

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:*

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

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

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

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

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

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

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

22 SEC. 2. *Repealing Clause.* - All laws, decrees, orders, rules and
23 regulations, and other issuances or parts thereof, which are
24 inconsistent with this Act, are hereby repealed or modified
25 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,