THIRTEEN TO SEVENTEEN, TO HOLD OFFICE
18 AS BOY AND GIRL OFFICIALS DURING THE SAID WEEK AND TO
19 PERFORM SUCH DUTIES AND CONDUCT SUCH ACTIVITIES AS MAY
20 BE PROVIDED IN THE ORDINANCE; [S. # 185, Ctte. Report
21 No. 270 dated 06-06-88] AND

22 [(bb)] (CC) Perform such other duties and
23 exercise such other powers as may be prescribed by law
24 or ordinance.

25 SEC. [417] 416. Authority of the Mayor to Conduct
26 Preliminary Examination. - (1) In case of temporary
27 absence of the judge assigned to the municipality, the
28 mayor may conduct the preliminary examination in criminal
29 cases if in his opinion the investigation cannot be delayed
30 without prejudice to the interest of justice.

31 (2) No examination shall be conducted unless the
32 parties are assisted by lawyers.

33 (3) In cases where he may conduct preliminary
34 examination, the mayor shall, upon probable cause after
35 examination of witnesses, have authority to order the
36 arrest of the accused and to grant him bail in the manner
37 and cases provided in the Revised Rules of Court and order
38 his provisional release.

39 (4) The mayor shall make a report of any preliminary
40 examination so made immediately after the return of the
41 judge assigned in the area, or upon the designation of his
42 replacement.

43 (5) The judge assigned in the area may review, revise,

1 alter or revoke the action taken by the municipal mayor.

2 Article Two. - The Vice Mayor

3 SEC. [418] 417. Powers, Duties and Functions. - The
4 vice mayor shall:

5 (a) Be the presiding officer of the sangguniang bayan;

6 (b) Assume the office of the mayor in any of the cases
7 provided for in Section 38 paragraph (1) of this Code;

8 (c) Exercise the power and perform the duties and
9 functions of the mayor in the cases provided for in Section
10 [41] 40 of this Code; and

11 (d) Exercise such other powers and perform such other
12 duties and functions as may be prescribed by law or
13 ordinance.

14 Article Three. - The Sangguniang Bayan

15 SEC. [419] 418. Composition. - (1) The sangguniang
16 bayan shall be the legislative body of the municipality and
17 shall be composed of the vice mayor, who shall be the
18 presiding officer, [eight members elected at large, the
19 president of the municipal chapter of the League of
20 Barangays and the president of the municipal federation of
21 youth councils.]

22 (2) In addition thereto, there shall be one
23 representative each from the agricultural and industrial
24 labor sectors who shall be appointed by the President of
25 the Philippines whenever, as determined by the sangguniang
26 bayan, said sectors are of sufficient number in the
27 municipality to warrant representation, after consultation
28 with associations and persons belonging to the sector
29 concerned.

30 SEC. [419-A] 418-A. SESSIONS. - (1) THE
31 SANGGUNIANG BAYAN SHALL HOLD AT LEAST TWO REGULAR SESSIONS
32 A MONTH ON THE DAYS WHICH SHALL BE FIXED BY RESOLUTION.
33 SPECIAL SESSIONS MAY BE CALLED BY THE MAYOR OR A MAJORITY
34 OF THE MEMBERS OF THE SANGGUNIANG BAYAN AS OFTEN AS
35 NECESSARY. NO TWO SESSIONS SHALL BE HELD IN ONE DAY.

36 (2) IN THE EVENT OF INABILITY OF THE VICE-MAYOR TO ACT
37 AS PRESIDING OFFICER ON ACCOUNT OF A TRIP ON OFFICIAL
38 BUSINESS, ABSENCE ON LEAVE, SICKNESS, OR ANY TEMPORARY
39 INCAPACITY, THE MEMBERS CONSTITUTING A QUORUM SHALL CHOOSE
40 FROM AMONG THEMSELVES THE TEMPORARY PRESIDING OFFICER.

41 (3) THE TEMPORARY PRESIDING OFFICER SHALL NOT VOTE
42 EVEN IN CASE OF TIE BUT HE SHALL CERTIFY WITHIN TEN DAYS TO
43 ALL ORDINANCES AND RESOLUTIONS ENACTED OR ADOPTED. IF

1 WITHIN SAID PERIOD THE ORDINANCES AND RESOLUTIONS WERE NOT
2 SIGNED BY THE TEMPORARY PRESIDING OFFICER, SAID ORDINANCES
3 AND RESOLUTIONS SHALL BE DEEMED TO HAVE BEEN SIGNED AND THE
4 MUNICIPAL SECRETARY SHALL FORWARD THEM TO THE MAYOR FOR
5 SUCH ACTION AS MAY BE AUTHORIZED BY LAW.

6 (4) THE SANGGUNIANG BAYAN SHALL ADOPT ITS OWN RULES OF
7 PROCEDURE, KEEP A RECORD OF ITS PROCEEDINGS AND FOR
8 DISORDERLY CONDUCT DURING SESSIONS, WITH THE CONCURRENCE OF
9 TWO-THIRDS OF ALL ITS MEMBERS, REPRIMAND, EXCLUDE FROM THE
10 SESSION, OR SUSPEND FOR NOT MORE THAN SIXTY DAYS AN ERRING
11 MEMBER.

12 (5) THE SESSIONS OF THE SANGGUNIANG BAYAN SHALL BE
13 OPEN TO THE PUBLIC UNLESS OTHERWISE ORDERED BY AN
14 AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS PRESENT,
15 THERE BEING A QUORUM. (S.B. 623)

16 SEC. [420] 419. Powers, Duties and Functions. - (1)
17 The sangguniang bayan shall:

18 (a) Enact such ordinances and issues regulations
19 as may be necessary to carry out and discharge the
20 responsibilities conferred upon it by law, and such as
21 shall be necessary and proper to maintain peace and
22 order, improve public morals, promote prosperity,
23 ensure protection of property, and provide for the
24 health, safety, comfort, convenience and general
25 welfare of the municipality and its inhabitants;

26 (b) Prescribe reasonable limits and restraints on
27 the use of property;

28 (c) For violation of municipal ordinances,
29 provide for the imposition of a fine not exceeding one
30 thousand pesos or six months imprisonment, or both fine
31 and imprisonment at the discretion of the court;

32 (d) Levy taxes for general and specific purposes
33 and fix the rates in accordance with the provisions of
34 this Code and other laws;

35 (e) Impose and fix reasonable fees and charges
36 for all services rendered by the municipality to
37 private parties;

38 (f) Provide for the establishment and maintenance
39 of public markets, ferries, wharves, abattoirs or
40 slaughterhouses, pounds and cemeteries;

41 (g) Upon the majority vote of all the members,
42 authorize the municipal mayor to negotiate and contract
43 loans and other forms of indebtedness subject to

1 existing laws and regulations;

2 (h) Grant the exclusive privilege of constructing
3 fish corrals, or taking or catching fish or fry of any
4 species for propagation within any definite portion or
5 area of the municipal waters, in accordance with law;

6 (i) Grant loans or aids to other local government
7 units or to national, provincial and municipal
8 institutions of a charitable benevolent or educational
9 character;

10 (j) Upon recommendation of the municipal mayor,
11 appropriate money for the promotion of the general
12 welfare of the municipality and its inhabitants;

13 (k) Fix in accordance with law the number and
14 rates of salaries of officials and employees of the
15 municipality paid from municipal funds and provide for
16 such expenditures as are necessary for the proper
17 conduct of the activities of the municipal government;

18 (l) Provide funds for construction and
19 maintenance or rental of buildings for the use of the
20 municipality;

21 (m) Upon the majority vote of all the members,
22 authorize the municipal mayor to lease to private
23 parties municipal public buildings held in a
24 proprietary capacity, subject to existing laws, rules
25 and regulations;

26 (n) Provide names of streets and buildings owned
27 by the municipality and, for justifiable reasons,
28 change not oftener than once every ten years, the names
29 of streets and public buildings located within the
30 boundaries of the municipality, and regulate the
31 numbering of houses and buildings;

32 (o) Provide for the maintenance of a waterworks
33 system or district for supplying water to its
34 inhabitants and for the purification of the source of
35 supply and places through which the same passes,
36 regulate the consumption and use of water and fix and
37 collect charges therefor; provide for the construction,
38 repair and use of hydrants, pumps, cisterns and
39 reservoirs;

40 (p) Review all ordinances approved by the
41 sangguniang barangay to determine whether they are in
42 conformity with laws or municipal ordinances;

43 (q) Upon recommendation of the mayor, and in

1 accordance with the provisions of this Code and other
2 laws, create, consolidate, and reorganize municipal
3 offices when deemed necessary in the interest of
4 efficiency and economy;

5 (r) Regulate any business subject to municipal
6 license tax or fees and prescribe the conditions under
7 which a municipal license may be revoked;

8 (s) Charge a reasonable fee upon any person
9 engaged in any business or occupation in the
10 municipality before issuing a municipal permit
11 therefor, and provide conditions upon which the
12 business or occupation may be conducted;

13 (t) Regulate and fix the license fees for signs,
14 signboards, and billboards displayed at the place or
15 places where the profession or business advertised
16 thereby is in whole or in part conducted;

17 (u) Upon the majority vote of all the members,
18 grant franchises to any person or corporation to do
19 business within the municipality, to establish,
20 construct, operate and maintain a ferry, wharf, market
21 or slaughterhouse, or undertake such other activities
22 as may be allowed by existing laws;

23 (v) Regulate the inspection, weighing and
24 measuring of articles of commerce;

25 (w) Authorize the payment of compensation or
26 additional compensation, as the case may be, to any
27 officer or employee, or to a person not in government
28 service to temporarily fill a vacancy at a rate equal
29 to that actually received by the regular incumbent;

30 (x) Adopt zoning and subdivision ordinances or
31 regulations, subject to the provisions of existing
32 laws;

33 (y) Provide for the care of the poor, the aged,
34 the sick, or persons of unsound mind, delinquent and
35 abandoned minors, as well as adult offenders and other
36 disabled or handicapped persons;

37 (z) Provide for the construction, improvement,
38 repair and maintenance of municipal streets, avenues,
39 alleys, sidewalks, bridges, parks and other public
40 places, and regulate the use thereof, and prohibit the
41 construction or placing of obstacles or encroachments
42 on them;

43 (aa) Provide for the lighting, cleaning and

1 sprinkling of streets and public places, prohibit
2 littering thereon, and provide for the collection and
3 disposal of garbage;

4 (bb) Regulate the drilling and excavation of the
5 ground for the laying of gas, water, sewer, and other
6 pipes; the building and repair of tunnels, sewers,
7 drains and other similar structures; erecting of poles
8 and the use of crosswalks, curbs and gutters therein,
9 and adopt measures to ensure public safety against open
10 canals, manholes, live wires and other similar hazards
11 to life and property, and provide just compensation or
12 relief for persons suffering from them;

13 (cc) Provide for the establishment, maintenance,
14 and regulation of the use of public drains, sewers and
15 public baths;

16 (dd) Regulate the selling, giving away or
17 dispensing of intoxicating malt, vinous, mixed or
18 fermented liquors at retail outlets;

19 (ee) Provide for the abatement of nuisance;

20 (ff) Penalize habitual drunkenness in public
21 places, vagrancy, mendicancy, prostitution, the
22 establishment and maintenance of houses of ill repute,
23 gambling and all fraudulent devices for the purpose of
24 obtaining money or property, or the printing,
25 circulation, exhibition or sale of obscene articles,
26 pictures, books or publications;

27 (gg) Provide for the suppression of riots,
28 vandalism, tumultuous affrays, disturbances and
29 disorderly assemblies;

30 (hh) Provide for the impounding of stray animals;

31 (ii) Adopt measures to prevent and penalize
32 cruelty to animals;

33 (jj) Adopt measures and regulations to protect
34 the public from fire, floods, conflagration, typhoons,
35 drought, earthquakes, and other public calamities, and
36 provide relief for persons suffering from them;

37 (kk) Require owners, administrators, or tenants
38 of buildings and premises to keep and maintain them in
39 a sanitary condition, and should they fail to do so,
40 cause them to be cleared and kept in a sanitary
41 condition and the cost thereof to be assessed against
42 the owner, administrator or tenant, as the case may be,
43 which cost shall constitute a lien against the

1 property;

2 (ll) Provide for the regulation and inspection of
3 meat, fruits, poultry, milk, fish, vegetables and other
4 foodstuffs for public consumption;

5 (mm) Adopt quarantine regulations as are
6 desirable or necessary to prevent the introduction and
7 spread of diseases;

8 (nn) Establish fire limits in populous centers
9 and prescribe the kinds of buildings that may be
10 constructed or repaired within them;

11 (oo) Regulate cockpits, cockfighting and the
12 keeping or training of gamecocks, subject to existing
13 guidelines promulgated by the Philippine Gamefowl
14 Commission;

15 (pp) Regulate garages and the keeping of
16 conveyances for hire and designate stands to be
17 occupied by public vehicles when not in use;

18 (qq) Regulate the construction and operation of
19 private markets, talipapa, or other similar buildings
20 and physical structures;

21 (rr) Regulate cafes, restaurants, beerhouses,
22 hotels, motels, inns, pension houses and lodging
23 houses, except travel agencies, tourist guides, tourist
24 transports, hotels, resorts, de luxe restaurants, and
25 tourist inns of international standards which shall
26 remain under the licensing and regulatory power of the
27 Department of Tourism which shall exercise such
28 authority without infringing on the taxing or
29 regulatory powers of the municipality;

30 (ss) Regulate public dancing schools, public
31 dance halls and sauna baths or massage parlors;

32 (tt) Regulate the establishment and operation of
33 billiard pools, theatrical performances, circuses and
34 other forms of entertainment;

35 (uu) Regulate the establishment and provide for
36 the inspection of steam boiler and storage of
37 inflammable and combustible materials within the
38 municipality;

39 (vv) Establish a scholarship fund for poor but
40 deserving students for the payment of tuition and other
41 school fees, subject to such terms and conditions as
42 may be determined by ordinance;

43 (ww) Define boundaries and change the names of

1 barangays within the municipality;

2 (xx) Provide group insurance or additional group
3 members of barangay tanod [brigades] SERVICE UNITS
4 within the municipality with public or private
5 insurance companies, whenever the finance of the
6 municipality so warrant; and.

7 (yy) CONDUCT A PALARONG BAYAN, IN COORDINATION
8 WITH THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS,
9 AS A YEAR-ROUND OR ANNUAL ACTIVITY WHICH SHALL INCLUDE
10 TRADITIONAL GAMES AND SPORTS, AND DISCIPLINES INCLUDED
11 IN NATIONAL AND INTERNATIONAL COMPETITIONS; AND (S. #
12 308, Ctte. Report # 293 dated 07-26-88)

13 [(yy)] (ZZ) Exercise such other powers and
14 perform such other duties and functions as may be
15 prescribed by law or ordinance.

16 (2) Public utilities owned by the municipality may be
17 operated by the municipality or may be leased to private
18 parties under such terms and conditions that may be imposed
19 by the sangguniang bayan.

20 (3) When any ferry, market, or slaughterhouse
21 belonging to a municipality is to be leased to a private
22 party, it shall be awarded to the highest bidder for a
23 period of not less than one year, renewable annually under
24 such terms as the sangguniang bayan may impose.

25 Article Four. The Municipal Secretary

26 SEC. [421] 420. Appointment, Compensation, Powers,
27 Duties and Functions. - (1) There shall be a municipal
28 secretary who shall be appointed by the municipal mayor
29 with the concurrence of the sangguniang bayan, and whose
30 term of office shall be co-terminous with said sanggunian.
31 The compensation, allowances and other emoluments of the
32 municipal secretary shall be determined by law or
33 ordinance.

