

SENATE

S. No. 2157

INTRODUCED BY SENATORS PIMENTEL JR., DRILON, TATAD,
GUINGONA JR., FLAVIER, JAWORSKI, OPLE, OSMEÑA III AND
SOTTO III

AN ACT AMENDING SECTION 450 OF REPUBLIC ACT NO.
7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991, BY INCREASING THE
AVERAGE ANNUAL INCOME REQUIREMENT FOR A
MUNICIPALITY OR CLUSTER OF BARANGAYS TO BE
CONVERTED INTO A COMPONENT CITY

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

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

"Section 450. *Requisites for Creation.* - (a) A
municipality or a cluster of barangays may be converted
into a component city if it has [an] A LOCALLY
GENERATED average annual income, as certified by the
Department of Finance, of at least [Twenty million pesos
(P20,000,000.00)] ONE HUNDRED MILLION PESOS
(P100,000,000.00) for the last two (2) consecutive years

based on [1991] 2000 constant prices, and if it has either
of the following requisites:

- (i) a contiguous territory of at least one hundred
(100) square kilometers, as certified by the
Lands Management Bureau; or
- (ii) a population of not less than one hundred fifty
thousand (150,000) inhabitants, as certified by
the National Statistics Office:

[*Provided, That, t*] The creation thereof shall not
reduce the land area, population, and income of the
original unit or units at the time of said creation to less
than the minimum requirements prescribed herein.

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

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

SEC. 2. *Repealing Clause.* - All laws, decrees, orders, rules and
regulations, and other issuances or parts thereof, which are
inconsistent with this Act, are hereby repealed or modified
accordingly.

- 1 SEC. 3. *Effectivity Clause.* - This Act shall take effect after
2 fifteen (15) days following its complete publication in at least two
3 (2) national newspapers of general circulation.

Approved,