



HOUSE OF REPRESENTATIVES

H. No. 5620

BY REPRESENTATIVES RODRIGUEZ (R.), LOYOLA AND MALIKSI, PER
COMMITTEE REPORT NO. 1594

AN ACT EXEMPTING FROM THE POPULATION AND THE
LAND AREA REQUIREMENTS THE CONVERSION OF A
MUNICIPALITY INTO A COMPONENT CITY IF IT HAS A
LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT
LEAST TWO HUNDRED TWENTY MILLION PESOS
(P220,000,000.00), AMENDING FOR THE PURPOSE SECTION
450 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE
KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

1 SECTION 1. Section 450 of Republic Act No. 7160, as amended by
2 Republic Act No. 9009, otherwise known as the Local Government Code of
3 1991, is hereby further amended to read as follows:

4 “SEC. 450. *Requisites for Creation.* – (a) A municipality
5 or a cluster of barangays may be converted into a component city
6 if it has a locally generated average annual income, as certified
7 by the Department of Finance, of at least One hundred million
8 pesos (P100,000,000.00) for the last two (2) consecutive years
9 based on 2000 constant prices, and if it has either of the
10 following requisites:

1 “(i) a contiguous territory of at least one hundred (100)
2 square kilometers, as certified by the Land Management Bureau;
3 or

4 “(ii) a population of not less than one hundred fifty
5 thousand (150,000) inhabitants, as certified by the National
6 Statistics Office.

7 **“THE POPULATION AND LAND AREA REQUIREMENTS**
8 **PRESCRIBED HEREIN SHALL NOT APPLY IF A MUNICIPALITY**
9 **HAS A LOCALLY GENERATED AVERAGE ANNUAL INCOME, AS**
10 **CERTIFIED BY THE DEPARTMENT OF FINANCE, OF AT LEAST**
11 **TWO HUNDRED TWENTY MILLION PESOS (P220,000,000.00)**
12 **FOR THE LAST TWO (2) CONSECUTIVE YEARS BASED ON 2010**
13 **CONSTANT PRICES AND HAS EITHER THE POPULATION OR LAND**
14 **AREA REQUIREMENT PRESCRIBED FOR THE CREATION OF A**
15 **MUNICIPALITY UNDER SECTION 442 OF THIS CODE.**

16 “The creation thereof shall not reduce the land area,
17 population and income of the original unit or units at the time of
18 said creation to less than the minimum requirements prescribed
19 herein.

20 “(b) The territorial jurisdiction of a newly-created city
21 shall be properly identified by metes and bounds. The
22 requirement on land area shall not apply where the city proposed
23 to be created is composed of one (1) or more islands. The
24 territory need not be contiguous if it comprises two (2) or more
25 islands.

26 “(c) The average annual income shall include the income
27 accruing to the general fund, exclusive of special funds,
28 transfers, and non-recurring income.”

1 SEC. 2. This Act shall take effect fifteen (15) days after its publication
2 in any newspaper of general circulation.

 Approved,

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