34 (2) He shall:

35 (a) Attend meetings of the sangguniang bayan,
36 keep the minutes of its proceedings and record other
37 acts of the municipal government;

38 (b) Record in a book kept for the purpose, all
39 ordinances and resolutions enacted or adopted by the
40 sangguniang bayan, with the dates of their enactment
41 and PUBLICATION;

42 (c) Forward to the sangguniang panlalawigan
43 copies of approved ordinances and resolutions within

1 seventy-two hours after their approval;

2 (d) Forward to the mayor for appropriate action
3 ordinances and resolutions enacted or adopted by the
4 sangguniang bayan which have been certified as such by
5 the presiding officer within ten days after their
6 enactment or adoption;

7 (e) Keep and affix the corporate seal of the
8 municipality on all ordinances and resolutions signed
9 by the mayor and on all other official documents and
10 papers of the municipal government as may be required
11 by law or ordinance;

12 (f) Attest to all executive orders,
13 proclamations, ordinances and resolutions signed by the
14 mayor;

15 (g) Translate into the dialect used by the
16 majority of the people of the municipality all
17 ordinances immediately after their approval, and have
18 the translation posted, together with the original at
19 the main entrance of the municipal building and in
20 other conspicuous public places in the barangays of the
21 municipality;

22 (h) Furnish certified copies of all records and
23 documents in his charge not otherwise classified as
24 confidential, upon payment to the municipal treasurer
25 of the fees prescribed by ordinances;

26 (i) Keep his office and all records therein which
27 are not of a confidential character open to public
28 inspection during the usual business hours;

29 (j) Act as custodian of the municipal library and
30 archives, if any and annually account for them; and

31 (k) Exercise such other powers and perform such
32 other duties and functions as may be prescribed by law
33 or ordinance.

34 Article Five. - The Municipal Treasurer

35 SEC. [422] 421. Appointment, Qualifications,
36 Compensation, Powers, Duties and Functions. - (1) The
37 municipal treasurer shall be appointed by the municipal
38 mayor from a list of at least three recommendees of the
39 [Secretary of Finance] SANGGUNIANG BAYAN, subject to civil
40 service law, rules and regulations.

41 (2) No person shall be appointed municipal treasurer
42 unless he is a citizen of the Philippines, of good moral
43 character, at least twenty-three years of age, a holder of

1 a degree preferably in law, commerce, public administration
2 or any other related course from a recognized college or
3 university, a first grade civil service eligible or its
4 equivalent and has at least three years experience in the
5 treasury or accounting service.

6 (3) The municipal treasurer shall receive such
7 compensation, allowances and other emoluments as may be
8 provided by law or ordinance.

9 (4) The municipal treasurer shall:

10 (a) Collect all monies and revenues accruing to
11 the municipality and issue proper receipts therefor
12 showing the date, the amount paid, the name of the
13 person making the payment and the amount upon which it
14 is paid;

15 (b) Disburse all municipal funds and other funds
16 entrusted to him by law or by competent authority, in
17 accordance with duly authorized appropriations and upon
18 properly executed vouchers bearing the approval of the
19 proper authorities;

20 (c) Submit to the municipal mayor certified
21 statements of actual and estimated income in connection
22 with the preparation of annual and supplemental budgets
23 of the municipality;

24 (d) Advise the sangguniang bayan and other
25 municipal officials concerned on the disposition of
26 municipal funds and on all municipal fiscal matters;

27 (e) For taxation purposes inspect, under the
28 supervision of the sangguniang bayan, the operation of
29 public utilities belonging to, leased or operated by,
30 the municipal government and all other commercial and
31 industrial enterprises of the municipality;

32 (f) Deposit all funds of the municipality with a
33 depository bank nearest their area of jurisdiction, in
34 the name of the municipality;

35 (g) Certify jointly with the barangay treasurers
36 to the collectibility of the estimated tax receipts and
37 income of the barangay governments for the ensuing
38 calendar year;

39 (h) On or before the twentieth day of each month,
40 furnish the mayor and the sangguniang bayan a statement
41 of the appropriations, actual expenditure and balance
42 of all funds and accounts as of the last day of the
43 preceding month;

- 1 (i) Approve the registration of large cattle;
2 (j) Perform, as deputy of the provincial
3 treasurer in the municipality, such other duties not
4 inconsistent with law as the provincial treasurer may
5 assign to him;
6 (k) Keep a detailed account of all monies
7 received and pay or dispose of the same pursuant to
8 lawful authority;
9 (l) Charge, at rates to be fixed by the
10 sangguniang bayan, fees for public services and
11 supplies made available by his office to private
12 parties; and
13 (m) Exercise such other powers and perform such
14 other duties and functions as may be prescribed by law
15 or ordinance.

16 SEC. [423]. 422. Temporary Disability. - In the event
17 of inability of the treasurer to discharge the duties of
18 his office on account of a trip on official business,
19 absence on leave, sickness, suspension or other temporary
20 disability, the treasury official next in rank in the
21 municipality shall discharge the duties of the office,
22 provisions of existing laws to the contrary
23 notwithstanding.

24 SEC. [424] 423. Inspection of Municipal Treasurer's
25 Accounts, Automatic Suspension of Delinquent Treasurer. -
26 The books, accounts, papers and cash in the custody of the
27 municipal treasurer shall at all times be open to
28 inspection in accordance with existing laws.

29 In case an examination discloses a shortage in the cash
30 which should be on hand or any misuse of the funds, in
31 violation of the law, it shall be the duty of the examining
32 officer to seize the cash books, accounts and papers,
33 verifying the amount of cash so seized in the presence of
34 at least two municipal officers designated by the mayor,
35 who shall certify to the amount so seized. Thereupon, the
36 municipal treasurer shall automatically stand suspended
37 from office. The municipal mayor shall immediately report
38 the suspension to the Secretary of Finance for the latter's
39 appropriate action. The funds so seized shall be treated
40 as a municipal deposit in the account of the assistant
41 municipal treasurer or the treasury official next in rank
42 in the municipality until the municipal treasurer is
43 restored or a new municipal treasurer is appointed to

1 replace him.

2 SEC. [425] 424. Compensation - One third of the basic
3 salary of the municipal treasurer shall be shouldered by
4 the provincial government for his services as deputy of the
5 provincial treasurer. Two thirds shall be shouldered by
6 the municipal government where he is rendering service.

7 SEC. [425] 424-A. Detail of the Municipal Treasurer -
8 As a general rule, no detail of any municipal treasurer to
9 another local government unit shall be allowed, except
10 in cases of extreme necessity which shall be determined by
11 the Secretary of Finance in consultation with the local
12 chief executive concerned.

13 Should such detail be deemed necessary, the municipal
14 treasurer given the detail order shall draw the municipal
15 counterpart of his salary and other emoluments from the
16 local unit where he actually renders service. In no case
17 may a municipal treasurer be detailed to another local unit
18 if there are pending criminal and/or administrative cases
19 filed against him, or he has been suspended by operation of
20 Section 423 of this Code.

21 ARTICLE FIVE-A. - THE MUNICIPAL ASSESSOR

22 SEC. [425-A] 425. APPOINTMENT, QUALIFICATIONS,
23 COMPENSATION, POWERS, DUTIES AND FUNCTIONS. - (1) THE
24 MUNICIPAL ASSESSOR SHALL BE APPOINTED BY THE MAYOR UPON
25 RECOMMENDATION OF THE SANGGUNIANG BAYAN SUBJECT TO CIVIL
26 SERVICE LAW, RULES AND REGULATIONS.

27 (2) NO PERSON SHALL BE APPOINTED MUNICIPAL ASSESSOR
28 UNLESS HE IS A CITIZEN OF THE PHILIPPINES, OF GOOD MORAL
29 CHARACTER, AT LEAST TWENTY-THREE YEARS OF AGE, A HOLDER OF
30 A DEGREE PREFERABLY IN LAW, CIVIL OR MECHANICAL
31 ENGINEERING, COMMERCE OR BUSINESS ADMINISTRATION OR ANY
32 OTHER RELATED COURSE FROM A RECOGNIZED COLLEGE OR
33 UNIVERSITY, A FIRST GRADE CIVIL SERVICE ELIGIBLE OR ITS
34 EQUIVALENT, AND HAS AT LEAST THREE YEARS EXPERIENCE IN
35 ASSESSMENT WORK; PROVIDED, HOWEVER, THAT A TWO-YEAR
36 EXPERIENCE IN ASSESSMENT WORK MAY BE SUBSTITUTED FOR EVERY
37 YEAR OF DEFICIENCY IN EDUCATIONAL REQUIREMENT; PROVIDED,
38 FURTHER, THAT THE APPOINTEE SHALL HAVE COMPLETED AT LEAST
39 TWO YEARS OF ANY OF THE AFOREMENTIONED COLLEGE COURSES.

40 (3) THE MUNICIPAL ASSESSOR SHALL RECEIVE SUCH
41 COMPENSATION, ALLOWANCES AND OTHER EMOLUMENTS AS MAY BE
42 PROVIDED BY LAW OR ORDINANCE.

43 (4) THE MUNICIPAL ASSESSOR SHALL SUBMIT A PERIODIC

1 REPORT TO THE PROVINCIAL ASSESSOR. HE SHALL;

2 (A) ESTABLISH A SYSTEMATIC METHOD OF ASSESSMENT
3 OF REAL PROPERTY IN THE MANNER PRESCRIBED BY LAW AND IN
4 ACCORDANCE WITH RULES AND REGULATIONS ISSUED BY THE
5 DEPARTMENT OF FINANCE;

6 (B) INSTALL AND MAINTAIN A REAL PROPERTY
7 IDENTIFICATION AND ACCOUNTING SYSTEM CONFORMING TO THE
8 STANDARDS PRESCRIBED BY THE DEPARTMENT OF FINANCE;

9 (C) PREPARE, INSTALL AND MAINTAIN A SYSTEM OF TAX
10 MAPPING SHOWING GRAPHICALLY ALL PROPERTY SUBJECT TO
11 ASSESSMENT IN THE MUNICIPALITY AND GATHER ALL NECESSARY
12 DATA CONCERNING THE SAME;

13 (D) MAKE FREQUENT PHYSICAL SURVEYS TO CHECK AND
14 DETERMINE WHETHER ALL REAL PROPERTY WITHIN THE
15 MUNICIPALITY ARE LISTED IN THE ASSESSMENT ROLLS;

16 (E) APPRAISE ALL ITEMS OF REAL PROPERTY AT
17 CURRENT MARKET VALUE IN ACCORDANCE WITH LAW AND CONDUCT
18 REGULAR OCULAR INSPECTIONS TO DETERMINE IF ALL
19 PROPERTIES ARE ASSESSED CORRECTLY;

20 (F) KEEP A CORRECT RECORD, OF ALL TRANSFERS,
21 LEASES AND MORTGAGES OF REAL PROPERTY, RENTALS,
22 INSURANCE, AND COST OF CONSTRUCTION OF BUILDINGS AND
23 OTHER IMPROVEMENTS ON LAND AND LAND INCOME FOR
24 ASSESSMENT PURPOSES;

25 (G) APPLY UNIFORMLY THE ASSESSMENT LEVELS FIXED
26 BY LAW TO THE CURRENT MARKET VALUE OF ALL PROPERTY
27 SUBJECT TO ASSESSMENT;

28 (H) CANCEL ASSESSMENTS, IN CASE SEVERAL
29 ASSESSMENTS HAVE BEEN MADE FOR THE SAME PROPERTY,
30 EXCEPT THE ONE PROPERLY MADE, BUT IF ANY ASSESSEE OR
31 HIS REPRESENTATIVE SHALL OBJECT TO THE CANCELLATION OF
32 THE ASSESSMENT MADE IN HIS NAME, SUCH ASSESSMENT SHALL
33 NOT BE CANCELED BUT THE FACT SHALL BE NOTED ON THE TAX
34 DECLARATION AND ASSESSMENT ROLLS AND OTHER PROPERTY
35 BOOKS OF RECORDS. PREFERENCE HOWEVER, SHALL BE GIVEN
36 TO THE ASSESSMENT OF THE PERSON WHO HAS THE BEST TITLE
37 TO THE PROPERTY, OR IN DEFAULT THEREOF, OF THE PERSON
38 WHO HAS POSSESSION OF THE PROPERTY;

39 (I) ELIMINATE FROM THE ASSESSMENT ROLL OF TAXABLE
40 PROPERTY THOSE WHICH HAVE BEEN DESTROYED OR WHICH,
41 BEING EXEMPTED, HAVE BEEN IMPROPERLY INCLUDED IN THE
42 SAME; DECREASE THE ASSESSMENT WHERE PROPERTY PREVIOUSLY
43 ASSESSED HAS SUFFERED A PERMANENT LOSS OF VALUE BY

1 REASON OF STORM, FLOOD, FIRE OR OTHER CALAMITY AND
2 INCREASE THE ASSESSMENT WHERE IMPROVEMENTS HAVE BEEN
3 MADE UPON THE PROPERTY SUBSEQUENT TO THE LAST
4 ASSESSMENT;

5 (J) ATTEND PERSONALLY OR THROUGH HIS DULY
6 AUTHORIZED REPRESENTATIVE ALL SESSIONS OF THE LOCAL
7 BOARD OF ASSESSMENT APPEALS AND PRESENT ANY INFORMATION
8 OR RECORD IN HIS POSSESSION AS MAY BE REQUIRED BY THE
9 BOARD IN DETERMINING THE CURRENT ASSESSMENT OF THE REAL
10 PROPERTY UNDER APPEAL;

11 (K) ISSUE CERTIFICATES PERTAINING TO, OR ISSUE
12 CERTIFIED COPIES OF THE ASSESSMENT RECORDS OF, REAL
13 PROPERTY AND ALL OTHER RECORDS RELATIVE TO ITS
14 ASSESSMENT UPON PAYMENT OF A SERVICE CHARGE OR FEE
15 FIXED THEREFOR BY THE SANGGUNIANG BAYAN;

16 (L) MAKE A REPORT EVERY SEMESTER OF ALL
17 ASSESSMENTS DURING SAID PERIOD AND SUBMIT COPIES OF
18 SAID REPORT TO ALL THE OFFICIALS OF THE MUNICIPAL
19 GOVERNMENT INCLUDING THE SANGGUNIANG BARANGAYS; 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 Article Six. - The Municipal Budget Officer

24 SEC. 426. Appointment, Qualifications, Compensation,
25 Powers, Duties and Functions. - (1) The municipal budget
26 officer shall be appointed by the municipal mayor, subject
27 to civil service law, rules and regulations.

28 (2) No person shall be appointed municipal budget
29 officer unless he is a citizen of the Philippines, of good
30 moral character, at least twenty-three years of age, has
31 completed at least two years of college education in a
32 recognized college or university, a first grade civil
33 service eligible or its equivalent, and has acquired at
34 least three years of experience in budgeting or in any
35 related field.

36 (3) The municipal budget officer shall receive such
37 compensation, emoluments and allowances as may be provided
38 by law or ordinance.

39 (4) Under the general supervision and administrative
40 control of the municipal mayor, the municipal budget
41 officer shall:

42 (a) Exercise general supervision and control over
43 the municipal budget office;

1 (b) Provide technical and staff services to the
2 mayor and other local officials on budget matters;

3 (c) Prepare forms, orders and circulars embodying
4 instructions on budgetary and appropriation matters for
5 the approval of the municipal mayor;

6 (d) Review and consolidate the budget estimates
7 of the government and exercise technical review over
8 budgets of barangays under the jurisdiction of the
9 municipality;

10 (e) Prepare the executive and special budgets of
11 the municipality;

12 (f) Evaluate allotment requests and prepare
13 corresponding recommendations;

14 (g) Study and evaluate budgetary implications of
15 proposed legislation and submit comments and
16 recommendations thereon;

17 (h) Submit budgetary reports to the Department of
18 Budget and Management;

19 (i) Coordinate with the municipal treasurer for
20 purposes of municipal government budgeting; and

21 (j) Exercise such other powers and perform such
22 other duties and functions as may be prescribed by law
23 or ordinance.

