



Republic of the Philippines
Province of La Union
Municipality of Rosario

OFFICE OF THE SANGGUNIANG BAYAN

**EXCERPT FROM THE JOURNAL OF THE REGULAR SESSION OF THE
SANGGUNIANG BAYAN OF ROSARIO, LA UNION ON APRIL 24, 2018.**

Hon. Allan S. Sabangan - - Vice Mayor/Presiding Officer

Present:

Hon. Jan Michael G. Viray- --- SB Member
Hon. Milagros T. Albay - - - - - SB Member
Hon. Cesario T. Licos - - - - - SB Member
Hon. Felix T. Madriaga - - - - - SB Member
Hon. Florante B. Zarate - - - - - SB Member
Hon. Ronald S. Selga - - - - - SB Member
Hon. Rodolfo E. Estacio - - - - - SB Member
Hon. Raul C. Flores - - - - - SB Member
Hon. Domingo V. Perez- - - - - LMB President

Absent: N o n e

Ordinance 2, CS 2018

An Ordinance Amending Section 23 (a & b) of Investments and Incentives
Code of the Municipality of Rosario, La Union.

Be it ordained by the Sangguniang Bayan of Rosario, La Union in Session Duly
Assembled that:

Section 1- Section 23 a & b shall be amended to read as follows:

"Section 23 (a) New Business

Amount of Investment

P5 Million to 15 Million
Over P15 Million to P25 Million
Over P25 Million to 45 Million
Over P45 Million to P85 Million
Above P90 Million

Period of Exemption

Three (3) years
Five (5) years
Seven (7) years
Nine (9) years
Eleven (11) years

"Section 23 (b) Expansion of Business

P 1 Million to P3 Million
Over 3 Million to P6 Million
Over 6 Million to 22 Million
Over 22 Million to P45 Million
Above P45 Million

Two (2) years
Three (3) years
Five (5) years
Seven (7) years
Nine (9) years.

Section 2. Separability Clause- If for any reason or any part of provisions of the Code shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall be continue to be full force and effect.

Section 3.Repealing Clause- All Ordinances, resolutions which are inconsistent with any of the provisions of the Code are hereby repealed or modified accordingly.

Section 4.Effectivity Clause- This Ordinance shall become effective in accordance with law.

Enacted


JAN MICHAEL G. VIRAY
SB Member


MILAGROS T. ALBAY
SB Member


CESARIO T. LICOS
SB Member

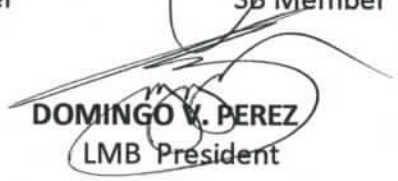

FELIX T. MADRIAGA
SB Member


FLORANTE B. ZARATE
SB Member


RONALD S. SELGA
SB Member


RODOLFO E. ESTACIO
SB Member

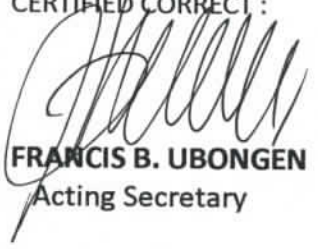

RAUL C. FLORES
SB Member


DOMINGO V. PEREZ
LMB President

ATTESTED:


ALLAN S. SABANGAN
Presiding Officer, Vice Mayor

CERTIFIED CORRECT :


FRANCIS B. UBONGEN
Acting Secretary

APPROVED:


HON. BELLARMIN C. FLORES III
Municipal Mayor

their original places.

He requested that a letter will be forwarded to the Mayor requesting the return of the vintage cannons to their original places.

3. Annual Budget of barangays Udiao and Tay-ac returned by the Municipal Budget Officer; copy furnished Sangguniang Bayan Office.

Noted.

4. 2001 Annual Budget of barangays:

- a. Vila
- b. Inabaan Sur
- c. Inabaan Norte
- d. Puzon

Referred to the district-Councilor-in-Charge.

5. SB Member Flores requested that the Treasurer will be invited next session. He informed that the Municipal Health Officer is requesting for medical equipments to be used at the Municipal Health Office.

IX. ORDINANCE/RESOLUTIONS APPROVED

ORDINANCE NO. 01-2001

AN ORDINANCE ENACTING THE MUNICIPAL INVESTMENT INCENTIVE CODE OF THE MUNICIPALITY OF ROSARIO, LA UNION.

Be it ordained by the Sangguniang Bayan of Rosario, La Union in session assembled, that:

CHAPTER I. - TITLE & POLICY STATEMENT

SECTION 1. - Title. - This Ordinance shall be known and cited as "The Municipal Investments and Incentive Code" of Rosario, La Union.

