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OFFICE OF THE SANGGUNIANG BAYAN

Municipal Building, Poblacion, Bulalacao, 5214, Oriental Mindoro

EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BULALACAO, ORIENTAL MINDORO HELD ON MAY 5, 2017 AT THE SANGGUNIANG BAYAN SESSION HALL.

PRESENT:

Hon. Elpidio N. Contreras, Jr.	Temporary Presiding Officer
Hon. Dexter R. Gonzales	Sangguniang Bayan Member
Hon. Dennes M. Faner	Sangguniang Bayan Member
Hon. German S. Acosta	Sangguniang Bayan Member
Hon. Edezer F. Aceron	Sangguniang Bayan Member
Hon. Guillermo G. Salas, Jr.	Sangguniang Bayan Member
Hon. Edwin C. Aceron	Sangguniang Bayan Member
Hon. Teresita S. Bantugan	Sangguniang Bayan Member
Hon. Tulay M. Caring	IPM Representative

ABSENT:

Hon. Ramon G. Magbanua	Municipal Vice Mayor
Hon. Enrico C. Villas	Pangulo, Liga ng mga Barangay-Leave

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MUNICIPAL ORDINANCE NO. 17-05-183

COMPREHENSIVE INVESTMENT INCENTIVES ORDINANCE OF THE MUNICIPALITY OF BULALACAO, PROVINCE OF ORIENTAL MINDORO

Sponsors: Honorable Edezer F. Aceron
Chairman, Committee on Ordinances and Legal Matters

Honorable Dexter R. Gonzales
Chairman, Committee on Trade, Commerce and Industry

“WHEREAS, the Local Government Code of the Philippines empowers the Local government unit to grant tax exemptions, incentives or reliefs to encourage investment for economic growth and progress in the countryside;

“WHEREAS, there is a need to grant tax exemptions and investment incentives to qualified enterprises in the Municipality of Bulalacao in order to improve and develop the municipality’s investments climate and attract both foreign and local investors in business and industry;

“WHEREAS, the comprehensive investment incentives program will serve to promote and attract private investments both foreign and domestic which could accelerate economic and tourism growth in the municipality and in the province as a whole;

(Handwritten signatures and initials)

NOW THEREFORE, BE IT ORDAINED BY THE SANGGUNIANG BAYAN OF BULALACAO, ORIENTAL MINDORO, IN SESSION DULY ASSEMBLED, THAT:

**CHAPTER I
TITLE AND DECLARATION OF POLICY**

SECTION 1. TITLE. This Ordinance shall be known as "The Comprehensive Investment Incentives Ordinance of the Municipality of Bulalacao".

SEC. 2. DECLARATION OF POLICY.

- 1) It is the responsibility of the Municipality of Bulalacao to attract, promote and welcome private Filipino and foreign investments in industry, trade, tourism, scientific and technological transfers, agriculture, waste management/treatment facilities and other sectors of the economy which can provide significant employment opportunities to local qualified residents relative to the amount of the investment in increase productivity of the land and improve utilization of the products thereof, improve technical skills of the people employed in the enterprises, to provide a foundation for the acceleration and enhancement of the local as well as the national economy.
- 2) Unless otherwise provided herein, the tax exemption and incentives shall take effect for a period of not more than five (5) years from the start of actual commercial operation of new or expanded enterprises as provided herein.
- 3) The Municipality shall grant to persons or entities whose business significantly contribute to the attainment of these objectives, such tax exemptions and incentives devised to compensate for market imperfections and to reward performance contributing to economic development and enhancing local employment opportunities.
- 4) All registered and qualified persons or entity, both foreign and local, who are investors within the territorial jurisdiction of the Municipality of Bulalacao will be granted tax exemptions or incentives with respect to local government taxes, fees and charges on business and on the gross sales or receipts for specific periods of time under this Ordinance.

