

1 (g) Ensure transparency in real property transactions to protect consumers and develop
2 confidence in the work of appraisers and assessors.

3 **SEC. 3. Definition of Terms.** - As used in this Act, the following terms mean:

4 (a) Appraiser – also known as valuer; refers to a person who conducts valuation/appraisal;
5 specifically, one who possesses the necessary qualifications, ability, and experience to
6 execute or direct the valuation/appraisal of real.

7 (b) Assessor – refers to an official in the local government unit, who performs appraisal and
8 assessment of real properties, including plant, machinery and equipment, essentially for
9 taxation and other purposes. This definition also includes assistant assessors.

10 (c) Building – refers to a man-made structure permanently attached to land for residential,
11 commercial, industrial, recreational or other purposes.

12 (d) Improvements – is a valuable addition made to a property or an amelioration in its condition,
13 amounting to more than a mere repair or replacement of parts involving capital expenditures
14 and labor, which is intended to enhance its value, beauty or utility or to adapt it for new or
15 further purposes.

16 (e) Land – refers to one of the major factors of production consisting sometimes of a material
17 economic good, which is supplied by nature without the aid of man. Land may include not
18 only the earth surface, both land and water, but also anything that is attached to the earth's
19 surface. Thus, all natural resources in their original state, such as mineral deposits, wildlife,
20 timber, and fish, are land within the technical meaning of the term; so also are sources of
21 energy, outside of man himself, such as water, coal deposits, and the natural fertility of the
22 soil.

23 (f) Machinery – refers to machines, equipment, mechanical contrivances, instruments,
24 appliances or apparatus which may or may not be attached, permanently or temporarily, to
25 the real property. It includes the physical facilities for production, the installations and
26 appurtenant service facilities, those which are mobile, self-powered or self-propelled and
27 those not permanently attached to the real property which are actually, directly and
28 exclusively used to meet the needs of the particular industry, business or activity and which
29 by their very nature and purpose are designed for, or necessary to its manufacturing,
30 mining, logging, commercial, industrial or agricultural purposes.

31 (g) Market Value – refers to the estimated amount for which a property should exchange on the
32 date of valuation between a willing buyer and a willing seller in an arm's length transaction (a
33 transaction between independent, unrelated parties involving no irregularity) after proper
34 marketing wherein the parties had each acted knowledgeably, prudently, and without
35 compulsion;

- 1 (h) Private appraisal sector - refers to licensed non-governmental real estate service
2 practitioners who have been active in the practice of real estate appraisal for the last five (5)
3 years.
- 4 (i) Real Estate – refers to the land and all those items which are attached to the land. It is the
5 physical, tangible entity, together with all the additions or improvements on, above or below
6 the ground.
- 7 (j) Real Property – refers to all the rights, interests, and benefits related to the ownership of real
8 estate, plant, machinery, and equipment;
- 9 (k) Schedule of Market Values or SMV – refers to a table of market values of real properties
10 within a local government unit prepared by assessors pursuant to existing laws, rules and
11 regulations.
- 12 (l) Special Purpose Property – refers to a property which is designed, constructed and
13 developed for a specific use or purpose. By its very nature, this type of property is rarely
14 offered for sale in the open market except as part of a going concern. Because of the special
15 design and function, conversion of special purpose properties to other types of development
16 or application is generally not economically feasible.
- 17 (m) Valuation/Appraisal – refers to the systematic and analytic determination and recording of
18 property facts, circumstances, investments, and investigation of other relevant data resulting
19 in a supportable estimate and opinion of value or a professional conclusion based upon
20 supporting data, logical analysis and judgment as of a specific date and for a specific
21 purpose.

22 ARTICLE II

23 NATIONAL VALUATION AUTHORITY AND THE REGIONAL OFFICES

24 Chapter 1

25 Establishing a National Valuation Authority

26 **SEC. 4. *Establishment of a National Valuation Authority.*** - To achieve the policy and
27 objectives declared in this Act, there shall be established a National Valuation Authority (NVA),
28 hereinafter referred to as the Authority, which shall be the primary agency of the government on matters
29 concerning the valuation or appraisal of real properties in the Philippines. The Property Valuation Staff
30 (PVS) established within the Department of Finance (DOF) shall serve as the nucleus of the Authority.
31 The Authority shall be attached to the DOF and shall have its central office in Metro Manila.

