

Republic of the Philippines
REGIONAL LEGISLATIVE ASSEMBLY
Autonomous Region in Muslim Mindanao
Cotabato City

SECOND LEGISLATIVE ASSEMBLY
(FIRST REGULAR SESSION)

Begun and held in Cotabato City, the twenty-sixth day of April, Nineteen Hundred and Ninety Three.

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[MUSLIM MINDANAO AUTONOMY ACT NO. 25]

**“AN ACT PROVIDING FOR A LOCAL GOVERNMENT CODE OF THE AUTONOMOUS
REGION IN MUSLIM MINDANAO.”**

Be it enacted by the Regional Legislative Assembly in session assembled;

BOOK 1
TITLE ONE – BASIC PRINCIPLES

CHAPTER 1. *The Code Policy and Application.*

SECTION 1. Title. This Act shall be known and cited as the “LOCAL GOVERNMENT CODE OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO.”

Sec. 2. Declaration of Policy. - It is hereby declared the policy of the Regional Autonomous Government that the territorial and political subdivisions of the Autonomous Region in Muslim Mindanao shall enjoy a genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of regional goals. Towards this end, the Regional Autonomous Government shall adopt, after consultation, a policy on local autonomy whereby regional powers shall be devolved to local government units where appropriate and consistent with Republic Act No. 6734 and the Constitution in the manner provided for in this Code.

Sec. 3. Principles of Decentralization and Operation. - The formulation and implementation of policy on local autonomy shall be guided by the following principles:

(a) There shall be an effective proportionate allocation in the autonomous government and its different local government units of their respective powers, functions, responsibilities and resources;

(b) There shall be established in the autonomous government and its local government units an accountable, efficient, and dynamic organizational structure and operating mechanism that will meet the priority needs and service requirements of its communities;

(c) Subject to civil service law, rules and regulation, regional and local officials and employees paid wholly or mainly from local funds shall be appointed or removed, according to merit and fitness, by the appropriate appointing authority;

(d) The vesting of duty, responsibility and accountability in local government units shall be accompanied with provision for reasonably adequate resources to discharge their powers and effectively carry out their functions; hence, they shall have the power to create and broaden their own sources of revenue and the right to a just share in regional taxes and an equitable share in the proceeds of the utilization and development of the regional wealth within their respective areas;

(e) The Autonomous Region with respect to its component provinces, cities and municipalities, and cities and municipalities with respect to component barangays; shall ensure that the acts of their component units are within the scope of their prescribed powers and functions;

(f) Local government units in the autonomous region may group themselves consolidate or coordinate their efforts, services and resources for purposes commonly beneficial to them;

(g) The capabilities of local government units in the autonomous region, especially the municipalities and barangays, shall be enhanced by providing them with opportunities to participate actively in the implementation of regional programs and projects;

(h) There shall be a continuing mechanism to enhanced local autonomy not only through legislative enabling acts but also by administrative and organizational reforms to strengthen and upgrade the quality of regional leadership;

(i) Local government units shall share with the regional autonomous government the responsibility in the management and maintenance of ecological balance within their territorial jurisdiction, subject to the provisions of this Code and regional policies;

(j) The realization of local autonomy shall be facilitated through improved coordination of regional policies and programs and extension of adequate technical and material assistance to less developed and deserving local government units;

(k) The participation of the private sector in regional and local governance particularly in the delivery of basic services, shall be encourage to ensure the viability of local autonomy as an alternative strategy for sustainable development; and

(l) The regional autonomous government shall ensure that decentralization contributes to the continuing improvement of the performance of its local government units and the quality of community life.

Sec. 4. Scope of Application. – This Code shall apply to the regional autonomous government, or its provinces, cities, municipalities, barangays, and other political subdivisions as may be created by law, and to the extent herein provided, to officials, offices, or agencies therein.

Sec. 5. Rules of Interpretation. - In the interpretation of the provisions of this Code, the following rules shall apply:

(a) Any provision on the power of the autonomous government and its local government units shall be liberally interpreted in its favor, and in case of doubt, any question thereon shall be resolved in favor of devolution of powers and of the lower local government unit. Any fair and reasonable doubt as to the existence of the power shall be interpreted in favor of the local government unit concerned;

(b) In case of doubt, any tax law, ordinance or revenue measure shall be construed strictly against the autonomous government or local government unit enacting it, and liberally in favor of the taxpayer. Any tax exemption, incentive or relief granted by the autonomous region or any of its local government units pursuant to the provision of this Code shall be construed strictly against the person claiming it;

(c) The general welfare provisions in this code shall be liberally interpreted to give more powers to local government units in the autonomous region in accelerating economic development and upgrading the quality of life for the people in the community;

(d) Rights and obligations existing on the date of effectivity of this Code and arising out of contracts or any other source of prestation involving a local government unit shall be governed by the original terms and conditions of said contracts or the law in force at the time such rights were vested; and

(e) In the resolution of controversies arising under this Code where no legal provisions or jurisprudence applies, resort may be had to customs and traditions in the place where the controversies take place.

CHAPTER 2 – General Powers and Attributes of the Autonomous Region and its Local Government Units.

Sec. 6. Authority to Create Local Government. - Upon prior consultation with the local government unit or units concerned, the Regional Legislative Assembly may create, divide, merge, abolish or substantially alter boundaries of any municipality or barangay in accordance with the criteria laid down by existing laws subject to approval by a majority of the votes cast in plebiscite in the political units directly affected. It may also change the names of such local government units, public places and institutions.

Sec. 7. Creation and Conversion. - As a general rule, the creation of a local government unit or its conversion from one level to another level shall be based on verifiable indicators of viability and projected capacity to provide services, to wits:

(a) Income - It must be sufficient, based on standards provided for in this Code like essential government facilities and services and special functions commensurate with the size of its population as may be expected of the local government units concerned;

(b) Population - It shall be determined according to the minimum standards number of inhabitants within the territorial jurisdiction of the government unit concerned provided for in this Code; and

(c) Land Area – It must be contiguous, unless it comprises two or more islands or is separated by a local government unit independent of the others; properly identified by metes and bounds with technical descriptions; and sufficient to provide for such basic services and facilities to meet the requirements of its populace. Compliance with the foregoing indicators shall be attested to by the Department of Finance (DOF), the National Statistics Office (NSO), and the Lands Management Bureau (LMB) of the Department of Environment and Natural Resources (DENR), Autonomous Region in Muslim Mindanao.

Sec. 8. Division and Merger. – Division and merger of existing local government units in the autonomous region shall comply with the same requirements herein prescribed for their creation: Provided, however, That such division shall not reduce the income, population, or land area of the local government unit or units concerned to less than the minimum requirements prescribed in this Code: Provided, further, That the income classification of the original local government unit or units shall not fall below its current income classification prior to such division.

Sec. 9. Abolition of Local Government Units. – A local government unit may be abolished by the Regional Legislative Assembly when its income, population, or land area has been irreversibly reduced to less than the minimum standards prescribed for its creation in this Code, as certified by the national and regional agencies mentioned in Section 7 hereof. The law abolishing a local government unit shall specify the municipality or barangay with which the local government unit sought to be abolished will be incorporated or merged.

Sec. 10. Plebiscite Requirement. – No creation, division, merger, abolition, or substantial alteration of boundaries of local government units shall take effect unless approved by a majority of the votes cast in a plebiscite called for the purpose in the political unit or units directly affected. Said plebiscite shall be conducted by the Commission on Election (COMELEC) within one hundred twenty (120) days the date of effectivity of the law effecting such action, unless said law fixes another date.

Sec. 11. Selection and Transfer of Local Government Site, Offices and Facilities.
– (a) The law creating or merging local government units shall specify the seat of government from where governmental and corporate services shall be delivered. Provided, in selecting said site, factors relating to geographical centrality, accessibility, availability of transportation and communication facilities, drainage and sanitation, development and economic progress, and other relevant consideration shall be taken into account.

(b) When conditions and developments in the local government unit concerned have significantly changed subsequent to the establishment of the seat of government, its sanggunian may, after public hearing and by a vote of two-thirds (2/3) of all its members, transfer the same to a site better suited to its needs, Provided, however, That no such transfer shall be made outside the territorial boundaries of the local government unit concerned.

The old site, together with the improvements thereon, may be disposed of by sale or lease or converted to such other use as the sanggunian concerned may deem beneficial to the local government unit concerned and its inhabitants.

(c) Local government offices and facilities shall not be transferred, relocated or converted to other uses unless public hearings are first conducted for the purpose and the concurrence of the majority of the members of the sanggunian is obtained.

Sec. 12. Government Centers. – The autonomous government and its provinces, cities, and municipalities shall endeavor to establish a government center where offices, agencies, or branches of the national or regional autonomous government, local government units or government-owned or controlled corporation may, as far as practicable, be located. In designating such a center, the autonomous government and its local government units concerned shall take into account the existing facilities of national and local agencies and offices which may serve as the government center as contemplated under this Section. The national or regional government, local government unit or government-owned or controlled corporation concerned shall bear the expenses for the construction of its buildings and facilities in the government center.

Sec. 13. Beginning of Corporate Existence. – When a new local government unit is created, its corporate existence shall commence upon the election and qualification of its chief executive and a majority of the members of its sanggunian, unless some other time is fixed therefor by the law creating it.

Sec. 14. Basic Services and Facilities. – Local government units shall exercise such other powers, functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities.

Such basic services and facilities include, but are not limited to the following:

1. Agricultural support, extension and research services.
2. Health and social and services.
3. Infrastructure services.
4. Transportation and communication services.
5. Industrial research and development services.
6. Support for education, police and fire services and facilities.
7. Tourism development and promotion program.

The basic services and facilities hereinabove enumerated shall be funded from the share of local government units in the proceeds of regional taxes and other local revenues and funding support from the National Government, its instrumentalities and government owned or controlled corporations which are tasked by law to established and maintain such services or facilities.

Sec. 15. Power to Generate and Apply Resources. – The autonomous government and its local government units shall have the power and authority to establish an organization that shall be responsible for the efficient and effective implementation of their

development plans, programs, objectives and priorities, as well as to create own sources of revenue and levy taxes, fees and charges which shall accrue exclusively to their income for their use and disposition and which shall be retained by them. In addition thereto, they must have a just share in national/regional taxes which shall be automatically and directly released to them, including equitable share in the proceeds from utilization and development of all the national and regional wealth and resources within their respective jurisdictions sharing same with their inhabitants by direct benefits, and such other rights as to acquire, develop, lease, encumber, alienate, or otherwise dispose of real or personal property within their proprietary capacity and apply same as part of their resources for productive, developmental and/or welfare purposes towards their development into self-reliant communities.

Sec. 16. Eminent Domain. - Consistent with the Constitution and Republic Act No. 6734, the autonomous government and its local government units, may through the Regional Governor or its chief executive and acting pursuant to a law or ordinance, passed by the Regional Legislative Assembly or the sanggunian concerned, exercise the power of eminent domain for public use, or purpose, or welfare for the benefit of the poor and the landless, upon payment of just compensation, pursuant to the provisions of the Constitution and pertinent laws: Provided, however, that the power of eminent domain may not be exercised unless a valid and definite offer has been previously made to the owner, and such offer was not accepted: Provided, further, That the autonomous government and its local government units may immediately take possession of the property upon the filing of the expropriation proceedings and upon making a deposit with the proper court of at least fifteen percent (15%) of the fair market value of the property based on the current tax declaration of the property to be expropriated: Provided, finally, That, the amount to be paid for the expropriated property shall be determined by the proper court, based on the fair market value at the time of the taking of the property.

Sec. 17. Reclassification of Lands – (a) A city or municipality may, through an ordinance passed by the sanggunian after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (1) when the land ceases to be economically feasible and sound for agricultural purposes as determined by the Department of Agriculture or (2) where the land shall have substantially greater economic value for residential, commercial, or industrial purposes as determined by the sanggunian concerned: Provided, That such reclassification shall be limited to the following percentage of the total agricultural land area at the time of the passage of the ordinance:

- (1) For highly urbanized and independent component cities, fifteen percent (15%);
- (2) For component cities and first to third class municipalities, ten percent (10%) ;
and
- (3) For fourth to sixth class municipalities, five percent (5%): Provided, further, That agricultural lands distributed to agrarian reform beneficiaries pursuant to Republic Act Numbered Sixty-six hundred fifty-seven (RA 6657), otherwise known as “The Comprehensive Agrarian Reform Law”, shall not be affected by the said reclassification and the conversion of such lands into other purposes shall be governed by Section 65 of said Act.

(b) The Regional Governor may, when public interest requires and upon recommendation of the Regional Planning and Development Board, authorize a city or municipality to reclassify lands in excess of the limits set in the next preceding paragraph.

(c) The local government units shall, in conformity with existing laws, continue to prepare their respective comprehensive land use plans enacted through zoning ordinances which shall be the primary and dominant bases for the future use of land resources: Provided, That the requirements for food production, human settlements, and industrial expansion shall be taken into consideration in the preparation of such plans.

(d) Where approval by a national or regional agency is required for reclassification, such approval shall not be unreasonably withheld. Failure to act on a proper and complete application for reclassification within three (3) months from receipt of the same shall be deemed as approval thereof.

Sec.18. Closure and Opening of Roads - (a) A Local government unit in the autonomous region may, in pursuant to law or ordinance, permanently or temporarily close or open any local road, alley, park or square falling within its jurisdiction: Provided, however, That in case of permanent closure, such ordinance must be approved by at least two-thirds (2/3) of all the members of the sanggunian, and when necessary, an adequate substitute for the public facility that is subject to closure is provided.

(b) No such way or place or any part thereof shall be permanently closed without making provisions for the maintenance of public safety therein. A property thus permanently withdrawn from public use may be used or conveyed for any purpose for which other real property belonging to the local government unit concerned may be lawfully used or conveyed: Provided, however, That no freedom park shall be closed permanently without provision for its transfer or relocation to a new site.

(c) Any or local road , alley, park, or square may be temporarily closed during an actual emergency, or fiesta celebrations, public rallies, agricultural or industrial fairs, or an undertaking of public works and highways, telecommunications, and water works projects, the duration of which shall be specified by local chief executive concerned in a written order: Provided, however, That no national or local roads, alley, park, or square shall be temporarily closed for athletic, cultural, or civic activities not officially sponsored, recognized or approved by the local government unit concerned.

(d) Any city, municipality, or barangay may, by a duly enacted ordinance, temporarily close and regulate the use of any local street, roads, thoroughfare, or any other public place where shopping malls, Sunday flea or night market, or shopping areas may be established and where goods, merchandise, foodstuffs, commodities, or articles of commerce may be sold and dispensed to the general public.

Sec. 19. Corporate Powers. - (a) The autonomous government and its local government units, as a corporate body, shall have the following powers:

(1) To have continuous succession in its corporate name;

- (2) To sue and to be sued;
- (3) To have and use a corporate seal;
- (4) To acquire and convey real or personal property;
- (5) To enter into contract; and
- (6) To exercise such other powers as are granted to corporations, subject to the limitations provided in this Code and other laws.

(b) The autonomous government and its local government units may continue using, modify, or change their existing corporate seals: Provided, That newly established local government units or those without corporate seals may create their own corporate seals which shall be registered with the Department of the Interior and Local Government, ARMM,: Provided, further, That any change of corporate seal shall also be registered as provided herein.

(c) Unless otherwise provided in this Code, no contract may be entered into by the Regional Governor or local chief executive in behalf of the autonomous region or the local government unit without prior authorization by the Regional Legislative Assembly or sanggunian concerned, as the case may be. A legible copy of such contract shall be posted at a conspicuous place in the provincial capitol or the city, municipal or barangay hall. In the case of the regional autonomous government, such contract shall be published in a newspaper of regional circulation.

(d) The autonomous government and its local government units shall enjoy full autonomy in the exercise of their proprietary functions and in the management of their economic enterprises, subject to the limitations provided in RA 7160, this Code and other applicable laws.

Sec. 20. Authority to Negotiate and Secure Grants. – The Regional Governor or local chief executive may, upon authority of their respective legislative bodies, negotiate and secure financial grants or donations in kind, in support of the basic services or facilities enumerated under Section 14 hereof from local and foreign assistance agencies without the necessity of securing clearance or approval thereof from any department, agency, or office of the national government or from any higher local government unit: Provided, That projects financed by such grants or assistance with national security implications shall be approved by the national agency concerned: Provided, further, That when such national agency fails to act on the request for approval within thirty (30) days from receipt thereof, the same shall be deemed approved.

The Regional Governor or local chief executive shall, within thirty (30) days upon signing of such grant agreement or deed of donation, report the nature, amount, and terms of such assistance to the Regional Legislative Assembly (RLA), both Houses of Congress and the President.

Sec. 21. Liability for Damages. – Local Government units and their officials are not exempt from liability for death or injury to persons or damage to property.

CHAPTER 3 - Intergovernmental Relations

ARTICLE ONE. – Regional Autonomous Government and Local Government Units

Sec. 22. Regional Supervision over Local Government Units. - (a) Consistent with the basic policy on local autonomy, the Regional Governor shall exercise general supervision over local government units in accordance with Sec. 18 of Article VIII of RA 6734, to ensure that their acts are within scope of their prescribed powers and functions.

The Regional governor shall exercise supervision, through the Secretary of the Regional Department of Interior and Local Government, over provinces, highly urbanized cities and independent component cities, through the province with respect to component cities and municipalities; and through the city and municipality with respect to the barangays.

(b) National agencies and offices with project implementation functions shall coordinate with one another and with the local government units concerned in the discharge of these functions. They shall ensure the participation of local government units in the planning and implementation of said national and regional projects.

(c) The Regional Governor may, upon representation of the local government unit concerned request the appropriate national/regional agency to provide financial, technical, or other forms of assistance to the local government unit. Such assistance shall be extended at no extra cost to the local government unit concerned.

(d) National and regional agencies and offices including government-owned or controlled corporations with field units or branches in a province, city or municipality shall furnish the local chief executive concerned, for his information and guidance, monthly reports including duly certified budgetary allocations and expenditures.

Sec. 23. Maintenance of Ecological Balance. - It shall be the duty of every national and regional agency or government- owned or controlled corporation authorizing or involved in the planning and implementation of any project or program that may cause pollution, climatic-change, depletion of non-renewable resources, loss of cropland, rangeland, or forest cover, and extinction of animal or plant species, to consult with the local government units, non-governmental organization, and other sectors concerned and explain the goals and objectives of the project or programs, its impact upon the people and the community in terms of environmental and ecological balance, and the measure that will be undertaken to prevent or minimize the adverse effects thereof.

Sec. 24. Prior Consultations Required. - No project or program shall be implemented by government authorities, unless the consultation mentioned in this Code are complied with, and prior approval of the sanggunian concerned is obtained: Provided, That occupants in areas where such projects are to be implemented shall not be evicted unless appropriate relocation sites have been provided in accordance with the provisions of the Constitution and R.A. No. 6734.

ARTICLE TWO – Relations with the Philippine National Police

Sec. 25. Powers of Local Chief Executive over the units of the Philippine National Police. - The extent of operational supervision and control of local chief executives over the police force, fire protection unit, and jail management personnel assigned in their respective jurisdiction shall be governed by a Regional Police Act, as may be enacted by the Regional Assembly, pursuant to Article XIV of RA 6734, and rules and regulation issued pursuant thereto.

ARTICLE THREE – *Regional and Local Government Relations*

Sec. 26. Regional/Provincial Relations with Component Cities and Municipalities. - The Regional Governor, through the provincial governor of the province concerned, shall ensure that every component city and municipality within its territorial jurisdiction acts within the scope of its prescribed powers and functions. Highly urbanized cities and independent component cities shall be independent of the province; Provided, that the Regional Secretary of the Department of Interior and Local Government shall promulgate the necessary implementing rules and regulations on the observance of this intergovernmental relations.

Sec. 27. Review of Executive Orders. - (a) Except as otherwise provided under the Constitution and special statutes, the Regional Governor shall review all executive orders promulgated by all provincial governors. The provincial governor shall review all executive orders promulgated by the city or municipal mayors within his jurisdiction. The city or municipal mayor shall review all executive orders promulgated by the punong barangay within his jurisdiction. Copies of such orders shall be forwarded to the provincial governor or the city or municipal mayor, as the case may be, within ten (10) days from their issuance. In all instances of review, the regional or local chief executive concerned shall ensure that such executive orders are within the powers granted by law and in conformity with provincial, city, or municipal ordinances.

(b) If the Regional Governor or the provincial governor or the city or the municipal mayor fails to act on said executive orders within thirty (30) days upon receipt thereof, the same shall be deemed consistent with law and therefore valid.

CHAPTER 4. Relation with People’s and Non-governmental Organizations

Sec. 28. Role of People’s and Non-governmental Organizations. - Regional or local government units shall promote the establishment and operation of people’s and non-governmental organizations to become active partners in the pursuit of local autonomy.

Sec. 29. Linkages with People’s and Non-governmental Organizations. - Regional or local government units may enter into joint ventures and such other cooperative arrangement with people’s and non-governmental organization to engage in the delivery of certain basic services, capability and livelihood projects, and to develop local enterprises designed to improve productivity and income, diversify agriculture, spur rural industrialization, promote ecological balance and enhance the economic and social well-being of the people.

Sec. 30. Assistance to People's and Non-governmental Organization. – Regional or local government units may, through its regional or local chief executive and with the concurrence of their respective legislative bodies, provide assistance, financial or otherwise to such people's and non-governmental organizations for economic, socially oriented, environmental or cultural projects to be implemented within its territorial jurisdiction.

CHAPTER 5 – Local Prequalification, Bid and Awards Committee

Sec. 31. Local Prequalification, Bid and Awards Committee (Local PBAC). – (a) There is hereby created a prequalification, bids and awards committee in every province, city, and municipality, which shall be primarily responsible for the conduct of prequalification of contactors, bidding, evaluation of bids, and the recommendation of awards concerning local infrastructure projects. The provincial governor or the city or municipal mayor shall act as the chairman with the following as members:

- (1) The chairman of the appropriations committee of the sanggunian concerned;
- (2) A representative of the minority party in the sanggunian concerned, if any, or if there be none, one (1) chosen by said sanggunian from among its members;
- (3) The local treasurer;
- (4) Two (2) representative of non-governmental organizations that are represented in the local development council concerned to be chosen by the organizations themselves; and
- (5) Any practicing certified public accountant from the private sector, to be designated by the local chapter of the Philippine Institute of Certified Public Accountants, if any.

Representative of the Commission on Audit shall certify that the rules and procedures for prequalification, bids and awards have been complied with.

(b) The agenda and other information relevant to the meetings of such committee shall be deliberated upon by the committee at least one (1) week before the holding of such meetings.

(c) All meetings of the committee shall be held in the provincial capitol or the city or municipal hall. The minute of such meeting of the committee and any decision made therein shall be duly recorded, posted at a prominent place in the provincial capitol or the city or municipal hall, and delivered by the most expedient means to elective local officials concerned.

Sec. 32. Local Technical Committee. – (a) There is hereby created a local technical committee in every province, city and municipality to provide technical assistance to the local prequalification, bids and awards committees. It shall be composed of the provincial, city or municipal engineer, the local planning and development coordinator and such other officials designated by the local prequalification, bids and awards committee.

(b) The chairman of the local technical committee shall be designated by the local prequalification, bids and awards committee and shall attend its meeting in order to present the reports and recommendations of the local technical committee.

TITLE TWO – ELECTIVE OFFICIALS

CHAPTER 1. Qualifications and Election

Sec. 33 Qualifications. – (a) An elective local official must be a citizen of the Philippines; a registered voter in the barangay, municipality, city, or province or, in the case of a member of the sangguniang panglalawigan, sanggunian panlungsod, or sanggunian bayan, the district where he intends to be elected; a resident therein for at least one (1) immediately preceding the day of the elections; and able to read and write Filipino or any other local language or dialect.

(b) Candidates for the position of governor, vice-governor or member of the sangguniang panlalawigan, or mayor, vice-mayor or member of the sangguniang panlungsod of highly urbanized cities must be at least twenty-three (23) years of age on election day.

(c) Candidates for the position of mayor or vice-mayor of independent component cities, component cities, or municipalities must be at least twenty-one (21) years of age on election day.

(d) Candidates for the position of member of the sangguniang panglungsod or sangguniang bayan must be at least eighteen (18) years of age on election day.

(e) Candidates for the position of punong barangay or member of the sangguniang barangay must be at least eighteen (18) years of age on election day.

(f) Candidates for the sangguniang kabataan must be at least fifteen (15) years of age but not more than twenty-one (21) years of age on election day.

(g) Candidates for the positions of Regional Governor and Regional Vice Governor must be a natural born citizen of the Philippines; a registered voter of the Autonomous Region; able to read and write; at least thirty-five (35) years of age on the day of election; and a resident of the Autonomous Region for at least five (5) years immediately preceding the election.

(h) Candidates for the position of Regional Assemblyman must be a natural born citizen of the Philippines; at least twenty-one (21) years of age on the day of the election; able to read and write; a registered voter of the district in which he shall be elected on the day he files his certificate of candidacy; and a resident thereof for a period of not less than five (5) years immediately preceding the day of the election.

Sec. 34. Disqualification. – The following persons are disqualified from running for any elective local position:

- (a) Those sentenced by final judgment for an offense involving moral turpitude or for an offense punishable by one (1) year or more of imprisonment, within two (2) years after serving sentence;
- (b) Those removed from office as a result of an administrative case;
- (c) Those convicted by final judgment for violating the oath of allegiance to the republic;
- (d) Those with dual citizenship;
- (e) Fugitive from justice in criminal or non-political cases here or abroad;
- (f) Permanent residents in a foreign country or those who have acquired the right to reside abroad and continue to avail of the same right after the effectivity of this Code; and
- (g) The insane or feeble-minded.

Sec. 35. Manner of Election. - (a) The Regional Governor and Regional Vice-Governor shall be elected by a direct vote of the people of the Autonomous Region.

(b) A Regional Assemblyman shall be elected by a direct vote of the people of the legislative/congressional district where he intends to be elected.

(c) The provincial governor, provincial vice-governor, city mayor, city vice-mayor, municipal mayor, municipal vice-mayor, and punong barangay shall be elected at large in their respective units by the qualified voters therein. However, the sangguniang kabataan chairman for each barangay shall be elected by the registered voters of the katipunan ng kabataan, as provided in the Code. The regular members of the sangguniang panlalawigan, sangguniang panlungsod, and sangguniang bayan shall be elected at large. The president of the leagues of sanggunian members of component cities, municipalities and pederasyon ng mga sangguniang kabataan elected by their respective chapters, as provided in this Code, shall serve as ex-officio members of the sangguniang panlalawigan, sangguniang panlungsod and sangguniang bayan.

(d) In addition thereto, there shall be one (1) sectoral representative from the women, one (1) from the workers, and one (1) from any of the following sectors; the urban poor, indigenous cultural communities, disabled persons or any other sector as may be determined by the sangguniang concerned within ninety (90) days prior to the holding of the next local elections, as may be provided for by law. The Comelec shall promulgate the rules and regulations to effectively provide for the election of such sectoral representatives.

Sec. 36. Date of Election. - Unless otherwise provide by law, the elections of regional officials shall be held every three (3) years on the Second Monday of February; while, elections for local officials shall be held every three (3) years on the second Monday of May.

Sec. 37. Term of Office. - (a) The term of office of the Regional Governor, Regional Vice Governor and the members of the Regional Legislative Assembly shall be for a period of three (3) years which shall begin at noon on the 31st day of March next following the day of their election and shall end at noon of the same day three (3) years thereafter.

(b) No Regional Governor or Regional Vice Governor shall serve for more than two (2) consecutive terms, while members of the Regional Legislative Assembly shall not serve for more than three (3) consecutive terms. Voluntary renunciation of or removal from office for any length of time shall not be considered an interruption in the continuity of his service for the full term for which he was elected.

(c) The term of office of all local elected officials shall be three (3) years starting from noon of June 30, following the day of their elections or such date may be provided for by law, except that of elective barangay officials.

(d) No local elective official shall serve more than three (3) consecutive terms in the same position. Voluntary renunciation of the office for any length of time shall not be considered as an interruption in the continuity of service for the full term for which the elective official concerned was elected.

(e) The term of office of barangay officials and members of the sangguniang kabataan shall be for three (3) years, which shall begin after the regular election of barangay officials on the second Monday of May 1994.

CHAPTER 2 – Vacancies and Succession.

Sec. 38. Vacancies. – In case of death, permanent disability, removal from office, or resignation of the Regional Governor, the Regional Vice Governor shall become the Regional Governor to serve the unexpired term. In case of death, permanent disability, removal from office, or the resignation of both the Regional Governor and the Regional Vice Governor, the Speaker of the Regional Legislative Assembly shall act as Governor until the Governor and Vice Governor are elected and qualified in a special election called for the purposed: Provided, That upon assumption as Acting Governor, the Speaker of the Regional Legislative Assembly shall temporarily vacate his position as such and an interim Speaker shall be elected: Provided, Further, That upon the election and assumption of office of the new Regional Governor, the Speaker shall reassume his office. No special election shall be called to fill a vacancy occurring within one (1) year immediately preceding the next regular election.

In case of vacancy in the Regional Legislative Assembly occurring at least one (1) year before the expiration of the term of office, a special election shall be called to fill the vacancy in the manner prescribed by a regional law: Provided, That the member elected shall serve only for the unexpired term.

Sec. 39. Permanent Vacancies in the Offices of the Provincial Governor, Provincial Vice-Governor, City/Municipal Mayor, Vice-Mayor and Punong Barangay. –

(a) If a permanent vacancy occurs in the office of the governor or mayor, the vice-governor or vice-mayor concerned shall become the governor or mayor. If a permanent vacancy occurs in the offices of the governor, vice-governor, mayor, or vice-mayor, the highest

ranking sangguniang member or, in case of his permanent inability, the second highest ranking sangguniang member, shall become the governor, vice-governor, mayor or vice-mayor, as the case may be. Subsequent vacancies in the said office shall be filled automatically by the other members according to their ranking as defined herein.

(b) If a permanent vacancy occurs in the office of the punong barangay, the highest ranking sangguniang barangay member or, in case of his permanent inability, the second highest ranking sangguniang member, shall become the punong barangay.

(c) A tie between or among the highest ranking sangguniang members shall be resolved by the drawing of lots.

(d) The successors as defined herein shall serve only the unexpired terms of their predecessors.

For purpose of this Chapter, a permanent vacancy arises when an elective local officials fills a higher vacant office, refuses to assume office, fails to qualify, dies, is removed from office, voluntarily resigns or is otherwise permanently incapacitated to discharge the functions of his office.

For purposes of succession as provided in this Chapter, ranking in the sangguniang shall be determined on the basis of the proportion of votes obtained by each winning candidate to the total number of registered voters in each district in the immediately preceding local election.

Sec. 40. Permanent Vacancies in the Sanggunian.- (a) Permanent vacancies in the sanggunian where automatic successions provided above do not apply shall be filled by appointment in the following manner:

- (1) The Regional Governor, in the case of the sangguniang panlalawigan, and the sangguniang panlungsod of highly urbanized cities and independent component cities, and component cities;
- (2) The provincial governor, in case of sangguniang bayan; and
- (3) The city or municipal mayor, in the case of the sangguniang barangay, upon recommendation of the sangguniang barangay concerned.

(b) Except for the sangguniang barangay, only the nominee of the political party under which the sangguniang member concerned had been elected and whose elevation to the position next higher in rank created the last vacancy in the sanggunian shall be appointed in the manner hereinabove provided. The appointee shall come from the same political party as that of the sanggunian member who caused the vacancy and shall serve the unexpired term of the vacant office. In the appointment herein mentioned, a nomination and a certificate of membership of the appointee from the highest official of the political party concerned are conditions sine qua non, and any appointment without such nomination and certification shall be null and void ab initio and shall be a ground for administrative action against the official responsible therefor.

(c) In case the permanent vacancy is caused by a sanggunian member who does not belong to any political party, the local chief executive shall, upon recommendation of the sanggunian concerned, appoint a qualified person to fill the vacancy.

(d) In case of vacancy in the representation of the youth and the barangay in the sanggunian, said vacancy shall be filled automatically by the official next in rank of the organization concerned.

Sec. 41. Temporary Vacancy in the Office of the Regional and Local Chief Executive. – (a) In case of temporary incapacity of the Regional Governor to perform his duties on account of physical or legal causes, or when he is on official leave of absence or on travel outside the territorial jurisdiction of the Republic of the Philippines, the Regional Vice Governor, or if there be none or in case of his permanent or temporary incapacity or refusal to assume office, the Speaker of the Regional Assembly shall exercise the powers, duties and functions of the Regional Governor.

(b) When the provincial governor, city or municipal mayor, or punong barangay is temporarily incapacitated to perform his duties for physical or legal reasons such as, but not limited to leave of absence, travel abroad and suspension from office, the provincial vice-governor, city or municipal vice-mayor, or the highest ranking sangguniang barangay member shall automatically exercise the powers and perform the duties and functions of the local chief executive concerned, except the power to appoint, suspend or dismiss employees which can only be exercised if the period of temporary incapacity exceeds thirty (30) working days.

(c) Said temporary incapacity shall terminate upon submission to the appropriate sanggunian of a written declaration by the local chief executive concerned that he has reported back to office. In case where the temporary incapacity is due to legal causes, the local chief executive concerned shall also submit necessary documents showing that said legal causes no longer exist.

(d) When the incumbent local chief executive is traveling within the country but outside his territorial jurisdiction for a period not exceeding three (3) consecutive days, he may designate in writing the officer-in-charge of the said office. Such authorization shall specify the powers and functions that the local official concerned shall exercise in the absence of the said local chief executive except the power to appoint, suspend or dismiss employees.

(e) In the event, however, that the local chief executive concerned fails or refuses to issue such authorization the provincial vice-governor, the city or municipal vice-mayor, or the highest ranking sangguniang bayan member, as the case may be, shall have the right to assume the powers, duties, and functions of the said office on the fourth (4th) day of absence of the said local chief executive, subject to the limitations provided in subsection (d) hereof.

(f) Except as provided above, the local chief executive shall in no case authorize any local official to assume the powers, duties and functions of the office, other than the vice-governor, the city or municipal vice-mayor, or the highest ranking sangguniang barangay member, as the case may be.

Sec. 42. Approval of leaves of Absence.- (a) Leave of absence of local elective officials shall be approved as follows:

- (1) Leaves of absence of the provincial governor and the mayor of a highest urbanized city or an independent component city shall be approved by regional Governor or his duly authorized representative;
- (2) Leaves of absence of a provincial vice-governor or a city or a municipal vice-mayor shall be approved by the local chief executive concerned: Provided, that the leaves of absence of the members of the sanggunian and its employees shall be approved by the provincial vice-governor or city or municipal vice-mayor concerned;
- (3) Leaves of absence of component city or municipal mayor shall be approved by the provincial governor; and
- (4) Leaves of absence of a punong barangay shall be approved by the city or municipal mayor. Provided, that leaves of absence of sanggunian barangay members shall be approved by the punong barangay.

(b) Whenever the application for leave of absence hereinabove specified not acted upon within five (5) working days after receipt thereof, the application for leave of absence shall be deemed approved.

CHAPTER 3 – Local Legislation

Sec. 43. Legislation power. – Regional and local legislative power shall be exercised by the Regional Legislative assembly for the Autonomous Region; the sangguniang panglalawigan for the province; the sangguniang panglungsod for the city; the sangguniang bayan for the municipality; and the sangguniang barangay for the barangay.

Sec. 44. Presiding Officer. – (a) The Speaker shall be the presiding officer of the Regional Legislative Assembly. The Presiding Officer shall vote only break a tie.

(b) The vice-governor shall be the presiding officer of the sangguniang panlalawigan; the city vice-mayor, of the sangguniang panlungsod; the municipal vice-mayor, of the sangguniang bayan; and the punong barangay, of the sangguniang barangay. The presiding officer shall vote only to break a tie.

(c) In the event of the inability of the regular presiding officer to preside at a sangguniang session, the members present and constituting a quorum shall elect from among themselves a temporary presiding officer. He shall certify within ten (10) days from the passage of ordinance enacted and resolutions adopted by the sanggunian in session over which he temporarily presided.

Sec. 45. Internal Rules of Procedure. – (a) The Regional Legislative Assembly shall adopt its own rules of procedure by a majority vote of all its members including the

selection of members of its standing committees and the suspension or expulsion of its members.

(b) On the first regular session following the election of its members and within ninety (90) days thereafter, the sangguniang concerned shall adopt or update its existing rules of procedure shall provide for the following:

- (1) The organization of the sangguniang and the election of its officers as well the creation of standing committees which shall include, but shall not be limited to, the committees on appropriation, women and family, human rights, youth and sports development, environmental protection, and cooperatives; the general jurisdiction of each committee; and the election of the chairman and members of each committee;
- (2) The order and calendar of business for each session;
- (3) The legislative process;
- (4) The parliamentary procedures which include the conduct of members during sessions;
- (5) The discipline of members for disorderly behavior and absences without justifiable cause for four (40 consecutive sessions, for which they may be censured, reprimanded from the session, suspended for not more than sixty (60) days, or expelled: Provided, That the penalty of suspension or expulsion shall require the concurrence of at least two-third (2/3) vote of all the sangguniang members. Provided, further, That a member convicted by final judgment to imprisonment of at least one (1) year for any crime involving moral turpitude shall be automatically expelled from the sanggunian; and
- (6) Such other rules as the sangguniang may adopt.

Sec. 46. Full Disclosure of Financial and Business Interests of the Members of the Regional Legislative Assembly and the Sanggunian.- (a) Every member of the Regional Assembly shall, upon their assumption of office, make a full disclosure of their financial and business interest, including those of their spouses and unmarried children under eighteen (18) years of age living in their household.

(b) Every sangguniang member shall, upon assumption to office, make a full disclosure of his business and financial interest. He shall also disclose any business, financial, or professional relationship or any relation by affinity or consanguinity within the fourth civil degree, which he may have with any person, firm or entity affected by any ordinance or resolution under consideration by the sanggunian of which he is a member, which relationship may result in conflict of interest. Such relationship shall include:

- (1) Ownership of stock or capital, or investment, in the entity or firm to which the ordinance or resolution may apply: and

- (2) Contracts or agreements with any person or entity which the ordinance or resolution under consideration may affect.

In the absence of a specific constitutional or statutory provision applicable to this situation, "CONFLICT OF INTEREST" refers in general to one where it may be reasonably deduced that a member of a sanggunian may not act in the public interest due to some private, pecuniary, or other personal considerations that may tend to affect his judgment to the prejudice of the service or the public.

(c) The disclosure required under this Act shall be made in writing and submitted to the secretary of the sanggunian or the secretary of the committee of which he is a member. The disclosure shall, in all cases, form part of the record of the proceedings and shall be made in the following manner:

- (1) Disclosure shall be made before the member participates in the deliberations on the ordinance or resolution under consideration: Provided, That if the member did not participate during the deliberations, the disclosure shall be made before voting on the ordinance or resolution on second and third readings; and
- (2) Disclosure shall be made when a member takes a position or makes a privilege speech on a matter that may affect the business interest, financial connection, or professional relationship described herein.

Sec. 47. Sessions.- (a) Except as provided by its rules, the Regional Assembly shall meet in open session. Regular sessions shall commence on the fourth Monday of April and shall continue to be in session for such number of days as may be determined by the Assembly until thirty (30) day before the opening of its next regular session, exclusive of Saturdays, Sundays and legal holidays.

(b) The Regional Assembly shall meet in special sessions at the request of one-third (1/3) of all its members or by call of the Regional Governor. Such special session must be convened with a specific agenda.

(c) On the first day of the session immediately following the election of its members, the sanggunian shall, by the resolution, fix the day, time, and place of its regular sessions. The minimum number of regular session shall be once a week for the sangguniang panlalawigan, sangguniang panlungsod, and sanggunian bayan, and twice a month for the sangguniang barangay.

(d) When public interest so demands, special sessions may be called by the local chief executive or by a majority of the members of the sanggunian.

(e) All sanggunian session shall be open to the public unless a close-door session is ordered by an affirmative vote of a majority of the members present, there being a quorum, in the public interest or for reasons of security, decency or morality. No two (2) sessions, regular or special, may be held in a single day.

(f) In the case of special sessions of the sanggunian, a written notice to the members shall be served personally at the members usual place of residence at least twenty-four

(24) hours before the special session is held. Unless otherwise concurred in by two-thirds (2/3) vote of the sanggunian members present, there being a quorum, no other matters may be considered at a special session except those stated in the notice.

(g) Each sanggunian shall keep a journal and record of its proceedings which may be published upon resolution of the sanggunian concerned.

Sec. 48. Quorum. - (a) A majority of all members of the Regional Assembly shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent members in such manner, and under such penalties, as the Assembly may provide.

(b) A majority of all the members of the sanggunian who have been elected and qualified shall constitute a quorum to transact official business. Should a question of quorum be raised during a session, the presiding officer shall immediately proceed to call the roll of members and thereafter announce the results.

(c) Where there is no quorum, the presiding officer may declare a recess until such time as a quorum is constituted, or a majority of the members present may adjourn from day to day and may compel the immediate attendance of any member absent without justifiable cause by designating a member of the sanggunian, to be assisted by a member or members of the police force assigned in the territorial jurisdiction of the local government unit concerned, to arrest the absent member and present him at the session.

(d) If there is still no quorum despite the enforcement of the immediately preceding subsection, no business shall be transacted. The presiding officer, upon proper motion duly approved by the members present, shall then declare the session adjourned for lack of quorum.

Sec. 49. Approval of Laws and Ordinances. - (a) No bill shall become a law of regional application unless it has passed three (3) readings on separate days and printed copies thereof in its final form had been distributed to its members three (3) day before its passage, except when the Regional Governor certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

(b) Every bill passed by the Regional Assembly shall, before it becomes a law, be presented to the Regional Governor. If he approves the same, he shall sign it; otherwise, if the bill contains ultra vires provisions, or if he finds it objectionable on policy grounds, or both, he shall veto it and return it with objections to the Regional Assembly, which shall enter the objection at large in its journal and proceed to reconsider it. If, after such reconsideration, two-thirds (2/3) of all the members of the Regional Assembly shall agree to pass the bill, it shall become a law. In all such cases, the vote shall be determined by yeas or nays, and the names of the members voting for or against shall be entered in the journal. The Regional Governor shall communicate his veto of any bill to the Regional Assembly within thirty (30) days after the date of receipt thereof; otherwise it shall become a law as if he had signed it.

(c) Every ordinance enacted by the sangguniang panlalawigan, sangguniang panlungsod, or sangguniang bayan shall be presented to the provincial governor or city or

municipal mayor, as the case may be. If the local chief executive concerned approves the same, he shall affix his signature on each and every page thereof; otherwise, he shall veto it and return the same with his objections to the sanggunian, which may proceed to reconsider the same. The sanggunian concerned may override the veto of the local chief executive by two-thirds (2/3) vote of all its members, thereby making the local ordinance or resolution effective for all legal intents and purposes.

(d) The veto shall be communicated by the local chief executive concerned to the sanggunian within fifteen (15) days in the case of a province, and ten (10) days in the case of a city or a municipality; otherwise, the ordinance shall be deemed approved as if he had signed it.

(e) Ordinance enacted by the sangguniang barangay shall, upon approval by the majority of all its members, be signed by the punong barangay.

Sec. 50. Veto Power of the Local Chief Executive. - (a) The local chief executive may veto any ordinance of the sangguniang panlalawigan, sangguniang panlungsod, or sangguniang bayan on the ground that it is ultra vires or prejudicial to the public welfare, stating his reasons therefor in writing.

(b) The local chief executive, except the punong barangay, shall have the power to veto any particular item or items of an appropriations ordinance, an ordinance or resolution adopting a local development plan and public investment program, or an ordinance directing the payment of money or creating liability. In such a case, the veto shall not affect the item or items which are not objected to. The vetoed item or items shall not take effect unless the sanggunian overrides the veto in the manner herein provided; otherwise, the item or items in the appropriations ordinance of the previous year corresponding to those vetoed, if any, shall be deemed re-enacted.

(c) The local chief executive may veto an ordinance or resolution only once. The sanggunian may override the veto of the local chief executive concerned by two-thirds (2/3) vote of all its members, thereby making the ordinance effective even without the approval of the local chief executive concerned.

Sec. 51. Review of Component City and Municipal Ordinances or Resolutions by the Sangguniang Panlalawigan. - (a) Within three (3) days after approval, the secretary to the sangguniang panlungsod or sangguniang bayan shall forward to the sangguniang panlalawigan for review, copies of approved ordinance and the resolutions approving the local development plans and public investments programs formulated by the local development councils.

(b) Within thirty (30) days after receipt of copies of such ordinances and resolutions, the sangguniang panlalawigan shall examine the documents or transmit them to the provincial attorney, or if there be none, to the provincial prosecutor for prompt examination. The provincial prosecutor shall, within a period of ten (10) days from receipt of the documents, inform the sangguniang panlalawigan in writing of his comments or recommendations, which may be considered by the sangguniang panlalawigan in making its decision.

(c) If the sangguniang panlalawigan finds that such an ordinance or resolution is beyond the power conferred upon the sangguniang panlungsod or sangguniang bayan concerned, it shall declare such ordinance or resolution invalid in whole or in part. The sangguniang panlalawigan shall enter its action in the minutes and shall advise the corresponding city or municipal authorities of the action it has taken.

(d) If no action has been taken by the sangguniang panlalawigan within thirty (30) days after submission of such an ordinance or resolution, the same shall be presumed consistent with law and therefore valid.

Sec. 52. Review of Barangay Ordinances by the Sangguniang Panlungsod or Sangguniang Bayan. - (a) Within ten (10) days after its enactment, the sangguniang barangay shall furnish copies of all barangay ordinances to the sangguniang panlungsod or sangguniang bayan concerned for review as to whether the ordinance is consistent with law and city or municipal ordinances .

(b) If the sangguniang panlungsod or sangguniang bayan, as the case may be, fails to take action on barangay ordinances within thirty (30) days from receipt thereof, the same shall be deemed approved.

(c) If the sangguniang panlungsod or sangguniang bayan, as the case may be, finds the barangay ordinances inconsistent with law or city or municipal ordinances, the sanggunian concerned shall, within thirty (30) days from receipt thereof, return the same with its comments and recommendation to the sangguniang barangay concerned for adjustment, amendment, or modification; in which case, the effectivity, of the barangay ordinances is suspended until such time as the revision called for is effected.

Sec. 53. Enforcement of Disapproved Ordinances or Resolution.- Any attempt to enforce any ordinance or any resolution approving the local development plan and public investment program after the disapproval thereof, shall be sufficient ground for the suspension or dismissal of the official or employee concerned.

Sec. 54. Effectivity of Ordinance or Resolutions. - (a) Unless otherwise stated in the ordinance or the resolution approving the local development plan and public investment program, the same shall take effect after ten (10) days from the date a copy thereof is posted in a bulletin board at the entrance of the provincial capitol or city, municipal or barangay hall, as the case may be , and in at least two (2) other conspicuous places in the local government unit concerned.

(b) The secretary to the sanggunian concerned shall cause the posting of an ordinance or resolution in the bulletin board at the entrance of the provincial capitol and the city, municipal, or barangay hall in at least two (2) conspicuous place the local government unit concerned not later than five (5) days after approval thereof.

The text of the ordinance or resolution shall be disseminated and posts in Pilipino or English and in the language or dialect understood by the majority of the people in the local government unit concerned, and the secretary to the sanggunian shall record such fact in a book kept for the purpose, starting the dates of approval and posting.

(c) The gist of all ordinances with penal sanction shall be published in a newspaper of regional circulation within the province where the local legislative body concerned belongs. In the absence of any newspaper of regional circulation within the province, posting of such ordinances shall be made in all municipalities and cities of the province where the sanggunian of origin is situated.

(d) In the case of highly urbanized and independent component cities, the main features of the ordinance or resolution duly enacted or adopted shall, in addition to being posted, be published in a local newspaper of regional circulation within the city: Provided, That in the absence thereof, the ordinance or resolution shall be published in any newspaper of regional circulation.

CHAPTER 4. – *Disciplinary Actions*

Sec. 55. Grounds for Disciplinary Actions. - An elective local official may be disciplined, suspended, or removed from office on any of the following grounds:

- (a) Disloyalty to the Republic of the Philippines;
- (b) Culpable violation of the Constitution, Republic Act No. 6734; treason, bribery, graft and corruption, other high crimes and betrayal of public trust;
- (c) Dishonesty, oppression, misconduct in office, gross negligence, or dereliction of duty;
- (d) Commission of any offense involving moral turpitude or an offense punishable by at least prison mayor;
- (e) Abuse of Authority;
- (f) Unauthorized absence for fifteen (15) consecutive working days, except in the case of members of the sangguniang panlalawigan, sangguniang panlungsod, sangguniang bayan, and sangguniang barangay;
- (g) Application for, or acquisition of foreign citizenship or residence or the of an immigrant of another country;
- (h) Any violation of this Code; and
- (i) Such other grounds as may be provided in this Code and other laws. An Elective local official may be removed from office on the ground enumerated above by order of the proper court.

Sec. 56. Form and Filing of Administrative Complaints. - A verified complaints against any erring local elective official shall be prepared as follows.

- (a) A complaint against any elective official of a province, a highly urbanized city, an independent component city or components city shall be filed before Office of the Regional Governor whose decision is final and executory.

(b) A complaint against any elective official of a municipality shall be filed before the sangguniang panlalawigan whose decision may be appealed to the Office of the Regional Governor whose decision is final and executory.

(c) A complaint against any elective barangay official shall be filed before the sangguniang panlungsod or sangguniang bayan concerned whose decision is appealable to the saanggunian panlalawigan and the decision of the latter shall be final and executory.

Sec. 57. Notice of Hearing. – (a) Within seven (7) days after the administrative complaint is filed, the Office of the Regional Governor or the sanggunian concerned, as the case may be, shall require the respondent to submit his verified answer within fifteen (15) days from receipt thereof, and commence the investigation of the case within ten (10) days after receipt of such answer of the respondent.

(b) When the respondent is an elective officials of a province or high urbanized city, such hearing and investigation shall be conducted in the place where he renders or holds office. For all other local elective officials, the venue shall be the place where the sanggunian concerned is located.

(c) However, no investigation shall be held within ninety (90) days immediately prior to any local election, and no preventive suspension shall be imposed the said period. If preventive suspension has been imposed prior to the 90-day period immediately preceding local election, it shall be deemed automatically upon the start of aforesaid period.

Sec. 58. Preventive Suspension.- (a) Preventive suspension may be imposed:

- (1) By the Regional Governor, if the respondent is an elective official of a province, a highly urbanized or an independent component city;
- (2) By the provincial governor, if the respondent is an elective official of a component city or municipality; or
- (3) By the mayor, if the respondent is an elective official of the barangay.

(b) Preventive suspension may be imposed at any time after the issues are joined, when the evidence of guilt is strong, and given the gravity of the offense, there is great probability that the continuance in office of the respondent could influence the witness or pose a threat to the safety and integrity of the records and other evidence: Provided: That, any single preventive suspension of local elective official shall not extend beyond sixty (60) days: Provided, Further, That in the event that several administrative cases are filed against an elective official, he cannot be preventively suspended for more that ninety (90) days within a single year on the same ground or grounds existing and known at the time of the first suspension.

(c) Upon expiration of the preventive suspension, the suspended elective official shall be deemed reinstated in office without prejudice to the continuation of the proceeding against him, which shall be terminated within one hundred twenty (120) days from the time he was formally notified of the case against him. However, if the delay in the

proceedings of the case is due to his fault, neglect, or request, other than the appeal duly filed, the duration of such delay shall not be counted in computing the time of termination of the case.

(d) Any abuse of the exercise of the power of preventive suspension shall be penalized as abuse of authority.

Sec. 59. Salary of Respondent Pending Suspension.- The respondent official preventively suspended from office shall receive no salary or compensation during such suspension, but upon subsequent exoneration and reinstatement, he shall be paid full salary or compensation including such emoluments accruing during such suspensions, subject to availability of funds, auditing and accounting rules and regulations.

Sec. 60. Rights of Respondent. – The respondent shall be accorded full opportunity to appear and defend himself in person or by counsel to confront and cross-examine the witnesses against him, and to require the attendance of witnesses and the production of documentary evidence in his favor through the compulsory process of subpoena or subpoena duces tecum.

