

RECORD OF THE SENATE

MONDAY, FEBRUARY 3, 1992

Amen.

OPENING OF THE SESSION

At 4:24 p.m., the Honorable Neptali A. Gonzales, President of the Senate, called the session to order.

The President. Binubuksan ang ika-60 na sesyon ng Senado.

Hinihiling na lahat ay tumindig at awitin natin ang Pambansang Awit sa pangunguna ng Manila Metropolitan Theater Chorus na siyang resident choir ng Manila Metropolitan Theater. Pagkatapos ay aawitin nila ang *Kayumangging Malaya* na likha ni Professor Lucio San Pedro.

Pagkatapos ng mga awiting ito, pangungunahan tayo sa dalangin ni Senador Juan Ponce Enrile.

Everybody rose for the singing of the National Anthem and remained standing for the opening prayer.

PRAYER

Senator Enrile.

Let us bow our heads before our Lord.

O Lord of Peace and Light, we reach to Thee once more from our unquiet world to ask for Thy blessings on our work and renewal of our hopes.

Thou whose Light has illuminated our way these past five years, give us the lucidity and serenity of spirit to complete the work assigned to us.

Thou whose Peace has kept us together, take us out of the loneliness of self and enable us all to discharge our duties—in harmony where our purposes are joined, and without bitterness where they are crossed.

Thou whose Greatness is beyond praise, lift us above our imperfections and help us to find the greatness that is also within us.

And in the labors that await us beyond this Chamber, lend us, O Lord, Thy Light and Peace so we will not lose our way.

Give us the strength to face that which is to come, so that we will be steadfast in our pursuits, brave in peril, constant in tribulation, magnanimous in victory, gracious in defeat, temperate in wrath, and in all changes of fortune, civil to one another and forever loyal to our people and our country.

ROLL CALL

The President. Tatawagin ng ating Kalihim ang talaan ng mga Senador.

The Secretary.

Senator Heherson T. Alvarez	Present
Senator Edgardo J. Angara	Present
Senator Agapito A. Aquino	Present
Senator Juan Ponce Enrile	Present
Senator Joseph Ejercito Estrada	Present
Senator Teofisto T. Guingona, Jr.	Present
Senator Ernesto F. Herrera	Absent
Senator Sotero H. Laurel	Present*
Senator Jose D. Lina, Jr.	Present*
Senator Ernesto M. Maceda	Present
Senator Orlando S. Mercado	Present
Senator John H. Osmeña	Absent
Senator Vicente T. Paterno	Present
Senator Aquilino Q. Pimentel, Jr.	Present*
Senator Santanina T. Rasul	Present*
Senator Alberto G. Romulo	Present
Senator Rene A. V. Saguisag	Present
Senator Jovito R. Salonga	Present*
Senator Leticia Ramos Shahani	Absent
Senator Mamintal Abdul J. Tamano	Present
Senator Wigberto E. Tañada	Present
Senator Victor S. Ziga	Present
The President	Present

The President. With 15 Senators present, the Chair declares the presence of a quorum.

CORRECTION OF THE JOURNAL

Senator Romulo. Mr. President, I move that we dispense with the reading of the *Journal* of the previous session and consider the same as approved.

Senator Maceda. Mr. President.

The President. Senator Maceda is recognized.

Senator Maceda. Mr. President, on page 241 of the *Journal*, there is an apparent error in connection with the bill being sponsored by Senator Tamano on Senate Bill No. 1937. The cutoff amount where income tax returns are supposed to be paid,

* Arrived after the roll call

Senator Romulo. Mr. President, on the provisions of Senate Bill No. 1494, The Regional Banking Act, and House approval on Third Reading, with amendments, I ask that we recognize Senator Paterno.

The President. Senator Paterno is recognized.

**MANIFESTATION OF SENATOR PATERNO
(House of Representatives' Amendments on Senate Bill
No. 1494)**

Senator Paterno. Thank you, Mr. President.

I rise to make a manifestation on Senate Bill No. 1494, which this Chamber approved on Third Reading in May 1990. The House of Representatives last week advised their approval on Third Reading of this bill with some amendments on January 27. As the Author of Senate Bill No. 1494, in consultation with Senator Romulo as the Co-author, I have scrutinized and analyzed the implications of the amendments made by the House on this bill.

We hereby manifest our considered view, Mr. President, that the amendments made by the House preserve the thrust of Senate Bill No. 1494, while improving its implementability, and that we welcome the amendments. We recommend that this Chamber accept and approve the amendments, making only two minor revisions in the nature of typographical corrections in the House-amended version.

These two typographical corrections have been cleared with Congressman Laguda, in representation of the House Committee on Banks which sponsored this bill. These two typographical errors, Mr. President, are:

First, in Section 1, change the year "1990" to "1992", so the short title of the Act becomes "The Regional Universal Banking Act of 1992", instead of "1990".

Second, in Section 14, page 8, line 8 of the House-amended version, change the word "as" to "AND."

So, Mr. President, may we now move for the Senate to accept and approve Senate Bill No. 1494, as amended by the House of Representatives, with just the foregoing two typographical corrections.

The President. Is there any objection to the said motion? [Silence] The Chair hears none; the said motion is hereby approved.

Senator Paterno. Thank you, Mr. President.

**CONFERENCE COMMITTEE REPORT
ON SENATE BILL NO. 234/HOUSE BILL NO. 34310
(Urban Development and Housing Act of 1992)**

Senator Romulo. Mr. President, we have distributed copies of the Conference Committee Report on the disagreeing provisions of House Bill No. 34310 and Senate Bill No. 234.

I ask that we recognize Senator Lina to present said Report.

The President. Senator Lina is recognized.

SPONSORSHIP SPEECH OF SENATOR LINA

Senator Lina. Thank you, Mr. President.

The Bicameral Conference Committee on Senate Bill No. 234 and House Bill No. 34310 presents for the approval of the Senate the consolidated version of the two measures.

Mr. President, the framework within which this consolidated version of the Urban Development and Housing Act of 1993 was forged is, as follows:

(A) The Constitutional provisions in Article XIII, Sections 9 and 10 have been consolidated both in letter and spirit;

(B) The philosophy, program and implementing features of Senate Bill No. 234 are preserved in the consolidated bill, together with the complementing features and provisions of House Bill No. 34310, thereby producing a version that has a program and implementing mechanism reflecting the intent of both Houses of Congress in letter and spirit;

(C) The perfecting amendments to both bills and the position papers of the groups representing the urban poor, the private sector and the government agencies that have to do with the evolvement of policy and the implementation of housing and urban development are likewise reflected in this version, which emphasizes the compassionate and humane policy formulated and program developed by the government with the cooperation of the private sector and the intended beneficiaries of the program.

The two consolidated bills were developed and finally reported by both Houses after the Senate Committee on Urban Planning, Housing and Resettlement met many times with its counterpart Committee of the House of Representatives. Thus, when the Bicameral Conference Committee met, many, if not all, of the major issues had been discussed and agreement on the major points had been reached in the sense that the issues were threshed out by both Committees even before the bills of both Houses were reported out. Points and issues raised by the urban

poor, government housing agencies and the private sector were also taken into consideration when the two bills were being sponsored on the Floor and the documents were considered by the Bicameral Committee in its meetings on the disagreeing provisions to forge these two consolidated bills.

