



## HOUSE OF REPRESENTATIVES

H. No. 6987

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BY REPRESENTATIVES SAN LUIS, ABAYA, SUAREZ, TEODORO, MERCADO, ABANTE, ANGPING, ALVAREZ (A.), ARROYO (I.), BAGATSING, DE GUZMAN, ENVERGA, JALA, LOPEZ (J.), MALAPITAN, MENDOZA (M.), REMULLA, ROXAS, RODRIGUEZ-ZALDARRIAGA, SANDOVAL, SOLIS, GOLEZ, GONZALES (N.), DUAVIT, ALFELOR, CUA (J.) AND JAVIER, PER COMMITTEE REPORT NO. 2492

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AN ACT TO STRENGTHEN THE LAGUNA LAKE DEVELOPMENT AUTHORITY (LLDA), THEREBY REPEALING REPUBLIC ACT NO. 4850, AS AMENDED, OTHERWISE KNOWN AS THE LAGUNA LAKE DEVELOPMENT AUTHORITY ACT OF 1966, AND FOR OTHER PURPOSES

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

1           SECTION 1. *Short Title.* – This Act shall be known as the “Laguna  
2 Lake Development Authority Act of 2009”.

3           SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the  
4 State to promote and develop Laguna Lake in a sustainable manner along with  
5 the surrounding areas that comprise its region, hereinafter referred to as the  
6 Bay Region, with Laguna Lake as its focal point whose water resources must  
7 be systematically managed and protected for various uses.

1           For this purpose, the State hereby adopts an integrated water resources  
2 management (IWRM) approach, using the lake's watersheds as planning units  
3 to interconnect and integrate its various ecosystems pursuant to Article II,  
4 Section 16 of the 1987 Constitution: "The State shall protect and advance the  
5 right of the people to a balanced and healthful ecology in accord with the  
6 rhythm and harmony of nature".

7           In accordance with the IWRM approach, any development program in  
8 the region shall always consider sustainable environmental management and  
9 the prevention of any ecological harm, resource deterioration and pollution to  
10 allow the lake to realize its full potentials including, among other uses, its  
11 being a major national resource in fish production. Under Article XIII, Section  
12 7 of the 1987 Constitution, the State is mandated to protect, develop and  
13 conserve communal marine and fishing resources, both inland and offshore.

14           SEC. 3. *Definition of Terms.* – As used in this Act, the following terms  
15 shall mean:

16           (a) *Laguna Lake or Laguna de Bay* shall refer to that area covered by  
17 lake water when it is at the average annual maximum lake level of elevation  
18 twelve point fifty (12.50) meters, as referred to a datum ten (10.00) meters  
19 below mean lower low water (MLLW) of Manila de Bay. Lands located at and  
20 below such elevation are public lands which form part of the bed of said lake.

21           (b) *Integrated Water Resources Management (IWRM)* shall refer to  
22 the process that promotes the coordinated development and management of  
23 water, land and related resources in order to maximize the resultant economic  
24 and social welfare in an equitable manner without compromising the  
25 sustainability of vital ecosystems.

26           (c) *Watershed* shall refer to the geographic area of land that drains  
27 water to a shared destination or to an area of land that drains downslope to the  
28 lowest point. The water moves through a network of drainage pathways, both

1 underground and on the surface. Other terms used interchangeably with  
2 watershed include drainage basin or catchment basin.

3 (d) *Environment* shall refer to the physical factors of the total  
4 surroundings of human beings including, but not limited to, the lakes and other  
5 bodies of water, land, air, atmosphere, climate, sound, odor, plants, insects,  
6 animals, its biological and physical factors, all its life support systems and all  
7 other surrounding matters that affect directly or indirectly the existence of  
8 human life and other life forms in a specific area.

9 (e) *Shoreland/lakeshore areas/buffer zone* shall refer to that part of the  
10 lake along the lakeshore lying at elevation twelve point fifty (12.50) meters  
11 and below and alternately submerged or exposed by the annual or seasonal  
12 rising and lowering of the lake levels. This is a linear strip of land of  
13 approximately fourteen thousand (14,000) hectares designed to separate the  
14 incompatible elements or uses, or to control pollution/nuisance and for  
15 identifying and defining development areas or zones.