Sec. 61. Form and Notes of Decision. – (a) The investigation of the case shall be terminated within ninety (90) days from the start thereof. Within thirty (30) days after the end of the investigation, the Office of the Regional Governor or the sanggunian concerned shall render a decision in writing stating clearly and distinctly the facts and the reasons for such decision. Copies of said decision shall immediately be furnished the respondent and all interested parties.

(b) The penalty of suspension shall not exceed the unexpired term of the respondent or a period of six (6) months for every administrative offense, nor shall said penalty be a bar to the candidacy of the respondent so suspended as long as he meets the qualification required for the office.

(c) The penalty of removal from office as a result of an administrative investigation shall be considered a bar to the candidacy of the respondents for any elective position.

Sec. 62. Administrative Appeals. - Decision in administrative cases may within thirty (30) days from receipt thereof, be appealed to the following:

(a) The Office of the Regional Governor, in the case of decision of the sangguniang panlalawigan and the sangguniang panlungsod of highly urbanized cities and independent component cities. The decision of the Office of the Regional Governor shall be final and executory.

(b) The sangguniang panlalawigan, in the case of decisions of the sangguniang panlungsod of component cities and the sangguniang bayan ; and

(c) The appealed decision shall be decided within thirty (30) days after it is submitted for resolution.

Sec. 63. Executive Pending Appeal. – An appeal filed on time shall not prevent a decision from becoming final or executory. The respondent shall be considered as having been placed under preventive suspension during the pendency of an appeal in the event he wins such appeal. In the event the appeal results in an exoneration, he shall be paid his salary and such other emoluments during the pendency of the appeal subject to availability of funds, auditing and accounting rules and regulations.

CHAPTER 5 -*Recall*

Sec. 64. Recall of Regional Officials. - The Regional Governor or the Regional Vice Governor may be recalled in accordance with the procedures and systems as may be prescribed or promulgated by the Regional Legislative Assembly.

Sec. 65. By Whom Exercised. – The power of recall for loss of confidence shall be exercised by the registered voters of a local government unit to which the local elective official subject to such recall belongs.

Sec. 66. Initiation of the Recall Process. – (a) Recall may be initiated by a preparatory recall assembly or by the registered voters of the local government units to which the local elective official subject to such recall belongs.

(b) There shall be preparatory recall assembly in every province, city, district, and municipality which shall be composed of the following:

- (1) Provincial level. - All mayors, vice-mayors, and sanggunian members of the municipality and component cities;
- (2) City Level. - All punong barangays and sangguniang barangay members in the city;
- (3) Legislative District Level. - In cases where the sangguniang panlalawigan members are elected by district, all elective municipal officials in the district; and in cases where sangguniang panlungsod members are elected by district all elective barangay officials in the district ; and
- (4) Municipal level. - All punong barangay and sangguniang barangay members in the municipality.

(c) A majority of all the preparatory recall assembly members may convene in session in a public place and initiate a recall proceeding against any elective official in the local government unit concerned. Recall of provincial, city or municipal officials shall be validly initiated through a resolution adopted by a majority of all the members of the preparatory recall assembly concerned during its session called for the purpose.

(d) Recall of any elective provincial, city, municipal, or barangay official may also be validity initiated upon petition of at least twenty-five percent (25%) of the total number or registered voters in the local government unit concerned during the election in which the local official sought to be recalled was elected.

- (1) A written petition for recall duly signed before the election registrar or his representative, and in the presence of a representative of the petitioner and a representative of the official sought to be recalled, and in a public place in the province, city, municipality, or barangay, as the case may be, shall be filed with the COMELEC through its office in the local government unit concerned. The COMELEC or its duly authorized representative shall cause the publication of the petition in a public and conspicuous place for a period of not less than ten (10) days nor more than twenty (20) days, for the purpose of verifying the authenticity and genuineness of the petition and the required percentage of voters.
- (2) Upon the lapse of the aforesaid period, the COMELEC or its duly authorized representative shall announce the acceptance of candidates to the position and thereafter prepare the list of candidates which shall include the name of the official sought to be recalled.

Sec. 67. Election on Recall. - Upon the filing of a valid resolution or petition for recall with the appropriate local office of the COMELEC, the Commission or its duly authorized representative shall set the date of the election on recall, which shall not be later than thirty (30) days after the filing of the resolution or petition for recall in the case of the barangay, city, or municipal official, and forty-five (45) days in the case of provincial officials. The official or officials sought to be recalled shall automatically be considered as duly registered candidate or candidates to the pertinent positions and, like other candidates, shall be entitled to be voted upon.

Sec. 68. Effectively of Recall. - The recall of an elective local officials shall be effective only upon the election and proclamation of a successor in the person of the candidate receiving the highest number of votes cast during the election on recall. Should the official sought to be recalled receive the highest number of votes, confidence in him is hereby affirmed, and he shall continue in office.

Sec. 69. Prohibition from Resignation. - The elective local official sought to be recalled shall not be allowed to resign while the recall process is in progress.

Sec. 70. Limitation on Recall. - (a) Any elective local official may be the subject of a recall election only once during his term of office for loss of confidence.

(b) No recall shall take place within one (1) year from the date of the official's assumption to office or one (1) year immediately preceding a regular local election.

Sec. 71. Expenses Incident to recall Elections. - All expenses incident to recall elections shall be borne by the COMELEC. For this purpose, there shall be included in the annual General Appropriations Act a contingency fund at the disposal of the COMELEC for the conduct of recall elections.

TITLE THREE. HUMAN RESOURCE AND DEVELOPMENT

Sec. 72. Organizational Structure and Staffing Pattern. - Every regional or local government unit shall design and implement its own organizational structure and staffing

pattern taking into consideration its service requirements and financial capability, subject to the minimum standards and guidelines prescribed by the Civil Service Commission.

Sec. 73. Responsibility for Human Resources and Development. - The chief executive of the regional autonomous government regional or local government unit shall be responsible for human resources and development in his unit and shall take all personnel actions in accordance with the Constitutional provisions in civil service, pertinent law, and rules and regulations thereon, including such policies, guidelines and standards as the Civil Service Commission may establish: Provided, That the local chief executive may employ emergency or casual employees or laborers paid on a daily wage or piecework basis and hired through job orders for local projects authorized by the sanggunian concerned, without need of approval or attestation by the Civil Service Commission: Provided, further, That the period of employment of emergency or casual laborers as provided in this Section shall not exceed six (6) months.

Sec. 74. Civil Service Law, Rules and Regulations and Other Related Issuance. - All matters pertinent to human resources and development in the regional or local government units shall be governed by the civil service law and such rules and regulations and other issuances promulgated pursuant thereto, unless otherwise specified in this Code.

Sec. 75. Limitation on Appointment. - No person shall be appointed in the career service of the regional or local government if he is related within the fourth civil degree of consanguinity or affinity to the appointing or recommending authority.

Sec. 76. Public Notice of Vacancy; Personnel Selection Board. - (a) Whenever a regional or local chief executive decides to fill a vacant career position, there shall be posted notice of the vacancy in at least three (3) conspicuous public places in the regional or local government unit concerned for a period of not less than fifteen (15) days.

(b) There shall be established in the Autonomous Region and its provinces, city municipality a personnel selection board to assist the regional or local chief executive in the judicious and objective selection of personnel for employment as well as for promotion, and in the formulation of such policies as would contribute to employee welfare.

(c) The personnel selection board shall be headed by the regional or local chief executive, and its members shall be determined by resolution of their respective legislative bodies. A representative of the civil Service Commission, if any, and the Personnel Officer of the regional and local government unit concerned shall be ex-officio members of the board.

Sec. 77. Compensation of Local Officials and Employees. - The compensation of local officials and employees shall be determined by the sanggunian concerned: Provided, That the increase in compensation of elective local officials shall take effect only after the terms of office of those approving such increase shall have expired: Provided, further, That the increase in compensation of the appointive official and employees shall take effect as provided in the ordinance authorizing such increase: Provided, however, That said increase shall not exceed the limitations on budgetary allocations for personal services under Title Five, Book II of this Code: Provided, finally, that such compensation may be based upon the pertinent provisions of Republic Act Numbered Sixty-seven fifty eight (R.A. No. 6758), otherwise known as the "Compensation and Position Classification Act of 1989."

The punong barangays, the sangguniang barangay members, the sangguniang kabataan chairman, the barangay treasurer, and the barangay secretary shall be entitled to such compensation, allowances, emoluments, and such compensation, allowances, under Title One, Book III in this Code. Elective local officials shall be entitled to the same leave privileges as those enjoyed by appointive local officials, including the cumulation and commutation thereof.

Sec. 78. Resignation of Elective Regional and Local Officials. - (a) Resignations by elective regional and local officials shall be deemed effective only upon acceptance by the following authorities:

- (1) The President in the case of the regional governor, and the regional vice governor; the regional governor in the case of the provincial governor, provincial vice-governor and mayors and vice-mayors of highly urbanized cities and independent component cities,
- (2) The Speaker of the Regional Legislative Assembly in the case of the Assemblymen;
- (3) The provincial governor, in the case of municipal mayors, municipal vice-mayors and city mayor and city vice-mayors of component cities;
- (4) The sangguniang concerned, in the case of sanggunian members ; and
- (5) The city or municipal mayors, in the case of barangay officials.

(b) Copies of the resignation letters of elective regional or local officials, together with the action taken by the aforesaid authorities, shall be furnished the Regional Department of the Interior and Local Government.

(c) The resignation shall be deemed accepted if not acted upon by the authority concerned within fifteen (15) working days for receipt thereof.

(d) Irrevocable resignations by members of the Regional Assembly and the sanggunian members shall be deemed accepted upon presentation before an open session at their respective legislative bodies. Provided, however, that this subsection does not apply to members of the Assembly and sanggunian member who are subject to recall elections or to cases where existing laws prescribed the manner of acting upon such resignations.

Sec. 79. Grievance Procedure. - In every regional or local government unit, the regional or local chief executive shall establish a procedure to inquire into, act upon, resolve or settle complains and grievance presented by their employees.

Sec. 80. Administrative Discipline. - Investigation and adjudication of administrative complaints against appointive regional or local official and employees as well as their suspension and removal shall be in accordance with the civil service law and rules and other pertinent laws. The results of such administrative investigations shall be reported to the Civil Service Commission.

Sec. 81. Preventive Suspension of Appointive Regional Local Official and Employees. - (a) The regional or local chief executive may preventively suspend for a period not exceeding sixty (60) days any subordinate official or employee under his authority pending investigation if the charges against such official or employee involves dishonesty, oppression or grave misconduct or neglect in the performance of duty, or if there is reason to believe that the respondent is guilty of the charges which would warrants his removal from the service.

(b) Upon expiration of the preventive suspension, the suspended official or employee shall be automatically reinstated in office without prejudice to the continuation of the administrative proceeding against him until its termination. If the delay in the proceedings of the cases is due to the fault, neglect or request of the respondent, the time of the delay shall not be counted in computing the period of suspension herein provided.

Sec. 82. Administrative Investigation. - In any regional or local government unit, administrative investigation may be conducted by a person or a committee duly authorized by the regional or local chief executive. Said person or committee shall conduct hearings on the cases brought against appointive officials or employees and submit their findings and recommendations to the regional or local chief executive concerned within fifteen (15) days from the conclusion of the hearings. The administrative cases herein mentioned shall be decided within ninety (90) days from the time the respondent is formally notified of the charges.

Sec. 83. Disciplinary Jurisdiction.- Except as otherwise provided by law the regional or local chief executive may impose the penalty of removal from service demotion in rank, suspension for not more than one (1) year without pay, fine in an amount not exceeding six (6) months salary or reprimand and otherwise discipline subordinate officials and employees under his jurisdiction . If penalty imposed is suspension without pay for not more than thirty (30) days, the decision shall be appealable to the Civil Service Commission, which shall decide the appeal within thirty (30) days from receipt thereof.

Sec. 84. Execution Pending Appeal. - An appeal shall not prevent the execution of a decision of removal or suspension of a respondent-appellant. In case the respondent-appellant is exonerated, he shall be reinstated to his position with all the rights and privileges appurtenant thereto from the time he had been deprived thereof.

Sec. 85 . Prohibited Business and Pecuniary Interest. - (a) It shall be unlawful for any regional or local government official or employees, directly or indirectly, to:

- (1) Engage in any business transaction with the regional or local government unit in which he is an official or employee or over which he has the power of supervision, or with any of its authorized boards, official, agents, or attorneys, whereby money is to be paid, or property or any other thing of value is to be transferred, directly or indirectly out of the resources of the regional or local government unit to such person or firm;
- (2) Hold such interest in any cockpit or other games licensed by a local government unit;

- (3) Purchase any real estate or other property forfeited in favor of such regional or local government unit for unpaid taxes or assessment, or by virtue of a legal process at the instance of the said regional or local government unit;
- (4) Be a surety for any person contracting or doing business with the regional or local government unit for which a surety is required ; and
- (5) Possess or use any public property of the regional or local government unit for private purposes.

(b) All other prohibitions governing the conduct of national public officers relating to prohibited business and pecuniary interest so provided for under Republic Act Numbered Sixty-seven thirteen (RA 6713) otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees" and other laws shall also be applicable to regional and local government officials and employees.

Sec. 86. Practice of profession. - (a) The regional Governor , the Regional Vice Governor and the members of the Regional Legislative Assembly shall not, during their tenure, directly or indirectly practice any other profession, or personally appear as counsels before courts of justice or quasi-judicial and other administrative bodies, where the adverse party is the Regional Autonomous Government.

(b) All provincial governors, city and municipal mayors are prohibited from practicing their profession or engaging in any occupation other than the exercise of their function as local chief executive.

(c) Sanggunian governor may practice their professions, engage in any occupation, or teach in schools except during session hours: Provided, That sanggunian members who are also members of the Bar shall not :

- (1) Appear as counsel before any court in any civil case wherein a local government unit or any office, agency , or instrumentality of the government is the adverse party;
- (2) Appear as counsel in any criminal case wherein an officer or employee of the regional or local government is accused of an offense committed in relation to his office;
- (3) Collect any fee their appearance in administrative proceeding involving the local government unit of which he is an official; and
- (4) Use property and personnel of the government except when the sanggunian member concerned is defending the interest of the government.

(d) Doctors of medicine may practice their profession even during official hours of work only on occasions or emergency: Provided that the officials concerned do not derive monetary compensation therefrom.

Sec. 87. Statement of Assets and Liabilities. - (a) Officials and employees of regional or local government units shall file sworn statement of assets, liabilities and networth, lists of relatives within the fourth civil degree of consanguinity or affinity in government service, financial and business interests, and personnel data sheets as required by law.

Sec. 88. Oath of Office. - (a) All elective and appointive regional or local official and employees shall, upon assumption to office, subscribe to an oath or affirmation of office in the prescribed form. The oath or affirmation of office shall be filed with the office of the regional or local chief executive concerned. A copy of the oath or affirmation of office of all elective and appointive regional or local officials and employees shall be preserved in the individual personal records file under the custody of the personnel office, division, or section of the regional or local government unit concerned.

Sec. 89. Partisan Political Activity. - No regional or local official or employee in the career civil service shall engage directly or indirectly in any partisan political activity or take part in any election, initiative, referendum, plebiscite, or recall, except to vote, nor shall he use his official authority or influence to cause the performance of any political activity by any person or body. He may, however, express his views on current issues, or mention the names of certain candidates for public office whom he supports. Elective regional or local officials may take part in partisan political and electoral activities, but it shall be unlawful for them to solicit contributions from their subordinates or subject these subordinates to any of the prohibited acts under the Omnibus Election Code.

Sec. 90. Appointment of Elective and Appointive Regional or Local Officials; Candidates who Lost in an Election. - (a) No elective or appointive regional or local officials shall be eligible for appointment or designation in any capacity to any other public office or position during his tenure. Unless otherwise allowed by law or by the primary functions of his position, no elective or appointive regional or local official shall hold any other office or employment in the government or any subdivision, agency or instrumentality thereof, including government or any subdivision, agency or instrumentality thereof, including government-owner controlled corporations or their subsidiaries.

(b) Except for losing candidates in barangay elections, no candidate who lost in any election shall within one (1) year after such election, be appointed to any office in the government or any government-owned or controlled corporations or in any of their subsidiaries.

Sec. 91. Additional or Double Compensation. - No elective or appointive regional or local official or employee shall receive additional, double, or indirect compensation, unless specifically authorized by law, not accept without the consent of the Regional Legislative Assembly, any present, emoluments, office, or title of any kind from any foreign government. Pensions or gratuities shall not be considered as additional, double, or indirect compensation.

Sec. 92. Permission to Leave Station. - (a) Regional, provincial, city, municipal, and barangay appointive officials going on official travel shall apply and secure written permission from their respective regional or local chief executive before departure. The

application shall specify the reasons for such travel, and the permission shall be given or withheld based on considerations of public interest, financial capability of the regional or local government unit concerned and urgency of the travel. Should the regional or local chief executive concerned fail to act upon such application within four (4) working days from receipt thereof, it shall be deemed approved.

(b) Mayors of component cities and municipalities shall secure the permission of the provincial governor concerned for any travel outside the province.

(c) Regional and local government officials traveling abroad shall notify their respective legislative bodies: Provided, that when the period of travel extends to more than three (3) months, during periods of emergency or crisis or when the travel involves the use of public funds, permission from the Office of the President shall be secured upon endorsement of their respective chief executives through the Regional Governor.

(d) Field officers of national agencies or offices assigned in provinces, cities, and municipalities shall not leave their official stations without giving prior written notice to the local chief executive concerned. Such notice shall state the duration of travel and the name of the officer whom he shall designate to act for and in his behalf during his absence.

Sec. 93. Annual Report.- On or before March 31 of each year, every local chief executive shall submit an annual report to the sanggunian on the socio-economic, political, peace and order conditions, and other matters concerning the local government unit, which shall cover the immediate preceding calendar year. A copy of the report shall be forwarded to the Office of the Regional Governor through the Department of the Interior and Local Government, ARMM. Component cities and municipalities shall likewise provide the sangguniang panlalawigan copies of their respective annual reports.

TITLE FOUR – LOCAL SCHOOL BOARDS

Sec. 94. Creation, Compositions, and Compensation. – (a) There shall be established in every province, city, or municipality a provincial, city, or municipal school board, respectively.

(b) The composition of local school boards shall be as follows:

(1) The provincial school board shall be composed of the provincial governor and the division superintendent of schools as co-chairmen; the chairman of the education committee of the sangguniang panlalawigan, the provincial treasurer, the representative of the pederasyon ng mga sangguniang kabataan in the sangguniang panlalawigan, the duly elected president of the provincial organizations in the province, and duly elected representative of the non-academic personnel of public schools in the province, as members;

(2) The city school board shall be composed of the city mayor and city superintendent of the school as co-chairmen; the chairman of the education committee of the sangguniang panlungsod, the city treasurer, the representative of the pederasyon ng mga sangguniang kabataan in the sangguniang panlungsod, the duly elected president of the city federation of parents-teachers associations, the duly elected representative of the

teacher's organizations in the city , and the duly elected representative of the non-academic personnel of public schools in the city, as members; and

(3) The municipal school board shall be composed of the municipal mayor, and the district supervisor of schools as co-chairmen; the chairman of the education committee of the sangguniang bayan, the municipal treasurer, the representative of the pederasyon ng mga sangguniang kabataan in the sangguniang bayan, duly elected president of the municipal federation of parents-teachers associations, the duly elected representative of the teacher's organizations in the municipality, and the duly elected representative of the non-academic personnel of public schools in the municipality as members.

(c) In the event that a province or city has two (2) or more school superintendents and in the event that a municipality has two (2) or more district supervisors, the co-chairman of the local school board shall be determined as follows:

(1) The Department of Education, Culture and Sports , ARMM shall designate the co-chairman for the provincial and city school boards; and

(2) The division superintendent of schools shall designate the district supervision who shall serve as co-chairman of the municipal school board,

(d) The performance of the duties and responsibilities of the abovementioned officials in their respective local boards shall not be delegated.

Sec. 95. Functions of Local School Boards. - The provincial, city, or municipal school board shall;

(a) Determine, in accordance with the criteria set by the Department of Education, Culture and Sports, ARMM, the annual supplementary budgetary needs for the operation and maintenance of public schools within the province, city or municipality, as the case may be, and supplementary local cost of meeting such needs, which shall be reflected in the form of an annual school board budget corresponding to its share of the proceeds of the special levy on real property constituting the Special Education Fund and such other sources of revenue as this Code and other laws or ordinance may provide;

(b) Authorize the provincial, city or municipal treasurer, as the case may be, to disburse funds from the Special Education Fund pursuant to the budget prepared and in accordance with existing rules and regulations;

(c) Serve as an advisory committee to the sanggunian concerned on educational matters such as, but not limited to, the necessity for and the uses of local appropriations for educational purposes; and

(d) Recommend changes in the names of public schools within the territorial jurisdiction of the local government unit for enactment by the sanggunian concerned.

The Department of Education, Culture and Sports, ARMM, shall consult the school board on the appointment of division superintendent, district supervisor, school principals, and other school officials.

Sec. 96. Meetings and Quorum; Budget.- (a) The local school board shall meet at least once a month or as often as may be necessary.

(b) Any of the co-chairmen may call a meeting. A majority of all its members shall constitute a quorum. However, when both co-chairmen are present in a meeting, the local chief executive concerned, as a matter of protocol, shall be given preference to preside over the meeting. The division superintendent or district supervisor, as the case may be, shall prepare the budget of the school board concerned. Such budget shall be supported by programs, projects, and activities of the school board for the ensuing fiscal year. The affirmative vote of the majority of all the members shall be necessary to approve the budget.

(c) The annual school board budget shall give priority to the following:

- (1) Construction, repair, and maintenance of school buildings and other facilities of public elementary and secondary schools;
- (2) Establishment and maintenance of extension classes where necessary ; and
- (3) Sports activities at the division, district, municipal, and barangay levels,

Sec. 97. Compensation and Remuneration. - The co-chairmen and members of the provincial, city or municipal school board shall perform and duties as such without compensation or remuneration. Members thereof who are not government officials or employees shall be entitled to necessary traveling expenses and allowances chargeable against the funds of the local school board concerned, subject to existing accounting and auditing rules and regulations.

TITLE FIVE - LOCAL HEALTH BOARDS

Sec. 98 Creation and Composition. - (a) There shall be established a local health board in every province, city, or municipality. The composition of the local health boards shall be as follows:

- (1) The provincial health board shall be headed by the provincial governor as chairman, the provincial health officer as vice-chairman, and the chairman of the committee on health of the sangguniang panlalawigan, a representative from the private sector or non-governmental organizations involved in health services, and a representative of the Department of Health in the province , as members;
- (2) The city health board shall be headed by the city mayor as chairman , the city health officer as vice-chairman , and the chairman of the committee on health of the sangguniang panlungsod, a representative from private sector or non-governmental organization involved in health services and representative of the Department of Health in the city, as members ; and
- (3) The municipal health board shall be headed by the municipal mayor chairman , the municipal health officer as vice-chairman , and the chairman of the committee on health of the sangguniang bayan, a representative from the

private sector of non-governmental organization involved in health services, and a representative of the Department of Health municipality, as members.

(b) The functions of the local health board shall be:

- (1) To propose to the sanggunian concerned, accordance with standards and criteria set by the Department of Health, annual budgetary allocations for the operation and maintenance of health facilities and services within the municipality, city or province, as the case may be;
- (2) To serve an advisory committee to the sanggunian concerned on health matters such as, but not limited to, the necessity for, and application of local appropriations for public health purposes; and application of local appropriation for public health purposes; and
- (3) Consistent with the technical and administrative standards of the Department of Health, create committee which shall advise local health agencies on matters such as, but not limited to, personnel discipline, budget review and similar functions.

Sec. 99. Meetings and Quorum. - (a) The Board shall meet at least once a month or often as maybe necessary.

(b) A majority of the members of the board shall constitute a quorum but the chairman or the vice-chairman must be present during meetings where budgetary proposal are being prepared or considered. The affirmative vote of all the majority of the members shall be necessary to approve such proposals.

Sec. 100. Compensation and Remuneration. - The chairman, vie-chairman, and members of the provincial, city or municipal health board shall perform their duties as such without compensation or remuneration. Members thereof who are government officials or employees shall be entitled to necessary traveling expenses and allowances chargeable against the funds of the local health board concerned subject to existing accounting and auditing rules and regulations.

Sec. 101. Direct Regional Supervision and Control by Regional Health Secretary. - In cases of epidemic , pestilence, and other widespread public health dangers, the regional secretary of health may , upon the direction of the Regional Governor and in consultation with the local government unit concerned, temporarily assume direct supervision and control over health operations in any local government unit for the duration of the emergency, but in no case exceeding a cumulative period of six (6) months. With the concurrence of the local government unit concerned, the period for such direct regional control and supervision may be further extended.

TITLE SIX. REGIONAL PLANNING AND DEVELOPMENT BOARD AND LOCAL DEVELOPMENT COUNCILS

Sec. 102. Regional Planning and Development Board. - (a) The regional autonomous government shall have a comprehensive multi-sectoral development plan to

be initiated by the Regional Planning and Development Board and approved by the Regional Legislative Assembly. For this purpose, the Board shall identify, evaluate, and recommend the annual work programs and development plans of the Autonomous Region in accordance with regional needs.

Sec. 103. Composition of the Regional Planning and Development Board. – The RPDB shall be composed of the following:

- (a) The Regional Governor as ex-officio chairman;
- (b) All provincial governor and city mayors;
- (c) Seven (7) members of the Regional Legislative Assembly to be designated by the Speaker;
- (d) Representatives from the professional; youth and religious sectors.

Sec. 104. Functions of the Regional Planning and Development Board. – The Regional Planning and Development Board shall exercise the following powers and functions:

- (a) Formulate long-term, medium-term, and annual socio-economic development plans and policies;
- (b) Formulate medium-term and annual public investment program;
- (c) Monitor and asses the programs of project implementation in the Autonomous Region;
- (d) Perform such other functions as may be provided by law or competent authority.

Sec. 105. Meetings and Quorum. – The Board shall meet at least once every quarter, at such time, place and date as maybe determined and fixed by the Board. Special meetings may be called by the ex-officio chairman or at the request of the majority of the members of the Board.

A majority of the members of the board shall constitute a quorum to do business.

Sec. 106. Technical Staff. – In the discharge of its duties and functions, the Board shall be assisted by a technical office as its secretariat which shall be called as the Regional Planning and Development Office.

The Regional Planning and Development Office, as the technical arm of the Regional Planning and Development Board, shall have the following functions, powers, and responsibilities:

- (a) Evaluate and review proposed programs and projects for consideration by the Regional Planning and Development Board;

(b) Provide technical assistance to implementing agencies in the autonomous region in identifying and developing regional programs and projects;

(c) Coordinate with the regional office of other departments and agencies, and assists the local government units in the region in the performance of their assigned task; and

(d) Perform such other appropriate tasks as may be assigned by the Regional Planning and Development Board and other competent authorities.

Sec. 107. Local Development Councils. - (a) Each local government unit shall have a comprehensive multi sectoral development plan to be initiated by its development council and approved by its sanggunian. For this purpose, the development council at the province, city, municipal, or barangay level, shall assist the corresponding sanggunian in setting the direction of economic and social development, and coordinating development efforts within its territorial jurisdiction.

Sec. 108. Composition of Local Development Council. - The composition of the local development council shall be as follows:

(a) The barangay development council shall be headed by the punong barangay and shall be composed of the following members:

- (1) Members of the sangguniang barangay;
- (2) Representatives of non-governmental organizations and people's organization operating in the barangay, who shall constitute not less than one fourth (1/4) of the members of the fully organized councils and accredited by the sangguniang concerned;
- (3) The assemblymen or their representatives; and
- (4) A representative of the congressman.

(b) The city or municipal development council shall be headed by the mayor and shall be composed of the following members:

- (1) The chairman of the Committee on appropriations of the sangguniang panlungsod or sangguniang bayan concerned;
- (2) The chairman of the Committee on appropriations of the sangguniang panlungsod or sangguniang bayan concerned;
- (3) The congressman or his representatives;
- (4) The assemblyman or their representatives; and

(5) Representatives of non-governmental organizations or people's organizations in the city or municipality, as the case may be, who shall constitute not less than one-fourth of the members of the fully organized council.

(c) The Provincial Development Council shall be headed by the Provincial Governor and shall be composed of the following members:

(1) All mayors of component cities and municipalities;

(2) Chairman of Committee on Appropriations of the Sangguniang Panlalawigan;

(3) The congressman or his representative;

(4) The assemblymen or their respective representatives; and

(5) Representatives of non-government organizations, or people's organization duly accredited by the sangguniang panlalawigan who shall constitute not less than one-fourth (1/4) of the members of the fully organized council.

(d) The local development councils may call upon any local officials concerned or any official of national agencies or offices in the local government unit to assist in the formulation of their respective development plans and public investment programs.

Sec. 109. Representation of Non-government Organizations. – Within a period of sixty (60) days from the start of organization of local development councils the non-governmental organizations shall choose from among themselves their representatives to said councils. The local sanggunian concerned shall accredit non-governmental organizations subject to such criteria as may be provided by Law.

Sec. 110. Functions of Local Development Councils. – (a) The provincial, city, and municipal development councils shall exercise the following functions:

(1) Formulate long-term, medium-term, and annual socio-economic development plans and policies;

(2) Formulate the medium-term and annual public investment programs;

(3) Appraise and prioritize socio-economic development programs and projects;

(4) Formulate local investment incentives to promote the inflow and direction of private investment capital;

(5) Coordinate, monitor, and evaluate the implementation of development programs and projects;

(6) Perform such other function as may be provided by law or competent authority.

(b) The barangay development council shall exercise the following functions:

- (1) Mobilize people's participation in local development efforts;
- (2) Prepare barangay development plans based on local requirements;
- (3) Monitor and evaluate the implementation of national or local programs and projects; and
- (4) Perform such other functions as may be provided by law or competent authority.

Sec. 111. Meetings and Quorum. - The local development council shall meet at least once every six (6) months or as often as may be necessary.

Sec. 112. Executive Committee. - (a) Each local government council shall create an executive committee to represent it and act in its behalf when it is not in session. The composition of the executive committee shall be as follows:

- (1) The executive committee of the provincial development council shall be composed of the provincial governor as chairman, the representative of component city and municipal mayors to be chosen from among themselves, the chairman of the committee on appropriations of the sangguniang panlalawigan, the president of the provincial league of barangay, and a representative of non-governmental organizations that are represented in the council, as members;
- (2) The executive committee of the city of municipal development council shall be composed of the mayor as chairman, the chairman of the committee on appropriations of the sangguniang panlalawigan, the president of the city or municipal league barangays, and a representative of non-governmental organizations that are represented in the council, as members; and
- (3) The executive committee of the barangay development council shall be composed of the punong barangay as chairman, representative of the sangguniang barangay to be chosen from non-governmental organizations that are represented in the council, as members.

(b) The executive committee shall exercise the following powers and functions:

- (1) Ensure that the decision of the council are faithfully carried out and implemented;
- (2) Act on matters requiring immediate attention or action by the council;
- (3) Formulate policies, plans, and programs based on the general principles laid by the council; and
- (4) Act on other matters that may be authorized by the council.

Sec. 113. Sectoral or Functional Committees. - The local development councils may form sectoral or functional committees to assist them in the performance of their functions.

Sec. 114. Secretariat. – There is hereby constituted for each local development council a secretariat which shall be responsible for providing technical support, documentation of proceedings, preparation of reports and such others assistance as may be required in the discharge of its functions. The local development council may avail of the services of any non-governmental organization or education or research institution for this purpose.

The secretariat of the provincial, city, and municipal development councils shall be headed by their respective planning and development coordinators. The secretariat of the barangay development council shall be headed by the barangay secretary who shall be assisted by the city or municipal planning and development coordinator concerned.

Sec. 115. Relation of Local Development Council to the Sanggunian and the Regional Planning and development Board.- (a) The policies programs, and projects proposed by local development councils shall be submitted to the sanggunian concerned for appropriate action.

The local government plans approval by their respective sanggunian may be integrated with the development plans of the next higher level of local development council.

(b) The approval development plans of provinces, highly-urbanized cities, and independent component cities shall be submitted to the Regional Planning and Development Board, which shall be integrated into the regional development plan for submission to the national Economic and Development Authority, in accordance with existing laws.

Sec. 116. Budget Information.- The Development of Budget and Management shall furnish the various local development councils information on financial resources and budgetary allocations applicable to their respective jurisdictions to guide them in their planning functions.

TITLE SEVEN - REGIONAL RECONCILIATION AND UNIFICATION COMMISSION AND PEACE AND ORDER COUNCIL.

Sec. 117. - Regional Reconciliation and Unification Commission. - There shall be created a Regional Reconciliation and Unification Commission in the autonomous region which shall be an advisory body to the Regional Governor, to be composed of a chairman and four (4) members representing multi-sectoral groups to be designated by the Regional Governor, and two (2) members from the Regional Legislative Assembly to be designated by the Speaker.

Sec. 118. Function. - The regional Reconciliation and Unification Commission shall have the following functions:

- (a) Formulate and recommend, after consulting with the concerned sectors of society, a viable peace process that will lead to a just, comprehensive and lasting peace in the region.

- (b) Enhance and evaluate the implementation of existing National Reconciliation and Development Program, in so far as the affected constituents within the region are concerned, with a view of supporting the same and formulating as well the necessary recommendations for the consideration of the national leadership.

Sec. 119. Organizations.- There is hereby established in the autonomous region and in every province, city and municipality a peace and order council pursuant to Executive Order Numbers three Hundred Nine (E.O. No. 309), as amended, Series of 1988. The local peace and order councils shall have the same composition and functions as those prescribed by the said executive order: Provided, that in the case of the regional peace and order council, the regional Governor shall provide its composition and function by Executive Order.

TITLE EIGHT – AUTONOMOUS SPECIAL ECONOMIC ZONES

Sec. 120. Establishment of Autonomous Special Economic Zones. - The establishment by law of autonomous special economic zones in selected areas of the autonomous region shall be subject to concurrence by the local government units included therein.

TITLE NINE - OTHER PROVISIONS APPLICABLE TO LOCAL GOVERNMENT UNITS

Chapter 1. – *Settlement of Boundary Disputes*

Sec. 121. Jurisdictional Responsibility for Settlement of Boundary Disputes. - Boundary disputes between and among local government units shall, as much as possible, be settled amicably. To This end:

(a) Boundary disputes involving two (2) or more barangays in the same city or municipality shall be referred for settlement to the sangguniang panlungsod or sangguniang bayan concerned.

(b) Boundary disputes involving two (2) or more municipalities within the same provided shall be referred for settlement to the sangguniang panlalawigan concerned.

(c) Boundary disputes involving municipalities or component cities or different provinces shall be jointly referred for settlement to the sanggunians of the provinces concerned.

(d) Boundary disputes involving a component city or municipality on the one hand and a highly urbanized city on the other, or two (2) or more highly urbanized cities, shall be jointly referred for settlement to the respective sanggunians of the parties.

(e) Boundary disputes involving two (2) or more provinces shall be referred for settlement to the Regional Legislative Assembly.

(f) In the event the sanggunian concerned or the Regional Legislative Assembly fails to effect an amicable settlement within sixty (60) days from the date the dispute was

referred thereto, it shall issue a certification to that effect. Thereafter, the dispute shall be formally tried by the sanggunian concerned or the Regional Legislative Assembly which shall decide the issue within sixty (60) days from the date of certification referred to above.

Sec. 122. Appeal. – With the time and manner prescribed by the Rules of Court, any party may elevate the decision of the Regional Assembly or sanggunian concerned to the proper Regional Trial Court having jurisdiction over the area in dispute. The Regional Trial Court shall decide the appeal within one (1) year from the filing thereof. Pending final resolution of the case, the disputed area prior to the dispute shall be maintained and continued for all legal purposes.

CHAPTER 2. – *Local Initiative and Referendum*

Sec. 123. Local Initiative Defined. - Local initiative is the legal process whereby the registered voters of a local government unit may directly propose enact, or amend any ordinance.

Sec. 124. Who may Exercise. - The power of local initiative and referendum may be exercised by all registered voters of the provinces, cities, municipalities, and barangays.

Sec. 125. Procedure in Local Initiative. – (a) Not less than one thousand (1,000) registered voters in case of province and cities, one hundred (100) in case of municipalities and fifty (50) in case of barangay, may file a petition with the sanggunian concerned proposing the adoption, enactment, repeal or amendment of an ordinance.

(b) If no favorable action thereon is taken by the sanggunian concerned within thirty (30) days from its presentation, the proponents, through their duly authorized and registered representation may invoke their power of initiative, giving notice thereof to the sanggunian concerned.

(c) The proposition shall be numbered serially starting from Roman numeral 1. The COMELEC or its designated representative shall extend assistance in the formulation of the proposition.

(d) Two (2) or more proposition may be submitted in an initiative.

(e) Proponents shall have ninety (90) days in case of provinces and cities, sixty (60) days in case of municipalities, and thirty (30) days in case of barangays from notice mentioned in subsection (b) hereof to collect the required number of signatures.

(f) The petition shall be signed before the election registrar, or his designated representatives, in the presence of a representative of the proponent, and a representative of the sanggunian concerned in a public place in the local government unit, as the case may be. Stations for collecting signatures may be established in as many places as may be warranted.

(g) Upon the lapse of the period herein provided, the COMELEC, through its office in the local government unit concerned shall certify as to whether or not the required number

of signatures has been obtained. Failure to obtain the required number defeats the proposition.

(h) If the required number of signature is obtained, the COMELEC shall then set a date for the initiative during which the proposition shall be transmitted to the registered voters in the local government unit concerned for their approval within sixty (60) days from the date of certification by the COMELEC, as provided in subsection (g) hereof, in case of provinces and cities, forty-five (45) days in the case of municipalities, and thirty (30) days in case of barangays. The initiative shall then be held on the date set, after which the results thereof shall be certified and proclaimed by the COMELEC.

Sec. 126. Effectivity of Local Propositions. - If the proposition is approved by a majority of the votes cast. It shall take effect fifteen (15) days after certification by the COMELEC as if affirmative action thereon had been made by the sanggunian and local chief executive concerned. If it fails to obtain said number of votes, the proposition is considered defeated.

Sec. 127. Limitations on Local Initiatives. - (a) The power of local initiative shall not be exercised more than once a year.

(b) Initiative shall extend only to subjects or matters which are within the legal powers of the sanggunian to enact.

(c) If at any time before the initiative is held, the sanggunian concerned adopts in to the proposition presented and the local chief executive approves the same, the initiative shall be canceled. However, those against such action may, if they so desires apply for initiative in the manner herein provided.

Sec. 128. Limitation upon Sanggunians. - Any proposition or ordinance approved through the system of initiative and referendum as herein provided shall not be repealed, modifies or amended by the sanggunian concerned within six (6) months from the date of approval thereof, and may be amended, modified or repealed by the sanggunian within three (3) years thereafter by a vote of three-fourth (3/4) of all its members: provided, That in case of barangays, the period shall be eighteen (18) months after the approval thereof.

Sec. 129. Local Referendum Defined. - Local referendum is the legal process whereby the registered voters of the local government units may approve, amend or reject an ordinance enacted by the sanggunian.

The local referendum shall be held under the control and direction of the COMELEC within sixty (60) days in case of provinces and cities, forty-five (45) days in case of municipalities and thirty (30) days in case of barangays.

The COMELEC shall certify and proclaim the result of the said referendum.

Sec. 130. Authority of Courts. - Nothing in this Chapter shall prevent of preclude the proper courts from declaring null and void any proposition approved pursuant to this Chapter for violation of the Constitution or want of capacity of the sanggunian concerned to enact the said measure.

BOOK II

TAXATION AND FISCAL MATTERS

TITLE ONE.-REGIONAL AND LOCAL GOVERNMENT TAXATION

CHAPTER 1.-*General Provisions*

Sec. 131. Scope.- The provisions herein shall govern the exercise by the Autonomous Government, its provinces, cities, municipalities, and the barangays of their taxing and other revenue-raising powers.

Sec. 132. Power to Create Sources of Revenue.- The Autonomous Region, its provinces, cities municipalities and barangays shall have the power to create its own sources of revenues and to levy taxes, fees and charges, subject to such guidelines and limitations as the constitution and Republic Act 6734 may provide, consistent with the policy of local autonomy.

Sec. 133. Fundamental Principles.- In the exercise of their taxing and other revenue-raising powers, the autonomous government, its provinces, cities, municipalities, and barangays shall observe the principle of uniformity and equity in taxation and shall not impose unjust, excessive, oppressive or confiscatory taxes or fees of any kind. Such revenues collected pursuant to the provision of this Code shall insure surely to the benefit of, be subject to the disposition by the regional or local government unit levying the tax, fee, charge or other imposition

Sec. 134. Sources of Revenue.-The sources of revenues of the Autonomous Region, its provinces, cities, municipalities and barangays shall include but are not limited to the following:

1. Taxes, except income taxes, imposed by the Regional Government, its provinces, cities, municipalities and barangays;
2. Fees and charges imposed by the Regional Government, its provinces, cities, municipalities and barangays;
3. Appropriation, internal revenue allotments and other budgetary allotments from the National Government;
4. Shares in revenue generated from the operations of public utilities within the Autonomous Region, its provinces, cities, municipalities and barangays;
5. Block grants derived from economic agreements of conventions authorized by the Autonomous Region, donations, endorsements, foreign assistance and other forms of aid, subject to the Constitution and Regional policies.

Sec. 135. Definition of Terms.- When used in this Title, the terms; (a) "Agricultural Products" include the yield of the soil, such as corn, rice, wheat, rye, hay, coconut, sugar cane, tobacco, root, crops, vegetable, fruits, flowers and thereby products; ordinary salt; all kinds of fish, poultry; and livestock and animal products, whether in their original form or not. The phrase "whether in their original form or not" refers to the transformation of said products by the farmer; fisherman, producer or owner through the application of processes

to preserve or otherwise to prepare said products for the market such as freezing, drying , salting, smoking, or stripping for purposes of preserving or otherwise preparing said products for the market.

(b) "Amusement" is a pleasurable diversion and entertainment. It is synonymous to relaxation, avocation, pastime, or fun;

(c) "Amusement Places" include theatre, cinemas, concert halls, circuses and other places of amusement where one seeks admission to entertain one self by seeing or viewing the show or performances;

(d) "Business" means trade or commercial activity regularly engaged in as means of livelihood or with a view to profit;

(e) "Banks and other financial institution include non-bank financial intermediaries, lending investors, finance and investment companies, pawnshop, money shops, insurance companies, stock markets, stock brokers and dealers in securities and foreign exchange, as defined under applicable laws, rules and regulations thereunder;

(f) "Capital Investment" is the capital which a person employs in any undertaking or which he contributes to the capital of a partnership, corporation, or any other judicial entity or association in a particular taxing jurisdiction;

(g) "Charges" refer to pecuniary liability, as rents or fees against persons or property;

(h) "Contractor" includes persons, natural or juridical, not subject to professional tax under Section 145 of this Code, whose activity consists essentially of the sale of all kinds of services for a fee, regardless of whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees. As used in this Section, the term "contractor" shall include general engineering, general building and specialty contractors, proprietors or operators of laws; filling, demolition and salvage works contractors; proprietors or operators of mine drilling apparatus; proprietors or operators of dockyards; persons engaged in the installation of water system, and gas or electric light, heat or power; proprietors or operators of smelting plants; engraving, plating, and plastic lamination establishments; proprietor or operators of establishment for repairing, upholstering, washing or greasing of vehicles, heavy equipment, vulcanizing, recapping and battery charging; proprietors or operators of furniture shops and establishments for planning or surfacing and recutting of lumber, and sawmills under contract to saw or cut logs belonging to others; proprietors or operators of dry-cleaning or dyeing establishments, steam laundries, and laundries using washing machines; proprietors or owners of shops for the repair of any kind of mechanical and electrical devices, instruments, apparatus, or furniture and shoe repairing by machine or any mechanical contrivance; proprietor or operators of tailor shops, dress shops, milliners and hatters, beauty parlors barbershops, massage clinics, sauna, Turkish and Swedish baths, slenderizing and building saloons and similar establishments; photographic studios, funeral parlors; proprietor or operators of hotels, motels, and lodging houses; proprietors or operators of arrastre and stevedoring, warehousing, or forwarding establishment; master plumbers, smiths, and house or sign painters; printers, bookbinders, lithographers; publishers except those engaged in the publication or printing of any newspaper, magazine, review or bulletin which appears at regular intervals with fixed prices for subscription and

sale and which is not devoted principally to the publication of advertisement; business agents, private detective or watchman agencies, commercial and immigration brokers, and cinematographic film owners, lessors and distributors.

(i) "Corporation" Includes partnership , no matter how created or organized, joint-stock companies, joint accounts (cuentas en participacion), associations or insurance companies but does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal, and other energy operations pursuant to an operating or consortium agreement under a service contract with the government. General professional partnerships formed by persons for the sole purpose of exercising their common profession, no part of the income of which is derived from engaging in any trade or business. The term "resident foreign" when applied to a corporation means a foreign corporation otherwise organized under the law of the Philippines.

(j) "Countryside and Barangay Business Enterprise" refers to any business entity association or cooperative registered under the provision of Republic Act Numbered Sixty-eight hundred ten (R.A. No. 6810) otherwise known as "Magna Carta" For Countryside and Barangay Business Enterprise (Kalakalan 20)".

(k) "Dealer" means one whose business is to buy and sell merchandise, goods, and chattels as a merchant. He stands immediately between the producer or manufacturer and the consumer and depends for his profit, not upon the labor he bestows upon the commodities but upon the skill and foresight with which he watches the market;

(l) "Fee" means a charge fixed by law or ordinance for the regulation or inspection of a business or activity.

(m) "Franchise" s aright or privilege, affected with public interest which a conferred upon private persons or corporation, under such terms and condition as the government and its political subdivisions may impose in the interest of public welfare, security and safety.

(n) "Gross Sales or Receipts" include the total amount of money or its equivalent representing the contract price, compensation or service fee, including the amount charged or materials supplied with the services and deposits or advance payment actually or constructively received during the taxable quarter for the services performed or to be performed for another person excluding discounts if determinable At the time of sales, sales return, excise tax, and value-added tax (VAT)

(o) "Manufacturer" includes every person who, by physical or chemical process alters the exterior texture or form or inner substance of any raw material or manufactured or partially manufactured product in such manner as to prepare it for special use or uses to which it could not have been put in its original condition, or who by any such process alters the quality of any such raw materials or manufactured or partially manufactured so as to reduce it to marketable shape or prepare it for any of the use of industry, or who by any such process combines any such raw materials or manufactured or partially manufactured product with other materials or products of the same or of different kinds and in such manner that the finished products of such process of manufacture can be put to a special use or uses to which such raw materials or manufacture or partially manufactured

product in their original condition could not have been put, and who in addition alters such raw materials or manufactured or partially manufactured products, or combines the same to produce of their sale or products for the purpose of their sale or distribution to others and not for his own use or consumption.

(p) "Marginal Farmer or Fisherman" refers to an individual engaged in subsistence farming or fishing which shall be limited to the sale, barter or exchange of agricultural or marine products produced by himself and his immediate family.

(q) "Motor Vehicle" means any vehicle propelled by any power other than muscular power using the public roads, but excluding roads rollers trolley cars, street sweepers, sprinklers, loan mowers, bulldozers, graders, fork-lifts, amphibian trucks and cranes if not used on public roads, vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all kinds used exclusively for agricultural purposes;

(r) "Municipal Waters" includes not only streams, lakes, and tidal waters within the municipality, not being the subject of private ownership and not comprised within the national parks, public forest, timber lands, forest reserves or fishery reserves but also marine waters included between two lines drawn perpendicularly to the general coastline from points when the boundary lines of the municipality or city touch the sea at low tide and a third line parallel with the general coastli9ne and fifteen (15) kilo meters from it, Where two (2) municipalities are so situated on the opposite shores000 that there is less than fifteen (15) kilo meters of marine waters between then, the third line shall be equally distant form opposite shores of the respective municipalities;

(s) "Operators" includes the owner, manager, administrator, or any other person who operates or is responsible for the operation of a business establishment or undertaking;

(t) "Peddler" means any person who, either for himself or on commission, travels from place to place or sells his goods of offers to sell and deliver the same. Whether a peddler is a wholesale peddler or a retail peddler of a particular commodity shall be determines from the definition of wholesale dealer or retail as provided in this Title;

(u) "Persons" means every natural or judicial being, susceptible of rights and obligations or of being the subject of legal relations;

(v) "Residents" refer to natural persons who have their habitual residence in the province, city, or municipality where they exercise their civil rights and fulfill their civil obligations, and to juridical persons for which the law or any other provision creating or recognizing them fixes their residence in a particular province, city, or municipality where they have their legal residence or principal place of business or occupation;

(w) "Retail" means a sale where the purchaser buys the commodity for his own consumption, irrespective of the quantity of the commodity sold;

(x) "Vessel" includes every type of boat, craft. Or other artificial contrivance, use, or capable of being used as means of transportation on water;

(y) "Wharfage" means a fee assessed against the cargo of a vessel engaged in foreign or domestic trade based on quantity, weight, or measure received and/or discharged by vessel, and;

(z) "Wholesale" means a sale where the purchaser buys or imports the commodities for resale to persons other than the end user regardless of the quantity of the transaction.

Sec. 136. Regional and local Trading Authority. - The power to impose tax, fee, or charge or to generate revenue under this Code shall be exercised by the Regional Legislative Assembly in the case of autonomous government through the enactment of revenue generating measure and the sanggunian of the local government unit concerned through an appropriate ordinance.

Sec. 137. Payment of Tax Fee and Charges. - Unless otherwise provided in other parts of this Code, all corporations and other business entities directly engaged in business in the Autonomous Region shall pay through the Regional Government that portion of their annual income tax corresponding to the net income generated from business done in the area of autonomy. All corporations, partnerships or business entities, directly engaged in the Autonomous Region shall pay their corresponding taxes, fees and charges in the province, city, municipality where the establishment is doing business.

Sec. 138 Common Limitations on the Taxing Powers of Local Government Units. - Unless otherwise provided herein, the exercise of the taxing powers of provinces, cities, municipalities and barangays shall not extend to the levy of the following:

- (a) Income tax, except when levied on banks and other financial institutions;
- (b) Documentary stamps tax;
- (c) Taxes on estates, inheritance, gifts, legacies and other acquisitions mortis causa, except as otherwise provided herein;
- (d) Custom duties, registration fee of vessel and wharfage on wharves, tonnage dues, and all other kinds of customs fees charges and dues except wharfage on wharves constructed and maintained by the local government unit concerned;
- (e) Taxes, fees and charges and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of local government units in the guise of charges for wharf age, toils for bridges or otherwise , or other taxes, fees or charges in any form whatsoever upon such goods or merchandise;
- (f) Taxes, fees or charges on agricultural and aquatic products when sold by marginal farmers or fishermen;
- (g) Taxes on business enterprises certified to by the Board of Investment as pioneer or non- pioneer for a period of six (6) and four (4) years respectively from the day of registration;
- (h) Excise taxes on articles enumerated under the National Internal revenue Code, an amended and taxes, fees or charges on petroleum products;
- (i) Percentage or value-added tax (VAT) on sales, barter or exchanges or similar transactions on goods or services except as otherwise provided herein;

(j) Taxes on the gross receipt of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, land or water, except as provided in this code;

(k) Taxes on premiums paid by way of reinsurance or retrocession;

(l) Taxes, fees or charges for the registration of motor vehicles and for the issuance of all kinds of license or permits for the driving thereof, except tricycles;

(m) Taxes, fees, or other charges on Philippine products actually exported except as otherwise provided herein;

(n) Taxes, fees or charges, on Countryside and Barangay Business Enterprises and cooperatives duly registered under R.A. No. 6810 and Republic Act Numbered Sixty-nine hundred Thirty-eight (R.A. No. 6938) otherwise known as the "Cooperatives Code of the Philippines" respectively; and

(o) Taxes, fees or charges of any kind on the National Government, its agencies and instrumentalities, and Regional and local government units.

CHAPTER 2.- SPECIFIC PROVISIONS ON THE TAXING AND OTHER REVENUE-RAISING POWERS OF REGIONAL AND LOCAL GOVERNMENT UNIT

ARTICLE ONE-*Autonomous Region*

Sec. 139. Scope of Taxing Powers.- The Autonomous Region may levy taxes, fees and charges, subject to such guidelines and limitations as the Constitution and RA 6734 may provide; Provided, however, that such taxes fees and charges levied and collected by the Autonomous government shall exclusively accrue to it.