32 **SEC. 5. *Powers and Functions of the Authority.*** - The Authority shall have the following
33 powers and functions:

- 34 (a) Develop, adopt, and maintain valuation standards consistent with generally accepted
35 valuation standards, regulations and specifications for real property appraisal used for tax

1 and other purposes, and ensure compliance therewith by national government agencies,
2 local government units, and other concerned parties;

3 (b) Review and approve the Schedule of Market Values (SMVs) prepared by the provincial
4 assessors together with municipal assessors, and city assessors, including the municipal
5 assessor of Metro Manila, for tax and other purposes;

6 (c) Provide technical assistance on real property appraisal matters to government agencies and
7 instrumentalities, and coordinate or conduct the valuation/appraisal of special purpose
8 properties, when requested;

9 (d) Provide leadership and policy directions to local government units, national government
10 agencies, private sector institutions and individuals dealing with real property
11 valuation/appraisal for taxation and other purposes, including the development and
12 maintenance of valuation standards, the regulation of valuation/appraisal activities and other
13 related matters, and the promotion of valuation/appraisal training and seminars;

14 (e) Maintain a roster of government appraisers and assessors;

15 (f) Develop and maintain a comprehensive and up-to-date electronic database of real property
16 transactions and prices of materials for buildings, machinery, and other structures;

17 (g) Conduct continuing study and research on valuation, and maintain an information base on
18 current global and country trends and developments in real property valuation/appraisal;

19 (h) Determine, fix, and collect reasonable amounts to be charged as administration fees, fines,
20 and penalties relative to the implementation of this Act; and

21 (i) Perform such other functions as are necessary, proper, and incidental to implement the
22 provisions of this Act.

23 **SEC. 6. Head of Authority.** - The Authority shall be headed by a Director General who shall be
24 appointed by the President of the Philippines upon the recommendation of the Secretary of Finance. The
25 Director General must be a Filipino citizen, of good moral character, a graduate in engineering,
26 accounting or appraisal related degrees, and a licensed appraiser, or assessor, with at least ten (10)
27 years experience in valuation/appraisal or assessment of real properties. The Director General shall
28 have the salary grade equivalent to the rank of an Assistant Secretary under the Salary Standardization
29 Law.

30 **SEC. 7. Responsibilities of the Director General.** - The Director General shall be responsible
31 for the efficient and effective performance of the statutory responsibilities of the Authority set forth in this
32 Act and for the overall internal management and governance of the Authority. For this purpose, the
33 Director General shall:

34 (a) Develop and implement policies, plans, programs, and operating standards for the attainment
35 of the objectives and mandate of the Authority;

- 1 (b) Provide policy direction and leadership in all aspects of valuation/appraisal and their
2 *implementation in the regional offices;*
- 3 (c) Advise and assist the Secretary of Finance and other government agencies on matters
4 pertaining to real property valuation/appraisal;
- 5 (d) Exercise administrative supervision over the central and regional offices, and provide
6 technical assistance over the local government assessors; and
- 7 (e) Perform such other functions as may be provided by law, or required in pursuance of the law
8 or the demand of the statutory responsibilities of the Authority.

9 **SEC. 8. Creation of an Advisory Board.** - (a) There shall be created an Advisory Board,

10 hereinafter referred to as the Board, composed of a representative each from the:

- 11 1) Department of Finance (DOF);
- 12 2) Bureau of Local Government Finance (BLGF);
- 13 3) Bureau of Internal Revenue (BIR);
- 14 4) Department of Environment and Natural Resources (DENR);
- 15 5) *Bangko Sentral ng Pilipinas* (BSP);
- 16 6) National organization of government assessors;
- 17 7) Private appraisal sector;
- 18 8) Union of Local Authorities of the Philippines (ULAP); and
- 19 9) The Director General as an *ex officio* member.

