

# [ PRESIDENTIAL DECREE NO. 559, September 21, 1974 ]

## AMENDING SECTIONS TWO, THREE AND FIVE OF PRESIDENTIAL DECREE NUMBERED ONE HUNDRED AND FORTY-FOUR.

**WHEREAS**, the barangays have time and again served as dependable government units at the grassroots level thru which the people express their collective decision on issues affecting the community;

**WHEREAS**, the barangays in concerted action have ably demonstrated their capacity to act as effective agents of reforms and vital forces in the political, economic, social and cultural development of the nation;

**WHEREAS**, to strengthen the barangays and accelerate the transformation of local governments into self-reliant and progressive communities, it is necessary to provide them with added financial resources;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

**SECTION 1.** Section 2 of Presidential Decree No. 144 issued on March 3, 1973 is hereby amended to read as follows:

"2. This allotment shall be distributed as follows: Thirty per centum (30%) to provinces Forty-five per centum (45%) to municipalities Twenty-five per centum (25%) to cities And, sixty-five million pesos (P65M) to the barangays "Starting the Fiscal Year 1976-77, however, the following allocations shall be followed: Twenty-five per centum (25%) to provinces Forty per centum (40%) to municipalities Twenty-five per centum (25%) to cities Ten per centum (10%) to barangays"

**SEC. 2.** Section 3 of Presidential Decree No. 144 is hereby amended to read as follows:

"3. The share of each province, city, and municipality shall be determined on the basis of the following formula:

Seventy per centum (70%) — Population  
Twenty per centum (20%) — Land Area  
Ten per centum (10%) — Equal Sharing

**SEC. 3.** Section 5 of Presidential Decree No. 144 is hereby amended to read as follows:

"5. There is hereby created a Barangay Development Fund to be constituted of the annual contributions of not exceeding P500 per barangay from each province, city and municipality, which fund shall be spent solely for community development projects which meet the requirements set fourth by the Secretary of Local Government and Community Development.