SECTION 2. - Policy Statement. - In furtherance of the growth and development of this municipality, it is hereby declared the policy of the municipality of Rosario, La Union to encourage and welcome both domestic and foreign capital investments and other economic endeavors that are not destructive to the ecological balance. Towards this end, the municipal government shall provide tax exemptions, privileges and incentive to new as well as expansion/diversification of existing businesses. It shall endeavor to provide adequate infra-support services and facilities and assurance of peaceful environment for business.

SECTION 3. - Purpose, Intent and Objectives. - It is

the purpose, intent and objective of this Code:

1. To lay down the legal framework and mechanism of integrating investment incentive law of the national government to the local development initiatives.
2. To encourage the flow of investors, both foreign and local, in the municipality which would generate employment opportunities and improve the quality of life of its people.
3. To promote priority sectors of investment, particularly in agri-business, light manufacturing and eco-tourism.
4. To promote the municipality as a sustainable destination having adequate power, adequate water resources, free from urban congestion and pollution and easily accessible to key cities of Region I and CAR.

CHAPTER 2. DEFINITION OF TERMS

SECTION 4. - Definition of Terms. - As used in this Code:

"Board" shall refer to the Municipal Investments and incentive Board of this municipality.

"Code" shall refer to the Municipality Investments and Incentive Code of Rosario, La Union enacted by the Sangguniang Bayan on January 4, 2001 embodied in Ordinance No. 01.

"Existing Enterprises" shall refer to those establishments/enterprises whose places of operation or production are physically located within the territorial jurisdiction of this municipality.

"New Enterprises" shall refer to those perspective investments who have not engaged in any kind or type of business in this municipality and are interested in establishing its places of operation or production in this municipality.

"Investment Priority Areas (IPA)" refer to the preferred areas of investments (PIA) and economic activities Incentive Code of Rosario, La Union, and those areas which the Board may subsequently approve.

"Registered Enterprise" shall refer to those enterprises registered in accordance with the provisions of this Code.

"Capitalization" shall refer to the total or initial investment, in cash or in property or both, in

a business that has been paid-in a corporation, cooperative or partnership or invested in single proprietorship.

"Incentives" shall refer to fiscal and non-fiscal incentives as provided for in this Code.

CHAPTER 3. SCOPE AND COVERAGE

SECTION 5. - Scope and Coverage. - This Code shall apply to all persons, entities or enterprises, belonging to small, medium and large scale categories in PIAs/IPAs pertaining to agri-business, light manufacturing and industries, eco-tourism and services and other areas of investments as may be determined from time to time by the Board. This Code shall cover the following nature of business.

- a. Labor Generating or Labor Intensive Enterprises
- b. Manufacturing Enterprises using local raw materials
- c. Electronics Industries
- d. Tourism Oriented Enterprises
- e. Service Oriented Enterprises
- f. Pioneering Enterprises
- g. Telecommunication Development Enterprises
- h. Agri-Business Enterprises, and
- i. Other Enterprises engaged in economic activities included in the Investment Priority Areas

SECTION 6. - Non-Applicability to Financing and Banking Institution. - The incentives granted under this Code shall not apply to financing and banking institutions which are governed by the General Banking Act, and under the supervision of the Bangko Sentral ng Pilipinas.

CHAPTER 4. MUNICIPAL INVESTMENTS AND INCENTIVE BOARD

SECTION 7. - The Municipal Investments and Incentive Board. - There shall be created a Municipal Investments and Incentive Board (MIIB) to promulgate the governing rules and regulations in the implementation of the Investment and Incentive Code.

SECTION 8. Composition of the Board. - The MIIB shall be composed of the following:

- | | | |
|---------------|---|---|
| Chairman | - | Municipal Mayor |
| Co-Chairman | - | Representative of the Local Business Sector |
| Vice Chairman | - | Municipal Vice Mayor |
| Members | - | a) SB Chairman, Committee on Trade, Commerce Agriculture and Industrial Relations |
| | | b) SB Chairman, Committee on Finance and Appropriations |
| | | c) SB Chairman, Committee on Ways and Means |

- d) SB Chairman, Committee on Tourism
- e) Municipal Planning and Development Coordinator
- f) Representative from the Department of Trade and Industry
- g) Representative from duly accredited NGO or Private Sector
- h) Representative from the Local Chamber of Commerce

SECTION 9. Powers and Functions of the Board. - The primary function of the Board shall be to establish a favorable and stable policy on business climate which will encourage and support private sector investment and in the operation of business activities consistent with the development needs of the municipality of Resarie, La Union. Pursuant to this, the Board shall be vested with the following powers;

1. Formulate the governing implementing rules and regulations in accordance with the provisions of this Code subject to the approval of the Sangguniang Bayan.