Mr. President, the declaration of state policy and program objectives hews closely to the mandate of the Constitution on urban land and housing. The major thrust of the policy and program is to "undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program."

The major thrusts of said program and policy include:

(a) Making available to the underprivileged and homeless citizens in urban centers and resettlement areas decent housing at affordable cost, basic services and employment opportunities;

(b) Rational use and development of urban land;

(c) Regulation of urban growth to balance urban-rural interdependence;

(d) Security of tenure to beneficiaries and respect for the rights of small property owners and payment of just compensation;

(e) People's participation in the urban development process; and

(f) Improving local government unit capability in undertaking urban development and housing programs and projects.

In defining terms, Mr. President, the Bicameral Committee was very conscious that we were doing so, not only to explain terms used in the bill, but setting legislative policy for urban development and socialized housing as well as clarifying terms used in the Constitution. Among the key concepts defined are: Underprivileged and homeless citizens; affordable cost, socialized housing, basic services; urban areas, security of tenure; and small property owners.

Coverage and exemptions

Mr. President, the consolidated bill covers all lands in urban and urbanizable areas, existing areas for priority development, zonal improvement sites, slum improvement and resettlement sites, and other areas identified by local government units as suitable for socialized housing.

There are exemptions, Mr. President, from the coverage of this measure, and these exemptions are enumerated in the consolidated bill.

Framework for Rational Development

All developments shall be consistent with the National Urban Development and Housing Framework to be formulated within one year from the effectivity of this Act. With the concurrence of local government units concerned, a review of existing town and land use plans will be part of the framework development.

Land Use, Inventory, Organization and Disposition

Mr. President, a major feature of this consolidated bill is the requirement that within one year from its effectivity, all city and municipal governments shall conduct an inventory of all lands and improvements within their respective jurisdiction indicating the land use, degree of land utilization and other data. Such an inventory is to be updated every three years.

After said inventory, the local government units concerned, in coordination with the appropriate government agencies and consistent with the framework plan mandated in the Act, shall identify lands for socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless in urban areas.

The consolidated bill sets priorities in land acquisition and the modes of land acquisition. These modes include community mortgage, land swapping, land assembly or consolidation, and land banking. Expropriation, Mr. President, shall be resorted to only when all other modes have been exhausted, and small property owners are exempted from the resort to expropriation as a mode of acquisition.

Socialized Housing

Mr. President, the primary strategy under this measure, in providing shelter for the homeless and the underprivileged, is social housing.

The Committee has agreed on the definition of those who are "underprivileged and homeless" as individuals or families residing in urban and urbanizable areas whose combined household income falls within the NEDA defined poverty and threshold, who do not own housing facilities, or who live in makeshift dwelling units and do not enjoy security of tenure.

"Socialized housing" covers houses and lots or home lots only. Benefits to be extended under the socialized housing program include sites and services development, financing on long-term with liberalized terms on interest payments. To facilitate implementation and promote socialized housing projects, incentives have been incorporated in the consolidated version for the National Housing Authority and the private sector participating in socialized housing.

APD, ZIP, Sites, SIR Program Sites

The other feature of this consolidated bill, Mr. President, or consolidated version of the two bills, is that occupants of APD's ZIP and SIR program sites are entitled to priority in projects initiated under the proposed consolidated version and support services, as well.

Urban Renewal and Resettlement

Mr. President, blighted lands and slum areas with the resettlement of program beneficiaries will be rehabilitated and pursuant to this proposed version. Two program options are offered. One is onsite development and the other is resettlement of occupants only when on-site development is not feasible.

Several actions are contemplated in implementing the constitutional mandate that urban poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with the procedures set forth in the proposed consolidated version and in a just and humane manner, as called for in Article XIII, Section 10 of the Constitution.

There are mechanisms for program implementation in this Act, Mr. President, but the focus is one the vital and indispensable role of local government units, government housing agencies, and the cooperation of the private sector. The sources of funding are identified by the bicameral Conference Committee, and they are included in the consolidated version.

Mr. President, thousands of families of the urban poor and thousands more, who stand to benefit from this landmark legislation, which will help the underprivileged and the homeless, await approval of this Act by Congress.

We appeal to this Body to approve this Conference Committee Report and the consolidated version of this Act to help the urban and rural poor, and the future generation who will be assured of the basic need of shelter with the implementation of this proposed measure.

Thank you, Mr. President. I wish to commend the members of the Senate panel of the Bicameral Committee for the hard work and creative suggestions made in forging this proposed consolidated version.

The President. Are there any questions or comments/ I see Senator Guingona raising his hand.

Senator Guingona. Just to clarify, Mr. President, if the distinguished Sponsor will yield.

Senator Lina. Willingly, Mr. President.

Senator Guingona. May we know the difference between "abandoned" and "idle" lands?

Senator Lina. "Idle lands" is defined, Mr. President, as those referring to nonagricultural lands, I mean, urban and urbanizable areas on which no improvements, as herein defined, have been made by the owner, as certified by the city, municipal or provincial assessor; we did not define abandoned lands. Rather, we defined it as unregistered lands. We used this phrase "abandoned lands."

Senator Guingona. Unregistered?

Senator Lina. Yes. The meaning is this: Unregistered or abandoned lands refer to lands in urban and urbanizable areas which are not registered with the Register of Deeds, or with the city or municipal assessor's office concerned, or which are uninhabited by the owner and have not been developed or devoted for any useful purpose or appears unutilized for a period of three consecutive years immediately prior to the issuance and receipt or publication of notice of acquisition by the government, as provided under this Act. It does not include land which has been abandoned by reason of *force majeure* or any other fortuitous event, provided that prior to such event such land was previously used for some useful or economic purpose.

I think the difference is self-explanatory, Mr. President.

Senator Guingona. Yes. So that a land which is abandoned would come under the coverage of this Act.

Senator Lina. Yes, in the sense that when the local government units undertake an inventory of lands within their jurisdiction, there can be included in the inventory such abandoned lands, and the local government units will make a determination whether such abandoned lands are suitable for social housing. And if so suitable, then appropriate procedure will be undertaken for the government to acquire such abandoned lands which are suitable for socialized housing.

Senator Guingona. On the other hand, if the land is merely idle, will it be subjected to the same inventory?

Senator Lina. The relevance of defining idle lands here, Mr. President, is for purposes of taxation which is already covered by the Local Government Code, and that the tax from idle lands will also go for socialized housing. Because the concern we have over idle lands is that it should be developed by the owner, Mr. President.

Senator Guingona. Yes. And so, the only obligation of the owner insofar as idle land is concerned is to comply with the payment of the taxes due.

Senator Lina. Yes, Mr. President. But the option is available to the local government units or to the government to expropriate based on certain criteria. Small property owners are exempted from expropriation. When the government will need the land, for example, for socialized housing, because there is no more available land and the land is idle — it is underutilized — it is an option available to the government to expropriate. But the Gentleman is correct when he said that the owner of the idle lands will have to pay the corresponding taxes.

Senator Guingona. And, if he pays the corresponding tax, will the same still be subjected to expropriation?