16 (f) *Groundwater* shall refer to the subsurface water that occurs beneath  
17 a water table in soils and rocks, or in geological formations.

18 (g) *Aquaculture* shall refer to fishery operations involving all forms of  
19 raising and culturing fish and other fishery species in fresh, brackish and  
20 marine water areas.

21 (h) *Aquastructure* refers to a fishpen which is a structure enclosing a  
22 particular area in the lake which makes use of bamboos or anahaw poles  
23 surrounded by nets, fastened by a weight of sinkers embedded in the lake bed  
24 or fishcage which is an inverted mosquito net fastened to bamboos and such  
25 other structures used for culturing fishery/aquatic resources.

26 (i) *Effluent* shall refer to discharge from known sources which is  
27 passed into a body of water or land, or wastewater flowing out of a

1 manufacturing plant, industrial plant including domestic, commercial and  
2 recreational facilities.

3 (j) *Pollution* shall refer to any alteration of the physical, chemical and  
4 biological properties of any water, air and land resources of the Laguna Lake  
5 Region or any discharge thereto of any liquid, gaseous or solid wastes which  
6 will render such water, air and land resources harmful, detrimental or injurious  
7 to public health, safety or welfare or which will adversely affect their  
8 utilization for domestic, commercial, industrial, agricultural, recreational or  
9 other legitimate purposes.

10 SEC. 4. *Laguna Lake Region.* – For purposes of this Act, the Laguna  
11 Lake Region shall comprise the provinces of Laguna and Rizal; the cities  
12 of Calamba, Sta. Rosa, San Pablo, Pasay, Caloocan, Quezon, Manila, Makati,  
13 Mandaluyong, San Juan, Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay,  
14 Tanauan, Taguig, Lipa and Dasmariñas; the towns of Silang, Carmona and  
15 General Mariano Alvarez in Cavite Province; the towns of Mauban, Real,  
16 Lucban and Sampaloc in Quezon Province; the towns of Sto. Tomas and  
17 Malvar in Batangas; and the town of Pateros in Metro Manila and all areas  
18 that drain into the Laguna Lake: *Provided,* That any city or town that may be  
19 subsequently created in the future out of the aforementioned municipalities and  
20 cities surrounding the Laguna Lake shall form part of the Laguna Lake Region.

21 SEC. 5. *Laguna Lake Development Authority (LLDA).* – Pursuant to  
22 the original mandate of Republic Act No. 4850, as amended, the Laguna Lake  
23 Development Authority, hereinafter referred to as the LLDA, shall pursue eco-  
24 friendly development of the Bay Region and shall maintain its principal office  
25 at a convenient place within the region, and such branch offices in other places  
26 within the Bay Region as are necessary for the proper conduct of its business.

1           SEC. 6. *Powers and Functions of the LLDA.* – The LLDA shall have  
2 the following powers and functions:

3           (a) Periodically conduct, monitor and update a comprehensive survey  
4 of the Bay Region, including its socioeconomic conditions, water quantity and  
5 quality in the lake proper and all its major tributary rivers, irrigation, water  
6 supply, transport route, reservoir of floodwater, hydroelectric and other power  
7 potentials, scenic and tourist spots, state of its watersheds, the tributary rivers  
8 and other physical and natural resource potentials on the basis of which it shall  
9 prepare a sustainable regional development master plan. Such plans, projects  
10 and programs shall be drawn up in close coordination with other concerned  
11 government agencies and private sector as well as other stakeholders. All  
12 concerned public and private agencies shall provide the LLDA the necessary  
13 data for the purposes of the said survey;

14           (b) Develop a long-term program to attract more private sector-driven  
15 investments into the Bay Region in consonance with a regional master plan  
16 which shall be formulated in consultation with all stakeholders, concerned  
17 government agencies, local government units (LGUs) and civil society in the  
18 Bay Region;

19           (c) Review all plans, projects and programs that relate to the  
20 development of the Bay Region, proposed and submitted by LGUs, public  
21 corporations and private persons or corporations to ensure that they conform to  
22 the environmental standards prescribed by the LLDA and other similar laws.  
23 The LLDA shall collect reasonable fees as may be determined by its Board for  
24 the processing of such plans, programs or projects. Any future expansion of  
25 such plans, programs or projects shall be again subject to LLDA review and to  
26 payment of additional fees as may be further determined by the LLDA Board;