24 Article Seven. - The Municipal Planning and
25 Development Coordinator

26 SEC. 427. Appointment, Qualifications, Compensation,
27 Powers, Duties and Functions. - (1) The municipal
28 planning and development coordinator shall be appointed by
29 the municipal mayor, subject to civil service law, rules
30 and regulations.

31 (2) No person shall be appointed municipal planning
32 and development coordinator unless he is a citizen of the
33 Philippines, of good moral character, at least twenty-three
34 years of age, a holder of a college degree preferably in
35 law, engineering, commerce, public administration or any
36 related course from a recognized college or university, a
37 first grade civil service eligible or its equivalent, and
38 has at least three years experience in planning or in any
39 related field. The college degree herein prescribed shall
40 not be required of the incumbent: Provided, however, That
41 he shall have completed at least two years of college
42 education and has sufficient experience in development
43 planning that may be substituted for deficiency in

1 educational attainment herein before prescribed for the
2 purpose.

3 (3) The municipal planning and development coordinator
4 shall receive such compensation, emoluments and allowances
5 as may be provided by law or ordinance.

6 (4) He shall:

7 (a) Formulate an integrated economic, social,
8 physical and other development objectives and policies
9 for the consideration and approval of the sangguniang
10 bayan and the municipal mayor;

11 (b) Conduct continuing studies, researches and
12 relevant trainings necessary to evolve plans and
13 programs for implementation;

14 (c) Integrate and coordinate all sectoral plans
15 and studies undertaken by the different functional
16 groups or agencies;

17 (d) Monitor and evaluate the implementation of
18 the different development programs, projects and
19 activities in the municipality;

20 (e) Prepare municipal comprehensive plans and
21 other development planning documents;

22 (f) Analyze municipal income and expenditure
23 patterns, and formulate and recommend fiscal plans and
24 policies for the consideration and approval of the
25 sangguniang bayan and the municipal mayor;

26 (g) Promote citizen participation through
27 development planning at the barangay and municipal
28 levels;

29 (h) Exercise general supervision and control of
30 the day-to-day activities of the municipal planning and
31 development office personnel and the divisions,
32 sections or officers placed under its supervision; and

33 (i) Exercise such other powers and perform such
34 other duties and functions as may be prescribed by law
35 or ordinance.

36 (5) The municipal planning and development coordinator
37 shall be the ex-officio municipal civil registrar, and
38 shall perform all the powers, duties and functions
39 appurtenant thereto. He shall be directly responsible to
40 the Executive Director of the National Census and
41 Statistics Office insofar as civil registration in the
42 municipality is concerned.

43 CHAPTER 4. League of Municipalities

1 SEC. 428. Purpose of Organization. - There shall be
2 an organization of all municipalities to be known as the
3 League of Municipalities for the purpose of crystallizing
4 issues affecting municipal administration.

5 SEC. 429. Representation. - Every municipality shall
6 be represented by the municipal mayor, or in his absence or
7 incapacity, by a sangguniang bayan member duly elected for
8 the purpose from among its membership in all meetings
9 and/or deliberations called by the provincial and national
10 chapters of the League of Municipalities.

11 SEC. 430. Organization. - (1) The League of -
12 Municipalities in each level shall elect a board of
13 directors and a set officers. The duly elected presidents
14 of the provincial chapters including the president of the
15 Metropolitan Manila chapter, shall constitute the national
16 chapter of the League of Municipalities.

17 (2) A secretary-general shall be chosen from among the
18 members of the national chapter of the League of
19 Municipalities who shall be charged with the maintenance of
20 the organization in the absence of the duly elected
21 officers or upon the dissolution of the organization.

22 SEC. [430] 430-A. Functions and Duties of the League
23 of Municipalities. - The League of Municipalities shall:

24 (a) Adopt measures for the promotion of the welfare of
25 all municipal officials and employees;

26 (b) Give priority to programs designed for the total
27 development of the municipalities, consistent with the
28 policies, programs and projects of the national government;

29 (c) Assist in the education of municipal residents for
30 citizen participation in municipal government
31 administration, in order to promote a united and concerted
32 action for the achievement of countrywide development
33 goals;

34 (d) Supplement the efforts of government in creating
35 opportunities for gainful employment within the
36 municipality;

37 (e) Serve as a forum for ideas and seeking the
38 necessary assistance of government and private entities for
39 the welfare of all the municipalities; and

40 (f) Perform such other functions and duties as the
41 League of Municipalities may prescribe for the welfare of
42 the organization.

43 SEC. [432] 431. Funding of the League of

1 Municipalities. - (1) The League of Municipalities in all
2 levels shall derive all its funds from fund-raising
3 campaigns or programs in pursuance of specific projects for
4 the upliftment of municipalities, without the necessity of
5 securing permits therefor, subject, however, to the
6 pertinent provisions of the Revised Election Code.

7 (2) All funds of the League of Municipalities in the
8 provincial and national levels of the organization shall be
9 deposited as trust funds with their respective provincial
10 or national treasurers, and be disbursed in accordance with
11 approval resolutions by the chapter concerned, subject to
12 auditing rules and regulations of the organization.

13 SEC. [433] 432. Constitution and Bylaws of the League
14 of Municipalities. - All other matters not herein otherwise
15 provided for touching on the internal organization and
16 operations of the League of Municipalities shall be covered
17 by the Constitution and Bylaws of the organization, which
18 are hereby made suppletory to the foregoing provisions.

19 TITLE THREE. - THE CITY

20 CHAPTER 1. - Role and Creation of Cities

21 SEC. 433. Role of Cities. - As a political unit
22 covering more urbanized and developed communities the city
23 shall serve as a general-purpose government for the
24 coordination and delivery of all basic, regular and direct
25 services within its jurisdiction.

26 SEC. 434. Manner of Creation. - A city may be created,
27 divided, merged, abolished or its boundaries altered, only
28 by an Act of the Congress of the Philippines in accordance
29 with the criteria established in this Code, subject to the
30 approval by a majority of the votes cast in a plebiscite in
31 the unit or units affected. Except as may otherwise be
32 provided in such Act, the plebiscite shall be conducted by
33 the Commission on Elections within one hundred twenty days
34 of its effectivity.

35 SEC. 435. Requisites for Creation. - (1) A municipality
36 may be converted into a component city if it has a
37 population of not less than one hundred thousand as
38 certified by the National Census and Statistics Office, and
39 an average regular annual income, as certified by the
40 Secretary of Finance, of at least ten million pesos for the
41 last three consecutive years. The territory shall comprise
42 at least ten thousand hectares and need not be contiguous
43 if it comprises two or more islands.

1 (2) The regular annual income shall include the income
2 allotted for both the general and infrastructure funds
3 exclusive of trust funds, transfers, and non-recurring
4 income.

5 (3) Existing cities which fail to attain the standards
6 provided for in paragraph (1) of this section are hereby
7 [reverted] RECLASSIFIED [into their former status as
8 municipalities without the need for conducting a plebiscite
9 therefor] IN ACCORDANCE WITH EXISTING LAWS, RULES AND
10 REGULATIONS. (N)

11 SEC. 436. Cities, Classified. - A city may either be
12 component or highly urbanized. Highly urbanized cities, as
13 hereinafter provided, shall be independent of the province.

14 SEC. 437. Highly Urbanized Cities. - (1) Cities with a
15 minimum population of one hundred and fifty thousand as
16 certified by the National Census and Statistics Office, and
17 with the latest annual income of at least thirty million
18 pesos as certified by the Secretary of Finance, shall be
19 classified as highly urbanized cities.

20 (2) Cities which do not meet the above requirements
21 shall be considered component cities of the province in
22 which they are geographically located. If a component city
23 is located within the boundaries of two or more provinces,
24 said city shall be considered a component of the province
25 of which it used to be a municipality.

26 (3) Highly urbanized cities, and component cities
27 whose charters specifically prohibit their voters from
28 voting for provincial elective officials, shall remain
29 excluded from participating in provincial elections.
30 However, the voters of component cities whose charters
31 contain no such prohibition, shall continue to vote for
32 elective officials of the province of which they are an
33 integral part. (Sec. 12, Art. 10, 1987 Constitution)

34 SEC. 438. Duty to Declare Highly Urbanized Status. -
35 It shall be the duty of the Secretary of Local Government
36 to declare a city highly urbanized within thirty days after
37 it shall have met the minimum requirements prescribed in
38 the immediately preceding section, and upon proper
39 application therefor.

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1 CHAPTER 1-A. AUTONOMOUS SPECIAL ECONOMIC ZONES

2 SEC. 438-A. ESTABLISHMENT OF AUTONOMOUS SPECIAL
3 ECONOMIC ZONES. - THE ESTABLISHMENT OF AUTONOMOUS SPECIAL
4 ECONOMIC ZONES IN SELECTED AREAS IN THE COUNTRYSIDES AND
5 COASTAL AREAS SHALL BE GOVERNED BY A SPECIAL LAW, WHICH
6 SHALL DEFINE THE FRAMEWORK FOR THEIR CREATION, OPERATION
7 AND ADMINISTRATION. IN ADDITION, SUCH SPECIAL LAW SHALL
8 ESTABLISH THE CRITERIA FOR THE CREATION OF AN AUTONOMOUS
9 SPECIAL ECONOMIC ZONES AND SHALL PROVIDE THE GUIDELINES FOR
10 THE INTENSIVE DEVELOPMENT OF THE TERRITORY WHERE A SPECIAL
11 ECONOMIC ZONE IS ESTABLISHED.

12 CHAPTER 2. City Officials in General

13 SEC. 439. Officials of the City Government. - (1)
14 There shall be in each city a mayor, a vice mayor,
15 sangguniang panlungsod members, a city secretary, a city
16 treasurer, a city assessor, a city budget officer, a city
17 engineer, and a city planning and development coordinator.

18 (2) The sangguniang panlungsod may maintain existing
19 offices not mentioned in paragraph (1) of this section, or
20 create such other offices as may be necessary to carry out
21 the purposes of the city government upon approval by the
22 city mayor.

23 (3) The Secretary of Local Government shall prescribe,
24 in consultation with cities, minimum standards and
25 guidelines with respect to their organizational structures,
26 staffing pattern and other relevant operational aspects of
27 cities according to needs.

28 CHAPTER 3. - Officials and Offices Common to All Cities

29 Article One. - The City Mayor

30 SEC. 440. Chief Executive, Compensation, Powers,
31 Duties and Functions. - The city mayor shall be the chief
32 executive of the city government, and shall exercise such
33 powers, duties and functions as provided in this Code and
34 other laws. He shall receive such compensation, emoluments
35 and allowances as may be prescribed by law or ordinance.

36 (2) The city mayor shall:

37 (a) Ensure that the laws of the Philippines and
38 the ordinances and resolutions of the city are duly
39 observed and enforced;

40 (b) Maintain peace and order in the city, and in
41 pursuance thereof, he shall be entitled to possess and
42 carry the necessary firearms within its territorial
43 jurisdiction, subject to existing rules and regulations

1 on the possession and carrying of firearms;

2 (c) Prepare and submit to the sangguniang
3 panlungsod the annual budget of the city for the
4 ensuing calendar year on the date and in the manner
5 provided and prescribed by law;

6 (d) See to it that executive officers and
7 employees of the city faithfully discharge their
8 respective duties, and for the purpose, cause, if
9 necessary, the institution and filing of appropriate
10 criminal or administrative action;

11 (e) Furnish the sangguniang panlungsod from time
12 to time, such information and recommend such measures
13 as he shall deem appropriate or necessary;

14 (f) Examine the books, records, and papers of all
15 offices, officers, agents or employees of the city;

16 (g) Represent the city in its business
17 transactions, and sign all warrants drawn on the city
18 treasury and all bonds, contracts and obligations of
19 the city;

20 (h) Appoint, in accordance with civil service
21 law, rules and regulations, all officers and employees
22 of the city, where appointments are not otherwise
23 provided in this Code;

24 (i) Cause to be instituted judicial proceedings
25 to recover property and funds of the city wherever
26 found, and cause to be defended all suits against the
27 city, or otherwise protect its interests;

28 (j) As soon as possible but not later than March
29 31 of each year, prepare and submit to the Secretary of
30 Local Government an annual report covering the
31 operation of the city government during the preceding
32 calendar year;

33 (k) Ensure that all taxes and other revenues of
34 the city are collected, and the city funds applied in
35 accordance with law or ordinance to the payment and
36 settlement of the city expenses and obligations;

37 (l) Exempt, upon the recommendation of the
38 superintendent of city schools, deserving but
39 financially disadvantaged students from the payment of
40 tuition and other school fees or any part thereof;

41 (m) Take such emergency measures as may be
42 necessary to protect the public from fire, prevent and
43 mitigate the effects of floods, storms, earthquakes and

1 other public calamities;

2 (n) Grant or refuse to grant, pursuant to law,
3 city licenses or permits, and revoke the same for
4 violation of law or ordinance or the conditions upon
5 which they are granted;

6 (o) Require owners of houses, building or other
7 structures constructed without the necessary permit or
8 in violation of existing law or ordinance, to remove or
9 demolish such houses, buildings or structures within
10 thirty days, or cause its removal or demolition at the
11 expense of the owner;

12 (p) Grant permits to hold benefits, excepting
13 prohibited games of chance, for public and charitable
14 purposes without requiring approval of the Department
15 of Social Services and Development;

16 (q) Act on the commutation of vacation, sick and
17 maternity leaves and of trips outside the city of
18 chiefs of offices appointed by him;

19 (r) Initiate appropriate action against any
20 national government official or employee rendering
21 service within the city to draw the attention of the
22 corresponding superior officer to the transgression of
23 the official or employee concerned;

24 (s) Authorize payment of medical attendance,
25 necessary transportation, subsistence, and hospital
26 fees officials and employees of the city who suffer any
27 injury arising out of or in the course of their
28 employment and consider absence in such cases not
29 chargeable against any leave credit of the employee
30 concerned;

31 (t) Approve the commutation of such
32 transportation allowances as may be authorized by law
33 for chiefs of offices [;] SUBJECT TO THE AVAILABILITY
34 OF FUNDS;

35 (u) Direct the preparation and formulation of the
36 development plan and program of the city, and upon
37 approval by the sangguniang panlungsod, direct and
38 supervise the implementation and execution of the same;

39 (v) Exercise direct supervision and control over
40 property and supply management matters in the city
41 government;

42 (w) Call a meeting of any or all of the officers
43 and employees of the city; [and]

1 (X) CONDUCT AN ANNUAL 'BOYS AND GIRLS WEEK' IN
2 SUCH MANNER AND AT SUCH A TIME AS THE SANGGUNIANG
3 PANLUNGSOD SHALL PROVIDE BY ORDINANCE; PROVIDED, THAT,
4 SUCH ORDINANCE SHALL INCLUDE IN THE OBSERVANCE OF SAID
5 'BOYS AND GIRLS WEEK' THE ELECTION OF A CITY MAYOR,
6 VICE-MAYOR, SANGGUNIANG PANLUNGSOD MEMBERS, AND OTHER
7 ELECTIVE AND APPOINTIVE CITY OFFICIALS AMONG IN-SCHOOL
8 AND COMMUNITY YOUTH RESIDING IN THE CITY FROM THE AGES
9 OF THIRTEEN TO SEVENTEEN, TO HOLD OFFICE AS BOY AND
10 GIRL OFFICIALS DURING THE SAID WEEK AND TO PERFORM SUCH
11 DUTIES AND CONDUCT SUCH ACTIVITIES AS MAY BE PROVIDED
12 IN THE ORDINANCE; AND

13 [(x)] (Y) Perform such other duties and exercise
14 such other powers as may be prescribed by law or
15 ordinance. (S. #185, Ctte. Report # 270 dated 06-06-
16 88)

17 Article Two. - The Vice Mayor

18 SEC. 441. Functions and Compensation. - (1) The vice
19 mayor shall:

20 (a) Be the presiding [office] OFFICER of the
21 sangguniang panlungsod;

22 (b) Assume the office of the city mayor for the
23 unexpired term of the latter in the event of permanent
24 vacancy;

25 (c) Exercise the powers and perform the duties
26 and functions of the city mayor in cases provided for
27 in Section [41] 40 of this Code; and

28 (d) Exercise such other powers and perform such
29 other duties and functions as may be prescribed by law
30 or ordinance.

