



HOUSE OF REPRESENTATIVES

H. No. 9345

BY REPRESENTATIVES RODRIGUEZ AND BARZAGA, PER COMMITTEE REPORT NO. 961

**“AN ACT
DECLARING THE CITY OF CAGAYAN DE ORO A MINING-FREE
ZONE AND PROVIDING PENALTIES FOR VIOLATIONS
THEREOF”**

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

1 **SECTION 1. *Statement of Policy.*** – It is the policy of the State to
2 protect and advance the right of the people to a balanced and healthful
3 ecology in accord with the rhythm and harmony of nature. It is likewise the
4 responsibility of the State to promote the rational exploration, development,
5 utilization, and conservation of the mineral resources of the country in a
6 way that effectively safeguards the environment and protects the rights of
7 affected communities. Towards this end, the State shall institute measures
8 to protect the people and the environment in the City of Cagayan de Oro
9 from the adverse effects of mining.

10 **SEC. 2. *Declaration of the City of Cagayan de Oro as a Mining -***
11 ***Free Zone.*** – The City of Cagayan de Oro is hereby declared a mining-free
12 zone. All forms of mining operations and activities, whether large-scale or
13 small-scale, within the jurisdiction of the City of Cagayan de Oro are hereby
14 prohibited. The provisions of Republic Act No. 7942, or the “Philippine
15 Mining Act of 1995”, Republic Act No. 7076, or the “People’s Small-Scale
16 Mining Act”, and other laws, rules and regulations on mining that are

1 inconsistent with this Act shall have no application within the territorial
2 jurisdiction of the locality.

3 **SEC. 3. Coverage.** – This Act covers all mining operations and
4 activities, including quarrying, within the territorial jurisdiction of the City
5 of Cagayan de Oro: *Provided, however,* That the quarrying of gravel and
6 sand for projects directly undertaken by the agencies of the national
7 government or by the city government for basic services such as roads,
8 bridges, school buildings, water and energy utilities, and similar public
9 works, is exempted from the coverage of this Act, subject to the
10 requirements of existing mining and environment laws: *Provided, further,*
11 That the national government may pursue mineral resource development
12 in any part of the city when the national interest so requires, such as in the
13 case of strategic raw minerals for industries critical to national development
14 for scientific, cultural and ecological values.

15 **SEC. 4. Recognition of Existing Mining Contracts, Agreements**
16 **and Permits.** – All valid and existing mining contracts, exploration
17 permits, licenses, technical and financial agreements and mineral
18 production sharing agreements in accordance with Republic Act No. 7942,
19 or the “Philippine Mining Act of 1995”, covering any area within Cagayan
20 de Oro City at the date of effectivity of this Act, shall be recognized by the
21 Government and shall remain valid until the expiration or termination
22 thereof. Thereafter, no further extension or renewal of the contract, permit,
23 license or agreement shall be granted. Moreover, the government shall not
24 issue new exploration permits nor enter into new mineral agreements or
25 similar other agreements covering lands within the jurisdiction of the City.

26 **SEC. 5. Non-renewal of Small-scale Mining Contracts.** – All
27 small-scale mining contracts covering any area within the City of Cagayan
28 de Oro shall not be renewed upon the effectivity of this Act.

29 **SEC. 6. Quarry Operations.** – Existing quarry permits issued by
30 the city government at the time of the approval of this Act shall be
31 recognized and shall remain valid until the expiration or termination
32 thereof. Thereafter, issuance of quarry permits in the mining-free zone for
33 instances provided in Section 4 hereof, shall be under the direct supervision

1 of the Department of Environment and Natural Resources (DENR). The
2 maximum area which a qualified person may hold for quarrying purposes
3 at any time within the territorial jurisdiction of the City of Cagayan de Oro
4 shall be five (5) hectares. The DENR shall impose strict regulations in
5 ensuring that no more than one (1) quarry permit is granted to the same
6 person, corporation or its affiliate or subsidiary, or any entity that has
7 essentially the same legal personality as the applicant or holder of an
8 existing quarry permit in the City.

9 A quarry permit shall immediately be canceled by the DENR, upon
10 finding after investigation that in the guise of quarrying activities, the
11 holder of a quarry permit engages in activities that are properly authorized
12 by exploration permits, mineral agreements, or mining contracts.

13 **SEC. 7. Penal Provision.** – Any person, natural or juridical, or any
14 public officer, who violates the provisions of this Act shall be penalized with
15 imprisonment of at least six (6) years but not more than twelve (12) years,
16 and a fine of at least One hundred thousand pesos (P100,000.00) but not
17 more than Five hundred thousand pesos (P500,000.00).

18 In addition, a public officer who violates this Act shall also be
19 dismissed from service and perpetually disqualified from holding public
20 office.

21 If the offender is a juridical entity, the highest ranking official and
22 the members of its board of directors or board of trustees who authorized
23 the violations therein shall suffer the penalty imposed under this Act.

24 **SEC. 8. Implementing Rules and Regulations.** – Within three (3)
25 months from the effectivity of this Act, the DENR Secretary shall
26 promulgate the necessary rules and regulations for its effective
27 implementation.

28 **SEC. 9. Separability Clause.** – If any section or provision of this
29 Act is held unconstitutional or invalid, the remaining sections or provisions
30 with the provisions not affected thereby shall continue to be in full force and
31 effect.

1 **SEC. 10. *Repealing Clause.*** – All laws, decrees, executive orders
2 and rules and regulations contrary to or inconsistent with the provisions of
3 this Act are hereby amended or modified accordingly.

4 **SEC. 11. *Effectivity.*** – This Act shall take effect fifteen (15) days
5 after its publication in the *Official Gazette* or in a newspaper of general
6 circulation.

7 Approved,