Senator Lina. I beg the Gentleman's pardon.

Senator Guingona. If the landowner, who is delinquent, makes good in the payment of real estate taxes, can the city government, for example, still expropriate the same for the housing?

Senator Lina. Yes, Mr. President. As in usual cases of expropriation, the latest jurisprudence on this matter of expropriation only states that the basis of the valuation is the fair market value. When the government needs the land to put up a hospital or a school or any government project in order to serve the people...

Senator Guingona. But supposing the owner now wants to utilize the property so that it will no longer be idle, after paying the taxes, he intends to utilize the property, one way or another.

Senator Lina. Yes, it is his prerogative as property owner to utilize it, Mr. President, especially after paying all the taxes that have not been paid previously. That is the prerogative of the owner, the use of the land which he owns.

But what I am saying is as in any other cases of expropriation, once the government decides and the appropriate proceeding is undertaken, then we, private owners of land will have to deal with government in that manner. Our land is being expropriated; the government has to justify that there is a use for it and if that use is justified, then the payment of just compensation comes in and that means a fair market value, Mr. President. There is nothing extraordinary in this case.

Senator Guingona. Mr. President, there is fear amongst landowners about the extent of this measure. That is why I want to set in the *Record* the spirit and intent of the meaning of idle lands so that if the real purpose of the law is not to have their lands remain idle but to have it developed in one form or another, and the owner himself decides to do it, would this land still be subjected to the proposed housing? Or is the spirit to give the landowner the use of this property, provided he builds or he develops the same.

Senator Lina. That is the spirit actually, Mr. President. But when the mention of expropriation was made, I just wanted to put it in proper context that all lands except those lands owned by what we call "small property owners" cannot be subjected to expropriation. I am just taking a general rule. But as far as this measure is concerned, the spirit is for the landowners to make use of the property, develop it, because the use of the land is the prerogative of the landowner. There is no idea here of taking over the idle land, Mr. President. That is not the idea being conveyed. That is not the intention at all of this measure.

Senator Guingona. We were under the impression, Mr. President, that the priorities, if at all, should first be abandoned lands.

Senator Lina. Yes, Mr. President. Between abandoned lands or idle lands, the abandoned lands will be the priority that can be used for socialized housing if, on the evaluation of the local government units concerned, such abandoned lands will be suitable for socialized housing.

Senator Guingona. Will the distinguished Sponsor have factual data as to the hectareage of the so-called idle lands?

Senator Lina. We do not have that data, Mr. President, because we did not limit material to the passage of this measure. Idle lands all over the Philippines, there is no statistics that we can get hold that will tell us how much is the hectareage of idle lands in the country.

Senator Guingona. But at any rate, that is the intent and the spirit of the bill.

Senator Lina. Yes, Mr. President. It is not to take over idle lands. The spirit is for the landowner to improve the land. But if he does not improve the land, then there is an idle land tax which is already incorporated in the Local Government Code. What we are just saying is that the idle land tax will be utilized for socialized housing, as determined by the local government unit.

Senator Guingona. Thank you, Mr. President.

The President. Any further questions?

Senator Saguisag. Mr. President.

The President. Senator Saguisag is recognized.

Senator Saguisag. Mr. President, very briefly, in view of the questions raised by Senator Guingona, may I just be allowed to submit a written supplement of why I am supporting this bill. But very briefly, the intention, Mr. President, as to abandoned lands is to subject it to some kind of escheat proceedings. Number two,

even lands that are not idle, as pointed out by Senator Lina, are subject to expropriation even today. And thirdly, there is a provision here that there must be an inventory precisely to be conducted in response to the question about hectarage.

May I be allowed to amplify on this in writing?

Thank you.

APPROVAL OF CONFERENCE COMMITTEE REPORT
ON SENATE BILL NO. 234/HOUSE BILL NO. 34310

The President. Is there any objection to the acceptance of this Conference Committee Report? [*Silence*] The Chair hears none; the Conference Committee Report on the disagreeing provisions on House Bill No. 34310 and Senate Bill No. 234 is hereby approved.

The following is the full text of the Conference Committee Report:

CONFERENCE COMMITTEE REPORT

The Conference Committee on the disagreeing provisions of House Bill No. 34310, entitled

AN ACT PROVIDING FOR A COMPREHENSIVE AND SUSTAINABLE PROGRAM ON URBAN DEVELOPMENT AND HOUSING, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

and Senate Bill No. 234, entitled

AN ACT TO STRENGTHEN THE URBAN DEVELOPMENT AND SOCIAL HOUSING PROGRAM, PROVIDE FOR A SOCIAL HOUSING TAX, APPROPRIATE FUNDS FOR THE PROGRAM, AND FOR OTHER PURPOSES,

has met and, after full and free conference, has agreed to recommend and hereby recommends to the Senate and the House of Representatives, that House Bill No. 34310, in consolidation with Senate Bill No. 234 be approved in accordance with the attached version as reconciled and approved by the Conferees.

Approved,

CONFEREES ON THE PART OF
THE SENATE

(Sgd.) JOSE D. LINA, JR.

(Sgd.) ORLANDO S. MERCADO

(Sgd.) AQUILINO Q. PIMENTEL, JR.

(Sgd.) RENE A. V. SAGUISAG

(Sgd.) JUAN PONCE ENRILE
(with reservation)

CONFEREES ON THE PART OF THE
HOUSE OF REPRESENTATIVES

(Sgd.) CONSUELO PUYAT-REYES

(Sgd.) ANTONIO L. AQUINO

(Sgd.) AMADO S. BAGATSING

(Sgd.) MARTIN B. ISIDRO

(Sgd.) SALVADOR S. LAGUDA

(Sgd.) HERNANI B. PANGANIBAN

(Sgd.) REY MAGNO TEVES

ANTONIO M. SERAPIO

AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

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

ARTICLE I

TITLE, POLICY, PROGRAM AND DEFINITION
OF TERMS

SECTION 1. *Title.* - This Act shall be known as the "Urban Development and Housing Act of 1992".

SEC. 2. *Declaration of State Policy and Program Objectives.* - It shall be the policy of the State to undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program, hereinafter referred to as the "Program", which shall:

a) Uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost, basic services, and employment opportunities;

b) Provide for the rational use and development of urban land in order to bring about the following:

(1) Equitable utilization of residential lands in urban and urbanizable areas with particular attention to

the needs and requirements of the underprivileged and homeless citizens and not merely on the basis of market forces;

- (2) Optimization of the use and productivity of land and urban resources;
- (3) Development of urban areas conducive to commercial and industrial activities which can generate more economic opportunities for the people;
- (4) Reduction in urban dysfunctions, particularly those that adversely affect public health, safety, and ecology; and
- (5) Access to land and housing by the underprivileged and homeless citizens;

c) Adopt workable policies to regulate and direct urban growth and expansion towards a dispersed urban net and more balanced urban-rural interdependence;

d) Provide for an equitable land tenure system that shall guarantee security of tenure to Program beneficiaries but shall respect the rights of small property owners and ensure the payment of just compensation;

e) Encourage more effective people's participation in the urban development process; and

f) Improve the capability of local government units in undertaking urban development and housing programs and projects.

