



PEOPLE'S INITIATIVE (STRENGTHEN LOCAL AUTONOMY)

HERMILANDO “DODO” MANDANAS

Chairman, LUZON Regional Development Committee

Chairman, Regional Development Council CALABARZON

GOVERNOR, PROVINCE OF BATANGAS

LEGAL BASIS OF IRA UNDER THE 1987 CONSTITUTION

Article X

Section 6

"Local government units shall have a JUST SHARE, as DETERMINED BY LAW, in the NATIONAL TAXES which shall be AUTOMATICALLY RELEASED to them."

SC Decision July 3, 2018

Mandanas et al. v. Ochoa

And

Garcia v. Ochoa

An IRA Victory for LGUs

THE CASE

“Determination of the manner in which the **JUST SHARE** in the **NATIONAL TAXES** of the **LOCAL GOVERNMENT UNITS (LGUs)** has been computed.”

MANDANAS PETITION: SC GR **199802**

filed on Jan. 9, 2012 by

Batangas Gov. Hermilando I. Mandanas

- ✓ **BASIS FOR IRA COMPUTATION SHOULD INCLUDE BOC COLLECTIONS OF NATIONAL INTERNAL REVENUE TAXES**
- ✓ **IRA PAYBACK**

GARCIA PETITION: SC GR 208488

filed Aug. 27, 2013 by former Bataan Governor and Cong. Enrique “Tet” T. Garcia, Jr.

- ✓ **INCLUDE BOC COLLECTIONS IN REVENUE BASE IN COMPUTING THE IRA SHARE**
- ✓ **DECLARE UNCONSTITUTIONAL SEC. 284 (“INTERNAL REVENUE”) – INCONSISTENT WITH SEC. 6, ART. X OF THE 1987 CONSTITUTION (“NATIONAL TAXES”)**
- ✓ **DECLARE UNCONSTITUTIONAL THE ILLEGAL DEDUCTIONS FROM THE REVENUE BASE WHICH LESSENS THE IRA**

The Decision

The **SUPREME COURT VOTED:**

- 10 in Favor
- 3 dissented
- 1 abstained

The Decision

The **SUPREME COURT ORDERED** the

- Secretary of DEPARTMENT OF FINANCE;
- Secretary of DBM;
- COMMISSIONER OF INTERNAL REVENUE;
- COMMISSIONER OF CUSTOMS; and the
- NATIONAL TREASURER **TO INCLUDE:**

The Decision

- include ALL COLLECTIONS OF NATIONAL TAXES in the computation of the base of the just share of the Local Government Units according to the ratio provided in the now modified Sec. 284 the LOCAL GOVERNMENT CODE except those accruing to special purpose funds and special allotments ...

The Decision

“...the Decision shall have
PROSPECTIVE application.”

Motion for Reconsideration (filed by the National Gov't)

The Office of the Solicitor General is asking for a total revision of the July 3, 2018 SC Decision.

Motion for Partial Reconsideration (filed by Garcia et al.)

“... the LGUs be **paid the arrears** in their **just share in the national internal revenue taxes** which should be in keeping, and consistent, with the ruling that Section 284 of the LGC should be given recognition and effect prior to its declaration of unconstitutionality.”



If SC decision involving National Internal Revenue Taxes will be implemented...

... LGUs IRA will increase by 30% or 200 B additional IRA for 2019



This is an **IRA Victory**
for all the **Provinces,**
Cities, Municipalities
and Barangays!

IRA VICTORY MEANS ...

... that LGUs can now FUND and deliver the DEVOLVED BASIC SERVICES mandated by the Local Government Code as provided in Section 17.

Devolved Basic Service: **HEALTH**

- Hospitals, Barangay Health Centers, Medical Supplies & Facilities
- Ambulances; X-Ray; ECG; CT-Scan; MRI; Nebulizers; Dialysis Equipment
- Health Card; Medical Assistance to indigents
- Provision for honorarium for BHW, BNS Daycare workers and other support supplies and facilities



EDUCATION

- Scholarship Programs; Educational Assistance to indigent students
- Construction of New Classrooms/Buildings
- Computers, Convergence & Connectivity; E-Learning Centers
- Sports & Cultural Facilities
- Day Care Centers
- Teachers Training Programs



LIVELIHOOD

- Establishment of Training Centers
- Skills development training
- TESDA training
- Cooperative development
- Small and medium enterprises management trainings etc.