20 (b) The member-representatives from the DOF, BLGF, BIR, and DENR shall be appointed by the
21 President of the Philippines from the nominees of the respective Department Secretaries
22 from officials performing valuation-related functions whereas the member-representative from
23 the BSP shall be appointed by the *Bangko Sentral* Governor. The representatives from the
24 national organization of government assessors, the private sector, and ULAP shall be
25 appointed by the President from the nominees of the national government assessors, private
26 appraisers' organizations, and ULAP, respectively.

27 (c) The President of the Philippines shall appoint the *Chairman from among the government*
28 *member-representatives of the Board.* The Authority shall provide the secretariat and other
29 support services to the Board.

30 (d) The members of the Board shall serve for a maximum of three (3) years. In case of vacancy
31 in the Board, the person so appointed or designated shall serve only for the unexpired term.
32 They shall not receive additional salary for the performance of their functions but they shall
33 be entitled to *honoraria* pursuant to existing laws and regulations.

34 (e) The Board shall meet at the initiation of the Chairman or any Board Member at least once
35 every three (3) months. It shall have as many special meetings as it may deem necessary for

1 the performance of its functions and may require the presence of representatives from
2 concerned agencies whenever necessary. The Board shall also formulate and adopt its
3 internal rules and regulations for the conduct of its meetings.

4 **SEC. 9. Functions of the Advisory Board.** - The Board shall advise the Director General on
5 matters pertaining to valuation/appraisal and shall have the recommendatory power on the following:

- 6 (a) Adoption of the valuation standards; and
- 7 (b) Setting, maintenance, and compliance monitoring of the valuation standards prepared and
8 developed pursuant to Section 14 of this Act.

9 Chapter 2

10 Organization of the Authority's Regional Offices

11 **SEC. 10. Establishment of Regional Offices.** - There shall be established in every
12 administrative region of the country a Regional Office of the Authority, headed by a Regional Director who
13 shall be appointed by the Secretary of Finance upon the recommendation of the Director General. The
14 Regional Director must be a Filipino citizen, of good moral character, a graduate in engineering,
15 accounting or appraisal related degrees, a licensed appraiser, or assessor, with at least five (5) years of
16 experience in valuation/appraisal or assessment of real property. The Regional Director shall have a
17 salary grade equivalent to Director III under the Salary Standardization Law.

18 The Regional Directors collectively shall serve as a corps of officers that constitute the next in
19 rank to the Director General and designation to the Director General's office may be made from their
20 ranks.

21 There shall be a phased implementation of the Regional Offices.

22 **SEC. 11. Functions of the Regional Offices.** - The Regional Offices, under the Regional
23 Director, shall have the responsibility for all issues relating to valuation/appraisal and SMVs in the region,
24 such as:

- 25 (a) Implement laws, policies, plans, programs, rules and regulations of the Authority in the
26 Region;
- 27 (b) Review and recommend the approval of the proposed SMVs prepared by the provincial
28 assessors together with the municipal assessors, and city assessors, including the municipal
29 assessor of Metro Manila, for tax and other purposes;
- 30 (c) Provide economical, efficient, and effective service relating to the Authority's mandate to all
31 government agencies and other concerned parties within the region;
- 32 (d) Coordinate with regional offices of other government departments, bureaus, and agencies
33 within the region dealing with real property valuation/appraisal;
- 34 (e) Provide leadership and direction in the area of real property valuation/appraisal to local
35 government units in the region;

- 1 (f) Adopt and maintain a comprehensive and up-to-date regional electronic database of all
2 regional real property-related transactions and have custody of all transaction records
3 submitted by local government assessors; and
4 (g) Perform other functions as may be assigned by the Director General.