**CHAPTER II
DEFINITION OF TERMS**

SEC. 3. Definition of Term. When used under this Ordinance, the following terms and phrase shall be construed to mean as:

- a) Board shall refer to the Bulalacao Investment Incentives Board (BIIB) created under this Ordinance;

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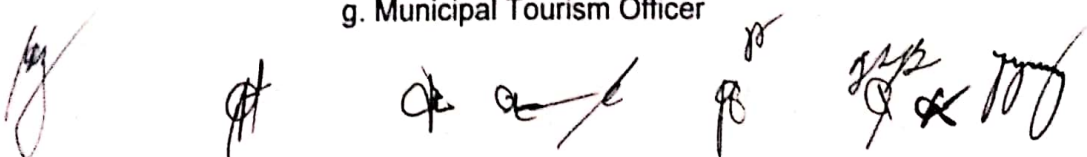
- b) Municipality shall mean the Municipality of Bulalacao, Oriental Mindoro covering all the areas within its territorial jurisdiction as provided for by law;
- c) Ordinance shall refer to the Comprehensive Investment Incentives Ordinance of the Municipality of Bulalacao;
- d) Existing establishments/enterprises shall refer to those establishments/enterprises whose places of operation or production are located within the territorial jurisdiction of the Municipality at the time of the approval of this Ordinance and those who registered or started its operation in the Municipality of Bulalacao;
- e) New investors shall refer to those prospective investors who have not yet engaged in any kind or type of business in the Municipality or have not engaged in full commercial operation at the time of the approval of this Ordinance;
- f) Local personnel/workers refer to workers or personnel employed in enterprises and business located in Bulalacao, Oriental Mindoro;
- g) Registered and qualified enterprises shall mean any individual, partnership, cooperative, corporation or other entity incorporated and/or organized, registered and existing under Philippine laws, or the laws of the origin country in the case of foreigners;
- h) Processing shall mean converting of raw materials into marketable form through physical, mechanical, electrical, biochemical, biological or other means or by a special treatment or a series of action, such as slaughtering, milling or pasteurizing the products. Merely packaging or repacking shall not constitute processing.

CHAPTER III INVESTMENT INCENTIVES BOARD

SEC. 4. The Municipal Investment Incentives Board. There is hereby created the Bulalacao Investment Incentives Board (BIIB) to carry out the provisions of this Ordinance.

SEC. 5. Composition of the Board. The Board shall be composed of the following:

- 1. Chairman - Municipal Mayor
- 2. Vice Chairman - Chairman, SB Committee on Trade and Industry
- 3. Members:
 - a. Municipal Treasurer or his representative, who shall act as the Secretary of the Board;
 - b. Municipal Planning and Development Officer or the representative;
 - c. Municipal Assessor or the representative;
 - d. President of the Bulalacao Business Club or its equivalent;
 - e. President of the Bulalacao Retailers Association or its equivalent;
 - f. Two members of the Sang. Bayan to be chosen by it;
 - g. Municipal Tourism Officer



Provided that the membership of the Board may be increased or decreased by the Sangguniang Bayan (SB) through the recommendation of the Board as it may deem necessary for the effective implementation of the provisions of this Ordinance.

SEC. 6. Meeting and Quorum of the Board. The Board shall meet at least once every quarter or as may be necessary, at such day and time as it may fix. The presence of the majority of the membership (which is 50%+1) shall constitute quorum to transact business.

SEC. 7. Powers and functions of the Board. The Board shall establish policies and guidelines which will encourage domestic and foreign investments and business activities consistent with the development needs of the Municipality. Pursuant to this, the Board shall be vested with the following powers and functions:

- a) To promulgate the rules, regulations and guidelines implementing this Ordinance;
- b) To identify other priorities or preferred investment areas and/or activities to be promoted and to recommend to the Sangguniang Bayan appropriate incentives and support measures which shall be extended to new and existing investors in order to attract new investments or expansions;
- c) Adopt a short and medium term investment program which shall specify the list of priority investment areas and activities and the corresponding incentives and support measures;
- d) To designate a secretariat of the Board and assign its functions in relation to the implementation of the provisions of this Ordinance;
- e) To secure additional funding and resources to supplement the budgetary support provided by the Municipality for the operation and implementation of this Ordinance;
- f) To enter into any agreement thru its Chairman with other government agencies and private sector organizations for the purpose of simplifying the systems, procedures, requirements on investments and business operation within the Municipality of Bulalacao, subject to the authority and ratification of the Sangguniang Bayan;

CHAPTER IV INVESTMENT PRIORITIES PLAN

SEC. 8. Investment Priorities Plan (IPP). The Board shall prepare and draw an Investment priorities plan which shall include the list of priority investment areas of activities such as the following:

- a) The specific activities and generic categories of economic activities where investments are to be encouraged and giving authority shall be covered with the following undertakings:



- i. Labor-generating or labor intensive enterprises.
 - ii. Enterprises established in less developed areas as may be determined and guided by the zoning ordinance.
 - iii. Manufacturing enterprises using raw materials that are available locally.
 - iv. Manufacturing plants.
 - v. Aquaculture and fishery enterprises;
 - vi. Health and wellness;
 - vii. Education, training and seminar development activities;
 - viii. General merchandising or consumer-oriented firms.
 - ix. Export-oriented industries.
 - x. Tourism oriented industries.
 - xi. General engineering and building contractors.
 - xii. Utility companies engaged in power generation and distribution, water, telecommunications and those of similar nature.
 - xiii. Commercial building (new or expansion).
 - xiv. Housing development whether socialized or non-socialized.
 - xv. Information technology enterprises.
- b) Specific public utilities which qualifies for incentives under this Ordinance and which shall be supported by studies of existing and prospective regional demands for the services of such public utilities in the light of the level and structure of income, production, trade, prices and relevant economic and technical factors of the regions as well as the existing facilities to produce such services.
- c) Specific activities where the potential for utilization of indigenous and non-petroleum based fuels or sources of energy can best be promoted; and
- d) Such other information, analysis, data, guidelines or criteria as the Board may deem appropriate.

The IPP and its revision shall be approved for adoption by the Sangguniang Bayan of Bulalacao, It may be revised yearly for maximum flexibility as the Board may deem it necessary.



SEC. 9. Review of Incentives. The Board shall review the package of appropriate incentives and support measures every two (2) years. Without prejudice to existing rights of registered investors/enterprises, the Board may, at any time, revise or discontinue the grant of incentives or support measures for any area of activity, if such area of activity places the interest of the Municipality and the public in an adverse position or investments; or such area of activity cannot be attractive within reasonable cost or will result in an unfavorable economic climate. The result of such review shall be referred to Sangguniang Bayan for appropriate action.

CHAPTER V REGISTRATION OF ENTERPRISES

SEC. 10. Qualifications of enterprises. An enterprise which intends to avail of the incentives provided in this ordinance must meet the following qualifications:

- a) The prospective enterprise shall comply with all the requirements mandated under existing local and national laws and the Constitution of the Republic of the Philippines.
- b) That the prospective enterprise place of operation or production shall be located within the territorial jurisdiction of the Municipality of Bulalacao. This shall include the opening of any branch within the Municipality of Bulalacao by an enterprise conducting business outside of the Municipality.
- c) The new enterprise must be engaged in preferred areas of investment as herein enumerated.
- d) The actual investment must at least one million pesos (1,000,000.00); Provided that the amount of investment shall be based on the total project cost stated in the investor's study submitted to and approved by the Board.
- e) The new enterprise must provide labor and employment to bonafide residents of the Municipality of Bulalacao, numbering not less than:

2 for investment worth PhP 1 Million but less than 5 Million;
5 for investment worth PhP 5 Million but less than 10 Million;
10 for investment worth PhP 10 Million but less than 20 Million;
15 for investment worth PhP 20 Million but less than 30 Million;
20 for investment worth PhP 30 Million but less than 40 Million;
25 for investment worth PhP 40 Million and above

Provided, that enterprises using state-of-the-art modern technology, equipment and requiring specialized training or less manpower or certified by the DOST shall be exempted from this requirement.



SEC. 11. Qualifications of existing enterprises. An existing enterprise may avail of the incentives under this Ordinance, provided, that it meets the following qualifications:

- a) The enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution of the Republic of the Philippines.
- b) The enterprise must engage in activities mentioned in the investment priorities plan or in other preferred areas of investment as mentioned in this Ordinance.
- c) That the existing enterprise whose place of operation is already located within the territorial jurisdiction of the Municipality of Bulalacao, shall expand its existing production capacity or construct new building and other civil works for the installation of new machinery and equipment or improvements thereof which shall result in an increase in production capacity.
- d) That the existing enterprise must provide labor and employment to bonafide residents of the Municipality of Bulalacao, numbering not less than:

- 2 for investment worth PhP 1 Million but less than 5 Million;
- 5 for investment worth PhP 5 Million but less than 10 Million;
- 10 for investment worth PhP 10 Million but less than 20 Million;
- 15 for investment worth PhP 20 Million but less than 30 Million;
- 20 for investment worth PhP 30 Million but less than 40 Million;
- 25 for investment worth PhP 40 Million and above

Provided, that enterprises using state-of-the-art modern technology equipment requiring specialized training or less manpower as certified by the DOST shall be exempted from this requirement.