ARTICLE TWO-*Provinces*

Sec. 140. Scope of Taxing Powers.-Except as otherwise provided in this Code, the province may levy only the taxes, fees, and charges as provided in this Article.

Sec. 141. Tax on Transfer of Real Property Ownership. - (a) The province may impose a tax on the sale, donation, barter, or any other mode of transferring ownership or title of real property at the rate not more than fifty percent (50%) of one percent (1%) of the total consideration involved in the acquisition of the property or of the fair market value in case the monetary consideration involved in the transfer is not substantial, whichever is higher. The sale, transfer or other disposition of real property pursuant to R.A. No. 6657 shall be exempt from this tax.

(b) For this purpose, the Register of Deeds of the province concerned shall before registering and deed, require the presentation of the evidence of payment of this tax. The provincial assessor shall likewise make the same requirement before cancelling an old tax declaration and issuing a new one in place thereof. Notaries public shall furnish the provincial treasurer with a copy of any deed transferring ownership or title to any real property within thirty (30) days from the date of notarization.

It shall be the duty of the seller, donor, transferor, executor or administrator to pay the tax herein imposed within (60) days from the date of the execution of the deed or from the date of the decedent's death.

Sec. 142. Tax on Business of Printing and Publication. - The province may impose a tax on the business of persons engaged in the printing and /or publication of books, cards, posters, leaflets, handbills, certificates, receipts, pamphlets, and others of similar nature, at a rate not exceeding fifty percent (50%) of one percent (1%) of the gross annual receipts for the preceding year.

In the case of a newly started business, the tax shall not exceed one- twentieth (1/20) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when the business started to operate, the tax shall be based on the gross receipt for the preceding calendar year, or any fraction thereof, as provided herein.

The receipts from the printing and/or publishing of books or other reading materials prescribed by the Department of Education, Culture and Sports as school texts or references shall be exempt from the tax herein imposed.

Sec. 143. Franchise Tax. - Notwithstanding any exemption granted by any law or other special law, the province may impose a tax on business enjoying a franchise, at a rate not exceeding fifty percent (50) of one percent (1) of the gross annual receipt for the preceding calendar year based on the incoming receipt, or realized, within its territorial jurisdiction.

In the case of a newly started business, the tax shall not exceed one-twentieth (1/20) of one percent (1%) of the capital investment. In the succeeding calendar year regardless of when the business started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof, as provided herein.

Sec. 144. Tax on sand, Gravel and Other Quarry Resources-The Province may levy and collect not more than ten percent (10%) of fair market values in the locality per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources, as defined under the National Internal Revenue Code, as amended, extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The permit to extract sand, gravel and other quarry resources shall be used exclusively by the provincial governor, pursuant to the ordinance of the sangguniang panlalawigan.

The proceeds of the tax on sand gravel and other quarry resources shall be distributed as follows:

(1) Province-Thirty percent (30%);

(2) Component City or Municipality where the sand, gravel, and other quarry resources are extracted-Thirty percent (30%); and

(3) Barangay where the sand, gravel and other quarry resources are extracted-Forty percent (40%).

Sec. 145 Professional Tax.-(a) the province may levy an annual professional tax on each person engaged in the exercise or practice of his profession requiring government examination at such amount and reasonable classification as the sangguniang panlalawigan may determine but shall in no case exceed Three hundred pesos (P300.00).

(b) Every person legally authorized to practice his profession shall pay the professional tax to the province where he practices his profession or where he maintains his principal office in case he practices his profession in several places. Provided, however, That such person who has paid the corresponding professional tax shall be entitled to practice his profession in any part of the Autonomous Region without being subjected to any other regional or local tax, license, or fee for the practice of such profession.

(c) Any individual or corporation employing a person subject to professional tax shall require payment by that person of the tax on his profession before employment and annually thereafter.

(d) The professional tax shall be payable annually, on or before the thirty-first (31st) day of January. Any person first beginning to practice a profession after the month of January must, however, pay the full tax before engaging therein. A line of profession does not become exempt even if conducted with some other profession for which the tax has been paid. Professionals exclusively employed in the government shall be exempt from the payment of this tax.

(e) Any person subject to the professional tax shall write in deeds, receipts, prescription, reports, books of account, plans and designs, surveys and maps, as the case may be, the number of the official receipts issued to him.

Sec. 146.- Amusement Tax.- (a) the province may levy an amusement tax to be collected from the proprietors, lessees, or operators of theatres, cinemas, concert halls, circuses, boxing stadia, and other places of amusement at a rate of not more than thirty percent (30%) of the gross receipts from admission fees.

(b) In the case of theatres or cinemas, the tax shall first be deducted and withheld by their proprietors, lessees, or operators and paid to the provincial treasurer before the gross receipts are divided between said proprietor, lessees, or operators and the distributors of the cinematography films.

(c) The holding of operas, concerts, dramas, recitals, painting and art exhibition, flower shows, musical programs, literary and oratorical presentations, except pop, rock, or similar concerts shall be exempt from the payment of the tax herein imposed.

(d) The sangguniang panlalawigan may prescribed the time, manner, terms and conditions for the payment of tax. In case of fraud or failure to pay the tax, the sangguniang panlalawigan may impose such surcharges, interest and penalties as it may deem appropriate.

(e) The proceeds from the amusement tax shall be shared equally by the province and the municipality where such amusement places are located.

Sec. 147. Annual Fixed Tax For Every Delivery Truck or Van of Manufacturers or Producers, Wholesalers Dealers or Retailers in, Certain Products. - (a) The province may levy an annual fixed tax for every truck, van or any vehicle used by manufacturers, producers, wholesalers, dealers or retailers in the delivery or distribution of distilled spirits, fermented liquors, soft drinks, cigars and cigarettes, and other products as may be determined by the sangguniang panlalawigan, to sale outlets, or consumers, whether directly or indirectly, within the province to an amount not exceeding five hundred pesos (P500.00)

(b) The manufacturers, producers, wholesalers, dealers, and retailers referred to in the immediately foregoing paragraph shall be exempt from the tax on peddlers prescribe elsewhere in this Code.

Sec. 148. Scope of Taxing Powers. - Except as otherwise provided in this Code, municipalities may levy taxes, fees and charges not otherwise levied by provinces.

Sec. 149. Tax Business. - the municipality may impose taxes on the following businesses:

(a) On Manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers and compounders of liquors, distilled spirits, and wines or manufacturers of any articles of commerce of whatever kind or nature, in accordance with the following schedule:

With gross sales or receipts for the calendar year in the amount of:	Amount of tax Per Annum
Less than 10,000.00	165.00
P 10,000.00 or more but less than 15,000.00	220.00
15,000.00 or more but less than 20,000.00	302.00
20,000.00 or more but less than 30,000.00	440.00
30,000.00 or more but less than 40,000.00	660.00
40,000.00 or more but less than 50,000.00	825.00
50,000.00 or more but less than 75,000.00	1,320.00
75,000.00 or more but less than 100,000.00	1,650.00
100,000.00 or more but less than 150,000.00	2,200.00
150,000.00 or more but less than 200,000.00	2,750.00
200,000.00 or more but less than 300,000.00	3,850.00
300,000.00 or more but less than 500,000.00	5,500.00
500,000.00 or more but less than 750,000.00	8,000.00
750,000.00 or more but less than 1,000,000.00	10,000.00
1,000,000.00 or more but less than 2,000,000.00	13,750.00
2,000,000.00 or more but less than 3,000,000.00	16,500.00
3,000,000.00 or more but less than 4,000,000.00	19,800.00
4,000,000.00 or more but less than 5,000,000.00	23,100.00
5,000,000.00 or more but less than 6,500,000.00	24,375.00

6,500,000.00 or more

at a rate not exceeding
thirty-seven and a half
percent (37 ½%) of one
percent (1%)

(b) On wholesalers, distributors, or dealers in any article of commerce of whatever kind or nature in accordance with following schedule:

With gross or receipts for the preceding Calendar year in the amount of:		Amount of Tax Per annum
Less than P 1,000.00		18.00
P1,000.00 or more but less than	2,000.00	33.00
2,000.00 or more but less than	3,000.00	50.00
3,000.00 or more but less than	4,000.00	72.00
4,000.00 or more but less than	5,000.00	100.00
5,000.00 or more but less than	6,000.00	121.00
6,000.00 or more but less than	7,000.00	143.00
7,000.00 or more but less than	8,000.00	165.00
8,000.00 or more but less than	10,000.00	187.00
10,000.00 or more but less than	15,000.00	220.00
15,000.00 or more but less than	20,000.00	275.00
20,000.00 or more but less than	30,000.00	330.00
30,000.00 or more but less than	40,000.00	440.00
40,000.00 or more but less than	50,000.00	660.00
50,000.00 or more but less than	75,000.00	990.00
75,000.00 or more but less than	100,000.00	320.00
100,000.00 or more but less than	150,000.00	870.00
150,000.00 or more but less than	200,000.00	2,420.00
200,000.00 or more but less than	300,000.00	3,300.00
300,000.00 or more but less than	500,000.00	4,400.00
500,000.00 or more but less than	750,000.00	6,600.00
750,000.00 or more but less than	1,000,000.00	8,800.00
1,000,000.00 or more but less than	2,000,000.00	10,000.00
2,000,000.00 or more		at a rate not exceeding fifty Percent (50%) of one Percent (1%) p.162

(c) On exporters, and on manufacturers, millers, producers, wholesalers, distributors, dealers, or retailers of essential commodities enumerated hereunder at a rate not exceeding one-half (1/2) of the rates prescribed under subsections (a), (b) and (d) of this section:

(1) Rice and Corn

(2) Wheat or cassava flour, meat, dairy products, locally manufactured processed or preserved food, sugar, salt and other agricultural, marine and fresh water products, whether in their original state or not:

(3) Cooking oil and cooking gas

(4) Laundry soap, detergents, and medicine

(5) Agricultural implements, equipment and post harvest facilities, fertilizers, pesticides, insecticides and other farm inputs;

(6) Poultry feeds and other animal feeds;

(7) School supplies; and

(8) Cement

(d) On retailers,

With gross sales or receipts
Of the preceding calendar year of:
P 400,000.00 or less
More than P400,000.00

Rate of Tax
Per annum
2%
1%

Provided, however, That barangays shall have the exclusive power to levy taxes as provide under section 157 hereof, on gross sales or receipts of the preceding calendar year of Fifty thousand pesos (50,000.00) or less, in the case of cities, and Thirty thousand pesos (30,000.00) or less, in the case of municipalities.

(e) On contractors and the other independent contractors, in accordance with the following schedule:

With gross receipts for the preceding calendar year in the amount of:		Rate of Tax Per Annum
Less than	P 5,000.00	27.50
P 5,000.00	or more but less than 10,000.00	61.60
10,000.00	or more but less than 15,000.00	104.50
15,000.00	or more but less than 20,000.00	165.00
20,000.00	or more but less than 30,000.00	275.00
30,000.00	or more but less than 40,000.00	385.00
40,000.00	or more but less than 50,000.00	550.00
50,000.00	or more but less than 75,000.00	880.00
75,000.00	or more but less than 100,000.00	1,320.00
100,000.00	or more but less than 150,000.00	1,980.00
150,000.00	or more but less than 200,000.00	2,640.00
200,000.00	or more but less than 250,000.00	3,630.00
250,000.00	or more but less than 300,000.00	4,620.00
300,000.00	or more but less than 400,000.00	6,160.00
400,000.00	or more but less than 500,000.00	8,250.00
500,000.00	or more but less than 750,000.00	9,250.00
750,000.00	or more but less than 1,000,000.00	10,250.00
1,000,000.00	or more but less than 2,000,000.00	11,500.00
2,000,000.00	or more	at a rate not exceeding Fifty percent (50%) of one Percent (1%)

(f) On banks and other financial institutions, at a rate not exceeding fifty percent (50%) of one percent (1%) on the gross receipts of the preceding calendar year derived from interests, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property, insurance premium.

(g) On peddlers engaged in the sale of any merchandise or article of commerce, at a rate not exceeding Fifty Pesos (P50.00) per peddlers annually.

(h) On any business, not otherwise specified in the preceding paragraphs, which the sanggunian concerned may deem proper to tax; Provided, that on any business subject to the excise, value-added or percentage tax under the National Internal Revenue Code, as amended, the rate of tax shall not exceed two percent (2%) of gross sales or receipts of the preceding calendar year.

The sanggunian concerned may prescribe a schedule of graduated rates prescribed herein.

Sec. 150. Retirement of Business. - A business subject to tax pursuant to the preceding Sections shall upon termination thereof, submit a sworn statement of its gross sales or receipts for the current year. If the tax paid during the year be less than the tax due on said gross sales receipts of the current year, the difference shall be paid before the business is considered officially retired.

Sec. 151. Payment of Business Taxes.- (a) The taxes imposed under Section 149 shall be payable for every separate or distinct establishment or place where business subject to the tax is conducted and one line of business does not become exempt by being conducted with some other business for which such tax has been paid. The tax on a business must be paid by the person conducting the same.

(b) In case where a person conducts or operates two (2) or more of the businesses mentioned in Section 149 of this Code which are subject to the same rate of tax, the tax shall be computed on the combined total gross sales or receipts of the said two (2) or more related business.

(c) In cases where a person conducts or operates two (2) or more businesses mentioned in Section 149 of this Code which are subject to different rates of tax, the gross sales or receipts of each business shall be separately reported for the purpose of computing the tax due from each business.

Sec. 152. Fees and Charges.- The municipality may impose and collect such reasonable fees and charges on business and occupation and except as reserved to the province in Section 145 of this Code, on the practice of any profession or calling, commensurate with the cost of regulation, inspection and licensing before any person may engage in such business or occupation, or practice such profession or calling.

Sec. 153. Fees for Sealing and licensing of Weights and Measures. (a) The municipality may levy fees for the sealing and licensing of weights and measures as such reasonable rates as shall be prescribed by the sangguniang bayan.

(b) The sangguniang bayan shall prescribe the necessary regulations for the use of such weights and measures, subject to such guidelines as shall be prescribed by the

Department of Science and Technology. The sanggunian concerned shall, by appropriate ordinance, penalize fraudulent practices and unlawful possession or use of instruments of weights and measures and prescribe the criminal penalty therefor in accordance with the provisions of this Code. Provided however. That the sanggunian concerned may authorize the municipal treasurer to settle an offense not involving the commission of fraud before a case therefor is filed in court, upon payment of a compromise penalty of not less than Two Hundred Pessos (P200.00).

Sec. 154 Fishery Rentals, Fees and Charges.-(a) Municipalities shall have the exclusive authority to grant fishery privileges in the municipal waters and impose rentals, fees or charges therfor in accordance with the provisions of this Section.

(b) The sangguniang bayan may:

- (1) Grant Fishery privileges to erect fish corrals, oyster, mussels or other aquatic beds or bangus fry areas, within a definite zone of the municipal waters, as determined by it: Provide3d, however, That duly registered organizations and cooperatives of marginal fishermen shall have the preferential right to such fishery privileges: Provided, finally, that in the absence of such organizations and cooperatives or their failure to exercise their preferential right, other parties may participate in the public bidding in conformity with the above cited procedure.
- (2) Grant the privilege to gather. Take or catch bangus fry, prawn fry or kawag-kawag or fry of other species and fish from the municipal waters by nets, traps or other fishing gears to marginal fishermen free of any rental, fee, charge or any imposition whatsoever.
- (3) Issue licenses for the operation of fishing vessels of three (3) tons or less for which purpose the sanggunian bayan shall promulgate rules and regulations regarding the issuances of such licenses to qualified applicants under existing laws.
- (4) Provided, however, that the sanggunian concerned shall, by appropriate ordinances, penalize the use of explosives, noxious or poisonous substances, electricity, muro-ami, and other deleterious methods of fishing and prescribe a criminal penalty therefor in accordance with the provisions of this Code.

Provided, finally, That the sanggunian concerned shall have the authority to prosecute any violation of the provisions of applicable fishery laws.

Sec. 155. Situs of the Tax.-(a) for purposes of collection of the taxes under Section 149 of this Code, manufacturers, assemblers, repackers, brewers, distillers, rectifiers and compounders of liquor, distilled spirits and wines, millers, producers, exporters, wholesalers, distributors, dealers, contractors, banks and other financial institutions, and other businesses, maintaining or operating branch or sales outlet elsewhere shall record the sale in the branch or the sales outlet making the sale or transaction and the tax thereon shall accrue and shall be paid to the municipality or sales outlet in the city or municipality where the sale or transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall accrue and shall be paid to such city or municipality.

(b) The following sales allocation shall apply to manufacturers, assemblers, contractors, producers and exporters with factories, project offices, plants and plantation in the pursuit of their business:

(1) Thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project offices, plants, and plantation is located.

(2) Seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant or plantation is located.

(c) In case of a plantation located at a place other than the place where the factory is located, said seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as follows:

(1) Sixty percent (60%) to the city or municipality where the factory is located: and

(2) Forty percent (40%) to the city or municipality where the plantation is located.

(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation mentioned in subparagraph (b) of subsection (2) above shall be prorated among the localities where the factories, project offices, plants, and plantations are located in proportion to their respective volumes of production during the period for which the tax is due

(e) The foregoing sales allocation shall be applied irrespective of whether or not sales are made in the locality where the factory, project office, plant, or plantation is located.

ARTICLE FOUR- Cities

Sec. 156. Scope of Taxing Powers.-Except as otherwise provided in this Code, the city, may levy tax, and charges which the province or municipality may impose; Provided, however, that the taxes, fees and charges levied and collected by highly urbanized and independent component cities shall accrue to them and distributed in accordance with the provisions of this code.

The rates of taxes that the city may levy may exceed the maximum rates allowed for the province or municipality by not more than fifty percent (50%) except the rates of professional and amusement taxes.

ARTICLE FIVE- Barangays

Sec. 157. Scope of Taxing Powers.- The barangays may levy taxes, fees, and charges, as provided in this Article, which shall exclusively accrue to them:

(a) Taxes – On store or retailers with fixed business establishment with gross sales or receipts of the preceding calendar year of Fifty Thousand pesos (P50,000.00) or less, in the case of cities Thirty thousand peso (P30,000.00) or less. In the case of municipalities, at a rate not exceeding on percent (1%) on such gross sales or receipts.

(b) Service Fees or Charges – Barangays may collect reasonable fees or charges for service rendered in connection with the regulation or the use of barangay owned properties or service facilities such as palay, copra, or tobacco dryers.

(c) Barangay Clearance- No city or municipality may issue any license or permit for any business or activity unless a clearance is first obtained from the barangay where such business or activity is located or conducted. For each clearance, the sangguniang barangay may impose a reasonable fee. The application for clearance shall be acted upon within seven (7) working days from the filling thereof. In the event that the clearance is not issued within the said period, the city or municipality may issue the said license or permit.

(d) Other fees and Charges – The barangay may levy reasonable fees and charges:

(1) On commercial breeding of fighting cocks, cockfights and cockpits;

(2) On places of recreation which charge admission fees; and

(3) On billboards, signboards, neon signs and outdoor advertisements.

ARTICLE SIX – Common Revenue – Raising Powers

Sec. 158. Services Fees and Charges. - The Autonomous government, its prescribe the terms and conditions and fix the rates for the imposition of toll fees or charges for the use of any public roads, pier or wharf, waterways, bridge, ferry or telecommunication system funded and constructed by the local government unit concerned: Provided , that no such toll fees or charges shall be collected from officers and enlisted men of the Armed Forces of the Philippines and members of the Regional Police Force on mission, post office personnel delivering mail, physically-handicapped, and disabled citizens who are sixty-five (65) years or older.

Sec. 159. Public Utility Charges. - The Autonomous Region government, Its provinces, cities, municipalities and barangays may fix the rates for the operation of public utilities owned, operated and maintained by them with in their jurisdiction.

Sec. 160. Toll Fees or Charges. - The sangguniang concerned may prescribe the terms and conditions and fix the rates for the imposition of toll fees or charges for the use of any public roads, pier or wharf, waterways, bridge, ferry or telecommunication system funded and constructed by the local government unit concerned: Provided, That no such toll fees or charges shall be collected from officers and enlisted men of the Armed Forces of the Philippines and members of regional Police Force on mission, post office personnel delivering mail, physically-handicapped, and disabled citizen who are sixty-five (65) years or older.

When public safety and welfare so requires, the sanggunian concerned may discontinue the collection of the tolls, and thereafter the said facility shall be free and open for public use.

ARTICLE SEVEN –Community Tax

Sec. 161. Community Tax. - Cities and municipalities may levy a community tax in accordance with the provisions of this Article.

Sec. 162. Individuals Liable to Community Tax. - Every inhabitant of the Autonomous Region eighteen (18) years of age or over who has been regularly employed on wage or salary basis for at least thirty (30) consecutive working days during any calendar year, or who is engaged in business or occupation, or who owns real property with an aggregate assessed value of One Thousand pesos (P1,000.00) or more, or who is required by law to file an income tax return shall pay an annual additional tax of Five pesos (P5.00) and an annual additional tax of One peso (P1.00) for every One thousand pesos of income regardless of whether from business, exercise of profession or from property which in no case shall exceed Five thousand pesos (P5,000.00).

In the case of husband and wife, the additional tax herein imposed shall be based upon the total property owned by them and the total gross receipts or earnings derived by them.

Sec. 163. Juridical Persons Liable to Community Tax. - Every corporation no matter how created or organized, whether domestic or resident foreign, engaged in or doing business in the Autonomous Region shall pay annual community tax of Five hundred pesos (P500.00) and an annual additional tax, which, in no case, shall exceed Ten thousand pesos (P10,000.00) in accordance with the following schedule;

- (1) For every Five thousand pesos (P5,000.00) worth of real property in the Autonomous Region owned by it during the preceding year based on the valuation used for the payment of the real property tax under existing laws, found in the assessment rolls of the city or municipality where the real property is situated – Two pesos (P2.00) ; and
- (2) For every Five thousand pesos (P 5,000.00) of gross receipts or earnings derived by it from its business in the Autonomous Region during the preceding year – Two pesos (P2.00).

The dividends received by a corporation from another corporation however shall, for the purpose of the additional tax, be considered as part of the gross receipts of earning of said corporation.

Sec. 164. Exemptions.- The following are exempt from the community tax:

- (1) Diplomatic and consular representatives; and
- (2) Transient visitors when their stay in the Autonomous Region does not exceed three (3) months.

Sec. 165. Place of Payment.- The community tax shall be paid in the place of resident of the individual, or in the place where the principal office of the juridical entity is located.

Sec. 166. Time for Payments; Penalties for Delinquency.-(a) The community tax shall accrue on the first (1st) day of January of each year which shall be paid not later than

the last day of February of each year. If a person reaches the age of eighteen (18) years or otherwise loses the benefit of exemption on or before the last day of June, he shall be liable for the community tax on the day he reaches such age or upon the day the exemption ends. However, if a person reaches the age of eighteen (18) years or loses the benefit of exemption on or before the last day of March, he shall have twenty (20) days to pay the community tax without becoming delinquent.

Person who come to reside in the Autonomous Region or reach the age of eighteen (18) years on or after the first (1st) day of July of any year, or who cease to belong to an exempt class on or after the same date, shall not be subject to the community tax for the year.

(b) Corporation established and organized on or before the last day of June shall be liable for the community tax for that year. But corporations established and organized on or before the last day of March shall have twenty (20) days within which to pay the community tax without becoming delinquent. Corporations established and organized on or after the first day of July shall not be subject for the community tax for that year.

If the tax is not paid within the time prescribed above, there shall be added to the unpaid amount an interest of twenty-four percent (24%) per annum from the due date until it is paid.

Sec. 167. Community Tax Certificate. - A community tax certificate shall be issued to every person or corporation upon payment of the community tax. A community tax certificate may also be issued to any person or corporation not subject to the community tax upon payment of One peso (P1.00).

Sec. 168. Presentation of Community Tax Certificate on Certain Occasions. - (a) When an individual subject to the community tax acknowledges any document before a notary public, takes the oath of office upon election or appointment to any position in the government service; receives any license, certificate, or permit from any public authority; pays any tax or fee; receives any money from any public fund; transacts other official business; or receives any salary or wage from any person or corporation, it shall be the duty of any person, officer or corporation with whom such transaction is made or business done or from whom any salary or wage is received to require such individual to exhibit the community tax certificate.

The presentation of community tax certificate shall not be required in connection with the registration of a voter.

(b) The community tax certificate required in the two preceding paragraphs shall be the one issued for the current year, except for the period from January until the fifteenth (15th) of April each year, in which case, the certificate issued for the preceding year shall suffice.

Sec. 169. Printing of Community Tax Certificates and Distribution of proceeds.- (a) The Bureau of Internal Revenue shall cause the printing of community tax certificates and distribute the same to the cities and municipalities through the city and municipal treasurers in accordance with prescribed regulations.

The proceeds of the tax shall accrue to the general funds of the cities, municipalities and barangays except a portion thereof which shall accrue to the general fund of the national government to cover the actual cost of printing and distribution of forms and other related expenses. The city or municipal treasurer concerned shall remit to the regional treasurer the said share of the regional government in the proceeds of the within ten (10) days after the end of quarter.

(b) The city or municipal treasurer shall deputize the barangay treasurer to collect the community tax in their respective jurisdictions: Provided, however, that said, barangay treasure shall be bonded in accordance with existing laws.

(c) The proceeds of the community tax actually and directly collected by the city or municipal treasurer shall accrue entirely to the general fund of the city or municipal concerned. However, proceeds of community tax collected through the barangay treasurers shall be apportioned as follows:

- (1) Fifty percent (50%) shall accrue to the general fund of the city or municipality concerned ; and
- (2) Fifty percent (50%) shall accrue to the barangay where the tax is collected.

CHAPTER 3. *Collection of Taxes*

Sec. 170. Tax Period and Manner of Payment. - Unless otherwise provided in this Code, the tax period of all local taxes, fees, and charges shall be the calendar year. Such taxes, fees, and charges may be paid in quarterly installments.

Sec. 171. Accrual of Tax.- Unless otherwise provided in this Code, all taxes, fees, and charges shall accrue on the first (1st) day of January of each year. However, new taxes, fees or charges, or changes in the rates thereof, shall accrue on the first (1st) day of the quarter next following the effectivity of the ordinance imposing such new levies or rates.

Sec. 172. Time of Payment. - Unless otherwise provided in this Code, all taxes, fees, and charges shall be paid within the first twenty (20) days of January or of each subsequent quarter, as the case may be. The sanggunian concerned may, for a justifiable reason or cause, extend the time for payment of such taxes, fees, or charges without surcharges or penalties, but only for a period not exceeding six (6) months.

Sec. 173. Surcharges and Penalties on Unpaid Taxes, Fees, or Charges.- The sanggunian may impose a surcharge not exceeding twenty-five percent (25%) of the amount of taxes, fees or charges not paid on time and an interest at the rate not exceeding two percent (2%) per month of the unpaid taxes, fees, or charges including surcharges , until such amount in fully paid but in no case shall the total interest on the unpaid amount or portion thereof exceed thirty-six(36) months.

Sec. 174. Interest on Other Unpaid Revenues. - Where the amount of any other revenue due a local government unit, except voluntary contributions or donations, is not paid on the date fixed in the ordinance, or in the contract , expressed or implied, or upon the occurrence of the event which has given rise the rate not exceeding two percent (2%)

per month from the date it is due until it is paid, but in no case shall the total interest on the unpaid amount or a portion thereof exceed thirty-six (36) months.

Sec. 175. Collection of Local Revenues by Treasurer. - All local taxes, fees and charges shall be collected by the provincial, city, municipal, or barangay treasurer, or their duly authorized deputies.

The provincial, city or municipal treasurer may designate the barangay treasurer as his deputy to collect, local taxes, fees, or charges. In case a bond is required for the purpose, the provincial, city or municipal government shall pay the premiums thereon in addition to the premiums of bond that may be required under this Code.

Sec. 176. Examination of Books of Accounts and Pertinent Records of Business by Local Treasurer. - The provincial, city, municipal or barangay treasurer may, by himself or through any of his deputies duly authorized in writing examine the books, accounts and other pertinent records of any person, partnership, corporation, or association subject to local taxes, fees and charges in order to ascertain, assess and collect the correct amount of the tax, fee, or charge. Such examination shall be made during regular business hours, only once for every tax period, and shall be certified to by the examining official. Such certificate shall be made of record in the books of accounts of the taxpayer examined.

In case of examination herein authorized is made by a duly authorized deputy of the local treasurer, the written authority of the deputy concerned shall specifically state the name, address, and business of the taxpayer whose books, accounts, and pertinent records are to be examined, the date and the place of such examination, and the procedure to be followed in conducting the same.

For this purpose, the records of the revenue district office of the Bureau of Internal Revenue shall be made available to the local treasurer, his deputy or duly authorized representative.

CHAPTER 4 – *Civil Remedies for Collection of Revenue*

Sec. 177. Application of Chapter. - The provisions of this Chapter and the remedies provided herein may be availed of for the collection of any delinquent local tax, fee, charge, or other revenue.

Sec. 178. Local Government's Lien. - Local taxes, fees, charges and other revenues constitute a lien, superior to all liens, charges or encumbrances in favor of any person, enforceable by appropriate administrative or juridical action, not only upon any property or rights therein which may be subject to the lien but also upon property used in business, occupation, practice of profession or calling, or exercise of privilege with respect to which the lien is imposed. The lien may only be extinguished upon full payment of the delinquent local taxes fees and charges including related surcharges and interest.

Sec. 179. Civil Remedies.- The civil remedies for the collection of local taxes, fees, or charges, and related surcharges and interest resulting from delinquency shall be:

(a) By administrative action thru distraint of goods, chattels, or effects, and other personnel property of whatever character, including stocks and other securities, debts,

credits, bank accounts, and interest in and rights to personal property , and by levy upon real property and interest in or rights to real property; and

(b) By judicial action;

Either of these remedies or all may be pursued concurrently or simultaneously at the discretion of the local government unit concerned.

Sec. 180. Distraint of Personal Property. – The remedy by distraint shall proceed as follows:

(a) Seizure- Upon failure of the person owing any local tax , fee, or charge to pay the same at the time required, the local treasurer or his deputy may, upon written notice, seize or confiscate any personal property belonging to that person or any personal property subject to the lien in sufficient quantity to satisfy the tax, fee, or charge in question, together with any increment thereto incidents to delinquency and the expenses of seizure. In such case, the local treasurer or his deputy shall issue a duly authenticated certificate which shall serve as sufficient warrant for the distraint of personal property aforementioned, subject to the taxpayer's right to claim exemption under the provision of existing laws. Distrainted personal property shall be sold at public auction in the manner herein provided for.

(b) Accounting of distrainted goods.- The officer executing the distraint shall make or cause to be made an account of the goods, chattels or effects distrainted, a copy of which signed by himself shall be left either with the owner or person from whose possession the goods, chattels or effects are taken, or at the dwelling or place of business of that person and with someone of suitable age discretion, to which list shall be added a statement of the sum demanded and a note of the time and place of sale.

(c)Publication – The officer shall forthwith cause a notification to be exhibited in not less than three (3) public and conspicuous places in the territory of the local government unit where the distraints is made, specifying the time and place of sale, and the articles distrainted . The time of sale shall not be less than twenty (20) days after notice to the owner or possessor of the property as above specified and the publication or posting of the notice. One Place for the posting of the notice shall be at the office of the chief executive of the local government unit in which the property is distrainted.

(d) Release of distrainted property upon payment prior to sale. If any time prior to the consummation of sale, all the proper charges are paid to the officer conducting the sale, the goods or effects distrainted shall be restored to the owner.

(e) Procedure of sale. - At the time and place fixed in the notice, the officer conducting the sale shall sell the goods or effects so distrainted at public auction to the highest bidder for cash, within five (5) days after the sale, the local treasurer shall make a report of the proceedings in writing to the local chief executive concerned .

Should the property distrainted be not disposed of within one hundred and twenty (120) days from the date of distraint, the same shall be considered as sold to the local government unit concerned for the amount of the assessment made thereon by the Committee on Appraisal and to the extent of the same amount , the tax delinquencies shall be canceled.

Said Committee on Appraisal shall be composed of the city or municipalities treasurers as chairman, with a representation of the Commission on Audit and the city or municipal assessor as members.

(f) Disposition of Proceeds. – The proceeds of the sale shall be applied to satisfy the tax, including surcharges, interest, and other penalties incident to delinquency, and expenses of the distraint and sale. The balance over and above what required to pay the entire claim shall be returned to the owner of property sold. The expenses chargeable upon the seizure and sale shall embrace only the actual expenses of seizure and preservation of the property pending the sale, shall be imposed for the services of the local officer or his deputy. Where the proceeds of the sale are insufficient to satisfy the claim, other property may, in like manner, be distraint until the full amount due, including all expenses, is collected.

Sec. 181. Levy on Real Property. - After the expiration of the time required to pay the delinquent tax, fee, or charge, real property may be levied on before, simultaneously, or after the distraint of personal property belonging to the delinquent taxpayer. To this end, the provincial, city or municipal treasurer, as the case may be, shall prepare a duly authenticated certificate showing the name of the taxpayer and the time amount of the tax, fee, of a legal execution throughout Autonomous Region, Levy shall be effected by writing upon said certificate the description of the property upon which levy is made. At the same time, written notice of the levy shall be mailed to or served upon the assessor and the Registrar of Deeds of the province or city where the property is located who shall annotate the levy on the tax declaration and certificate of title of the property, respectively, and the delinquent taxpayer or, if he be absent to which the liability arose, or if there be none, to the occupant of the property in question.

In case the levy on real property is not issued before or simultaneously with warrant of distraint on personal property, and the personal property of the taxpayer is not sufficient to satisfy his delinquency, the provincial, city or municipal treasurer, as the case may be, shall within (30) days after execution of the distraint, proceed with the levy on the taxpayer's real property.

A report any levy shall, within ten (10) days after receipt of the warrant, be submitted by the levying officer to the sanggunian concerned.

Sec. 182. Penalty for Failure to Issue and Executive Warrant. - Without prejudice to criminal prosecution under the Revised Penal Code and other applicable laws, any local treasurer who fails to issue or execute the warrant of distraint or levy after the expiration of the time prescribed, or who found guilty of abusing the exercise thereof by competent authority shall be automatically dismissed from the service after due notice and hearing.

Sec.183. Advertisement and Sale.- Within thirty (30) days after levy. The local treasurer shall proceed to publicly advertise for sale or auction the property or a usable portion thereof as may be necessary to satisfy the claim and cost of sale; and such advertisement shall cover a period of at least thirty (30) days. It shall be effected, by posting a notice at the main entrance of the municipal building or city hall, and in a public and conspicuous place in the barangay where the real property is located, and by publication once a week for three (3) weeks in a newspaper of general circulation in the province, city or municipality where the property is located. The advertisement shall

contain the amount of taxes, fees or charges, and penalties due thereon, and the time and place of sale, the name of the taxpayer against whom the taxes, fees, or charges are lived, and a short description of the property to be sold. At any time before the date fixed for the sale, the taxpayer may stay the proceeding by paying the taxes, fees, charges, penalties and interests. If he fails to do so, the sale shall proceed and shall be held either at the main entrance of the provincial, city and municipal building , or on the property to be sold, or at any other place as determined by the local treasurer conducting the sale and specified in the notice of sale.

Within thirty (30) days after the sale, the local treasurer or his deputy shall make a report of the sale to the sanggunian concerned, ad which shall form part of his records. After consultation on the sanggunian, the local treasurer shall make and deliver to the purchaser a certificate of sale, showing the proceedings of the sale, describing the property sold, stating the name of the purchaser and setting out the exact amount of all taxes, fees, charges, and related surcharges, interests or penalties Provided, however, That any excess in the proceeds of the sale over the claim and cost of sales shall be turned over to the owner of the property.

The local treasurer may, by ordinance duly approved, advance an amount sufficient to defray the costs of collection by means of the remedies provided for in this Title, including the preservation or transportation in case of personal property, and the advertisement and subsequent sale, in cases of personal and real property including improvements thereon.

Sec. 184. Redemption of Property sold.- Within one (1) year from the date of sale, the delinquent taxpayer or his representative shall have the right to redeem the property upon payment to the local treasurer of the local amount of taxes, fees, or charges, and related surcharges, interests or penalties from the date of delinquency to the date of sale, plus interest of not more than two percent (2%) per month on the purchase price from the date of purchase to the date of redemption Such payment shall invalidate the certificate of sale issued to the purchase and the owner shall be entitled to a certificate of redemption from the provincial, city or municipal treasurer or his deputy.

The provincial , city or municipal treasurer or his deputy, upon surrender by the purchase of the certificate of sale previously issued to him, shall forthwith return to the latter the entire purchase price paid by him plus the interest of not more than two percent (2%) per month herein provided for, the portion of the cost of sale and other legitimate expenses incurred by him, and said property thereafter shall be free from the lien of such taxes, fees, or charges, related surcharges, interest , and penalties.

The owner shall not, however, be deprived of the possession of said property and shall be entitled to the rentals and other income thereof until the expiration of the time allowed for its redemption.

Sec. 185. Final Deed to Purchaser.- In case the taxpayer fails to redeem the property as provided herein, the local treasurer shall execute a deed conveying to the purchaser so much of the property as has been sold, free from liens of any taxes, fees, charges, related surcharges, interests, and penalties. The deed shall succinctly recite all the proceeding upon which the validity of the sale depends.

Sec. 186. Purchase of Property By the Local Government Units for Want of Bidder.- In case there is no bidder for the real property advertised for sale as provided herein. Or if the highest bid is for an amount insufficient to pay the taxes, fees, or charges, related surcharges, interests, penalties and costs, the local treasurer conducting the sale shall purchase the property in behalf of the local government until concerned to satisfy the claim and within two (2) days thereafter shall make a report of his proceedings which shall be reflected upon registration with his office of any such declaration of forfeiture to transfer the title of the forfeited property to the local government units concerned without the necessity of an order from a competent court. Within one (1) year from the date of such forfeiture, the taxpayer or any of his representative, may redeem the property by paying to the local treasurer the full amount of the taxes, fees, charges, and related surcharges, interests, or penalties, and the costs of sale. If the property is not redeemed as provided herein, the ownership thereof shall be fully vested on the local government unit concerned.

Sec. 187. Resale of Real Estate Taken for Taxes, Fees, or Charges.- The sanggunian concerned may, by ordinance duly approved, and upon notice of not less than twenty (20) days, sell and dispose of the real property acquired under the preceding section at public auction. The proceeds of the sale shall accrue to the general fund of the local government unit concerned.

Sec. 188. Collection of Delinquent Taxes, Fees, Charges or other Revenues through Judicial Action.- The local government unit concerned may enforce the collection of delinquent taxes, fees, charges or other revenues by civil action in any court of competent jurisdiction. The civil action shall be filed by the local treasurer within the period prescribed in Section 199 of this Code.

Sec. 189. Further Distraint or Levy.-The remedies by distraint and levy may be repeated if necessary until the full amount due, including all expenses, is collected.

Sec. 190. Personal Property Exempt from Distraint or Levy. - The following property shall be exempt from distraint and the levy, attachment or execution thereof for delinquency in the payment of any local tax, fee, or charge, including the related surcharge and interest:

(a) Tools and the implements necessarily used by the delinquent taxpayer in his trade or employment;

(b) One (1) horse, cow, carabao, or other beast of burden, such as delinquent taxpayer may select, and necessarily used by him in his ordinary occupation;

(c) His necessary clothing, and that of all his family;

(d) Household furniture and utensils necessary for housekeeping and used for that purpose by the delinquent taxpayer, such as he may select of a value not exceeding Ten thousand pesos (P10,000.00);

(e) Provisions, including crops, actually provided for individual or family use sufficient for four (4) months;

(f) The professional libraries of doctors, engineers, lawyers and judges;

(g) One fishing boat and net, not exceeding the total value of Ten thousand pesos (P10,000.00) , by the lawful use of which a fisherman earns his livelihood ; and

(h) Any material or article forming part of a house or improvement of any real property.

CHAPTER 5. MISCELLANEOUS PROVISIONS

Sec. 191. Power to Levy Other Taxes, Fees, or Charges.- The Autonomous government , its provinces , cities, municipalities and barangays may exercise the power to levy taxes, fees, or charges on any base or subject not otherwise specifically enumerated herein or taxed under the provisions of the National Internal revenue Code, as amended, or other applicable laws: Provided, That the taxes, fees, or charges shall not be unjust, excessive, oppressive, confiscatory or contrary to declared regional policy: Provided, further, That the law or ordinance levying such taxes, fees, or charges shall not be enacted without any prior public hearing conducted for the purpose.

Sec. 192. Procedure for Approval and Effectivity of Tax laws and Ordinances and Revenue Measures; Mandatory Public Hearings.-The procedure for approval of regional tax laws, local tax ordinances and revenue measures shall be in accordance with the provisions of this Code. Provided, That the public hearings shall be conducted for the purpose prior to the enactment thereof: Provided, further, That any question on the constitutionality or legality of tax laws and ordinances or revenue measures may be raised on appeal within thirty (30) days from the effectivity thereof to the Secretary of Justice who shall render a decision within sixty (60) days from the date of receipt of the appeal: Provided , however, That such appeal shall not have the effect of suspending the effectivity of the law or ordinance and the accrual and payment of the tax, fee, or charge levied therein: Provided, finally, That within thirty (30) days after receipt of the decision or the lapse of the sixty-day period without the Secretary of Justice acting upon the appeal, the aggrieved party may file appropriate proceeding with a court of competent jurisdiction.

Sec. 193. Publication of Tax Laws and Ordinances and Revenue Measures.- Within ten (10) days after their approval, certified true copies of all regional tax laws, provincial, city and municipal tax ordinances or revenue measures shall be published in full for three (3) consecutive days in a newspaper of regional circulation: provided, however, That in provinces, cities and municipalities where there are no newspapers of local circulation, the same may be posted in at least two (2) conspicuous and publicity accessible places.

Sec. 194. Furnishing of Copies of tax Ordinances and Revenue Measures.- Copies of all regional tax laws provincial, city, and municipal and barangay tax ordinances and revenue measures shall be furnished the respective local treasurers for public dissemination.

Sec. 195. Attempt to Enforce Void or Suspended Tax Ordinances and Revenue Measures.- The enforcement of any tax laws and ordinance or revenue measure after due notice of the disapproval or suspension thereof shall be sufficient ground for administrative disciplinary action against the regional or local officials and employees responsible thereof.

Sec. 196. Authority of Regional and Local Government Units to Adjust Rates of Tax Laws and Ordinance.- The Autonomous region, its provinces, cities, municipalities and barangays shall have the authority to adjust the tax rate as prescribed herein not often than once every five (5) years, but in no case shall such adjustment exceed ten percent (10%) of the rates fixed under this Code.

Sec. 197. Authority to Grant Tax Exemption Privileges.- The autonomous government, its provinces, cities, municipalities and barangays may, through regional laws or ordinances duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as they may deem necessary.

Sec. 198. Withdrawal of Tax Exemption Privileges.- Unless otherwise provided in this Code, tax exemptions or incentive granted to, or presently enjoyed by all persons, whether natural or juridical, including government-owned or controlled corporations, except local water district, cooperatives duly registered under R.A. No. 6938, non-stock and non-profit hospitals and educational institutions, are hereby withdrawn upon the effectivity of this Code.

CHAPTER 6- TAXPAYER'S REMEDIES

Sec. 199. Periods of Assessment and Collection.- (a) Regional or local taxes, fees, or charges shall be assessed within (5) years from the date they became due. No action for the collection of such taxes, fees or charges, which have accrued before the effectivity of this Code may be assessed within a period of three (3) years from the date they became due.

(b) In case of fraud or intent to evade the payment of taxes, fees, or charges, the same may be assessed within (10) years from discovery of the fraud or intent to evade payment.

(c) Regional or local taxes, fees, or charges may be collected within five (5) years from the date of assessment by administrative or judicial action. No such action shall be instituted after the expiration of said period: Provided, however, That, taxes, fees, or charges assessed before the effectivity of this Code may be collected within a period of three (3) years from the date of assessment.

(d) The running of the periods of prescription provided in the preceding paragraphs shall be suspended for the time during which;

(1) The treasurer is legally prevented from making the assessment or collection;

(2) The taxpayer requests for an investigation and executes a waiver in writing before expiration of the period within which to assess or collect; and

(3) The taxpayer is out of the country or otherwise cannot be located.

Sec. 200. protest of Assessment.- When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties. Within sixty (60) days from the receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment; otherwise, the assessment shall become final and executory.

The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice canceling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. The taxpayer shall have thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60) day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappealable.

Sec. 201. Claim for Refund of Tax Credit.- No case or proceeding shall be maintained in any court for the recovery of any tax, fee, or charge erroneously or illegally collected until a written claim for refund or credit has been filed with the local treasurer. No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit.

TITLE II- REAL PROPERTY TAXATION

CHAPTER 1- General Provisions

Sec. 202. Scope.- This Title shall govern the administration, appraisal, assessment, levy and collection of real property tax.

Sec. 203.- Fundamental Principles. The appraisal, assessment, levy and collection or real property tax shall be guided by the following fundamental principles.

(a) Real property shall be appraised at its current and fair market value.

(b) Real property shall be classified for assessment purpose on the basis of its actual use.

(c) Real property shall be assessed on the basis of a uniform classification within each local government unit;

(d) The appraisal, assessment, levy and collection of real property tax shall not be let to any private person; and

(e) The appraisal and assessment of real property shall be equitable.

Sec. 204. Definitions.-When used in this Title:(a) “ Acquisition Cost” for newly-acquired machinery not yet depreciated and appraisal within the year of its purchase, refers to the actual cost of the machinery to its present owner, plus the cost of transportation, handling and installation at the present site;

(b)“Actual Use” refers to the purpose for which the property is principally or predominantly utilized by the person in possession there;

(c)“Ad Valorem Tax’ is a levy on real property determined on the basis of a fixed proportion of the value of the property;

(d) “ Agricultural Land” is land devoted principally to the planting of trees, raising of crops, livestock and poultry, dairying, slat making, inland fishing and similar aqua-cultural

activities, and other agricultural activities, and is not classified as mineral timber, residential commercial or industrial land;

(e) "Appraisal" is the act or process of determining the value of property as of specific date for a specific purpose;

(f) "Assessment" is the act or process of determining the value of a property, or proportion thereof subject to tax, including the discovery, listing, classification and appraisal of properties;

(g) "Assessment Level" is the percentage applied to the fair market value to determine the taxable value of the property;

(h) "Assessed Value" - is the fair market value of the real property multiplied by the assessment level. It is synonymous to taxable value;

(i) "Commercial Land" is land devoted principally for the object of profit and is not classified as agricultural, industrial, mineral, timber, or residential land;

(j) "Depreciated Value" is the value remaining after deducting depreciation from the acquisition cost;

(k) "Economic Life" is the price at which property may be sold by a seller who is not compelled to sell and bought by a buyer who is not compelled to buy;

(l) "Fair Market Value" is the price at which property may be sold by a seller who is not compelled to sell and bought by a buyer who is not compelled to buy;

(m) "Improvement" is a valuable addition made to a property or an amelioration in its condition, amounting to more than a mere repair or replacement of parts improving capital expenditures and labor, which is intended to enhance its value, beauty or utility or to adapt it for new or further purposes;

(n) "Industrial Land" is land devoted principally to industrial activity as capital investment and is not classified as agricultural, commercial, timber, mineral or residential land;

(o) "Machinery" embraces machines, equipment, contrivances, instruments, appliances or apparatus which may or may not be attached permanently or temporarily, to the real property. It includes the physical facilities, those which are mobile, self-powered or self-propelled, and those not permanently attached to the real property which are actually, directly and exclusively used to meet the needs of a particular industry, business or activity and which by their very nature and purpose are designed for or necessary to its manufacturing, mining, logging, commercial, industrial or agricultural purposes;

(p) "Mineral lands" are lands in which minerals, metallic or non-metallic, exist in sufficient quantity or grade to satisfy the necessary expenditures to extract and utilize such materials;

(q) "Reassessment" is the assigning of new assessed values to property, particularly real estate, as the result of a general, partial, or individual reappraisal of the property;

(r) "Remaining Economic Life" is the period of time expressed in years from the date of appraisal to the date when the machinery becomes valueless;

(s) "Remaining Value" is the value corresponding to the remaining useful life of the machinery;

(t) "Replacement of Reproduction Cost" is the cost that would be incurred on the basis of current prices, in acquiring an equally desirable substitute property, or the cost of reproducing a new replica of the property on the basis of current prices with the same or closely similar material; and

(u) "Residential Land" is land principally devoted to habitation.

Sec. 205. Administration of the Real Property Tax.- The provinces, , cities, and municipalities, shall be primarily responsible for the proper, efficient and effective administration of the real property tax.

CHAPTER 2.- APPRAISAL AND ASSESSMENT OR REAL PROPERTY

Sec. 206. Appraisal or Real Property.- All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality where the property is situated. The Department of Finance shall promulgate the necessary rules and regulations for the classification, appraisal, and assessment of real property pursuant to the provisions of this Code.

Sec. 207. Declaration of real Property by the Owner or Administrator.- It shall be the duty of all persons, natural or juridical, owning or administering real property, including the improvements therein, within a city or municipality, or their duly authorized representative, to prepare, or cause to be prepared, and file with the provincial, city or municipal assessor, a sworn statement declaring the true value of their property, whether previously declared or undeclared, taxable or exempt which shall be the current and fair market value of the property, as determined by the declarant. Such declaration shall contain a description of the property sufficient in detail to enable the assessor or his deputy to identify the same for assessment purposes. The sworn declaration or real property herein referred to shall be filed with the assessor concerned once every three (3) years during the period from January first (1st) to June thirtieth (30th) commencing with calendar year 1992.

Sec. 208. Duty of Person Acquiring real Property of Making Improvement Thereon.- It shall also be the duty of any person, or his authorized representative, acquiring at any time real property in any municipality or city or making any improvement on real property, to prepare, or cause to be prepared and file with the provincial, city or municipal assessor, a sworn statement declaring the true value of subject property, within sixty (60) days after the acquisition of such property or upon completion or occupancy of the improvement, whichever comes earlier.

Sec. 209. Declaration of real Property by the Assessor.- when any person, natural or juridical, by whom real property is required to be declared under Section 208 hereof, refuses or fails for any reason to make such declaration within the time prescribed, the provincial, city or municipal assessor shall himself declare the property in the name of the defaulting owner, if known, or against an unknown owner, as the case may be, and

shall assess the property for taxation in accordance with the provision of this Title. No oath shall be required of a declaration thus made by the provincial, city or municipal assessor.

Sec. 210. Listing of real property in the Assessment Rolls.-(a) In every province, city and municipality, there shall be prepared and maintained by the provincial, city or municipal assessor an assessment roll wherein shall be listed all real property, whether taxable or exempt, located within the territorial jurisdiction of the local government unit concerned. Real Property shall be listed, valued and assessed in the name of the owner or administrator, or anyone having legal interest in the property.

(b) The undivided real property of a deceased person may be listed, valued and assessed in the name of the estate or of the heirs and devisees without designating them individually; and undivided real property other than that owned by a deceased may be listed, valued and assessed in the name of one or more co-owners; Provided, However, that such heir, devisee, or co-owner shall be liable severally and proportionately for all obligations imposed by this Title and the payment of the real property tax with respect to the undivided property.

(c) The real property of a corporation, partnership, or association shall be listed valued and assessed in the same manner as that of an individual.

(d) Real property owned by the Autonomous Region in Muslim Mindanao, its instrumentalities and political subdivisions, the beneficial use of which has been granted, for consideration or otherwise, to a taxable person, shall be listed, valued and assessed in the name of the possessor, grantee or of the public entity if such property has been acquired or held for resale or lease.

Sec. 211. Proof of Exemption of Real Property from Taxation.- Every person by or for whom real property is declared, who shall claim tax exemption for such property under this Title shall file with the provincial, city or municipal assessor within thirty (30) days from the date of the declaration of real property sufficient documentary evidence in support of such claim including corporate charters, title of ownership, articles of incorporation by laws, contracts, affidavits, certifications and mortgage deeds, and similar documents.

If the required evidence is not submitted within the period herein prescribed, the property shall be listed as taxable in the assessment roll. However, if the property shall be proven to be tax exempt, the same shall be dropped from the assessment roll.

