



Republika ng Pilipinas
Lungsod Quezon
SANGGUNIANG PANLUNGSOD
(City Council)

27th Regular Session

PR99-85

RESOLUTION NO. SP- 1130 - S-99

A RESOLUTION URGING THE CITY MAYOR TO TAKE IMMEDIATE STEPS FOR THE QUEZON CITY GOVERNMENT TO CLAIM ITS SHARE IN THE CONCESSION FEE PAYMENTS MADE BY THE TWO (2) CONCESSIONAIRES TO THE METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM (MWSS) PURSUANT TO THE PROVISIONS OF THE QUEZON CITY REVENUE CODE.

Introduced by Councilor GEORGE M. CANSECO.

Co-Introduced by Councilors Jesus C. Suntay, Elizabeth A. Delarmente, Vincent P. Crisologo, Rommel R. Abesamis, Ma. Fresca M. Biglang-awa, Godofredo T. Liban II, Marciano P. Medalla, Eric Z. Medina, Jorge L. Banal, Eufemio C. Lagumbay, Julian M.L. Coseteng, Fernando V. Avanzado, Nanette Castelo Daza, Marcel C. Rillo, Bayani V. Hipol and Almario E. Francisco.

WHEREAS, under Section 210, Article 53 of Chapter VII of the Quezon City Revenue Code, Ordinance No. SP-91, S-93, the Quezon City government shall have a share from the proceeds derived by any government agency or government-owned or controlled corporation engaged in the utilization and development of the national wealth;

WHEREAS, under Section 227, Article 53, Chapter VII of the Quezon City Revenue Code, all lands of public domain, waters, minerals, coal, petroleum and other mineral oils, all sources of potential energy, fisheries, forests or timber, wildlife, flora and fauna and other mineral resources owned by the state are covered by the definition of national wealth pursuant to Article XII, Section 2 of the Constitution of the Republic of the Philippines;

WHEREAS, the Maynilad Water Services Inc., and the Manila Water Company Inc., are the authorized concessionaires of Metropolitan Waterworks and Sewerage System (MWSS) in the utilization, development and distribution of WATER in Metro Manila from year 1997 to year 2022;

WHEREAS, the two (2) above-named concessionaires are subject to the payment of concession fees to MWSS every year until the end of the life of its concession which will be year 2022;

WHEREAS, for years 1997 and 1998 alone, the amount of P3,278,168,335.81 was already paid by Maynilad Water Services Inc., as concession fee to MWSS, not including the payment made by the other concessionaire, Manila Water Company Inc., which is presumed to be of about the same amount;

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WHEREAS, the MWSS being a government-owned and controlled corporation is now liable and obligated to remit to the Quezon City government, an equitable share in the proceeds derived from the utilization and development of the national wealth within the territorial jurisdiction of the City as provided under Section 208, Article 53 of the Quezon City Revenue Code;

WHEREAS, the amount of share of the Quezon City government from MWSS is defined under Section 210, Article 53 of the said Code which states that the City shall have a share based on the preceding fiscal year scheduled as follows:

1. Sixty Five Percent (65%) of one percent (1%) of the gross receipts of the preceding of calendar years; or-
2. Sixty Five Percent (65%) of forty percent (40%) of the mining taxes, royalties, forestry and fishing charges and such other taxes, fees or charges, including related surcharges, interest or fines the government-owned or controlled corporation would have paid if it were not otherwise exempt;

WHEREAS, the MWSS, being a government-owned or controlled corporation, lost its tax exemption when Section 230, Article 57 of the Quezon City Revenue Code withdrew the tax exemption enjoyed by all persons, whether natural or juridical, including government-owned or controlled corporation;

WHEREAS, although MWSS enjoyed exemption from payment of all income taxes to be paid to the national government, its provinces, cities, and municipalities, pursuant to its Charter-Section 18 (b) of RA 6234, such exemption was later withdrawn by Section 23 of PD 1177 (July 30, 1977) and Section 1 of PD 1931 (June 11, 1974). The validity of the above-cited Presidential Decrees was upheld by the Supreme Court in the cases of National Power Corporation vs. The Province of Albay, et. al., G.R. No. 87479-June 04, 1990, NPC vs. Presiding Judge RTC Branch XXV, G.R. No. 72477- October 16, 1990 and Ernesto Maceda vs. Catalino Macaraig, Jr., et al., G.R. No. 88291- May 31, 1991;

WHEREAS, under Section 211, Article 54 of the Quezon City Revenue Code, the share of the City shall be remitted within five (5) days after the end of each quarter by the government agency or government-owned or controlled corporation engaged in the utilization of the national wealth to the City Treasurer;

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NOW, THEREFORE,


BE IT RESOLVED BY THE CITY COUNCIL OF QUEZON CITY IN SESSION ASSEMBLED, to urge, as it does hereby urge, the City Mayor, to take immediate steps for the Quezon City government claim its share in the Concession Fee Payments made by the two (2) concessionaires to the Metropolitan Waterworks and Sewerage System (MWSS) pursuant to the provisions of the Quezon City Revenue Code.

RESOLVED, FURTHER, that copy of this Resolution be served to His Honor, the City Mayor of Quezon City soonest after the same is finally adopted by the City Council.

ADOPTED : March 23, 1999.


CONNIE S. ANGELES
Vice Mayor
Presiding Officer

ATTESTED:


EUGENIO V. JURILLA
City Council Secretary