



Republic of the Philippines
Province of La Union
Municipality of San Juan



FEB 1, 2024

Time start: 9.11 AM : 10.16 AM

Time Ended: 10:50 AM

Participants:
Mr. and Mrs. Ezekiel

Grenovra
Vince Borja
Atty. Valdivia

Excerpt from the record of proceedings of the Regular Session of the Sangguniang Bayan of San Juan, La Union held at the Session Hall on April 20, 2022.

MUNICIPAL ORDINANCE NO. 05-2022

AN ORDINANCE AMENDING MUNICIPAL ORDINANCE NO. 16-2010
OTHERWISE KNOWN AS INVESTMENTS AND INCENTIVES CODE OF SAN
JUAN, LA UNION

Sponsored by:

SBM JOSEPH NICHOLAS V. VELILLA

Chairperson

Committee on Trade, Commerce and Industry, Economic Enterprises,
Public Information, Information Technology, Games and Amusement
and Ways and Means

Vice-Chairperson: SBM Ernesto Jacobo M. Bolong, Jr.

Members: SBM Mariquita P. Ortega, SBM Aldreick G. Carillo
and SBM Norma B. Lim

CHAPTER 1

TITLE AND SCOPE/ POLICY APPLICATION

- Section 1.** **Title.** This ordinance shall be known as the Municipal Investments and Incentives Code of San Juan, La Union.
- Section 2.** **Scope.** This Code shall apply to all persons, entities or enterprises, corporations, government and non-government organizations and instrumentalities that would like to invest or engage in new, expansion/diversification of any business activity in the Municipality of San Juan, La Union.
- Section 3.** **Purpose.** The Municipal Investments and Incentives Code of San Juan, La Union is promulgated to encourage domestic and foreign capital to establish enterprises that would utilize substantial amount of labor, raw materials and natural resources of the Municipality.
- Section 4.** **Declaration of Policy.** San Juan, La Union is envisioned to be a tourist and investment haven and a safe and environment-friendly place to live in, with sufficient agricultural productions, job opportunities, and improved quality of education enjoyed by united constituents, led and managed by competent and efficient leaders. It is thereon the policy of the Municipality to achieve broad-based and sustained economic growth within five years by encouraging investments and by providing a conducive climate where business and industry will prosper, thereby, providing additional employment for the constituents of the Municipality.

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- Section 5. Rules of Interpretation.** Any conflict or controversy arising under this Code shall be resolved on the basis of applicable legal provisions or jurisprudence. In the absence thereof, customs and traditions, in so far as they are applicable to the conflict or controversy, may be resorted to.

CHAPTER 2 DEFINITION OF TERMS

- Section 6. Definition of Terms.** When used in this Code, the following terms shall mean;

A. **"Board"** shall refer to the San Juan Municipal Investment and Incentives Board (SJMIIB) created in this Code which shall serve as the implementing arm of this Code.

B. **"Capitalization or Capital"** shall mean the total project cost which include land, building, machineries, equipment and working capital. Provided that in the case of corporation, capitalization shall refer to its paid-up capital.

C. **"Capitalization of Existing Enterprise"** shall refer to the additional cost of investment of "fresh capital" injected into the business excluding the cost of lot.

D. **"Capitalization of New Enterprise"** shall refer to the paid-up capital or actual capital contributions of the enterprise excluding the cost of lot.

E. **"Center"** shall mean San Juan Local Economic and Investment Promotions Center (SJLEIPC) which shall be the institution that will serve as the technical arm and Secretariat of the Board.

F. **"Code"** shall mean the Municipal Investments and Incentives Code of San Juan, La Union.

G. **"Existing Establishment/Enterprise"** shall mean an existing business entity presently registered with the Securities and Exchange Commission (SEC) and/or Department of Trade and Industry (DTI) which intends to undertake an expansion/relocation of its operation upon effectivity of this Code.