Sec. 212. Real property Identification System. – All declarations of real property made under the provisions of this Title shall be kept and filed under a uniform classification system to be established by the provincial, city or municipal assessor.

Sec. 213. Notification of transfer of real Property Ownership.- Any person who shall transfer real property ownership to another shall notify the provincial , city or municipal assessor concerned within sixty (60) days from the date of such transfer, The notification shall include the mode of transfer , the description of the property alienated, the name and address of the transferee.

Sec. 214. Duty if Registrar of Deeds to Appraise Assessor of Real Property Listed in Registry.-(a) To ascertain whether or not any real property entered in the

Registry of Property has escaped discovery and listing for the purpose of taxation, the Registrar of Deeds shall prepare and submit to the provincial, city or municipal assessor, within six (6) months from the date of effectivity of this Code and every year thereafter, an abstract of his registry, which shall include brief but sufficient description of the real properties entered therein, their present owners, and the dates of their most recent transfer or alienation accompanied by copies of corresponding deeds of sale, donation, or partition or other forms of alienation.

(b) It shall also be the duty of the Registrar of Deeds to require every person who shall present for registration a document to transfer, alienation or encumbrance of real property to accompany the same with certificate to the effect that the real property subject of the transfer, alienation, or encumbrance, as the case may be, has been fully paid of all real property taxes due thereon. Failure to provide such certificate shall be a valid case for the Registrar of Deeds to refuse the registration of the document.

Sec. 215. Duty of Official Issuing Building Permit or Certificate of Registration of Machinery to Transmit Copy to Assessor.- Any public official or employee who may now or hereafter be required by law or regulation to issue to any person a permit for the construction, addition, repair, or renovation of a building, or permanent improvement on land, or certificate of registration for machinery, including machines, mechanical contrivances, and apparatus attached or affixed on land or to another real property, shall transmit a copy of such permit or certificate within thirty (30) days of its issuance, to the assessor of the province, city or municipality where the property is situated.

Sec. 216. Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor. - It shall be the duty of all the geodetic engineers, public or private, to furnish free of charge to the assessor of the province, city, or municipality where the land is located with a white or blue print copy of each of all approved original or subdivision plans or maps of surveys executed by them within thirty (30) days from receipt of such plans from the Lands Management Bureau, the Land Registration Authority, or the Housing and Land Use Regulatory Board as the case may be.

Sec. 217. Preparation of Schedule of Fair Market Values.- Before any general revision of property assessment is and pursuant to the provision of this Title, there shall be prepared a schedule of fair market value by the provincial, city or municipal assessors for the different classes of real property situated in their respective local government units for enactment by ordinance of the sanggunian concerned. The schedule of fair market values shall be published in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two other conspicuous public places therein.

Sec. 218. Authority of Assessor to Take Evidence.- For the purpose of obtaining information on which to base the market value of any real property, the assessor of the province, city or municipality or his deputy may summon the owners of the properties to be affected or person having legal interest herein and witnesses, administer oaths, and take deposition concerning the property, its ownership, amount, nature and value.

Sec. 219. Amendment of Schedule of Fair Market Values.- The provincial, city or municipal assessor may recommend to the sanggunian concerned amendments to correct

errors in valuation in the schedule of fair market values. The sanggunian concerned shall, but ordinance act upon the recommendation within ninety (90) days from receipt thereof.

Sec. 220. Classes of Real Property for Assessment Purposes.- For purpose of assessment, real property shall be classified as residential, agricultural, commercial, industrial, mineral timberland or special, The city or municipality through their respective sanggunian, shall have the power to classify land as residential, agricultural, commercial, mineral timberland or special. The city or municipality through their respective sanggunian, shall have the power to classify land as residential, agricultural, commercial, industrial, mineral , timberland or special in accordance with their zoning ordinance.

Sec, 221. Special Classes or Real Property.- All lands, building and other improvements thereon actually, directly and exclusively used for hospitals, cultural or specific purpose and those owned and used by local water districts and government-owned or controlled corporations rendering essential public services in the supply and distribution of water and/or generation and transmission of electric power shall be classified as special.

Sec. 222. Actual Use of Real Property as Basis for Assessment. - Real property shall be classified, valued and assessed on the basis of its actual use regardless of where located, whoever owns it, and whoever uses it.

Sec. 223. Assessment Levels. - The assessment levels to be applied to the fair market value of real property to determine its assessed value shall be fixed by ordinance of the sangguniang panlalawigan, sangguniang panglunsod or sangguniang bayan at the rates not exceeding the following:

(a) On Lands:

<u>CLASS</u>	<u>ASSESSMENT LEVELS</u>
Residential	20%
Agricultural	40%
Commercial	50%
Industrial	50%
Mineral	50%
Timberland	20%

(b) On Buildings and other Structures:

(1) Residential

<u>Fair Market Value Over</u>	<u>Not Over</u>	<u>Assessment Level</u>
	P 175,000.00	0%
P 175,000.00	300,000.00	10%
300,000.00	500,000.00	20%

500,000.00	750,000.00	25%
750,000.00	1,000,000.00	30%
1,000,000.00	2,000,000.00	35%
2,000,000.00	5,000,000.00	40%
5,000,000.00	10,000,000.00	50%
10,000,000.00		60%

(2) Agricultural

<u>Fair Market Value Over</u>	<u>Not Over</u>	<u>Assessment Levels</u>
	P 300,000.00	25%
P 300,000.00	500,000.00	30%
500,000.00	750,000.00	35%
750,000.00	1,000,000.00	40%
1,000,000.00	2,000,000.00	45%
2,000,000.00		50%

(3) Commercial/Industrial

<u>Fair Market Value Over</u>	<u>Not Over</u>	<u>Assessment Levels</u>
	P 300,000.00	30%
P 300,000.00	500,000.00	35%
500,000.00	750,000.00	40%
750,000.00	1,000,000.00	50%
1,000,000.00	2,000,000.00	60%
2,000,000.00	5,000,000.00	70%
5,000,000.00	50,000,000.00	75%
10,000,000.00		80%

(4) Timberland

<u>Fair Market Value Over</u>	<u>Not Over</u>	<u>Assessment Levels</u>
	P 300,000.00	45%
P 300,000.00	500,000.00	50%
500,000.00	750,000.00	55%

750,000.00	1,000,000.00	60%
1,000,000.00	2,000,000.00	65%
2,000,000.00		70%

(c) On Machineries

<u>Class</u>	<u>Assessment Levels</u>
Agriculture	40%
Residential	50%
Commercial	80%
Industrial	80%

(d) On Special Classes: The assessment levels for all lands , buildings, machineries and other improvement;

<u>Actual Use</u>	<u>Assessment Level</u>
Cultural	15%
Scientific	15%
Hospital	15%
Local water districts	10%
Government-owned or Controlled corporation engaged in the supply and distribution of water and/ or generation and transmission of electric power	10%

Sec. 224. General Revision of Assessment and Property Classification.- The provincial , city or municipal assessor shall undertake a general revision of revision or real property assessments within two (2) years after the effectivity of this Code and every three(3) years thereafter.

Sec. 225. Valuation of real property. In cases where (a) Real property is declared and listed for taxation purpose for the first time ; (b) there is an ongoing general revision of property classification and assessment; or (c) a request is made by the person in whose name the property is declared, the provincial, city or municipal assessor or his duly authorized deputy shall, in accordance with the provisions of this Chapter, make a classification, appraisal and assessment of the real property listed and described in the declaration irrespective of any previous assessment or taxpayer's valuation thereon: provided, however, That the assessment of real property shall not be increased often than

once every three(3) years except in case of new improvements substantially increasing the value of said property or of any change in its actual use.

Sec. 226. Date of Effectivity of Assessment or Reassessment .- All assessments or reassessments made after the first(1st) day of January of any year shall take effect on the first (1st) day of January of the succeeding year: Provided, however, That the reassessment of real property due to its partial or total destruction or to a major change in its actual use, or to any great and sudden inflation or deflation of real property values, or to the gross illegality of or the assessment when made or to any other abnormal cause occurred, and shall be made within ninety (90) days from the date any such cause or causes occurred, and shall take effect at the beginning of the quarter next following the reassessment.

Sec. 227. Assessment of Property Subject to back Taxes.- Real property declared for the first time shall be assessed for taxes for the period during which it would have been liable but in no case for more than ten (10) years prior to the date of initial assessment: Provided, however , That such taxes shall be computed on the basis of the applicable schedule of value in force during the corresponding period.

If such taxes are paid on or before the end of the quarter following the date the notice of assessment was received by the owner or his representative, no interest for delinquency shall be imposed thereon; otherwise , such taxes shall be subject o an interest at the rate of two percent (2%) per month or a fraction thereof from the date of the receipt of the assessment until such taxes are fully paid.

Sec. 228. Notification of new or Revised Assessment.- When real property is assessed for the first time or when as existing assessment is increase or declared, the provincial , city or municipal assessor shall within thirty (30) days give written notice of such new or revised assessment top the person in whose namethe property is declared . The notice may be delivered personally or registered mail or through the assistance of the punong barangay to the last known address of the person to be served.

Sec, 229. Appraisal and Assessment of machinery.-(a) The fair market value of a brand-new machinery shall be the acquisition cost. In all other cases, the fair market value shall be determined by dividing the remaining economic life of the machinery by its estimated economic life and multiplied by the replacement or reproduction cost.

(b) If the machinery is imported, the acquisition cost includes freight, insurance, bank and other charges, brokerage, arrastre and handling , duties and taxes, pus cost of inland transportation, handling and installation charges at the present site. The cost in foreign currency exchange rates as fixed by the Central Bank.

Sec. 230. Depreciation Allowance for Machinery.- For purpose assessment, a depreciation allowance shall be made for machinery at a rate not exceeding five percent (5%) of its original cost or its replacement or reproduction cost, as the case may be for each year of use; Provided, however That the remaining value for all kinds of machinery shall be fixed at not less than twenty percent (20%) of such original , replacement, or reproduction cost for so long as the machinery is useful and in operation.

CHAPTER 3- ASSESSMENT APPEALS

Sec. 231. Local Board of Assessment Appeals- Any owner or person having legal interest in the property who is not satisfied with the action of the provincial, city or municipal assessor in the assessment of his property may , within sixty (60) days from the date of receipt of the written notice of assessment , appeal to the Board of Assessment Appeals of the province or city by filling a petition under oath in the form prescribed for the purpose , together with copies of the tax declarations and such affidavits or documents submitted in support of the appeal.

Sec. 232. Organization , Powers ,Duties and Function of the Local Board of Assessment Appeals.- (a) The Board of Assessment Appeals of the province or city shall be composed of the Registrar of Deeds , as Chairman, the provincial, or city engineer as members , who shall serve as such in an ex-officio capacity without additional compensation.

(b) The chairman of the Board shall have the power to designate any employee of the province or city to serve as secretary to the Board also without additional compensation.

(c) The chairman and members of the Board of Assessment Appeals of the province or city shall assume their respective positions without need of further appointment or special designation immediately upon effectivity of this Code . They shall take an oath or affirmation of office in the prescribed form.

(d) In provinces and cities without a provincial or city engineer, the district engineers shall serve as member of the Board . In the absence of the Registrar of Deeds, or the provincial or city prosecutor, or the provincial; or city engineer, or the district engineer, the persons performing their duties , whether in an acting cvapacity or as duly designated officer-in-charge, shall automatically become the chairman or member, respectively, of the said board , as the case may be.

Sec. 233. Meetings and Expenses of the Local Board of Assessment Appeals.- (a) The Board of Assessment Appeals of the province or city shall meet once a month and as often as may be necessary for the prompt disposition of appealed cases. No member of the board shall be entitled to per diems or traveling expenses for his attendance in board meetings, except when conducting an ocular inspection in connection with a case under appeal.

(b) All expenses of the board shall be charged against the general fund of the province or city, as the case may be. The sanggunian concerned shall appropriate the necessary funds to enable the Board in their respective localities to operate effectively.

Sec. 234. Action by the Local Board of Assessment Appeals. -

(a) The Board shall decide the appeal within One hundred twenty (120) days from the date of receipt of such appeal. The Board, after hearing, shall render its decision based on substantial evidence or such relevant evidence on record as a reasonable mind might accept as adequate to support the conclusion.

(b) In the exercise of its appellate jurisdiction, the Board shall have the power to summon witnesses, administer oaths, conduct ocular inspection, take depositions and issue

subpoena and subpoena duces tecum. The proceeding of the Board shall be conducted solely for the purpose of ascertaining the facts without necessarily adhering to technical rule applicable in judicial proceedings.

(c) The secretary of the Board shall furnish the owner of the property or the person having legal interest therein and the provincial or city assessor with a copy of the decision of the Board. In case the provincial or city assessor in the revision of the assessment, it shall be his duty to notify the owner of the property or the person having legal interest therein of such a fact using the form prescribed for the purpose. The owner of the property or the person having legal interest therein or the assessor who is not satisfied with the decision of the Board, may, within thirty (30) days after receipt of the decision of said Board, appeal to the Regional Board of Assessment Appeals, as herein provided. The decision of the Regional Board shall be final and executory.

Sec. 235. Effect of Appeal on the Payment of Real Property Tax. –Appeal on assessments of real property made under the provisions of this Code shall, in no case, suspend the collection of the corresponding realty taxes on the property involved as assessed by the provincial assessor, without prejudice to subsequent adjustment depending upon the final outcome of the appeal.

Chapter 4.- Imposition of Real Property Tax

Sec. 236. Power to Levy Real Property Tax. – A province or city ay levy an annual ad valorem tax on real property such as land, building, machinery, and other improvements not hereinafter specially exempted.

Sec. 237. Rate of Levy. – A province or a city shall fix a uniform rate of basic real property tax applicable to their respective localities as follows:

(a) In the case of a province, at the rate not exceeding one percent (1%) of the assessed value of real property; and

(b) In the case of a city, at the rate not exceeding two percent (2%) of the assessed value of real property.

Sec. 238. Exemptions from Real Property Tax. – The following are exempted from payment of the property tax:

(a) Real property owned by the Autonomous Region in Muslim Mindanao or any of its political subdivision when the beneficial use thereof has been granted for consideration or otherwise, to a taxable person;

(b) Charitable institutions, churches, parsonages or convents appurtenant thereto, mosques, nonprofit or religious cemeteries and all lands, buildings and improvements actually, directly and exclusively used for religious, charitable or educational purposes;

(c) All machineries and equipment that are actually, directly and exclusively used by local water districts and government owned or controlled corporations engaged in the supply and distribution of water/ or generation and transmission of electric power;

(d) All real property owned by duly registered cooperatives as provided for under R. A. No. 6938; and

(e) Machinery and equipment used for pollution control and environmental protection.

Except as provided herein, any exemption from payment of real property tax previously granted to, or presently enjoyed by, all persons, whether natural or judicial, including all government owned or controlled corporation are hereby withdrawn upon the effectivity of this Code.

CHAPTER 5. - Special Levies on Real Property

Sec. 239. Additional Levy on Real Property for the Special Education Fund. - A province or a city, may levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax. The proceeds thereof shall exclusively accrue to the Special Education Fund (SEF).

Sec. 240. Additional Ad Valorem Tax on Idle Lands. - A province or city, may levy an annual tax on idle lands at the rate not exceeding five percent (5%) of the assessed value of the property which shall be in addition to the basic real property.

Sec. 241. Idle Lands, Coverage - For purposes of real property taxation, idle lands shall include the following:

(a) Agricultural lands, more than one (1) hectare area, suitable for cultivation, dairying, inland fishery, and other agricultural uses, one-half (1/2) of which remain uncultivated or unimproved by the owner of the property or persons having legal interest therein. Agricultural lands planted to permanent or perennial crops with at least fifty (50) trees to a hectare shall not be considered idle lands. Lands actually used for grazing purposes shall likewise not be considered idle lands.

(b) Lands, other than agricultural, located in a city or municipality, more than one thousand (1,000) square meters in area one-half (1/2) of which remain unutilized or unimproved by the owner of the property or person having legal interest therein. Regardless of land area, this Section shall likewise apply to residential lots in subdivision duly approved by proper authorities, the ownership of which has been transferred to individual owners, who shall be liable for the additional tax: Provided, however, that individual lots of such subdivisions, the ownership of which has been transferred to the buyer shall be considered as part of the subdivision, and shall be subject to the additional tax payable by subdivision owner or operator.

Sec. 242. Idle lands Exempt from Tax. - A province or city may exempt idle lands from the additional levy by reason of force majeure, civil disturbance, natural calamity or any cause or circumstances which physically or legally prevents the owner of the property or person having legal interest therein from improving, utilizing or cultivating the same.

Sec. 243. Listing of Idle Lands by the Assessor. - The provincial, city or municipal assessor shall make and keep an updated record of all idle lands located within his area of jurisdiction. For purposes of collection, the provincial, city or municipal assessor shall furnish a copy of the property or person having legal interest therein of the imposition of the additional tax.

Sec. 244. Special Levy by Local Government Units.- The Autonomous Region , province, city or municipality may impose a special levy on the lands comprised within its

territorial jurisdiction specially benefited by public works projects or improvements funded by the regional or local government unit concerned: Provided, however, That the special levy shall not exceed sixty percent (60%) of the actual cost of such projects and improvements including the costs of acquiring land and such other real property in connection therewith: Provided, further, That the special levy shall not apply to lands exempt from basic real property tax and the remainder of the land portion of which have been donated to the regional or local government unit concerned for the construction of such projects or improvements.

Sec. 245. Law or Ordinance Imposing a Special Levy. - A tax or ordinance imposing a special levy shall describe with reasonable accuracy the nature, extent, a location of the public works projects or improvements to be undertaken, state the estimated cost thereof, specify the metes and bounds by monuments and lines and the number of annual installments for the payments of the special levy which in no case shall be less than five (5) nor more than ten (10) years. The sanggunian concerned shall not be obliged, in the apportionment and computation of the special levy, to establish a uniform percentage of all lands subject to payment of the tax for the entire district, but it may fix different rates for different parts or sections thereof, depending on whether such land is more or less by the proposed work.

Sec. 246. Publication of Proposed Law or Ordinance Imposing a Special Levy. - Before the enactment of a law or an ordinance imposing a special levy, the Regional Legislative Assembly or the sanggunian concerned shall conduct a public hearing thereon; notify in writing the owners of the real property to be affected or the persons having legal interest therein as to the date and place thereof and afford the latter the opportunity to express their positions or objections relative to the proposed ordinance.

Sec. 247. Fixing the Amount of Special Levy. - The special levy authorized herein shall be apportioned, computed, and assessed according to the assessed valuation of the lands affected as shown by the books of the assessor concerned, or its current assessed value as fixed by said assessor if the property does not appear on record in his books. Upon the effectivity of the law or ordinance imposing special levy, the assessed against each parcel of land comprised within the area especially benefited and shall send to each landowner a written notice thereof by mail, personal service or publication in appropriate cases.

Sec. 248. Taxpayer's Remedies Against Special Levy. - Any owner of real property affected by special levy or any person having a legal interest therein may upon receipt of the written notice of assessment of the special levy, avail of the remedies provided for in Chapter 3, Title Two, Book II of this Code.

Sec. 249. Accrual of Special Levy.- The special levy shall accrue on the first day of the quarter next following the effectivity of the law or ordinance imposing such levy.

CHAPTER 6- *Collection of Real Property Tax*

Sec. 250. date of Accrual of Tax.- The real property tax for any year shall accrue on the first day of January and from that date it shall constitute a lien on the property which shall be superior to any other lien , mortgage, or encumbrance of any land whatsoever , and be extinguished only upon the payment of the delinquent tax.

Sec. 251. Collection of Tax.- the collection of the real property tax with interest thereon and related expenses and the enforcement of the remedies provided for in this Title or any applicable laws, shall be the responsibility of the city or municipal treasurer concerned.

The city or municipal treasurer may deputize the barangay treasurer to collect all taxes on real property located in the barangay: Provided, That the barangay treasurer is property bonded for the purpose: Provided, further, That the premium on the bond shall be paid by the city or municipal government concerned.

Sec. 252. Assessor to Furnish Local Treasurer with Assessment Roll.- The provincial, city or municipal assessor shall prepare and submit to the treasure of the local government unit, on or before the thirty-first (31st) day of December each year, an assessment roll containing a list of the persons whose real properties have been newly assesses or reassessed and the values of such properties.

Sec. 253. Notice of Tine for Collection of Tax. - The city or municipal treasure shall, on or before the thirty-first (31st) day of January each year, in the case of the basic real property tax and the additional tax for the Special Education Fund (SEF) or any other date to be prescribed by the sanggunian concerned in the case of any other tax levied under this tile, post the notice of the dates when the tax may be paid without interest at a conspicuous and published accessible place at the city or municipal hall. Said notice shall likewise be published in a newspaper of general circulation in the locality once a week for two (2) consecutive weeks,

Sec 254. Payments of Real Property Taxes in Installments. - The owner of the real property or the person having legal interest therein may pay the basic real property tax and the additional tax for Special Education Fund (SEF) due thereon without interest in four (4) equal installments; the first installment, on or before June thirty (30); the third installment, on or before September Thirty (30); and the last installment on or before December Thirty-first(31st), except the special levy the payment of which shall be governed by ordinance of the sanggunian concerned.

The date for the payment of any other tax imposed under this Title without interest shall be prescribed by the sanggunian concerned.

Payments of real property taxes shall first be applied to prior years delinquencies, interest, and penalties, if any, and only after said delinquencies are settled may tax payments be credited for the current period.

Sec. 255. Tax Discount for Advanced Prompt Payment. - If the basic real property tax and the additional tax accruing to the Special Education Fund (SEF) are paid in advance in accordance with the prescribed schedule of payments as provided in the next preceding section, the sanggunian concerned may grant a discount not exceeding twenty percent (20%) of the annual tax due.

Sec. 256. Payment Under Protest. - (a) No protest shall be entertained unless the taxpayer first pays the tax. There shall be annotated on the tax receipts the words "paid under protest". The protest under writing must be filed within thirty (30) days from payments of the tax to the provincial or city treasurer, who shall decide the protest within sixty (60) days from receipt.

(b) The tax or a portion thereof paid under protest, shall be held in trust by the treasurer.

(c) In the event that the protest is denied or upon the lapse of the sixty day period prescribed in subparagraph (a), the taxpayer may avail of the remedies as provided for in Chapter 3, Title II of this Code.

Sec. 257. Repayment of Excessive Collections. - When an assessment of basic real property tax, or any other tax levied under this Title, is found to be illegal or erroneous and the tax is accordingly reduced or adjusted, the taxpayer may file a written claim for refund or credit for taxes and interests with the provincial or city treasurer within two (2) years from the date the taxpayer is entitled to such reduction or adjustment.

The provincial or city treasurer shall decide the claim for tax refund or credit within sixty (60) days from receipt thereof. In case the claim for the tax refund or credit is denied, the taxpayer may avail of the remedies as provided in Chapter 3, Title II of this Code.

Sec. 258. Notice of Delinquency in the Payment of the Real Property Tax. -

(a) When the real property tax or any other tax imposed under this Title becomes delinquent, the provincial, city or municipal treasurer shall immediately cause a notice of the delinquency to be posted at the main entrance of the provincial capitol, or city or municipal hall and in a publicly accessible and conspicuous place in each barangay of the local government unit concerned. The notice of delinquency shall also be published once a week for two (2) consecutive weeks, in a newspaper of general circulation in the province, city, or municipality.

(b) Such notice shall specify the date upon which the tax become delinquent and shall state that personal property may be distrained to effect payment. It shall likewise state that any time before the distraint of personal property, payments of the tax with surcharges, interests, and penalties may be made in accordance with the next following Section, and unless the tax surcharges and penalties are paid before expiration of the year for which the tax is due, except when the notice of assessment or special levy is contested administratively or judicially pursuant to the provisions of Chapter 3, Title II, Book II of this Code, the delinquent real property will be sold at public auction, and the title to the property will be vested in the purchaser, subject, however, to the right of the delinquent owner of the property or any person having legal interest therein to redeem the property within one (1) year from the date of sale.

Sec. 259. Interest on Unpaid Real Property Tax. - In case of failure to pay the basic real property tax or any other tax levied under this Title upon the expiration of the periods as provided in Section 254, or when due, as the case may be, shall subject the taxpayer to the payment of interest at the rate of two percent (2%) per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid: Provided, however, That in no case shall the total interest on the unpaid tax or portion thereof exceed thirty-six (36) months.

Sec. 260. Remedies For the Collection of Real Property Tax. - For the collection of the basic real property tax and any other tax levied under this Title the local government unit concerned may avail of the remedies by administrative action through levy on real property or by judicial action.

Sec. 261. Local Government's Lien. – The basic real property tax and any other tax levied under this Title constitutes a lien on the property subject to tax, superior to all liens, charges or encumbrance in favor of any person, irrespective of the owner or possessor thereof, enforceable by administrative or judicial action, and may only be extinguished upon payment of the tax and the related interest and expenses.

Sec. 262. Levy on Real Property. - After the expiration of the time required to pay the basic real property tax or any other tax levied under this Title, real property subject to such tax may be levied upon through the issuance of a warrant on or before, simultaneously with, the institution of the civil action for the collection of the delinquent tax. The provincial or city treasurer, as the case may be, when issuing a warrant a levy shall prepare a duly authenticated certificate showing the name of the delinquent owner of the property or person having legal interest therein, the description shall operate with the force of a legal execution throughout the province and city. The warrant shall be mailed to or served upon the delinquent owner of the real property or person having legal interest therein, or in case he is out of the country or cannot be located, to the administrator or occupant of the property. At the same time, written notice of the levy with the attached warrant shall be mailed to or served upon the assessor and the Registrar of Deeds of the province, city where the property is located, who shall annotate the levy on the tax declaration and certificate of title of the property, respectively.

The levying officer shall submit a report on the levy to the sanggunian concerned within (10) days after receipt of the warrant by the owner of the property or person having legal interest therein.

Sec. 263. Penalty for Failure to Issue and Execute Warrant.- Without prejudice to criminal prosecution under the Revised Penal Code and other applicable laws, any local treasurer or his deputy who fails to issue or execute the warrant of any within one (1) year from the time the tax become delinquent or within thirty (30) days from the date of the issuance thereof, or who is found guilty of abusing the exercise thereof in an administrative or judicial proceeding shall be dismissed from the service.

Sec. 264. Advertisement and Sale. – Within thirty (30) days after service of the warrant of levy, the local treasurer shall proceed to publicly advertise for sale or auction the property or a usable portion thereof as may be necessary to satisfy the tax delinquency and expenses of sale. The advertisement shall be effected by posting a notice at the main entrance of the provincial, city or municipal building, and in a located and by publication once a week for two (2) weeks in a newspaper of general circulation in the province, city or municipality where the property is located. The advertisement shall be effected by posting a notice at the main entrance of the provincial, city or municipal building and in a publicly accessible and conspicuous place in the barangay where the real property is located and by publication once a week for two (2) weeks in a newspaper of general advertisement shall specify the amount of the delinquent tax, the interest due thereon property or person having legal interest therein and a description of the property to be sold, At any time before the date fixed for the sale, the owner of the real property or person having legal interest therein may stay the proceedings by laying the delinquent tax, the interest due thereon and the expenses of sale. The sale shall be held either at the main entrance of the provincial, city or municipal building or on the property to be sold, or at any other place as specified in the notice of the sale.

Within thirty (30) days after the sale, the local treasurer or his deputy shall make a report of the sale to the sanggunian concerned, and which shall form part of his records. The local treasurer shall likewise prepare and deliver to the purchaser a certificate of sale which shall contain the name of the purchaser, a description of the property sold, the amount of the delinquent tax, the interest due thereon, the expenses of sale and a brief description of the proceedings: Provided, however, That proceeds of the sale in excess of the delinquent tax, the interest due thereon, and the expenses of sale shall be remitted to the owner of the real property or person having legal interest therein.

The local treasurer may, by ordinance duly approved, advance an amount sufficient to defray the cost of collection thru the remedies provided for in this Title, including the expenses of advisement and sale.

Sec. 265. Redemption of Property Sold.- Within one (1) year from the date of sale, the owner of the delinquent real property or person having legal interest therein, or his representative, shall have the right to redeem the property upon payment to the local treasurer of the amount of the delinquent tax, including the interest due thereon, and the expenses of sale from the date of delinquency to the date of sale, plus interest of not more than two percent (2%) per month on the purchase price from the date of sale to the date of redemption. Such payment shall invalidate the certificate of sale issued to the purchaser and the owner of the delinquent real property or person having legal interest therein shall be entitled to a certificate of redemption which shall be issued by the local treasurer or his deputy.

From the date of sale until the expiration of the period of redemption the delinquent real property shall remain in the possession of the owner or person having legal interest therein who shall be entitled to the income and other fruits thereof.

The local treasurer or his deputy, upon receipt from the purchaser of the certificate of sale, shall forthwith return to the latter the entire amount paid by him plus interest of not more than two percent (2%) per month. Thereafter, the property shall be free from the lien of such delinquent tax, interest due thereon and expenses of sale.

Sec. 266. Final Deed to Purchaser.- In case the owner or person having legal interest therein fails to redeem the delinquent property as provided therein, the local treasurer shall execute a deed conveying to the purchaser said property, free from lien of the delinquent tax, interest due thereon and expenses of sale. The deed shall briefly state the proceedings upon which the validity of the sale rests.

Sec. 267. Purchase of Property By the Local Government Units for Want of Bidder.- In case there is no bidder for the real property advertised for sale as provided herein, or if the highest bid is for an amount insufficient to pay the real property tax and the related interest and cost of sale, the local treasurer conducting the sale shall purchase the property in behalf of the local government unit concerned to satisfy the claim and within two (2) days thereafter shall make a report of his proceedings which shall be reflected upon the records registration with his office of any such declaration of forfeiture to transfer the title of the forfeited property to the local government unit concerned without the necessity of an order from a competent court.

Within one (1) year from the date of such forfeiture, the taxpayer or any of his representatives, may redeem the property by paying to the local treasurer the full amount

of the real property tax and the related interest and the cost of sale. If the property is not redeemed as provided herein, the ownership thereof shall be fully vested on the local government unit concerned.

Sec. 268. Resale of Real Estate taken for Taxes, Fees, or Charges.- The sanggunian concerned may, by ordinance duly approved and upon notice of not less than twenty (20) days sell, and dispose the real property acquired under the preceding section at public auction. The proceeds of the sale shall accrue to the general fund of the local government unit concerned.

Sec. 269. Further Distraint or Levy.- Levy may be repeated if necessary until the full amount due including all expenses, is collected.

Sec. 270. Collection of Real Property Tax Through the Courts.- The local government unit concerned may enforce the collection of the basic real property tax or any other tax levied under this Title by civil action in any court of competent jurisdiction. The civil action shall be filed by the local treasurer, within the period prescribed in Section 274 of this Code.

Sec. 271. Action Assailing Validity of Tax Sale. – No court shall entertain any action assailing the validity of any sale at public auction of real property or rights therein under this Title until the taxpayer shall have deposited with the court the amount for which the real property was sold, together with interest to two percent (2%) per month from the date of sale to the time of the institution of the a. The amount so deposited shall be paid to the purchaser at the auction sale if the deed is declared invalid but it shall be returned to the depositor if the action fails.

Neither shall any court declare a sale at public auction invalid by reason of irregularities or informalities in the proceedings unless the substantive rights of the delinquent owner of the real property or the person having legal interest therein have been impaired.

Sec. 272. payment of Delinquent Taxes on Property Subject of Controversy.- I any action involving the ownership or possession of , or succession to real property , the court may, motu proprio or upon representation of the provincial, city, or municipal treasurer or his deputy, award such ownership , possession, or succession to any party to the action upon payment to the court of the taxes with interest due on the property and all other costs that may have accrued subject to the final outcome of the action.

Sec. 273. Treasurer to Certify Delinquencies remaining Uncollected.- The provincial , city or municipal treasurer or his deputy shall prepare a certified list of all real property tax delinquencies which remained uncollected or unpaid for at least one (10 year in his jurisdiction and a statement of the reason or reasons for such non-collection or non-payment, and shall submit the same to the sanggunian concerned on or before the thirty first (31st) of December of the year immediately succeeding the year in which the delinquencies were incurred, with a request for assistance in the enforcement of the remedies for collection provided herein.

The period of prescription within which to collect shall be suspended for the time during which:

(1) The local treasurer is legally prevented from collecting the tax;

(2) The owner of the property or the person having legal interest therein requests for reinvestigation and executes a waiver in writing before the expiration of the period within which to collect; and

(3) The owner of the property or the person having legal interest therein is out of the country or otherwise cannot be located.

CHAPTER 7 – *Disposition of Proceeds.*

Sec. 275. Distribution of Proceeds.- the proceeds of the basic real property tax, including interest thereon, and proceeds from the use, lease or disposition, sale or redemption of property acquired at a public auction, in accordance with the provisions of this Title, by the province or city shall be distributed as follows;

(a) In the case of provinces;

(1) Province- Thirty-five percent (35%) shall accrue to the general fund;

(2) Municipality- Forty percent (40%) to the general fund of the municipality where the property is located ; and

(3) Barangay- Twenty-five percent (25%) shall accrue to the barangay where the property is located.

(b) In the case of cities:

(1) City- Seventy percent (70%) shall accrue to the general fund of the city; and

(2) Thirty percent (30%) shall be distributed among the component barangays of the cities where the property is located in the following manner:

(i) Fifty percent (50%) shall accrue to barangay where the property is located;

(ii) Fifty percent (50%) shall accrue equally to all component barangays of the city;

(c) The share of each barangay shall be released , without need of any further action, directly to the barangay treasurer on a quarterly basis within five (5) days after the end of each quarter and shall not be subject to any lien or hold back for whatever purpose.

Sec. 276. Application of Proceeds of the Additional One Percent SEF Tax. - The proceeds from the additional one percent (1%) tax on real property accruing to the Special Education Fund (SEF) shall be automatically released to the local school boards: Provided, That , in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: Provided, however , that the proceeds shall be allocated for the operation and maintenance of public school. Construction and repair of school buildings, facilities and equipment, educational research, purchase of books and periodicals and sports development as determined and approved by the Local School Board.

Sec. 277. Proceeds of the taxes on Idle Lands,- The proceeds of the additional real property tax idle lands shall accrue to the respective general fund of the province or city where the land is located.

Sec. 278. Proceeds of the Special Levy.- The proceeds of the special levy on land benefited by public works, projects and other improvement shall accrue to the general fund of the regional or local government unit which financed such public works, projects or other improvements.

CHAPTER 8. *Special Provisions*

Sec. 279. General Assessment Revision; Expenses Incident Thereto.- The sanggunian of provinces and cities shall provide the necessary appropriations to defray the expenses incident to the general revision of real property assessment.

All expenses incident to a general revision of real property assessments shall, by ordinance of the sangguniang panlalawigan, be apportioned between the province and the municipality on the basis of the taxable area of the municipality concerned.

Sec. 280. Condonation or Reduction or Real Property Tax and Interest .- In case of general failure of crops or substantial decrease in the price of agricultural or agribased products, or calamity in any province , city, or municipality , the sanggunian concerned , by ordinance passed prior to the first (1st) day of January of any year and upon recommendation of the Local Disaster Coordinating Council, may condone or reduce , wholly or partially, the taxes and interest thereon for the succeeding year or years in the city or municipality affected by the calamity.

Sec. 281. Condonation or Reduction of tax the Regional Governor.- The Regional Governor may , when public interest so requires, condone or reduce the real property tax and interest for any year in any province, city or municipality.

Sec. 282. Duty of Registrar of Deeds and Notaries Public to Assist the Provincial, City or Municipal Assessor.- It shall be the duty of Registrar of Deeds. And notaries public to furnish the provincial, city or municipal assessor with copies of all contracts selling , transferring, or otherwise conveying , leasing or mortgaging real property received by, or acknowledged before them.

Sec. 283. Insurance Companies to Furnish Information.- Insurance companies are hereby required to furnish the provincial, city or municipal assessor copies of any contract or policy insurance on buildings, structure and improvements insured by them or such other documents which may be necessary for the proper assessment thereof.

Sec. 284. Fees in Court Actions.- all court actions, criminal or civil, instituted at the instance of the provincial, city or municipal treasurer or assessor under the provisions of this Code, shall be exempt from the payment of court and sheriff's fees.

Sec. 285. Fees in Registration of Papers or Documents on Sale of Delinquent Real property to Province, City or Municipality.- All certificates, documents and papers covering the sale of delinquent property to the province, city or municipality , if registered in the Registry of property , shall be exempt from the documentary stamp tax and registration fees.

Sec. 286. Real Property Assessment Notices or Owner's Copies of Tax Declarations to be Exempt from Postal Charges or Fees. - All real property assessment notices or owner's copies of tax declaration sent through the mails by the assessor shall be exempt from the payment of postal charges or fees.

Sec. 287. Sale and Forfeiture Before Effectivity of Code.- Tax delinquencies incurred and sales and forfeitures of delinquent real property effected. Before the effectivity of this Code shall be Governed by the provisions of applicable laws then in force.

TITLE III- SHARES OF LOCAL GOVERNMENT UNITS IN THE PROCEEDS OF REGIONAL TAXES.

CHAPTER 1-*Allotment of Internal Revenue*

Sec. 288. Allotment of Internal Revenue Taxes.-The total collections of a province or city from National Internal Revenue Taxes, fess, and charges , and taxes imposed on natural resources , shall be distributed as follows;

- (a) Thirty percent (30%) to the province or city;
- (b) Thirty percent (30%) to the Regional Government ; and
- (c) Forty percent (40%) to the national Government.

The thirty percent (30%) share of the province shall be distributed equally as follows; ten percent (10%) to the province; ten (10%) to the municipally and ten percent (10%) to the barangay.

The thirty percent (30%) share of the city shall be distributed as follows: twenty percent (20%) to the city and ten percent (10%) to the barangay.

The province or city concerned shall automatically retain its share and remit the seventy percent (70%) to the Regional Government, which shall, after deducting its share, remit the balance to the National Government on a monthly basis.

The remittance procedure within the Autonomous Region shall be in accordance with the rules and regulations promulgated by the Regional Government, and remittances to the National Government by the rules and regulations promulgated by the Department of Finance.

Sec. 289. Share in the Proceeds from the Development and Utilization of the Regional Wealth.- Local Government units shall have an equitable share in the proceeds derived from the utilization and development of the regional wealth within their respective areas, including sharing the same with the inhabitants by way of direct benefits.

TITLE IV. CREDIT FINANCING

Sec. 290. Scope. – This title shall govern the power of the autonomous government and its local government units to create indebtedness and to enter into credit and other financial transactions.

Sec. 291. General Policy.-(a) It shall be the basic policy that the autonomous Government and any of its local government units may create indebtedness, and avail of credit facilities to finance local infrastructure and other socio-economic development projects in accordance with the approval local government plan and public investment program.

(b) The autonomous government or any of its local government units may avail of credit lines from government of private banks and lending institutions for the purpose of stabilizing local finances.

Sec. 292. Loans, Credits and Other Forms of Indebtedness of Regional and Local Government Units.- (a) The Autonomous government or any of its local government units may contract loans, credits and other forms of indebtedness worth any government or domestic private bank and other lending institutions to finance the construction, installation, improvement, expansion, operation or maintenance of public facilities, infrastructure facilities, housing projects, the acquisition of real property, and the implementation of other capital investment projects, subject to such terms loans and advances against security of real estate or other acceptance assets for the establishment, development, or expansions of agricultural, industrial commercial, house financing and livelihood projects and other economic enterprises.

Sec. 293. Deferred-payment and other Financial Schemes.- The autonomous government, its provincial, city and municipal government may likewise acquire property, plant, machinery, equipment and such necessary accessories under a supplier's credit, deferred payment pal, or other financial scheme.

Sec. 294. Bonds and other Long-Term Securities.- Subject to the rules and regulations of the Banko Sentral ng Pilipinas and the Securities and Exchange Commission, the Autonomous Region or its provinces, cities, and municipalities are hereby authorized to issue bonds, debentures, securities, collaterals, notes and other obligations to finance self-liquidating, income-producing development or livelihood projects pursuant to the priorities established in the approved regional or local development plan or the public investment program. The Regional Legislative Assembly or sanggunian concerned shall , through a law or ordinance approved by a majority of all its members, declare and state the terms and conditions of the bonds and the purpose for which the proposed indebtedness is to be incurred.

Sec. 295. Inter-local Government Loans, Grants and Subsidies.- The Autonomous Region or its provinces, cities and municipalities may, upon approval of the majority of all members of the Regional Legislative Assembly or sanggunian concerned and in amounts not exceeding their surplus funds, extend loans, grants , or subsidies to other local government units under such terms and conditions as may be agreed upon by the contracting parties.

Local government units may, upon approval of their respective sanggunian, jointly or severally contract loans, credits, and other forms in indebtedness for purposes mutually beneficial to them.

Sec. 296. Loans from Funds Secured by the Regional Government from Foreign Sources.-(a) The Regional Governor or his duly authorized representative , may , through any government financial or other lending institution, relend to any province , city or

municipal or barangay , the proceeds of loans contracted with foreign financial institutions or other international funding agencies for the purpose of financing the construction, installation improvement, expansion, operation or maintenance of public utilities and facilities, infrastructure facilities, or housing projects, the acquisition of real property , and the implementation of other capital investment projects, subject to such terms and conditions as may be agreed upon by the Regional Governor and the local government unit. The proceeds from such loans shall accrue directly to the local government concerned.

(b) The regional Governor may likewise authorize the relending to local government units the proceed of grants secured from foreign sources, subject to the provisions of existing laws and the applicable grant agreements.

(c) Repayment or amortization of loans including accrued interest thereon, may be financed partly from the income of the projects or services and from the regular income of the local government unit, which must be provided for and appropriated regularly units annual budget until the loan and the interest thereon shall have been fully paid.

Sec. 297. Financing , Construction, Maintenance, Operation, and Management of Infrastructure Projects by the Private Sector.- (a) The Autonomous Government or its local government units may enter into contracts with any duly prequalified individual contractor, for the financing, construction, operation and maintenance of any financially viable infrastructure facilities, under the build-operate-and-transfer agreement , subject to the applicable provisions of republic Act numbered sixty-nine hundred fifty-seven (R.A. No. 6957) authorizing the financing, construction, operation and maintenance of infrastructure projects by the private sector and the rules and regulations issued thereunder and such terms and conditions provided in this Section.

(b) The Autonomous Government or its local government units shall include in their respective regional or local government plans and public investment programs priority projects that may be financed, constructed, operated and maintained by the private sector under this Section. It shall be the duty of the autonomous government or its local government units concerned to disclose to the public all projects eligible for financing under this Section, including official notification of duly registered contractors and publication in newspapers of regional or local circulation and in conspicuous and accessible public places. Regional or local projects under the build-operate-and-transfer agreement shall be confirmed by the Regional Planning and Development Board or local development councils.

(c) Projects implemented under this Section shall be subject to the following terms and conditions:

- (1) The Regional Secretary of the Department of Public Works and Highways or the provincial, city or municipal engineer, as the case may be, upon formal request in writing by the Regional Governor or by the local chief executive, shall prepare the plans and specifications for the proposed projects , which shall be submitted to the Regional Legislative Assembly or sanggunian for approval.
- (2) Upon approved by the Regional legislative Assembly or sanggunian of the project plans and specifications, the Regional Secretary of the Department of Public Works and Highways or the provincial, city or municipal engineer shall ,

as the case may be, cause to be published once every week for two (2) consecutive weeks in at least one (1) local newspaper which is circulated in the region, province, city or municipality in which the projects is to be implemented , a notice inviting all duly qualified contractors to participate in a public bidding for the projects so approved. The conduct of public bidding and award of contacts for regional or local government projects under the Section shall be in accordance with this Code and other applicable laws , rules and regulations.

In the case of a build-operate –and-transfer agreement, the contract shall advantageous to the regional or local government and based on the present value of its proposed tolls, fees, rentals, and charges over a fixed term for the facility to be constructed, operated, and maintained according to the prescribed minimum design and performance standards, plans and specifications, For this purpose, the winning contractor shall be automatically granted by the regional or local government unit concerned the franchise to operate and maintain the facility, including the collection of tolls, fees, rentals, and charges in accordance with subsection (c-4) hereof.

In the case of a build-operate-and transfer agreement, the contract shall be awarded to the lowest complying bidder based on the present value of its proposed schedule to the prescribed minimum design and performance standards, plans and specifications.

- (3) Any contractor who shall undertake the prosecution of any project under this Section shall post the required bonds to protect the interest of the autonomous region, province , city or municipality, in such amounts as may be fixed by the Regional Legislative Assembly or sanggunian concerned and the Regional Secretary of the Department of Public Works and Highways or provincial , city or municipal engineer shall as the case may be, not allow any contractor to initiate the prosecution of projects under this Section unless such contractor presents proof or evidence that he has posted then required bond.
- (4) The contractor shall be entitled to a reasonable return of its investment in accordance with its bid proposal as accepted by the regional or local government units concerned.

In the case of build-operate-and-transfer agreement , the repayment shall be made by authorizing he contractor to charge and collect reasonable tolls, fees, rentals , and charges for the use of the projects facility not exceeding those proposed in the bid and incorporated in the contract: Provided, That the regional or local government units concerned shall, based on reasonableness and equity, approve the tolls, fees, rentals and charges shall be for a fixed period as proposed in the bid and incorporated in the contract which shall in no case exceed fifty (50) years: Provided, finally , that during the lifetime of the contract, the contractor shall undertake the necessary maintenance and repair of the facility in accordance with standards prescribed in the bidding documents and in the contract.

In the case of a build-operate-and-transfer agreement , the repayment shall be made through amortization payments in accordance with the schedule proposed in the bid and incorporated in the contract.

In case of land reclamation or construction of industrial estates, the repayment plan, may consist of the grant of a portion or percentage of the reclaimed land or the industrial estate constructed.

(5) Every infrastructure project undertake under this Section shall be constructed, operated, ad maintained by the contractor under the technical supervision of the regional or local government units and in accordance with the plans, specification , standards and cost approved by it.

(d) The office of the Regional Governor, in the case of the autonomous region and the provincial, city or municipal legal officer shall , as the case may be , review the contracts executed pursuant to this Section to determine their legality, validity, enforceability and concerned of form.

Sec. 298. Remedies and Sanctions.- The Autonomous Government or its local government units shall appropriate in their respective annual budgets such amounts as are sufficient to pay the loans and other indebtedness incurred or redeem or retire bonds, debentures, securities, notes and other obligations issued under this Title: Provided, That failure to provide the appropriations herein required shall render their annual budgets inoperative.

TITLE FIVE- REGIONAL AND LOCAL FISCAL ADMINISTRATION

CHAPTER 1-*General Provisions*

Sec. 299. Scope.- This title shall govern the conduct and management of financial affairs, transactions and operations of the autonomous government , its provinces , cities, municipalities and barangays.

Sec. 300. Fundamental Principles.- The financial affairs, transactions and operations of the autonomous governor or its local government units shall be governed by the following fundamental principles:

(a) No money shall be paid out of the Regional or Local Treasury except in pursuance of an appropriations ordinance or law;

(b) Regional and local government funds and monies shall be spent solely for public purpose;

(c) Regional and local revenue is generated only from sources expressly authorized by law or ordinance and collection thereof shall at all times be acknowledged properly:

(d) All monies officially received by a regional or local government officer in any capacity or on any occasion shall be accounted for as regional or local funds, unless otherwise provided by law;

(e) Trust funds in the regional or local treasury shall not be paid out except in fulfillment of the purpose for which the trust was created or the funds received;

(f) Every officer of the regional or local government unit whose duties permit or require the possession or custody of local funds shall be properly bonded, and such officer shall be accountable and responsible for said funds and for the safekeeping thereof in conformity with the provisions of law;

(g) The Autonomous government or its local governments units shall formulate sound financial plans and the regional or local budgets shall be based on functions, activities and projects in terms of expected result.

(h) Regional or local budget plans and goals shall, as far as practicable, be harmonized with regional development plans , goals and strategies in order to optimize the utilization of resources and to avoid duplication in the use of fiscal and physical resources;

(i) Local budgets shall operationalize approves local development plans;

(j) The autonomous government or its local government units shall ensure that their respective budgets incorporate the requirements of their components units and provide for equitable allocation of resources among these components unit;

(k) Regional planning shall be based on local planning to ensure that the needs and aspirations of the people, as articulated by the local government units in their respective local development plans are considered in the formulation of budgets of national line agencies or offices;

(l) Fiscal responsibility shall be shared by all those exercising authority over the financial; affairs, transactions, and operations of the local government units;

(m) The autonomous government or its local government units shall endeavor to have a balanced budget in each fiscal year of operation.

Sec. 301. Definition.- When used in this title, the Term:

(a) “ Annual Budget” refers to a financial plan embodying the estimates income and expenditures for one (1) fiscal year;

(b) “ Appropriations” refers to an authorization made by law or ordinance, directing the payment of goods and services from regional or local government funds under specified conditions or for specific purposes;

(c) “Budget Document” refers to the instrument used by the Regional Governor or local chief executive to present a comprehensive financial paln to the regional Assembly or sanggunian concerned;

(d) “Capital Outlays” refers to appropriations for the purchase of goods and services , the benefits of which extend beyond the fiscal year and which add to the assets of the autonomous or local government units concerned, including investments in public utilities such as public markets and slaughterhouses;

(e) “Continuing Appropriation” refer to a appropriation available to support obligations for a specified purpose or projects , such as those for the construction of physical structures or for the acquisition of real property or equipment , even when these obligations are incurred beyond the budget year;

(f) "Current Operating Expenses" refers to appropriations for the purchase of goods and services for then conduct of normal autonomous or local government operations within the fiscal year, including goods and services that will be used or consumed during the budget year.

(g) "Expected Results" refers to the services, products , benefit that will accrue to the public, estimated in terms of performance measures or physical targets;

(h) "Fund" refers to a sum of money , or other assets convertible to cash, set aside for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations , restrictions, or limitations , and constitutes an independent fiscal and accounting entity;

(i) "Income refers to all revenues and receipts collected or received forming the gross accretions of funds of the autonomous or local government unit;

(j) "Obligations" refers to an amount committed to be paid by the autonomous or local government unit for any lawful act made by an accountable officer for and in behalf of the autonomous or local government unit concerned;

(k) 'Personal Services' refers to appropriations for the payments to salaries, wages and other compensations of permanent, temporary, contractual and casual employees of the autonomous or local government unit;

(l) "Receipts" refers to incomes realized from operations and activities of the autonomous or local government or are received by it in the exercise of its corporate functions , consisting of charges for services rendered, conveniences furnishedm or the price of commodity sold, as well as loans, contributions of aids from other entities, except provisional advances for barangay purposes; and

(m) "Revenue" refers to income derived from the regular system of taxation enforced under authority of law or ordinance and as such, accrue lore or les regularly every year.

CHAPTER 2. Regional Local and Other Special Funds

ARTICLE ONE.- Receipts, Safekeeping and Disposition of Regional and Local Funds

Sec. 302. Remittance of Government Monies to the Regional and Local Treasury.-Officers of the regional or local government units authorized to receive and collect monies arising from taxes, revenues, or receipts of any kind shall remit the full amount received and collected to the regional treasury or treasury of such local government units which shall be credited to the particular accounts to which the monies in question properly belong.

Sec. 303. Regional and Local Funds.- The autonomous government and its local government units shall maintain a General Fund which shall be used to account for such monies and resources as may be received by and disbursed from the regional or local treasury. The General Fund shall consist of monies and resources of the autonomous or local government units which are available for the payment of expenditures, obligations or purposes not specifically declared by law as accruing and chargeable to, or payable from any other fund.

Sec. 304. Special Fund.- There shall be maintained in any provincial , city or municipal treasury the following special funds:

(a) Special Education Funds (SEF) which shall consist of the respective shares of provinces, cities, municipalities and barangay in the proceeds of the additional tax on real property to be appropriated for purposes prescribed in Section 276 of this Code; and

(b) Trust Funds which shall consist of private and public monies which have officially come into the possession of the local government or a local government official as trustee, agent or administrator, or which have been received as a guaranty for the fulfillment of some obligation. A trust fund shall only be used for the specific purpose for which it was created or for which it came into the possession of the local government unit.

Sec. 305. Separation of Books and Depository Accounts.- The local maintain depository accounts in the name of their respective regional or local government units with banks, preferably government owned , located in or nearest to their respective areas or jurisdiction, Earnings of each depository accounts shall accrue exclusively thereto.