SEC. 12. Application Requirements. A qualified enterprise shall file an application for registration with the Board thru its appointed Secretary within sixty (60) days from the approval of this Ordinance. Thereafter, new or existing enterprise qualified under this Ordinance shall file their application within sixty (60) days from qualifying for the incentives provided herein. A qualified enterprise shall be considered to have waived its privilege to avail of the incentives provided in this Ordinance if no such application is received within the specified period.

The applicant shall submit three (3) copies of completed application form to be prepared and provided by the Board in accordance with the provisions of this Ordinance. The application for registration shall be accompanied by the following:

- a.) A non-refundable filing fee in the following amounts:
 - PhP 1,000 for investment worth PhP 1 Million but less than 5 Million
 - PhP 2,000 for investment worth PhP 5 Million but less than 10 Million
 - PhP 5,000 for investment worth PhP 10 Million but less than 20 Million
 - PhP 10,000 for investment worth PhP 20 Million but less than 30 Million
 - PhP 15,000 for investment worth PhP 30 Million but less than 40 Million
 - PhP 25,000 for investment worth PhP 40 Million and above



- b.) A copy of the complete project study of the proposed investment showing that the project is economically, technically and financially feasible and viable.
- c.) A certified true copy of applicant's certificate of registration with the Securities and Exchange Commission, the Board of Investments, Cooperative Development Authority, Department of Labor and Employment or the Department of Trade and Industry, as the case may be; and
- d.) A resolution of the applicant's board of directors or trustees authorizing the application.

SEC. 13. Action on Registration Application. The Board shall act upon every application within thirty (30) days upon receipt thereof, provided, that all requirements are complete.

SEC. 14. Certificate of Registration. Upon compliance of all the requirements and qualifications, an enterprise shall be issued with a certificate of registration signed by the chairman and/or such other officers of the Board as it may empower and designate.

CHAPTER VI RIGHTS AND PRIVILEGES

SEC. 15. Rights and privileges guaranteed by the Municipal Government. All investors and registered enterprises are entitled to rights and guarantees provided by law and the Constitution. In addition, and in order to enhance investors confidence in the incentives program, the Local Government Unit of Bulalacao, through the Bulalacao Investment Incentives Board shall:

- a) Provide a concise and comprehensive information to prospective investors on the economic priorities of the Municipal Government, including target investment areas and the general conditions applicable to incoming direct investments;
- b) Communicate investment evaluation criteria and procedures;
- c) Take into consideration the need of investors for stability, growth and profit in operating the enterprises by formulating adjustments, policies, and ordinances that may affect investment.
- d) Respect and uphold arrangements with investors after the details of the implementation of an investment project have been accepted and approved; and the ownership and management structure of the enterprises have been established, unless the law provides otherwise;
- e) Avoid undue distortion or competition between or among enterprises, whether domestic or foreign, operating within its territorial jurisdiction when granting any special exemption or incentives;



CHAPTER VII INCENTIVES TO REGISTERED ENTERPRISES

SEC. 16. Period of Availment. Unless otherwise provided herein, a registered enterprise shall enjoy the fiscal incentives for a fixed period corresponding to the actual amount of investment to wit:

<u>INVESTMENT</u>	<u>INCENTIVE PERIOD</u>
1 Million Pesos but less than PhP 5 Million	- Two years
5 Million Pesos but less than PhP 20 Million	- Three years
20 Million Pesos but less than PhP 40 Million	- Four years
40 Million Pesos and above	Five years

SEC. 17. Fiscal Incentives. In addition to incentives provided by laws a registered enterprise under this Ordinance shall enjoy the following incentives from the date of start of actual commercial operation;

(1) Exemption from local licenses, fees and dues. A registered enterprise under this Ordinance shall be fully exempted from mayor's permit fee within the applicable incentive period, building permit fee, and other fees, except for regulatory fees, such as:

- a) Medical Certificate Fee
- b) Sanitary Permit Fee
- c) Garbage Collection Fee
- d) Fire Inspection Fee
- e) Occupation Fee

(2) Reduction of Business Tax. Registered enterprises subject to period of availment under Section 16 shall be entitled to reduced business taxes based on gross sales or receipts earned or realized during the preceeding calendar year.