SEC. 3. *Definition of terms.* - For purposes of this Act:

a) **Affordable Cost** - refers to the most reasonable price of land and shelter based on the needs and financial capability of Program beneficiaries and appropriate financing schemes.

b) **Areas for Priority Development** - refers to those areas declared as such under existing statutes and pertinent executive issuances.

c) **Blighted Lands** - refers to the areas where the structures are dilapidated, obsolete and unsanitary, tending to depreciate the value of the land and prevent normal development and use of the area.

d) **Consultation** - refers to the constitutionally mandated process whereby the public, on their own or through people's organizations, is provided an opportunity to be heard and to participate in the decision-making process on matters involving the protection and promotion of its legitimate collective interests, which shall include appropriate documentation and feedback mechanisms.

e) **Idle Lands** - refer to non-agricultural lands in urban and urbanizable areas on which no improvements, as herein defined, have been made by the owner, as certified by the city, municipal or provincial assessor.

f) **Improvements** - refers to all types of buildings and residential units, walls, fences, structures or constructions of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits, and other fixtures that are mere superimpositions on the land, and the value of improvements shall not be less than fifty percent (50%) of the assessed value of the property.

g) **Joint Venture** - refers to the commitment or agreement by two or more persons to carry out a specific or single business enterprise for their mutual benefit, for which purpose they combine their funds, land resources, facilities and services.

h) **Land Assembly or Consolidation** - refers to the acquisition of lots of varying ownership through purchase or expropriation for the purpose of planned and rational development and socialized housing progress without individual property boundary restrictions.

i) **Land Banking** - refers to the acquisition of land at values based on existing use in advance of actual need to promote planned development and socialized housing programs.

j) **Land Swapping** - refers to the process of land acquisition by exchanging land for another piece of land of equal value, or for shares of stock in a government or quasi-government corporation whose book value is of equal value to the land being exchanged, for the purpose of planned and rational development and provision for socialized housing where land values are determined based on land classification, market value and assessed value taken from existing tax declarations: Provided, That more valuable lands owned by private persons may be exchanged with less valuable lands to carry out the objectives of this Act.

k) **Land Use Plan** - refers to the rational approach of allocating available land resources as equitably as possible among competing user groups and for different functions consistent with the development plan of the area and the Program under this Act.

l) **On-site Development** - refers to the process of upgrading and rehabilitation of blighted and slum urban areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services as provided for in Section 21 hereof.

m) **Professional Squatters** - refers to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall also apply to persons who have

previously been awarded homelots or housing units by the government but who sold, leased or transferred the same to settle illegally in the same place or another urban area, and non-bona fide occupants and intruders of lands reserved for socialized housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or squatting syndicates.

n) Resettlement Areas - refers to areas identified by the appropriate national agency or by the local government unit with respect to areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens.

o) Security of tenure - refers to the degree of protection afforded to qualified Program beneficiaries against infringement or unjust, unreasonable and arbitrary eviction or disposition, by virtue of the right of ownership, lease agreement, usufruct and other contractual arrangements.

p) Slum Improvement and Resettlement Program or SIR - refers to the program of the National Housing Authority of upgrading and improving blighted squatter areas outside of Metro Manila pursuant to existing statutes and pertinent executive issuances.

q) Small Property Owners - refers to those whose only real property consists of residential lands not exceeding three hundred square meters (300 sq.m.) in highly urbanized cities and eight hundred square meters (800 sq.m.) in other urban areas.

r) Socialized housing - refers to housing programs and projects covering houses and lots or homelots only undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of this Act.

s) Squatting syndicates - refers to groups of persons engaged in the business of squatter housing for profit or gain.

t) Underprivileged and Homeless Citizens - refers to the beneficiaries of this Act and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own housing facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure.

u) Unregistered or Abandoned Lands - refers to lands in urban and urbanizable areas which are not registered with the Register of Deeds, or with the city or municipal assessor's office concerned, or which are uninhabited by the owner and have not been developed or devoted for any useful purpose, or appears unutilized for a period of three (3) consecutive years immediately prior to the issuance and receipt or

publication of notice of acquisition by the government as provided under this Act. It does not include land which has been abandoned by reason of *force majeure* or any other fortuitous event: Provided, That prior to such event, such land was previously used for some useful or economic purpose.

v) Urban Areas - refers to all cities regardless of their population density and to municipalities with a population density of at least five hundred (500) persons per square kilometer.

w) Urbanizable Areas - refer to sites and lands which, considering present characteristics and prevailing conditions, display marked and great potential of becoming urban areas within the period of five (5) years.

x) Zonal Improvement Program or ZIP - refers to the program of the National Housing Authority of upgrading and improving blighted squatter areas within the cities and municipalities of Metro Manila pursuant to existing statutes and pertinent executive issuances.

ARTICLE II COVERAGE AND EXEMPTIONS

SEC. 4. *Coverage.* - The Program shall cover all lands in urban and urbanizable areas, including existing areas for priority development, zonal improvement sites, slum improvement and resettlement sites, and in other areas that may be identified by the local government units as suitable for socialized housing.

SEC. 5. *Exemptions.* - The following lands shall be exempt from the coverage of this Act:

a) those included in the coverage of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law;

b) Those actually used for national defense and security of the State;

c) Those used, reserved or otherwise set aside for government offices, facilities and other installations, whether owned by the National Government, its agencies and instrumentalities, including government-owned or -controlled corporations, or by the local government units: Provided, however, That the lands herein mentioned, or portions thereof, which have not been used for the purpose for which they have been reserved or set aside for the past ten (10) years from the effectivity of this Act, shall be covered by this Act;

d) Those used or set aside for parks, reserves for flora and fauna, forests and watersheds, and other areas necessary to maintain ecological balance or environmental protection, as determined and certified to by the proper government agency; and

e) Those actually and primarily used for religious, charitable, or educational purposes, cultural and historical sites, hospitals and health centers, and cemeteries or memorial parks.

The exemptions herein provided shall not apply when the use or purpose of the abovementioned lands has ceased to exist.

ARTICLE III NATIONAL URBAN DEVELOPMENT AND HOUSING FRAMEWORK

SEC. 6. *Framework for Rational Development.* - There shall be a National Urban Development and Housing Framework to be formulated by the Housing and Land Use Regulatory Board under the direction of the Housing and Urban Development Coordinating Council in coordination with all local government units and other concerned public and private sectors within one (1) year from the effectivity of this Act.

The Framework shall refer to the comprehensive plan for urban and urbanizable areas aimed at achieving the objectives of the Program. In the formulation of the Framework, a review and rationalization of existing town and land use plans, housing programs, and all other projects and activities of government agencies and the private sector which may substantially affect urban land use patterns, transportation and public utilities, infrastructure, environment and population movements shall be undertaken with the concurrence of the local government units concerned.

ARTICLE IV LAND USE, INVENTORY, ACQUISITION AND DISPOSITION

SEC. 7. *Inventory of Lands.* - Within one (1) year from the effectivity of this Act, all city and municipal governments shall conduct an inventory of all lands and improvements thereon within their respective localities. The inventory shall include the following:

- a) Residential lands;
- b) Government-owned lands, whether owned by the National Government or any of its subdivisions, instrumentalities, or agencies, including government-owned or-controlled corporations and their subsidiaries;
- c) Unregistered or abandoned and idle lands; and
- d) Other lands.