Sec. 306. Depository Accounts.- The Regional and local treasurers shall maintain depository accounts in the name of their respective regional or local government units with banks, preferably government owned , located in or nearest to their respective areas or jurisdiction . Earnings of each depository accounts shall accrue exclusively thereto.

Sec. 307. Separation of Personal Money form Public Funds.-The Regional and local treasurers and other accountable officers shall keep personal monies separate and district from local public funds in their custody and shall not make profit out of public money or otherwise apply the same to any use not authorized by law or ordinance.

ARTICLE TWO- *Special Accounts*

Sec. 308. Special Accounts to be Maintained in the General Funds.-The Autonomous government and its local government units shall maintain special accounts in the general fund for the following:

(a) Public utility and other economic enterprises;

(b) Loans, interests, bonds issues and other contributions for specific purposes; and

(c) Development projects funded from the share of the autonomous government and its local government units concerned in the internal revenue allotment and such other special accounts which may be created by law or ordinance. Receipts, transfers, and expenditures involving the foregoing special accounts shall be properly taken up thereunder. Profits or income derived from the operation of public utilities and other economic, enterprises, after deduction for the cost of improvement , repair and other related expenses of the public utility or economic enterprise concerned, shall first be applied for the return of the advances or loans made therefore. Any excess shall form part of the general fund of the local government unit concerned.

CHAPTER 3 - *Budget*

ARTICLE ONE- *Regional and Local Government Budgets*

Sec. 309. Regional Budgeting. All matters affecting the budget requirements of the Regional Autonomous Government shall be governed by the ARMM budget Act no.1993.

Sec. 310. Form and Content of Local Budgeting.-(a) Local government budgets shall primarily consist of two (2) parts:

(1) The estimates of income; and

(2) The total appropriations covering the current operating expenditure and capital outlays.

(b) The budget document shall contain

(1) A budget message of the local chief executive setting forth in brief the significance of the executive budget, particularly in relation to the approved local development plan:

(2) A brief summary of the functions, projects and activities to be accomplished in pursuant of the goals and objectives of the local government unit for the ensuing fiscal year, specifically the delivery of basic services or facilities enumerated under Section 14 of this Code;

(3) Summary of financial statements setting forth;

(i) The actual income and expenditures during the immediately preceding year;

(ii) The actual income and expenditures of the first two (2) quarters and the estimates of income and expenditures for the last two (2) quarters of the current fiscal year;

(iii) The estimates of income for the ensuing fiscal year from ordinances and laws existing at the time the proposed budget is transmitted, together with other revenue raising proposals;

(iv) The estimated expenditures necessary to carry out the functions, projects, and activities of the local government unit for the ensuing fiscal year;

(v) All essential facts regarding the bonded and other long-term obligations and indebtedness of the local government units, if any;

(vi) Summary statement of all statutory and contractual obligations due; and

(vii) Such other financial statements and data as are deemed necessary or desirable in order to disclose in all practicable detail the financial condition of the local government unit.

Sec. 311. Submission of Detailed Statements of Income and Expenditures.- (a) On or before the fifteenth (15th) day of July of each year, local treasurers shall submit to their respective local chief executives a certified statement covering the income and expenditures of the first two (2) quarters of the current year, and the estimated income and expenditures for the last (2) quarters of the current year.

Sec. 312. Local Finance Committee.- There is hereby created in every province , city or municipality a local finance committee to be composed of the local planning and development officer, the local budget officer, and the local treasurer. It shall exercise the following function:

(a) Determine the income reasonably projected as collectible for the ensuing fiscal year;

(b) Recommend the appropriate tax and other revenue measures or borrowings which may be appropriated to support the budget;

(c) Recommend to the local chief executive concerned the level of the annual expenditures and the ceiling of spending for economic, social, and general services based on the approved local development plans;

(d) Recommend to the local chief executive concerned the proper allocation of expenditures for each development activity between current operating expenditures and capital outlays;

(e) Recommend to the local chief executive concerned the amount to be allocated for capital outlay under each development, activity or infrastructure projects;

(f) Assist the sangguniang panlalawigan in the review and evaluation of budget of component cities and municipalities in the case of provincial finance committee, the barangay budgets in the case of city or municipal finance committee, and recommend the appropriate action thereon;

(g) Assist the sangguniang concerned in the analysis and review of annual regular and supplemental budgets of the respective local government unit to determine compliance with statutory and administrative requirement; and

(h) Conduct semi-annual review and general examination of cost and accomplishments against performance standards applied in undertaking development projects.

A copy of this report shall be furnished the local chief executive and the sanggunian concerned, and shall be posted in conspicuous and publicly accessible places in the provinces, cities, municipalities and barangays.

Sec. 313.Submission of Budget Proposals by Heads of Departments or Offices.-

(a) Each head of department or office submit a budget proposal for his department or office to the local chief executive on or before the fifteenth (15) of July of each year; Provided, That the budget proposal of each department or office shall be categorized under either economic, social or general services: Provided, further That each service shall be covered by the budget of at least one (1) department or office of the local government unit concerned.

The said budget proposal shall be prepared in accordance with such policy and program guidelines as the local chief executive concerned may issue in conformity with the local development plan , the budgetary ceiling prescribed by the local finance committee, and the general requirements prescribed in this Title.

(b) Budget proposals of development or offices shall be divided into two (2) primary categories, namely; the current operating expenditures and the capital outlays. Such budget proposals shall contain the following information:

(1) Objectives, functions , and projects showing the general character and relative importance of the work to be accomplished or the services to be rendered, and the cost thereof;

(2) Organizational charts and staffing patterns indicating the list of plantilla positions with their corresponding salaries, and proposals for reclassification of positions and salary changes, as well as the creation of new positions with their proposed salary grade, duly supported by proper justification;

(3) Brief description of the functions, projects and activities for the ensuing fiscal year, expected results for each function, projects and activity, and the nature of work to be performed, including the objects of expenditure for each function, project and activity;

(4) Relation of the work and financial proposal to approved local development plans;

(5) Estimated current operating expenditures and capital outlays with comparative data for the last two (2) preceding, current, and ensuing fiscal years; and

(6) Accomplishment reports for the last two (2) preceding and current fiscal years.

Sec. 314. Preparations of the Budget by the Local Chief Executive.- Upon receipt of the statements income and expenditures from the treasurer, the budget proposals of the heads of department and offices, and the estimates of income and budgetary ceilings from the local finance committee, the local chief executive shall prepare the executive budget for the ensuing fiscal year in accordance with the provisions of this Title.

The local chief executive shall submit the said executive budget to the sangguniang concerned not later than the sixteenth (16th) of October of the current fiscal year. Failure to submit such budget on the date prescribed herein shall subject the local chief executive to such criminal and administrative penalties as provided for under this Code and other applicable laws.

Sec 315. Legislative Authorization of the Budget.- On or before the end of the current fiscal year , the sanggunian concerned shall enact, through an ordinance, the annual budget of the local government unit for the ensuing fiscal year on the basis of the estimates of income and expenditures submitted by the local chief executive.

Sec. 316. Effectivity of Budgets.- The ordinance enacting the annual budget shall take effect at the beginning of the ensuing calendar year. An ordinance enacting a supplemental budget , however, shall take effect upon each approval or on the date fixed therein.

The responsibility for the executive of the annual and supplemental budgets and the accountability therefore shall be vested primarily in the local chief executive concerned.

Sec. 317. Changes in the Annual Budget.- All budgetary proposals shall be included and considered in the budget preparation process. After the local chief executive concerned shall have submitted the executive budget to the sanggunian, no ordinance providing for a supplemental budget shall be enacted, except when supported by funds actually available and certified by the local treasurer or by new revenue sources. A supplemental budget may also be enacted in times of public calamity by way of budgetary realignment to set aside appropriations for the purchase of supplies and materials or the payment of services which are exceptionally urgent or absolutely indispensable to prevent imminent danger to, or loss of, life or property, in the jurisdiction of the local government unit or in other area declared in a state of calamity by the President or the Regional Governor. Such ordinance shall clearly indicate the sources of funds available for appropriations, as certified under oath by the local treasurer and local accountant and attested to by the local chief executive, and the various items of the appropriations affected and the reason for the charge.

Sec. 318. Reversion of Unexpended Balances of Appropriations, Continuing Appropriations.- Unexpended balances of appropriation authorized in the annual appropriations ordinance shall revert to the unappropriated surplus of expenditure except by subsequent enactment. However, appropriations for the capital outlays shall continue and remain valid until fully spent, reverted or the project is completed. Reversions of continuing appropriations shall not be allowed unless obligations therefore have been fully paid or otherwise settled.

The balances of continuing appropriations shall be reviewed as part of the annual budget preparation and the sanggunian concerned may approve, upon recommendation of the local chief executive, the reversion of funds no longer needed in connection with the activities funded by said continuing appropriations subject to the provisions of this Section.

Sec. 319. Failure to Enact the Annual Appropriations.- In case the sanggunian concerned fails to pass the ordinance authorizing the annual appropriations at the beginning of the ensuing fiscal year, it shall continue to hold sessions, without additional remuneration for its members, until such ordinance is approved, and no other business may be taken up during such sessions. If the sanggunian still fails to enact such ordinance after ninety (90) days from the beginning of the fiscal year, the ordinance authorizing the appropriations of the preceding year shall be deemed re-enacted and shall remain in force and effect until the ordinance authorizing the proposed appropriations is passed by the sanggunian concerned. However, only the annual appropriations for salaries and wages of existing positions, statutory and contractual obligations, and essential operating expenses authorized in the annual and supplemental budgets for the preceding year shall be deemed re-enacted and document of funds shall be in accordance therewith.

In the implementation of such re-enacted ordinance, the local treasurer concerned shall include from the estimates of income for the preceding fiscal year those realized from nonrecurring sources, like national or regional aids, proceeds from loans, sale of assets, prior year adjustments, and other analogous sources of income. No ordinance authorizing supplemental appropriations shall be passed in place of the annual appropriations. In case the revised income estimates be less than the aggregate re-enacted appropriations, the local treasurer concerned shall accordingly advise the sanggunian concerned which shall, within (10) days from the receipt of such advice, make the necessary adjustments or

reductions. The revised appropriations authorized by the sanggunian concerned shall then be the basis for disbursements.

Sec. 320. Budgetary Requirements.- The budgets of local government units for any fiscal year shall comply with the following requirements:

(a) The aggregate amount appropriated shall not exceed the estimates of income;

(b) Full provision shall be made for all statutory and contractual obligations of the local government unit concerned: provided, however, That the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular income of the local government unit concerned;

(c) In the case of provinces, cities and municipalities , aid to component barangays shall be provided in amount of not less than One Thousand (P1,000.00) per barangay; and

(d) Five percent (5%) of the estimated revenue from regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditures arising from the occurrence of the calamities : Provided, however, That such appropriation shall be used only in the area, or a portion thereof, of the local government unit or other area declared by the President in state of calamity.

Sec. 321.- General Limitations. The use of the provincial, city, and municipal funds shall be subject to the following limitations:

(a) The total appropriations, whether annual or supplemental for personal services of local government unit for one (1) fiscal year shall not exceed forty-five percent (45%) in the case of first to third class provinces, cities and municipalities, and fifty-five percent (55%) in the case of fourth class or lower, of the total annual income from regular sources realized in the next preceding fiscal year. The appropriation for salaries wages, representation and transportation allowances of officials and employees of the public utilities and economic enterprises owned, operated and maintained by the local government unit concerned shall not be included in the annual budget or in the computation of the maximum amount for personal services . the appropriations for the personal services of such economic enterprises shall be charged to their respective budgets;

(b) No official or employee shall be entitled to a salary rate higher than the maximum fixed for his position or other positions of equivalent rank by applicable laws or rules and regulation issued thereunder;

(c) No local fund shall be appropriated to increase or adjust salaries or wages of officials and employees of the regional government , except as may be expressly authorized by law;

(d) In case of abolition of positions and the creation of new ones resulting from the abolition of existing positions in the career service, such abolition or creation shall be made in accordance with pertinent provisions of this Code and the Civil Service law; rules and regulations;

(e) Positions in the official plantilla for career positions which are occupied by incumbents holding permanent appointments shall be covered by adequate appropriations;

(f) No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease shall be allowed, except when the positions is actually vacant and the filling of such position shall be strictly made in accordance with the civil service law, rules and regulation;

(g) The creation of new positions and salary increase or adjustments shall in no case be made retroactive ;and

(h) The annual appropriations for discretionary purpose of the local chief executive shall not exceed two percent (2%) of the actual receipts derived from basic real property tax in the next preceding calendar year. Discretionary funds shall be disbursed only for public purposes to be supported by appropriate vouchers and subject to such guidelines as may be prescribed by law. No amount shall be appropriated for the same purpose except as authorized under this Section.

Sec. 322. Review of Appropriation Ordinance of Provinces, Highly-Urbanized Cities and Independent Component Cities.- The Department Budget and Management shall review ordinances authorizing the annual or supplemental appropriations of provinces, highly-urbanized cities and independent component cities in accordance with the immediately succeeding Section.

Sec. 323. Review of Appropriation Ordinances of Component Cities and Municipalities.- The sangguniang panlalawigan shall review the ordinance authorizing annual or supplemental appropriations of component cities and municipalities in the same manner and within the same period prescribed for the review of other ordinances.

If within ninety (90) days from receipt of copies of such ordinance, the sangguniang panlalawigan takes no action thereon, the same shall be deemed to have been reviewed in accordance with law and shall continue to be in full force and effect. If, within the same period, the sangguniang panlalawigan shall have ascertained that the ordinance authorizing annual or supplemental appropriations has not complied with the requirements set forth in this Title, the sangguniang panlalawigan shall, within the ninety-day period hereinabove prescribed declare such ordinance inoperative in its entirety or a part. Items of appropriation contrary to limitations prescribed in this Title or in excess of the amounts prescribed herein shall be disallowed or reduced accordingly.

The sangguniang panlalawigan shall, within the same period, advise the sangguniang panlungsod or sangguniang bayan concerned, through the local chief executive, of any action on the ordinance under review. Upon receipt of such advise, the city or municipal treasurer concerned shall not make further disbursements of funds from any of the items of appropriation declared inoperative, disallowed or reduced.

Sec. 324.-Duration of Appropriation.-Appropriations for ordinary administrative purposes not duly obligated shall terminate with the fiscal year and all unexpended balances thereof shall be automatically reverted on the thirty-first (31st) day of December of each year to the general fund of the local government unit.

ARTICLE TWO –Barangay Budgets

Sec. 325. Barangay Funds.-Unless otherwise provided in this Title, all the income of the barangay from whatever source shall accrue to its general fund and shall at the option of the barangay concerned, be kept as trust fund in the custody of the city or municipal treasurer or be deposited in a bank , preferably government-owned , situated in or nearest to its area of jurisdiction . Such funds shall be disbursed in accordance with the provisions of this Title. Ten percent (10%) of the general fund of the barangay shall be set aside for the sangguniang kabataan.

Sec. 326. Submission of Detailed Statements of Income and Expenditures for the Barangay Budgets. On or before the fifteenth (15th) day of September of each year , the barangay treasurer shall submit to the punong barangay a statement covering the estimates of income and expenditure for the ensuing fiscal year, based on a certified statement issued by the city or municipal treasurer covering the estimates of income from local sources for the barangay concerned.

Sec. 327. Preparation of the barangay Budget.- (a) Upon receipt of the statement of income and expenditure from the barangay treasurer, the punong barangay shall prepare the barangay budget for the ensuing fiscal year in the manner and within the period prescribed in this Title and submit the annual barangay budget to the sangguniang barangay for legislative enactment.

(b) The total annual appropriations for personal services of a barangay for one (1) fiscal year shall not exceed fifty-five percent (55%) of the total annual income actually realized from local sources during the next preceding fiscal year.

(c) The barangay budget shall likewise be subject to the same budgetary requirements and limitations hereinabove prescribed.

Sec. 328. Effectivity of Barangay Budgets.- The ordinance enacting the annual budget shall take effect at the beginning of the ensuing calendar year. An ordinance enacting a supplemental budget , however, shall take effect upon its approval or on the date fixed therein.

The responsibility for the execution of the annual and supplemental budgets and the accountability therefore shall be vested primarily in the punong baangay concerned.

Sec. 329. Review of the Barangay Budget.- (a) Within ten (10) days from its approval , copies of the baranagay ordinance authorizing the annual appropriations shall be furnished the sangguniang panlungsod or the sangguniang bayan, as the case may be, through the city or municipal budget officer. The sanggunian concerned shall have the power to review such ordinance in order to ensure that the provision of this Title are complied with. If within sixty (60) days after the receipt of the ordinance, the sangguniang concerned takes no action thereon, the same, shall have ascertained that the ordinance contains appropriations in excess of the estimates of the income duly certified as collectible, or that the same has not complied with the budgetary requirements set forth in this Title, that said ordinance shall be declared inoperative in its entirety or in part. The items of appropriation contrary to, or in excess of, any of the general limitations or the maximum amount prescribed in this Title shall be disallowed or reduced accordingly.

(b) Within the period hereinabove fixed, the sangguniang panlungsod or sangguniang bayan concerned shall return the barangay ordinance, through the city or municipal budget officer, to the punong barangay with the advice of action thereon for proper adjustments, in which event, the barangay shall operate on the ordinance authorizing annual appropriations of the preceding fiscal year until such time that the new ordinance authorizing annual appropriations shall have met the objections raised. Upon receipt of such advice, the barangay treasurer or the city or municipal treasurer who has custody of the funds shall not make further disbursement from any item of appropriation declared inoperative, disallowed or reduced.

Sec. 330. Barangay Financial Procedures.- (a) The barangay treasurer shall collect all taxes, fees, and other charges due and contributions accruing to the barangay for which he shall issue official receipts, and shall deposit all collection with the city or municipal treasury or in the depository account maintained in the name of the barangay within five (5) days after receipt thereof. He may collect real property taxes and such other taxes as may be imposed by a province, city or municipality that are due in his barangay only after being deputized by the local treasurer concerned for the purpose.

(b) The barangay treasurer may be authorized by the sangguniang barangay to make direct purchases amounting to not more than one thousand pesos (1,000.00) at any time for the ordinary and essential needs of the barangay. The petty cash that the barangay treasurer may be authorized to hold for the purpose shall not exceed twenty percent (20%) of the funds available and to the credit of the barangay treasury.

(c) The financial records of the barangay shall be kept in the office of the city or municipal accountant in simplified manner as prescribed by the Commission on Audit. Representatives of the Commission on Audit shall such accounts annually or as often as may be necessary and make a report of the audit to the sanggunian panlungsod or sangguniang bayan as the case may be. The Commission on Audit shall prescribe and put into effect simplified procedures for barangay finances within (6) months following the effectivity of this Code.

CHAPTER 4. Expenditures, Disbursements, Accounting and Accountability

Sec. 331. Prohibitions Against Expenditures for Religious or Private Purposes.- No public money or property shall be appropriated or applied for religious or private purposes.

Sec. 332. Use of Appropriated Funds and Savings.- Funds shall be available exclusively for the specific purpose for which they have been appropriated. No ordinance shall be passed authorizing any transfer of appropriation from one item to another. However, the local chief executive or the presiding officer of the sanggunian concerned may, by ordinance, be authorized to augment any item in the approved annual budget for their respective offices from savings in other items within the same expense class of their respective appropriations.

Sec. 333. Restriction Upon Limit of Disbursements.- Disbursements in accordance with appropriations in the approved annual budget may be made from any local fund in the custody of the treasurer, but the total disbursements from any local fund shall in no case exceed fifty percent (50%) of the uncollected estimated revenue accruing to

such local fund in addition to the actual collections: provided, however, That no cash overdraft I any local fund shall be incurred at the end of the fiscal year.

In case of emergency arising from a typhoon, earthquake, or any other calamity, the sanggunian concerned may authorize the local treasurer to continue making disbursements from any local fund in his possession in excess of the limitations herein provided, but only for such purposes and amounts included in the approved annual budgets.

Any overdraft which may be incurred at the end of the year in any local fund by virtue of the provisions hereof shall be covered with the first collections of the immediately succeeding fiscal year accruing to such local fund.

Sec. 334. Prohibitions Against Advance Payments.- No money shall be paid on account of any contract under which no services have been rendered or goods delivered.

Sec. 335. Cash Advances.- No cash advance shall be granted to any local official or employee, elective or appointive, unless made in accordance with the rules and regulations as the Commission on Audit may prescribe.

Sec. 336. Persons Accountable for Local Government Funds.- Any officer of the Local government unit whose duty permits or requires the possession or custody of local government funds shall be accountable and responsible for the safekeeping thereof in conformity with the provisions of this Title Other local officers who, though not accountable by the nature of their duties, may likewise be similarly held accountable and responsible for local government funds through their participation in the use or application thereof.

Sec. 337. Prohibitions Against Pecuniary Interest.-Without prejudice to criminal prosecution under applicable laws, any local treasurer, accountant, budget officer, or other accountable local officer, having any pecuniary interest, direct or indirect, in any contract, work or other business of the local government unit of which he is an accountable officer shall be administratively liable thereof.

Sec. 338. Liability for Acts Done Upon Direction of Superior officer, or Upon participation of Other Department Heads or Officers of Equivalent Rank. -Unless he registers his objection in writing, the local treasurer, accountant, budget officer, or other accountable officer shall not be relieved of liability for illegal or improper use or application or deposit of government funds or property by reason of his having acted upon the direction of a superior officer, elective or appointive, or upon participation of other department heads, or officers of equivalent rank. The superior officer directing, or the department head participating in such illegal or improper use of application or deposit of government funds or property, shall be jointly and severally liable with local treasurer, accountant, budget officer, or other accountable officer for the sum or property so illegally or improperly used, applied or deposited.

Sec. 339. Prohibition Against Expenses for Reception and Entertainment.- No money shall be appropriated, used or paid for entertainment or reception except to the extent of the representation allowances authorized by law or for the reception of visiting dignitaries of foreign governments foreign missions , or when expressly authorized by the Regional Governor in specific cases.

Sec. 340. Certification on, Approval of Vouchers.-No money shall be disbursed unless the local budget officer certifies to the existence of appropriation that has been legally made for the purpose, the local accountant has obligated said appropriation, and the local treasurer certifies to the availability of funds for the purposes. Vouchers and payrolls shall be certified to and approved by the head of the department or office who has administrative control of the fund concerned, as to validity, propriety, and legality of the claim involved. Except in cases of disbursement involving regularly recurring administrative expenses such as payrolls for regular or permanent employees, expenses for light, water, telephone and telegraph services, remittances to government creditor agencies such as the GSIS, SSS, LBP, DBP, National Printing Office, Procurement Service of the DBM and others, approval of the disbursement voucher by the local chief executive himself shall be required whenever local funds are disbursed.

In case of special or trust funds, disbursement shall be approved by the Administrator of the Fund.

In case of temporary absence or incapacity of the department head or chief of office, the officer next-in-rank shall automatically perform his function and he shall be fully responsible thereof.

Sec. 341. Official Authorized to Draw Checks in Statement of Obligations.- Checks in settlement of obligations shall be drawn by the local treasurer and countersigned by the local administrator.

In case of temporary absence or incapacity of the foregoing officials, these duties shall devolve upon their immediate assistants.

Sec. 342. Disbursements of Local Funds and Statement of Accounts.- Disbursement shall be made in accordance with the ordinance authorizing the annual or supplemental appropriations without the prior approval of the sanggunian concerned. Within thirty (30) days after the close of each month, the local accountant shall furnish the sanggunian with such financial statements as may be prescribed by the Commission on Audit. In the case of the year-end statement of accounts, the period shall be sixty (60) days after the thirty-first (31st) of December.

Sec. 343. Rendition of Accounts.- Local treasurers, accountants and other local accountable officers shall render their accounts within such time, in such form, style and contents and under such regulations as the Commission on Audit may prescribe.

Provincial, city, and municipal auditors shall certify the balances arising in the accounts settled by them to the Chairman of the Commission on Audit and to the local treasurer, accountant, and other accountable officers. Copies of the certification shall be prepared and furnished other local officers who may be held jointly and severally liable for any loss or illegal, improper or unauthorized use or misappropriation of local funds or property.

Sec. 344. Auditorial Visitation. The books, accounts, papers and cash of local treasurer, accountant, budget officer, or other accountable officers shall at all times be open for inspection of the Commission on Audit or its duly authorized representative.

In case an examination of the accounts of a local treasurer discloses a charge in cash which should be on hand, it shall be the duty of the examining officer to seize the office and its contents, notify the Commission on Audit, the local chief executive concerned, and the local accountable officer next-in –rank in the local treasury service, unless the said officer is likewise under investigation, the auditor shall take full possession of the office and its contents, close and render his accounts on the date of taking possession and temporarily continue the public business of such office until such time that the local treasurer is restored or successor has been duly designated . The local treasurer or accountable officer found with such shortage shall automatically suspend from office.

Sec. 345. Accounting for Revenues. -Estimated revenues which remain unrealized at the close of the fiscal year shall Not be booked or credited to the unappropriated surplus or any other accounts.

Sec. 346. Accounting for Obligations.- All lawful expenditures and obligations incurred during a fiscal year shall be taken up in the accounts of that year.

Sec. 347. General Liability for Unlawful Expenditures .- Expenditures of funds or use of property in violation of this Title and other laws shall be a personal liability of the official or employees responsible therefore.

Sec. 348. Posting of the Summary of Income and Expenditures.- Local treasurers, accountants, budget officers and other accountable officers shall, within thirty (30) days from the end each fiscal year, post in at least three (3) publicity accessible and conspicuous places in the local government units a summary of all revenues collected and funds received including the appropriations and disbursements of such funds during the preceding fiscal year.

Sec. 349. The Official Fiscal Year.- The official fiscal year of local government units shall be the period beginning with the first day of January and ending with the thirty-first day of December of the same year.

TITLE VI. PROPERTY AND SUPPLY MANAGEMENT IN THE LOCAL GOVERNMENT UNITS.

Sec. 350. Scope.- This Title shall govern the procurement, care, utilization, custody , and disposal of supplies , as defined herein , by local government units and other aspects of supply management at the local levels.

Sec. 351. General Rule in Procurement or Disposal.- Except as otherwise provided herein, acquisition of supplies by local government units shall be through competitive public bidding. Supplies which have become unserviceable or no longer needed shall be sold, whenever applicable, at public auction, subject to applicable rules and regulations.

Sec. 352. Definition of Terms.- When used in this Title, the terms : (a) “Lower Complying and Responsible Bid” refers to the proposal of one who offers the lowest price, meets all the technical specifications and requirements of the supplies desired and , as a dealer in the line of supplies involved, maintains a regular establishments , and has complied consistently with previous commitments;

(b) "Suitable Substitute" refers to that kind of article which would serve substantially the same purpose or produce substantially the same results as the brand, type or make article originally desired or requisitioned;

(c) "Supplies" - include everything , except real property, which may be needed in the transaction of public business or in the pursuit of any undertaking , project, or activity , whether in the nature of equipment, furniture , stationary materials for construction or personal property of any sort , including non-personal or contractual services such as the repair and maintenance of equipment and furniture , as well as trucking, hauling, janitorial , security and related services ; and

(d) " Terms and Conditions" refer to other requirements not affecting the technical specifications and requirements of the required supplies desired such as bonding, terms of delivery and payment and related preferences.

Sec. 353. Requirement of Requisition.- Any order for supplies shall be filed by the provincial or city general services officer or the municipal or barangay treasurer concerned , as the case may be , for any office or department of a local government unit only written requisition as herein after provided.

Sec. 354. Officers Having Authority to Draw Requisitions.- Requisitions shall be prepared by the head of the office or department needing the supplies, who shall certify as to their necessity for official use and specify the project ac activity where the supplies are to be used.

Sec. 355. Certification by the Local Budget Officer, Accountant, and Treasure.- Every requisition must be accompanied by a certificate signed by the local budget officer, the local accountant and the local treasurer showing that an appropriation therefore exists, the estimated amount of such expenditures has been obligated, and the funds are available for the purpose , respectively.

Sec. 356. Approval of Requisitions.- Approval of the requisitions by the head of the office or department concerned who has administrative control of the appropriation against which the proposed expenditures is chargeable is deemed sufficient , except in case of requisitions for supplies to be carried in stock which shall be approved by the local chief executive concerned; provided ,that such supplies are listed or included in the annual procurement plan and the maximum quantity thereof does not exceed the estimated consumption corresponding to a programmed three-month period: Provided, further, That nothing therein contained shall be held as authorizing the purchase of furniture and equipment for stock purposes.

Sec. 357. Call for Bids.- When procurement is to be made by local government units, the provincial or city general service officer or the municipal or barangay treasurer shall call bids for open public competition. The call for bids shall show the complete specifications and technical descriptions of the required supplies and shall embody all terms and conditioned of participation and awards, terms of delivery and payment, and all other covenants affecting the transaction, In all calls for bids, the right to waive any defect in the tender as well as the right to accept the bid most advantageous to the government shall be reserved. In no case, however, shall failure to meet the specifications of technical requirements of the supplies desired be waived.

Sec. 358. Publication of Call for Bids.- The call for bids shall be given the widest publicity possible, sending by mail or otherwise, any known prospective participants in the locality, of copies of the call and by posting copies of the same in at least three (3) publicity accessible and conspicuous places in the provincial capitol or city, municipal, or barangay hall , as the case may be.

The notice of the bidding may likewise be published in a newspaper of a general circulation in the territorial jurisdiction of the local government unit concerned when the provincial or city general services officer or the municipal or barangay treasurer, as the case may be , deems it necessary in order to obtain the lowest responsible and complying bid.

The opening of bids shall only be made in the presence of the provincial or city auditor or his duly authorized representative who shall initial and secure copies of the bids and certify the abstract of the bidding.

Sec. 359. The Committee on Awards.- There shall be in every province, city or municipality a Committee on Awards to decide the winning bids and questions of awards on procurement and disposal of property.

The Committee on Awards shall be composed of the local chief executive as chairman , the local treasurer , the local accountant, the local budget officer, the local general services officer, and the head of office or department for whose use the supplies are being procured, as members . In case a head of office or department would sit in a dual capacity, a member of sanggunian elected from among its members shall sit as a member. The Committee on Awards at the barangay level shall be the sangguniang barangay. No national/regional official shall sit as a member of the Committee on Awards.

The results of the bidding shall be made public by conspicuously posting the same in the provincial capitol or city, municipal, or barangay hall.

Sec. 360 Rule on Awards.- Awards in the procurement of supplies shall be given to the lowest complying and responsible bid which meets all the terms and conditions of the contract or undertaking.

Sec. 361. Procurement without Public Bidding.-Procurement of supplies may be made without the benefit of public bedding under any of the following modes;

- (a) Personal canvass of responsible merchants;
- (b) Emergency purchase;
- (c) Negotiated purchase;
- (d) Direct purchase from the manufacturers or exclusive distributors ; and
- (e) Purchase from other government entities.

Sec 362. Procurement through Personal Canvass.- Upon approval by the Committee on Awards, procurement of supplies may be effected after personal canvass of at least three (3) responsible suppliers in the locality by a committee of three (3) composed of the local general services officer or the municipal or barangay treasurer, as

the case may be, local accountant, and the head of office or department for whose use the supplies are being procured. The awards shall be decided by the Committee on Awards.

Purchase under this Section shall not exceed the amounts specified hereunder for all items in any one(1) month for each local government unit;

Provinces , Cities and Municipalities;

First Class - Sixty thousand pesos (P60,000.00)

Second and Third Class - Forty thousand pesos (P40,000.00)

Fourth Class and Below - Twenty thousand pesos (P20,000.00)

Sec. 363. Emergency Purchase.- In case of emergency where the need of the supplies is exceptionally urgent or absolutely indispensable and only to prevent imminent danger to, or loss of, of or property, local government units may, through the local chief executive concerned, make emergency purchases or place repair orders, regardless of amount, without public bidding . Delivery of purchase orders or utilization of repair orders pursuant to this Section shall be made within ten (10) days after the placement of the same . Immediately after the emergency purchase or repair order is made, the chief of office or department making the emergency purchase or repair order shall draw a regular requisition to cover the same which shall contain the following:

(a) A complete description of the supplies acquired or the work done or to be performed;

(b) By whom furnished or executed;

(c) Date of placing the order and the date and the time of delivery or execution;

(d) The unit price and the total contract price;

(e) A brief and concise explanation of the circumstances why procurement was of such urgency that the same could not be done through the regular course without involving danger to, or loss of life or property;

(f) A certification of the provincial or city general services or the municipal or the barangay treasurer , as the case may be , to the effect that the price paid or contracted for was the lowest at the time of procurement; and

(g) A certification of the local budget officer as to the existence of appropriations for the purpose, the local accountant as to the obligation of the amount involved , and the local treasurer as to the availability of funds. The goods or services procured under this section must be utilized or availed or within fifteen (15) days from the date of delivery or availability . Without prejudice to criminal prosecution under applicable laws, the local chief executive, the head of department or the head of the chief making the procurement shall be administratively liable for any violation of this Section and shall be a ground for suspension or dismissal from service.

Sec. 364. Negotiated Purchase.-(a) In cases where public bidding have failed for two (2) consecutive times and no suppliers have qualified to participate or win in the bidding, the local government units may, through the local chief executive concerned,

undertake the procurement of supplies by negotiated purchase, regardless of amount, without public bidding: Provided, however, That the contract covering the negotiable purchase shall be approved by the sanggunian concerned. Delivery of purchase order or utilization of repair orders pursuant to this Section shall be made within seven (7) days after placement of the same. Immediately after the negotiated purchase or repair order is made, the local chief executive concerned shall draw a regular requisition to cover the same which shall contain the following:

(1) A complete description of the supplies acquired or the work done or to be performed ;

(2) By whom furnish or executed;

(3) Date of placing the order and the date and time of delivery or execution;

(4) The unit price and the total contract price;

(5) A certification of the provincial or city general services or the municipal or the barangay treasurer , as the case may be , to the effect that the price paid or contracted for was the lowest at the time of procurement;

(6) A certification to the effect that the prices paid or contracted for was the lowest at the time of procurement; and

(7) A certification of the local budget officer as to the existence of appropriations for the purpose, the local accountant as to the obligation of the amount involved, and the local treasurer as to the availability of funds.

(b) In case of repeat orders for regular supplies, procurement may be made by negotiated purchase: Provided, That the repeat order is made within three (3) months from the procurement of the same item: Provided, further , That the same terms and condition of sale are obtained for the said repeat order.

Sec. 365. Procurement from Duly Licensed Manufacture.- Procurement may be made directly from duly licensed manufacturers in case of supplies of Philippine manufacture or origin and in case there are two (2) or more manufacturers of the required supplies, canvass of the known manufacturers shall be conducted to obtain the lowest price for the quality of the said supplies.

Sec. 366. Procurement from Executive Philippine Agents or Distributors.- Procurement may, in the case of supplies of foreign origin, preferably be made directly from the executive or reputable Philippine distributors or agents. Subject to the following conditions:

(a) That the Philippine distributor has no subdealers selling at lower prices; and

(b) That no suitable substitutes of substantially the same quality are available at lower prices.

Sec. 367. procurement from Government Entities.- Procurement may be made directly from government entities producing the required supplies, including units or

agencies of foreign governments with which the Philippines maintains diplomatic relations . In the latter case, prior authority from the Office of the President shall be required.

Sec. 368. Annual Procurement Program.- (a) On or before the fifteenth (15th) day of July each year , the local chief executive shall prepare an annual procurement program for the ensuing fiscal year which can contain an itemized list of estimated quantity of supplies needed for such year, a complete descriptions thereof as to kind, quality, estimated cost , and balance on hand: Provided, however, That the total estimated cost of the approved annual procurement program shall not exceed the total appropriations authorized for the acquisition of supplies . the local government units may augment the supplies and equipment provided by the Supreme Court to the lower courts located in their respective jurisdictions.

(b) Except in emergency cases or where urgent indispensable needs could not have been reasonably anticipated, no purchase of supplies shall be made unless included in, or covered by, the approved procurement program.

(c) The conversion of excess cash into supplies stock is hereby prohibited except to the extent of the kind and quality specified in the approved annual procurement plan. A violation of this Section shall be a ground for suspension or dismissal of any official or employees responsible thereof.

Sec. 369. Establishment of Archival System.- Every local government unit shall provide for the establishment of an archival system to ensure the safety and protection of all government property, public documents or records such as records of birth , marriages, property inventory, land assessments, landownership, tax payments , tax accounts, and business permits and such other records or documents of public interest in the various departments and offices of the provincial , city or municipal government concerned.

Sec. 370. Primary and Secondary Accountability for Government Property.-(a) Each head of department or office of a province, city, municipality, or barangay shall be primarily accountable for all government property assigned or issued to his department or office. The person or persons entrusted with the possession or custody of government property under the accountability of any head of department or office shall be immediately accountable to such officer.

(b) The head of department or office primarily accountable for government property may require any person in possession of the property or having custody and control thereof under him to keep such records and make reports as may be necessary for his own information and protection.

(c) Buildings and other physical structures shall be under the accountability and responsibility of the provincial or city general services officer or the municipal mayor or punong barangay, as the case may be.

(d) Every officer primarily accountable for government property shall keep a complete record of all properties under his charge and render his accounts therefore semi-annually to the provincial or city general services officer or the municipal mayor or punong barangay, as the case may be.

Sec. 371. Responsibility for Proper Use and Care of Government Property.-

The person in actual physical possession of government property or entrusted with its custody and control shall be responsible for its proper use and care and shall exercise due diligence in the utilization and safekeeping thereof.

Sec 372. Measure of Liability of Persons Accountable for Government Property.-

(a) The person immediately accountable for government property shall be liable for its money value in case of the illegal, improper or unauthorized use or misapplication thereof, by himself or any other person for whose acts he may be responsible, and he shall be liable for all loss, damage, or deterioration occasioned by negligence in the keepings or use of such property unless it is proved that he has exercised due diligence and care in the utilization and safekeeping thereof.

(b) Unless he registers his objection in writing, an accountable person shall not be relieved from liability by reason of his having acted under the direction of a superior officer in using property with which he is chargeable, but the officer directing any illegal, unauthorized or improper use of property shall first be required to answer thereof.

(c) In cases of loss, damage, or deterioration of government property arising from, or attributable to, negligence in security, the head of the security agency shall be held liable therefore.

Sec. 373. Credit for Loss Occurring in Transit or Due to Casualty.- When a loss of government property occurs while the same is in transit or is caused by fire, theft, force majeure, or other casualty, the officer accountable therefore or having thirty (30) days from the date the loss occurred or for such longer period as the provincial, city or municipal auditor, as the case may be, may longer period as the provincial, city or municipal auditor, as the case may be, may in the particular case allow, and he shall present his application for relief, with the available evidence in support thereof. An Officer who fails to comply with this requirement shall not be relieved of liability or allowed credit for any such loss in the settlement of his accounts.

A provincial, city or municipal auditor shall not allow credit for these losses unless so expressly authorized by the chairman of the Commission on Audit, to be exercised only if the loss is not in excess of fifty thousand pesos (P50,000.00). In any case when the allowance of credit is not within the competence of the provincial, city or municipal auditor, the application and evidence, with the recommendation of the auditor concerned, shall be forwarded to the chairman of the Commission On Audit for his appropriate action.

Sec. 374. Property Disposal. - When property of any local government unit has become unserviceable for any cause or is no longer needed, It shall, upon application of the officer accountable thereof, be inspected and appraised by the provincial, city or municipal auditor, as the case may be, or duly authorized representative or that of the Commission on Audit and, if found valueless or unusable, shall be destroyed in the presence of the inspecting officer.

If found valuable, the same shall be sold at public auction to the highest bidder under the supervision of the Committee on Awards and in the presence of the provincial, city or municipal auditor or his duly authorized representative. Notice of the public auction shall be posted in at least three (3) publicity accessible and conspicuous places, and if the acquisition cost exceeds One Hundred Thousand pesos (P/100,000.00) in the case of

provinces and cities, and Fifty Thousand (P/50,000,00) in the case of then municipalities, notice of auction shall be published at least two (2) times within a reasonable period in a newspaper of general circulation in the locality.

Sec. 375. Negotiated Sale of Property. - Property no longer needed may also be disposed of at a private sale at such price as may be determined by the Committee on Awards, subject to the approval of the Commission on Audit or its duly authorized representative when the acquisition or transfer cost of the property exceed Fifty Thousand pesos (P50,000.00) in the case of the provinces and cities, and Twenty-five Thousand pesos (25,000.00) in the case of the municipalities and barangays.

In case of real property, the disposal shall be subject to the approval of the Commission on Audit regardless of the value or cost involved.

Sec. 376. Transfer Without Cost. - Property which become unserviceable or is no longer needed may be transferred without cost to another office, agency, subdivision or instrumentality of the national government or another local government unit at an appraised valuation determined by the local Committee on Awards . Such transfer shall be subject to the approval of the sanggunian concerned making the transfer and by the head of the office, agency, subdivision, instrumentality or local government unit receiving the property.

Sec. 377. Tax Exemption Privileges of Local Government Units.- Local government units shall be exempt from the payment of duties and taxes for the importation of heavy equipment or machineries which shall be used for the construction, improvement, repair, and maintenance of roads , bridges and other infrastructure projects , as well as garbage trucks, fire trucks and other similar equipment: Provided, however, That such equipment or machineries shall not be disposed of, either by public auction or negotiated sale as hereinabove provided, within five (5) years from the importation thereof. In case the machinery or equipment is sold within the five (5) year period, the purchasers or recipients shall be considered the importers thereof, and shall be liable for duties and taxes computed on the book value of such importation.

Sec. 378. Implementing Rules and Regulations.- The Commission on Audit shall promulgate the rules and regulations necessary to effectively implement the provisions of this Title, including requirements as to testing inspection , and standardization of supply and property.

BOOK III

LOCAL GOVERNMENT UNIT

TITLE ONE - THE BARANGAY

CHAPTER 1. - ROLE AND CREATION OF THE BARANGAY

Sec. 379. Role of the Barangay. - As the basic political unit, the barangay serves as the primary planning and implementing unit of government policies, plans, programs, project and activities in the community, and as a forum wherein the collective view of the people may be expressed, crystallized and considered and where disputes may be amicably settled.

Sec. 380. Manner of Creation. - A barangay may be created, divided merged, abolished, or its boundary substantially altered, by law enacted by the regional assembly upon consultation with the communities concerned, subject to approval by a majority of the votes cast in a plebiscite to be conducted by the commission on election in the local government units affected thereby within such a period of time as may be determined by the law creating said barangay.

Sec. 381. Requisites for Creation. - (a) a barangay may be created out of a contiguous territory which has a population of at least one thousand (1,000) inhabitants as certified by the national statistics offices except in highly urbanized cities where such territory shall have a certified population of at least five thousand (5,000) inhabitants. Provided, that the creation thereof shall not reduce the population of the original barangay or barangays to less than the minimum requirement prescribed herein. To enhance the delivery of basic services in the indigenous cultural communities, barangays may be created in such communities by an act of the regional legislative assembly, notwithstanding the above requirement.

(b) The territorial jurisdiction of the new barangay shall be properly identified by metes and bounds or by more or less permanent natural boundaries. The territory need not be contiguous if it comprises two (2) or more islands.

(c) The governor or city mayor may prepare a consolidation plan for barangays, based on the criteria prescribed in this section, within his territorial jurisdiction. The plan shall be submitted to the sangguniang panlungsod concerned for appropriate action.

CHAPTER 2. Barangay Officials and Offices.

Sec. 382. Chief Officials and Offices.- (a) There shall be in each barangay a punong barangay, seven (7) sangguniang barangay members, the sangguniang kabataan chairman, a barangay secretary, and a barangay treasurer.

(b) There shall also be in every barangay a lupong tagapamayapa. The sangguniang barangay may form a community brigade and create such other positions and offices as may be deemed necessary to carry out the purpose of the barangay government and

accordance with the need of the public service, subject to the budgetary limitation on personal services prescribe under Title five, Book II of this Code .

Sec. 383. Person In Authority.- For purposes of the Revised Penal Code, the punong barangay, sangguniang barangay members, and member of the lupong tagapamayapa in each barangay shall be deemed as a persons in authority in their jurisdiction, while other barangay officials and members who may be designated by law or ordinance and charged with the maintenance of public order, protection and security of life and property, or the maintenance of a desirable and balanced environment and any barangay member who comes to the aid of persons in authority, shall be deemed agents of persons in authority.

CHAPTER 3. The Punong barangay.

Sec. 384. Chief Executive; Powers, Duties, and Functions. - (a) The punong barangay as the chief executive of the barangay government, shall exercise such powers and perform such duties and functions, as provided by this Code and other laws.

(b) For efficient, effective and economical governance, the purpose of which is the general welfare of the barangay and its inhabitants, the punong barangay's shall:

1. Enforce all laws and ordinances which are applicable within the barangay;
2. Negotiate, enter into, and sign contracts for and in behalf of the barangay upon authorization of the sangguniang barangay;
3. Maintain public order in the barangay and, in pursuance thereof, assist the city or municipal mayor and the sangguniang members in the performance of their duties and functions;
4. Call and preside over the sessions of the sangguniang barangay and the barangay assembly, and vote only to break a tie;
5. Upon approval by a majority of all the members of the sangguniang barangay, appoint or replace the barangay treasurer, the barangay secretary, Barangay Planning and Development Coordinator and other appointive barangay officials;
6. Organize and lead an emergency group whenever the same may be necessary for the maintenance of peace and order or on occasion of emergency or calamity within the barangay;
7. In coordination with the barangay development council, prepare the annual executive and supplemental budgets of the barangay;
8. Approve vouchers relating to the disbursement of barangay funds;
9. enforce laws and regulations relating to pollution control and protection of the environment;
10. Administer the operation of the katarungang pambarangay in accordance with the provision of this Code;

11. Exercise general supervision over the activities of the sangguniang kabataan;
12. Ensure the delivery of basic services as mandated under Sec. 14 of this Code;
13. Conduct an annual palarong barangay which shall feature traditional sports and disciplines included in national and international games, in coordination with the Department of Education, Culture and Sports;
14. Promote the general welfare of the barangay; and
15. Exercise such other powers and perform such other and functions as may be prescribed by law or ordinance.

(c) In the performance of his peace and order functions, the punong barangay shall be entitled to possess and carry the necessary firearms within his territorial jurisdiction, subject to appropriate rules and regulations.

CHAPTER 4. The Sangguniang Barangay.

Sec. 385. Composition- The sangguniang barangay, the legislative body of the barangay, shall be composed of the punong barangay as presiding officer, and the seven (7) regular sangguniang barangay members elected at large and sangguniang kabataan chairman, as members.

Sec. 386. Powers, Duties, and Functions.- (a) The Sangguniang barangay, as the legislative body of the barangay, shall;

- (1) Enact ordinance as may be necessary to discharge the responsibilities conferred upon it by law or ordinance and to promote the general welfare of the inhabitants therein;
- (2) Enact tax and revenue ordinance, subject to the limitations imposed in this Code;
- (3) Enact annual and supplemental budgets budget in accordance with the provisions of this Code;
- (4) Provide for the construction and maintenance of barangay facilities and other public works projects chargeable to the general fund of the barangay or such other funds actually available for the purpose;
- (5) Submit to the sangguniang panlungsod or sangguniang bayan such suggestions or recommendations as it may see fit for the improvement of the barangay or for the welfare of the inhabitants thereof;
- (6) Assist in the establishment, organization, and promotion of cooperative enterprises that will improve the economic condition and well-being of the residents;
- (7) Regulate the use of multi-purpose halls, multi-purpose pavement, grain or copra dryers, patios and other post-harvest, barangay waterworks, barangay markets, parking areas or other similar facilities constructed with government

funds within the jurisdiction of the barangay and charge reasonable fees for the use thereof;

- (8) Solicit or accept monies, materials and voluntary labor for specific public works and cooperative enterprises of the barangay from residents, land owners, procedures and merchants in the barangay monies, from grants-in-aid, subsidies, contributions, and revenue made available to the barangays from national, regional provincial, city or municipal funds, and monies from other private agencies and individuals; Provided however, That monies from properties donated by private agencies and individuals for specific purpose shall accrue to the barangay as trust fund;
- (9) Solicit or accept, in any or all the foregoing public works and cooperative enterprises, such cooperation as is made available by national, regional, technical, and advisory assistance to barangays and to barangay residents; Provided, however, That in soliciting or accepting such cooperation the sangguniang barangay need not pledge any sum of money for expenditure in excess of amounts currently in the barangay treasury or encumbered for other purposes;
- (10) Provide compensation, reasonable allowance or per diems as well as travel expenses for sangguniang barangay members and other officials, subjects to the budgetary limitations prescribed under Title Five, Book II of this Code; Provided, however, That no increase in the compensation or honoraria of the sangguniang barangay members shall take effect until after the expiration of the full term of all members of the sangguniang barangay approving such increase;
- (11) Hold fund-raising activities for barangay projects without the need of securing permits from any national, regional or local office or agency. The proceeds from such activities shall be tax-exempt and shall accrue to the general fund of the barangay; Provided, That in the appropriation thereof, the specific purpose for which such fund-raising activity has been held shall be first satisfied; Provided, further, That no fund-raising activities shall be held within a period of sixty (60) days immediately preceding and after a national, regional or local election, recall, referendum, or plebiscite; Provide, Finally, That said fund-raising activities shall comply with the regional policy standards and regulations on morals, health and safety of the persons participating therein. The sangguniang barangay, through the punong barangay, shall render a public accounting of the funds raised at the completion of the project for which the fund-raising activity was undertaken;
- (12) Authorized the punong barangay to enter into contacts in behalf of the barangay, subject to the provision of this Code;
- (13) Authorized the barangay treasurer to make direct purchase in an amount not exceeding One Thousand (P1, 000.00) Pesos at any one time for the ordinary and essential administrative needs of the barangay;
- (14) Prescribe fines in amount not exceeding One Thousand (1,000.000) Pesos for violation of barangay ordinance;

- (15) Provide for the administrative need of the lupong tagapamayapa and the pangkat ng tagapagkasundo;
- (16) Provide for the organization of community brigade, barangay tanod or community service units as may necessary;
- (17) Organize regular lectures, program, or for a on community problems such as sanitation, nutrition, literacy, and drug abuse, and convene assemblies to encourage citizen participation in government;
- (18) Adopt measures to prevent and control the proliferation of squatters and mendicants in the barangay;
- (19) Provide for the proper development and welfare of children in the barangay by promoting and supporting activities for the protection and total development of children, particularly those below seven (7) years of age;
- (20) Adopt measures towards the prevention and eradication of drug abuse, child abuse, and juvenile delinquency;
- (21) Initiate the establishment of a barangay high school, whenever feasible, in accordance with law;
- (22) Provided for the establishment of a non-formal education center in the barangay whenever feasible, in coordination with the Department of Education, Culture and Sport;
- (23) Provide for the delivery of basic service; and
- (24) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 387. Other Duties of Sangguniang Barangay Members.-In addition to their duties as members of the sangguniang barangay, sangguniang barangay members may;

- a.) Assist the punong barangay in the discharge of his duties and functions;
- b.) Act as peace officers in the maintenance of public order and safety; and
- c.) Perform such other duties and function as the punong barangay may delegate.

Sec. 388. Benefits of Barangay Officials.- (a) Barangay officials, including barangay tanods and members of the lupong tagapamayapa, shall receive honoraria, allowances, and such other emoluments as may be authorized by law or barangay, municipal or city ordinance in accordance with the with the provisions of this Code; but in no case shall it be than One Thousand (P1,000.00) pesos per month for the punong barangay and Six Hundred pesos (P600.00) per month for the sangguniang barangay members, barangay treasurer, and barangay secretary: Provided, however, That the annual appropriations for personal services shall be subject to the budgetary limitations prescribed under Title Five, Book II of this Code;

b.) The punong barangay, the sangguniang barangay member, the barangay treasurer, and the barangay secretary shall also:

1. Be entitled to calendar year end bonus of at least One Thousand (P1,000.00) Pesos each, the fund for which shall be taken from the general fund of the barangay or from such other funds appropriated by the national and regional governments for the purposes;
2. Be entitled, during their incumbency, to insurance coverage which shall include, but shall not be limited to temporary and permanent disability, double, indemnity, accident insurance, death and burial benefits, in accordance with Republic Act Numbers Sixty-nine Hundred forty-two (R.A) No. 6942), entitled "An Act Increasing the Insurance Benefits of Local government Officials and Providing Funds Therefore;
3. Be entitled to free medical care including subsistence, medicines, and medical attendance in any government hospital or institution: Provided, That such hospital care shall include surgery or surgical expenses, medicines, x-rays, laboratory fees, and other hospital expenses;

In case of extreme urgency where there is no available government hospital or institution, the barangay official concerned may submit himself for immediate medical attendance to the nearest private clinic, hospital or institution and the expenses not exceeding Five Thousand (5,000.00) pesos that may be incurred therein shall be chargeable against the funds of the barangay concerned;

4. Be exempted during their incumbency from paying tuition and matriculation fees for their legitimate dependent children attending state colleges or universities. He may likewise avail of such educational benefits in a state college or universities located within the province or city to which the barangay belongs; and
5. Be entitled to appropriate civil service eligibility on the basis of the number of years of service to the barangay, pursuant to the rules and regulations issued by the Civil Service Commission.