2. Initiate the conduct of technical researchers on the identified priority investment areas to be promoted as well as the appropriate incentives and support measures investors may avail with the ultimate goal of establishing a healthy climate for investments.

3. Formulate and adopt a long-range investment promotion program with the corresponding incentives and support measures that will attract investors to priority areas of investments.

4. Supervise the Municipal Investments Promotion Center of Resarie, La Union for the efficient implementation of the Municipal Investments Promotion Program of the Municipality and the provisions of this Code.

5. Source out additional funds to augment the budgetary support provided by the municipal government for the operation of the Municipal Investments Promotion Center, implementation of the Municipal Investments Promotion Program, and implementation of the provisions of this Code.

6. Promote the municipality of Resarie, La Union as an investment destination.

7. Approve or reject any application for the grant of incentives as well as suspend or revoke registration of any enterprises for just cause.

8. Update the incentives granted in this code.

9. Enter into agreement with any entity for the purpose of simplifying systems, procedures, and requirements on investments and business operation in this municipality.

SECTION 10. Board Meetings and Quorum. - Within Sixty (60) days upon approval of this Code, the Municipal Mayor, as the Chairman of the Board shall appoint the members and convene the Board. The Board meetings shall be quarterly on such a day and time as may be fix during its organizational meeting. Special Board meetings may be called as often as necessary by the Chairman or upon request of at least six (6) members of the board. The presence of a majority of its members shall constitute a quorum.

SECTION 11. Powers and Functions of the Chairman. - The Chairman shall:

1. Preside over the regular and special meetings of the Board.
2. Present annual and special reports.
3. Act as Liaison between investors, seeking assistance in particular areas of investments, and government agencies concerned.
4. Perform such other duties as the Board may prescribe.

CHAPTER 5. CREATION OF MUNICIPAL INVESTMENTS PROMOTION CENTER

SECTION 12. Creation of Municipal Investments promotion Center (MIPC). - There shall be established a Municipal Investment Promotion Officer with two (2) staff. The center shall serve as secretariat and records custodian of the Board. It shall act as One-Step Processing and Documentation Center.

SECTION 13. MIPC Services. - The Center shall also provide the following services:

1. Provision of information on investment opportunities, business procedures, permit requirements, government regulations and other data required by investors.
2. Assistance to investors in the accomplishment of supporting documents required by government agencies.
3. Provision of referrals to appropriate government entities, support organizations, service providers and important contacts.
4. Scheduling appointments, itineraries and site visits.
5. Briefing on updates regarding major on-going and planned infrastructure projects in the municipality, and significant programs and development with impact on the business environment.

CHAPTER 6. INVESTMENT PRIORITIES PLAN

SECTION 14. Criteria in Investment priority Determination.- No economic activity shall be included in the investment Priorities Plan unless it is shown to be economically, technically,

financially and ecologically sound after a thorough investigation and analysis by the Board.

The determination of preferred areas of Investment to be included in the Investment Priorities Plan shall be based on the following:

- (a) Long-run comparative advantage
- (b) Economic soundness
- (c) Extent of contribution of the activity to a specific development goal
- (d) Market technical considerations
- (e) Value of social objectives
- (f) Other indicators of comparative advantage.

SECTION 15. Preferred Priority Areas. - The following are the areas of opportunities particularly in the priority sectors which were formulated by the Investment Advisory Group. These priority areas shall be adopted for implementation of Rosario, La Union upon the concurrence by the Sangguniang Bayan.

I. Agriculture, Food and Forestry

1.1 Food

- a) Rice Milling
- b) Poultry/Livestock Production
- c) Fruit Seedlings Propagation
- d) Meat and Fish Processing

1.2 Forestry

- a) Furniture/Furnishings
 - * Wood
 - * Bamboo

II. Consumer Products

- 2.1 Garments
- 2.2 Gifts and Housewares
- 2.3 Ceramics

III. Engineering Products

- 3.1 Farm Equipment and Machinery
- 3.2 Bus/Jeepneys Body Building

IV. Support Services

4.1 Infrastructure

- a) Market Development (BOT Projects)
- b) Water Supply
- c) Telecommunication
- d) Industrial Estate (Low Density Industries)
- e) Eco-tourism

4.2 Environmental Activities

- a) Restoration/Rehabilitation of major water catchment basins/waterways and related infrastructure, man-made or natural
- b) Establishment of new or expansion, rehabilitation, modernization of sewerage systems for industrial/Municipal wastes.
- c) Industry Self-regulation/upgrading at plant/firm level
- d) Establishment of toxic and hazardous wastes (THW) merchant facility.