In conducting the inventory, the local government units concerned, in coordination with the Housing and Land Use Regulatory Board and with the assistance of the appropriate government agencies, shall indicate the type of land use and

the degree of land utilization, and other data or information necessary to carry out the purposes of this Act.

For planning purposes, the Housing and Urban Development Coordinating Council shall be furnished by each local government unit a copy of its inventory which shall be updated every three (3) years.

SEC. 8. *Identification of Sites for Socialized Housing.* - After the inventory, the local government units, in coordination with the National Housing Authority, the Housing and Land Use Regulatory Board, the National Mapping Resource Information Authority, and the Land Management Bureau, shall identify lands for socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless in the urban areas, taking into consideration the degree of availability of basic services and facilities, their accessibility and proximity to job sites and other economic opportunities, and the actual number of registered beneficiaries.

Government-owned lands under paragraph b) of the preceding section which have not been used for the purpose for which they have been reserved or set aside for the past ten (10) years from the effectivity of this Act and identified as suitable for socialized housing, shall immediately be transferred to the National Housing Authority subject to the approval of the President of the Philippines or by the local government unit concerned, as the case may be, for proper disposition in accordance with this Act.

SEC. 9. *Priorities in the Acquisition of Land.* - Lands for socialized housing shall be acquired in the following order:

- a) Those owned by the government or any of its subdivisions, instrumentalities, or agencies, including government-owned or -controlled corporations and their subsidiaries;
- b) Alienable lands of the public domain;
- c) Unregistered or abandoned and idle lands;
- d) Those within the declared Areas for Priority Development, Zonal Improvement Program Sites, and Slum Improvement and Resettlement Program sites which have not yet been acquired;
- e) Bagong Lipunan Improvement of Sites and Services or BLISS sites which have not yet been acquired; and
- f) Privately-owned lands.

Where on-site development is found more practicable and advantageous to the beneficiaries, the priorities mentioned in this section shall not apply. The local government units shall give budgetary priority to on-site development of government lands.

SEC. 10. *Modes of Land Acquisition.* - The modes of

acquiring lands for purposes of this Act shall include, among others, community mortgage, land swapping, land assembly or consolidation, land banking, donation to the government, joint-venture agreement, negotiated purchase, and expropriation: *Provided, however*, That expropriation shall be resorted to only when other modes of acquisition have been exhausted: *Provided, further*, That where expropriation is resorted to, parcels of land owned by small property owners shall be exempted for purposes of this Act: *Provided, finally*, That abandoned property, as herein defined, shall be reverted and escheated to the State in a proceeding analogous to the procedure laid down in Rule 91 of the Rules of Court.

For the purpose of socialized housing, government-owned and foreclosed properties shall be acquired by the local government units, or by the National Housing Authority primarily through negotiated purchase: *Provided*, That qualified beneficiaries who are actual occupants of the land shall be given the right of first refusal.

SEC. 11. *Expropriation of Idle Lands*. - All idle lands in urban and urbanizable areas, as defined and identified in accordance with this Act, shall be expropriated and shall form part of the public domain. These lands shall be disposed of or utilized by the government for such purposes that confers with their land use plans. Expropriation proceedings shall be instituted if, after the lapse of one (1) year following receipt of notice of acquisition, the owner fails to introduce improvements as defined in Section 3 (f) hereof, except in the case of *force majeure* and other fortuitous events. Exempted from this provision, however, are residential lands owned by small property owners or those the ownership of which is subject of a pending litigation.

SEC. 12. *Disposition of Lands for Socialized Housing*. - The National Housing Authority, with respect to lands belonging to the national government, and the local government units with respect to other lands within their respective localities, shall coordinate with each other to formulate and make available various alternative schemes for the disposition of lands to the beneficiaries of the Program. These schemes shall not be limited to those involving transfer of ownership in fee simple but shall include lease, lease with option to purchase, usufruct or such other variations as the local government units or the National Housing Authority may deem most expedient in carrying out the purposes of this Act.

Consistent with this provision, a scheme for puroic rental housing may be adopted.

SEC. 13. *Valuation of Lands for Socialized Housing*. - Equitable land valuation guidelines for socialized housing shall be set by the Department of Finance on the basis of the market value reflected in the zonal valuation, or in its absence, on the latest real property tax declaration.

For sites already occupied by qualified Program beneficiaries, the Department of Finance shall factor into the

valuation the blighted status of the land as certified by the local government unit or the National Housing Authority.

SEC. 14. *Limitations on the Disposition of Lands for Socialized Housing*. - No land for socialized housing, including improvements or rights thereon, shall be sold, alienated, conveyed, encumbered or leased by any beneficiary of this Program except to qualified program beneficiaries as determined by the government agency concerned.

Should the beneficiary unlawfully sell, transfer or otherwise dispose of his lot or any right thereon, the transaction shall be null and void. He shall also lose his right to the land, forfeit the total amortization paid thereon, and shall be barred from the benefits under this Act for a period of ten (10) years from the date of violation.

In the event the beneficiary dies before full ownership of the land is vested on him, transfer to his heirs shall take place only upon their assumption of his outstanding obligations. In case of failure by the heirs to assume such obligations, the land shall revert to the government for disposition in accordance with this Act.

ARTICLE V SOCIALIZED HOUSING

SEC. 15. *Policy*. - Socialized housing, as defined in Section 3 hereof, shall be the primary strategy in providing shelter for the underprivileged and homeless. However, if the tenurial arrangement in a particular socialized housing program is in the nature of leasehold or usufruct, the same shall be transitory and the beneficiaries must be encouraged to become independent from the Program within a given period of time, to be determined by the implementing agency concerned.

SEC. 16. *Eligibility Criteria for Socialized Housing Program Beneficiaries*. - To qualify for the socialized housing program, a beneficiary:

- a) Must be a Filipino citizen;
- b) Must be an underprivileged and homeless citizen, as defined in section 3 of this Act;
- c) Must not own any real property whether in the urban or rural areas; and
- d) Must not be a professional squatter or a member of squatting syndicates.

SEC. 17. - *Registration of Socialized Housing Beneficiaries*. - The Housing and Urban Development Coordinating Council, in coordination with the local government units, shall design a system for the registration of qualified Program beneficiaries in accordance with the framework. The local government units, within one (1) year from the effectivity of this Act shall identify and register all beneficiaries within their respective localities.

SEC. 18. *Balanced Housing Development.* - The program shall include a system to be specified in the framework plan whereby developers of proposed subdivision projects shall be required to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the Housing and Land Use Regulatory Board and other existing laws. The balanced housing development as herein required may also be complied with by the developers concerned in any of the following manner:

- a) Development new settlement;
- b) Slum upgrading or renewal of areas for priority development either through zonal improvement programs or slum improvement and resettlement programs;
- c) Joint venture projects with either the local government units or any of the housing agencies; or
- d) Participation in the Community Mortgage Program.