(c) Elective barangay officials shall have preference in appointment to any government position or in any government-owned or controlled corporations, including their subsidiaries, after their tenure of office, subject to the requisite qualifications and the provisions of the immediately preceding paragraph.

(d) All duly appointed members of the barangay tanod brigades, or their equivalent, which shall number not more than twenty (20) in each barangay, shall be granted insurance or other benefits during their incumbency, chargeable to the barangay or the city or municipal government to which the barangay belongs.

CHAPTER 5. Appointed Barangay Officials

Sec. 389. Barangay Secretary: Appointment, Qualification, Powers and Duties.- (a) The barangay secretary shall be appointed by the punong barangay with the concurrence

of the majority of all the sangguniang barangay members. The appointment of the barangay secretary shall not be subject to attestation by the Civil Service Commission.

(b) The barangay secretary shall be of legal age, a qualified voter, at least high school graduated or its equivalent and an actual resident of the barangay concerned.

(c) No person shall be appointed barangay secretary if he a sangguniang barangay member, a government employee or a relative of the punong barangay within the fourth civil degree of consanguinity or affinity;

(d) The barangay secretary shall;

(1) Keep custody of all records of the sangguniang barangay and the barangay assembly meetings;

(2) Prepared and keep the minutes of all meetings of the sangguniang barangay and the barangay assembly;

(3) Prepare a list of members of the barangay assembly, and have the same posted in conspicuous places within the barangay;

(4) Assist in the preparation of all necessary forms or the conduct of barangay elections, initiatives, referenda or plebiscites, in coordination with the COMELEC;

(5) Assist the municipal civil registration of birth, deaths and marriages;

(6) Keep an updated record of all inhabitants of the barangay containing the following items of information: name address, place and date of birth, sex civil, citizen, occupation, and other items of information as may be prescribed by law or ordinances;

(7) Submit a report on the actual number of barangay residents as ofeten as may be required by the sangguniang barangay; and

(8) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 391. Other Appointive Officials.-The qualifications, duties and functions of all barangay officials appointed by the punong barangay shall be governed by the provision of this Code and other laws or by barangay ordinances.

CHAPTER 6. Barangay Assembly

Sec. 392. Composition; Meetings. - (a) There shall be a barangay assembly composed of all persons who are actual residents of the barangay for at least six (6) months, fifteen (15) years of age or over, citizen of the Philippines, and duly registered in the list of barangay assembly members.

(b) The barangay assembly shall meet at least twice a year to hear and discuss the semestral report of the sangguniang barangay concerning its activities and finances as well as problems effecting the barangay. Its meeting shall be held upon call of the punong barangay or of at least four (4) members of the sangguniang barangay, or upon written petition of at least five (5%) percent of the assembly members.

(c) No meetings of the barangay assembly shall take place a written notice is given one (1) week prior to the meetings except on matters involving public safety or security, in which case notice within a reasonable time shall be sufficient. The punong barangay, or in his absence, the sangguniang barangay member acting as punong barangay, or in his assembly member selected during the meeting, shall act as presiding officer in all the meeting of the assembly. The barangay secretary, or in his absence, any member designated by the presiding officer to act as secretary, shall discharge the duties of secretary of the barangay assembly.

Sec. 393. Powers of the Barangay Assembly.-The barangay assembly shall:

(a) Initiate legislative process by recommending to the sangguniang barangay the adopting of measures for the welfare of the barangay and the city or municipality concerned;

(b) Decide on the adoption of initiative as legal process whereby the registered voters of the barangay may directly propose, enact, or amend any ordinance; and

(c) Hear and pass upon the semestral reports of the sangguniang barangay concerning its activities and finances.

CHAPTER 7 - Katarungan Pambarangay

Sec. 394. Lupong Tagapamayapa. - (a) There is hereby created in each barangay a lupong tagapamayapa hereinafter referred to as the lupon, composed of the punong barangay as Chairman and ten (10) to twenty (20) members. The lupon shall be constituted every three (3) years in the manner provided herein.

(b) Any person actually residing, or working in the barangay, not otherwise expressly disqualified by law, and possessing integrity, impartiality, independence of mind, sense of fairness, and reputation for probity, may be appointed as member of the lupon.

(c) A notice to constitute the lupon, which shall include the names of proposed members who have expressed their willingness to serve, shall be prepared by the punong barangay within the first fifteen (15) days from the start of his term of office. Such notice shall be posted in three (3) conspicuous places in the barangay continuously for a period of no less than three (3).

(d) The punong barangay, taking into consideration any opposition to the proposed appointment or any recommendations or appointment or any recommendation or appointments as may have been made within the period of position, shall within ten (10) days thereafter, appoint as members those whom he determines to be suitable therefore. Appointments shall be in writing, signed by the punong barangay, and attested to by the barangay secretary.

(e) The list of appointed members shall be posted in three (3) conspicuous places in the barangay for the entire duration of their term of office; and

(f) In barangays where majority of the inhabitants are members of indigenous cultural communities, local system of settling disputes through their councils of datu or elders shall be recognized without prejudice to the applicable provisions of this Code;

Sec. 395. Oath and Term of Office. - Any vacancy in the pangkat shall be chosen by the parties to the dispute from among the other lupon members, should the parties fail to agree on a common choice, the vacancy shall be filled by lot to be drawn by the lupon chairman.

Sec. 396. Vacancies.- Should a vacancy occur in the lupon for any cause, the punong barangay shall immediately appoint a qualified person who shall hold office only for the unexpired portion of the term.

Sec. 397. Functions of the Lupon.- The Lupon shall:

(a) Exercise administrative supervision over the condition panels provided herein;

(b) Meet regularly once a month to provide a forum for exchange of ideas among its members and the public on matter relevant to amicable settlement of disputes, and to enable various conciliation panel members to share with one another their observation and experience in effecting speedy resolution of disputes; and

(c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 398. Secretary of the Lupon.- The barangay secretary shall concurrently serve as the secretary of the lupon. He shall record the results of mediation proceedings before the punong barangay and shall submit a report thereon to the proper city or municipal courts. She shall also receive and keep the records of proceedings submitted to him by the various conciliation panels.

Sec. 399. Pangkat ng Tagapagkasundo.- (a) There shall be constituted for each dispute brought before the lupon a conciliation panel to be known as the pangkat ng tagapagkasundo, herein after referred to as the pangkat, consisting of three (3) members who shall be chosen by the parties to the disputes from the list of members of the lupon.

Should the parties fail to agree on the pangkat membership, the same shall be determined by lots drawn by the lupon chairman.

(b) The three (3) members constituting the pangkat shall elect from among themselves the chairman and the secretary. The secretary shall prepare the minutes of the pangkat and to the proper city or municipal court. He shall issue and cause to be served notices to the parties concerned.

The lupon secretary shall issue certified true copies of any public record in his custody that is not by law otherwise declared confidential.

Sec. 400. Vacancies in the Pangkat.- Any vacancy in the pangkat shall be chosen by the parties to the dispute from among the other lupon members. Should the parties fail to agree on a common choice, the vacancy shall be filled by lot to be drawn by the lupon chairman.

Sec. 401. Character of office and Service of Lupon Members.- (a) The lupon members, while in the perform of their official duties or on the occasion thereof, shall be deemed as persons in authority, as defined in the Revised Penal Code;

(b) The lupon or pangkat members shall serve without compensation, except as provided for in Section 388 and without prejudice to incentives as provided for in this Section and in Book IV of this Code. The Department of Interior and Local Government shall provide for a system of granting economic or other incentives to the lupon or pangkat members who adequately demonstrate the ability to judiciously and expeditiously resolve cases, referred to them. While in the performance of their duties, the lupon or pangkat members, whether in public or private employment, shall be deemed to be on official time, and shall not suffer from any diminution in compensation or allowance from said employment by reason thereof.

Sec. 402. Legal Advice on Matter Involving Questions of Law.- The provincial, city legal officer or prosecutor or the municipal legal officer shall render legal advice in matters involving questions of law to the punong barangay or any lupon or pangkat member whenever necessary in the exercise of his functions in the administration of the katarungan pambarangay.

Sec.403. Subject Matter for Amicable Settlement; Exception Thereto.- The lupon of each barangay shall have authority to bring together the parties actually residing in the same city or municipality for amicable settlement of all disputes except;

(a) Where one party is the government, or any subdivision or instrumentality thereof;

(b) Where one party is a public officer or employee, and the dispute relates to the performance of his official functions;

(c) Offenses punishable by imprisonment exceeding on (1) year or a fine exceeding Five Thousand pesos (5,000.00);

(d) Offenses where there is no private offended party;

(e) Where the disputes involves real properties located in different cities or municipalities unless the parties thereto agree to submit their differences to amicable settlement by an appropriate lupon;

(f) Disputes involving parties who actually reside in barangays of different cities or municipalities, except where such barangay units adjoin each other and the parties there to agree to submit their differences to amicable settlement by an appropriate lupon;

(g) Such other classes of disputes which the President or the Regional Governor may determine in the interest of justice or upon the recommendation of the Secretary of Justice.

The court in which non-criminal cases not falling within the authority of the lupon under this Code are filed may, at time before trial, motu proprio refer the case to the lupon concerned for amicable settlement.

Sec. 404. Venue.- (a) Disputes between persons actually residing in the same barangays shall be brought for amicable settlement before the lupon of said barangay;

(b) Those involving actual residents of different barangay within the same city or municipality shall be brought in the barangay where the respondent or any of the respondents actually resides, at the election of the complainants.

(c) All disputes involving real property or any interest therein shall be brought in the barangay where the real property or the larger portion thereof is situated.

(d) Those arising at the workplace where the contending parties are employed or at the institution where such parties are enrolled for study, shall be brought in the barangay where such workplace or institution is located.

Objections to venue shall be raised in the mediation proceedings before the punong barangay; otherwise, the same shall be deemed waived. Any legal question which may confront the punong barangay in resolving objections to venue herein referred to may be submitted to the Secretary of Justice, or his duly designated representative, whose ruling thereon shall be binding.

Sec. 405. Procedure for Amicable Settlement.- (a) Who may initiate proceeding- upon payment of the appropriate filing fee, any individual who has a cause of action against another individual involving any matter within the authority of the lupon may complain, orally or in writing, to the lupon chairman of the barangay.

(b) Mediation by lupon chairman- Upon receipt of the complaint, the lupon chairman shall within the next working day summon the respondent(s), with notice to the complainant(s) for them and their witnesses to appear before him for their conflicting interests. If he fails in his mediation effort within fifteen (15) days from the first meeting of the parties before him, he shall forthwith set a date for the constitution of the pangkat in accordance with the provisions of this Chapter.

(c) Suspension of prescriptive period of offenses- While the dispute is under mediation, conciliation, or arbitration. The prescriptive periods for offenses and cause of action under existing laws shall be interrupted upon filing of the complaint with the punong barangay. The prescriptive periods shall resume upon receipt by the complainant of the compliant or the certificate of repudiation or of the certification to file action issued by

the lupon or pangkat secretary: Provide, however, That such interruption shall not exceed sixty (60) days from the filing of the complaint with the punong barangay;

(d) Issuance of summons; hearing; grounds for disqualification-The pangkat shall convene not later than three (3) days from its constitution, on the day and hour set by the lupon chairman, to hear both parties and their witnesses, simplify issues, and explore all possibilities for amicable settlement. For this purpose, the pangkat may issue summons for the personal appearance of parties and witness before it. In the event that a party moves to disqualify any member of the pangkat by reason of relationship, bias, interest, or any other similar grounds discovered after the constitution of the pangkat, the matter shall be resolved by the affirmative vote of the majority of the pangkat whose decision shall be final. Should disqualification be decided upon, the resulting vacancy shall be filled as herein provided for;

(e) Period to arrive at a settlement - The pangkat shall arrive at a settlement or resolution of the dispute within fifteen (15) days from the day it convenes in accordance with this section. This period shall at the discretion of the pangkat, be extendible for another period which shall not exceed fifteen (15) days except in clearly meritorious cases.

Sec. 406. Form of Settlement.-All amicable settlement shall be in writing in a language or dialect known to the parties, signed by them, and attested to by the lupon chairman or the pangkat chairman, as the case may be. When the parties to the dispute do not use the same language or dialect, the settlement shall be written in the language or dialect known to them.

Sec. 407. Conciliation.- (a) Pre-condition to filing of Complaint in Court, No complaint, petition, action, or proceeding involving any matter within the authority of the lupon shall be filed or instituted directly in court or any government office for adjudication, unless there has been a confrontation between the parties before the lupon chairman or the pangkat, and that no conciliation or settlement has been reached as certified by the lupon secretary or pangkat secretary as attested to by the lupon or pangkat chairman or unless the settlement has been repudiated by the parties thereto.

(b) Where Parties May Go Directly to Court.-The parties may go directly to court in the following instance:

1. Where the accused is under detention;
2. Where a person has otherwise been deprived of personal liberty calling for habeas corpus proceedings;
3. Where actions are coupled with provisional remedies such as preliminary injunction, attachment, delivery of personal property, and support pendent elite; and
4. Where the action may otherwise be barred by the statute of limitations.

(c) Conciliation among members of indigenous cultural communities.-The customs and traditions of indigenous cultural communities shall be applied in settling disputes between members of the cultural communities.

Sec.408. Arbitration.-The parties may, at any stage of the proceedings, agree in writing that they shall abide by the arbitration award of the lupon chairman or the pangkat. Such agreement to arbitrate may be repudiated within five (5) days from the date thereof for the same grounds and in accordance with the procedure hereinafter prescribed. The arbitration award shall be made after the lapse of the period for repudiation and within ten (10) days thereafter.

Sec.409. Proceedings Open to the Public; Exception.- All proceedings for settlement shall be open to the public and informal; Provided, however, That the lupon chairman or the pangkat chairman, as the case may be, may motu proprio or upon request of a party, exclude the public from the proceedings in the interest of privacy, decency, or public morals.

Sec. 410. Appearance of Parties in Person.- In all katarungan pambarangay proceedings, the parties must appear in person without the assistance of counsel or representative, except for minors and incompetents who may be assisted by their next-of-kin who are not lawyers.

Sec. 411. Effect of amicable Settlement and Arbitration Award.- The amicable settlement and arbitration award shall have the force and effect of a final judgment of a court upon the expiration of ten (10) days from the date thereof, unless repudiation of the settlement has been made or a petition to nullify the award has been filed before the proper city or municipal court.

However, this provision shall be not apply to court cases settled by the lupon under the last paragraph of Section 403 of this Code in which case the compromise settlement agreed upon by the parties before the lupon chairman or the pangkat chairman shall be submitted to the court and upon approval thereof, have the force and effect of a judgment of said court.

Sec. 412. Execution.- The amicable settlement or arbitration award may be enforced by execution by the lupon within six (6) months from the date of the settlement. After the lapse of such time, the settlement may be enforced by action in the appropriate city or municipal court.

Sec. 413. Repudiation.- Any party to the dispute may, within ten (10) days from the date of the settlement, repudiate the same by filing with the lupon chairman a statement to that effect sworn to before him, where the consent is visited by fraud, violence or intimidation. Such repudiation shall be sufficient basis for the issuance of the certificate for filing a complaint as hereinabove provided.

Sec. 414. Transmittal of Settlement and Arbitration Award to the Court .- The secretary of the lupon shall transmit the settlement or the arbitration award to the appropriate city or municipal court within (5) days from the date of the award or from the lapse of the ten-day period repudiating the settlement and shall furnish copies thereof to each of the parties to the settlement and the lupon chairman.

Sec. 415. Power to Administer Oaths.- The punong barangays, as chairman of lupon tagapamayapa, and the members of the pangkat are hereby authorized to

administer oaths in connection with any matter relating to all proceedings in the implementation of the katarungan pam,barangay.

Sec. 416. Administration, Rules and Regulation.- The city or municipal mayor, as the case may be, shall see to the efficient and effective implementation and administration of the katarungan pambarangay. The Secretary of Justice shall promulgate the rules and regulations necessary to implement this Chapter.

Sec. 417. Appropriations.- Such amount as may be necessary for the effective implementation of the katarungan pambarangay shall be provided for in the annual budget of the city or municipality concerned.

Sec. 418. Creation and Election.- There shall be in every barangay a sangguniang kabataan to be composed of a chairman, seven (7) members, a secretary, and a treasurer.

(b) A sangguniang kabataan official who, during his term of office, shall have passed the age of twenty-one (21) years shall be allowed to serve the remaining portion of the term for which he was elected.

Sec. 419. Katipunan ng Kabataan.- The katipunan ng kabataan shall be composed of all citizens of the Philippines actually residing in the barangay for at least six (6) months, who are fifteen (15) but no more than twenty-one (21) years of age, and who are duly registered in the list of the sangguniang kabataan or in the official barangay list in the custody of the barangay secretary.

Sec. 420. Meeting of the Katipunan ng Kabataan.- The katipunan ng kabataan shall meet at least once every three (3) months, or at the call of the chairman of the sangguniang kabataan or upon written petition of at least one-twentieth (1/20th) of its members, to decide on important issues affecting the youth of the barangay.

Sec. 421. Powers and Functions of the Sangguniang Kabataan.- The sangguniang kabataan shall:

(a) Promulgate resolutions necessary to carry out the objectives of the youth in the barangay in accordance with the applicable provisions of this Code;

(b) Initiate programs designed to enhance the social, political, economic, cultural, intellectual, moral, spiritual, and physical development of the members;

(c) Hold fund-raising activities, the proceeds of which shall be tax-exempt and shall accrue to the general fund of the sangguniang kabataan. Provided, however, That in the appropriation thereof, the specific purpose for which such activity has been held shall be first satisfied;

(d) Create such bodies or committees as it may deem necessary to effectively carry out its program and activities;

(e) Submit annual and end-of-term reports to the sangguniang barangay on their projects and activities for the survival and development of the youth in the barangay;

(f) Consult and coordinate with all youth organization in the barangay for policy formulation and program implementation;

(g) Coordinate with the appropriate regional agency for the implementation of youth development projects and program at the regional level;

(h) Exercise such other power and perform such other duties and functions as the sangguniang barangay may determine or delegate; and

(i) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 422. Meetings of the Sangguniang Kabataan.- The sangguniang kabataan shall meet regularly once a month on the date, time and place to be fixed by the said sangguniang. Special meetings may be called by the sangguniang kabataan chairman or any three (3) of its members by giving written notice to all members of the date, time, place, and agenda of the meeting at least one (1) day in advance. Notices of regular or special meetings shall be furnished the punong barangay and the sangguniang a quorum.

Sec. 423. Qualifications.- An elective official of the sangguniang kabataan must be a citizen of the Philippines, a qualified voter of the katipunan ng kabataan, a resident of the barangay for at least one (1) year immediately prior to election, at least fifteen (15) years of age but not more than twenty-one (21) years of age on the day of his election, able to read and write Filipino, English, Arabic or any local dialect, and must not have been convicted of any crime involving moral turpitude.

Sec. 424. Term of Office.- The sangguniang kabataan chairman and members shall hold office for a period of three (3) years, unless sooner removed for cause as provided by law, permanently incapacitated, die or resign from office.

Sec. 425. Sangguniang Kabataan Chairman- The registered voters of the katipunan ng kabataan shall elect the chairman of the sangguniang kabataan who shall automatically serve as an ex-officio member of the sangguniang barangay upon his assumption to office. As such he shall exercise the same powers, discharge the same duties and functions, and shall be the chairman of the committee on youth and sports development in the said sangguniang.

Sec. 426. Powers and Duties of the Sangguniang Kabataan Chairman. - In addition to the duties which may be assigned to him by the sangguniang barangay, the sangguniang kabataan chairman shall:

(a) Call and preside over all meetings of the katipunan ng kabataan and the sangguniang kabataan;

(b) Implement policies, programs, and projects within his jurisdiction in coordination with the sanggunianh barangay;

(c) Exercise general supervision over the affairs and activities of the sangguniang kabataan and the official conduct of its members, and such other officer of the sangguniang kabataan within his jurisdiction;

(d) With the concurrence of the sangguniang kabataan, appoint from among the members of the sangguniang kabataan, the secretary and treasurer, and such other officers as may be deemed necessary; and

(e) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 427. Sangguniang Kabataan Secretary.- The sangguniang kabataan secretary shall;

(a) Keep all records of the katipunan ng kabataan and sangguniang kabataan;

(b) Prepare and keep the minutes of all meetings of the katipunan ng kabataan and sangguniang kabataan;

(c) Prepare all forms necessary for the conduct of registrations, elections, initiatives, referenda, or plebiscites, in coordination with the barangay secretary and the COMELEC; and

(d) Perform such other duties and discharge such other functions as the chairman of the sangguniang kabataan may prescribe or direct.

Sec. 428. Sangguniang Kabataan Treasurer.- The sangguniang kabataan treasurer shall:

(a) Take custody of all sangguniang kabataan property and funds not otherwise deposited with the city or municipal treasurer.

(b) Collect and receive contributions, monies, materials, and all other resources intended for the sangguniang kabataan and katipunan ng kabataan;

(c) Disburse funds in accordance with an approved budget of the sangguniang kabataan;

(d) Certify to the availability of funds whenever necessary;

(e) Submit to the sangguniang kabataan and to the sangguniang barangay certified and detailed statements of actual income and expenditure at the end of every month; and

(f) Perform such other duties and discharge such other functions as the chairman of the sangguniang kabataan may direct.

Sec. 429. Privileges of Sangguniang Kabataan Officials.- The sangguniang kabataan chairman shall have the same privileges enjoyed by other sangguniang barangay officials under this Code subject to such requirements and limitations provided herein. During their incumbency, sangguniang kabataan official shall be except from payment of tuition and matriculation fees while enrolled in public tertiary schools, including state

colleges and universities. The regional government shall reimburse said college or university the amount of the tuition and matriculation fees. Provided, that, to qualify for the privilege, the said officials shall enroll in the state college or university within or nearest their area of jurisdiction.

Sec. 430. Succession and Filling of Vacancies.- (a) In case the sangguniang kabataan chairman refuses to assume office, fails to qualify, is convicted of a felony, voluntarily resigns, dies, is permanently incapacitated, is removed from office, or has been absent without leave for more than three (3) consecutive months, the sangguniang kabataan member who obtained the next highest number of votes, in the election immediately preceding shall assume the office of the chairman for the unexpired portion of the term, and shall discharge the powers and duties, and enjoy the rights and privileges appurtenant to the office. In case the said member refuses to assume the position or fails to qualify, the sangguniang kabataan member obtaining the next highest of votes shall assume the position of the chairman for the unexpired portion of the term.

(b) Where two (2) or more sangguniang kabataan members obtained the same next highest number of votes, the other sangguniang kabataan member shall conduct an election to choose the successor to the chairman from among the said members.

(c) After the vacancy shall have been filed, the sangguniang kabataan chairman shall call a special election to complete the membership of said sangguniang kabataan member shall hold office or the unexpired portion of the term of the vacant seat.

(d) In case of suspension of the sangguniang kabataan chairman, the successor, as determined in subsections (a) and (b) of this Section shall assume the position during the period of such suspension.

CHAPTER 9. PEDERASYON NG MGA SANGGUNAING KABATAAN

Sec. 431. Pederasyon ng mga Sangguniang Kabataan.- (a) There shall be an organization of all the pederasyon ng mga sangguniang kabataan to be known as follows:

- (1) In municipalities pambayang pederasyon ng mga sangguniang kabataan:
- (2) In cities, panlungsod na pederasyon ng mga sangguniang kabataan:
- (3) In provision, panlalawigan pederasyon ng mga sangguniang kabataan:
- (4) In special metropolitan political subdivision, metropolitang pederasyon ng mga sangguniang kabataan; and
- (5) On the regional level, panregiyon pederasyon ng mga sangguniang kabataan.

(b) The pederasyon ng mga sangguniang kabataan, at all levels, elect from among themselves the president, vice-president and such other officers as may be necessary and shall be organized in the following manner:

- (1) The panlungsod and pambayang pederasyon shall be composed of the sanggunang kabataan chairman of barangay in the city of municipality, respectively;
- (2) The panlalawigang pederasyon shall be composed of presidents of the panlungsod and pambayan;
- (3) The pangmetropolitang pederasyon shall be composed of presidents of the panglungsod and pambayang pederasyon;

(c) The elected presidents of the pederasyon at the provincial, highly urbanized city, and metropolitan political subdivision levels shall constitute the panrehiyon pederasyon ng mga sangguniang kabataan;

Sec. 432. Constitution and By-Laws.- The term of office, manner of election, removal and suspension of the officers of the pederasyon ng mga sangguniang kabataan at all levels shall be governed by the constitution and by-laws of the pederasyon in conformity with the provision of this Code and regional policies on youth.

Sec. 433. Membership in the Sangguniang.- (a) A sanggunianhg kabataan chairman shall, upon certification of his election by the COMELEC and during his tenure of office is elected as pederasyon president, serve as an ex-officio member of the sangguniang panlalawigan, sangguniang panlungsod, and sangguniang bayan, as the case may be, without need of further appointment.

(b) The vice-president of the pederasyon whose president has been elected as president of a higher pederasyon shall serve as ex-offio member of the sangguniang concerned without need of further appointment.

(c) The pederasyon president or vice-president, as the case my be, shall be the chairman of the committee on youth and sports development of the sangguniang concerned.

CHAPTER 10. LINGGO NG KAVBATAAN

Sec. 434. Observation of Linggo ng Kabataan.- (a) Every barangay, municipality, city and province shall, in coordination with the pederasyon ng mga sangguniang kabataan at all levels, conduct an annual activity to be known as the lingo ng kabataan on such date as shall be determined by the Office of the Regional Governor.

(b) The observation of the lingo ng kabataan shall include the election of the counterparts of all local elective and appointive officials, as well as heads of regional offices/agencies stationed or assigned in the territorial jurisdiction of the local government unit, among in-school and community youth residing in the local government unit concerned from ages thirteen (13) to seventeen (17). During said week, they shall hold office as boy and girl officials and shall perform such duties and conduct such activities as may be provided in the ordinance enacted pursuant to this Chapter.

TITLE -TWO-THE MUNICIPALITY
CHAPTER 1/ Role and Creation of the Municipality

Sec. 435. Role of the Municipality.- The municipality, consisting of a group of barangays, serves primarily as a general purpose government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction.

Sec. 436. Manner of Creation.- A municipality may be created, divided, merged, abolished, or its boundary substantially altered by an act of Regional Legislative Assembly and subject to the approval by majority of those votes cast in a plebiscite to be conducted by the COMELEC in the local government unit or units directly affected. Except as may otherwise be provided in the said Act, the plebiscite shall be held within one hundred twenty (120) days from the date of its effective.

Sec. 437. Requisites for Creation.- (a) A municipality may be created if it has an average annual income, as certificated by the provincial treasurer of at least One Million Pesos (P1,000,000.00) for the last two (2) consecutive years based on the 1993 constant prices; a population of at least ten thousand (10,000) inhabitants as certified by the National Statistics Office; and contiguous territory of at least thirty (30) square kilometer as certified by the Lands Management Bureau: Provided, That original municipality or municipalities at the of said creation to less than the minimum requirements prescribed herein.

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

(c) Municipalities existing as of the date of the effectivity of this Code shall continue to exist and operate as such.

CHAPTER 2. MUNICIPAL OFFICIALS IN GENERAL

Sec. 438. Officials of the Municipal Government.- (a) There shall be in each municipality a municipal mayor, a municipal vice-mayor, sangguniang bayan members, a secretary to the sangguniang bayan, a municipal treasurer, a municipal assessor, a municipal accountant, a municipal budget officer, a municipal planning and development coordinate, a municipal engineer/building official, a municipal health officer, a municipal civil registrar.

(b) In addition thereto, the mayor may appoint a municipal administrator, municipal legal officer, a municipal agriculturist, a municipal environment and natural resources officer, a municipal social welfare and development officer, municipal architect, and a municipal information officer.

Provided, the mayor shall submit a list of three (3) qualified recommendees to the autonomous regional government for appointment, according to Civil Service law, to the positions of municipal health officer, a municipal social welfare and development office, a

municipal agriculturist, and a municipal environment and natural resources officer to be paid out of the regional funds.

(c) The sangguniang bayan may:

(1) Maintain existing offices not mentioned in subsections (a) and (b) hereof;

(2) Create such other offices as may be necessary to carry out the purpose of the municipal government; or

(3) Consolidate the functions of any office with those of another in the interest of efficiency and economy.

(d) Unless otherwise provided herein, heads of departments and office shall be appointed by the municipal mayor with the concurrence of the majority of all the sangguniang bayan members, subject to civil service law, rules and regulations. The sangguniang bayan shall act on the appointment within fifteen (15) days from the date of its submission; otherwise the same shall be confirmed.

(e) Elective and appointed municipal officials shall receive such compensation, allowance and other emoluments as may be determined by law or ordinance, subject to the budgetary limitations of personal services as prescribed in Title Five, Book Two of this cod. Provided, that no increase in compensation of the mayor, vice-mayor, and the sangguniang bayan members shall take effect until after the expiration of the full term of all the elective local officials approving such increase.

CHAPTER 3. OFFICIALS AND OFFICES COMMON TO ALL MUNICIPALITIES

ARTICLE ONE. The Municipal Mayor

Sec. 439. The Chief Executive Powers, Duties, Functions and Compensation.-

(a) The municipal mayor, as the chief executive of the municipal government, shall exercise such powers and perform such duties and functions as provided by this Code and other laws.

(b) For efficient effective and economical governance the purpose of which is the general welfare of the municipality and its inhabitants, the municipal mayor shall:

(1) Exercise general supervision and control over all programs, projects, services, and activities of the municipal government, and in this connection, shall;

(i) Determine the guidelines of municipal policies and be responsible to the sangguniang bayan for the program of government;

(ii) Direct the formulation of the municipal development plan, with the assistance of the municipal development council, and upon approval thereof by the sangguniang bayan, implement the same;

(iii) At the opening of the regular session of the sangguniang bayan for every calendar year and, as may be deemed necessary, present the program of government and propose policies and projects for the consideration of the

sangguniang bayan as the general welfare of the inhabitants and the needs of the municipal government may require;

- (iv) Initiate and propose legislative measures to the sangguniang bayan and, from time to time as the situation may require, provide such information and data needed or requested by said sangguniang in the performance of its legislative functions;
- (v) Appoint all officials and employees whose salaries and wages are wholly or mainly paid out of municipal funds and whose appointments are not otherwise provided for in this Code as well as those he may be authorized by law to appoint;
- (vi) Upon authorized by the sangguniang bayan, represent the municipality in all business transactions and sign on its behalf all bonds, contracts, and obligations, and such other documents made pursuant to law or ordinances;
- (vii) Carry out such emergency measures as may be necessary during and in the aftermath of man-made and natural disasters and calamities;
- (viii) Determine, according to law or ordinance the time, manner and place of payment of salaries or wages of the officials and employees of the municipality;
- (ix) Allocate and assign office space to municipal and other officials and employees who, by law or ordinance, are entitled to such space in the municipal hall and other buildings owned or leased by the municipal government;
- (x) Ensure that all executive officials and employees of the municipality faithfully discharge their duties and functions as provided by law and this Code, and cause to be instituted administrative or judicial proceedings against any official or employee of the municipality who may have committed an offense in the performance of his official duties;
- (xi) Examine the books, records and other documents of all offices, officials, agents or employees of the municipality and in aid of his executive powers and authority, require all regional officials and employees stationed in or assigned to the municipality to make available to him such books, records, and other documents in their custody, except those classified by law as confidential;]
- (xii) Furnish copies of executive orders issued by him to the provincial governor seventy two (72) hours after their issuance. Provided, that copies of same Executive Order be furnished the Office of the Regional Governor (ORG) and the secretary of Department of the Interior and Local Government (DILG), Autonomous Region in Muslim Mindanao (ARMM);
- (xiii) Visit component barangays of the municipality at least once every six (6) months to deepen his understanding of problems and conditions therein, listen and give appropriate counsel to local officials and inhabitants,

inform the component barangay officials and inhabitants of general laws and ordinances which especially concern them, and otherwise conduct visits and inspections to the end that the governance of the municipality will improve the quality of life of the inhabitants;

- (xiv) Act on leave application of officials and employees appointed by him and the communication of the monetary value of leave credits according to law;
 - (xv) Authorize official trips outside of the municipality of municipal officials and employees for a period not exceeding thirty (30) days;
 - (xvi) Call upon any national/regional official or employees stationed in or assigned to the municipality to advise him on matters affecting the municipality and to make recommendations thereon, or to coordinate in the formulation and implementation of plans, programs and projects and when appropriate, initiate an administrative or judicial action against a national/regional government official or employee who may have committed an offense in the performance of his official duties while stationed in or assigned to the local government unit concerned;
 - (xvii) Subject to availability of funds, authorize payment of medical care, necessary transportation, subsistence, hospital or medical fees of municipal and employees who are injured while in the performance of their official duties and functions;
 - (xviii) Solemnize marriage, any provision of law to the contrary notwithstanding;
 - (xix) Conduct a palamong bayan, in coordination with the Department of Education, Culture and Sports, as an annual activity which shall feature traditional sports and disciplines included in national and international games; and
 - (xx) Submit to the provincial governor the following reports; an annual report containing a summary of all matter pertaining to the management, administration and development of the municipality and all information and data relative to its political, social and economic conditions; and supplementary reports when unexpected events and situations arise any time during the year, particularly when man-made or natural disasters or calamities effect the general welfare of the municipality, province, region or country.
- (2) Enforce all laws and ordinances relative to the governance of the municipality and the exercise of its corporate powers provided for under Section 19 of this Code, implement all approved policies, programs, projects, services and activities of the municipality and in addition to the foregoing, shall:
- (i) Ensure that the acts of the municipality's component barangays and of its officials and employees are within the scope of their prescribed powers, functions, duties and responsibilities;

- (ii) Call conventions, conferences, seminars or meetings off any elective and appointive officials of the municipality, including provincial officials and regional officials and employees stationed in or assigned to the municipality at such time and place and on such subject as he may deem important for the promotion of the general welfare of the local government unit and its inhabitants;
 - (iii) Issue such executive orders as are necessary for the proper enforcement and execution of laws and ordinances;
 - (iv) Be entitled to carry the necessary fireman within his territorial jurisdiction;
 - (v) National Police Commission, formulate the peace and order plan of the municipality and upon its approval,, implement the same and exercise general and operational control and supervision over the local police forces in the municipality in accordance with R.A. No. 6975;
 - (vi) Call upon the appropriate law enforcement agencies to suppress disorder, riot, lawless violence, rebellion or sedition or to apprehend violators of the law when public interest so requires and the municipal police forces are inadequate to cope with the situation or the violation;
- (3) Initiate and maximize the generation of resources and revenues, and apply the same to the implementation of development plans, program objectives and priorities, particularly those resources and revenues programmed for agro-industrial development and country-wide growth and progress, and relative thereto, shall;
- (i) Require each head of an office or department to prepare and submit an estimate of appropriation for the ensuing calendar year in accordance with the budget preparation process under Title Five, Book II of this Code;
 - (ii) Prepare and submit to the sangguniang for approval the executive and supplemental budget of the municipality for the ensuing calendar year in the manner provided for under Title Five, Book II of this Code;
 - (iii) Ensure that all taxes and other revenue of the municipality are collected, and that municipal funds are applied in accordance with law or ordinance to the payment of expenses and settlement of obligation of the municipality;
 - (iv) Issue license and permits and suspend or revoke the same for any violation of the conditions upon which said license or permits had been issued, pursuant to law or ordinance;
 - (v) Issue permits, without need of approval thereof from any national or regional agency, for holding of activities for any charitable or welfare purpose, excluding prohibited games of chance or shows contrary to law, public policy and public morals;

- (vi) Require owners of illegally constructed houses, buildings or other structures to obtain the necessary permit, subject to such fines and penalties as may be imposed by law or ordinance, or to make necessary changes in the construction of the same when said construction violates any law or ordinance, or to order the demolition or removal of said house, building or structure within the period prescribed by law or ordinance;
 - (vii) Adopt adequate measures to safeguard and conserve land, mineral, marine, forest, and other resources of the municipality; provide efficient and effective property and supply management in the municipality; and protect the funds, credits, right, and other properties of the municipality; and
 - (viii) Institute or cause to be instituted administrative or judicial proceedings or violation o ordinances in the collection of taxes, fees or changes, and for the recovery of funds and property; and cause the municipality to be defended against all suits to ensure that its interest, resources and rights shall be adequate protected;
- (4) Ensure the delivery of basic services and the provision of adequate facilities as provided for under Section 14 of this Code and, in addition thereto, shall.
- (i) Ensure that the construction and repair of roads and highways funded by the national government shall be, as far as practicable, carried out in a spatially contiguous manner and in coordination with the construction and repair of the roadfs and bridges of the municipality and the province; and
 - (ii) Coordinate the implementation of technical services rendered by national and provincial offices, including public works and infrastructure programs in the municipality; and
- (5) Exercise such other and perform such other duties and functions as may prescribed by law or ordinance.
- (c) During his incumbency, the municipal mayor shall hold office in the municipal hall.
- (d) The municipal mayor shall receive a minimum monthly compensation corresponding to Salary Grade twenty-seven (27) as prescribed under R.A. No. 6758 and the implementing guidelines issued pursuant thereto.

ARTICLE TWO-THE VICE MAYOR

Sec. 440. Powers, Duties and Compensation.- (a) The vice-mayor shall:

1. Be the presiding officer of the sangguniang bayan and sin all warrants drawn on the municipal treasury for all expenditure appropriated for the operation of the sangguniang bayan;

2. Subject to civil law, rules and regulations, appoint all officials and employees of the sangguniang bayan, except those manner of appointment is specifically provided in this Code;
3. Assume the office of the municipal mayor for the unexpired term of the latter in the event permanent vacancy as provided for in Section 39, Book I of this Code;
4. Exercise such other powers and perform such other duties and functions as may be prescribed b law or ordinance.

(b) The vice-mayor shall receive a monthly compensation corresponding to Salary Grade Twenty Five (25) as prescribed under R.A No. 6758 and the implementing guidelines issued pursuant thereto.

ARTICLE THREE-THE SANGGUNIANG BAYAN

Sec. 441. Composition.- (a) The sangguniang bayan, the legislative body of the municipality, shall be composed of the municipal vice mayor as the presiding officer, the regular sangguniang members, the president of the municipal chapter of the liga ng mga barangay, the president of the pambayang pederasyon ng mga sangguniang kabataan, and the sectoral representative, as members.

(b) In addition thereto, there shall be three (3) sectoral representatives; one (1) from the women; and shall be determined by the sangguniang concerned within ninety (90) days prior to the holding of local election, one (1) from the agricultural or industrial workers, and one (1) from the other sectors, including the urban poor, indigenous cultural communities, or disabled persons.

(c) The regular members of the sangguniang bayan the sectoral representatives shall be elected in the manner as may be provided for by law.

Sec. 442. Powers, Duties, Functions and Compensation.- (a) The sangguniang bayan as the legislative body of the municipality, shall enact ordinance, approve resolutions and appropriate funds for the general welfare of the municipality as provided for under Section 19 of this Code, and shall:

- (1) Approve ordinances and pass resolution necessary for an efficient and effective municipal government, and in this connection shall:
 - (i) Review all ordinances approved by the sangguniang barangay and executive orders issued by the punong barangay to determine whether these are within the scope of the prescribed powers of the sangguniang and of the punong barangay;
 - (ii) Maintain peace and order by enacting measures to prevent and suppress lawlessness, disorder, riot, violence, rebellion or sedition and impose penalties for the violation of said ordinances;
 - (iii) Approve ordinance imposing a fine not exceeding Two Thousand Five Hundred (P2,500.00) Pesos or an imprisonment for a period not

exceeding six (6) months or both in the discretion of the court, for the violation of a municipal ordinance:

- (iv) Adopt measures to protect the inhabitants of the municipality from the harmful effects of man-made or natural disasters and calamities and to provide relief services and assistance for victims during and in the aftermath of said disasters or calamities and their return to productive livelihood following said events;
- (v) Enact ordinances intended to prevent, suppress and impose appropriate penalties for habitual drunkenness in public places, vagrancy, mendicancy, prostitution, establishment and maintenance of house of ill-repute and ways to obtain money or property, drug addiction, maintenance of drug dens, pushing, juvenile pornographic materials or publication or exhibition of obscene or pornographic materials or publications, and such other activities inimical to the welfare and morals of the inhabitants of the municipality;
- (vi) Protect the environment and impose appropriate penalties for acts which endanger the environment, such as dynamite fishing and other forms of destructive fishing, illegal logging and smuggling of logs, of flora and fauna, slash and burning farming and such other activities which result in pollution, acceleration of eutrophication of rivers and lakes, or of ecological imbalance;
- (vii) Subject to the provision of this Code and pertinent laws, determine the powers and duties of officials and employees of the municipality;
- (viii) Determine the positions and the salaries, wages, allowances and other emoluments and benefits of officials and employees paid wholly or mainly from municipal funds and provide for expenditures necessary for the proper conduct of programs, projects, services and activities of the municipal government;
- (ix) Authorize the payment of compensation to a qualified person not in the government service who fills up a temporary vacancy or grant honorary vacancy in a concurrent capacity, at the rate authorized by law;
- (x) Provide a mechanism and the appropriate funds therefore, to ensure the safety and protection of all municipal government property, public documents, or records such as those relating to property inventory, land ownership, records of births, marriages, deaths, assessments, taxation, accounts, business permits, and such other records and documents of public interest in the offices and departments of the municipal government;
- (xi) When the finances of the municipal government allow, provide for additional allowances and other benefits to judges, prosecutors, public elementary and high school teachers, and other regional government officials stationed in or assigned to the municipality;

- (xii) Provide for legal assistance to barangay officials who, in the performance of their duties or on the occasion thereof, have to initiate judicial proceedings or defend themselves against legal action; and,
 - (xiii) Provide for group insurance or additional insurance coverage for barangay officials, including members of barangay tanod brigades and other service units, with public or private insurance companies, when the finances of the municipal government allow said coverage.
- (2) Generate and maximize the use of resources and revenues for the development plans, program objectives and priorities of the municipality as provided for under Section 15 of this Code with particular attention to agro-industrial development an countryside growth and progress and relative thereto, shall;
- (i) Approve the annual and supplemental budgets of the municipal government and appropriate funds for specific programs, projects, services and activities of the municipality, or for other purposes not contrary to law, in order to promote the general welfare of the municipality and its inhabitants;
 - (ii) Subject to the provisions of Book II of this Code and applicable laws and upon the majority vote of all the members of the sangguniang bayan, enact ordinances levying taxes, fees and charges, prescribing the rates thereof for general and specific purposes and granting tax exemptions, incentive or relief;
 - (iii) Subject to the provisions of Book II of this Code and upon the majority vote of all the members of the sangguniang bayan, authorize the municipal mayor to negotiate and contract loans and other forms of indebtedness;
 - (iv) Subject to the provision of Book II of this Code and applicable laws and upon the majority vote of all the members of the sangguniang bayan, enact ordinance authorizing the floating of bonds or other instruments of indebtedness, for the purpose of raising funds to finance development projects;
 - (v) Appropriate funds for the construction and maintenance or the rental of buildings for the use municipality and, upon the majority vote of all the members of the sangguniang bayan, authorize the municipal mayor to lease to private parties such public buildings held in a propriety capacity, subject to existing laws, rules and regulations;
 - (vi) Prescribe reasonable limits and restraints on the use of property within the jurisdiction of the municipality;
 - (vii) Adopt a comprehensive land use plan for the municipality: Provided, that the formulation, adoption, or modification of said plan shall be in coordination with the approved provincial comprehensive land use plan;
 - (viii) Reclassify land within the jurisdiction of the municipality, subject to the pertinent provision of this Code;

- (ix) Enact integrated zoning ordinances in consonance with the approval comprehensive land use plan, subject to existing laws, rules and regulations; establish fire limits or zone, particularly in populous centers; and regulate the constructions, repair, or modification of buildings within said fire limits or zones in accordance with the provisions of the Fire Code;
 - (x) Subject to regional law, process and approve subdivision plans for residential, commercial, or industrial purposes and other development purposes, and collect processing fees and other charges, the proceeds of which shall accrue entirely to the municipality: Provided, however, that, where approval by a regional agency or office is required, said approval shall not be withheld for more than thirty (30) days from receipt of the application. Failure to act on the application within the period stated above shall be deemed as approval thereof;
 - (xi) Subject to the provision of Book II of this Code, grant the exclusive privilege of constructing fish corrals or fish pens, or the taking or catching of bangus fry, pawn fry or kawag-kawag or fry of any species or fish within the municipal waters.
 - (xii) With the coinsurance of at least two (2/3) of all the members of the sangguniang bayan, grant tax exemption, incentives or relief to entities engaged in community growth-inducing industries, subject to the provision of chapter 5, Title Book II of this Code;
 - (xiii) Grant loans or provide grants to other local government units or to national, regional, provincial and municipal charitable, benevolent or education institutions; Provide, that said institutions are operated and maintained within the municipality;
 - (xiv) Regulate the inspection, weighing and measuring of articles of commerce.
- (3) Subject to the provisions of Book II of this Code, grant franchises, enact ordinance authorizing the issuance of permits or licenses, or enact ordinances levying taxes, fees and charges upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the municipality and pursuant to this legislative authority shall:
- (i) Fix and impose reasonable fees and charges for all services rendered by the municipal government to private persons or entities;
 - (ii) Regulate any business, occupation, or practice of profession or calling which does not require government examination within the municipality and the conditions under which the license for said business or practice of profession may be issued or revoked;
 - (iii) Prescribed the terns and conditions under which public utilities owned by the municipality shall be operated by the municipal government or leased to private persons or entities, preferably cooperative;

- (iv) Regulate the display of and fix the license fees for signs, signboards, or billboards at the place or places where the profession or business advertised thereby is, in whole or in part, conducted;
 - (v) Any law to the contrary notwithstanding, authorize and license the establishment, operation and maintenance of cockpits and regulate cockfighting and commercial breeding of gamecock: Provided, That existing rights should not be prejudiced;
 - (vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the municipality;
 - (vii) Upon approval by a majority vote of all the members of the sangguniang bayan, grant a franchise to any person, partnership, corporation, or cooperative to establish, construct, operate and maintain ferries, wharves, markets or slaughterhouse, or such other similar activities within the municipality as may be allowed by applicable laws: Provided, That, cooperative shall be given preference in the grant of such a franchise.
- (4) Regulate activities relative to the use of land, buildings and structure within the municipality in order to promote the general welfare and for said purpose shall :
- (i) Declare, prevent or abate any nuisance;
 - (ii) Require that building and the premises thereof and any land within the municipality be kept and maintained in a sanitary conditions; impose penalties for any violation thereof, or upon failure to comply with said requirement, have the work done and require the owner, administrator or tenant concerned to pay the expenses of the same; or require the filling up of any land or premises to a grade necessary for proper sanitation;
 - (iii) Regulate the disposal of clinic and other wastes from hospitals, clinical and other similar establishment;
 - (iv) Regulate the establishment, operation and maintenance of cafes, restaurants, beerhouses, hotels, motels, inns, pension houses, lodging houses, and other similar establishments, including tourist guides and transports;
 - (v) Regulate the sale, giving away or dispensing of any intoxicating malt, vino, mixed or fermented liquors at any retail outlet;
 - (vi) Regulate the establishment and provide for the inspection of steam boilers or any heating device in building and the storage of inflammable and highly combustible materials within the municipality;
 - (vii) Regulate the establishment, operation and maintenance of entertainment or amusement facilities, including theatrical performances, circuses, billiard pools, public dancing schools, public dance halls, sauna baths,

massage parlors, and other places of entertainment or amusement; regulate such other events or activities for amusement or entertainment, particularly those which tend to disturb the community or annoy the inhabitants, or require the suspension or suppression of the same; or prohibit certain forms of amusement or entertainment in order to protect the social and moral welfare of the community;

- (viii) Provide for the impounding of stray animals; regulate the keeping of animals in home or as part of business and the slaughter, sale or disposition of the same; and adopt measures to prevent and penalize cruelty to animals; and
 - (ix) Regulate the establishment, operation and maintenance of funeral parlors and burial or cremation of the dead, subject to existing laws, rules and regulation.
- (5) Approve ordinance which shall ensure the efficient and defective delivery of the basic services and facilities as provided for under Section 14 of this Code and in addition to said services and facilities, shall:
- (i) Provide for the establishment, maintenance, protection and conservation of communal forests and watersheds, tree parks, greenbelts, mangroves, and other similar forest development projects;
 - (ii) Establish markets, slaughter or animal corrals and authorize the operation thereof, and regulate the construction and operation of private markets, talipapas or other similar building and structure;
 - (iii) Authorize the establishment, maintenance and operation of ferries, wharves, and other structure, and marine and seashore of offshore activities intended to accelerate productivity;
 - (iv) Regulate the preparation and sale of meat, poultry, fish, vegetable, fruit, fresh dairy products, and other foodstuffs for public consumption;
 - (v) Regulate the use of streets, avenues, alleys, sidewalks, bridges, parks and other public places and approve the construction, improvement, repair and maintenance of the same; establish bus and vehicle stops and terminals or regulate the use of the same by privately-owned vehicles which serve the public; regulate garages and the operation of conveyances for hire; designate stands to be occupied by public vehicle when not in use; regulate the putting up of signs, signposts, awnings and awning posts on the streets; and provide for the lighting, cleaning and sprinkling of streets; and public places;
 - (vi) Regulate traffic on all streets and bridges, prohibit the putting up of encroachments or obstacles thereon, and, when necessary in the interest of public welfare, authorize the removal of encroachments and illegal constructions in public places;
 - (vii) Subject to existing laws, provide for the establishment, operation, maintenance, and repair of an efficient waterworks system to supply

water for the inhabitants; regulate the construction, maintenance, repair and use of hydrants, pumps, cisterns and reservoirs; protect the purity and quantity of the water supply of the municipality and, for this purpose, extend the coverage of appropriate ordinances over all territory within the drainage area of said water supply and within one hundred (100) meters of the reservoir, conduit, canal, aqueduct, pumping station, or watershed used in connection with the water service; and regulate the consumption, use or wastage of water;

- (viii) Regulate the drilling and excavation of the ground for the laying of water, gas, sewer, and other pipes and the construction, repair and maintenance of public drains, sewer, cesspools, tunnels and similar structure; regulate the placing of poles and the use of crosswalks, curbs, and gutters; adopt measures to ensure public safety against open canals, manholes, live wires and other similar hazards to life and property; and regulate the construction and use of private water closets, privies and other similar structure in buildings and homes;
- (ix) Regulate the placing, stringing, attaching, installing, repair and constructions of all gas mains, electric, telegraph and telephone wires, conduits, meters and other apparatus; and provide for the correction, condemnation or removal of the same when found to be dangerous defective or otherwise hazardous to the welfare of the inhabitants;
- (x) Subject to the availability of funds and to existing laws, rules and regulations, establish and provide for the operation of vocational and technical schools and similar post-secondary institutions and with the approval of the Department of Education, Culture and Sports, fix and collect reasonable fees and other school charges on said institutions, subject to existing laws on tuition fees;
- (xi) Establish a scholarship fund for poor but deserving students residing within the municipality in schools located within its jurisdiction;
- (xii) Approve measures and adopt quarantine regulations to prevent the introduction and spread of diseases; Provide for an efficient and effective system of solid waste and garbage collection and disposal and prohibit lettering and the placing or throwing of garbage, refuse and other filth and wastes;

Provide for the case of paupers, the aged, the sick, persons of unsound mind, disabled persons, abandoned minors, juvenile delinquents, drug dependents, abused children and other needy (18) years of age and subject to availability of funds, establish and provide for the operation of centers and facilities for said needy and disadvantaged person;

- (xiii) Establish and provide for the maintenance and improvement of jails and detention centers, institute sound jail management programs, and appropriate funds for the subsistence of detainees and convicted prisoners in the municipality;

- (xiv) Establish a municipal council whose purpose is the promotion of culture and the arts, coordinate with government agencies and non-governmental organizations and subject to the availability of funds, appropriate funds for the support and development of the same; and
 - (xv) Establish a municipal council for the elderly which shall formulate policies and adopt measures mutually beneficial to the elderly and to community; Provide incentive for non-governmental agencies and entities and, subjects to the availability of funds, appropriate funds to support programs and projects for the benefits of the elderly; and
- (6) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

CHAPTER 1. - ROLE AND CREATION OF THE CITY

Sec. 443. Role of the City.- The city, consisting of more urbanized and developed barangays, serves as a general-purpose government for the coordination and delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction.