27           (d) Engage, whether by itself or in cooperation with private persons or  
28 entities, in agriculture, commerce or industry, which are in the nature of new

1 ventures or are clearly beyond the scope, capacity or interest of private  
2 enterprises by reason of geography, technical or capital requirements, returns  
3 on investment and risk and when public interest so requires;

4 (e) Implement infrastructure projects such as flood control, solid waste  
5 management, wastewater and sewerage, water supply, roads, ports, irrigation,  
6 housing, leisure parks and related works, within the context of its development  
7 master plan, including the readjustment, relocation or resettlement of  
8 population within the Bay Region that may be deemed necessary and beneficial  
9 in pursuit of the LLDA mandate. Should any of these projects be financed  
10 wholly or in part by the LLDA, it shall have authority to collect reasonable fees  
11 and tolls from users or beneficiaries to recover costs of construction, operation  
12 and maintenance of the projects. Infrastructure projects that are in the  
13 nature of social overhead capital projects shall be entitled to receive the  
14 corresponding financial assistance from the government;

15 (f) Undertake massive information, education campaign among the  
16 stakeholders, in close coordination with the LGUs and other government  
17 agencies within the Laguna de Bay Region to better understand the importance  
18 of environmental protection and conservation of the Laguna Lake and its  
19 watersheds;

20 (g) Implement dredging and/or reclamation projects in close  
21 coordination with the Philippine Reclamation Authority (PRA)/Public Estates  
22 Authority (PEA) and LGUs concerned with the end in view of facilitating the  
23 approval therefore by the PRA/PEA, pursuant to existing laws, executive  
24 orders and other issuances which may be necessary to accomplish the aims and  
25 purposes of the LLDA: *Provided*, That the land so reclaimed shall become the  
26 property of the national government through the LLDA;

27 (h) Determine new areas of fishery development, taking into account  
28 the overall development plans and programs for Laguna Lake and related

1 bodies of water and promulgate rules and regulations governing fisheries  
2 development in the Bay Region. Accordingly, it shall engage in  
3 experimental/pilot fish production such as the propagation of ornamental fish  
4 and similar aquaculture projects in Laguna Lake and other bodies of water  
5 within its jurisdiction, in collaboration with the Bureau of Fisheries and  
6 Aquatic Resources (BFAR). It shall improve present fishery techniques and  
7 practices to provide equitable access to its fishery resources for the  
8 socioeconomic amelioration of small fisherfolk, improvement of their  
9 communal fishing grounds, sustainable aquaculture development and  
10 operation. In hiring laborers for fishery-related projects, there shall be  
11 preference for qualified shoreland residents;

12 (i) Regulate the use and occupancy of shoreland areas by enjoining  
13 LGUs within the Bay Region to establish watershed management councils or  
14 wetlands whenever suitable and consistent with LLDA policies;

15 (j) Develop surface and groundwater supply sources for municipal,  
16 agricultural, commercial and industrial use, in close coordination with the  
17 National Water Resources Board (NWRB) or the Local Water Utilities  
18 Administration (LWUA), as the case may be, pursuant to existing laws,  
19 executive orders and other issuances which may be necessary to accomplish  
20 the aims and purposes of the LLDA;

21 (k) Enter into agreements with LGUs, governmental agencies and  
22 corporations and the private sector for the supply, treatment, distribution and  
23 marketing of such water;

24 (l) Establish and enforce anti-pollution standards on municipal,  
25 agricultural, commercial and industrial wastewater and effluents being  
26 discharged into the lake in coordination with appropriate government agencies;

27 (m) Conduct a continuing research, development and extension  
28 program in close coordination with the academe, the Department of

1 Environment and Natural Resources (DENR) and the Department of Science  
2 and Technology (DOST) on lake water quantity and quality, integrated  
3 watershed management and enterprise development and management with the  
4 end in view of promoting sustainable development in the region;

5 (n) Adopt rules and regulations governing the approval of sewage  
6 works and industrial waste disposal system and the issuance of clearance  
7 and/or permits in accordance with the provisions of this Act when necessary  
8 and inspect the construction and maintenance of sewage works and industrial  
9 waste disposal systems for compliance to clearance and/or permit conditions;