5 **SEC. 12. *The Regional Consultative Committee.*** - (a) There shall be created in every
6 administrative region a Regional Consultative Committee, hereinafter referred to as the Committee,
7 composed of a representative each from:

- 8 1) Bureau of Local Government Finance - Regional Office;
9 2) Bureau of Internal Revenue - Regional Office;
10 3) Department of Environment and Natural Resources -Regional Office;
11 4) Regional organization of government assessors;
12 5) Private appraisal sector within the region; and
13 6) Regional banking association.

14 (b) The members of the Regional Consultative Committee shall elect the Chairman from among
15 themselves.

16 (c) The members of the Regional Consultative Committee must be performing
17 valuation/appraisal related functions, and shall be appointed by the Regional Director of the
18 agency concerned, while the representative from the organization of government assessors,
19 private appraisal sector, and banking association within the region shall be appointed by the
20 head of their respective organization.

21 (d) The members shall serve for a maximum of three (3) years, otherwise shortened or
22 terminated by the appointing authority. In case of vacancy in the Committee, the person so
23 appointed or designated shall serve only for the unexpired term. The chairperson and
24 members of the Committee shall not receive additional salary for the performance of their
25 functions but they shall be entitled to *honoraria* pursuant to existing laws and regulations.

26 (e) The Committee shall meet on the initiation of the Regional Director or any of the Board
27 Members at least once every three (3) months. It shall have as many special meetings as it
28 may deem necessary for the performance of its functions. The Committee shall also
29 formulate and adopt its internal rules and regulations for the conduct of its meetings.

30 **SEC. 13. *Functions of the Committee.*** - The Committee shall serve as a consultation forum in
31 the region for discussion on property market reports; concerns of taxpayers, civil society, and other
32 stakeholders; outcome of Compliance Reporting in the region; level of complaints and appeals; local
33 government unit training in the region; appraiser and assessor concerns in general; and other matters as
34 may be determined by the Committee.

1 ARTICLE III

2 VALUATION/APPRaisal OF REAL PROPERTIES

3 Chapter 1

4 Valuation Standards and Market Values

5 **SEC. 14. *Development of Valuation Standards.*** - Notwithstanding the provisions of existing
6 laws to the contrary, the Authority shall develop, adopt, maintain and implement uniform valuation
7 standards which shall be used by all appraisers and assessors of national and local government agencies
8 and its instrumentalities, and other concerned parties in appraising or valuing lands, buildings, machinery
9 and other real properties for taxation and other purposes. The valuation standards must conform with the
10 generally accepted valuation principles and internationally accepted standards.

11 **SEC. 15. *Valuation/Appraisal of Real Property.*** - For valuation purposes, all real property,
12 whether taxable or exempt, shall be valued or appraised at the market value prevailing in the locality
13 where the property is situated, in conformity with the valuation standards adopted under this Act. The
14 Authority shall promulgate the rules and regulations for the classification and valuation/appraisal of real
15 property pursuant to the provisions of this Act. It shall provide leadership in ensuring rationalized
16 valuation of real properties transcending political boundaries.

17 For real properties intended for low-cost or socialized housing and other programs of the
18 government imbued with social policy objectives, the provisions of existing pertinent laws shall be applied.

19 **SEC. 16. *Preparation of Schedule of Market Values.*** - Provincial assessors together with
20 municipal assessors, and city assessors, including the municipal assessor in Metro Manila, shall prepare
21 the SMVs for the different classes of real property situated within their respective local government units,
22 pursuant to the valuation standards and specifications set by the Authority. The said SMVs shall be
23 submitted by the assessor concerned, upon proper information to the local chief executive and the
24 *Sanggunian*, to the Authority's Regional Office for review and compliance with other requirements. The
25 said SMVs shall then be submitted to the Authority's Central Office for approval within sixty (60) days
26 from receipt thereof. The Authority shall review and approve the SMV within thirty (30) days upon receipt
27 of the same; otherwise, said schedule shall be deemed approved.