Sec. 444. Manner of Creation.- A city may be created, divided, merged, abolished, or its boundary substantially altered, only by an Act of Congress and subject to approval by a majority of the votes cast in plebiscite to be conducted by the COMELEC in the local government unit or units directly affected. Except as may otherwise be provided ins such Act, the plebiscite shall be held within one hundred twenty (120) days from the date of its effectively.

Sec.445. Requisites for Creation.- (a) A municipality or a cluster of barangays may be converted into a component, city if has an average annual income, as certified by the Department of Finance, of at least twenty million (P20,000,000.00) pesos for the last two (2) consecutive years based on 1993 constant prices, and if it has either of the following requisites:

- (i) A contiguous territory of at least on 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, the creation thereof shall not reduce the land are, 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. 446. Cities, Classified.- A city may either be component or highly urbanized: Provided, however, That the criteria established in this Code shall not affect the classification and corporate status of existing cities.

Independent component cities are those component cities whose charters prohibit their voters from voting for provincial elective officials. Independent component cities shall be independent of the province.

Sec. 447. Highly Urbanized Cities.- (a) Cities with a minimum population of two hundred thousand (200,000) inhabitants, as certified by the National Statistics Office, and with the latest annual income of at least Fifty Million Pesos (P50,000,000.00) based on 1991 constant prices, as certified by the city treasurer, shall be classified as highly urbanized cities.

(b) Cities which do not meet the above requirements shall be considered component cities of the province in which they are geographically located. If a component city is located within the boundaries of two (2) or more provinces, such city shall be considered a component of the province of which it used to be a municipality.

(c) Qualified voters of highly urbanized cities shall remain excluded from voting for elective provincial officials.

Unless otherwise provided in the Constitution or this Code, qualified voters of independent component cities shall be governed by their respective charters, as amended, on the participation of voters in provincial elections.

Sec. 448. Duty to declare Highly Urbanized Status.- It shall be the duty of the President upon recommendation of the Regional Governor to declare a city as highly urbanized within thirty (30) days after it shall have met the minimum requirements prescribed in the immediately preceding section, upon proper application therefore and ratification in a plebiscite by the qualified voters therein.

CHAPTER 2-CITY OFFICIALS IN GENERAL

Sec. 449. Officials of the City Government.- (a) There shall be in each city a mayor, a vice-mayor, sangguniang panlungsod members, a secretary to the sangguniang panlungsod, a city treasurer, a city assessor, a city accountant, a city engineer, a city health officer, a city engineer, a city health officer, a city civil register, a city administrator, a city legal officer, a city veterinarian, a city social welfare and development officer, and city general services officer.

(b) In addition thereto, the city mayor may appoint a city architect, a city information officer, a city agriculturist, a city population officer, a city environment and natural resources officer, and a city cooperatives officer. The appointment of a city population officer shall be optional in the city: Provided, however, That cities which have existing population officers shall continue to maintain such offices for a period of five (5)

years from the date of the effectivity of this Code; after which said offices shall become optional.

(c) The sangguniang panlungsod may:

- (1) Maintain existing offices not mentioned in subsections (a) and (b) here;
- (2) Create such other offices as may be necessary to carry out the purpose of the city government; or
- (3) Consolidate the functions of any office with those of another in the interest of efficiency and economy.

(d) Unless otherwise provided herein, heads of department and offices shall be appointed by the city mayor with the concurrence of the majority of all the sangguniang panlungsod members, subject to civil service law, rules and regulations. The sangguniang panlungsod shall act on the appointment within fifteen (15) days from the date of its submission, otherwise the same shall be deemed confirmed.

(e) Elective and appointive city officials shall receive such compensation, allowance, and other emoluments as may be determined by law or ordinance, subject to the budgetary limitations on personal services prescribed under Title Five, Book II of this Code: Provided, That, no increase in compensation of the mayor, vice-mayor and sangguniang panlungsod members shall take effect until after the expiration of the full term of the said local officials approving such increase.

CHAPTER 3.-OFFICIALS AND OFFICE COMMON TO ALL CITIES.

ARTICLE ONE.-The City Mayor

Sec. 450. Chief Executive; Powers, duties and Compensation.- (a) The city mayor, as chief executive of the city government, shall exercise such powers and perform such duties and functions as provided by this Code and other laws.

(b) For efficient, effective and economical governance the purpose of which is the general welfare of the city and its inhabitants, the city mayor shall:

- (1) Exercise general supervision and control over all programs, projects, services, and activities of the city government, and in this connection, shall:
 - (i) Determine the guidelines of city policies and be responsible to the sangguniang panlungsod for the program government;
 - (ii) Direct the formulation of the city development plan, with the assistance of the city development council, and upon approval thereof by the sangguniang panlungsod, implement the same;
 - (iii) Present the program of government and propose policies and projects for the consideration of the sangguniang panlungsod at the opening of the regular session of the sangguniang panlungsod every calendar year and as often as

may be deemed necessary as the general welfare of the inhabitants and the needs of the city government may require;

- (iv) Initiate and propose legislative measures of the sangguniang panlungsod and as often as may be deemed necessary, provides such information and data needed or requested by said sangguniang in the performance of its legislative functions;
- (v) Appoint all officials and employees whose salaries and wages are wholly or mainly paid out of city funds and whose appointments are nor otherwise provided for in this Code, as well as those he may be authorized by law to appoint;
- (vi) Represent the city in all its business transactions and sign in its behalf all bonds, contracts, and obligations, and such other documents upon authority of the sangguniang panlungsod or pursuant to law or ordinance;
- (vii) Carry out such emergency measures as may be necessary during and in the aftermath of man-made and natural disasters and calamities;
- (viii) Determine the time, manner and place of payment of salaries or wages of the officials and employees of the city, in accordance with law or ordinance;
- (ix) Allocate and assign office space to city and other officials and employees who, by law or ordinance, are entitled to such space in the city hall and other buildings owned or leased by the city government;
- (x) Ensure that all executive officials and employees of the city faithfully discharge their duties and functions as provided by law and this Code, and cause to be instituted administrative or judicial proceedings against any official or employee of the city who may have committed an offense in the performance of his official duties;
- (xi) Examine the books, records and other documents of all offices, officials agents or employees of the city and, in aid of his executive powers and authority, require all regional officials and employees stationed in or assigned to the city to make available to him such books, records, and other documents in their custody, except those classified by law as confidential;
- (xii) Furnish copies of executive orders issued by him, to the provincial governor in the case of component city mayors, to the office of the Regional Governor in the case of highly-urbanized city mayors, within seventy-two (72) hours after their issuance;
- (xiii) Visit component barangays of the city at least once every six (6) months to deepen his understanding of problems and conditions, listen and give appropriate counsel to local officials and inhabitants, inform the component barangay officials and inhabitants of general laws and ordinance which especially concern them, and otherwise conduct visits and inspection to ensure that the governance of the city will improve the quality of life of the inhabitants;

- (xiv) Act on leave applications of officials and employees appointed by him and the commutation of the monetary value of their leave credits in accordance with law;
 - (xv) Authorized official trips of city officials and employees outside of the city for a period not exceeding thirty (30) days;
 - (xvi) Call upon any national or regional official or employees stationed in or assigned to the city to advise him on matters affecting the city and to make recommendations thereon; coordinate with said official or employee in the formulations and implementation of plans, programs and projects; and when appropriate, initiate an administrative or judicial action against a national government official or employee who may have committed an offense in the performance of his official duties while stationed in or assigned to the city;
 - (xvii) Authorize payment for medical care, necessary transportation, subsistence, hospital or medical fees of city officials and employees who are injured while in the performance of their official duties and functions, subject to availability of funds;
 - (xviii) Solemnize marriage, any provision of law to the contrary notwithstanding;
 - (xix) Conduct an annual palaring panlungsod, which shall feature traditional sports and disciplines included in national and international games, in coordination with the Department of Education, Culture and Sports; and ;
 - (xx) Submit to the provincial governor, in the case of component cities, to the office of the Regional Governor in the case of highly-urbanized cities, the following reports; an annual reports containing a summary of all matter pertinent to the management, administration and development of the city and all information and data relative to its political, social and economic conditions; and supplemental reports when unexpected events and situations arise at any time during the year, particularly when man-made or natural disaster or calamities affect the general welfare of the city province, region or country;
2. Enforce all laws and ordinance relative to the governance of the city and in the exercise of the appropriate corporate powers provided for under Section 19 of this Code, Implement all approved policies, programs, projects, service and activities of the city and, in addition to the foregoing shall:
- (i) Ensure that the acts of the city's component barangays and of its officials and employees are within the scope of their prescribed powers, duties and functions;
 - (ii) Call conventions, conferences, seminars or meetings of any elective and appointive officials of the city, including provincial officials and national/regional officials and employees stationed in or assigned to the city, at such time and place and on such subject as he may deem important for the promotion of the general welfare of the local government unit and its inhabitants;

- (iii) Issue such executive orders for the faithful and appropriate enforcement and execution of laws and ordinance;
 - (iv) Be entitled to carry the necessary firearm within his territory jurisdiction;
 - (v) Act as the deputized representative of the Regional Police Commission, formulate the peace and order plan of the city and upon its approval, implant the same, and as such exercise general and operational control and supervision over the local police forces in the city, in accordance with existing laws, rules and regulations.
 - (vi) Call upon the appropriate law enforcement agencies to suppress disorder, riot, lawless violence, rebellion or sedition, or to apprehend violation of the law when public interest so requires and the city police forces are inadequate to cope with the situation or the violators;
3. Initiate and maximize the generation of resources and revenues, and apply the same to the implementation of development plans programs objectives and priorities as provided for under Section 15 of this Code, particularly those resource and revenues programmed for agro-industrial development and countryside growth and progress and, relative thereto, shall:
- (i) Require each head of an office or department to prepare and submit estimate of appropriate for the ensuing calendar year, in accordance with the budget preparation process under Title Five, Book II of this Code;
 - (ii) Prepare and submit to the sangguniang for approval the executive and supplemental budget of the city for the ensuing calendar year, in the manner provided for under Title Five, Book II of this Code;
 - (iii) Ensure that all taxes and other revenues of the city are collected and the city funds are applied to the payment of expenses and settlement of obligations of the city, in accordance with law or ordinance;
 - (iv) Issue licenses and permits and suspend or revoke the same for any violation of the conditions upon which said license or permits had been issued, pursuant to law or ordinance;
 - (v) Issue Permits, without need of approval therefore from any national agency, for the holding of activities for any charitable or welfare purpose, excluding prohibited games of chance nor shows contrary to law, public policy and public morals;
 - (vi) Require owners of illegally constructed houses, building or other structure to obtain the necessary permits, subject to such fines and penalties as may be imposed by law or ordinance, or to make necessary changes in the construction of the same when said construction violation law or ordinance, or to order the demolition or removal of said house, building or such structure within the period prescribe by alw or ordinance;
 - (vii) Adopt adequate measure to safeguard and conserve land, mineral marine, forest and other resources of the city; provide efficient and effective property

and supply management in the city; protect the funds, credit right properties of the city; and

(viii) Institute or cause to be instituted administrative or judicial proceedings for violation of ordinances in the collections of taxes, fees charges, and for the recovery o funds and property, and cause the city to be defended against all suits to ensure that its interest, resources and right shall be adequate protected;

4. Ensure the delivery of basic and the provision of adequate facilities, as provided for under Section 14 of this Code and, in addition thereto, shall:

(i) Ensure the construction repair of roads and highways funded by the regional government shall be, as far practicable, carried out in a spatially contiguous manner and in coordination with the construction and repair of the roads and bridges of the city, and in the case of the component cities, of the city and of the province; and

(ii) Coordinate the implementation of technical services, including public works and infrastructure programs, rendered by regional offices in the case of component cities; and

5. Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(c) During his incumbency, the city mayor shall hold office in the city hall

(d) The city mayor shall receive a minimum monthly compensation corresponding to Salary Grade Thirty (30) as prescribed under R.A. No. 6758 and the implementing guidelines issued pursuant thereto.

ARTICLE TWO.-THE CITY VICE-MAYOR

Sec. 451. Powers, Duties and Compensation.- (a) The city vice-mayor shall:

(1) Be the presiding officer of the sangguniang panlungsod and sign all warrants drawn on the city treasury for all expenditures appropriate for the operation of the sangguniang panlungsod;

(2) Subject to civil service law, rules and regulations, appoint all officials and employees of the sangguniang panlungsod, except those whose manner of appointment is specifically provided in this Code;

(3) Assume the office of the mayor for the unexpired term of the latter in the event of permanent vacancy as provided for in Section 39, Book I of this Code;

(4) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(b) The city vice-mayor shall receive a monthly compensation corresponding to Salary Grade twenty eight (28) for a highly urbanized and Salary Grade twenty six (26) for

a component city, as prescribed under R.A No. 6758 and the implementing guidelines issued pursuant thereto.

ARTICLE THREE.-THE SANGGUNIANG PANLUNGSOD

Sec. 452. Composition.- (a) The sangguniang panlungsod, the legislative body of the city, shall be composed of the city vice-mayor as presiding officer, the regular sangguniang members, the president of the city chapter of the liga ng mga barangay, the president of panlungsod na pederasyon ng mga sangguniang kabataan and the sectoral representatives, as members.

(b) In addition thereto, there shall be three (3) sectoral representatives; one (1) from the women; and as shall be determined by the sangguniang concerned within ninety (90) days prior to the holding of the local elections, one (1) from the agricultural or industrial workers; and one (1) from the other sectors, including the urban prior, indigenous cultural communities, or disabled person.

(c) The regular members of the sangguniang panlungsod and the sectoral representative shall be elected in the manner as may be provided for by law.

Sec. 453. Powers, Duties, Functions and Compensation.- The sangguniang panlungsod, as the legislative body of the city, shall enact ordinances, approve resolution and appropriate funds for the general welfare of the city and its inhabitants and in the proper exercise of the corporate powers of the city as provided for under Section 19 of this Code, and shall:

- (1) Approve ordinances and pass resolution necessary for an efficient and effective city government, and in this connection, shall:
 - (i) Review all ordinances approved by the sangguniang barangay and executive orders issued by the punong barangay to determine whether these are within the scope of the prescribed powers of the sangguniang and of the punong barangay;
 - (ii) Maintain peace and order by enacting measures to prevent and suppress lawlessness, disorder, riot, violence, rebellion or sedition and impose penalties for the violation of said ordinances;
 - (iii) Approve ordinance imposing a fine not exceeding Five Thousand Pesos (P5,000.00) or imprisonment for a period not exceeding one (1) year, or both in the discretion of the court, for the violation of a city ordinance;
 - (iv) Adopt measures to protect the inhabitants of the city from the harmful effects of man-made or natural disasters and calamities, and to provide relief services and assistance for victims during and in the aftermath of said disasters or calamities and their return to productive livelihood following said events;
 - (v) Enact ordinances intended to prevent, suppress and impose appropriate penalties for habitual drunkenness in public places, vagrancy, mendicancy,

Prostitution, establishment and maintenance of house of ill repute, gambling and other prohibited games of chance, fraudulent devices and ways to obtain money and property, drug addiction, maintenance of drug dens, drug pushing, juvenile delinquency, the printing, distribution or exhibition of obscene or pornographic materials or publications, and such other activities inimical to the welfare and morals of the inhabitants of the city;

- (vi) Protect the environment and impose appropriate penalties for acts which endanger the environment, such as dynamite fishing and other forms of destructive fishing, illegal logging and smuggling of logs, smuggling of natural resources products and of endangered species of flora and fauna, slash and burn farming, and such other activities which result in pollution, acceleration of eutrophication of rivers and lakes, or of ecological imbalance;
 - (vii) Subject to the provisions of this Code and pertinent laws, determine the powers and duties of officials and employees of the city;
 - (viii) Determine the positions and the salaries, wages allowance and other emoluments and benefits of officials and employees paid wholly or mainly from city funds and provide for expenditures necessary for the proper conduct of program, projects, services, and activities of the city government;
 - (ix) Authorize the payment of compensation to a qualified person not in the government service who fills up a temporary vacancy or grant honorarium to any qualified official or employee designated to fill a temporary vacancy in a concurrent capacity, at the rate authorized by law;
 - (x) Provide a mechanism and the appropriate funds thereof, to ensure the safety and protection of all city government property, public documents, or records such as those relating to property inventory, lands ownership, record of birth, marriages, death, assessments, taxation, accounts, business permits, and such other records and documents of public interest in the offices and departments of the city governments;
 - (xi) When the finances of the city government allow, provide for additional allowance and other benefits to judges, prosecutors, public elementary and high school teachers, and other regional government officials stationed in or assigned to the city;
 - (xii) Provide legal assistance to barangay officials who, in the performances of their official duties or on the occasion thereof, have to initiate judicial proceedings or defend themselves against legal action; and
 - (xiii) Provide for group insurance or additional insurance coverage for all barangay officials, including members of barangay tanod brigades and other services units, with public or private insurance companies, when the finances of the city government allow said coverage;
- (2) Generate and maximize the use of resources and revenues for the development plans, program objectives and priorities of the city as provided for under

Section 15 of this Code; with particular attention to agro-industrial development and city-wide growth and progress and relative thereto, shall:

- (i) Approve the annual and supplemental budgets of the city government and appropriate funds for specific programs, projects, services and activities of the city, or for other purpose not contrary to law, in order to promote the general welfare of the city and its inhabitants;
- (ii) Subject to the provision of Book II of this code and applicable laws and upon the majority vote of all the members of the sangguniang panlungsod, enact ordinances levying taxes, fees and charges, prescribing the rates thereof for general and specific purpose and granting tax exemptions, incentives or relief;
- (iii) Subject to the provisions of Book II of this Code and applicable laws and upon the majority votes of all the members of the sangguniang panlungsod, authorize the city mayor to negotiate and contract loans and other forms of indebtedness;
- (iv) Subject to the provisions of Book of this Code and applicable laws and upon the majority votes of all the members of all sangguniang panlungsod, enact ordinances authorizing the floating of bonds or other instruments of indebtedness, for the purpose of raising funds to finance development projects;
- (v) Appropriate funds for the construction and maintenance or the rental or buildings for the use of the city; and upon the majority of all the members of the sangguniang panlungsod authorize the city mayor to lease to private parties such public buildings held in a priority capacity, subject to existing laws, rules and regulations;
- (vi) Prescribe reasonable limits and restrains on the use of property within the jurisdiction of the city;
- (vii) Adopt comprehensive land use plan for the city; Provided, That in the case of component cities, the formulation, adoption or modification of said plan shall be in coordination with the approved provincial comprehensive land use plan;
- (viii) Reclassify land within the jurisdiction of the city subject o the pertinent provision of his Code;
- (ix) Enact zoning ordinances in consonance with the approved comprehensive land use plan, subject to existing laws, rules and regulations, establish fire limits or zones, particularly in populous centers; and regulate the construction, repair or modification of buildings within said fire limits or zone in accordance with the provisions of the Fire Code;
- (x) Subject to national/regional law, process and approve subdivision plans for residential, commercial, or industrial purpose and other development purpose, and to collect processing fees and other charges, the proceeds of

which shall accrue entirely to the city: Provided, however, That where approval of a national agency or office is required, said approval shall not be withheld for more than thirty (30) days from receipt of the application. Failure to act to the application within the period stated above shall be deemed as approval thereof;

- (xi) Subject to the provisions of Book II of this Code, grant the exclusive privilege of constructing fish corals or fish pens, or the taking or catching of bangus fry, prawn fry or Kawag-kawag, or fry of any species or fish within the city waters;
 - (xii) With the concurrence of at least two-third (2/3) of all the members of the sangguniang panlungsod, grant tax exemptions, insensitive or relief to entities engaged in community growth-inducing industries, subject to the provision of Chapter 5, Title I Book II of this Code;
 - (xiii) Grant loans or provide grants to other local government units or to provincial, and city charitable, benevolent or educational institutions: Provided, That said, institutions are operated and maintained within the city;
 - (xiv) Regulate the numbering of residential, commercial and other buildings; and
 - (xv) Regulate the inspection, weighing and measuring of articles of commerce.
- (3) Subject to the provisions of Book II of this Code, enact ordinances granting franchises and authorizing the issuance of permits or license, upon such conditions and for such purpose intended to promote the general welfare of the inhabitants of the city and pursuant to this legislative authority shall:
- (i) Fix and impose reasonable fees and charges for all services rendered by the city government to private persons or entities;
 - (ii) Regulate or fix license fees for any business or practice of profession within the city and the conditions under which the license for said business or practice of profession may be revoked and enact ordinances levying taxes thereon;
 - (iii) Provide for and set the terms and conditions under which public utilities owned by the city shall be operated by the city government, and prescribe the conditions under which the same may be leased to private persons or entities, preferably cooperative;
 - (iv) Regulate the display of and fix the license fees for signs, signboards, or billboard at the place or places where the profession or business advertised thereby is, in whole or in part, conducted;
 - (v) Any law to the contrary notwithstanding, authorized and license the establishment operation, and maintenance of cockpits, and regulate cockfighting and commercial breeding of gamecocks: Provided, That existing rights should not be prejudiced;

- (vi) Subject to the guidelines prescribed by the Department of Transportation and Communications, regulate the operation of tricycles and grant franchises for the operation thereof within the territorial jurisdiction of the city; and
 - (vii) Upon approval by a majority vote of all the members of the sangguniang panlungsod: grant a franchises to any person, partnership, corporation, or cooperative to do business within the city; establish, construct, operate and maintain ferries, wharves, markets or slaughterhouse; or undertake such other activities within the city as may be allowed by existing laws: Provided, That cooperative shall be given preference in the grant of such a franchise;
- (4) Regulate activities relative to the use of land, buildings and structure within the city in order to promote the general welfare and for said purpose shall:
- (i) Declare, prevent or abate any nuisance;
 - (ii) Require that buildings and the premises thereof and any land within the city be kept and maintained in a sanitary conditions; impose penalties for any violation thereof; or upon failure to comply with said requirement, have the work done at the expenses of the owner, administrator, or tenant concerned; or require the filling up of any land or premises to grade necessary for proper sanitation;
 - (iii) Regulate the disposal of clinical another wastes from hospitals, clinics and other similar establishments;
 - (iv) Regulate the establishment, operation and maintenance of cafes, restaurant, beerhouses, hotels, motels, inns, pension houses, lodging houses and other similar establishments, including tourist guides and transport;
 - (v) Regulate the sale, giving away or dispensing of any intoxicating malt, vino, mixed or fermented liquor at any outlet;
 - (vi) Regulate the establishment and provide for the inspection of steam boilers of any heating device in buildings and the storage of inflammable and highly combustibile materials within the city;
 - (vii) Regulate the establishment, operation and maintenance of any entertainment or amusement facilities, including theatrical performances, circuses, billiard pools, public dance halls, sauna baths, massage parlors, and other places for entertainment or amusement; regulate such other events or activities for amusements or annoy the inhabitants, or require the suspension or suppression of the same; or prohibit certain forms of amusement or entertainment in order to protect the social and moral welfare of the community;
 - (viii) Provided for the impounding of stray animals; regulate the keeping of animals in homes or as part of a business, and the slaughter, sale or

disposition of the same; and adopt measures to prevent and penalize cruelty to animals; and

- (ix) Regulate the establishment, operation and maintenance of funeral parlors and the burial or cremation of the dead, subject to the existing laws, rules and regulations.
- (5) Approved ordinances which shall ensure the efficient and effective delivery of the basic services and facilities as provided for under Section 14 of this Code; and in addition to said services and facilities:
- (i) Provided for the establishment maintenance, protection, and conservation of communal forests and watersheds, tree parks, greenbelts, mangroves, and other similar forest development projects;
 - (ii) Establish market, slaughterhouses or animals corrals and authorize the operation thereof by the city government; and regulate the construction and operation of private markets, talipapas or other similar buildings and structure;
 - (iii) Authorize the establishment, maintenance and operation by the city government of ferries, wharves, and other structure intended to accelerate productivity related to marine an seashore or offshore activities;
 - (iv) Regulate the preparation and sale of meat, poultry, fish, vegetables, fruits, fresh dairy products, and other foodstuff for public consumption;
 - (v) Regulate the use of streets, avenues, alleys, sidewalks, bridges, parks and other public places approve the construction, improvement, repair and maintenance of the same; establish bus and vehicle-owned vehicles which serve the public; regulate garages and the operation of the conveyance of hire; designated stands to be occupied by public vehicles when not in use; regulate the putting up of signs, signposts and awnings and awning posts on the streets, and provide for the lighting, cleaning and sprinkling of streets an public places;
 - (vi) Regulate traffic on all streets and bridges; prohibit encroachments or obstacles thereon and , when necessary in the interest of public welfare, authorize the removal of encroachments and illegal construction in public places;
 - (vii) Subject to existing laws, establish and provide for the maintenance, repair and operation of an efficient waterworks systems to supply; regulate the constructions, maintenance, repair and use of hydrants, pumps, cisterns n reservoirs; protect the purity and quantity of the water supply to the city and, for this purpose, extend the coverage of appropriate ordinances over all territory within the drainage area of said water supply and within one hundred (100) meters of the reservoir, conduit, canal, aqueduct, pumping station, or watershed used in connection with the water service; and

regulate the consumption, use or wastages of water and fix and collect charges thereof;

- (viii) Regulate the drilling and execution of the ground for the laying of water, gas, sewer, and other pipes and the construction, repair and maintenance of public drains, sewers, cesspools, tunnels and similar structure; regulate the placing of poles and the use of crosswalks, curbs, and gutters; adopt measures to ensure public safety against open canals, manhole,, live wires and other similar hazards to life and property; and regulate the construction and use of private water closets, privies and other similar structure in buildings and homes;
- (ix) Regulate the placing, stringing, attaching, installing, repair and construction of all gas mains, electric, telegraph and telephones wires, conduits, meters and other apparatus; and provide for the correction, condemnation or removal of the same when found to be dangerous, defective or otherwise hazardous to the welfare of the inhabitants;
- (x) Subject to the availability of funds and to existing laws, rules and regulations, establish and provide for the operation of vocational an technical schools and similar post-secondary institutions and with the approval of the Department of Education, Culture and Sports and subject to existing law on tuition fees, fix and collect reasonable tuition fees and other school charges in educational intuitions supported by the city government;
- (xi) Establish a scholarship fund for poor but deserving student in school located within its jurisdiction residing within the city;
- (xii) Approve measures and adopt quarantine regulation to prevent the introduction and spread of disease;
- (xiii) Provide for an efficient and effective system of solid waste and garbage collection and disposal and prohibit littering and the placing or throwing of garbage, refuse and other filth and wastes;
- (xiv) Provide for the care of disabled persons, paupers, the aged, the sick, persons of unsound mind, abandoned minors, juvenile delinquents, drug dependents, abused children and other needy and disadvantage persons, particularly children and youth below eighteen (18) years of age; and subject to availability of funds, establish and provide for the operation of centers and facilities for said need and disadvantaged person;
- (xv) Establish and provide for the maintenance and improvement of jails and detention centers, institute a sound jail management program, and appropriate funds for the subsistence and of detainees and convicted prisoners in the city;
- (xvi) Establish a city council for the elderly which shall formulate policies and adopt measures mutually beneficial to the elderly and to the community incentives for non-governmental agencies and entities and, subject to the

availability of funds, appropriate funds to support program and projects for the benefit of the elderly; and

(6) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(b) The members of the sangguniang panlungsod of component cities shall receive a minimum monthly compensation corresponding to Salary Grade twenty-five (25) and members of the sangguniang panlungsod of highly-urbanized cities shall minimum monthly compensation corresponding to Salary Grade twenty-seven (27), as prescribed under R.A 6758 and the implementing guidelines issued pursuant thereto.

TITLE FOUR-THE PROVINCE

CHAPTER 1.-Role and Creation of the Province

Sec. 454. Role of the Province.- The province, compose of a cluster of municipalities, or municipalities and component cities, and as a political and corporate unit of government, serves as dynamic mechanism for the development processes and effective governance of local government units within its territorial jurisdiction.

Sec.455. Manner of Creation.- A province may be created, divided, merged, abolished, or its boundary substantially altered, only by an act of Congress and subject to approval by a majority of the votes cast in a plebiscite to be conducted by the COMELEC in the local government units directly affected. The plebiscite shall be held with one hundred twenty (120) days from the date affectivity of said Act, unless otherwise provided therein.

Sec. 456. Requisites for Creation.- (a) A province may be created if it has an average annual income, as certified by the Department of Finance, of not less than Twenty Million Pesos (P20,000,000.00) based on 1993 constant prices and either of the following requisites:

- (i) A contiguous territory of at least t
- (ii) Two thousand (2,000) square kilometers, as certified by the Land Management Bureau; or,
- (iii) A population of not less than two hundred fifty thousand (250,000) inhabitants as certified by the National Statistics Office; Provided, that, 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 territory need not be contiguous if comprises two (2) or more islands or is separated by a chartered city or cities which do not contribute to the income of the province.

(c) The average annual income include the income accruing to the general funds, exclusive of special funds, trust, transfer, and non-recurring income.

CHAPTER 2.-PROVINCIAL OFFICIALS IN GENERAL

Sec. 457. Officials of the Provincial Government.- (a) There shall be in each province a governor, a vice-governor, members of the sangguniang panlalawigan, a secretary to the sangguniang panlalawigan, a provincial treasurer, a provincial assessor, a provincial accountant, a provincial engineer, a provincial budget officer, a provincial planning and development coordinator, a provincial legal officer, a provincial officer, a provincial general service officer, a provincial agriculturist, and a provincial veterinarian.

(b) In addition thereto, the governor may appoint a provincial population officer, a provincial natural resources and environment officer, a provincial cooperative officer, a provincial architect, and a provincial information officer.

Provided, that the governor shall submit a list of at least three (3) qualified recommendees to the autonomous regional government for appointment, according to Civil Service law to the positions of a Provincial Health Officer, a Provincial Agriculturist, a Provincial Natural Resources and Environment Officer, and a Provincial Tourism Officer, to be paid by regional funds.

(c) The sangguniang panlalawigan may:

(1) Maintain existing offices not mentioned in subsections (a) and (b) hereof;

(2) Create such other offices as may be necessary to carry out the purposes of the provincial government; or

(3) Consolidate the functions of any office with those of another in the interest of efficient and economy.

(d) Unless otherwise provided herein, heads of department and offices shall be appointed by the governor with the concurrence of the majority of all sangguniang panlalawigan, members subject to civil service law, rules and regulations. The sangguniang panlalawigan shall act on the appointment within fifteen (15) days from the date of its submission; otherwise the same shall be deemed confirmed;

(e) Elective and appointive provincial officials shall receive such compensation, allowance, and other emoluments as may be determined by law or ordinances, subject to the budgetary limitations on personal services prescribed under Title Five, Book II of this Code; Provided, That, no increase in compensation shall take effect until after the expiration of the full term of all the elective officials approving such increase.

Sec. 458. Residence and Office.- During the incumbency of the governor, he shall his official residence in the capital of the province. All elective and appointive provincial officials may hold office in the provincial capital: Provided, That, upon resolution of the sangguniang panlalawigan, elective and appointive provincial officials may hold office in any component city or municipality within the province for a period of not more than seven days (7) days for any given month.

CHAPTER 3.-OFFICIALS AND OFFICES COMMON TO ALL PROVINCES

ARTICLE ONE.-the provincial Governor

Sec. 459. The Chief Executive. Powers, Duties functions, and compensation.- (a)

The provincial governor, as the chief executive of the provincial government, shall exercise such powers and perform such duties and functions as provided by this Code and other laws.

(b) For efficient general supervision and control over all, projects, services, and activities and its inhabitants, the provincial government and in this connection, shall:

- (1) Determined the guidelines of provincial policies and be responsible to the sangguniang panlalawigan for the program of government;
 - (i) Direct the formulation of the provincial development plan with the assistance of the provincial development council, and upon approval thereof by the sangguniang panlalawigan, implement the same;
 - (ii) Present the program of government and propose policies and projects for the consideration sangguniang panlalawigan at the opening of the regular session of the sangguniang panlalawigan every calendar year and as often as may be deemed necessary as the general welfare of the inhabitants and the need of the provincial government may require;
 - (iii) Initiate and purpose legislative measures to the sangguniang panlalawigan and as often may be deemed necessary, provide such information and data needed or request by said sangguniang in the performance of its legislative functions;
 - (iv) Appoint all officials and employees whose salaries and wages are wholly or mainly paid out of provincial funds and whose appointments are not otherwise provided in this Code; as well as those he may be authorize;
 - (v) Represent the province in all the business transitions and sign in its behalf all bond, contracts, and obligations, and such other documents upon authority of the sangguniang panlalawigan or pursuant to law or ordinance;
 - (vi) Carry out such as emergency measures as may be necessary during and in the aftermath of man-made and natural disaster and calamities;
 - (vii) Determine the time, manner and place of payments of salaries or wages of the officials and employees of the province in accordance with law or ordinance;
 - (viii) Allocate and sign office space to provincial and other officials and employees who, by law or ordinance, are entitled to such space in the

provincial capitol and other buildings owned or leased by the provincial government;

- (ix) Ensure that all executive officials and employees of the province faithfully discharge their duties functions as provided law and this Code, and cause to be instituted administrative or judicial proceedings against any official or employees of the province who may have committed an offense in the performance of his officials duties;
- (x) Examine the books, record and other documents of all offices, officials, agents or employees of the province and, in aid of his executive powers and authority, require all regional official and employees stationed in the province to make available to him such books. Records, and other documents in their custody, except those classified by law as confidential;
- (xi) Furnish copies of executive orders issued by him to the office to the office of the Regional Governor within seventy-two (72) hours after their issuance;
- (xii) Visit component cities and municipalities of the province at least once every six (6) months to deepen his understanding of problems and conditions, listen and give appropriate counsel to local officials and inhabitants, inform the officials and inhabitants of component cities and municipalities of general laws and ordinances which especially concern them, and otherwise conduct visits and inspections to ensure that the governance of the province will improve the quality of life of the inhabitants;
- (xiii) Act on leave applications of officials and employees appointed by him and the commutation of the monetary value of leave credits in accordance with law;
- (xiv) Authorize official trips of provincial officials and employees outside the province for a period not exceeding thirty (30) days;
- (xv) Call upon any national or regional official or employee stationed in or assigned to the province to advise him on matters affecting the province and to make recommendations thereon, coordinate with said official or employee in the formulation and implementation of plans, programs and projects, and when appropriate, initiate an administrative or judicial action against a national or regional government official or employee who may have committed an offense in the performance of his official duties while stationed in or assigned to the province;
- (xvi) Authorize payment for medical care, necessary transportation, subsistence hospital or medical fees or provincial officials and employees who are injured while in the performance of their officials duties and functions, subject to availability of funds;

- (xvii) Represent the province in inter-provincial or regional sports councils or committees, and coordinate the efforts of component cities or municipalities in the regional or national palaro or sports development activities;
 - (xviii) Conduct an annual palarong panlalawigan which shall feature traditional sports and disciplines included in national and international games, in coordination with Department of Education, Culture and Sports; and
 - (xix) Submit to the Office of the Regional Governor the following reports: and annual report containing a summary of all matters pertinent to the management administration and development of the province and all information and data relative to its political, social and economic conditions; and supplemental reports when unexpected events and situations arise at any time during the year, particularly when man-made or natural disaster or calamities affect the general welfare of the province, region, or country:
- (2) Enforce all laws and ordinances relative to the governance of the province and the exercise of the appropriate corporate powers provided for under Section 19 of this Code, implement all approved policies, programs, projects, services and activities of the province and in addition to the foregoing, shall:
- (i) Ensure that the acts of the component cities and municipalities of the province and of its officials and employees are within the scope of their prescribed powers, duties and functions;
 - (ii) Call conventions, conferences, seminars or meeting of any elective and appointive officials of the province and its components cities and municipalities including national or regional officials and employees stationed in or assigned to the province, at such time and place and on such subject as he may deem important for the promotion of the general welfare of the province and its inhabitants;
 - (iii) Issue such executive orders for the faithful and appropriate enforcement and execution of laws and ordinances;
 - (iv) Be entitled to carry the necessary firearm within his territorial jurisdiction;
 - (v) In coordination with the mayors of component cities and municipalities and the Regional Police Commission, formulate the peace and order plan of the province and upon its approval implement the same in accordance with existing laws, rules and regulations;
 - (vi) Call upon the appropriate national or regional law enforcement agencies to suppress disorder, riot, lawless violence, rebellion or sedition or to apprehend violators of the law when public interest so requires and the police of the component city or municipality where the disorder or

violation is happening are inadequate to cope with the situation or the violator;

- (3) Initiate and maximize the generation of resources and revenues, and apply the same to the implementation of development plans, program objectives and priorities as provided for under Section 15 of this Code, particularly those resources and revenues programmed for agro-industrial development and country-wide growth and progress and relative thereto, shall:
- (i) Requires each head of an office or department to prepare and submit an estimate of appropriate for the ensuing calendar year, in accordance with the budget preparation process under Title Five, Book II of this Code;
 - (ii) Prepare and submit to the sangguniang panlalawigan for approval the executive and supplemental budgets of the province for the ensuing calendar year in the manner provided for under Title Five, Book II of this Code;
 - (iii) Ensure That all taxes and other revenues of the province are collected, and that provincial funds are applied to the payment of expenses and settlement of obligations of the province, in accordance with law or ordinance;
 - (iv) Issue license and permits and suspend or revoke the same for any violation of the conditions upon which said license or permits had been issued, pursuant to law or ordinance;
 - (v) Adopt adequate measures to safeguard and conserve had, mineral, marine, forest and other resources of the province, in coordination with the mayors of component cities and municipalities; provide efficient and effective property and supply management in the province; and ,
 - (vi) Institute or cause to be instituted administrative or judicial proceedings for violations of ordinances in the collection of taxes, fees or changes, and for the recovery of funds and property and cause the province to be defended against all suits to ensure that its interest, resources and right shall be adequately protected.
- (4) Ensure the delivery of basic services and the provision of adequate facilities as provided for under Section 14 of this Code, and in addition thereto,
- (i) Ensure that the construction and repair of roads and highways funded by the regional government shall be, as far as practicable, carried out in a spatially contiguous manner and in coordination with the construction and repair of the roads and bridges of the province and of its component cities and municipalities; and
 - (ii) Coordinate the implementation of technical services by national or regional offices for the province and its component cities and municipalities; including public works and infrastructure programs of the provincial government and its component cities and municipalities;

(5) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance

(c) The provincial governor shall receive a minimum monthly compensation corresponding to Salary Grade thirty (30), prescribed under R.A. No. 6758 and the implementing guidelines issued pursuant thereto.

Article two.-The Provincial Vice-Governor

Sec. 460. Powers, Duties, and Compensation.- (a) The vice-governor shall:

- (1) Be the presiding officer of the sangguniang panlalawigan and sign all warrants drawn on the provincial treasury for all expenditure appropriated for the operation of the sangguniang panlalawigan;
- (2) Subject to civil service law, rules and regulations, appoint all officials and employees of the sangguniang panlalawigan, except those whose manner of appointment is specifically provided in this Code;
- (3) Assume the office of the governor for the unexpired term of the latter in the event of permanent vacancy as provided for in Section 39, Book I of this Code;
- (4) Exercise the powers and perform the duties and function of the governor in the case of temporary vacancy as provided for in Section 41, Book I of this Code;
- (5) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(b) The vice-governor shall receive a monthly compensation corresponding to Salary Grade twenty-eight (28) as prescribed under R.A. 6758 and the implementing guidelines issued pursuant thereto.

ARTICLE THREE.-The Sangguniang Panlalawigan.

Sec. 461.Composition.- (a) The sangguniang panlalawigan, the legislative body of the province, shall be composed of the provincial vice-governor as presiding officer, the regular sangguniang members, the president of the provincial chapter of the liga ng mga barangay, the president of the panlalawigan pederasyon ng mga sangguniang kabataan, the president of provincial federation of sangguniang members of municipalities and component cities and the sectoral representatives, as members.

(b) In addition thereto, there shall be three (3) sectoral representatives: (1) from the other sectors, including the urban poor, indigenous cultural communities, or disabled person.

(c) The regular members of the sangguniang panlalawigan and the sectoral representatives shall be elected in the manner as may be provided for by law.

Sec. 462. Powers, Duties, Functions and Compensation.- (a) The sangguniang panlalawigan, as the legislative body of the province, shall enact ordinances, approve resolution an appropriate funds for the general welfare of the province and its inhabitants and in the proper exercise of the corporate powers of the province as provided for under Section 19 of his Code, and shall:

- (1) Approve ordinance and pass resolution necessary for an efficient and effective provincial government and in this connection, shall:
 - (i) Review all ordinances approved by the sangguniang of component cities and municipalities and executive orders issued by the mayor of said component units to determine whether these are within the scope of the prescribed powers of the sanggunian and of mayor;
 - (ii) Maintain peace and order by enacting measures to prevent and suppress lawlessness, disorder, riot, violence, rebellion or section and impose penalties for the violation of said ordinances;
 - (iii) Approve ordinances imposing a fine not exceeding Five thousand pesos (P5,000.00) or imprisonment not exceeding one (1) year, or both in the discretion of the court, for the violation of a provincial ordinances;
 - (iv) Adopt measures to protect the inhabitant of the province from the harmful effects of man-made or natural disaster and calamities, and to provide relief services and assistance or victims during and in the aftermath of said disasters and calamities and their return to productive livelihood following said events;
 - (v) Enact ordinances intended to prevent, suppress and impose appropriate penalties for habitual drunkenness in public places vagrancy, mendicancy, prostitution, establishment and maintenance of house of ill repute, gambling and other prohibited games of chance, fraudulent devices and ways to obtain money or property, drug addiction, maintenance of drug dens, drug pushing, juvenile delinquency, the printing, distribution or exhibition of obscene or pornographic materials or publications, and such other activities inimical to the welfare and morals of the inhabitants of the province;
 - (vi) Protect the environment and impose appropriate penalties for acts which endanger the environment, such as dynamite fishing and other forms of destructive fishing, illegal logging and smuggling of logs, smuggling of natural resources products and of endangered species of flora and fauna, slash and burn farming, and such other activities which result in pollution, acceleration of eutrophication of rivers and lakes or ecologist imbalance;
 - (vii) Subject to the provisions of this Code and pertinent laws, determine the powers and duties of officials and employees of the province;
 - (viii) Determine the positions and the salaries, wages, allowances and other emoluments and benefits of officials and employees paid wholly or

mainly from provincial funds and provide for expenditures necessary for the proper conduct of programs, projects, services, and activities of the provincial government;

- (ix) Authorization the payment of compensation to a qualified person not in the government service who fills up a temporary vacancy, or grant honorarium to any qualified officials or employee designated to fill a temporary vacancy in a concurrent capacity, at the rate authorized by law;
 - (x) Provided mechanism and the appropriate funds therefore, to ensure the safety and protection of all provincial government property, public documents, or records such as those relating to property inventory, land ownership, records of births, marriages, deaths, assessments, taxation, accounts of public interest in the offices and department of the provincial government; and
 - (xi) When the finances of the provincial government allow, provide for additional allowances and other benefits to judges, prosecutors, public elementary and high school teachers and other national or regional government officials stationed or assigned to the province.
- (2) Generate and maximize the use of resources and revenues for the development plans, program objectives and priorities of the province as provided for under Section 15 of this Code, with particular attention to agro-industrial development and country-wide growth and progress and relative thereto, shall:
- (i) Enact the annual and supplemental appropriations of the provincial government and appropriate funds for specific programs, projects, services and activities of the province, or for other purpose not contrary to law, in order to promote the general welfare of the province and its inhabitants;
 - (ii) Subject to the provision of Book II of this Code and applicable laws and upon the majority vote of all members of the sangguniang panlalawigan, enact ordinances levying taxes, fees and charges, prescribing the rates thereof, for general and specific purpose, and granting tax exemptions, incentives or relief;
 - (iii) Subject to the provision of Book II of this Code and applicable laws and upon the majority vote of all members of the sangguniang panlalawigan, authorize the provincial governor to negotiate and contract loans and other forms of indebtedness;
 - (iv) Subject to the provisions of Book II of this Code and applicable laws and upon the majority vote of all the members of the sangguniang, enact ordinances authorizing the floating of bonds or other instruments of indebtedness, for the purpose of raising funds to finance development projects;

- (v) Appropriate funds for the construction and maintenance of the rental of buildings for the use of the province; and upon the majority vote of all the members of the sangguniang panlalawigan authorize the provincial governor to lease to private parties such buildings held in a priority capacity, subject to existing laws, rules and regulations;
 - (vi) Prescribed reasonable limits and restraints on the use of property within the jurisdiction of the province;
 - (vii) Review the comprehensive land use plans and zoning ordinances of component cities and municipalities and adopt a comprehensive provincial land use plan, subject to existing laws; and
 - (viii) Adopt measures to enhance the full implementation of the agrarian reform program in coordination with the Department of Agrarian Reform;
- (3) Subject to the provisions of Book II of this Code; grant franchise, approve the issuance for permits of license, or enact ordinance levying taxes, fees and charges upon such conditions and for such purpose intended to promote the general welfare of the inhabitants of the province, and pursuant to this legislative authority, shall:
- (i) Fix and impose reasonable fees and charges or all services rendered by the provincial government to private persons or entities; and
 - (ii) Regulate and fix the license fees for such activities as provide for under this Code;
- (4) Approve ordinances which shall ensure the efficient and effective delivery of the basic services and facilities as provided for under Section 14 of this Code and in addition to said services and facilities, shall:
- (i) Adopt measures and safeguards against pollution and for the preservation of the natural ecosystem in the province, in consonance with approved standards on human settlement and environment sanitation;
 - (ii) Subject to applicable laws, facilities or provide for the establishment and maintenance of waterworks system or district waterworks for supplying water to inhabitants of component cities and municipalities;
 - (iii) Subject to the availability of funds to existing laws, rules and regulation, provide for the establishment and operation of vocational and technical schools and similar post-secondary institutions; and with the approval the Department of Education, Culture and Sports and subject existing laws on tuition fees, fix reasonable tuition fees and other school charges in educational institutions supported by the provincial government;
 - (iv) Establishment a scholarship funds for the poor but deserving students in schools located within its jurisdictions or for students residing within the province;

- (v) Approve measured and adopt quarantine regulations to prevent the introduction and spread of diseases within its territorial jurisdiction;
 - (vi) Provide for the care of paupers, the aged, the sick, persons of unsound mind, abandoned minors, abused children, disabled persons, juvenile delinquents, drug dependents and other needy and disadvantaged persons, particularly children and youth below eighteen (18) years of age, subject to availability of funds, establish and disadvantaged persons; and facilities efforts to promote the welfare of families below the poverty threshold, the disadvantaged, and the exploited;
 - (vii) Establish and provide for the maintenance and improvement of jails and detention centers, institute a sound jail management program, and appropriate funds for the subsistence of detainees and convicted prisoners in the provinces;
 - (viii) Establish a provincial council whose purpose is the promotion of culture and the arts, coordinate with government agencies and non-government organizations and subjects to the availability of funds appropriate funds for the support and development of the same;
 - (ix) Establish a provincial council for the elderly which shall formulate policies and adopt measures mutually benefits to the elderly; and provide incentive for non-government agencies and entities to support the programs and projects of the elderly.
- (5) Exercise such other and perform such other duties and functions as may be prescribed by law or ordinances.

(b) The members of the sangguniang panlalawigan shall receive a minimum monthly compensation corresponding to Salary Grade Twenty-seven (27) as prescribed under R.A. 6758 and the implementing guidelines issued pursuant thereto.

TITLE FIVE-APPOINTIVE LOCAL OFFICIALS COMMON TO ALL MUNICIPALITIES, CITIES AND PROVINCES

ARTICLE ONE.-Secretary to the Sangguniang.

Sec. 463. Qualifications, Powers and Duties.- (a) There shall be a secretary to the sangguniang who shall be a career official with the rank and salary equal to a head of a department office.

(b) No person shall be appointed secretary to the sangguniang unless he is a citizen of the Philippines, a resident of the local government unit concerned: of good moral character, a holder of a college degree preferably in law, commerce or public administration, from a recognized college or university, and a first grade civil services eligible or its equivalent.

The appointment of a secretary to the sangguniang is mandatory for provincial city and municipality government.

(c) The secretary to the sangguniang shall take charge of the office of the secretary to the sangguniang and shall:

- (1) Attend meetings of the sanggunian and keep a journal of its proceedings;
- (2) Keep the seal of the local government unit and affix the same with his signature and present the same to the presiding officer for his signature;
- (3) Forward to the provincial governor or mayor, as the case may be, for approval, copies of ordinances enacted by the sanggunian and duly certified by the presiding officer, in the manner provided in Section 49 under Book I of this Code;
- (4) Forward to the sangguniang panlungsod or bayan concerned, in the case of the sangguniang barangay, and to the sangguniang panlalawigan concerned, in the case of the sangguniang panlungsod of the component cities of sangguniang bayan, copies of duly approved ordinances, in the manner provided in Section 51 and 52 under Book I of this Code;
- (5) Furnish, upon request of any interested party, certified copies of records of public character in his custody, upon payment to the treasurer of such fees as may be prescribed by ordinance;
- (6) Record in a book kept for the purpose, all ordinances and resolutions enacted or adopted by the sangguniang with the dates of passages and publication thereof;
- (7) Keep his office and all non-confidential records therein open to the public during the usual business hours;
- (8) Translate into the dialect used by the majority of the inhabitants all ordinances and resolutions immediately after their approval, and cause the publication of the same together with the original version in the manner provided under this Code; and
- (9) Take custody of the local archives and, where applicable, the local library and annually account for the same; and

(d) Exercise such other powers and performed such other duties and functions as may be prescribed by law or ordinances relative to his position.

ARTICLE TWO-The Treasurer

Sec. 464. Appointment, Qualification, Powers, and Duties.- (a) The treasurer shall be appointed by the Sangguniang of Finance from a list of at least three (3) ranking eligible recommendees of the provincial governor or mayor, as the case may be, subject to civil service law, rules and regulations.

(b) The treasurer shall be under the administrative supervision of the provincial governor or mayor, as the case be, to whom he shall report regularly on the tax collection efforts in the local government unit;

(c) No person shall be appointed treasurer unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree preferably in commerce, public administration or law from a recognized college or university, and a first grade civil services eligible or its equivalent. He must have acquired experience in the treasury or accounting services for at least five (5) years in the case of the city or provincial treasurer, and three (3) years in the case of the municipal treasurer. The appointment of treasurer shall be mandatory for the provincial, city and municipal government;

(d) The treasurer shall take charge of the treasury office, perform the duties provided for under Book II of this Code, and shall:

- (1) Advise the provincial governor or mayor as the case may be, the sanggunian, and other local government and national or regional officials concerned regarding disposition of local government funds, and on such other matters relative to public.
- (2) Take custody and exercise proper management of the funds of the local government units concerned;
- (3) Take charge of the disbursement of all local government funds and such other funds the custody of which may be entrusted to him by law or other component authority;
- (4) Inspect private, commercial and industrial establishment within the jurisdiction of the local government unit concerned in relation to the implementation of tax ordinances, pursuant to the provisions under Book II of this Code;
- (5) Maintain and update the tax information system of the local government unit;
- (6) In the case of the provincial treasurer, exercise technical supervision over all treasury offices of component cities and municipalities, and
- (7) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 465. Assistant Treasurer.- (a) An assistant treasurer may be appointed by the Secretary of Finance from a list of at least three (3) ranking, eligible recommendees of the provincial governor or mayor, subject to civil services law, rules and regulations.