10 (o) Require all projects or activities in or affecting the Laguna de Bay  
11 Region to secure Environmental Compliance Certificates (ECCs) required  
12 under Presidential Decree No. 1586 and grant clearance and/or permits for any  
13 projects or activities located within or affecting the Bay Region including, but  
14 not limited to, industrial and commercial activities, navigation, irrigation,  
15 power generation, housing, resettlement and other forms of land developments,  
16 construction and operation of aquastructures, aquaculture development,  
17 dredging/reclamation and similar or related activities and to impose necessary  
18 safeguards for lake water quantity and quality control and management and to  
19 collect necessary fees for said activities and projects;

20 (p) Issue, renew or deny permits subject to reasonable guidelines for  
21 the discharge of sewage, industrial waste or for the installation or operation of  
22 sewage works and industrial disposal system or parts thereof for the prevention  
23 and abatement of pollution and require subdivisions, condominiums, clinical  
24 and medical establishments, mortuaries, public buildings and other similar  
25 human settlements to construct appropriate central sewerage system and  
26 sewage treatment works. The LLDA may impose reasonable fees and other  
27 similar charges for the issuance or renewal of all permits herein required;



1 (q) Issue orders or decisions to compel compliance with the provisions  
2 of this Act and its implementing rules and regulations only after proper notice  
3 and hearing;

4 (r) Make, issue, alter or modify orders or decisions, after notice and  
5 hearing, requiring the discontinuance of pollution specifying the conditions and  
6 the time within which such discontinuance must be accomplished;

7 (s) After due notice and hearing, revoke, suspend or modify any  
8 clearance and/or permit issued under this Act whenever the same is necessary  
9 to prevent or abate pollution;

10 (t) Deputize or request assistance of appropriate government agencies  
11 or instrumentalities for the purpose of enforcing this Act and its implementing  
12 rules and regulations and the orders and decisions of the LLDA;

13 (u) Authorize its *bona fide* representatives at all reasonable times to  
14 enter any public and private property devoted to agricultural, commercial and  
15 industrial use for the purpose of inspecting and investigating conditions  
16 relating to pollution and existing and/or imminent environmental danger; and

17 (v) Exercise such powers and perform such other functions as may be  
18 necessary to carry out its duties and responsibilities under this Act.

19 SEC. 7. *Corporate Powers.* – The LLDA shall have the following  
20 corporate powers:

21 (a) To succeed in its corporate name;

22 (b) To sue and be sued in its corporate name;

23 (c) To adopt, alter and use a corporate seal;

24 (d) To adopt, amend or repeal its bylaws;

25 (e) To enter into contracts to enable it to carry out its purposes and  
26 functions under this Act;

27 (f) To acquire, buy, purchase, hold or lease such personal and real  
28 property as it may deem necessary in the transaction of its business or in

1 relation to carrying out its purposes under this Act and to lease, mortgage, sell,  
2 alienate or otherwise encumber, utilize, exploit or dispose any such personal  
3 and real property held by it, subject to individual or communal right of private  
4 parties or of the government or any agency or enterprise thereof;

5 (g) To exercise the right of eminent domain whenever the LLDA  
6 deems it necessary to achieve the objectives of this Act;

7 (h) To borrow funds from any local or foreign sources independent of  
8 the bonds it may issue or may continue to issue to carry out the purposes of  
9 this Act;

10 (i) To purchase, hold, alienate, mortgage, pledge or otherwise dispose  
11 of the shares of the capital stock of, or any bond, securities or other evidence  
12 of indebtedness created by any other corporation, co-partnership or  
13 government agencies or instrumentalities; and while the owner of said stock, to  
14 exercise all the rights of ownership, including the right to vote thereon:  
15 *Provided*, That the LLDA shall not invest its funds in any high risk debt  
16 instruments issued without recourse to commercial banks or investment houses  
17 as well as in any highly speculative stocks;

18 (j) To perform any and all acts which a corporation, co-partnership or  
19 juridical person is authorized to perform under existing laws or which may be  
20 enacted hereafter;

21 (k) To provide incentives to encourage the private sector to fully  
22 subscribe its shares of stock; and

23 (l) To issue such other rules and regulations as may be necessary from  
24 time to time to achieve the purposes of this Act, the same to take effect thirty  
25 (30) days after its publication in a newspaper of general circulation.

