

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

House Bill No. 1151

HOUSE OF REPRESENTATIVES

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Introduced by **MAGDALO Party-List Representative**  
**HON. GARY C. ALEJANO**

**EXPLANATORY NOTE**

Section 450 of the Local Government Code provides for the conversion of a municipality or barangay into a component city. Section 450 of the Local Government Code as amended by Republic Act No. 9009 provides:

**“Section 450. Requisites for Creation:**

- (a) A municipality or a cluster of barangays may be converted into a component city if it has a locally generated average annual income, as certified by the Department of Finance, of at least One Hundred Million Pesos (P100,000,000) for the last two (2) consecutive years based on 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 Land Management Bureau, or;
  - (ii) a population of not less than one hundred fifty thousand (150,000) inhabitants, as certified by the National Statistics Office.

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.”

It can be noted however that there are some municipalities who are capable of providing much needed social services to their constituents. These municipalities even exceed other existing cities in the efficient delivery of services to their inhabitants. However, these municipalities are not eligible to be converted to a city due to their failure to comply with either the required number of population or land area. It is therefore unfair for the inhabitants of these municipalities that they are deprived of their rights to the benefits of cityhood and the opportunity to an increased social, economic, and political development.

This bill therefore seeks to amend Sec. 450 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, as amended by Republic Act No. 9009, to qualify a municipality which has a land area of at least fifty (50) square kilometers or inhabitants of at least twenty-five thousand (25,000) but generates a local income of at least two hundred twenty million pesos (P220,000,000.00) to be converted into a component city.

In view of the foregoing, the immediate approval of this bill is earnestly sought.

  
HON. GARY C. ALEJANO

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AN ACT

AMENDING SECTION 450 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AS AMENDED, ALLOWING THE CONVERSION OF A MUNICIPALITY WHICH HAS A LAND AREA OF AT LEAST FIFTY (50) SQUARE KILOMETERS OR INHABITANTS OF AT LEAST TWENTY FIVE THOUSAND (25,000) INTO A COMPONENT CITY IF IT HAS AN ANNUAL AVERAGE LOCALLY GENERATED INCOME OF AT LEAST TWO HUNDRED TWENTY MILLION PESOS (P220,000,000.00) FOR THE LAST TWO CONSECUTIVE YEARS BASED ON 2012 CONSTANT PRICES

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

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

4           "Sec. 450. Requisites for Creation. - (a) A municipality or a cluster of barangays may be  
5 converted into a component city if it has a locally generated average annual income, as certified  
6 by the Department of Finance, of at least One Hundred Million Pesos (100,000,000.00) for the  
7 last two (2) consecutive years based on 2000 constant prices, and if it has either of the following  
8 requisites:

9           (i) A contiguous territory of at least one hundred (100) square kilometers, as certified by  
10 the Land Management Bureau; or

11           (ii) A population of not less than one hundred fifty thousand (150,000) inhabitants, as  
12 certified by the National Statistics Office.

13           The creation thereof shall not reduce the land area, population and income of the original  
14 unit or units at the time of said creation to less than the minimum requirement prescribed herein.

1           **PROVIDED THAT, NOTWITHSTANDING THE FOREGOING, A**  
2           **MUNICIPALITY WHICH HAS AN AREA OF AT LEAST FIFTY (50) SQUARE**  
3           **KILOMETERS OR INHABITANTS OF AT LEAST TWENTY FIVE THOUSAND**  
4           **(25,000) MAY BE CONVERTED INTO A COMPONENT CITY IF IT HAS A LOCALLY**  
5           **GENERATED INCOME, AS CERTIFIED TO BY THE DEPARTMENT OF FINANCE,**  
6           **OF AT LEAST TWO HUNDRED TWENTY MILLION PESOS (P220,000,000.00) FOR**  
7           **THE LAST TWO CONSECUTIVE YEARS BASED ON THE 2012 CONSTANT**  
8           **PRICES.”**

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

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

15  
16          **SEC. 2.** If any provision of this Act shall be declared invalid or unconstitutional, the  
17          remaining part or provisions not otherwise affected shall remain in force.

18  
19          **SEC. 3.** Any law, decree, ordinance, administrative circulars not consistent with any  
20          provision of this Act is hereby amended, repealed or modified accordingly.

21  
22          **SEC. 4.** This Act shall take fifteen (15) days after its complete publication in the Official  
23          Gazette or in at least two (2) newspapers of general circulation.

Approved,