<u>YEAR</u>	<u>REDUCTION</u>
First Year	100% of Gross Sales/Receipts
Second Year	75% of Gross Sales/Receipts
Third Year	50% of Gross Sales/Receipts
Fourth Year	30% of Gross Sales/Receipts
Fifth Yea	20% of Gross Sales/Receipts
Sixth Year	10% of Gross Sales/Receipts
Seventh Year	0% of Gross Sales/Receipts

SEC. 18. Appropriation. To defray the expenses necessary to or incidental to the implementation of the provisions of this Ordinance, the necessary budget shall be appropriated in the Office of the Municipal Mayor every year based on a proposal presented by the Board utilization of such fund shall be subject to the usual government budgetary, procurement, and other disbursement, accounting and auditing rules and regulations.

CHAPTER VIII FINAL PROVISIONS

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SEC. 19. Interpretation. All doubts concerning the benefits and incentives granted to enterprises and investors by this Ordinance shall be resolved in favour of the Municipality of Bulalacao.

SEC. 20. Tax Credits. All those qualified to avail the benefits of this Ordinance and who have paid the necessary taxes, may avail the tax credits for taxes due to the Municipality of Bulalacao.



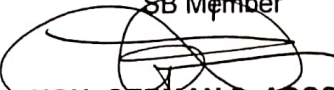
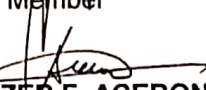



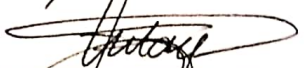
SEC. 21. Judicial Relief. All orders or decisions of the Municipal Government in cases involving the provisions of this Ordinance shall immediately be executory. No appeal from the order of decision of the Municipal Government by the party adversely affected shall stay such other or decisions.

SEC. 22. Separability Clause. The provisions of this Ordinance are declared separable. The invalidity of other provisions or one or more provisions shall not affect the validity of other provisions thereof.


SEC. 23. Repealing Clause. All ordinances, executive order and rules and regulations inconsistent with the provisions of this Ordinance are hereby repealed or modified accordingly.

SEC. 24. Effectivity. This Ordinance shall take effect fifteen (15) days after its posting in at least three (3) conspicuous places within the Municipality.

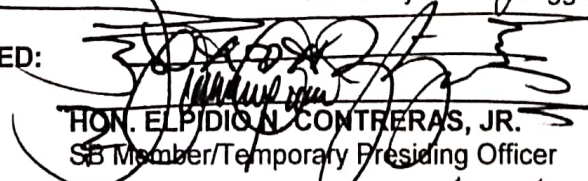
ENACTED this 5th day of May, 2017. Bulalacao, Oriental Mindoro.

 HON. DEXTER R. GONZALES SB Member	 HON. DENNES M. FANER SB Member
 HON. GERMAN S. ACOSTA SB Member	 HON. EDEZER F. ACERON SB Member
 HON. GUILLERMO G. SALAS, JR. SB Member	 HON. EDWIN C. ACERON SB Member
 HON. TERESITA S. BANTUGAN SB Member	 HON. TULAY M. CARING IPM Representative

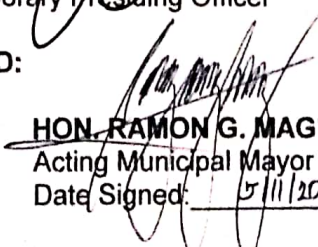
CERTIFIED TRUE AND CORRECT:


PERLITA L. PAZ
Secretary to the Sanggunian

ATTESTED:


HON. ELPIDIO N. CONTRERAS, JR.
SB Member/Temporary Presiding Officer

APPROVED:


HON. RAMON G. MAGBANUA
Acting Municipal Mayor
Date Signed: 5/11/2017