31 (2) The vice-mayor shall receive such compensation,
32 emoluments and allowances as may be determined by law or
33 ordinance.

34 Article Three. - The Sangguniang Panlungsod

35 SEC. 442. Composition and Compensation - (1) The
36 sangguniang panlungsod, as the legislative body of the
37 city, shall be composed of the vice mayor, as presiding
38 officer, the elected sangguniang panlungsod members, and
39 the presidents of the city League of Barangays and the city
40 federation of Youth Councils.

41 (2) The members of the sangguniang panlungsod shall
42 receive such compensation, emoluments and allowances as may
43 be determined by law or ordinance.

1 (3) Cities with a population of less than one hundred
2 thousand to two hundred thousand shall elect eight (8)
3 members of the sangguniang panlungsod at large; cities with
4 a population of more than two hundred to three hundred
5 thousand shall be entitled to elect ten (10) members of the
6 sangguniang panlungsod; and cities with a population of
7 more than three hundred thousand shall be entitled to elect
8 twelve (12) members of the said sanggunian.

9 (4) The above number of elected sangguniang panlungsod
10 members shall not include the president of the city League
11 of Barangays and the city federation of youth councils.

12 (5) In addition thereto, there shall be one
13 representative each from the agricultural and industrial
14 labor sectors who shall be appointed by the President of
15 the Philippines whenever, as determined by the sangguniang
16 panlungsod, said sectors are of sufficient number in the
17 city to warrant representation, after consultation with
18 associations and persons belonging to the sector concerned.

19 (6) No increase in the membership in the sangguniang
20 panlungsod under this section shall be effected except
21 through the regular election for local officials next
22 following the certification by the National Census and
23 Statistics Office of the increase in population, after
24 conducting an actual census in the city concerned.

25 SEC. 443. Powers, Duties and Functions. - The
26 sangguniang panlungsod shall:

27 (a) Enact such ordinances as may be necessary to carry
28 into effect and discharge the responsibilities conferred
29 upon it by law, and such as shall be necessary and proper
30 to maintain peace and order, improve the morals, promote
31 prosperity and general welfare and provide for health
32 safety, convenience and protection of property THEREIN;

33 (b) Appropriate funds for expenses of the city
34 government, and fix the salaries of its officers and
35 employees according to law;

36 (c) Provide for the levy and collection of taxes and
37 other city revenues and apply the same to the payment of
38 the expenses of the city in accordance with appropriations;

39 (d) 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 of

1 international standards;

2 (e) Provide for the construction, keeping in good
3 repair and regulating the use of streets and other public
4 places; establish bus stops and terminals; regulate
5 garages and the operation of conveyances for hire; and
6 designate stands to be occupied by public vehicles when not
7 in use;

8 (f) Provide for the construction, purchase and lease
9 of buildings necessary for the use of the city;

10 (g) Establish and maintain public elementary,
11 secondary and collegiate schools subject to such
12 limitations as may be prescribed by the Department of
13 Education, Culture and Sports; AND, CONDUCT A PALARONG
14 LUNGSOD, IN COORDINATION WITH THE DEPARTMENT OF EDUCATION,
15 CULTURE AND SPORTS, AS A YEAR-ROUND OR ANNUAL ACTIVITY
16 WHICH SHALL INCLUDE TRADITIONAL GAMES AND SPORTS, AND
17 DISCIPLINES INCLUDED IN NATIONAL AND INTERNATIONAL
18 COMPETITIONS; (S.B.# 308, Ctte. Report # 293 dated 07-26-
19 88)

20 (h) Establish fire limits or zones; determine the
21 kinds of buildings and structures that may be erected
22 within said limits or zones and regulate the same, subject
23 to applicable provisions of law;

24 (i) Make suitable provisions to protect the public
25 from conflagrations and to prevent and mitigate the effects
26 of famine, floods, storms and other public calamities, and
27 provide relief to victims thereof;

28 (j) Provide for the lighting, cleaning and sprinkling
29 of street and other public places; summarily remove
30 encroachments and constructions on them; regulate their
31 use, the putting up thereon of signs, signposts, awning and
32 awning posts; prohibit littering, the placing, depositing,
33 leaving or throwing of garbage, refuse or other filth and
34 provide for their collection and disposition; regulate the
35 digging and excavation for the laying of gas, water, power
36 and other pipelines, the building and repair of tunnels,
37 sewers and drains, and all structures thereunder; the
38 placing, stringing, attaching, installing, repair and
39 construction of all gas mains, electric, telegraph and
40 telephone wires, conduits, meters and other apparatus, and
41 the correction, condemnation or removal of the same when
42 dangerous or defective;

43 (k) Name and change the names of all streets and other

1 public places not oftener than once every ten years;
2 regulate traffic upon the same; construct, maintain and
3 regulate the use of bridges, viaducts and culverts; and
4 regulate amusements having the tendency to annoy persons,
5 and in its discretion, suspend, suppress or prohibit said
6 amusements in order to protect the social and moral welfare
7 of the community;

8 (l) Establish and maintain waterworks for the purpose
9 of supplying water to the inhabitants of the city, purify
10 the source of supply, regulate the use and prevent the
11 wastage of water, and fix and collect fees therefore;
12 regulate the construction, repair, and use of hydrants,
13 pumps, cisterns and reservoirs; and for the purpose of
14 protecting and ensuring the purity and quantity of the
15 water supply of the city, extend its ordinances over all
16 territories within the drainage area of such water supply,
17 and within one hundred meters of any reservoir, conduit,
18 canal, aqueduct, pumping station or watershed used in
19 connection with the water service;

20 (m) Prohibit and penalize cruelty to animals, regulate
21 their keeping and use, restrict or prohibit their running
22 at large; establish and maintain a city pound and fix the
23 fees for poundage; provide for the distraining, impounding,
24 killing or sale of the same; and impose penalties upon the
25 owners of said animals for the violation of any ordinance
26 in relation thereto. Large cattle and all other animals of
27 the bovine family shall be disposed of in accordance with
28 law;

29 (n) Require any land or building which is in an
30 unsanitary condition to be cleaned at the expense of the
31 owner or tenant, and upon failure to comply with such an
32 order, have the work done, and assess the expenses upon the
33 land or building;

34 (o) Require the filling up to a grade necessary for
35 proper sanitation, any and all lands and premises which may
36 be declared by competent authority to be unsanitary for
37 being below such grade;

38 (p) Provide for the construction and keeping in repair
39 of drains, sewers and cesspools, and regulating the
40 construction and use of private water closets, privies,
41 sewers, drains and cesspools;

42 (q) Provide for the burial of the dead in such place
43 and in such manner as prescribed by law or ordinance;

1 (r) Establish and operate or authorize the
2 establishment and operation of markets and slaughterhouses,
3 and regulate the preparation and sale of meat, poultry,
4 fish, vegetables, fruits and other provisions or articles
5 of food offered for sale;

6 (s) Adopt measures to prevent the introduction and
7 spread of disease;

8 (t) Declare, prevent and abate nuisance;

9 (u) Provide for an efficient machinery for the
10 REGISTRY of births, marriages, deaths, and other acts
11 affecting civil status in persons;

12 (v) Suppress gambling houses, houses of ill fame,
13 houses where prohibited drugs are unlawfully dispensed or
14 used and other similar establishments;

15 (w) Prohibit the printing, circulation, sale,
16 distribution or exhibition of immoral and obscene pictures,
17 films, articles, books or any other kind of pornographic
18 publications;

19 (x) Prevent and suppress riots, affrays, disturbances
20 and disorderly assemblies, habitual drunkenness in public
21 places, drug addiction, vagrancy, mendicancy, prostitution,
22 gambling and other forms of disorderly or unlawful conduct,
23 and adopt measures for the rehabilitation of drug addicts,
24 alcoholics, vagrants, mendicants, prostitutes, gamblers and
25 juvenile delinquents;

26 (y) Fix the fees and/or charges for all services
27 rendered by the city or any of its offices;

28 (z) Establish or aid in the establishment and
29 maintenance of secondary and vocational schools and other
30 institutions of higher learning and, with the approval of
31 the Department of Education, Culture, and Sports, fix
32 reasonable tuition and other school fees in the educational
33 institutions of higher learning supported by the city;

34 (aa) Appropriate money for purpose not specified by
35 law, having in view the general welfare of the city and its
36 inhabitants;

37 (bb) Create, define boundaries, and change the names
38 of barangays in the city pursuant to the requirements of
39 law;

40 (cc) Create, consolidate, and reorganize city officers
41 and positions wholly supported by local funds;

42 (dd) Review tax and appropriation ordinances, and if
43 so required, other ordinances approved by the sangguniang

1 barangay to determine if they are within the powers
2 conferred upon it by law;

3 (ee) Authorize the payment of compensation or
4 additional compensation, as the case may be, to any officer
5 or employee designated to fill a temporary vacancy at a
6 rate equal to that actually received by the regular
7 incumbent;

8 (ff) Provide for the care of the poor, the aged, the
9 sick, persons of unsound mind and abandoned minors, and for
10 the care and rehabilitation of juvenile delinquents and
11 disabled or handicapped persons;

12 (gg) Float bonds for the purpose of raising funds to
13 finance development projects, subject to applicable
14 provisions of law;

15 (hh) Penalize violation of its ordinances by a fine of
16 not more than one thousand pesos or imprisonment of not
17 exceeding six months, or both such fine and imprisonment at
18 the discretion of the court;

19 (ii) Grant franchises to any person or corporation to
20 do business within the city to establish, construct,
21 operate and maintain a ferry or wharf, or undertake such
22 other income-producing activities as may be allowed by law,
23 subject to the conditions it may impose;

24 (jj) Regulate cockpits, cockfighting and the keeping
25 or training of gamecocks, subject to existing guidelines
26 promulgated by the Philippine Gamefowl Commission;

27 (kk) Provide group insurance or additional insurance
28 coverage to all city barangay officials including members
29 of barangay tanod [brigades] SERVICE UNITS, with public
30 or private insurance companies whenever finances of the
31 city so warrant; and (N)

32 (ll) Exercise such other powers and perform such other
33 duties and functions as may be prescribed by law or
34 ordinance.

35 Article Four. - The City Secretary

36 SEC. 444. Appointment, Compensation, Powers, Duties 10
37 and Functions. -- There shall be a city secretary who shall
38 be appointed by the city mayor with the concurrence of the
39 sangguniang panlungsod, and whose term of office shall be
40 co-terminous with said sanggunian. The compensation,
41 allowances and other emoluments of the city secretary shall
42 be determined by law or ordinance.

43 The city secretary shall:

1 (a) Be responsible for keeping a full record of
2 the proceedings of the sangguniang panlungsod and
3 filing all documents relative thereto as part of the
4 public records of the city;

5 (b) Record in a book kept for the purpose all
6 approved ordinances and resolutions enacted or adopted
7 by the sangguniang panlungsod with the dates of their
8 approval and publication;

9 (c) Keep the seal of the sangguniang panlungsod
10 and affix the same, with his signature, to all
11 ordinances and resolutions and to all official acts of
12 the said sanggunian, which he shall present for
13 signature to the presiding officer;

14 (d) Keep the corporate seal of the city and affix
15 the same with his signature on all ordinances and
16 resolutions and on all other official documents and
17 papers signed by the city mayor, as may be required by
18 law or ordinance;

19 (e) Attest to all executive orders,
20 proclamations, ordinances and resolutions signed by the
21 city mayor;

22 (f) Upon request, furnish certified copies of all
23 city records and documents in his charge which are not
24 of a confidential character, and charge such fees as
25 may be prescribed by ordinance of the sangguniang
26 panlungsod, to be paid directly to the city treasury;

27 (g) Keep his office and all records therein which
28 are not of a confidential character open to the public
29 during the usual business hours; and

30 (h) Exercise such other powers and perform such
31 other duties and functions as may be prescribed by law
32 or ordinance.

33 Article Five. - The City Treasurer

34 SEC. 445. Appointment, Qualifications, Compensation,
35 Powers, Duties, and Functions - (1) The city treasurer
36 shall be appointed by the [Secretary of Finance] CITY
37 MAYOR only with the [concurrence] RECOMMENDATION of the
38 [city mayor] SANGGUNIANG PANLUNGSOD, subject to civil
39 service law, rules and regulations.

40 (2) No person shall be appointed city treasurer unless
41 he is a citizen of the Philippines, of good moral
42 character, a holder of a college degree preferably in law,
43 commerce or public administration from a recognized college

1 or university, a first grade civil service eligible or its
2 equivalent, and has been in the treasury or accounting
3 service for at least five years, two of which as an
4 assistant city treasurer.

5 (3) The city treasurer shall receive such
6 compensation, allowances and other emoluments as may be
7 provided by law or ordinance.

8 (4) In case the city treasurer is temporarily
9 detailed to other local units or the central office of the
10 Department of Finance, his salary and other emoluments
11 shall be paid by the local government unit or the office
12 where he actually renders service. A city treasurer shall
13 in no case be detailed pending the termination of any
14 criminal and/or administrative case filed against him or as
15 a consequence of the implementation of Section 447 hereof.

16 (5) The city treasurer shall:

17 (a) Advise the city mayor, the sangguniang
18 panlungsod, other city officials, and the national
19 officials assigned to the city on all fiscal matters;

20 (b) Collect taxes throughout the city, including
21 national, provincial and municipal taxes and other
22 revenues authorized by law;

23 (c) Take custody of and exercise supervision over
24 all city funds, and render monthly reports to the city
25 mayor of all income, disbursement and balances of funds
26 during the period, and furnish copies thereof to the
27 sangguniang panlungsod and to all department heads of
28 the city government;

29 (d) Take charge of the disbursement of all city
30 and other funds the custody of which may be entrusted
31 to him by law or other competent authority;

32 (e) Upon designation by the Secretary of Finance,
33 act as treasury fiscal examiner in the city under the
34 administrative authority of the Treasurer of the
35 Philippines in accordance with pertinent rules and
36 regulations;

37 (f) Inspect, by authority of the sangguniang
38 panlungsod, the operation of public utilities belonging
39 to, leased or operated by, the city government, such as
40 telegraph and telephone, land and water transportation,
41 waterworks, electric-light plants, irrigation systems,
42 bonded warehouses, ferries, slaughterhouses, and other
43 commercial and industrial enterprises of the city, and

1 all private commercial and industrial establishments
2 within the city for purposes of implementation of tax
3 laws and ordinances; and

4 (g) Perform such other duties as may be required
5 by law or ordinance.

6 SEC. 446. Assistant City Treasurers. - (1) When the
7 exigency of the service so requires, an assistant city
8 treasurer may be appointed by the [Secretary of Finance]
9 CITY MAYOR only upon the recommendation of the [city
10 mayor] SANGBUNIANG PANLUNGSOD, subject to civil service
11 law, rules and regulations.

12 (2) No person shall be appointed assistant city
13 treasurer unless he is a citizen of the Philippines, of
14 good moral character, a holder of a college degree
15 preferably in law, commerce or public administration from a
16 recognized college or university, a first grade civil
17 service eligible or its equivalent, and has had at least
18 five years experience in the treasury or accounting
19 service, the last two years of which as administrative
20 deputy or its equivalent.