SEC. 19. *Incentives for the National Housing Authority.* - The National Housing Authority, being the primary government agency in charge of providing housing for the underprivileged and homeless, shall be exempted from the payment of all fees and charges of any kind, whether local or national, such as income and real taxes. All documents or contracts executed by and in favor of the National Housing Authority shall also be exempt from the payment of documentary stamp tax and registration fees, including fees required for the issuance of transfer certificates of titles.

SEC. 20. *Incentives for Private Sector Participating in Socialized Housing.* - To encourage greater private sector participation in socialized housing and further reduce the cost of housing units for the benefit of the underprivileged and homeless, the following incentives shall be extended to the private sector:

- a) Reduction and simplification of qualification and accreditation requirements for participating private developers;
- b) Creation of one-stop offices in the different regions of the country for the processing, approval and issuance of clearances, permits and licenses: *Provided, That* clearances, permits and licenses shall be issued within ninety (90) days from the date of submission of all requirements by the participating private developers;
- c) Simplification of financing procedures; and
- d) Exemption from the payment of the following:
 - (1) project-related income taxes;

- (2) capital gains tax on raw lands used for the project;
- (3) value-added tax for the project contractor concerned;
- (4) transfer tax for both raw and completed projects; and
- (5) donor's tax for lands certified by the local government units to have been donated for socialized housing purposes:

Provided, That upon application for exemption, a lien on the title of the land shall be annotated by the Register of Deeds: *Provided, further, That* the socialized housing development plan has already been approved by the appropriate government agencies concerned: *Provided, finally, That* all the savings acquired by virtue of this provision shall accrue in favor of the beneficiaries subject to the implementing guidelines to be issued by the Housing and Urban Development Coordinating Council.

Appropriate implementing guidelines shall be prepared by the Department of Finance, in consultation with the Housing and Urban Development Coordinating Council, for the proper implementation of the tax exemption mentioned in this section within one (1) year after the approval of this Act.

Property owners who voluntarily provide resettlement sites to illegal occupants of their lands shall be entitled to a tax credit equivalent to the actual non-recoverable expenses incurred in the resettlement, subject to the implementing guidelines jointly issued by the Housing and Urban Development Coordinating Council and the Department of Finance.

SEC. 21. *Basic Services.* - Socialized housing or resettlement areas shall be provided by the local government unit or the National Housing Authority in cooperation with the private developers and concerned agencies with the following basic services and facilities:

- a) Potable water;
- b) Power and electricity and an adequate power distribution system;
- c) Sewerage facilities and an efficient and adequate solid waste disposal system; and
- d) Access to primary roads and transportation facilities.

The provision of other basic services and facilities such as health, education, communications, security, recreation, relief and welfare shall be planned and shall be given priority for implementation by the local government unit and concerned agencies in cooperation with the private sector and the beneficiaries themselves.

The local government unit, in coordination with the concerned national agencies, shall ensure that these basic services are provided at the most cost-efficient rates, and shall set a mechanism to coordinate operationally the thrusts, objectives and activities of other government agencies concerned with providing basic services to housing projects.

SEC. 22. Livelihood Component. - To the extent feasible, socialized housing and resettlement projects shall be located near areas where employment opportunities are accessible. The government agencies dealing with the development of livelihood programs and grant of livelihood loans shall give priority to the beneficiaries of the Program.

SEC. 23. Participation of Beneficiaries. - The local government units, in coordination with the Presidential Commission for the Urban Poor and concerned government agencies, shall afford Program beneficiaries or their duly designated representatives an opportunity to be heard and to participate in the decision-making process over matters involving the protection and promotion of their legitimate collective interests which shall include appropriate documentation and feedback mechanisms. They shall also be encouraged to organize themselves and undertake self-help cooperative housing and other livelihood activities. They shall assist the government in preventing the incursions of professional squatters and members of squatting syndicates into their communities.

In instances when the affected beneficiaries have failed to organize themselves or form an alliance within a reasonable period prior to the implementation of the program or projects affecting them, consultation between the implementing agency and the affected beneficiaries shall be conducted with the assistance of the Presidential Commission for the Urban Poor and the concerned non-government organization.

SEC. 24. Consultation with Private Sector. - Opportunities for adequate consultation shall be accorded to the private sector involved in socialized housing project pursuant to this Act.

ARTICLE VI
AREAS FOR PRIORITY DEVELOPMENT,
ZONAL IMPROVEMENT PROGRAM SITES
AND SLUM IMPROVEMENT
AND RESETTLEMENT PROGRAM SITES

SEC. 25. Benefits. - In addition to the benefits provided under existing laws and other related issuances to occupants of areas for priority development, zonal improvement program sites and slum improvement and resettlement program sites, such occupants shall be entitled to priority in all government projects initiated pursuant to this Act. They shall also be entitled to the following support services:

- a) Land surveys and titling at minimal cost;
- b) Liberalized terms on credit facilities and housing loans and one hundred percent (100%) deduction from every

homebuyer's gross income tax of all interest payments made on documented loans incurred for the construction or purchase of the homebuyer's house;

c) Exemption from the payment of documentary stamp tax, registration fees, and other fees for the issuance of transfer certificate of titles;

d) Basic services as provided for in Section 21 of this Act; and

e) Such other benefits that may arise from the implementation of this Act.

ARTICLE VII
URBAN RENEWAL AND RESETTLEMENT

SEC. 26. Urban Renewal and Resettlement. - This shall include the rehabilitation and development of blighted and slum areas and the resettlement of program beneficiaries in accordance with the provisions of this Act. On-site development shall be implemented whenever possible in order to ensure minimum movement of occupants of blighted lands and slum areas. The resettlement of the beneficiaries of the program from their existing places of occupancy shall be undertaken only when on-site development is not feasible and after compliance with the procedures laid down in Section 28 of this Act.

SEC. 27. Action Against Professional Squatters and Squatting Syndicates. - The local government units, in cooperation with the Philippine National Police, the Presidential Commission for the Urban Poor (PCUP), and the PCUP-accredited urban poor organization in the area, shall adopt measures to identify and effectively curtail the nefarious and illegal activities of professional squatters and squatting syndicates, as herein defined.

Any person or group identified as such shall be summarily evicted and their dwellings or structures demolished, and shall be disqualified to avail of the benefits of the Program. A public official who tolerates or abets the commission of the abovementioned acts shall be dealt with in accordance with existing laws.

For purposes of this Act, professional squatters or members of squatting syndicates shall be imposed the penalty of six (6) years imprisonment or a fine of not less than sixty thousand pesos (P60,000.00) but not more than one hundred thousand (P100,000.00), or both, at the discretion of the Court.

SEC. 28. Eviction and Demolition. - Eviction or demolition as a practice shall be discouraged. Eviction or demolition, however, may be allowed under the following situations:

- a) When persons or entities occupy danger areas such as esteros, railroad tracks, garbage dumps, riverbanks,

shorelines, waterways, and other public places such as sidewalks, roads, parks, and playgrounds;

b) When government infrastructure projects with available funding are about to be implemented; or

c) When there is a court order for eviction and demolition.