26 SEC. 8. *Board of Directors.* – The LLDA shall be governed by a  
27 Board of Directors, the members of which shall be appointed by the President  
28 of the Philippines and shall be composed of the following:

- 1 (a) Secretary of Environment and Natural Resources, Chairman;
- 2 (b) General Manager, LLDA , Vice Chairman;
- 3 (c) Governor, Province of Laguna;
- 4 (d) Governor, Province of Rizal;
- 5 (e) Secretary, Department of Agriculture;
- 6 (f) Secretary, National Economic and Development Authority;
- 7 (g) Secretary, Department of Public Works and Highways;
- 8 (h) Chairman, Metro Manila Development Authority;
- 9 (i) Representative of the Bay Region City and Municipal Mayors’
- 10 Association to be constituted sixty (60) days from the passage of this Act from
- 11 among the mayors of towns and cities that comprise the Bay Region, as defined
- 12 in Section 3 of this Act;
- 13 (j) Representative of the Laguna fisherfolk; and
- 14 (k) Representative of the Rizal fisherfolk.

15 The representatives of the Laguna fisherfolk and the Rizal fisherfolk  
16 shall be appointed by the President of the Philippines to be chosen from among  
17 the nominees recommended by the Laguna Governor and the Rizal Governor,  
18 respectively, upon consultation with the concerned sector. The term of the  
19 appointive members shall be six (6) years without reappointment, or until their  
20 successors are duly appointed and qualified. Vacancy, other than through the  
21 expiration of the term, shall be filled for the unexpired term only.

22 *Ex officio* Cabinet members can designate alternate representatives to  
23 the Board, given the demands of their Cabinet-level position.

24 SEC. 9. *Powers and Functions of the Board of Directors.* – The  
25 Board of Directors shall exercise the following powers and functions:

- 26 (a) Prescribe policies, rules and regulations to govern the conduct of  
27 business of the LLDA including its procedures.

1           (b) Upon the recommendation of the General Manager, approve the  
2 LLDA's organizational and administrative structures and corresponding  
3 staffing pattern as may be deemed necessary; fix their reasonable  
4 compensation, allowances and other benefits in accordance with the Salary  
5 Standardization Law; prescribe their duties and establish such methods and  
6 procedures as may be necessary to insure the efficient, honest and economical  
7 administration of the provisions and purposes of this Act: *Provided, however,*  
8 That the personnel of the LLDA below the rank of Assistant General Manager  
9 shall be appointed by the LLDA General Manager: *Provided, further,* That the  
10 personnel appointed by the LLDA General Manager, except those below the  
11 rank of Department Heads, and others of comparable rank, shall be subject to  
12 the confirmation by the Board: *Provided, finally,* That the personnel of the  
13 LLDA shall be selected only from civil service eligibles and be subject to Civil  
14 Service rules and regulations;

15           (c) Upon the recommendation of the General Manager, approve the  
16 annual and supplemental budget of receipts and expenditures of the LLDA and  
17 authorize such operating and capital expenditures and disbursements of the  
18 LLDA as may be necessary or proper for the effective management, operation  
19 and administration of the LLDA;

20           (d) Create and organize a Technical Advisory Council composed of  
21 representatives from both the government and nongovernment sectors as the  
22 Board may determine to assist and advise the Board in the conduct of public  
23 consultations with all Bay Region stakeholders towards a better considered  
24 formulation of LLDA plans and policies.; and

25           (e) Perform such other functions as may be necessary to carry out the  
26 provisions of this Act.

1           SEC. 10. *Board Meetings.* – The Board shall meet at least once a  
2 month.

3           SEC. 11. *Per Diems.* – The members of the Board shall each receive  
4 *per diem* at a rate in accordance with existing rules and regulations: *Provided,*  
5 *however,* That the total *per diem* collected each month shall not exceed the  
6 equivalent *per diem* for four (4) meetings.