Protection of Life, Environment and Properties; and SOCIAL SERVICE

- Provision for honorarium and other support materials to Barangay *tanods* and other volunteers
- Construction of evacuation centers in preparation for natural calamities and disasters
- Provision of equipment and service vehicles for search and rescue operations, in firefighting and in roving/patrolling
- Preservation/ Conservation of environmental and natural resources
- projects on rebel returnees and evacuees; relief operations; and population development services



Other PROJECTS:

- **Telecommunications for Interconnectivity** of Municipalities and Cities
- Rehabilitation & Improvement of Local Government Buildings
- Construction of roads, bridges, multi-purpose halls and waterworks system, **farm-to-market roads**
- Housing project for local government employees; Housing for families affected by disaster
- Construction of Multi-Purpose Hall at Various Barangays



Advantages when LGUs have Funds

- **FAST IMPLEMENTATION OF PROJECTS** because LGUs are nearer to the people and are well aware of their needs
- **MINIMIZED CORRUPTION** because officials will be monitored closely by the people.
- THUS, the following could have been avoided:
 - **FERTILIZER SCAM**
 - **BARANGAY HEALTH STATION CONTROVERSY**
 - **DENGVAXIA CONTROVERSY**

HOW CAN THIS BE IMPLEMENTED?

RE-APPROPRIATING OR RECASTING THE BUDGET

- by reducing the appropriations for National Line Agencies intended for **DEVOLVED BASIC SERVICES** (Sec. 17, BOOK I, Local Govt Code) and transferring them to LGUs as their JUST SHARE in the NATIONAL TAXES in compliance with the SC decision.



NO DEFICIT will be incurred
because the **budget for**
National Line Agencies will
simply be **transferred to LGUs**
as **IRA**.

- 
- 1. Department of Agriculture**
 - 2. Department of Health**
 - 3. Department of Social Welfare and Development**

These are some the National Agencies who have current **control over the budget for devolved services**

AGENCY	PROGRAM/PROJECT	AMOUNT	
		FY 2018	FY 2019
Department of Public Works and Highways	Local Roads and Bridges	56,435,075,000.00	37,882,640,000.00
Department of Health	Rabies Control	583,370,000.00	908,360,000.00
Department of Health	Elimination of Infectious Disease	372,511,000.00	219,364,915.54
Department of Health	Other Infectious	1,693,697,000.00	738,347,000.00
Department of Health	TB Control	784,950,000.00	880,128,555.00
Department of Health	Non-Communicable Diseases	381,655,000.00	555,713,000.00
Department of Health	National Immunization Program	7,437,044,000.00	7,548,889,000.00
Department of Health	Environmental and Occupational Health	3,740,000.00	31,025,995.00
Department of Health	Health Facility Enhancement Program	29,030,054,000.00	-
Department of Agriculture	Farm-to-Market Road	9,958,500,000.00	9,958,500,000.00
Department of Social Welfare and Development	Pantawld Familyang Pilipino Program	89,408,303,000.00	88,106,324,000.00
Allocation to Local Government Units	Local Government Support Fund	31,435,232,000.00	34,299,651,000.00
TOTAL		227,524,131,000.00	181,128,943,465.54

The background of the slide features two men in white shirts. The man on the left is younger with dark hair, and the man on the right is older with white hair and glasses. Behind them are several faded logos, including the Philippine coat of arms and various university or government seals.

PEOPLE'S INITIATIVE

**(STRENGTHEN LOCAL
AUTONOMY)**

Initiative

This is the power of the people to propose amendments to the Constitution or to propose and enact legislations through an election called for the purpose.

AMENDMENT

- envisages a change or only a few specific provisions
- the intention is to improve specific parts of the existing constitution or add provisions that are deemed essential on account of changed conditions or suppress portions of it that seem obsolete, dangerous, or misleading

WHO MAY EXERCISE?

Republic Act 6735

Section 4. *Who may exercise.* — The power of initiative and referendum may be exercised by **all registered voters** of the country, autonomous regions, provinces, cities, municipalities and barangays.

Process for Amending/Revising the Constitution

Proposal

Submission

Ratification

HOW CAN WE STRENGTHEN LOCAL AUTONOMY?

1. By increasing the **REVENUES** of Local Government Units
2. By increasing the **TIME** or the **period of term** of local government officials, including barangay officials

PROCESS (with TIMELINE)

Proposed Amendments must be attached/incorporated in the signature sheet

not earlier than 60 days but not later than 90 days

Signature Gathering
(Target: until end of December 2018)

Petition to the COMELEC
(to be filed by the end of 2018)

publish at least 2x in a newspaper of general and local circulation (w/in 30 days from receipt of petition – until end of Jan. 2019)

Plebiscite

Ratification

Valid when ratified by majority of the votes cast in the plebiscite

The petition shall state the following:

1. contents or text of the proposed law sought to be enacted, approved or rejected, amended or repealed, as the case may be;
2. the proposition;
3. the reason or reasons therefor;
4. that it is not one of the exceptions provided herein;
5. signatures of the petitioners or registered voters; and
6. an abstract or summary in not more than one hundred (100) words which shall be legibly written or printed at the top of every page of the petition.