In the execution of eviction or demolition orders involving underprivileged and homeless citizens, the following shall be mandatory:

a) Notice upon the affected persons or entities at least thirty (30) days prior to the date of eviction or demolition;

b) Adequate consultations on the matter of resettlement with the duly designated representatives of the families to be resettled and the affected communities in the areas where they are to be relocated;

c) Presence of local government officials or their representatives during eviction or demolition;

d) Proper identification of all persons taking part in the demolition;

e) Execution of eviction or demolition only during regular office hours from Mondays to Fridays and during good weather, unless the affected families consent otherwise;

f) No use of heavy equipment for demolition except for structures that are permanent and of concrete materials;

g) Proper uniforms for members of the Philippine National Police who shall occupy the first line of law enforcement and observe proper disturbance control procedures; and

h) Adequate relocation, whether temporary or permanent: Provided, however, That in cases of eviction and demolition pursuant to a court order involving underprivileged and homeless citizens, relocation shall be undertaken by the local government unit concerned and the National Housing Authority with the assistance of other government agencies within forty-five (45) days from service of notice of final judgment by the court, after which period the said order shall be executed: Provided, further, that should relocation not be possible within the said period, financial assistance in the amount equivalent to the prevailing minimum daily wage multiplied by sixty (60) days shall be extended to the affected families by the local government unit concerned.

The Department of Interior and Local Government and the Housing and Urban Development Coordinating Council shall jointly promulgate the necessary rules and regulations to carry out the above provision.

SEC. 29. *Resettlement.* - Within two (2) years from the effectivity of this Act, the local government units, in coordination with the National Housing Authority, shall implement the relocation and resettlement of persons living in danger areas such as esteros, railroad tracks, garbage dumps, riverbanks, shorelines, waterways, and in other public places such as sidewalks, roads, parks, and playgrounds. The local government unit, in coordination with the National Housing Authority, shall provide relocation or settlement sites with basic services and facilities and access to employment and livelihood opportunities sufficient to meet the basic needs of the affected families.

SEC. 30. *Prohibition Against New Illegal Structures.* - It shall be unlawful for any person to construct any structure in areas mentioned in the preceding section.

After the effectivity of this Act, the barangay, municipal or city government units shall prevent the construction of any kind of illegal dwelling units or structures within their respective localities. The head of any local government unit concerned who allows, abets or otherwise tolerates the construction of any structure in violation of this section shall be liable to administrative sanctions under existing laws and to penal sanctions provided for in this Act.

ARTICLE VIII COMMUNITY MORTGAGE PROGRAM

SEC. 31. *Definition.* - The Community Mortgage Program (CMP) is a mortgage financing program of National Home Mortgage Finance Corporation which assists legally organized associations of underprivileged and homeless citizens to purchase and develop a tract of land under the concept of community ownership. The primary objective of the program is to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability.

SEC. 32. *Incentives.* - To encourage its wider implementation, participants in the CMP shall be granted with the following privileges or incentives:

a) Government-owned or -controlled corporations and local government units, may dispose of their idle lands suitable for socialized housing under the CMP through negotiated sale at prices based on acquisition cost plus financial carrying costs;

b) Properties sold under the CMP shall be exempted from the Capital Gains tax; and

c) Beneficiaries under the CMP shall not be evicted nor dispossessed of their land or improvements unless they have incurred arrearages in payments of amortizations for three (3) months.

SEC. 33. *Organization of Beneficiaries.* - Beneficiaries of the Program shall be responsible for their organization into associations to manage their subdivisions or places of residence, to secure housing loans under existing Community Mortgage Program and such other projects beneficial to them. Subject to such rules and regulations to be promulgated by the National Home Mortgage Finance Corporation, associations organized pursuant to this Act may collectively acquire and own lands covered by this Program. Where the beneficiaries fail to form an association by and among themselves, the National Home Mortgage Finance Corporation shall initiate the organization of the same in coordination with the Presidential Commission for the Urban Poor and the local government units concerned. No person who is not a bona fide resident of the area shall be a member or officer of such association.

ARTICLE IX RELATED STRATEGIES

SEC. 34. *Promotion of Indigenous Housing Materials and Technologies.* - The local government units, in cooperation with the National Housing Authority, Technology Livelihood and Research Center, and other concerned agencies, shall promote the production and use of indigenous, alternative, and low-cost construction materials and technologies for socialized housing.

SEC. 35. *Transport System.* - The local government units, in coordination with the Departments of transportation and Communication, Budget and Management, Trade and Industry, Finance, and Public Works and Highways, the Home Insurance Guaranty Corporation, and other concerned government agencies, shall devise a set of mechanisms including incentives to the private sector so that a viable transport system shall evolve and develop in the urban areas. It shall also formulate standards designed to attain these objectives:

- b) Safety and convenience of travel;
- c) Minimum use of land space;
- d) Minimum damage to the physical environment;
and
- e) Adequate and efficient transport service to people and goods at minimum cost.

SEC. 36. *Ecological Balance.* - The local government units shall coordinate with the Department of Environment and Natural Resources in taking measures that will plan and regulate urban activities for the conservation and protection of vital, unique and sensitive ecosystems, scenic landscapes, cultural sites and other similar resource areas.

To make the implementation of this function more effective, the active participation of the citizenry in environmental rehabilitation and in decision-making process

shall be promoted and encouraged. The local government units shall recommend to the Environmental and Management Bureau the immediate closure of factories, mines and transport companies which are found to be causing massive pollution.

SEC. 37. *Population Movements.* - The local government units shall set up an effective mechanism, together with the appropriate agencies like the Population Commission, the National Economic and Development Authority and the National Statistics Office, to monitor trends in the movements of population from rural to urban, urban to urban, and urban to rural areas. They shall identify measures by which such movements can be influenced to achieve balance between urban capabilities and population, to direct appropriate segments of the population into areas where they can have access to opportunities to improve their lives and to contribute to national growth and recommend proposed legislation to Congress, if necessary.

The Population Commission, the National Economic and Development Authority, and the National Statistics Office shall likewise provide advanced planning information to national and local government planners on population projections and the consequent level of services needed in particular urban and urbanizable areas. This service will include early-warning systems on expected dysfunctions in a particular urban area due to population increases, decreases, or age structure changes.

SEC. 38. *Urban-Rural Interdependence.* - To minimize rural to urban migration and pursue urban decentralization, the local government units shall coordinate with the National Economic and Development Authority and other government agencies in the formulation of national development programs that will stimulate economic growth and promote socio-economic development in the countryside.

ARTICLE X PROGRAM IMPLEMENTATION

SEC. 39. *Role of Local Government Units.* - The local government units shall be charged with the implementation of this Act in their respective localities, in coordination with the Housing and Urban Development Coordinating Council, the national housing agencies, the Presidential Commission for the Urban Poor, the private sector and other non-government organizations.

They shall prepare a comprehensive land use plan for their respective localities in accordance with the provisions of this Act.