21 (3) The assistant city treasurer shall receive such
22 compensation, allowances and other emoluments as may be
23 provided by law or ordinance.

24 (4) The assistant city treasurer shall assist the city
25 treasurer and perform such duties as the latter may assign
26 to him. He shall have authority to administer oaths
27 delinquent in the payment of the real property tax and
28 concerning official matters relating to the accounts of the
29 city treasurer or otherwise arising in the offices of the
30 city treasurer and the city assessor.

31 SEC. 447. Inspection of City Treasurer's Accounts,
32 Automatic Suspension of Delinquent Treasurer. - The books,
33 accounts, papers and cash in the custody of the city
34 treasurer shall at all times be open to inspection by the
35 Commission on Audit in 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 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 officers designated by the city mayor, who
42 shall certify to the amount so seized. Thereupon, the city
43 treasurer shall automatically stand suspended from office.

1 The city mayor shall immediately report the suspension to
2 the Secretary of Finance for the latter's appropriate
3 action. The funds so seized shall be treated as city
4 deposit in the account of the assistant city treasurer or
5 the treasury official next in rank in the city until the
6 city treasurer is restored or a new city treasurer is
7 appointed to replace him.

8 Article Six. The City Assessor

9 SEC. 448. Appointment, Qualifications, Compensation,
10 Powers and Duties. - (1) The city assessor shall be
11 appointed by the [Secretary of Finance] CITY MAYOR, upon
12 recommendation of the [city mayor] SANGGUNIANG
13 PANLUNGSOD, subject to civil service law, rules and
14 regulations.

15 (2) No person shall be appointed city assessor unless
16 he is a citizen of the Philippines, of good moral
17 character, a holder of a degree preferably in law, civil or
18 mechanical engineering, commerce or any other related
19 course from a recognized college or university, a first
20 grade civil service eligible or its equivalent, and has
21 acquired experience in real property assessment work or in
22 any related field for at least five years.

23 (3) The city assessor shall:

24 (a) Establish a systematic method of assessment
25 of real property in the manner prescribed by law;

26 (b) Install and maintain a real property
27 identification and accounting system conforming to the
28 standards prescribed by law;

29 (c) Prepare, install and maintain a system of tax
30 mapping showing graphically all property subject to
31 assessment in the city and gather all necessary data
32 concerning the same;

33 (d) Make frequent physical surveys to check and
34 determine whether all real property within the city are
35 properly 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 have been
6 made for the same property, except the one properly
7 made, but if any assessee or his representative shall
8 object to the cancellation of the assessment made in
9 his name, such assessment shall not be cancelled but
10 the fact shall be noted on the tax declaration and
11 assessment rolls and other property books of records.
12 Preference, however, shall be given to the assessment
13 of the person who has the best title to the property,
14 or in default thereof, of the person who has possession
15 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 correct assessment of the
30 real 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 panlungsod;

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 city government
39 including the sangguniang barangays; and

40 (m) Exercise such other powers and perform such
41 other duties and functions as may be prescribed by law
42 or ordinance.

43 SEC. 449. The Assistant City Assessor. - (1)

1 Whenever the exigency of the service requires, an
2 assistant city assessor may be appointed by the
3 [Secretary of Finance] CITY MAYOR only upon
4 recommendation of the [city mayor] SANGGUNIANG
5 PANLUNGSOD, subject to civil service law, rules and
6 regulations.

7 (2) No person shall be appointed assistant city
8 assessor unless he is a citizen of the Philippines, of
9 good moral character, a holder of a degree preferably
10 in law, civil or mechanical engineering, commerce or
11 any related course from a recognized college or
12 university, a first grade civil service eligible or its
13 equivalent, and has acquired experience in real
14 property assessment work or in any related field for at
15 least three years.

16 (3) The assistant city assessor shall receive
17 such compensation, allowances and other emoluments as
18 may be provided by law or ordinance.

19 (4) The assistant city assessor shall assist the
20 city assessor and perform such duties as the latter may
21 assign to him. He shall have the authority to
22 administer oaths on all declarations of real property
23 for purposes of assessment.

24 Article Seven. - The City Engineer

25 SEC. 450. Appointment, Qualifications, Compensation,
26 Powers, Duties and Functions. - (1) The city engineer
27 shall be appointed by the city mayor, subject to civil
28 service law, rules and regulations.

29 (2) No person shall be appointed city engineer unless
30 he is a citizen of the Philippines, of good moral
31 character, a licensed civil engineer, and has been an
32 assistant city engineer or has engaged in the practice of
33 his profession for at least five years.

34 (3) The city engineer shall receive such compensation,
35 emoluments and allowances as may be determined by law or
36 ordinance[s].

37 (4) The city engineer shall:

38 (a) Take charge of all the surveying and
39 engineering works of the city, and perform such service
40 in connection with public improvements, or any work
41 entered upon or projected by the city or any office
42 thereof, as may require the skill and experience of a
43 civil engineer;

1 (b) Ascertain, record and establish movements of
2 the city survey and from thereon extend the surveys of
3 the city, and locate, establish, and survey all city
4 property and also private property abutting on the
5 same, whenever directed by the city mayor;

6 (c) Prepare and submit plans, maps,
7 specifications and estimates for buildings, streets,
8 bridges, docks, and other public works, and supervise
9 the construction and repair of the same;

10 (d) Make such tests and inspection of engineering
11 materials used in construction and repair as may be
12 necessary to protect the city from the use of materials
13 of a poor or dangerous quality;

14 (e) Prevent the encroachment of private buildings
15 and fences on the streets and public places of the
16 city;

17 (f) Conduct general supervision and inspection of
18 all private docks and landing places and other property
19 bordering on the rivers, esteros, and waterways of the
20 city, and issue permits for the construction, repair
21 and removal of the same, and enforce all ordinances
22 relating to the same;

23 (g) Supervise the laying of mains and connections
24 for the purpose of supplying gas to the residents of
25 the city;

26 (h) Periodically inspect and report on the
27 conditions of public property and public works to the
28 sangguniang panlungsod and the city mayor;

29 (i) Regulate and supervise the location and use
30 of engines, boilers, forges, and other manufacturing
31 and heating appliances in accordance with law and
32 ordinance relating thereto, and charge fees, at rates
33 to be fixed by the sangguniang panlungsod for services
34 and supplies furnished by his office;

35 (j) Inspect and supervise the construction,
36 repair, removal and safety of private buildings, and
37 regulate and enforce the numbering of houses in
38 accordance with ordinances of the city;

39 (k) With the previous approval of the city mayor
40 in each case, order the removal of materials employed
41 in the construction or repair of any building or
42 structure made in violation of law or ordinance, and
43 cause buildings and structures dangerous to the public

1 to be made secure or torn down;

2 (1) File and preserve all maps, plans, notes,
3 surveys and other papers and documents pertaining to
4 his office; and

5 (m) Exercise such other powers and perform such
6 other duties and functions as may be prescribed by law
7 or ordinance.

8 (5) In the absence of a city highways engineer, the
9 Secretary of Public Works and Highways may designate the
10 city engineer to act as ex officio city highways engineer.

11 Article Eight - The City Budget Officer

12 SEC. 451. Appointment, Qualifications, Compensation,
13 Powers, Duties and Functions. - (1) The city budget
14 officer shall be appointed by the city mayor subject to
15 civil service law, rules and regulations.

16 (2) No person shall be appointed city budget officer
17 unless he is a citizen of the Philippines, of good moral
18 character, a holder of a degree preferably in law,
19 commerce, public administration or in any related course
20 from a recognized college or university, a first grade
21 civil service eligible or its equivalent, and has at least
22 five years experience in budgeting or in any related field.

23 (3) The city budget officer shall receive such
24 compensation, allowances and other emoluments as may be
25 determined by law or ordinance.

26 (4) The city budget officer shall take charge of the
27 city budget office and provide technical and staff services
28 to the city mayor and other city officials on budget
29 matters. He shall:

30 (a) Advise the city mayor on the orders and
31 circulars to be issued on all budgetary and
32 appropriation matters;

33 (b) Consult and coordinate with the city
34 treasurer on the projection of the estimated income of
35 the city for the ensuing calendar year;

36 (c) Review and consolidate the budget proposals
37 of the different offices of the city government and of
38 the barangays under the jurisdiction of the city;

39 (d) Assist the city mayor in the preparation of
40 the annual executive and special budgets;

41 (e) Evaluate allotment requests and submit his
42 recommendations to the city mayor;

43 (f) Study and evaluate budgetary implications of

1 proposed legislation and submit comments and
2 recommendations thereon;

3 (g) Submit quarterly budgetary reports to the
4 Department of Budget and Management; and

5 (h) Exercise such other powers and perform such
6 other duties and functions as may be prescribed by law
7 or ordinance.

8 Article Nine. - The City Planning and
9 Development Coordinator

10 SEC. 452. Appointment, Qualifications, Compensation,
11 Powers, Duties and Functions. - (1) The city planning and

12 development coordinator shall be appointed by the city
13 mayor, subject to civil service law, rules and regulations.

14 (2) No person shall be appointed city planning and
15 development coordinator unless he is a citizen of the
16 Philippines, of good moral character, a holder of a degree
17 preferably in law, civil engineering, commerce, public
18 administration or any related course from a recognized
19 college or university, a first grade civil service eligible
20 or its equivalent, and has at least five years experience
21 in planning or in any related field.

22 (3) The city planning and development coordinator
23 shall receive such compensation, emoluments and allowances
24 as may be determined by law or ordinance.

25 (4) He shall:

26 (a) Formulate an integrated economic, social,
27 physical and other development objectives and policies
28 for the consideration and approval of the sangguniang
29 panlungsod and the city mayor;

30 (b) Conduct continuing studies, researches, and
31 relevant training necessary to evolve plans and
32 programs for implementation;

33 (c) Integrate and coordinate all sectoral plans
34 and studies undertaken by the different functional
35 groups or agencies;

36 (d) Monitor and evaluate the implementation of
37 the different development programs, projects and
38 activities in the city;

39 (e) Prepare comprehensive plans and other
40 development planning documents;

41 (f) Analyze the city income and expenditure
42 patterns, and formulate and recommend fiscal plans and
43 policies for the consideration and approval of the

1 sangguniang panlungsod and the city mayor;

2 (g) Promote citizen participation through
3 development planning at the barangay level;

4 (h) Exercise general supervision and control of
5 the day-to-day activities of the city planning and
6 development office personnel; and

7 (i) Exercise such other powers and perform such
8 other duties and functions as may be prescribed by law
9 or ordinance.

10 (5) The city planning and development coordinator
11 shall be the ex-officio city civil registrar, and shall
12 perform all the powers, duties and functions appurtenant
13 thereto. He shall be directly responsible to the Executive
14 Director of the National Census and Statistics Office in so
15 far as civil registration in the city is concerned.

16 CHAPTER 4. League of Cities

17 SEC. 453. PURPOSE OF ORGANIZATION. - There shall be an
18 organization of all cities of the country to be known as
19 the League of Cities for the principal purpose of
20 crystallizing issues affecting city government
21 administration.

22 SEC. 454. Representation. - Every city shall be
23 represented by the city mayor, or in his absence or
24 incapacity, by a sangguniang panlungsod member duly elected
25 for the purpose from among its membership in all meetings
26 and/or deliberations called by the League of Cities.

27 SEC. 455. Organization. - The League of Cities shall
28 elect a board of directors and a set of officers. A
29 secretary general shall be chosen who shall be charged with
30 the maintenance of the organization in the absence of the
31 duly elected officers or upon the dissolution of the
32 organization.

33 SEC. 456. Functions and Duties of the League of Cities.

34 - The League of Cities shall:

35 (a) Adopt measures for the promotion of the welfare of
36 all city officials and employees;

37 (b) Give priority to programs designed for the total
38 development of the cities, consistent with policies,
39 programs and projects of the national government;

40 (c) Assist in the education of city residents for
41 citizen participation in city government administration, in
42 order to promote a united and concerted action for the
43 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 city;

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 the 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. 457. 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 (2) All funds of the League of Cities shall be
17 deposited as trust funds with the organization's national
18 treasurer and be disbursed in accordance with approved
19 resolutions of the board, subject to auditing rules and
20 regulations of the organization.

21 SEC. 458. Constitution and By-Laws of the League of
22 Cities. - All other matters not herein otherwise provided
23 for touching on the internal organization and operations
24 of the League of Cities shall be governed by the
25 Constitution and Bylaws of the organization, which are
26 hereby made suppletory to the foregoing provisions.

27 TITLE FOUR. - THE PROVINCE

28 CHAPTER 1. - Role and Creation of Provinces

29 SEC. 459. Role of Provinces. - As a political unit
30 comprised of a group of municipalities and component
31 cities, the province shall serve as an effective mechanism
32 in the development process and assume basically area-wide
33 functions, roles and activities.

34 SEC. 460. Manner of Creation. - A province may be
35 created, named and its boundaries defined, altered or
36 modified, only by an Act of the Congress of the
37 Philippines and subject to the approval by a majority of
38 the votes cast in a plebiscite to be held in the unit or
39 units affected. The plebiscite shall be conducted by the
40 Commission on Elections within one hundred twenty days
41 from the date of effectivity of said Act, unless otherwise
42 provided therein.

43 SEC. 461. Requisites for Creation. - A province may be

1 created if it has a territory of at least 350,000 hectares,
2 a population of at least one million, an average annual
3 income, as certified by the Department of Finance, of not
4 less than Fifteen million pesos for the last three
5 consecutive years, and its creation shall not reduce the
6 population, income and territory of the mother unit or
7 units at the time of said creation to less than the
8 minimum requirements under this Code. The territory need
9 not be contiguous if it comprises two or 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. 462. Existing Sub-Province. - THE PROVISION OF
15 THE PRECEDING SECTION NOTWITHSTANDING EXISTING [Existing]
16 sub-provinces [are hereby abolished] and their component
17 municipalities [shall] ARE HEREBY CONVERTED INTO A
18 REGULAR PROVINCE [form part of their mother province or
19 provinces] upon the effectivity of this Code, [without
20 the necessity of conducting] PROVIDED A PROCLAMATION IS
21 ISSUED FOR THE PURPOSE CALLING FOR a plebiscite
22 [therefor] AND RATIFIED BY THE PEOPLE IN THE AREAS
23 AFFECTED.

24 CHAPTER 2 - Provincial Officials in General

25 SEC. 463. Officials of the Provincial Government. -

26 (1) There shall be in each province a governor, a vice
27 governor, members of the sangguniang panlalawigan, a
28 provincial secretary, a provincial treasurer, a provincial
29 assessor, a provincial budget officer, a provincial
30 engineer, a provincial agriculturist and a provincial
31 planning and development coordinator.

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, subject to the
36 approval of the Secretary of Local Government.

37 (3) The Secretary of Local Government shall prescribe,
38 in consultation with provinces, minimum standards and
39 guidelines with respect to the organizational structure
40 staffing pattern and other relevant operational aspects of
41 provinces according to needs.

42 SEC. 464. Residence and Office. - During the
43 incumbency of the governor he shall have his official

1 residence in the capital of the province. All elective
2 and appointive officials shall hold office in the
3 provincial capital.

