"AN ACT
DECLARING THE CITY OF CAGAYAN DE ORO A MINING-FREE
ZONE AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Statement of Policy. – It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. It is likewise the responsibility of the State to promote the rational exploration, development, utilization, and conservation of the mineral resources of the country in a way that effectively safeguards the environment and protects the rights of affected communities. Towards this end, the State shall institute measures to protect the people and the environment in the City of Cagayan de Oro from the adverse effects of mining.

SEC. 2. Declaration of the City of Cagayan de Oro as a Mining-Free Zone. – The City of Cagayan de Oro is hereby declared a mining-free zone. All forms of mining operations and activities, whether large-scale or small-scale, within the jurisdiction of the City of Cagayan de Oro are hereby prohibited. The provisions of Republic Act No. 7942, or the “Philippine Mining Act of 1995”, Republic Act No. 7076, or the “People’s Small-Scale Mining Act”, and other laws, rules and regulations on mining that are
inconsistent with this Act shall have no application within the territorial
jurisdiction of the locality.

SEC. 3. Coverage. – This Act covers all mining operations and
activities, including quarrying, within the territorial jurisdiction of the City
of Cagayan de Oro: Provided, however, That the quarrying of gravel and
sand for projects directly undertaken by the agencies of the national
government or by the city government for basic services such as roads,
bridges, school buildings, water and energy utilities, and similar public
works, is exempted from the coverage of this Act, subject to the
requirements of existing mining and environment laws: Provided, further,
That the national government may pursue mineral resource development
in any part of the city when the national interest so requires, such as in the
case of strategic raw minerals for industries critical to national development
for scientific, cultural and ecological values.

SEC. 4. Recognition of Existing Mining Contracts, Agreements
and Permits. – All valid and existing mining contracts, exploration
permits, licenses, technical and financial agreements and mineral
production sharing agreements in accordance with Republic Act No. 7942,
or the “Philippine Mining Act of 1995”, covering any area within Cagayan
de Oro City at the date of effectivity of this Act, shall be recognized by the
Government and shall remain valid until the expiration or termination
thereof. Thereafter, no further extension or renewal of the contract, permit,
license or agreement shall be granted. Moreover, the government shall not
issue new exploration permits nor enter into new mineral agreements or
similar other agreements covering lands within the jurisdiction of the City.

SEC. 5. Non-renewal of Small-scale Mining Contracts. – All
small-scale mining contracts covering any area within the City of Cagayan
de Oro shall not be renewed upon the effectivity of this Act.

SEC. 6. Quarry Operations. – Existing quarry permits issued by
the city government at the time of the approval of this Act shall be
recognized and shall remain valid until the expiration or termination
thereof. Thereafter, issuance of quarry permits in the mining-free zone for
instances provided in Section 4 hereof, shall be under the direct supervision
of the Department of Environment and Natural Resources (DENR). The
maximum area which a qualified person may hold for quarrying purposes
at any time within the territorial jurisdiction of the City of Cagayan de Oro
shall be five (5) hectares. The DENR shall impose strict regulations in
ensuring that no more than one (1) quarry permit is granted to the same
person, corporation or its affiliate or subsidiary, or any entity that has
essentially the same legal personality as the applicant or holder of an
existing quarry permit in the City.

A quarry permit shall immediately be canceled by the DENR, upon
finding after investigation that in the guise of quarrying activities, the
holder of a quarry permit engages in activities that are properly authorized
by exploration permits, mineral agreements, or mining contracts.

SEC. 7. Penal Provision. – Any person, natural or juridical, or any
public officer, who violates the provisions of this Act shall be penalized with
imprisonment of at least six (6) years but not more than twelve (12) years,
and a fine of at least One hundred thousand pesos (₱100,000.00) but not
more than Five hundred thousand pesos (₱500,000.00).

In addition, a public officer who violates this Act shall also be
dismissed from service and perpetually disqualified from holding public
office.

If the offender is a juridical entity, the highest ranking official and
the members of its board of directors or board of trustees who authorized
the violations therein shall suffer the penalty imposed under this Act.

SEC. 8. Implementing Rules and Regulations. – Within three (3)
months from the effectivity of this Act, the DENR Secretary shall
promulgate the necessary rules and regulations for its effective
implementation.

SEC. 9. Separability Clause. – If any section or provision of this
Act is held unconstitutional or invalid, the remaining sections or provisions
with the provisions not affected thereby shall continue to be in full force and
effect.
SEC. 10. *Repealing Clause.* — All laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby amended or modified accordingly.

SEC. 11. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,