H. **"Investments"** shall means expenditures of capital by an investor to establish a new enterprise or expand or upgrade one that already exists.

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HON. JUAN F. GARCIA
HON. ROMERO O. LIM
HON. JOSE A. VALDRIZ
HON. JOSE P. TORRES
HON. JOSE P. TORRES

HON. ERNESTO M. BOLOGN	HON. NORMA B. LIM	HON. JOSEPH NICHOLAS V. VELLILA	HON. EARL F. GARCIA	HON. ROMERIO O. LIM	HON. DOMINIO T. VELASCO	HON. HOWARD W. A. VALDRIZ	FLORIANNE P. TORRES
CD Member	CD Member	CD Member	CD Member	CD Member	1st President	Civil Liberties	1st

Section 8. Meetings and Quorum of the Board. The Board shall meet at least once every quarter or as often as may be necessary, on such day and time as it may fix. The presence of at least a majority of its members shall constitute a quorum for the Board to exercise its powers and functions.

Section 9. Powers, Duties and Functions of the Board. It is the primary duty of the Board to establish policies for a favourable and stable business climate that will encourage investments and generate employment for the people of the Municipality. It shall have the following powers, duties and functions:

- A. To formulate the Implementing Rules and Regulations (IRR) of this Code sixty (60) days after its approval and to promulgate the implementing provisions of the same;
- B. To adopt short and medium term investment promotion programs which shall specify the list of Investment Priority Areas (IPA) and activities and corresponding incentives and support measures to be used to attract targeted investors and to identify preferred development areas in consonance with the approved DRR-CCA enhanced Comprehensive Land Use Plan (CLUP) and Zoning Ordinance of the Municipality;
- * C. To establish promotional and marketing strategies/activities to generate new investments in the Municipality;
- D. To act on all applications submitted to the Board within thirty (30) days from receipt hereof;
- E. To issue a Certificate of Registration to qualified applicants;
- F. To decide on problems and issues concerning the implementation of this Code;
- G. To supervise the operation of the Center;
- H. To exercise all other functions and powers necessary or incidental to the attainment of the objective of the Code;
- I. To secure additional funding and other resources to supplement budgetary support provided by the Municipality Government for the implementation of this Code; and
- J. To identify new Investment Priority Areas in concurrence with the Local Zoning Board of Adjustment and Appeals (LZBAA).

Section 10. Powers and Functions of the Chairman of the Board. The Chairman of the Board shall have the following power and functions:

- A. To preside over the regular and special meetings of the Board;
- B. To render annual reports and such other special reports as may be requested; and
- C. Generally, to exercise such other functions and perform such other duties as may be directed by the Board from time to time.

Section 11. Powers and Duties of the Vice Chairman. The Vice Chairman of the Board shall have the following powers and functions:

- A. To preside over the meetings of the Board in the absence of the Chairman; and
- B. To perform the duties of the Chairman in the absence of the latter and such other duties as may be assigned to him by the Board.

CHAPTER 4 THE SAN JUAN LOCAL ECONOMIC AND INVESTMENT PROMOTIONS CENTER

Section 12. Functions. There shall be a San Juan Local Economic and Investment Promotion Center (SJLEIPC) that shall serve as technical arm and the Secretariat of the Board and shall implement its policies and guidelines. Among its duties and functions are:

- A. Accept, process and evaluate all applications for registration for the availment of the local incentives and submit recommendations to the Board within ten (10) days from the receipt of the application;
- B. Provide the necessary support services to the investors;
- C. Establish and maintain networking relations with other offices and agencies whenever appropriate and necessary;
- D. Collate, analyse and compile pertinent data, information and studies concerning the preferred/priority investment areas provided by this Code or as may be determined by the Board;
- E. Prepare the agenda for the meetings of the Board and submit for its consideration and approval the policies and measures which are deemed necessary to carry out the provisions of this Code;
- F. Submit annual reports on the activities of the Center through the Chairman of the Board within sixty (60) days after the close of the calendar year;
- G. To recommend to the Board such policies and measures deemed necessary to carry out the objectives of this Code; and
- H. Perform other duties and functions as determined by the Board.