4 CHAPTER 3. - Officials and Offices Common to all Provinces

5 Article One. - The Provincial Governor

6 SEC. 465. Provincial Governor as Chief Executive of
7 the Province, Powers, Duties and Functions. - (1) The
8 governor shall be the chief executive of the provincial
9 government and shall exercise such powers and perform such
10 duties and functions as provided in this Code and other
11 laws

12 (2) The governor shall:

13 (a) Exercise supervision and control over all
14 services and offices of the provincial government;

15 (b) Determine the guidelines of provincial policy
16 and be responsible to the sangguniang panlalawigan for
17 the program of government;

18 (c) Direct the formulation of provincial
19 development plans and programs, and once approved by
20 the sangguniang panlalawigan direct the execution and
21 implementation of the same;

22 (d) On the first regular session of the
23 sangguniang panlalawigan in every calendar year and
24 from time to time thereafter, present the program of
25 government and recommend for the consideration of the
26 said sanggunian such measures as he may deem necessary
27 and proper;

28 (e) Appoint the heads of offices and other
29 employees of the provincial government whose salaries
30 are entirely or mainly paid out of provincial funds and
31 whose appointments are not herein otherwise provided
32 for, and those whom he may be authorized by law to
33 appoint;

34 (f) Upon authority of the sangguniang
35 panlalawigan, represent the province in all its
36 business transactions and sign on its behalf all bonds,
37 contracts and obligations and other official documents
38 made in accordance with law or ordinance;

39 (g) Upon recommendation of the division
40 superintendent of schools, exempt poor but deserving
41 students from the payment of tuition and other school
42 fees;

43 (h) Grant licenses or permits in accordance with

1 law or provincial ordinances or revoke the same for
2 violation of the conditions upon which they are
3 granted;

4 (i) Allocate and assign rooms to provincial and
5 other officials and employees who, by law, are entitled
6 to office space in the provincial capitol;

7 (j) Determine according to law or ordinance the
8 time, manner and place of payment of the salaries and
9 wages of the officers and employees of the province;

10 (k) Ensure that the acts of component cities and
11 municipalities are within the scope of their assigned
12 powers and functions;

13 (l) Coordinate the administration of services
14 rendered by national offices and agencies in the
15 province;

16 (m) Call upon any national official or employee
17 stationed in the province to advise him on matters
18 affecting the province and make recommendations
19 thereon;

20 (n) REPRESENT THE PROVINCE IN INTER-PROVINCIAL OR
21 REGIONAL SPORTS COUNCILS OR COMMITTEES AND COORDINATE
22 THE EFFORTS OF COMPONENT POLITICAL UNITS IN THE
23 REGIONAL AND/OR NATIONAL "PALARD" OR SPORTS DEVELOPMENT
24 ACTIVITIES; AND [C]call a convention or meeting of any
25 or all the heads of component political units and other
26 local officials in the province at such place and time
27 as he may designate FOR INTER-PROVINCIAL, REGIONAL, OR
28 OTHER ACTIVITIES AFFECTING ANY OR ALL OF THE COMPONENT
29 POLITICAL UNITS; (S.B. 498, Lina)

30 (o) In aid of his executive and administrative
31 powers, require all national officers and employees
32 stationed in the province to make available to him such
33 books, records and other papers as are in their
34 custody, except those classified by law as
35 confidential;

36 (p) Enforce laws, provincial ordinances and
37 resolutions and issue the necessary orders for their
38 faithful and proper enforcement and execution, and in
39 pursuance thereof, he shall be entitled to carry the
40 necessary firearms within his territorial jurisdiction,
41 subject to existing rules and regulations on the
42 possession and carrying of firearms;

43 (q) At least ten and one-half months before the

1 beginning of each calendar year, require each head of
2 office or department to prepare and submit to him an
3 estimate of appropriations for the operation of each
4 office or department during the ensuing calendar year,
5 which estimate shall be prepared on the basis of
6 programs, projects, activities and workloads, and such
7 estimates of appropriations, after evaluation, shall
8 form part of the executive budget of the province;

9 (r) Finalize and submit to the sangguniang
10 panlalawigan the annual budget of the province for the
11 ensuing calendar year on or before the time fixed in
12 local budgeting regulations;

13 (s) Ensure that officers and employees, of the
14 province properly discharge their respective functions
15 and duties;

16 (t) Adopt measures to safeguard all lands,
17 buildings, record, monies, credits and other property
18 and rights of the province;

19 (u) Make known to the people of the component
20 units of the province all general laws or governmental
21 orders which especially concern them;

22 (v) Cause to be instituted in accordance with
23 law, administrative and or judicial proceedings against
24 any officer or employee of the province or any elective
25 official of its component units who may have committed
26 any offense in the performance of his official
27 functions and duties;

28 (w) Cause to be instituted administrative and/or
29 judicial proceedings in connection with the violation
30 of ordinances for the collection of taxes, fees and
31 charges and the recovery of property and funds of the
32 province and cause to be defended all suits against it,
33 and otherwise protect its interest;

34 (x) Visit, at least once in six months, the
35 component units of the province to acquaint himself
36 with local conditions, advise authorities, receive
37 complaints on the official conduct of local officials
38 and for other purposes;

39 (y) Act on vacation, sick and maternity leaves of
40 officers and employees appointed by him and the
41 commutation of the money value thereof;

42 (z) Authorize trips outside the province of
43 provincial officers and employees for a period not

1 exceeding thirty days;

2 (aa) Approve the commutation of the
3 transportation and representation allowances of heads
4 of offices and other officials of the province as
5 authorized by law;

6 (bb) Exercise direct supervision and control of
7 all matters pertaining to property and supply
8 management functions of the provincial government;

9 (cc) Submit an annual report to the Department of
10 Local Government which shall contain a resume of all
11 matters pertinent to the administration and progress of
12 the province and full information as to its social and
13 economic conditions, and submit supplemental reports
14 when unexpected events and occurrences arise which are
15 of importance to the general welfare of the province;
16 [and]

17 (DD) 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 (S. #185, Ctte. Report #270, dated
30 06-06-88)

31 (EE) CONDUCT A PALARONG PANLALAWIGAN, IN
32 COORDINATION WITH THE DEPARTMENT OF EDUCATION, CULTURE
33 AND SPORTS, AS A YEAR-ROUND OR ANNUAL ACTIVITY WHICH
34 SHALL INCLUDE TRADITIONAL GAMES AND SPORTS, AND
35 DISCIPLINES INCLUDED IN NATIONAL AND INTERNATIONAL
36 COMPETITIONS; AND (S. No. 308, Ctte. Report No. 293
37 dated 07-26-88)

38 [(dd)] (FF) Exercise such other powers and
39 perform such other duties and functions as may be
40 prescribed by law or ordinance.

41 Article Two. The Vice-Governor

42 SEC. 466. Powers, Duties and Functions. - The vice-
43 governor shall:

1 (a) Be the presiding officer of the sangguniang
2 panlalawigan;

3 (b) Assume the office of the governor for the
4 unexpired term of the latter in the cases provided for in
5 paragraph (1) of Section [38] 37 of this Code;

6 (c) Exercise the powers and perform the duties and
7 functions of the governor in the cases provided for in
8 Section [41] 40 of this Code; and

9 (d) Exercise such other powers and perform such other
10 duties and functions as may be prescribed by law or
11 ordinance.

12 Article Three. - The Sangguniang Panlalawigan

13 SEC. 467. Composition.- (1) Each provincial government
14 shall have a provincial legislature hereinafter known as
15 the sangguniang panlalawigan, upon which shall be vested
16 the provincial legislative power.

17 (2) The sangguniang panlalawigan shall be composed of
18 the vice governor, as presiding officer, elective members
19 of the said sanggunian, the presidents of the provincial
20 chapters of the League of Barangays, the League of
21 Municipalities, and the provincial federation of youth
22 councils.

23 (3) In addition thereto, there shall be one
24 representative each from the agricultural and industrial
25 labor sectors who shall be appointed by the President of
26 the Philippines whenever, as determined by the sangguniang
27 panlalawigan, said sectors are of sufficient number in the
28 province to warrant representation, after consultation with
29 associations and persons belonging to the sector concerned.

30 (4) Each province shall elect six (6) members of the
31 sangguniang panlalawigan at large.

32 SEC. 468. Powers, Duties and Functions. - The
33 sangguniang panlalawigan shall:

34 (a) Enact such ordinances as may be necessary to, carry
35 into effect and discharge the responsibilities conferred
36 upon it by law, and such as shall be necessary and proper
37 to maintain peace and order, improve public morals, promote
38 prosperity and general welfare, and provide for the
39 health, safety, comfort and convenience of the
40 inhabitants;

41 AND FOR THE WELFARE OF THE PROVINCE PASS ORDINANCES OR
42 ISSUE REGULATIONS WHICH PROVIDE HOUSING; MAINTAIN
43 ECOLOGICAL BALANCE AND POLLUTION CONTROL;

1 ENFORCE LAND USE PLANS AND ZONING; CONSERVE AND PROTECT
2 PUBLIC FORESTS AND NATURAL RESOURCES CONSTITUTING THE
3 NATIONAL PATRIMONY; PROVIDE ADEQUATE FACILITIES FOR WATER,
4 LIGHT, TELEPHONE AND TELEGRAPH, AND AN INTEGRATED SEWERAGE
5 AND WASTE DISPOSAL SYSTEM;

6 (b) Prescribe reasonable limits and restraints on the
7 use of property, and for violation of ordinances, provide
8 for imposition of a fine not exceeding one thousand pesos
9 or six months imprisonment, or both such fine and
10 imprisonment at the discretion of the court;

11 (c) Levy taxes for general and special purposes and
12 fix the taxes thereof in accordance with the provisions of
13 this Code;

14 (d) Impose and fix reasonable fees and charges for all
15 services rendered by the province to private parties;

16 (e) Upon the majority vote of all the members,
17 authorize the governor to negotiate and contract loans and
18 other forms of obligation in accordance with the
19 provisions of the Code, or to float bonds for development
20 projects, subject to such limitations as may be provided
21 by this Code;

22 (f) Upon recommendation of the provincial governor,
23 appropriate money for purposes not specified by the law
24 which will promote the general welfare of the province and
25 its inhabitants;

26 (g) Fix in accordance with law the number and salaries
27 of officials and employees of the province paid from
28 provincial funds and provide for expenditures that are
29 necessary for the proper conduct of the activities of the
30 provincial government;

31 (h) Provide funds for the construction, maintenance
32 and rental of buildings for the use of the province;

33 (i) Provide for the establishment and maintenance of
34 an adequate provincial jail and detention center and
35 appropriate sufficient funds for the subsistence of
36 prisoners and detainees.

37 (j) Regulate and fix such license fees as are provided
38 for in this Code and other laws;

39 (k) Provide or facilitate the establishment and
40 maintenance of a waterworks system or district waterworks
41 for supplying water to inhabitants of its component cities
42 and municipalities;

43 (k) Review ordinances and resolutions approved by the

1 sanggunian of component cities and municipalities within
2 the authority granted by law;

3 (m) Authorize the payment of compensation or
4 additional compensation, as the case may be to any officer
5 or employee, or to any person not in the government
6 service appointed temporarily to fill a vacancy at a rate
7 of salary authorized for the position pursuant to law;

8 (n) Provide for the establishment and operation of
9 secondary and vocational schools and colleges subject to
10 existing laws and regulations and, with the advice of the
11 division superintendent of schools, fix reasonable fees for
12 instruction therein;

13 (o) Provide for the establishment and maintenance of
14 centers and facilities for the rehabilitation and
15 reformation of vagrants, drug addicts, alcoholics,
16 mendicants, prostitutes, juvenile delinquents and convicts
17 on probation or parole or who have served their sentence;

18 (p) Adopt measures and issue regulations to protect
19 the public from floods, conflagrations, typhoons, droughts,
20 earthquakes and other calamities and provide relief for
21 persons suffering from the same;

22 (q) Adopt measures and safeguards against pollution
23 for the preservation of the natural ecosystems in the
24 province in consonance with approved standards on human
25 settlements and environmental sanitation;

26 (r) Provide for the construction, improvement, repair
27 and maintenance of roads, bridges, waterways, parks and
28 playgrounds, and other public works, and regulate the use
29 thereof;

30 (s) Make provisions within the financial capacity of
31 the province, for the care of the poor, the aged, the sick,
32 or persons of unsound mind, the care and rehabilitation of
33 delinquent and abandoned minors and other disabled or
34 handicapped persons;

35 (t) Provide for the suppression of riots, vandalism,
36 tumultuous affrays, disturbances and disorderly assemblies;

37 (u) Adopt measures on quarantine as may from time to
38 time be deemed desirable or necessary to prevent the
39 introduction and spread of diseases;

40 (v) Adopt such measures as would enhance the full
41 implementation of the agrarian reform program of the
42 government; and

43 (w) Exercise such other powers and perform such other

1 duties and functions as may be prescribed by law or
2 ordinance.

3 Article Four. - The Provincial Secretary

4 SEC. 469. Appointment, Compensation, Powers, Duties
5 and Functions. - There shall be a provincial secretary who
6 shall be appointed by the provincial governor with the
7 concurrence, of the sangguniang panlalawigan, and whose
8 term of office shall be co-terminous with said sanggunian.
9 The compensation, allowances and other emoluments of the
10 provincial secretary shall be determined by law or
11 ordinance.

12 (2) The provincial secretary shall:

13 (a) Attend meetings of the sangguniang
14 panlalawigan, keep the minutes of its proceedings, and
15 record other acts of the provincial government;

16 (b) Keep the seal of the province and affix the
17 same with his signature to all ordinances, resolutions
18 and other official acts of the sangguniang panlalawigan
19 and present the same to the presiding officer for his
20 signature;

21 (c) Forward to the provincial governor copies of
22 approved ordinances and resolutions;

23 (d) Furnish upon request of any interested party
24 certified copies of records of public character in his
25 charge, upon payment to the provincial treasurer of
26 such fees as may be prescribed by ordinance;

27 (e) Record in a book kept for the purpose, all
28 ordinances and resolutions enacted or adopted by the
29 sangguniang panlalawigan, with the dates of passage
30 and publication thereof;

31 (f) Cause each ordinance passed to be published
32 as herein provided;

33 (g) Exercise general supervision over the staff
34 of the sanggunian panlalawigan; and

35 (h) Exercise such other powers and perform such
36 other duties and functions as may be provided by law
37 or ordinance.

38 Article Five. - The Provincial Treasurer

39 SEC. 470. Appointment, Qualifications, Compensations,
40 Powers, Duties and Functions. - (1) The provincial
41 treasurer shall be appointed by the [Secretary of Finance
42 upon recommendation of the provincial governor] PROVINCIAL
43 GOVERNOR FROM A LIST OF THREE (3) RECOMMENDEES BY THE

1 SANGGUNIANG PANLALAWIGAN, subject to civil service law,
2 rules and regulations.

3 (2) No person shall be appointed provincial treasurer
4 unless he is a citizen of the Philippines, of good moral
5 character, a holder of a college degree preferably in law,
6 commerce or public administration from a recognized college
7 or university, a first grade civil service eligible or its
8 equivalent, and has at least five years of experience in
9 the treasury or accounting service two of which as
10 assistant city or provincial treasurer.

11 (3) The provincial treasurer shall receive such
12 compensation, allowances and other emoluments as may be
13 provided by law or ordinance.

14 (4) The provincial treasurer shall:

15 (a) Advise the governor, the sangguniang
16 panlalawigan and other provincial and national
17 officers concerned with the disposition of provincial
18 funds on all matters relative to public finance;

19 (b) Collect taxes throughout the province
20 including national, provincial and municipal taxes and
21 other revenues authorized by law;

22 (c) Take custody of and exercise supervision over
23 all provincial funds;

24 (d) Take charge of the disbursement and
25 accounting of all provincial funds and other funds the
26 custody of which may be entrusted to him by law or
27 other competent authority;

28 (e) Exercise technical supervision over all
29 treasury offices of component municipalities;

30 (f) Inspect, under the authority of the
31 sangguniang panlalawigan, all commercial and
32 industrial enterprises of the province and all private
33 commercial and industrial establishments with the
34 province in relation to the implementation of
35 provincial tax ordinances; and

36 (g) Exercise such other powers and perform such
37 other duties and functions as may be prescribed by law
38 or ordinance.

39 SEC. 471. Assistant Provincial Treasurers. - When
40 the exigency of the service so requires, an assistant
41 provincial treasurer may be appointed by the Secretary of
42 Finance upon recommendation of the provincial governor
43 subject to civil service law, rules and regulations.