CHAPTER 7. REGISTRATION OF ENTERPRISE

SECTION 16. General Qualifications. - All new and existing enterprises seeking to apply for incentives under this Code shall:

- a) Show proof of financial capacity and capability to, undertake the establishment, expansion or diversification project.
- b) Must be duly registered with appropriate government agencies.
- c) Must have an initial investment of not less than Five Million (P5,000,000.00) Pesos for domestic investors, and Ten Million (P10,000,000.00) Pesos for foreign investors.
- d) Provide employment to at least twenty (20) persons who are bonafide residents of this municipality.

SECTION 17. Qualifications of New Business Enterprises. - The following qualifications must be met by a new enterprise in order to avail of the local incentives as herein provided:

- a) Compliance of all the requirements mandated under the existing local and national laws and the Philippines Constitution.
- b) The place of operation/production shall be within the municipality.
- c) Prospective investment must be included in the IPA list or as may hereafter declared by the Board.

SECTION 18. Qualifications of Existing Business Enterprise. - The following qualifications must be met by existing enterprises in order to benefit from local incentives as herein provided.

- a) Compliance of all the requirements mandated under the existing local and national laws and the Philippines Constitution.

b) Investment expansion and/or diversification must be within the IPA list or as may, hereafter, be declared by the Board.

c) Additional capitalization of not less than One Million Pesos (P1,000,000.00).

SECTION 19. Registration Requirements. - Application for registration shall be secured and filed with the Board. A non-refundable filing fee of P1,500.00 shall be paid together with the following registration documents for registration.

a) Five (5) copies of application form duly accomplished to be provided by the Board in accordance with this Code.

b) A copy of the Articles of Incorporation/Partnership and By-Laws as approved by the Securities and Exchange Commission.

c) A certified true copy of the Certificate of Registration issued by SEC, or DTI, or BOI.

d) For existing enterprises, a copy of its latest audited Financial Statement.

e) A copy of the Feasibility Study showing the market technical, financial and socio-economic viability of the proposed investment.

f) For corporation, Resolution of its Board of Directors authorizing the filing of the application with the Municipal Investments and Incentive Board.

g) Proof of ownership of the project site, be it sale or lease or any other arrangements.

SECTION 20. Registration Procedure. - The Board shall formulate rules and regulations to facilitate the processing of the application filed, prescribed criteria for evaluation and devise standard forms for use by applicants.

SECTION 21. Certificate of Registration. - Upon approval of its application, a registered enterprise shall be issued a Certificate of Registration.

CHAPTER 8. INCENTIVES TO REGISTERED ENTERPRISES

SECTION 22. Fiscal and Non-Fiscal Incentives. - In addition to the incentives provided by law, Republic Act 7160 otherwise known as the "Local Government Code of 1991", and Republic Act 7916 otherwise known as the "Special Economic Zone Act of 1995" and other pertinent laws, a registered enterprise under this Investment Code shall enjoy the following incentives:

A. Fiscal Incentives:

1. Exemptions from payments of Myer's Permit,

business, building, sanitary, electrical occupancy and locational clearance for three (3) years. However, all applicants to this incentive program are still required to secure Mayor's Permit and the issuance thereof shall be ministerial.

2. Exemption from payments of Business Taxes for a period of three (3) years.
3. Exemption from payment of the municipal share of the Basic Real Property Tax for a period of three (3) years.

B. Non-Fiscal Incentives:

1. Assistance from the "Municipal Investment Promotion Center" to be manned by an Investments Promotion Officer and 2 Staff, who shall assist investors in the documentation of their application for registration.
2. Site selection and negotiation assistance.
3. Consistent support for industrial peace through MIPC.
4. Other incentives, as may be designed by the Board.

Incentives granted to existing enterprises shall apply only to additional capitalization of not less than Five Million Pesos (P5,000,000.00) for local investors and not less than Ten Million (P10,000,000.00) for foreign investors, and shall not apply to previous investments. In no case shall rights to incentives be transferred from legal grantee to another and shall be enjoyed on one occasion only.

SECTION 23. Period of Exemption. - The local incentive program shall apply to any business, whether similar or not to any existing business in Rosario, La Union, which will start its operation or had started its operations after the effectivity of this Code. It shall also apply to all existing businesses, which will open branches after the approval of this Code within the territorial jurisdiction of this municipality.