7           SEC. 12. *Powers and Functions of the General Manager.* – The  
8 General Manager shall be the Chief Executive Officer of the LLDA. As such,  
9 he/she shall have the following powers and functions:

10           (a) Submit for consideration of the Board policies and measures which  
11 he/she believes to be necessary to carry out the purposes and objectives of this  
12 Act;

13           (b) Execute, administer and implement the policies, plans, programs  
14 and projects approved by the Board;

15           (c) Manage and supervise the operation and administration of the  
16 LLDA;

17           (d) Appoint all officials and employees of the LLDA below the rank of  
18 Assistant General Manager; remove, suspend or otherwise discipline them for  
19 cause, in accordance with existing Civil Service rules and regulations, and  
20 submit quarterly reports to the Board on personnel selection, placement and  
21 training;

22           (e) Render an annual report to the Board and various stakeholders  
23 regarding the operation of the LLDA including its latest financial statements;

24           (f) Represent the LLDA in all dealings with offices, agencies and  
25 instrumentalities of the government and with all persons and other entities,  
26 public or private, domestic and foreign; and

27           (g) Perform such other functions as may be provided in the bylaws and  
28 as may be vested in him/her by the Board.

1           SEC. 13. *Qualifications of the General Manager.* – The General  
2 Manager shall be a citizen and resident of the Philippines. He/She shall have  
3 demonstrated executive competence and experience in the field of public  
4 administration, economic planning, environmental and natural resource  
5 management, or in the establishment and management of large agricultural,  
6 commercial or industrial enterprises. No person shall be nominated as General  
7 Manager unless he/she be of unquestioned integrity and competence.

8           SEC. 14. *Tenure of Office of the General Manager.* – The General  
9 Manager shall be appointed by the President of the Philippines for a fixed term  
10 of six (6) years. In case of resignation, retirement, separation, transfer,  
11 reassignment, removal and other cause of cessation from office, the  
12 replacement shall serve only for the unexpired portion of the term.

13           SEC. 15. *Compensation.* – The General Manager shall receive  
14 compensation at rates in accordance with the Salary Standardization Law.

15           SEC. 16. *Management Structure.* – In carrying out the activities of  
16 the LLDA, the General Manager shall be assisted by two (2) Assistant General  
17 Managers (one for Operations and another for Administration) who shall have  
18 such powers, duties and functions as the General Manager may prescribe  
19 and/or delegate and shall act as the General Manager in the absence of or  
20 during the temporary incapacity of and/or until such time as a new General  
21 Manager is duly appointed.

22           The LLDA shall have the following departments under the direct  
23 supervision and control of the General Manager:

24           (a) Corporate Legal Affairs Department – which shall provide legal  
25 advice and support to all the corporate units on legal implications of the  
26 various undertakings of the Authority and divided into Litigation Division and  
27 Research and Documentation Division;

1 (b) Administrative Department – which shall be responsible for  
2 providing services relating to human resource management, records  
3 management and general services;

4 (c) Finance Department – which shall be responsible on revenue  
5 planning, generation and enhancement, assistance on budgetary and financial  
6 matters, and safekeeping of corporate assets;

7 (d) Policy Planning and Management Services Department – which  
8 will undertake policy research and development, and advise the General  
9 Manager on policy positions and public advocacy measures for approval of the  
10 Board;

11 (e) Integrated Water Resources Management Services Department –  
12 which will serve as the main technical arm of the LLDA and shall integrate the  
13 functions of lake basin management and development. It shall oversee the  
14 management of the Laguna Lake and its river systems including the shorelands;  
15 and

16 (f) Environmental Protection Department – which will manage all the  
17 environmental regulatory functions of the LLDA like clearance/permits and  
18 licensing, monitoring and surveillance, enforcement and adjudication and  
19 environmental quality compliance.

20 The Board shall periodically review the appropriateness of the existing  
21 organizational structure and amend the same whenever it may deem  
22 necessary and beneficial to achieve the purposes of this Act and to be able to  
23 respond efficiently to the LLDA's mandate as herein provided.  
24 Any proposed change in the organizational structure of the LLDA shall be  
25 subject to the approval of the President of the Philippines.

