

[**BATAS PAMBANSA BLG. 337, February 10, 1983**]

AN ACT ENACTING A LOCAL GOVERNMENT CODE

Be it enacted by the Batasang Pambansa in session assembled:

BOOK I.—GENERAL PROVISIONS

Title One.—Basic Principles

Chapter 1.—*The Code: Policy and Application*

SECTION 1. *Title of Act.*—This Act shall be known and referred to as the "Local Government Code."

SEC. 2. *Declaration of Policy.*—The State shall guarantee and promote the autonomy of local government units to ensure their fullest development as self-reliant communities and make them more effective partners in the pursuit of national development and social progress. To this end, the State shall constantly find and effectuate ways of enhancing their capabilities in discharging these responsibilities through a responsive and accountable local government structure instituted through a system of decentralization whereby local governments shall be given more powers, responsibilities and resources.

SEC. 3. *Scope of Application of Code.*—This Code shall apply to all local governments and, to the extent herein proved, to officials, offices or agencies of the national government.

SEC. 4. *Rules of Interpretation.*—(1) Any power of a barangay, municipality, city or province shall be liberally construed in its favor. Any fair and reasonable doubt as to the existence of the power shall be interpreted in favor of the local government unit concerned.

(2) The general welfare provisions in this Code shall be liberally interpreted so as to give more power to local governments in promoting the economic uplift, social welfare and material progress of the people in the community.

(3) Vested rights existing on the date of the effectivity of this Code arising out of contracts or any other source of obligation between a province, city, municipality or barangay and another party, shall be governed by the original terms and provisions of said contract or the law in force at the time such rights became vested and in no case shall this Code infringe on them.

(4) When in the resolution of controversies arising under this Code no legal provision or jurisprudence can be found to apply, resort may be had to the customs and traditions in the place where the controversy arose.

CHAPTER 2.—*General Powers and Attributes of Local Government Units*

SEC. 5. *Creation and Conversion; Political and Corporate Nature.*— (1) As a general rule, the creation of a local government unit or its conversion from one level into another level of local government shall be based on factors relative to viability and projected capacity to provide services which can be clearly shown by verifiable indicators.

(2) Every local government unit created or recognized under this Code is a body politic and corporate endowed with powers to be exercised by and through its government in conformity with law. As such, it shall exercise powers as a subdivision of the government and as a corporate entity representing the inhabitants of its territory.

SEC. 6. *Beginning of Corporate Existence.*—When a new local government unit is created, its corporate existence shall commence upon the qualification of its chief executive and a majority of the members of its legislative body or *sanggunian* unless some other time is fixed therefor by law.

SEC. 7. *Governmental Powers in General.*—Every local government unit shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary and proper for governance such as to promote health and safety, enhance prosperity, improve morals, and maintain peace and order in the local government unit, and preserve the comfort and convenience of the inhabitants therein.

SEC. 8. *Authority to Create Sources of Revenue.*—(1) Each local government unit shall have the power to create its own sources of revenue and to levy taxes, subject to such limitations as may be provided by law.

(2) For purposes of taxation by local government units, the appraisal and assessment of real property, as well as the levy, collection and administration of real property taxes, shall be governed by the provisions of existing laws insofar as they are not inconsistent with this Code.

SEC. 9. *Eminent Domain.*—A local government unit may, through its head and acting pursuant to a resolution of its *sanggunian*, exercise the right of eminent domain and institute condemnation proceedings for public use or purpose.

SEC. 10. *Closure of Roads.*—A local government unit may likewise, through its head acting pursuant to a resolution of its *sangguniang* and in accordance with existing law and the provisions of this Code, close any barangay, municipal, city or provincial road, street, alley, park or square. No such way or place or any part thereof shall be closed without indemnifying any person prejudiced thereby. A property thus withdrawn from public use may be used or conveyed for any purpose for which other real property belonging to the local unit concerned might be lawfully used or conveyed.

SEC. 11. *Effectivity of Ordinances; Publication* — (1) No ordinance enacted by a local government shall take effect until after the lapse of ten (10) days from the date a copy of it is posted in a bulletin board located in a conspicuous place at the provincial, city, municipal or barangay hall, at the public market, and/or at the church or chapel.

(2) In highly urbanized cities, the main features of the ordinance must, in addition thereto, be published in a newspaper of general circulation in the city.

SEC. 12. *Corporate Powers.*— Every local government unit shall, as a corporation, have the following powers:

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

SEC. 13. *Non-Liability for Damages.*—Unless otherwise provided by law, no province, city, municipality or barangay shall be liable for injuries or damages to persons or property arising from the act or omission of any of its officers or employees while in the performance of their official functions.

Chapter 3.—*Intergovernmental Relations*

Article One.—*National Government and Local Governments*

SEC. 14. *National Supervision over Local Governments.* — (1) The President of the Philippines shall exercise general supervision over local governments to ensure that local affairs are administered according to law. General supervision includes the power to order an investigation of the conduct of local government officials whenever necessary. Such general supervision shall be exercised primarily through the Ministry of Local Government.

(2) All ministries and national offices having to do with local government administration shall be confined to the setting of uniform standards and guidelines to obviate the need for requiring prior approval or pre-clearance on regular and recurring transactions and other activities normal to local governments. In this regard, the Ministry of Local Government shall establish and maintain appropriate coordinative and consultative arrangements with other ministries and national offices concerned with respect to the monitoring and securing of proper compliance with such standards and guidelines specially on matters which are highly technical in nature. Moreover, as a matter of general policy and whenever appropriate, the Ministry of Local Government shall exercise its supervisory authority over municipalities through the provinces, and barangays through municipalities and cities.

