

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2911



Introduced by Rep. Precious Hipolito Castelo

EXPLANATORY NOTE

A local government unit, under the Local Government Code of 1991, is given such wide latitude to exercise power and authority on nearly every matter germane to its continued, viable, and robust existence.

In its Western original context, LGUs started off as municipal corporations that even in more contemporary times, they need not cease to be so. As corporations, they provide goods and services to the population within their area of business operation.

Nothing is wrong with running the corporate affairs of the local government unit akin to any best practice model, local or foreign provided that it is a creative approach to source much needed revenues to place the ship of the local state in an even keel during turbulent economic times.

This bill subscribes to the view that LGUs, as 'corporations,' may engage in business, economic enterprise, or investment of a nature that will generate additional revenue that would accrue to the LGUs.

The Government of Singapore Investment Corporation is a case in point. It can be replicated in the Philippines just like any other viable investment scheme with a well-studied rate of return on Investment (ROI).

To the extent that this proposed measure allows LGUs some degree of freedom and independence in pursuing 'private commercial and service enterprises,' as the case may be, the principle stands that it should be generally consistent with the local development plan and the corresponding public investment program of that LGU.

Let this bill open 'windows of opportunity' in the realm of investment, hence its passage is most earnestly sought.


PRECIOUS HIPOLO CASTELO

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AN ACT

**AUTHORIZING A LOCAL GOVERNMENT UNIT TO CREATE A CORPORATE ENTITY
AND/OR AUTHORITY TO ATTRACT DOMESTIC AND FOREIGN INVESTMENT TO
GENERATE ADDITIONAL SOURCE OF REVENUE AND FOR OTHER PURPOSES**

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

SECTION 1. Every local government unit is hereby authorized to create a corporate entity and/or authority to attract domestic and foreign investment to generate additional source of revenue provided however that this is consistent with the local development plan and the public investment program.

SEC. 2. The enabling policy framework for LGUs to engage in business economic enterprise and investment as otherwise allowed by the Constitution, the Local Government Code and the Corporation Code is hereinafter provided by this Act.

SEC. 3. The Department of Interior and Local Government shall issue appropriate rules and regulations to effectively carry out the provision of this Act.

SEC. 4. All issuances, laws, decrees, orders, rules and regulations or parts thereof not consistent with this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall take effect thirty (30) days after its publication in the Official Gazette and in at least two (2) newspapers of general circulation.

Approved,