26 *SEC. 17. Creation of the LLDA Environmental Adjudication Panel*  
27 *(LEAP).* – For the purpose of effectively carrying out the quasi-judicial  
28 powers of the LLDA within the Bay Region, the LLDA Environmental

1 Adjudication Panel (LEAP) is hereby created, composed of a Chairman and  
2 two (2) other members representing the Office of the General Manager, the  
3 Corporate Legal Affairs Department and the concerned department depending  
4 on the matter under controversy, to be designated by the General Manager.  
5 The LEAP is hereby mandated to take cognizance and adjudicate violations of  
6 this Act including all existing and relevant laws, LLDA policies, rules and  
7 regulations. Any decision, order or resolution must be concurred by the  
8 majority members of the panel and duly approved by the General Manager.

9 The Corporate Legal Affairs Department shall serve as the Secretariat of  
10 the LEAP.

11 SEC. 18. *Creation of a Lake Police Force.* – The National Police  
12 Commission shall constitute and assign a special police force, to be known as  
13 the Laguna Lake Police, exclusively for the Bay Region, trained especially for  
14 the enforcement of laws on fisheries and environmental laws and the rules and  
15 regulations duly promulgated by the LLDA.

16 The extent of operational supervision and control by the LLDA General  
17 Manager over the Laguna Lake Police shall be the same as that of local chief  
18 executives over the police force of LGUs as defined in the Department of the  
19 Interior and Local Government Act of 1990 (Republic Act No. 6975), in  
20 relation to Section 73 of the Local Government Code of 1991 (Republic Act  
21 No. 7160). The LLDA Board, the LGUs and the leadership of the Philippine  
22 National Police shall, within sixty (60) days from the passage of this Act,  
23 constitute a technical working group that will further delineate and define the  
24 nature and character of this unit in order to avoid any overlap and potential  
25 conflict with the LGU police units within the Bay Region.

26 SEC. 19. *Fines and Penalties.* – The LLDA is authorized to impose  
27 administrative fines and other penalties it may deem reasonable and  
28 appropriate as determined and approved by the Board for noncompliance with



1 permit conditions and for undertaking development activities without  
2 clearance/permit from the LLDA against any person, juridical or otherwise,  
3 within the Bay Region who may be found violating, or have in fact violated,  
4 any of its rules and regulations.

5 Likewise, the LLDA is authorized to institute the necessary legal  
6 proceedings against those who shall commence to implement any development  
7 activities within the Bay Region not cleared nor approved by the LLDA.

8 SEC. 20. *Damages.* – Compensation for any damage to the shoreland,  
9 water and aquatic resources of Laguna Lake and its tributaries resulting from  
10 failure to meet established water and effluent quality standards or from such  
11 other wrongful act or omission of a person, private or public, juridical or  
12 otherwise, punishable under the law shall be awarded to the LLDA for water  
13 quantity/quality control and management projects.

14 SEC. 21. *Penal and Civil Liability Clause.* – Any person, natural or  
15 juridical, who shall violate any of the provisions of this Act or any rules and  
16 regulations promulgated by the LLDA pursuant thereto shall be liable to  
17 imprisonment of not exceeding three (3) years or to a fine not less than Fifty  
18 thousand pesos (P50,000.00), or both, at the discretion of the court. This is  
19 without prejudice to the imposition of penalties as may be provided under  
20 existing and relevant laws, rules and regulations.

21 If the violator be a corporation, partnership or association, the  
22 officer/officers of the organization concerned shall be held liable.

23 The LLDA is hereby authorized to initiate, file, prosecute and defend all  
24 suits, actions or to pursue separate civil actions for damages resulting from  
25 infractions of the provisions of this Act, rules or regulations issued pursuant  
26 thereto and/or conditions embodied in the clearances or permits issued by the  
27 LLDA.

1           SEC. 22. *Annual Fees.* – The LLDA is hereby authorized to collect  
2 annual fees for the use of the lake waters, its tributaries and shoreland areas for  
3 all beneficial purposes including, but not limited to, fisheries, aquaculture,  
4 municipal, agricultural, irrigation, commercial, industrial, hydroelectric  
5 generation and other power potential, transport and navigation, waste disposal  
6 purposes, recreation and dredging/reclamation from all private and public  
7 entities whether government or nongovernment agencies, among others the  
8 water utilities sector. All the fees so collected shall be accordingly  
9 appropriated for the sustainable development of the lake and its watershed  
10 areas: *Provided,* That the fees collected for fisheries may be shared between  
11 the LLDA and other government agencies and LGUs as follows: thirty-five  
12 percent (35%) of the fishpen fee goes to shoreland LGUs; five percent (5%)  
13 goes to the Project Development Fund; and the remaining sixty percent (60%)  
14 shall be retained by the LLDA.