1 (2) No person shall be appointed assistant provincial
2 treasurer unless he is a citizen of the Philippines, of
3 good moral character, a holder of a college degree
4 preferably in law, commerce or public administration from
5 a recognized college or university, a first grade civil
6 service eligible or its equivalent, and has at least five
7 years experience in the treasury or accounting service.

8 (3) The assistant provincial treasurer shall receive
9 such compensation, allowances and other emoluments as may
10 be provided by law or ordinance.

11 (4) The assistant provincial treasurer shall assist
12 the provincial treasurer and perform such duties as the
13 latter may assign to him. He shall have authority to
14 administer oaths concerning notices and notifications to
15 those delinquent in the payment of the real property tax
16 and concerning official matters relating to the accounts
17 of the provincial treasurer or otherwise arising in the
18 offices of the provincial treasurer and the provincial
19 assessor.

20 Article Six. - The Provincial Assessor

21 SEC. 472. Appointment, Qualifications, Compensation,
22 Powers, Duties and Functions. - (1) The provincial
23 assessor shall be appointed by the [Secretary of Finance
24 upon recommendation of the provincial governor]
25 PROVINCIAL GOVERNOR FROM A LIST OF THREE (3) RECOMMENDEES
26 SUBMITTED BY THE SANGGUNIANG PANLALAWIGAN, subject to civil
27 service law, rules and regulations.

28 (2) No person shall be appointed provincial assessor
29 unless he is a citizen of the Philippines, of good moral
30 character, a holder of a degree preferably in law, civil
31 or mechanical engineering, commerce or any other related
32 course from a recognized college or university, a first
33 grade civil service eligible or its equivalent, and has
34 acquired experience in real property assessment work or in
35 any related field for at least five years.

36 (3) The provincial assessor shall receive such
37 compensation, allowances and other emoluments as may be
38 provided by law or ordinance.

39 (4) The provincial assessor shall:

40 (a) Initiate, review, and recommend changes in
41 policies and objectives, plans and programs,
42 techniques, procedures and practices in the assessment
43 and revision of real property values;

- 1 (b) Establish a systematic method of assessment;
2 (c) Install and maintain a real property
3 identification and accounting system;
4 (d) Prepare, install and maintain a system of
5 tax-mapping, showing graphically all property subject
6 to assessment and gather all data concerning the same;
7 (e) Make frequent physical surveys to check and
8 determine whether all real property within the province
9 are properly listed in the assessment rolls;
10 (f) Appraise all real property at current market
11 value and conduct regular ocular inspection to
12 determine if they are assessed correctly.
13 (g) Keep a record of all transfers, leases, and
14 mortgages of real property rentals, insurance, and
15 cost of construction of buildings and other
16 improvements on land for assessment purposes;
17 (h) Apply uniformly the assessment levels for the
18 current market value of all property subject to
19 assessment;
20 (i) Cancel all assessments, except those which
21 are properly made, in case several assessments have
22 been made for the same property;
23 (j) Cancel, raise, or lower, as the case may
24 require, the assessment of any parcel or item of real
25 property in the province;
26 (k) Issue certified copies of assessment records
27 of real property and all other records relative to its
28 assessment upon payment of a service charge or fee to
29 the provincial treasurer;
30 (l) Submit a report every semester of all
31 assessments as well as cancellations and modifications
32 of assessments done during the period, to the governor,
33 each member of the sangguniang panlalawigan, and all
34 mayors of component cities and municipalities; and
35 (m) Exercise such other powers and perform such
36 other duties and functions as may be prescribed by law
37 or ordinance.



38 SEC. 473. The Assistant Provincial Assessor. - (1)
39 When the exigency of the service so requires, an assistant
40 provincial assessor may be appointed by the [Secretary
41 of Finance] PROVINCIAL GOVERNOR upon recommendation of the
42 [provincial governor] SANGGUNIANG PANLALAWIGAN, subject to
43 civil service law, rules and regulations.

1 (2) No person shall be appointed assistant provincial
2 assessor unless he is a citizen of the Philippines, of
3 good moral character, a holder of a degree preferably in
4 law, civil or mechanical engineering, commerce or any
5 related course from a recognized college or university, a
6 first grade civil service eligible or its equivalent, and
7 has acquired experience in real property assessment work
8 or in any related field for at least five years.

9 (3) The assistant provincial assessor shall receive
10 such compensation, allowances and other emoluments as may
11 be provided by law or ordinance.

12 (4) The assistant provincial assessor shall assist
13 the provincial assessor and perform such duties as the
14 latter may assign to him. He shall have the authority to
15 administer oaths on all declarations of real property for
16 purposes of assessment.

17 Article Seven - The Provincial Budget Officer

18 SEC. 474. Appointment, Qualifications, Compensation,
19 Powers, Duties and Functions. - (1) The provincial budget
20 officer shall be appointed by the governor, subject to
21 civil service law, rules and regulations.

22 (2) No person shall be appointed provincial budget
23 officer unless he is a citizen of the Philippines, of good
24 moral character, a holder of a degree preferably in law,
25 commerce, public administration or any related course from
26 a recognized college or university, a first grade civil
27 service eligible or its equivalent, and has acquired at
28 least five years experience in budgeting or in any related
29 field.

30 (3) The provincial budget officer shall receive such
31 compensation, emoluments and allowances as may be
32 determined by law or ordinance.

33 (4) The provincial budget officer shall:

34 (a) Exercise general supervision over the
35 provincial budget office;

36 (b) Prepare forms, orders and circulars embodying
37 instructions on budgetary and appropriation matters for
38 the signature of the provincial governor;

39 (c) Review and consolidate the budget estimates
40 of the different offices of the provincial government;

41 (d) Supervise the preparation of executive and
42 special budgets of the province;

43 (e) Assist the provincial governor during budget

1 hearings;

2 (f) Study and evaluate budgetary implications of
3 proposed legislation and submit comments, and
4 recommendations thereon;

5 (g) Submit periodic budgetary reports to the
6 Department of Budget and Management;

7 (h) Coordinate with the provincial treasurer for
8 purpose of provincial government budgeting; and

9 (i) Exercise such other powers and perform such
10 other duties and functions as may be prescribed by law
11 or ordinance.

12 SEC. 475. Budget Preparation. - Each provincial
13 office shall submit its request for appropriation to the
14 provincial budget officer on or before the date fixed by
15 law and in accordance with existing rules and budgetary
16 regulations.

17 Article Eight. - The Provincial Engineer

18 SEC. 476. Appointment, Qualifications, Compensation,
19 Powers, Duties and Functions. - (1) The Provincial
20 engineer shall be appointed by the governor, subject to
21 civil service law, rules and regulations.

22 (2) No person shall be appointed provincial engineer
23 unless he is a citizen of the Philippines, of good moral
24 character, a licensed civil engineer, and with adequate
25 background and experience in his profession for at least
26 five years.

27 (3) The provincial engineer shall receive such
28 compensation, emoluments and allowances as may be
29 prescribed by law or ordinance.

30 (4) The provincial engineer shall:

31 (a) Initiate, review, and recommend changes in
32 policies and objectives, plans and programs,
33 techniques, procedures and practices in infrastructure
34 development and public works in general of the
35 provincial government;

36 (b) Advise the governor on infrastructure, public
37 works and engineering matters;

38 (c) Administer, coordinate, supervise and control
39 the construction, maintenance, improvement and repair
40 of roads, bridges, and other engineering and public
41 works projects of the provincial government;

42 (d) Promulgate rules and regulations necessary to
43 carry out office objectives, policies and functions;

1 (e) Provide engineering services to the province
2 and its component units as well as to the barangays,
3 including investigations and surveys, architectural and
4 engineering designs, feasibility studies, and project
5 management; and

6 (f) Exercise such other powers and perform such
7 other duties and functions as may be prescribed by law
8 or ordinance.

9 Article Nine. - The Provincial Agriculturist

10 SEC. 477. Appointment, Qualifications, Compensation,
11 Powers, Duties and Functions. - (1) The provincial
12 agriculturist shall be appointed by the governor, subject
13 to civil service law, rules and regulations.

14 (2) No person shall be appointed provincial
15 agriculturist unless he is a citizen of the Philippines,
16 of good moral character, a holder of a degree in
17 agriculture or any related course from a recognized
18 college or university, a first grade civil service
19 eligible or its equivalent, and has acquired experience in
20 the practice of his profession for at least five years.

21 (3) The provincial agriculturist shall receive such
22 compensation, emoluments and allowances as may be
23 determined by law or ordinance.

24 (4) The provincial agriculturist shall:

25 (a) Initiate, review, and recommend changes in
26 policies and objectives, plans and programs,
27 techniques, procedures and practices in agricultural
28 promotion and production;

29 (b) Advise the governor on matters pertaining to
30 agriculture;

31 (c) Plan, supervise, and coordinate all
32 agricultural projects and activities of the provincial
33 government;

34 (d) Coordinate with regulatory governmental
35 agencies and assist in basic research on crops and
36 animals; on preventive control of diseases and pests;
37 and on agricultural matters, in general; and

38 (e) Exercise such other powers and perform such
39 other duties and functions as may be prescribed by law
40 or ordinance.

41 Article Ten. - The Provincial Planning and
42 Development Coordinator

43 SEC. 478. Appointment, Qualifications, Compensation,

1 Powers, Duties and Functions. - (1) The provincial
2 planning and development coordinator shall be appointed by
3 the governor, subject to civil service law, rules and
4 regulations.

5 (2) No person shall be appointed provincial planning
6 and development coordinator unless he is a citizen of the
7 Philippines, of good moral character, a holder of a degree
8 preferably in law, civil engineering, commerce, public
9 administration or any related course from a recognized
10 college or university, a first grade civil service eligible
11 or its equivalent, and has at least five years experience
12 in planning or in any related field.

13 (3) The provincial planning and development
14 coordinator shall receive such compensation, emoluments and
15 allowances as may be determined by law or ordinance.

16 (4) The provincial planning and development
17 coordinator shall:

18 (a) Formulate an integrated economic, social and
19 physical and other development objective and policies
20 for the consideration and approval of the sangguniang
21 panlalawigan and the provincial governor;

22 (b) Conduct continuing studies, researches, and
23 relevant trainings necessary to evolve plans and
24 programs for implementation;

25 (c) Integrate and coordinate all sectoral plans
26 and studies undertaken by the different functional
27 groups or agencies;

28 (d) Monitor and evaluate the implementation of
29 the different development programs, projects and
30 activities in the province;

31 (e) Prepare comprehensive plans and other
32 development planning documents;

33 (f) Analyze the provincial income and expenditure
34 patterns, and formulate and recommend fiscal plans and
35 policies for the consideration and approval of the
36 sangguniang panlalawigan and the provincial governor;

37 (g) Promote citizen participation through
38 development planning at the municipal and provincial
39 levels;

40 (h) Exercise general supervision and control of
41 the day-to-day activities of the provincial planning
42 and development office personnel; and

43 (i) Exercise such other powers and perform such

1 other duties and functions as may be prescribed by law
2 or ordinance.

3 ARTICLE ELEVEN - THE PROVINCIAL ATTORNEY AND
4 CITIZEN'S DEFENDER

5 SEC. 478-A. APPOINTMENT, QUALIFICATIONS, COMPENSATION,
6 POWERS AND DUTIES. - (1) THE PROVINCIAL ATTORNEY SHALL,
7 SUBJECT TO CIVIL SERVICE LAW, RULES AND REGULATIONS, BE
8 APPOINTED BY THE PROVINCIAL GOVERNOR.

9 (2) NO PERSON SHALL BE APPOINTED PROVINCIAL ATTORNEY
10 UNLESS HE IS A CITIZEN OF THE PHILIPPINES, OF GOOD MORAL
11 CHARACTER, A MEMBER OF THE PHILIPPINE BAR, OF PROVEN
12 INTEGRITY AND COMPETENCE AND HAS BEEN IN THE ACTUAL PRACTICE
13 OF THE LEGAL PROFESSION FOR AT LEAST FIVE (5) YEARS PRIOR TO
14 HIS APPOINTMENT OR HAS HELD DURING LIKE PERIOD, ANY POSITION
15 REQUIRING THE QUALIFICATIONS OF A LAWYER.

16 (3) HE SHALL RECEIVE SUCH COMPENSATION, EMOLUMENTS AND
17 ALLOWANCES AS MAY BE FIXED BY LAW OR ORDINANCES ENACTED BY
18 SANGGUNIANG PANLALAWIGAN.

19 (4) HE SHALL BE THE CHIEF LEGAL ADVISER AND LEGAL
20 OFFICER/COUNSEL FOR CIVIL CASES OF THE PROVINCE AND ANY
21 MUNICIPALITY THEREOF, INCLUDING ITS OFFICES, AND SUCH SHALL:

22 (A) REPRESENT THE PROVINCE AND ANY MUNICIPALITY
23 THEREOF, TO THE EXCLUSION OF THE PROVINCIAL FISCAL, IN
24 ALL CIVIL ACTIONS AND SPECIAL PROCEEDINGS WHEREIN THE
25 PROVINCE/MUNICIPALITY OR ANY OFFICER THEREOF, IN HIS
26 OFFICIAL CAPACITY, IS A PARTY; PROVIDED, THAT IN CASES
27 WHERE THE MUNICIPALITY IN QUESTION IS A PARTY ADVERSE
28 TO THE PROVINCIAL GOVERNMENT OR TO SOME OTHER
29 MUNICIPALITY IN THE SAME PROVINCE, A SPECIAL MUNICIPAL
30 ATTORNEY MAY BE EMPLOYED THEREOF;

31 (B) REPRESENT DESTITUTE LITIGANTS IN COURTS AND
32 QUASI-JUDICIAL BODIES LOCATED WITHIN THEIR
33 JURISDICTION;

34 (C) WHEN REQUIRED, DRAFT ORDINANCES, CONTRACTS,
35 BONDS, LEASES AND OTHER INSTRUMENTS, INVOLVING ANY
36 INTEREST OF THE PROVINCE OR ANY MUNICIPALITY THEREOF,
37 AND INSPECT AND PASS UPON ANY SUCH INSTRUMENTS ALREADY
38 DRAWN;

39 (D) EXAMINE AND REVIEW, TO THE EXCLUSION OF THE
40 PROVINCIAL FISCAL, UPON RECEIPT FROM THE SANGGUNIANG
41 PANLALAWIGAN, THE ORDINANCES AND RESOLUTIONS APPROVED
42 BY THE SANGGUNIANG BAYAN AND EXECUTIVE ORDERS
43 PROMULGATED BY THE MUNICIPAL MAYOR, SUBSEQUENTLY INFORM
THE SANGGUNIANG PANLALAWIGAN IN WRITING OF ANY DEFECT

1 OR IMPROPRIETY WHICH HE MAY DISCOVER THEREIN AND MAKE
2 SUCH COMMENTS OR RECOMMENDATIONS;

3 (E) GIVE HIS OPINION IN WRITING, TO THE EXCLUSION
4 OF THE PROVINCIAL FISCAL, WHEN REQUESTED BY THE
5 GOVERNOR OR THE SANGGUNIANG PANLALAWIGAN, INCLUDING THE
6 MUNICIPAL MAYOR AND THE SANGGUNIANG BAYAN OF SAID
7 PROVINCE, UPON ANY QUESTION RELATING TO THE PROVINCE OR
8 MUNICIPALITY OR THE RIGHTS AND DUTIES OF ITS OFFICERS;

9 (F) INVESTIGATE OR CAUSE TO BE INVESTIGATED ANY
10 PROVINCIAL OR MUNICIPAL OFFICER OR EMPLOYEE FOR NEGLIGENCE
11 OR MISCONDUCT IN OFFICE, OR ANY PERSON, FIRM OR
12 CORPORATION HOLDING ANY FRANCHISE OR EXERCISING ANY
13 PUBLIC PRIVILEGE FROM THE PROVINCE OR MUNICIPALITY
14 THEREOF, FOR FAILURE TO COMPLY WITH ANY CONDITION, OR
15 TO PAY ANY CONSIDERATION MENTIONED IN THE GRANT OF SUCH
16 FRANCHISE OR PRIVILEGE, AND RECOMMEND APPROPRIATE
17 ACTION TO THE SANGGUNIANG PANLALAWIGAN AND THE
18 PROVINCIAL GOVERNOR, AND THE SANGGUNIANG BAYAN AND
19 MUNICIPAL MAYOR RESPECTIVELY;

20 (G) INSTITUTE AND PROSECUTE IN THE PROVINCE'S AND
21 MUNICIPALITY'S INTEREST WHEN DIRECTED BY THE GOVERNOR
22 OR MUNICIPAL MAYOR RESPECTIVELY, A CIVIL ACTION ON ANY
23 BOND, LEASE OR OTHER CONTRACT UPON ANY BREACH OR
24 VIOLATION THEREOF; AND

25 (H) EXERCISE SUCH OTHER POWERS AND PERFORM SUCH
26 OTHER DUTIES AND FUNCTIONS AS MAY BE PRESCRIBED BY LAW
27 OR ORDINANCE. (S.B. 1116)

28
29 CHAPTER 4. League of Provinces

30 SEC. 479. Purpose of Organization. - There shall be
31 an organization of all provinces of the country to be
32 known as the League of Provinces for the principal purpose
33 of crystallizing issues affecting provincial government
34 administration. For this purpose, metropolitan political
35 subdivisions such as Metropolitan Manila shall be
36 considered as separate provincial units.