Section 13. Composition of the Center. The Center shall be composed of qualified staff from the different departments of the Municipal Government to be headed by the Municipal Planning and Development Coordinator.

APLO EE Reg/Labor and Employment/Tourism Office / Sr Enul

JOSUN
FLORIANNE P. TOHRES
ISO 1

HON. ROSALBA A. VALDRIZ
SB Member

HON. JOSE T. VELASCO
AGC President

HON. LIM
SB Member

HON. RUMERO D.
SB Member

HON. F. GARCIA
SB Member

HON. V. VELLILA
SB Member

HON. JOSE NICHOLAS V.
SB Member

HON. B. LIM
SB Member

HON. NORMA B.
SB Member

HON. M. BOLONG
SB Member

HON. ERMES
SB Member

CHAPTER 5

PREFERRED/ INVESTMENT PRIORITY AREAS/ACTIVITIES

Section 14. Investment Priority Areas (IPA). In consultation with relevant government agencies and the private sectors, the Board shall draw up a list of Investment Priority Areas consistent with the Municipal Government thrust and in parallel with national priorities.

MPDC

The determination of the IPA shall be based on long-term, comparative advantage. The Board may update, delete or add to the list of Investment Priority Areas for inclusion in the list as the need arises. The Board may terminate/remove an area of activity or investment priority area from the list based on the following:

- A. When sufficient investments in the areas have been attained as determined by the Board;
- B. When the continued extension of the incentives or support measures for the specific areas are no longer to the best interest of the Municipality and may place the interest of the public in adverse position;
- C. When new areas for investment arise causing other areas or activities to become obsolete or out-dated; and
- D. When the Board is convinced that the investments in such areas of activity in the Municipality cannot be attracted within reasonable cost or may result in unfavorable business climate.

CHAPTER 6

QUALIFICATION, APPLICATION AND REGISTRATION PROCEDURES

Section 15. Qualification of New Enterprise. Any person, partnership, corporation, association, cooperative or enterprise may apply for incentives provided in this Code if they meet the following qualification:

- A. The new enterprise must have complied with all the requirements mandated under existing local and national laws and the Constitution.
- B. The new enterprise must be duly registered with appropriate government agencies such as but not limited to the Department of Trade and Industry and/or Securities and Exchange Commission.
- C. The investment must be in any of the preferred/priority investment areas provided in the listing.

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- D. It shall give preference to residents of the Municipality for the labor requirements of the new business.
- E. The new enterprise must have a capitalization of at least Three Million Pesos (P3,000,000.00).

Section 16. Qualification of Existing Enterprise. Existing enterprise may avail the incentives provided in this Code if they meet the following qualifications:

- A. Compliance to the requirements mandated by existing local and national laws and the Constitution.
- B. The business falls under the list of Investment Priority Areas.
- C. The principal office of the business enterprise must be located within the territorial jurisdiction of the Municipality; otherwise the enterprise must relocate its principal office to San Juan.
- D. The enterprise shall expand its existing production capacity or construct new buildings and equipment or improvement thereof in the minimum amount of Two Million Five Hundred Thousand Pesos (P2,500,000.00) which will result in an increased production capacity or for diversification project.

Section 17. Registrations.