15           SEC. 23. *Sinking Fund.* – A sinking fund shall be established in such  
16 manner that the total annual contribution thereto accrued at such rate of  
17 interests, as may be determined by the Board of Directors and confirmed by  
18 the stockholders representing a majority of the subscribed capital stock  
19 outstanding and entitled to vote, shall be sufficient to redeem at maturity the  
20 bonds issued under this Act.

21           Such funds shall be under the custody of the Treasurer of the LLDA  
22 who shall invest the same in such manner as the Board of Directors may direct;  
23 charge all expenses of investment to said sinking fund, and credit the same  
24 with the interest on investment and other income belonging to it.

25           SEC. 24. *Capitalization and Financing.* – The LLDA shall have an  
26 authorized capital of Seven hundred million pesos (P700,000,000.00). The  
27 authorized capital shall be divided into seven million (7,000,000) shares of  
28 stock with a par value of One hundred pesos (P100.00) per share. The national

1 government shall subscribe to four million two hundred thousand (4,200,000)  
2 shares, the Province of Laguna to seven hundred thousand (700,000) shares,  
3 the Province of Rizal to seven hundred thousand (700,000) shares and the  
4 balance of one million four hundred thousand (1,400,000) shares shall be open  
5 for subscription to other government agencies or LGUs and private individuals  
6 or corporations within the Bay Region.

7 The shares of stock of the LLDA shall be divided into:

8 (a) Four million nine hundred thousand (4,900,000) ordinary shares  
9 (voting); and

10 (b) Two million one hundred thousand (2,100,000) preferred shares  
11 (non-voting).

12 SEC. 25. *Funding.* – The amount necessary to subscribe and pay for  
13 the remaining shares of the national government to the capital stock of the  
14 LLDA shall be included in the annual General Appropriations Act. For LGUs,  
15 the subscriptions shall be taken from their internal revenue allotment and other  
16 local funds.

17 SEC. 26. *Exemption from Tax.* – The LLDA shall be exempt from all  
18 taxes, licenses, fees, imposts, charges, costs and duties except real property tax  
19 incidental to its operations and service/filing fees in any court or administrative  
20 proceedings in which it may be a party, restrictions and duties to the Republic  
21 of the Philippines, its provinces, cities, municipalities and other government  
22 agencies and instrumentalities. Such exemption shall include any tax or fee  
23 imposed by the government on the sale, purchase or transfer of foreign  
24 exchange. All notes, bonds, debentures and other obligations issued by the  
25 LLDA shall be exempt from all taxes, both as to principal and interest.

26 SEC. 27. *Auditor.* – The Chairman of the Commission on Audit (COA)  
27 shall be the *ex officio* Auditor of the LLDA. For this purpose, he/she may  
28 appoint a representative who shall be the Auditor of the LLDA, and the

1 necessary personnel to assist said representative in the performance of his/her  
2 duties.

3 The Chairman of the COA or his/her authorized representative shall  
4 submit to the Board soon after the close of each calendar year an audited  
5 statement showing the financial condition and progress of the LLDA for the  
6 calendar year just ended.

7 SEC. 28. *Implementing Rules and Regulations.* – The implementing  
8 rules and regulations to effectively carry out the provisions of this Act shall be  
9 adopted by and promulgated by the Board of Directors of the LLDA within  
10 ninety (90) days after the approval of this Act which shall be published in at  
11 least one (1) national newspaper of general circulation.

12 SEC. 29. *Repealing Clause.* – Republic Act No. 4850, as amended,  
13 Presidential Decree No. 813, Executive Order No. 927 and all laws, orders,  
14 issuances, rules and regulations inconsistent herewith are hereby repealed.

15 SEC. 30. *Separability Clause.* – If any provision of this Act is  
16 declared unconstitutional, the same shall not affect the validity and  
17 effectiveness of the other provisions hereof.

18 SEC. 31. *Effectivity.* – This Act shall take effect fifteen (15) days  
19 following its publication in at least two (2) national newspapers of general  
20 circulation.

Approved,

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