(3) Where appropriate, ministries and national agencies with project implementation functions other than the Ministry of Local Government, shall coordinate with and secure the desired integration with allied national government functions.

(4) Unless the contrary is provided, the regional offices or appropriate field units of the various ministries and national agencies in the region shall be the major points of contact and liaison between local governments and the national government. For this purpose, the national government shall, as a general policy and as much as practicable, effect the substantial delegation of authority and powers to the regional offices.

Article Two.—*Province and City*

SEC. 15. *Provincial-City Relations*.—The province, through the provincial governor, shall see to it that every component city within its territorial jurisdiction acts within the scope of its assigned powers and functions. Highly urbanized cities shall be independent of the province.

SEC. 16. *Loans, Grants or Subsidies between Province and Component Cities*.— (1) The *sangguniang panlalawigan* may, out of the provincial funds, extend loans, grants or subsidies to component cities geographically located within the province under such terms and conditions as it may impose.

(2) The *sangguniang panlungsod* of a component city may, out of city funds, likewise extend loans, grants or subsidies to the province to which it belongs, subject to such terms and conditions as it may impose.

Article Three.—*Province and Municipality*

SEC. 17. *Provincial Supervision over Municipal Affairs*. —The province, through the provincial governor, shall have primary responsibility for general supervision over the government of every municipality within its territorial jurisdiction to ensure that it acts within the scope of its assigned powers and functions.

SEC. 18. *Submission of Questions to the Provincial Attorney or Fiscal*.—In the absence of a municipal attorney, the municipal government may secure the opinion of the provincial attorney, if any, or the provincial fiscal on any legal question affecting the municipality.

SEC. 19. *Certain Acts of the Sangguniang Bayan Requiring Approval of the Sangguniang Panlalawigan*.—The following acts of the *sangguniang bayan* shall be subject to the approval of the *sangguniang panlalawigan*:

- (1) Permanent closure of a public road, street, alley, park or square; and
- (2) Donation of municipal funds or property.

SEC. 20. *Provincial Loans, Grants and Subsidies*.—The *sangguniang panlalawigan* may, out of the provincial funds, extend loans, grants and subsidies to municipalities of the province under such terms and conditions as it may impose.

Article Four.—*City and Barangay*

SEC. 21. *City Supervision over Barangay Affairs*.— The city, through the city mayor, shall have primary responsibility for general supervision over the government of every barangay within its territorial jurisdiction to ensure that it acts within the scope of its assigned powers and functions.

SEC. 22. *Review of Barangay Ordinances and Resolutions*.—The *Sangguniang panlungsod* shall review all ordinances and resolutions duly approved by the *sangguniang barangay* to ensure that they are within the powers granted by law and in conformity with city ordinances.

SEC. 23. *Barangay Improvement; Recommendations*.— The *sangguniang barangay* may submit to the *sangguniang panlungsod* such suggestions or recommendations as it may see fit for the improvement of the barangay and for the welfare of its inhabitants.

Article Five.—*Municipality and Barangay*

SEC. 24. *Municipal Supervision over Barangay Affairs.* — The municipality, through the municipal mayor, shall have primary responsibility for general supervision over the government of every barangay within its territorial jurisdiction to ensure that it acts within the scope of its assigned powers and functions.

SEC. 25. *Review of Barangay Ordinances and Resolutions.*—The *sangguniang bayan* shall review all ordinances and resolutions duly approved by the *sangguniang barangay* to ensure that they are within the powers granted by law and in conformity with municipal ordinances.

SEC. 26. *Recommendations to the Sangguniang Bayan.* —The *sangguniang barangay* may submit to the *sangguniang bayan* such suggestions or recommendations as it may see fit for the improvement of the barangay and for the welfare of its inhabitants.

Chapter 4.—*Relation with Other Offices*

SEC. 27. *The Ministry of Health.*— (1) The present participation of local government units as well as their fund assistance for the delivery of health services within their respective areas shall continue until such time as the national integration of said services shall have been fully implemented by the Ministry of Health.

(2) Notwithstanding this integration, a local government unit may assist or augment the integrated national health services with local funds.

SEC. 28. *The Ministry of Justice.*—Whenever the exigencies of the service warrant the creation of positions of additional lawyers to assist provincial and city fiscals in the discharge of their duties, positions of special counsel may be created by any province or city with salaries chargeable against provincial or city funds. Special counsels shall be appointed by the Minister of Justice upon recommendation of the provincial governor or city mayor concerned, either on permanent or temporary basis.

SEC. 29. *The Commission on Audit.*—The Commission on Audit shall review and audit all accounts of each local government unit in accordance with the provisions of law relating to government accounts and accounting.

SEC. 30. *The Ministry of Education, Culture and Sports.*— The Ministry of Education, Culture and Sports shall exercise the same jurisdiction and powers over all educational institutions established or supported by any local government unit that it exercises over all other public schools.

SEC. 31. *Participation of Local Governments in the Implementation of National Programs and Projects.*—(1) Each ministry, office, agency or instrumentality of the national government shall involve local governments and secure their participation in the various substantive aspects of programs and projects, and the other corollary operational activities that should be carried out through local governments.

(2) As a general policy and as much as practicable, the national government shall encourage and provide the necessary authority for local governments in the supervision of appropriate national government operations and activities undertaken at the various levels of local government.