- A. All applications for the availment of the incentives provided in this Code must be filed with the San Juan Local Economic and Investment Promotions Center (SJEIPC).
- B. Applications must be recorded in the registration book of the Center.
- C. The date of official acceptance shall appear in the registration as well as the stamped date of the application.
- D. Applications shall only be deemed officially accepted upon payment of non-refundable filing fee of One Thousand Pesos (P1,000.00), which shall be accrued as funds for the Center, and upon the submission of the complete requirements to the Center.
- E. Application for incentives shall be acted upon by the Center within ten (10) working days from the official acceptance thereof and, if found qualified, forwarded to the Board for approval. If found to be unqualified, the center shall inform the applicant in writing.
- F. The Board shall act on the application within thirty (30) days upon receipt of the application from the Center. If the application is not acted upon within thirty (30) days, said application is deemed approved.
- G. Once approved by the Board, the Center shall inform the applicant in writing and delivers the Certificate of Registration.
- H. The Center shall inform all concerned agencies and/or entities of such approval for their information, guidance and appropriate action.

Section 18. Required Supporting Documents.

- A. Four (4) copies of the project study/business plan indicating the financial and socio-economic impact of the project.
- B. Four (4) copies of the Articles of Incorporation and By-Laws as registered in the Securities and Exchange Commission (SEC) for partnerships and corporations, or Certificate of Business Name Registration with the Department of Trade and Industry (DTI) for single proprietorship;
- C. Resolution of the applicant's Board of Directors authorizing the filing of application or Letter of Intent by the owner of single proprietorship;
- D. Authority to file action of the partners for partnerships or the Board of Directors for corporations; and
- E. List of Directors and other principal officers and their respective nationalities and addresses certified by the Corporate Secretary or list of officers certified by the owner-applicant for single proprietorship.

Section 19. Certificate of Registration. A Certificate of Registration shall be issued to a registered enterprise which shall serve as the legal document for the enterprise to avail of incentives stipulated in this Code. The Certificate shall be in such form and style as the Board may determine and shall state, among others, the following:

- A. The name of the registered enterprise;
- B. The preferred/priority area of investment in which the registered enterprise will engage in; and
- C. The other terms and condition to be observed by the registered enterprise by virtue of its registration.

CHAPTER 7

RIGHTS, GUARANTEES AND INCENTIVES OF REGISTERED ENTERPRISES

Section 20. Rights and guarantees. The Municipal Government, through the San Juan Municipal Investments and Incentives Board, guarantees to provide all investors and registered enterprises of this Municipality the following rights and guarantees provided by law and the Constitution:

- A. To provide concise and comprehensive information to prospective investors on the economic priorities of the Municipal Government, including target investment areas and general conditions applicable to incoming direct private investments;

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Section 22. Non-Fiscal Incentives. All qualified enterprises shall be assisted by the MPDC in securing permits and licences through BPLO. All investors shall be given utmost priority and with the coordination of the zoning administrator shall provide the most strategic, safest and most secured investible area in consultation with the enhanced Comprehensive Land Use Plan of the Municipality of San Juan.

Section 23. Non-Applicability. The incentives granted under this Code shall not apply to banking, financing and lending institutions, which are governed by the General Banking Act.

Section 24. Incentives to Business Enterprises Employing Fifty or more direct Workers who are Bonafide residents of the Municipality of San Juan. New business enterprises not eligible under this Code but residents of the Municipality of San Juan can still enjoy tax exemptions/privileges provided for in the Code subject to the approval of the Municipality of San Juan Investment Board. Provided further, that the duration does not exceed three (3) years.

CHAPTER 9

APPROPRIATIONS

Section 25. Funding. The Municipal government shall appropriate funds as initial subsidy from its Annual Budget as support fund to the San Juan Local Economic and Investment Promotions Center to defray its expenses subject to the usual accounting and auditing rules and regulations.

CHAPTER 10

FINAL PROVISIONS

Section 26. Separability Clause. The provision of this Code are hereby declared to be separable. In the event that one or more of the other provisions are held illegal or unconstitutional, the validity of the other provisions shall not be affected.

Section 27. Repealing Clause. All ordinances, executive orders and rules and regulations inconsistent or in conflict with the provision of this Code are hereby repealed, amended or modified accordingly.

Section 28. Effectivity. This Code shall take effect on the next calendar year after its publication.

This 20th day of April, 2022.

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