37 SEC. 480. Representation. - Every province shall be
38 represented by the provincial governor or in his absence
39 or incapacity, by a sangguniang panlalawigan member duly
40 elected for the purpose from among its membership in all
41 meetings and/or deliberations called by the League of
42 Provinces.

43 SEC. 481. Organization. - The League of Provinces shall

1 elect a board of directors and a set of officers. A
2 secretary-general shall be chosen who shall be charged
3 with the maintenance of the organization in the absence of
4 the duly elected officers or upon the dissolution of the
5 organization.

6 SEC. 482. Functions and Duties of the League of
7 Provinces. - The League of Provinces shall:

8 (a) Adopt measures for the promotion of the welfare
9 of all provincial officials and employees;

10 (b) Give priority to programs designed for the total
11 development of the cities, consistent with the policies,
12 programs and projects of the national government;

13 (c) Assist in the education of the citizenry for
14 citizen participation in local government administration,
15 in order to promote a united and concerted action for the
16 achievement of countrywide development goals;

17 (d) Supplement the efforts of the national government
18 in creating opportunities for gainful employment within
19 the province;

20 (e) Serve as a forum for crystallizing ideas and
21 seeking the necessary assistance of government and private
22 entities for the welfare of all the provinces; and

23 (f) Perform such other functions and duties as the
24 League of Provinces may prescribe for the welfare of the
25 organization.

26 SEC. 483. Funding of the League of Provinces. - The
27 League of Provinces shall derive all its funds from fund-
28 raising campaigns or programs in pursuance of specific
29 projects for the upliftment of provinces, without the
30 necessity of securing permits therefor, subject, however,
31 to the pertinent provisions of the Revised Election Code.

32 (2) All funds of the League of Provinces shall be
33 deposited as trust funds with the organization's treasurer
34 and be disbursed in accordance with approved resolutions
35 of the board, subject to auditing rules and regulations of
36 the organization.

37 SEC. 484. Constitution and Bylaws of the League of
38 Provinces. - All other matters not herein otherwise
39 provided for touching on the internal organization and
40 operations of the League of Province shall be governed by
41 the Constitution and Bylaws of the organization, which are
42 hereby made suppletory to the foregoing provisions.

BOOK FOUR

**MISCELLANEOUS & FINAL
PROVISIONS**

S.B. 155



**AN ACT PROVIDING FOR
A LOCAL GOVERNMENT CODE**

BOOK IV

MISCELLANEOUS AND FINAL PROVISIONS

TITLE ONE. - PENAL PROVISIONS

1
2
3
4 SEC. 485. Withholding of Privileges Accorded to
5 Sangguniang Barangay. - Willful and malicious withholding
6 of any of the privileges accorded to sangguniang barangay
7 officials, including the barangay secretary and the
8 barangay treasurer under Section [213] 356 of this Code
9 shall be punishable with suspension or dismissal of the
10 official or employee responsible therefor.

11 SEC. 486 Failure to Call a Semestral Meeting of the
12 Barangay Assembly. - Failure to call a semestral meeting
13 of the barangay assembly as provided for under Section
14 [217] 362 of this Code shall be punishable with suspension
15 or dismissal of the barangay official responsible therefor.

16 SEC. 487 Engaging in Business Transactions or
17 Possessing Pecuniary Interest. - Any local government
18 official and any person or persons dealing with him who
19 violate the prohibitions provided in Section 89 hereof,
20 shall be punished with prison correccional or a fine of
21 not less than three thousand (P3,000.00) pesos nor more
22 than ten thousand (P10,000.00) pesos, or both such
23 imprisonment and fine, at the discretion of the court.

24 SEC. 488 Refusal or Failure to Appear as Witness in the
25 Implementation of the Katarungang Pambarangay. - Refusal
26 or willful failure of any party or witness to appear in
27 compliance with a summon issued pursuant to the provisions
28 on the Katarungang Pambarangay may be punished by the city
29 or municipal court as for indirect contempt of court upon
30 application filed therewith by the Lupon chairman, the
31 Pangkat chairman, or by any of the contending parties.
32 Further, such refusal or willful failure to appear shall
33 be reflected in the records of the lupon secretary or in
34 the minutes of the Pangkat secretary and shall bar the
35 complainant from seeking judicial recourse for the same
36 cause of action, and the respondent from filing any
37 counterclaim arising out of or necessarily connected
38 therewith. Willful failure or refusal without justifiable
39 cause on the part of any Pangkat member to act as such, as
40 determined by the vote of majority of all the other members
41 of the Lupon whose decision thereon shall be final, shall
42 result in his disqualification from public office in the
43 city or municipality for a period of one year.

1 SEC. 489 Unlawful Use of Residence Certificates. - Any
2 person who, with intent to defraud the government deceives
3 the courts, or misleads any treasurer or other person,
4 uses, attempts to use, or is in possession of any
5 residence certificate issued to any other person or
6 corporation shall be punished by a fine of not exceeding
7 two hundred pesos or imprisonment for a term of not more
8 than six months, or both such fine imprisonment at the
9 discretion of the court.

10 SEC. 490. Falsification or Counterfeiting of Residence
11 Certificate. - Any person who makes, sells, or uses any
12 false or counterfeit residence certificate which is an
13 imitation of, or purports to be, a lawful residence
14 certificate; who alters the written or printed figures or
15 letters contained therein; who has in his possession any
16 such false, counterfeit or altered certificate for the
17 purpose of using the same in the payment of revenue or in
18 securing any exemption or privilege conferred by law; or
19 who procures the commission of any such offense by
20 another, shall for each offense be punished by a fine in a
21 sum not less than two hundred pesos nor more than five
22 thousand pesos, or imprisonment for a term of not less
23 than two months nor more than five years, or both at the
24 discretion of the court.

25 SEC. 491 Violation of any Provision on Taxation. - Any
26 person who violates any of the taxation provisions of this
27 Code or any regulation promulgated in accordance therewith,
28 for which delinquency no specific penalty is provided
29 herein or by any other law, shall be punished by a fine of
30 not more than three hundred pesos, or imprisonment for not
31 more than six months, or both, at the discretion of the
32 court.

33 SEC. 492 Violation of Tax Ordinance. - Except as
34 otherwise specifically provided in this Code, the
35 sanggunian of a local government unit is authorized to
36 prescribe fines or penalties for violation of tax
37 ordinances but in no case shall such fines or penalties
38 exceed one thousand pesos, or imprisonment for six months,
39 or both such fine and imprisonment at the discretion of the
40 court.

41 SEC. 493 Omission of Property From Assessment or Tax
42 Rolls by Officers and Other Acts. - Any officer charged
43 with the duty of assessing real property who shall

1 willfully fail to assess, or shall intentionally omit from
2 the assessment or tax roll, any real property which he
3 knows to be lawfully taxable or shall willfully or through
4 gross negligence under assess any real property or shall
5 intentionally violate or fail to perform any duty imposed
6 upon him by law relating to the assessment of taxable real
7 property, shall upon conviction be punished by a fine of
8 not more than one thousand pesos or by imprisonment of not
9 more than one year, or both, at the discretion of the
10 court.

11 The same penalty shall be imposed upon any officer
12 charged with the duty of collecting the tax due on real
13 property who shall willfully fail to collect the tax and
14 institute the necessary proceedings for the collection of
15 the same.

16 Any other officer required by this Code to perform
17 acts relating to the administration of the real property
18 tax or to assist the assessor or treasurer in such
19 administration, who shall willfully fail to discharge such
20 duties, shall, upon conviction be punished by A fine of
21 not exceeding five hundred pesos or by imprisonment of not
22 more than six months, or both, at the discretion of the
23 court.

24 SEC. 494 Government Agents Delaying Assessment of Real
25 Property and Assessment Appeals. - Any government official
26 who shall intentionally and deliberately delay the
27 assessment of real property, or the filing of any appeal
28 against its assessment, if such is patently indicated,
29 shall upon conviction, be punished by a fine of not more
30 than five hundred pesos or by imprisonment of not more
31 than one year, or both, at the discretion of the court.

32 SEC. 495 Failure to Dispose of Delinquent Real
33 Property. - Any provincial or city treasurer who fails to
34 comply with the provisions of Section 223 of this Code and
35 any other local government official whose acts hinder the
36 prompt disposition of delinquent real property at public
37 auction shall upon conviction, be subject to a fine of one
38 thousand pesos or imprisonment of not less than one year
39 or both such fine and imprisonment at the discretion of the
40 court.

41 SEC. 496. Award of Contracts Under the Credit
42 Financing Provisions. - It shall be unlawful for any public
43 official or employee in the provincial, city or municipal

1 government, or their relatives within the fifth civil
2 degree of consanguinity or affinity, to enter into, or be
3 in any way interested in, any contract for the
4 construction, prosecution, acquisition, operation or
5 maintenance of any project awarded pursuant to the
6 provisions of title hereof or for the furnishing of any
7 supplies, materials or equipment of any kind, to be used
8 in the project. Any person who violates the provisions of
9 this Section shall upon conviction be removed from office
10 and suffer imprisonment not exceeding two years.

11 SEC. 497 Refusal, Obstruction or Delay in the
12 Repayment of Local Government Loans. - The remedies
13 provided for under Section [269] 267 of this Code,
14 notwithstanding, elective and appointive officials who
15 shall refuse to pay, obstruct the payment, or cause
16 unnecessary delay in the repayment of loans, indebtedness
17 and obligations of local governments shall be personally
18 and jointly or severally, liable to pay a fine of not less
19 than P10,000.00 but not more than P50,000.00 or suffer
20 imprisonment from 2 years to 5 years, or both such fine and
21 imprisonment, at the discretion of the court.

22 TITLE TWO. - PROVISIONS FOR IMPLEMENTATION

23 SEC. 498 Promulgation of Implementing Details. - The
24 Secretary of Local Government shall promulgate in detail
25 the implementing circulars and the rules and regulations to
26 carry out the various administrative actions required for
27 the implementation of this Code in such a manner as will
28 ensure the least disruption of on-going programs and
29 projects.

30 SEC. 499 Mandatory Review Every Five Years. - The
31 Congress shall undertake a mandatory review of this Code at
32 least once every five years and as often as it may be
33 deemed necessary.

34 SEC. 500 Free Insurance Coverage. - The Government
35 Service Insurance System shall establish and administer an
36 appropriate system under which the punong barangays and the
37 members of the sangguniang barangay shall enjoy free
38 insurance coverage as provided in this Code AND AS MAY BE
39 PROVIDED BY LAW, [.] for this purpose, the Government
40 Service Insurance System is hereby empowered to issue rules
41 and regulations and determine the appropriation needed to
42 support the system, the premiums for which shall be borne
43 by the national government and shall be recommended for

1 inclusion annually in the General Appropriations Act.

2 SEC. 501 Inventory of Infrastructure and Other
3 Community Facilities. - (1) Each local government unit
4 shall conduct a periodic inventory of infrastructure and
5 other community facilities and undertake the maintenance,
6 repair, improvement, or reconstruction of these
7 facilities; through a closer cooperation among the various
8 agencies of the government operating within the province or
9 city so that maximum performance is achieved with minimum
10 resources.

11 (2) No infrastructure or community project within the
12 territorial jurisdiction of any local government unit shall
13 be undertaken without the knowledge of the local chief
14 executive and the sanggunian concerned.

15 SEC. 502 Personal Retirement and/or Benefits. - Any
16 official or employee of a local government unit separated
17 from the service as a result of the reorganization effected
18 under this Code shall, if entitled under the laws then in
19 force, receive the retirement and other benefits accruing
20 thereunder.

21 SEC. 503 Records and Properties. - All records
22 equipment, buildings, facilities, and other properties of
23 any office or body of a local government unit abolished or
24 reorganized under this Code shall be transferred to the
25 office or body to which its powers, functions and
26 responsibilities substantially pertain.

27 TITLE THREE. - FINAL PROVISIONS

28 SEC. 504 Separability Clause. - If, for any reason
29 or reasons, any part or provision of this Code shall be
30 held to be unconstitutional or invalid, other parts or
31 provisions hereof which are not affected thereby shall
32 continue to be in full force and effect.

33 SEC. 505. Repealing Clause. - (1) All general and
34 special laws, acts, city charters, decrees, executive
35 orders, proclamations and administrative regulations, or
36 part or parts thereof which are inconsistent with any of
37 the provisions of this Code are hereby repealed or
38 modified accordingly.

39 (2) THE PROVISIONS OF SECTION 2, 3 AND 4 OF REPUBLIC
40 ACT 1939, REGARDING HOSPITAL FUND, SECTION 4, A (3) AND B
41 (2) OF REPUBLIC ACT 5447, REGARDING THE SPECIAL EDUCATION
42 FUND, AND P.D. 632, REGARDING THE INTEGRATED NATIONAL
43 POLICE, SECTION 1732 OF THE REVISED ADMINISTRATIVE CODE

1 WHICH REQUIRES LOCAL GOVERNMENTS TO PROVIDE FOR THE
2 SUBSISTENCE OF PRISONERS, INCLUDING NATIONAL PRISONERS WHO
3 HAVE NOT BEEN SHIPPED TO MANILA, SECTION 6 OF P.D. 144 AS
4 AMENDED, AND SECTION 27 (C) OF P.D. 477 WHICH PROVIDES THAT
5 LOCAL GOVERNMENTS SHALL APPROPRIATE AT LEAST 20% OF THEIR
6 INTERNAL REVENUE ALLOTMENT FOR DEVELOPMENT PROJECTS, AND
7 THAT THE CORRESPONDING DEVELOPMENT PLANS SHALL BE SUBJECT
8 TO THE APPROVAL OF THE DEPARTMENT OF LOCAL GOVERNMENT WHICH
9 REQUIRE LOCAL GOVERNMENTS TO CONTRIBUTE TO SUCH FUNDS, ARE
10 HEREBY REPEALED AND RENDERED OF NO FORCE AND EFFECTS.

11 SEC. 506. Effectivity Clause. - This Code shall take
12 effect thirty days after its publication in the Official
13 Gazette OR IN AT LEAST THREE (3) NEWSPAPERS OF GENERAL
14 CIRCULATION.

15 Approved,



Senate Archives (LRAS)