People's Initiative

3% per
Legislative
district



12% total
registered
voters

Article XVII, Section 2. Amendments to this Constitution may likewise be directly proposed by the people through initiative upon a petition of at least twelve per centum of the total number of registered voters, of which every legislative district must be represented by at least three per centum of the registered voters therein.

SC Ruling: Re Sufficiency of the Petition

- These essential elements are present only if the full text of the proposed amendments is first shown to the people who express their assent by signing such complete proposal in a petition. Thus, an amendment is “directly proposed by the people through initiative upon a petition” **only if the people sign on a petition that contains the full text of the proposed amendments.**

Ratification of the Constitution

Art. XVIII, Section 27

“This Constitution shall take effect immediately upon its ratification by a majority of the votes cast in a plebiscite held for the purpose and shall supersede all previous Constitutions.”

Date of Plebiscite is date of Ratification

Why We Need People's Initiative

1. HASTEN the implementation of the SC Decision on IRA

2. TO COUNTER the move of the economic team of lessening the IRA share to 30%

GENERAL PROVISIONS

ARTICLE X – LOCAL GOVERNMENT

ORIGINAL PROVISIONS	PROPOSED AMENDMENTS
<p>SECTION 5. Each local government unit 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 Congress may provide, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local governments.</p>	<p>Section 5. Each local government unit shall have the power to create its own sources of revenues and to levy taxes, fees, and charges PROVIDED THAT THE GUIDELINES AND LIMITATIONS OF THE ADMINISTRATION, IMPLEMENTATION, COLLECTIONS, DISBURSEMENTS AND SHARING AMONG LOCAL GOVERNMENT UNITS OF SUCH TAXES, FEES, AND CHARGES SHALL BE DETERMINED BY THE PROVINCES, OR AUTONOMOUS REGIONS, OR HIGHLY URBANIZED CITIES, OR INDEPENDENT COMPONENT CITIES WITHIN THEIR RESPECTIVE TERRITORIES.</p>

GENERAL PROVISIONS

ARTICLE X – LOCAL GOVERNMENT

SECTION 6.

Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them.

Section 6. Local government units shall have a just share, in **ALL NATIONAL TAXES, WHICH SHALL NOT BE LESS THAN FIFTY (50%) PERCENT OF THE TOTAL COLLECTIONS BASED ON THE SECOND YEAR PRECEDING THE CURRENT FISCAL YEAR, and** which shall be automatically released to them.

GENERAL PROVISIONS

ARTICLE X – LOCAL GOVERNMENT

SECTION 7.

Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits.

Section 7. Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, **WHICH SHALL NOT BE LOWER THAN FIFTY (50%) PERCENT OF THE TOTAL COLLECTIONS** OF THE PRECEDING YEAR AND THE PROVINCES, AUTONOMOUS REGIONS, HIGHLY URBANIZED CITIES, AND INDEPENDENT COMPONENT CITIES SHALL ALSO HAVE THE CONTROL, SUPERVISION AND ADMINISTRATION OF THE PROCEEDS OF ALL NATIONAL RESOURCES AND WEALTH WITHIN THEIR RESPECTIVE TERRITORIES.

GENERAL PROVISIONS

ARTICLE X – LOCAL GOVERNMENT

SECTION 8.

The term of office of elective local officials, except barangay officials, which shall be determined by law, shall be three years and no such official shall serve for more than three consecutive terms. Voluntary renunciation of the office for any length of time shall not be considered as an interruption in the continuity of his service for the full term for which he was elected.

Section 8. The term of office of elective local officials, **including** barangay officials, ~~which shall be determined by law~~, shall be **FOUR** years and no such official shall serve for more than three consecutive terms. Voluntary renunciation of the office for any length of time shall not be considered as an interruption in the continuity of his service for the full term for which he was elected.

Signature Gathering

- ✓ Every barangay will be given signature booklet/s
- ✓ The signature booklets will be submitted to the Mayors, and then to their respective Governors
- ✓ The signature booklet shall contain the name, voter's ID / precinct no. and signature of the registered voter
- ✓ Every page of the signature booklet must be signed by the barangay official who is facilitating the signature campaign and the same official shall also sign the affidavit at the back page of the booklet



**SIGN THE PETITION
NOW!**

#StrengthenLocalAutonomy