Incentives provided for in Section 22 of this Code shall be granted only to registered enterprise for a period as maybe determined on the basis of the amount of investments put up by the investors under the following brackets:

a. New Business

| <u>Amount of Investments</u> | <u>Period of Exemptions</u> |
|------------------------------|-----------------------------|
| P5 M to 10 Million | Three (3) Years |
| over P10 M to P20 Million | Five (5) Years |

over P20 M to P40 Million
over P40 M to P80 Million
Above P80 Million

Seven (7) years
Nine (9) years
Eleven (11) years

b. Expansion of Business

P1 M to P2 Million
over P2 M to P5 Million
over P5 M to P20 Million
over P20 M to P40 Million
Above P40 Million

Two (2) years
Three (3) years
Five (5) years
Seven (7) years
Nine (9) years

No more exemptions shall be extended upon the lapse of the exemption period and such enterprises shall pay the municipal license or licenses, tax or taxes or fee or fees imposed by the municipality under its existing local tax code.

Starting the 4th year and subsequent years no more exemptions shall be extended and such enterprises shall pay the municipal license or licenses, tax or taxes, fee or fees imposed by the municipality under its existing local tax code.

SECTION 24. Incentives to Business Establishments Employing Fifty (50) or More Direct Workers who are bonafide residents of Rosario, La Union. Business establishments not eligible for incentives in this article shall be exempted from payment of business and real property tax share of the municipality if they employ fifty (50) or more direct workers from Rosario, La Union. Provided, this exemptions are subject to the provisions of the 1991 Local Government Code.

CHAPTER 9. APPROPRIATION FOR THE MUNICIPAL INVESTMENT PROMOTION FUND

SECTION 25. Municipal Investment Promotion Fund. - There shall be appropriated a Municipal Investment Promotion Fund to defray expenditures for the operation of the Municipal Investment Promotion Center, investment promotional and development activities of the municipality and the implementation of this Code, subject to the usual accounting rules and regulations.

CHAPTER 10. TRANSITORY PROVISION

SECTION 26. Transitory Provision. - Business establishments already enjoying the benefits under the existing national laws prior to the enactment of this Code, may apply with the Board for incentives availment. Provided, however, that it does not contravene with Article 282, par. (b), sub-par. (2) of the Implementing Rules and Regulations of RA 7160, otherwise known as the Local Government Code of 1991.

CHAPTER 11. FINAL PROVISIONS

SECTION 27. Inspection. - The MIIB shall conduct an annual inspection of registered enterprises on their progress either by itself or by requesting a local government agency to conduct the same. The inspection shall be limited to the gross sales,

compliance of the Minimum Wage Law, or to the provision of the Code.

SECTION 28. Administrative Sanctions. - Violation of any provisions of this Code and other pertinent laws shall:

- a) Forfeit the incentive granted to the registered enterprise.
- b) Pay all taxes and fees due from the start of its business operation, upon recommendation of MIIB.
- c) Penalty by a fine of not less than One Thousand Pesos (P1,000.00) but not more than Two Thousand Five Hundred Pesos (P2,500.00) or imprisonment of not less than One (1) month, or both such fine and imprisonment, at the discretion of the court.

SECTION 29. Separability Clause. - If for any reason, any sections or provisions of this Code shall be declared unconstitutional or invalid by a competent court, the validity of other provisions shall not be affected, and shall remain to be in full force and effect.

SECTION 30. Repealing Clause. - All ordinances, resolutions, executive orders and rules and regulations inconsistent or in conflict with the provisions of this Code are hereby repealed, amended or modified accordingly.

SECTION 31. Effectivity. - This code shall take effect upon its approval.

ENACTED.

RESOLUTION NO. 01

RESOLUTION EARNESTLY REQUESTING FOR THE TRANSFER OR DETAIL TO ANY OTHER PLACE OF MRS. VIOLETA U. GARCIA, MUNICIPAL TREASURER OF ROSARIO, LA UNION.

WHEREAS, the Sanggunian need regular financial reports from the Office of the Treasurer to enable the members to perform their mandated duty to enact Appropriation Ordinances and related resolutions for the general welfare of the townspeople;

WHEREAS, Mrs. Garcia has ignored and is continually ignoring several oral and written requests for financial statement reports from the Sanggunian;

WHEREAS, she denied and is continually denying the request of the Sanggunian for Cash Position Reports of the various accounts of the municipality, Detailed Statement of Monthly Income and Detailed Statement of Monthly Expenditures - Check Disbursements and Cash Disbursements, as well as reports on the unpaid obligations of the municipality;

WHEREAS, one of the primary duties of the Treasurer as provided by the Local Government Code is to "Advise the Sanggunian