SEC. 40. *Role of government Housing Agencies.* - In addition to their respective existing powers and functions, and those provided for in this Act, the hereunder mentioned housing agencies shall perform the following:

- a) The Housing and Urban Development Coordinating Council shall, through the key housing agencies, provide local government units with necessary support such as:

- 1) Formulation of standards and guidelines as well as providing technical support in the preparation of town and land use plans;
- 2) In coordination with the National Economic and Development Authority and the National Statistics Office, provide data and information for forward-planning by the local government units in their areas, particularly on projections as to the population and development trends in their localities and the corresponding investment programs needed to provide appropriate types and levels of infrastructure, utilities, services and land use patterns; and
- 3) Assistance in obtaining funds and other resources needed in the urban development and housing programs in their areas of responsibility.

b) The National Housing Authority, upon request of local government units, shall provide technical and other forms of assistance in the implementation of their respective urban development and housing programs with the objective of augmenting and enhancing local government capabilities in the provision of housing benefits to their constituents.

c) The National Home Mortgage Finance Corporation shall administer the Community Mortgage Program under this Act and promulgate rules and regulations necessary to carry out the provisions of this Act.

d) The Home Insurance Guaranty Corporation shall design an appropriate guarantee scheme to encourage financial institutions to go into direct lending for housing.

SEC. 41. *Annual Report.* - The Housing and Urban Development Coordinating Council and the local government units shall submit a detailed annual report with respect to the implementation of this Act to the President and the Congress of the Republic of the Philippines.

ARTICLE XI FUNDING

SEC. 42. *Funding.* - Funds for the urban development and housing program shall come from the following sources:

a) A minimum of fifty percent (50%) from the annual net income of the Public Estates Authority, to be used by the National Housing Authority to carry out its programs of land acquisition for resettlement purposes under this Act;

b) Proceeds from the disposition of ill-gotten wealth, not otherwise previously set aside for any other purpose, shall be applied to the implementation of this Act and shall be administered by the National Home Mortgage Finance Corporation.

c) Loans, grants, bequests and donations, whether from local or foreign sources;

d) Flotation of bonds, subject to the guidelines to be set by the Monetary Board;

e) Proceeds from the social housing tax and, subject to the concurrence of the local government units concerned, idle lands tax as provided in Section 236 of the Local Government Code of 1991 and other existing laws;

f) Proceeds from the sale or disposition of alienable public lands in urban areas; and

g) Domestic and foreign investment or financing through appropriate arrangements like the build-operate-and-transfer scheme.

SEC. 43. *Socialized Housing Tax.* - Consistent with the constitutional principle that the ownership and enjoyment of property bear a social function and to raise funds for the Program, all local government units are hereby authorized to impose an additional one-half percent (0.5%) tax on the assessed value of all lands in urban areas in excess of Fifty thousand pesos (P50,000.00).

ARTICLE XII TRANSITORY PROVISIONS

SEC. 44. *Moratorium on Eviction and Demolition.* - There shall be a moratorium on the eviction of all program beneficiaries and on the demolition of their houses or dwelling units for a period of three (3) years from the effectivity of this Act: Provided, That the moratorium shall not apply to those persons who have constructed their structures after the effectivity of this Act and for cases enumerated in Section 28 hereof.

ARTICLE XIII COMMON PROVISIONS

SEC. 45. *Penalty Clause.* - Any person who violates any provision of this Act shall be imposed the penalty of not more than six (6) years of imprisonment or a fine of not less than Five thousand pesos (P5,000) but not more than One hundred thousand pesos (P100,000.00) or both at the discretion of the court: Provided, That, if the offender is a corporation, partnership, association or other juridical entity, the penalty shall be imposed on the officer or officers of said corporation, partnership, association or juridical entity who caused the violation.

SEC. 46. *Appropriations.* - The amount necessary to carry out the purposes of this Act shall be included in the annual budget of implementing agencies in the General Appropriations Act of the year following its enactment into law and every year thereafter.

SEC. 47. *Separability Clause.* - If for any reason, any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 48. *Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 49. *Effectivity Clause.* - This Act shall take effect upon its publication in at least two (2) national newspapers of general circulation.

BILL ON SECOND READING

House Bill No. 35227 — Judiciary Reorganization Act of 1981

Senator Romulo. Mr. President, I move that we consider House Bill No. 35227 as reported out under Committee Report No. 1906.

The President. Consideration of Senate Bill No. 35277 is now in order.

With the permission of the Body, the Secretary will read only the title of the bill, without prejudice to inserting in the *Record* the whole text thereof.

The Secretary. Senate Bill No. 35227, entitled

AN ACT AMENDING SECTION 1 OF REPUBLIC ACT NO. 7154 ENTITLED AN ACT TO AMEND SECTION FOURTEEN OF BATAS PAMBANSA BILANG 129, OTHERWISE KNOWN AS THE JUDICIARY REORGANIZATION ACT OF 1981 BY RESTORING THE REGIONAL TRIAL COURT BRANCH IN THE MUNICIPALITY OF CANDON AND CREATING TWO ADDITIONAL REGIONAL TRIAL COURT BRANCHES IN THE PROVINCE OF ILOCOS SUR, AND PROVIDING FUNDS THEREFOR.

The following is the full text of Proposed House Bill No. 35227:

HOUSE BILL NO. 35227

Introduced by Congressmen Singson (E.) and Singson (L.)

AN ACT AMENDING SECTION 1 OF REPUBLIC ACT NO. 7154 ENTITLED AN ACT TO AMEND SECTION FOURTEEN OF BATAS PAMBANSA BILANG 129, OTHERWISE KNOWN AS THE

JUDICIARY REORGANIZATION ACT OF 1981 BY RESTORING THE REGIONAL TRIAL COURT BRANCH IN THE MUNICIPALITY OF CANDON AND CREATING TWO ADDITIONAL REGIONAL TRIAL COURT BRANCHES IN THE PROVINCE OF ILOCOS SUR, AND PROVIDING FUNDS THEREFOR

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

SECTION 1. Section 14, paragraph (a), of Batas Pambansa Bilang 129 as amended, is hereby further amended to read as follows:

"(a) Seventy-TWO Regional Trial Judges shall be commissioned for the First Judicial Region. There shall be:

"Three branches with seats thereat for the Province of Abra, with seats at Bangued and Bucay;

"Fourteen branches with seats thereat for the Province of Benguet and the City of Baguio, with seats at Baguio City, La Trinidad, and Baguio;

"Ten branches with seats thereat for the Province of Ilocos Norte and the City of Laoag, with seats at Laoag City, Batac, and Bangui;

[Six] EIGHT branches with seats thereat for the Province of Ilocos Sur, with seats at Vigan, Narvacan, CANDON, Cabugao, and Tagudin;

"Eleven branches with seats thereat for the Province of La Union, with seats at San Fernando, Agoo, Bauang, and Balaoan;

"Two branches with seats thereat for the Province of Mountain Province, with seats at Bontoc; and

"Twenty-four branches with seats thereat for the Province of Pangasinan and the Cities of Dagupan City, Urdaneta, Villasis, Tayug, Rosales, Alaminos, Burgos, and San Carlos City."

Sec. 2. This Act shall take effect upon its approval.

Senator Romulo. This is a certified bill, Mr. President. I ask that we recognize the Sponsor, Senator Maceda.

The President. Senator Maceda is recognized.

SPONSORSHIP SPEECH OF SENATOR MACEDA

Senator Maceda. Mr. President, with the permission of the Chairman of the Committee on Justice, Senator Tañada, I rise to sponsor this bill because it happens to be in my hometown.