

AN ACT GRANTING TO MUNICIPAL COUNCILS GREATER AUTONOMY IN THE PREPARATION OF THE MUNICIPAL BUDGETS, AMENDING FOR THIS PURPOSE CERTAIN SECTIONS OF THE REVISED ADMINISTRATIVE CODE.

REPUBLIC ACT NO. 1062, June 12, 1954

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

SECTION 1. Sections two thousand two hundred ninety-five two thousand two hundred ninety-six, two thousand two hundred ninety-seven and two thousand two hundred ninety-nine of the Revised Administrative Code, as amended, are further amended to read as follows:

"SEC. 2295. Municipal budget.—The municipal treasurer shall present to the mayor, not later than sixty days before the beginning of each fiscal year, a certified and detailed statement of the actual receipts and expenditures of the municipality during the first three quarters of the current fiscal year and the estimated receipts for the ensuing fiscal year. The provincial treasurer shall certify to the reasonable probability of realizing the estimated receipts for the ensuing fiscal year as prepared by the municipal treasurer.

"Within the same period, the heads of the various offices in the municipal government shall submit to the mayor a statement of the proposed expenditures recommended by them for their respective offices during the ensuing fiscal year. Upon receiving the foregoing statements, the mayor shall prepare the municipal budget for the ensuing fiscal year. The said budget shall contain an estimate of receipts as submitted by the municipal treasurer duly certified by the provincial treasurer and his proposed expenditures for the ensuing fiscal year. The proposed expenditures for salaries and wages shall specify the number of positions, their respective designations, and the rates of salaries and wages. In case a reduction of salaries and wages is necessary, such reduction shall be general in character, and the percentage thereof shall be uniform for similar rates of salaries and wages and in case of abolition of position the action of a municipal council shall not become effective except upon approval by the Secretary of Finance.

"The mayor shall submit the said budget to the council not later than twenty days before the beginning of the fiscal year.

"SEC. 2296. Appropriation ordinance.—Upon receipt of the budget, the municipal council shall, on the basis thereof, enact the general appropriation ordinance, including therein all statutory and contractual obligations of the municipality and upon enactment by the council and approval by the mayor, the ordinance shall, on the date therein fixed for its effectivity and subject to appeal to the provincial board as hereinafter provided, be in full force and effect: Provided however, That if the aggregate amount so appropriated exceeds the said estimated receipts, then the ordinance shall be effective only when approved by the Secretary of Finance. If the council shall fail to enact the general appropriation ordinance before the beginning of the ensuing fiscal year, and pending approval of the said general appropriation ordinance, the corresponding ordinance for the preceding fiscal year shall be deemed reenacted. Changes in the general appropriation ordinance may be effected by supplemental budgets prepared and adopted in the same manner as the annual budget.

"SEC. 2297. Appeal to the provincial board.—In case the head of any office is dissatisfied with the

appropriation ordinance approved by the municipal council, he may appeal to the provincial board from the action of the council within ten days after he is advised of such action. The appeal shall specify the portion of the appropriation ordinance objected to and shall state the grounds for the objection. The provincial board shall decide the appeal within twenty days after receipt thereof, and its decision shall be final: Provided, That no favorable action on any such appeal shall be taken by the provincial board if the appeal involves an increase in any item of appropriation and such increase will result in exceeding the percentage fixed in section two thousand two hundred ninety-nine, or in increasing the aggregate amount appropriated in the ordinance beyond the estimated receipts.

“SEC 2299. General limitation upon amount expendable salaries and wages.—Except as hereinbelow provided, there shall not be expended during any fiscal year for salaries and wages of municipal officials and employees of every description, excluding those employed on public works, in municipalities of the first class-A more than fifty-five per centum, in municipalities of the first class-B more than sixty per centum, in municipalities of the first class more than sixty-five per centum, in municipalities of the second class more than seventy per centum, in municipalities of the third class more than seventy-five per centum, in municipalities of the fourth class more than eighty-five per centum, of the annual revenues accruing to the municipal general funds during said fiscal year, exclusive of all balances carried forward from preceding years, and any and all appropriations, loans, or gifts made from national, provincial, or private funds.

"With the approval of the Secretary of Finance a municipality may, for justifiable cause, exceed the foregoing percentages under such limitations as may be prescribed by the said Secretary."

SEC. 2. Section two thousand two hundred ninety-eight of the same Code, is hereby repealed.

SEC. 3. This Act shall take effect upon its approval.

Approved, June 12, 1954.

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