(b) No person shall be appointed assistant treasurer unless he is citizen of the Philippines: a resident of the local government unit concerned; of good moral character; a holder of a college degree preferably in commerce, public administration or law from a recognized college or university; and a first grade civil service eligible or its equivalent. He must have acquired at least five (5) year experience in the treasury or accounting service in the case of the city or provincial assistant treasurer and three (3) years in case of the municipal assistant treasurer.

The appointment of an assistant treasurer shall be optional for provincial, city and municipal governments;

(c) The assistant treasurer shall assist the treasurer and perform such duties as the latter may assign to him. He shall have authority to oaths concerning notices and notifications to those delinquent in the payment of the real property tax and concerning official matters relating to the accountings of the treasurer or otherwise arising in the offices of the treasurer and the assessor.

ARTICLE THREE-The Assessor

Sec. 466. Qualifications, Powers and Duties.- (a) No person shall be appointed assessor unless he is a citizen of the Philippines; a resident of the local government unit concerned; of good moral character; a holder of a college degree preferably in civil or mechanical engineering, commerce or any other related course from a recognized college or university and a first grade civil services eligible or its equivalent. He must have acquired experiences in real property assessment work or in any related field for at least five (5) years in the case of the city or provincial; assessor, and three (3) years in the case of the municipal assessor.

The appointment of an assessor shall be mandatory for provincial, city or municipal governments.

(b) The assessor shall take charge of the assessor's office perform the duties provided or under Book II of this Code; and shall:

- (1) Ensure that all laws and policies governing the appraisal and assessment of real properties for taxation purpose are properly executed;
- (2) Initiate, review and recommend changes in policies and objective, plans and programs, techniques, procedures and practices in the valuation and assessment of real properties for taxation purposes;
- (3) Establish a systematic method of real property assessment;
- (4) Install and maintain a real property identification and accounting system;
- (5) Prepare, install and maintain a system of tax mapping, showing graphically all property subject to assessment and gather all data concerning the same;
- (6) Conduct frequent physical surveys to verify and determine whether all real properties within the province are properly listed in the assessment rolls;
- (7) Exercise the functions of appraisal and assessment primarily for taxation purposes of all real properties in the government unit concerned;
- (8) Prepare a schedule of the fair market value for the different classes of real properties, in accordance with Title Two under Book II of this Code;

- (9) Issue, upon request of any interested party, certified copies of assessment records of real property and all other records relative to its assessment, upon payment of a services charge or fee to the treasurer;
- (10) Submit every semester a report of all assessment, as well as cancellations and modifications of assessments to the local chief executive and the sangguniang concerned;
- (11) In the case of the assessor of a component city or municipality, attend, personally or through an authorized representative, all sessions of the local board of assessment appeals whenever his assessment is the subject of the appeal, and present or submit any information or record in his possession as may be required by the board; and
- (12) in the case of provincial assessor , exercise technical supervision and visitorial functions over all component city or municipal assessors in the conduct of tax mapping operations and all other assessment activities, and provide all form of assistance therefore: Provided, however, That upon full provision by the component city or municipality concerned to its assessor's office of the minimum personnel, equipment, and funding requirement as maybe prescribed by the Secretary of Finance, such functions shall be delegated to the said city or municipal assessor; and

(c) Exercise such powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 467. Assistant Assessor.- (a) No person shall be appointed assistant assessor unless he is citizen of the Philippines; a resident of the local government unit concerned; of good moral character; a holder of a college degree preferably in civil or mechanical engineering, commerce, or any related course from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have acquired experiences in assessment or any related filed for at least three (3) years in the case of the city or provincial assistant assessor, and one (1) year in the case of municipal assistant assessor. The appointment of an assistant assessor shall be optional for provincial, city and municipal government.

(b) The assistant assessor shall assist the assessor and performed such other duties as the latter may assign to him. He shall have the authority to administer oaths on all declaration of real property for purpose of assessment.

ARTICLE FOUR-The Accountant

Sec. 468. Qualifications, Powers and Duties.-(a) No person shall be appointed accountant unless he is a citizen of the Philippines; a resident of a local government unit concerned; of good moral character; and a certified public accountant. He must have acquired experience in the treasury or accounting service for at least five (5) years in the case of the provincial or city accountant, and three (3) years in the case of the municipal accountant.

The appointment of an accountant is mandatory for provincial, city and municipal government.

(b) The accountant shall take charge of both the accounting and internal audit services of the local government unit concerned and shall:

- (1) Install and maintain an internal audit system in the local government unit concerned;
- (2) Prepare and submit financial statements to the provincial governor or mayor as the case may be and to the sanggunian concerned;
- (3) Appraise the Sangguniang and other local government officials on the financial condition and operation of the local government unit concerned;
- (4) Certify to the availability of budgetary allotment to which expenditures and obligations may be properly charged;
- (5) Review supporting documents before preparation of vouchers to determine completeness of requirement;
- (6) Prepare statement of cash advance, liquidation, salaries, allowances, reimbursements and remittances pertaining to the local government unit;
- (7) Prepare statement of journal vouchers and liquidation of the same and other adjustment related thereto;
- (8) Post individual disbursements to the subsidiary ledger and index cards;
- (9) Maintain individual ledgers for officials and employees of the local government unit pertaining to payrolls and deductions;
- (10) Record and post in index cards, details of purchased furniture, fixtures, and equipment including disposal there, if any;
- (11) Account for all issued request for obligations and maintain and keep all records and reports related thereto; and
- (12) Prepare journals and the analysis of obligations and maintain and keep all records and reports related thereto; and
- (13) Exercise such other powers and perform such other duties and functions as may be provided by law or ordinances.

(c) The incumbent chief accountant in the office of the treasurer shall be given preference in the appointment to the position of accountant.

ARTICLE FIVE-The Budget Officer

Sec. 469. Qualification, Powers and Duties.- (a) No person shall be appointed budget officer unless he is a citizen of the Philippines; a resident of the local government unit concerned; of good moral character; a holder of college degree preferably in

accounting, economics, public administration or any related course from a recognized college or university; and a first grade civil service eligible or its equivalent. He must have acquired experience in government budgeting or in any related field for at least five (5) years in the case of the provincial or city budget officer, and at least three (3) years in the case of the municipal budget officer.

The appointment of a budget officer shall be mandatory for the provincial, city and municipal governments.

(b) The budget officer shall take charge of the budget office and shall:

- (1) Prepare forms, orders, and circulars embodying instructions on budgetary and appropriations matters for the signature of the provincial governor or mayor, as the case may be;
- (2) Reviewed and consolidate the budget proposals of the different departments and offices of the local government unit;
- (3) Assist the provincial governor or mayor as the case maybe, in the preparation of the budget and during budget hearings;
- (4) Study and evaluate budgetary implications of proposed legislation and submit comments and recommendation thereon;
- (5) Submit periodical budgetary reports to the Department of Budget and Management;
- (6) Coordinate with the treasurer, accountant and the planning and development coordinator for the purpose of budgeting;
- (7) Assist the sanggunian concerned in reviewing the approved budgets of component local government
- (8) Coordinate with the planning and development coordinator in the formulation of the local government units development plan; and

(b) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE SIX-The Planning and Development Coordinator

Sec. 470. Qualifications, Powers and Duties.- (a) No persons shall be appointed planning and development coordinator unless he is a citizen of the Philippines; a resident of local government unit concerned; of good moral; character; a holder of a college degree preferably in urban planning, development studies, economics, public administration or any related course from a recognizes college or university; and a first grade civil service eligible or its equivalent. He must have acquired experience in development planning and development coordinator and three (3) years in the case of the municipal planning and development coordinator.

The appointment of planning and development coordinator shall take charge of the planning and development officer and shall:

- (1) Formulate integrated economic, social, physical, and other development plans and policies for consideration of the local government development council;
- (2) Conduct and coordinate all sectoral plans and studies, researches, and training programs necessary to evolve plans and programs for implementations;
- (3) Integrate and coordinate all sectoral plans and studies undertaken by the different functional groups or agencies;
- (4) Monitor and evaluate the implementation of the different development programs, projects and activities in the local government unit concerned in accordance with the approved development plan;
- (5) Prepare comprehensive plans and other development planning documents for the consideration of the development council;
- (6) Analyze the income and expenditure patterns, and formulate and recommend fiscal plans and policies for consideration of the finance committee of the local government unit Title Five, Book II of this Code;
- (7) Promote people participation in development planning within the local government unit concerned;
- (8) Exercise supervision and control over the secretariat of the local development council; and

(c) Exercise such other powers and perform such other functions and duties as may be prescribed by law.

ARTICLE SEVEN-The Engineer

Sec. 471. Qualifications, Powers, and Duties.- (a) No persons shall be appointed engineer unless he is a citizen of the Philippines; a resident of the local government unit concerned; of good moral character and a licensed civil engineer. He must have acquired experience in the practice of his profession for at least five (5) years in the case of the provincial or city engineer, and three (3) years in the case of the municipal engineer.

The appointment an engineer shall be mandatory for the provincial, city and municipal government. The city and municipal engineer shall also act as the local building official.

(b) The engineer shall take charge of the engineering office and shall:

- (1) Initiate, review and recommend changes in policies and objective, plans and program, techniques, procedure and practices in infrastructure development and public works in general of the local government unit concerned;

- (2) Advise the provincial governor or mayor, as the case maybe, on infrastructure, public works and other engineer matters.
 - (3) Administer, coordinate, supervise and control the construction, maintenance, improvement, and repair of roads, bridges and other engineering and public works projects of the local government concerned;
 - (4) Provide engineering services to the local government unit concerned, including investigation and survey, engineering designs, feasibility studies, and project management;
 - (5) In the case of the provincial engineer, exercise technical supervisor over all engineering office of component cities and municipalities; and
- (c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE EIGHT-The Health Officer

Sec. 472. Qualifications, Powers and Duties.- (a) No person shall be appointed health officer unless he is a citizen of the Philippines; a resident of local government unit concerned; of good moral character and a licensed medical Practitioner. He must have acquired in the practice of his profession for at least five (5) years in the case of the provincial or city health officer, and three (3) years in the case of the municipal health officer.

The appointment of a health officer shall be mandatory for provincial, city and municipal governments.

(b) The health officer shall take charge of the office of health and shall:

- (1) Take charge of the office on health services, supervise the personnel and staff of said office, formulate program implementation guidelines and rules and regulations for the operation of the said office for the approval of the provincial governor or mayor, as the case may be, in order to assist him in the efficient, effective and economical implementation of health services program geared to implementation of health-related projects and activities;
- (2) Formulate measures for the consideration of the sanggunian and provide technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out provision of adequate facilities and relative to health services;
- (3) Develop plans and strategies and upon approval thereof by the provincial governor or mayor as the case, implement the same particularly those which have to do with health program and projects which the provincial governor or mayor, is empowered to implement and which the sanggunian is empowered to provide fro under this Code;
- (4) In addition to the foregoing duties and functions, the health officer shall:

- (i) Formulate and implement policies, plans programs and projects to promote the health of the people in the local government unit concerned;
 - (ii) Advise provincial governor or mayor , as the case may be, and the sanggunian on matters pertaining to health;
 - (iii) Execute and enforce all laws, ordinances and regulations relating to public health;
 - (iv) Recommend to the sanggunian, through the local health board the passage of such ordinances as he may deem necessary for the preservation of public health;
 - (v) Recommend the prosecution of any violation of sanitary laws, ordinances of sanitary laws, ordinances or regulations;
 - (vi) Direct the sanitary inspection of all business establishments selling food item or providing accommodation such as hotels, motels, lodging houses, pension houses, and the like, in accordance with the Sanitation Code;
 - (vii) Conduct health information campaign and render health intelligence services;
 - (viii) Coordinate with other government agencies and non-governmental organization involved in the promotion and delivery of heal services; and
 - (ix) In the case of the provincial health officer, exercise general supervision over health officers of component cities and municipalities; and
- (5) Be in the frontline of health services delivery, particularly during and in the aftermath of man-made and natural disaster and calamities; and
- (c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE NIN-The Civil Registrar

Sec. 473. Qualifications, Powers, and Duties.- (a) No persons shall be appointed civil registrar unless he is a citizen of the Philippines; a holder of a college degree from local government unit concerned; of good moral character; holder of a college degree from a recognized college or university and first grade civil services eligible or its equivalent. He must acquire experience in civil registry work for at least five (5) years in the case of the city civil registrar and three years in the case of the municipal civil registrar

The appointment of a civil registrar shall be mandatory for city and municipal governments.

(b) The civil registrar shall be responsible for the civil registration program in the local government unit concerned, pursuant to the Civil Registry Law, the Civil Code, and other pertinent laws, rule and regulation

(c) The civil registrar shall take charge of the office of the civil registry and shall

- (1) Develop plans and strategies and upon approval thereof by the provincial governor or mayor as the case may be, implement the same particularly those which have to do with civil registry programs and projects which the mayor is empowered to implement and with the sanggunian is empowered to provide for under this Code;
- (2) In addition to the foregoing duties and functions, the civil registrar shall:
 - (i) Accept all registrable document and judicial decrees affecting the civil status of person;
 - (ii) File, keep and preserve in a secure place the books require by law;
 - (iii) Transcribe and enter immediately upon receipt all registrable documents and judicial decrees affecting the civil status of persons in the appropriate civil registry books;
 - (iv) Transmit to the office of the Civil Registrar-General with the prescribed period, duplicate copies of registered documents required by law;
 - (v) Issue certified transcripts or copies of any certificate or registered documents upon payment of the prescribed fees to the treasurer;
 - (vi) Receive applications for the issuance of marriage license and after determining that the requirements and supporting certificates and publication thereof for the prescribed period have been complied with, issue the license upon payment of the authorized fee to the treasurer;
 - (vii) Coordinate with the National Statistics Office in conducting educational campaigns for vital registration and assist in preparation of demographic and other statistics for the local government unit concerned; and
- (3) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE TEN-The Administrator

Sec. 474. Qualifications, Term, Powers, and Duties.- (a) No persons shall be appointed administrator unless he is a citizen of the Philippines; a resident of local government unit concerned; of good moral character; holder of a college degree preferably in public administration, law or any other related course from a recognized college or university; and a first grade civil services eligible or its equivalent. He must have acquired experience in management and administrator work for at least five (5) years in the case of the provincial or city administrator, and three (3) years in the case of the municipal administrator.

The term of the administrator shall be coterminous with that of his appointing authority. The appointment of an administrator shall be mandatory for the provincial and city governments, and optional for the municipal government.

(b) The administrator shall take charge of the office of the administrator and shall:

(1) Develop plans and strategies and upon approval thereof by the provincial governor or mayor as the case may be, implement the same particularly those which have to do with the management and administration of related programs and projects which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;

(2) In addition to the foregoing duties and functions, the administrator shall:

(i) Assist in the coordination of the work of all the officials of the local government unit, under the supervision, direction, and control of the provincial governor or mayor, and for this purpose, he may convene the chief of offices and other officials of the local government unit;

(ii) Establish and maintain a sound personnel program for the local government unit designed to promote career development and uphold the merit principle in the local government service;

(iii) Conduct a continuing organizational development of the local government unit with the end in view of instituting effective administrative reforms;

(3) Be in the frontline of the delivery of administrative support services, particularly those related to the situations during and in the aftermath of man-made and natural disasters and calamities;

(4) Recommend to the sanggunian and advise the provincial governor and mayor, as the case may be, on all other matters relative to the management and administration of the local government unit; and;

(5) Exercise such other power and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE ELEVEN-The Legal Officer

Sec. 475. Qualifications, Powers, and Duties.- (a) No persons shall be appointed legal officer unless he is a citizen of the Philippines; a resident of the local government unit concerned; of good moral character; and a member of the Philippine Bar. He must have practiced his profession for at least five (5) years in the case of the provincial and city officer, and three (3) years in the case of the municipal legal officer.

The term of the legal officer shall be coterminous with that of the appointing authority. The appointment of legal officer shall be mandatory for the provincial and city government and optional for the municipal government.

(b) The legal officer, the chief legal counsel of the local government unit, shall take charge of the office of legal services and shall:

- (1) Formulate measures for the consideration of the sanggunian and provide legal assistance and supporting to the provincial governor or mayor, as the case may be, in carrying out the delivery of basic services and provisions of adequate facilities as provided for under Section 14 of this Code;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same, particularly those which have to do with programs and projects related to legal services which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and functions, the legal officer shall:
 - (i) Represent the local government unit in all civil actions and special proceedings wherein the local government unit or any official thereof, in his official capacity, is a party: Provided, That, in actions or proceedings where a component city or municipality, a special legal officer may be employed to represent the adverse party;
 - (ii) When required by the provincial governor, mayor or sanggunian, draft ordinances, contracts, bonds, leases and other instruments, involving any interest of the local government unit; and Provide comments and recommendations on any instruments already drawn;
 - (iii) Render his opinion in writing on any question of law when requested to do so by the provincial governor, mayor, or sanggunian;
 - (iv) Investigate or cause to be investigated local official or employee for administrative neglect or misconduct in office, and recommend appropriate action to the provincial governor, mayor or sanggunian, in the case may be;
 - (v) Investigate or cause to be investigated any person, firm or corporation holding any franchise or exercising any public privilege for failure to comply with any term or condition in the grant of such franchise or privilege, and recommend appropriate action to the provincial governor, mayor, sangguniang, as the case may be;
 - (vi) When directed by the provincial governor, mayor or sanggunian, initiate and prosecute, in the interest of the local government unit concerned any civil action on any bond, lease or other contract upon any breach or violation thereof; and
 - (vii) Review and submit recommendations on ordinances approved and executive orders issued by component units;
- (4) Recommend measures to the sanggunian and advise the provincial governor or mayor as the case may be on all other matter related to upholding the rule of law;

- (5) Be in the frontline of protecting human rights and prosecuting any violations thereof, particularly those which occur during and in the aftermath of man-made or natural disaster or calamities; and
- (6) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE TWELVE-The Agriculturist

Sec. 476. Qualifications, Powers, and Duties.- (a) No persons shall be appointed agricultural unless he is a citizen of the Philippines; a resident of the local government unit concerned; of good moral character; holder of a college degree in agriculture or any related course from a recognized college or university and first grade civil service eligible or its equivalent. He must have practiced his professional in agriculture or acquired experience in the field for at least five (5) years in the case of the provincial and city agriculturist and three (3) years in the case of the municipal agriculturist.

The position of the agriculturist shall be mandatory for the provincial government and optional for the city and municipal governments.

(b) The agriculturist shall take charge of this office for agricultural services , and shall:

- (1) Formulate measures for the approval of the sanggunian and provide technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out said measures to ensure the delivery of basic services and provision of adequate facilities relative to agricultural services;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same, particularly those which have to do with agricultural programs and projects which the sanggunian is empowered to implement and which the sanggunian is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and functions, the agriculturist shall:
 - (i) Ensure that maximum assistance and access to resources in the production, processing and marketing of agricultural and aquacultural and marine products are extended to farmers, fishermen and local entrepreneurs;
 - (ii) Conduct or cause to be conducted location-specific agricultural researches and assist in making available the appropriate technology arising out of and disseminating information on basic research on crops, prevention and control of plant disease and pests, and other agricultural matter which will maximize productivity;
 - (iii) Assist the provincial governor or mayor, as the case may be, in the establishment and extension services of demonstration farms or aquaculture and marine products;

- (iv) Enforce rules and regulation relating to agriculture and aquaculture
 - (4) Be in the frontline of the delivery of basic agricultural services, particularly those needed for the survival of the inhabitants during and in the aftermath of man-made which will improve the livelihood and living conditions of the inhabitants; and
 - (5) Recommend to the sanggunian and advise the provincial governor or mayor, as the case may be, on all other matters related to agriculture and aqua-culture which will improve the livelihood and living conditions of the inhabitants; and
- (c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICILE THIRTEEN-The Social Welfare and Development Officer.

Sec. 477. Qualifications, Powers, and Duties.- (a) No persons shall be appointed social welfare and development officer unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a duly licensed social worker or a holder of a college degree preferably in sociology or any other related course from a recognized college or university, and a first grade civil service work for at least five (5) years in the case of the provincial or city social welfare and development officer, and three (3) years in the case of the municipal social welfare and development officer.

The appointment of a social welfare and development officer is mandatory for provincial and city governments and optional or municipal government.

(b) The social welfare and development officer shall take charge of the office on social welfare and development services and shall:

- (1) Formulate measures for the approval of the sanggunian and provide technical assistance and support to the governor or mayor, as the case may be, in carrying out measures to ensure the delivery of basic services and provision of adequate facilities relative to social welfare and development services;
- (2) Develop plans and strategies and upon approval thereof by the governor or mayor, as the case may be, implement the same particularly those which have to do with social welfare programs and projects which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;
- (3) In addition to the foregoing duties, the social welfare and development officer shall:
 - (i) Identify the basic needs of the needy, the disadvantaged and the impoverished and develop and implement appropriate measures to alleviate their problems and improves their living conditions;

- (ii) Provide relief and appropriate crisis intervention for victims of abuse and exploitation and recommend appropriate measure to alter further abuse and exploitation;
 - (iii) Assist the provincial governor or mayor, as the case may be, in implementing the barangay level program for the total development and protection up to six of age;
 - (iv) (iv) facilitate the implementation of welfare programs for the disabled, elderly, and victims of drug addiction, the rehabilitation of prisoners and parolees, the prevention of juvenile delinquency and such other activities which would eliminate or minimize the ill-effects of poverty;
 - (v) (v) initiate and support youth welfare programs that will enhance the role of the youth in nation building;
 - (vi) (vi) coordinate with government agencies and non-governmental organization which have for their purpose the promotion and the protection of all needy, disadvantaged, underprivileged or impoverished groups or individuals particularly those identified to be vulnerable and high-risk to exploitation, abuse and neglect;
- (4) Be in the frontline of services delivery particularly those which have to do with immediate relief and assistance during and in the aftermath of man made and natural disaster and natural calamities;
- (5) Recommend to the sanggunian and advised the provincial governor or mayor, as the case may be, on all other matters related to social welfare and development services which will improve the livelihood and living conditions of the inhabitants; and
- (c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance;

ARTICLE FOURTEEN- The Environment and Natural Resources Officer

Sec. 478. Qualifications, Powers and Duties. – (a) no person shall be appointed environment and natural resources officer unless he is citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree preferably in environment, forestry, agriculture or any related course from a recognized college or university, and a first grade civil services eligible or its equivalent. He must have acquired experience in environmental and natural resources management, conservation and utilization, of at least five (5) years in the case of the provincial or city environmental and natural resources officer, and three (3) years in the case of the municipal environment and natural resources officer.

The appointment of the environment and natural resources officer is optional for provincial. City and municipal governments.

(b) The environment and natural resources officer shall take charge of the office on environment and natural resources, and shall:

- (1) Formulate measures for the consideration of the sanggunian and provide technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out measures to ensure the delivery of basic services and provision of adequate facilities relative to environment and natural resources services;
- (2) Developed plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same, particularly those which have to do with environment and natural resources programs and projects which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provided for under this code;
- (3) In addition to the foregoing duties and function, the environment and natural resources officer shall:
 - (i) Established, maintain, protect and preserve communal forests, watershed, tree parks, mangroves, greenbelts and similar forest project and commercial forest, like industrial tree farms and agro-forestry projects;
 - (ii) Provided extension services to beneficiaries of forest development projects and technical, financial and infrastructure assistance:
 - (iii) manage and maintain seed blanks and produce seedling for forest and tree parks;
 - (iv) provided extension services to beneficiaries of forest development projects and render assistance for natural resources-related conservation and utilization activities consistent with ecological balance;
 - (v) promote the small-scale mining utilization of mineral resources particularly mining of gold:
 - (vi) Coordinate with government agencies and non-government organizations in the implementation of measures to prevent and control land, and water pollution with the assistance of the department of environment and natural resources ;
- (4) Be in the frontline of the delivery services concerning the environment and natural resources, particularly in the renewal and rehabilitation of the environment during and in the aftermath of man-made and natural calamities and disasters;
- (5) Recommend to the sanggunian and advise the provincial governor or may, as the case may be, on all matters relative to the protection, conservation, maximum utilization, application of appropriate technology and other matters related to the environment and natural resources; and

(c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE FIFTEEM.-The Architect

Sec. 479. Qualifications, Powers and Duties. – (a) no person shall be appointed architect unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a duly licensed architect. He must have practiced his profession for at least five (50 years in the case of the provincial or city architect, and three (3) years in the case of the municipal architect.

The appointment of the architect is optional for provincial, city and municipal governments.

(b) The architect shall take charge of the office on architectural planning and design and shall:

- (1) Formulate measure for the consideration of the sanggunian and provide technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out measure to ensure the delivery of basic services and provision of adequate facilities relative to architectural planning and design;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same particularly those which have to do with architectural planning and design programs and projects which the governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and functions, the architect shall:
 - (i) Prepare and recommend for consideration of the sanggunian, the architectural plan and design for the local government unit or a part thereof, including the renewal of slums and blighted area, land reclamation activities, the greening of land, and appropriate planning of marine and foreshore areas;
 - (ii) Review and recommend for appropriate action of the sanggunian, provincial governor or mayor, as the case may be , the architectural plans and design submitted by governmental and non-governmental entities or individuals, particularly those for undeveloped, undeveloped and poorly-designed areas; and
 - (iii) Coordinate with government and non-government entities and individual involved in the aesthetics and the maximum utilization of the land an water within the jurisdiction of the government unit, compatible with environmental integrity and ecological balance.
- (4) Be in the frontline of the delivery of services involving architectural planning and design, particularly those related to the redesigning of spatial distribution of

basic facilities and physical structure during and in the aftermath of man-made and natural calamities and disasters;

(5) Recommend to the sanggunian and advise the provincial governor or mayor, as the case may be, on all other matters relative to the architectural planning and design as it relates to the total socio-ecological development of the local government unit; and

(c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE SIXTEEN-The Information Officer

Sec. 480. Qualifications, Powers and Duties. – (a) no person shall be appointed information officer unless he is a citizen of the Philippine, a resident of the local government unit concerned, of good moral character, a holder of a college degree preferably in journalism, mass communication, or any related course from a recognized college or university, and first grade civil service eligible or its equivalent. He must have experience in writing articles and research papers, or in writing for print, television or broadcast media of at least three (3) years in the case of the provincial or city information officer, and at least one (1) in the case of municipal information officer.

The appointment of the information officer is optional for the provincial, city and municipal government. The term of the information officer is co-terminus with that of his appointing authority.

(b) The information officer shall take charge of the officer on public information and shall:

(1) Formulate measures for the consideration of the sanggunian, provided technical assistance and support to the governor or may, as the case may be, in providing the information and research data required for the delivery of basic services and provision of facilities through the development of cooperatives, and in providing access to such services and facilities;

(2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same particularly those which have to do with the integration of cooperative principles, and methods in programs and projects which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;

(3) In addition to the foregoing duties and functions, the cooperatives officer shall:

(i) Assist in the organization of cooperatives;

(ii) Provide technical and other forms of assistance to existing cooperatives to enhance their viability as an economic enterprise and social organization;

- (iii) Assist cooperatives in establishing linkages with government agencies and non-government organization involved in the promotion and integration of the concept of cooperatives in the livelihood of the people and other community activities;
 - (4) Be in the frontline of cooperatives organization, rehabilitations or viability enhancement, particularly during and in the aftermath of man-made and natural calamities and disaster, to aid in their survival and, if necessary subsequent rehabilitations;
 - (5) Recommend to the sanggunian, and advise the provincial governor or mayor, as the case may be, on all other matters relative to cooperatives development and viability-enhancement which will improve the livelihood and quality of life of the inhabitants;
- (c) Exercise such other powers and perform such other duties and functions, as may be prescribed by law or ordinance.

ARTICLE EIGHTEEN-The Population Officer

Sec. 482. Qualifications, Powers and Duties. – (a) no person shall be appointed population officer unless he is a citizen of the Philippines, a resident of the local government unit concerned of good moral character, a holder of a college degree with specialized training in population development from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have experience in the implementation of program on population development or responsible parenthood for at least five (5) years in the case of provincial or city population officer, and at least three (3) in the case of municipal population officer. The appointment of population officer shall be optional in the local government unit: Provided, however, That provinces and cities which have exciting population officer shall continue to maintain such offices for a period of five (5) years from the date of effectivity of this Code, after which said offices shall become optional.

(b) The population officer shall take charge of the office on population development and shall:

- (1) Formulate measures for the consideration of the sanggunian and provide technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out measures to ensure the delivery of basic services and provision of adequate facilities relative to the integration of the population development principles and in providing access to said services and facilities;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be implement the same, particularly those which have to do with the integration of population development principles and methods in programs and projects which the provincial governor or mayor is empowered to implement and which the sanggunian is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and functions, the population officers shall:

- (i) Assist the provincial governor or mayor, as the case may be, in the implementation of the Constitution provision relative to population development and the promotion of responsible parenthood;
- (ii) Implement appropriate training programs responsive to the cultural heritage of the inhabitants: and

(c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

Sec. 483. Qualifications, Powers and Duties. – (a) no person shall be appointed veterinarian unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, licensed doctor of veterinary medicine. He must have practiced his profession for at least three (3) years in the case of the provincial or city veterinarian and at least one (1) year in the case of municipal veterinarian.

The appointment of veterinarian officer is mandatory for the provincial and city government.

(b) The veterinarian shall take charge of the office for veterinarian services and shall:

- (1) Formulate measures for the consideration of the sanggunian, and provided technical assistance and support to the governor or mayor, as the case may be, in carrying out measures to ensure the delivery of basic services and provisions of adequate facilities;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the mat be, implement the same, particularly those which have to do with the veterinarian-related activities which the provincial governor or mayor is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and function, and veterinarian shall:
 - (i) Advise the provincial governor or the mayor, as the case may be, on all matters pertaining to the slaughter of animals for human consumption and the regulations of slaughterhouses;
 - (ii) Regulate the keeping of domestic animals;
 - (iii) Regulate and inspect poultry, milk dairy products for public consumption;
 - (iv) Enforce all laws and regulations for the prevention of cruelty to animals ; and
 - (v) Take the necessary measures to eradicate, prevent or cure all forms of animals disease.
- (4) Be in the frontline of veterinarian related activities, such as in the outbreak of highly-contiguous and deadly disease and in situations resulting in the depletion of animals for work and human consumption, particularly those

arising from and in the aftermath of man-made and natural calamities and disasters;

- (5) Recommend to the sanggunian and advise the provincial governor or mayor, as the case may be, on all other matters relative to veterinary services which will increase the number and improve the quality of livestock, poultry and other domestic animals used for work or human consumption; and

(c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

ARTICLE TWENTY-The General Services Officer

Sec. 484. Qualifications, Powers and Duties. – (a) no person shall be appointed general services officer unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree in public administration, business administration and management from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have acquired experience in general sanitation, of at least (5) years in the case of provincial or city general services officer, and at least three (3) years in the case of the municipal general services officer. The appointment of a general services officer is mandatory for the provincial and city governments.

(b) The general services officer shall take charge of the office on general services and shall:

- (1) Formulate measures for the consideration of the sanggunian, and provided technical assistance and support to the provincial governor or mayor, as the case may be, in carrying out measures to ensure the delivery of basic services and provisions of adequate facilities which requires services expertise and technical support services;
- (2) Develop plans and strategies and upon approval thereof by the provincial governor or mayor, as the case may be, implement the same, particularly those which have to do with the general services supportive of the welfare of the inhabitants which the provincial governor or mayor is empowered to implement and which the sangguniang is empowered to implement and which the sangguniang is empowered to provide for under this Code;
- (3) In addition to the foregoing duties and functions, the general services officer shall:
 - (i) Take custody of and be accountable for all properties, real or personal owned by the local government unit and those granted to it in the form of donation reparation, assistance and counterpart or joint projects;
 - (ii) With the approval of the provincial governor or mayor, as case may be, assign building or land, space to local officials or other public officials, who by law, are entitled to such space;

- (iii) Recommend to the provincial governor or mayor, as the case may be, the reasonable rental rates for local government properties, whether real or personal, which will be leased to public or private entities by the local government;
 - (iv) Recommend to the provincial governor or mayor, as the case may be, reasonable rates of private properties which may be leased for the official use of the local government unit;
 - (v) Maintain and supervise janitorial, security, landscaping and other related services in all local government public buildings and other real property, whether owned or leased by the local government unit;
 - (vi) Collate and disseminate information regarding prices, shipping and other costs of supplies and other items commonly used by the local government unit;
 - (vii) Perform archival and record management with respect to records of offices and department of the local government unit; and
 - (viii) Perform all other functions pertaining to supply and property management heretofore performed by the local government treasurer; and enforce policies on records creation, maintenance, and disposal;
- (4) Be in the frontline of general services related activities, such as the possible or imminent destruction or damage to records, supplies, properties, and structure and the orderly and sanitary clearing up of waste materials or debris, particularly during and in the aftermath of man-made and natural calamities and disasters;
- (5) Recommends to the sanggunian and advise the provincial governor or mayor, as the case may be, on all other matters relative to general services; and
- (c) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

TITLE SIX-LEAGUES OF LOCAL GOVERNMENT UNITS AND ELECTIVE OFFICIALS

CHAPTER I. - LEAGUES OF LOCAL GOVERNMENT UNITS

ARTICLE ONE-Liga ng mga Barangay

Sec. 485. Purpose of Organization.- Pursuant to R.A. 7160, there shall be an organization of all barangays to be known as the liga ng mga barangay for the primary purpose of determining the representation of the Liga in the sanggunians, and for ventilating, articulating and crystallizing issues affecting barangay government administration and securing through proper and legal means, solution thereto.

Sec. 486. Representation, Chapter, Regional Liga.- Every barangay shall be represented in said liga by the punong barangay, or in his absence or incapacity, by a sanggunian members duly elected for the purpose among its members, who shall attend all

meetings or deliberations called by the different chapters of the liga. The liga shall have chapters at the municipal, city, provincial and regional levels.

The municipal and the city chapters of the liga shall be composed of the barangay, representatives of municipal and city barangay, respective. The duly elected presidents of component municipal and city chapters shall constitute the provincial liga. The presidents of provincial and high urbanized city chapters shall constitute the Regional Liga ng mga Barangay.

Sec. 487. Organization. – The liga the municipal city, provincial, regional levels shall directly elect a president. A vice-president, and five (5) members of the board of directors. The board shall appoint its secretary and treasurer and create such other positions as it may deem necessary for the management of the chapter. A secretary-general shall be charged with the overall operation of the liga on the regional level. The board shall coordinate the activities of the chapters of the liga.

Sec. 488. Ex-Officio Membership in sanggunians.- The duly elected president of the liga at the municipal, city and provincial levels, shall serve as ex-officio members of the sanggunian bayan, sanggunian panlungsod, sanggunian panlalawigan respectively. They shall serve as such only during their term of office as presidents of the liga chapters which in no case shall be beyond the term of office of the sanggunian concerned.

Sec. 489. Power, Functions and Duties of the liga.- (a) Give priority to programs designed for the total development of the barangay and in consonance with the policies, programs and projects of the regional and national governments;

(b) Assist in the education of barangay resident for people’s participation in local government administration in order to promote united an concerted action to achieve country-wide development goals;

(c) Supplement the efforts of government in creating gainful employment within the barangay;

(d) Adopt measure to promote the welfare of barangay officials;

(e) Serve as a forum of the barangays in order to forge linkage with government and non-governmental organization and thereby promote the social, economic and political well-being of the barangays; and

(f) Exercise such other powers and perform such other duties and functions which will bring about stronger ties between barangays and promote the welfare of the barangay inhabitants;

ARTICLE TWO.-League of Cities and Municipalities

Sec. 490. Purpose of Organization.- The shall be an organized of all cities and municipalities to be known as league of cities and municipalities for the primary purpose of ventilating, articulating and crystallizing issues affecting city and municipal government administration, and securing, through proper and legal means, solutions thereto. The

league shall form provincial chapter composed of the league president for all cities and component municipalities of the province. It shall likewise form a regional chapter composed of the league presidents for all cities and municipalities of the Autonomous Region in Muslim Mindanao.

Sec. 491. Representative.- Every city and municipality shall be represented in the league by the mayor or in their absence, by the vice-mayor or sanggunian member duly elected for the purpose by the members, who shall attend meetings and participate in the deliberations of the league.

Sec. 492. Powers, Functions and Duties of the League of Cities and Municipalities.- The league of cities and municipalities shall:

a.) Assist the regional government in the formulation and implementation of the policies, programs and projects affecting cities and municipalities as a whole;

b.) Promote local autonomy at the city and municipal level;

c.) Adopt measure for the welfare of all cities and municipalities and its officials and employees;

d.) Encourage people's participation in local government administration in order to promote united and concerted action for the attainment of country-wide development goals;

e.) Supplement the efforts of the regional and national government in creating opportunities for gainful employment within the cities and municipalities;

f.) Give priority to programs designed for the total development of the cities and municipalities in consonance with the policies, programs and projects of the regional and national government

g.) Serve as a forum for crystallizing and expressing ideas, seeking the necessary assistance of the regional and national government, and providing the private sector avenues for cooperation in the promotion of the welfare of the cities and municipalities; and

h.) Exercise such other powers and perform such other duties and functions as the league may prescribe for the welfare of the cities and municipalities.

ARTICLE THREE.-League of Provinces

Sec. 493. Purpose of Organization.- Pursuant to R.A. 7160, there shall be an organized of all provinces to be known as the League of Provinces for the primary purpose of ventilating, articulating and crystallizing issues affecting provincial political subdivision government administrator, an securing through proper and legal means, solution thereto. The provinces in the Autonomous Region in Muslim Mindanao (ARMM) may organize themselves to be known as league of Provinces in Autonomous Region in Muslim Mindanao (ARMM).

Sec. 494. Representation.- Every province shall be represented in the league by the provincial governor or in his absence, by the provincial vice-governor or a sanggunian member duly elected for the purpose by the members, who shall attend all meetings and participate in the deliberation of the league.

Sec. 495. Powers, Functions and Duties.- The league of provinces shall:

a.) Assist the regional government in the formulation and implementation of the policies, program and projects affecting provinces as a whole;

b.) Promote local autonomy at the provincial level;

c.) Adopt measure for the promotion of the welfare of all provinces and its officials and employees;

d.) Encourage peoples participation in local government administration in order to promote united and concerted action for the attainment of countryside development goals;

e.) Supplemental the efforts of the regional government in creating opportunities for gainful employment within the provinces;

f.) Give priority to programs designed for the total development of the province in consonance with the policies, program and projects of the national and regional government;

g.) Served as a forum for crystallizing and expressing ideas, seeking the necessary assistance of the regional government and providing the private sector avenues for cooperation in the prescribed for the welfare of the provinces; and

h.) Exercise such other powers and performs such other duties and functions as the league may prescribed for the welfare of the provinces;

ARTICLE FIVE.-Provisions Common to All Leagues

Sec. 496. Funding.- (a) All leagues shall derive its funds from contributions of members of local government units and from fund-raising projects and activities without the necessity of securing permits therefore: That the proceeds from said-funds-raising projects and activities shall be used primary to funds the projects for which the said proceeds have raised, subject to the pertinent provision of this Code and the pertinent provisions of the Omnibus Election Code;

(b) All funds of leagues shall be deposited as trust funds with its treasurer and shall disbursed in accordance with board of director's resolution subject to pertinent accounting and auditing rules and regulations: Provided, That the treasurer shall be bonded in an amount to be determined by the board directors. The funds of a chapter shall be deposited as chapter funds and funds of the regional league shall be deposited as regional funds.

Sec. 498. Constitution and By-law of the Liga and the Leagues.- All other matters not herein otherwise provided for affecting the internal organizations of the leagues of

local otherwise provided for affecting the internal organizations of the leagues of local government units shall be governed by their respective constitution and by-laws which are hereby made supplementary to the provisions of this Chapter; Provided,

The said constitution and by-laws shall always conform to the provisions of the Constitution and existing laws.

CHAPTER 2. - LEAGUES AND FEDERATIONS OF LOCAL ELECTIVE OFFICIALS

Sec. 499. Organization.-(a) Vice-governors, vice-mayor, sanggunian members of barangays, municipalities, component cities, high-urbanized cities and provinces, and other elective local officials of local government units may form their respective leagues or federation, subject to applicable provision of this Title and pertinent provisions of this Code;

(b) Sanggunian members of component cities and municipalities shall form a provincial federation and elect a board of director and a set of officers headed by the president. The duly elected president of the provincial federation of sangguniang members of component cities and municipalities, which in no case shall beyond the term of office of the sangguniang panlalawigan concerned.

Sec. 500. Constitution and By-laws.- The leagues or federation shall adopt a constitution and by-laws which shall govern their internal organization and operation: Provided. The said constitution and by-laws shall always conform to the provision of the Constitution and existing laws.

Sec. 501. Funding.- The league and federations may derive their funds from contribution and individual league or federation members or form fund-raising projects or activities. The local government unit concerned may appropriate funds to support the leagues or federation organized pursuant to this Section, subject to the availability of funds.

BOOK IV

MISCELLANEOUS AND FINAL PROVISIONS

TITLE ONE. – PENAL PROVISIONS

Sec. 502. Posting and Publication of Ordinances with Penal Sanctions. – (a) Ordinances with penal sanctions shall be posted at prominent places in the provincial capitol, city, municipal or barangay hall, as the case may be for a minimum period of three (3) consecutive weeks. Such ordinances shall also be published in a newspaper of regional circulation, where available, within the territorial jurisdiction of the local government unit concerned, except in the case of barangay ordinances. Unless otherwise provided therein, said ordinances shall take effect on the day following its publication, or at the end of the period of posting, whichever occurs later.

(b) Any public officer or employee who violates an ordinance may be meted administrative disciplinary action, without prejudice to the filing of the appropriate civil or criminal action.

(c) The secretary to the sanggunian concerned shall transmit official copies of such ordinances to the chief executive officer of the Official Gazette within seven (7) days following the approval of the said ordinance for publication purposes. The Official Gazette may publish ordinances with penal sanctions for archival and reference purposes.

Sec. 503. Withholding of Benefits Accorded to Barangay Officials. – Willful and malicious withholding of any of the benefits accorded to barangay officials under Section 389 hereof shall be punished with suspension or dismissal from office of the official or employee responsible thereof.

Sec. 504. Failure to Post and Publish the itemized Monthly Collections and Disbursements. – Failure by the local treasurer or the local chief accountant to post the itemized monthly collections and disbursement of the local government unit concerned within ten (10) days following the end of every month and for at least two (2) consecutive weeks at prominent places in the main office building of the local government unit concerned, its plaza and main street, and to publish said itemization in a newspaper of general circulation, where available, in the territorial jurisdiction of such unit, shall be punished by a fine not exceeding Five hundred (P=500.00) pesos or by imprisonment not exceeding one (1) month, or both such fine and imprisonment, at the discretion of the court.

Sec. 505. Engaging in Prohibited Business Transactions or Possessing Illegal Pecuniary Interest. – Any local official and any persons dealing with him who violate the prohibition provided in Section 85 of Book I hereof, shall be punished with imprisonment for six months and one day to six years, or a fine of not less than Three Thousand Pesos (P 3,000.00) nor more than Ten Thousand Pesos (P 10,000.00), or both such imprisonment and fine, at the discretion of the court.

Sec. 506. Refusal or Failure of any Party or Witness to appear before the Lupon or Pangkat. – Refusal or willful failure to any party or witness to appear before the lupon

or pangkat in compliance with the summons issued pursuant to the provisions on the Katarungang Pambarangay under Chapter 7, Title One of Book III of this Code may be punished by the city or municipal court as for indirect contempt of court upon application filed therewith by the lupon chairman, the pangkat chairman, or any of the contenting parties. Such refusal or willful failure to appear shall be reflected in the records of the lupon secretary or in the minutes of the pangkat secretary and shall bar the complainant who fails to appear, from seeking judicial recourse for the same cause of action, and the respondent who refuses to appear, from filing any counterclaim arising out of, or necessarily connected with the complaint.

A pangkat member who serves as such shall be entitled to an honorarium, the amount of which is to be determined by the sanggunian concerned, subject to the provisions in this Code cited above.

Sec. 507. Penalties for Violation of Tax Ordinances. – The sanggunian of a local government unit is authorized to prescribe fines or other penalties for violation of tax ordinances but in no case shall such fines be less than One Thousand Pesos (P1,000.00) nor more than Five Thousand Pesos (P 5,000.00) nor shall imprisonment be less than one (1) month nor more than six (6) months. Such fine or other penalty, or both, shall be imposed at the discretion of the court. The sangguniang barangay may prescribe a fine of not less than One Hundred Pesos (P 100.00) nor more than Five Hundred Pesos (P 500.00).

Sec. 508. Omission of Property from Assessment or Tax Rolls by Officers and Other Acts. – Any officer charged with the duty of assessing real property who willfully fails to assess, or who intentionally omits from the assessment or tax roll any real property which he knows to be taxable, or who willfully or negligently under assesses any real property, or who intentionally violates or fails to perform any duty imposed upon him by law relating to the assessment of taxable real property shall, upon conviction, be punished by a fine of not less than One Thousand Pesos (P1,000.00) nor more than Five Thousand Pesos (P 5,000.00) or by imprisonment of not less than one (1) month nor more than six (6) months, or both such fine and imprisonment, at the discretion of the court.

The same penalty shall be imposed upon any officer charged with the duty of collecting the tax due in real property who willfully or negligently fails to collect the tax and institute the necessary proceeding for the collection of the same.

Any other officer required by this Code to perform acts relating to the administration of the real property tax or to assist the assessor or treasurer in such administration, who willfully details to discharge such duties shall, upon conviction be punished by a fine of not less than Five Hundred Pesos (P500.00), nor more than Five Thousand Pesos (P5,000.00), or by imprisonment of not less one (1) month nor more than six (6) months, or both such fine and imprisonment, at the discretion of the court.

Sec. 509. Government Agents Delaying Assessment of Real Property and Assessment Appeals. – Any government official who intentionally and deliberately delays the assessment of real property or the filing of any appeal against its assessment shall, upon conviction, be punished by a fine of not less than Five Hundred Pesos (500.00), nor more than Five Thousand Pesos (P5,000.00), or by imprisonment, at the discretion of the court.

Sec. 510. Failure to Dispose of Delinquent Real Property at Public Auction. - The local treasurer concerned who fails to dispose of delinquent real property at public auction in compliance with the pertinent provisions of this Code, and any other local government official whose acts hinder the prompt disposition of delinquent real property at public auction shall, upon conviction be subject by a fine of not less than Five Thousand Pesos (P5,000.00), or imprisonment of not less than one (1) month nor more than six (6) months, or both such fine and imprisonment, at the discretion of the court.

Sec. 511. Prohibited Acts Related to the Award of Contracts Under the Provisions on Credit Financing. - It shall be unlawful for any public official or employee in the provincial, city or municipal government, or their relatives within the fourth civil degree of consanguinity or affinity, to enter into or have any pecuniary interest in any contract for the project awarded pursuant to the provisions of Title Four II hereof, or for the procurement of any supplies, materials, or equipment of any kind to be used in the said project. Any person convicted for violation of the provisions of the said Title shall be removed from office and shall be punished by imprisonment of not less than one (1) month, nor more than two (2) years, at the discretion of the court, without prejudice to prosecution under other laws.

TITLE TWO. - PROVISIONS FOR IMPLEMENTATION

Sec. 512. Mandatory Review Every Five Years. - The Regional Legislative Assembly shall undertake a mandatory review of this Code at least once every five (5) years and as often as it may be deemed necessary, with the primary objective of providing a more responsive and accountable local government structure.

Sec. 513. Insurance Coverage. - The Government Service Insurance System (GSIS) shall establish and administer an appropriate system under which the punong barangay, the members of the sanguniang barangay, the barangay secretary, the barangay treasurer, the barangay planning and development coordinator and the members of the barangay tanod shall enjoy insurance coverage as provided in this Code and other pertinent laws.

Sec. 514. Inventory of Infrastructure and Other Community Facilities. - (a) Each local government unit shall conduct a periodic inventory of infrastructure and other community facilities and undertake the maintenance repair, improvement, or reconstruction of these facilities through a closer cooperation among the various agencies of the regional and national government operating within the province, city, or municipality concerned.

(b) No infrastructure or community project within the territorial jurisdiction of any local government unit shall be undertaken without informing the local chief executive and the sanggunian concerned.

Sec. 515. Personnel Retirement and/or Benefits. - An official or employee of the national government, regional government or local government unit separated from the services as a result of reorganization effected under this Code shall, if entitled under the laws then in force, receive the retirement and other benefits accruing thereunder: Provided however, that such benefits shall be given funding priority by the Department of Budget

and Management in the case of national and regional officials and employees and local government unit concerned in the case of local officials and employees.

When the employee concerned is not eligible for retirement, he shall be entitled to a gratuity from the national/regional government or the local government unit concerned, as the case may be, equivalent to an amount not lower than one (1) month salary for every year of service over and above the monetary value of the leave credits said employee is entitled pursuant to existing laws.

Sec. 516. Records and Properties. – All records, equipment, buildings, facilities, and other properties of any office or body of a local government unit abolished or reorganized under this Code shall be transferred to the office or body to which its powers, functions, and responsibilities are substantially devolved.

TITLE THREE –TRANSITORY PROVISIONS

Sec. 517. Tax Ordinances or Revenue Measures. – All existing tax ordinances or revenue measures of local government units shall continue to be enforced and effect after the effectivity of this Code unless amended by the sanggunian concerned, or inconsistent with, or in violation of, the provisions of this Code.

Sec. 518. Formulation of Implementing Rules and Regulations. – (a) Within one (1) month after the approval of this Code, the Regional Governor shall convene the Oversight Committee as herein provided for. The said Committee shall formulate and issue the appropriate rules and regulations necessary for the efficient and effective implementation of any and all provisions of this Code, thereby ensuring compliance with the principles of local autonomy as defined under the Constitution.

(b) The Committee shall be composed of the following:

(1) The Regional Executive Secretary, who shall be the Chairman;

(2) Four (4) members of the Regional Legislative Assembly (RLA) to be appointed by the Speaker of the Regional Legislative Assembly (RLA) to include the Chairman of the Committee on Local Government;

(3) The Cabinet, represented by the following:

(i) Secretary of the Interior and Local Government, ARMM;

(ii) Regional Treasurer;

(4) One (1) representative from each of the following:

(i) The League of Provinces;

(ii) The League of Cities and Municipalities; and

(iii) The Liga ng mga Barangay.

(c) The Committee shall submit its report and recommendation to the Regional Governor within two (2) months after its organization. If the Regional Governor fails to act within thirty (30) days from receipt thereof, the recommendation of the Oversight Committee shall be deemed approved. Thereafter, the Committee shall supervise the transfer of such powers and functions mandated under this Code to the local government units, together with the corresponding personnel, properties, assets and liabilities of the offices or agencies concerned, with the least possible disruption to existing programs and projects. The Committee shall likewise recommend the corresponding appropriations necessary to effect the said transfer.

For this purpose, the services of a technical staff shall be enlisted from among the qualified employees of Regional Legislative Assembly, the regional government offices, and the leagues constituting the Committee.

(d) The funding requirements and the secretariat of the Committee shall be provided by the Office of the Regional Executive Secretary.

(e) The sum of Two Million Pesos (P2,000,000.00) which shall be charged against the appropriation of the Office of the Regional Governor is hereby allotted to the Committee to fund the undertaking of an information campaign on this Code. The Committee shall formulate the guidelines governing the conduct of said campaign, and shall determine the regional agencies or offices to be involved for this purpose.

Sec. 519. Devolved national Agencies and Offices. – Line agencies and Office of the National Government devolved to the autonomous region pursuant to Section 4, Art. XIX of RA 6734 shall continue to be placed under the control and supervision of the Regional Governor, subject to the next preceding section.

TITLE FOUR. – *Final Provisions.*

Sec. 520. Repealing Clause. – All laws, orders, acts, city charters, decrees, executive orders, proclamations, rules and regulations and all other issuances, or part thereof, which are inconsistent with this code are hereby repealed or modified accordingly.

Sec. 521. Separability Clause. – If, for any reason or reasons, any part or provision of this Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall be continue to be held in full force and effect.

Sec. 522. Effectivity Clause. – This Code shall take effect immediately after its complete publication in at least one (1) newspaper of regional circulation.

Approved:

GUIMID P. MATALAM
Speaker

This Act was passed by the Regional Legislative Assembly on January 25, 1994.

TOMMY A. ALA
Secretary General

APPROVED:

LININDING P. PANGANDAMAN
Regional Governor