28 The Authority shall transmit the approved SMV to the concerned assessor who shall confer with
29 the local chief executive regarding the said approved SMV. Likewise, the concerned assessor shall
30 submit to the local chief executive a revenue impact report of the new SMV as against the existing
31 assessment levels and tax rates, and shall provide the *Sanggunian*, through the Chairman of the
32 Committee on Ways and Means, a copy of such report. The local chief executive shall transmit the
33 approved SMV together with the revenue impact report within fifteen (15) days from receipt of the same to
34 the *Sanggunian* for the enactment of an Ordinance setting the assessment levels and tax rates. The
35 concerned *Sanggunian* shall enact such Ordinance, upon conduct of public hearings and proper

1 consultation, within sixty (60) days from receipt thereof; otherwise, the existing Ordinance on assessment
2 levels and tax rates shall remain in force and effect.

3 Upon the enactment by the *Sanggunian* of an Ordinance for the assessment levels and tax rates,
4 the local chief executive shall act within ten (10) days, in the case of cities and municipality in Metro
5 Manila, or within fifteen (15) days, in the case of provinces, to approve the same. Failure of the concerned
6 local chief executive within the prescribed period to act on the Ordinance shall render the same approved.

7 The approved Ordinance together with the SMV shall be published by the concerned local
8 government unit in a newspaper of local circulation once a week for two consecutive weeks: *Provided,*
9 *however,* That in provinces, cities and municipalities where there are no newspapers of local circulation,
10 the same shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous
11 public places therein. The Authority shall also publish the approved SMV on its official website.

12 **SEC. 17. Use of Schedule of Market Values.** – The SMV as approved by the Authority shall be
13 used for the general revision of real property values and as basis for the determination of real property
14 related taxes imposed by the national and local governments. For purposes of computing any internal
15 revenue tax, the BIR Commissioner shall adopt the SMV or the actual price in consideration as stated in
16 real property transaction documents, whichever is higher.

17 **SEC. 18. Revision of Schedule of Market Values.** - The Authority shall formulate the program
18 for the regular revision of SMVs. All provincial assessors together with the municipal assessors, and city
19 assessors, including the municipal assessor in Metro Manila, shall undertake a revision of their respective
20 SMVs within two (2) years from the establishment of the Authority. Thereafter, they shall undertake a
21 revision of SMVs not earlier than three (3) years from the date of last revision, but not later than five (5)
22 years.

23 In case of any significant change in the market where the property is located after the said SMV
24 has been approved and prior to its next revision, the provincial assessors together with the municipal
25 assessors, and city assessors, including the municipal assessor in Metro Manila, may recommend to the
26 Authority revisions to their existing SMV.

27 **SEC. 19. Conduct of Training and Seminars.** -- For the effective implementation of this Act, the
28 Authority shall conduct the necessary trainings and seminars for all local assessors and other local
29 officials/staff on the preparation of SMV in accordance with internationally accepted valuation standards,
30 concepts, principles and practices, income projections based on property taxes and other tax
31 administration matters.

1 Chapter 2

2 Development and Maintenance of

3 Real Property Database

4 **SEC. 20. *Development of Real Property Database.*** - The Authority shall develop and maintain
5 an up-to-date electronic database of the sale, exchange, lease, mortgage, donation and all other real
6 property transactions in the country and on the cost of construction or renovation of buildings and other
7 structures, and on prices of machinery. For this purpose, the Authority is hereby authorized to require the
8 mandatory submission of necessary documents from the concerned officials or employees of national
9 government offices or instrumentalities, local government units, and the private sector. The updated
10 database shall be made available to the local government units, national government agencies, and the
11 private sector as well.

12 **SEC. 21. *Duty of Register of Deeds to Supply Assessors of Real Property Transactions***
13 ***Data.*** - The Register of Deeds shall prepare and submit to the provincial and city assessors, including the
14 municipal assessor in Metro Manila, an abstract of his registry every three (3) months and copies of all
15 contracts selling, transferring or otherwise converting, leasing, or mortgaging real property registered by
16 him/her every end of the month. The abstract shall include brief but sufficient description of the real
17 properties entered therein, their present owners, and the dates of their most recent transfer or alienation
18 accompanied by copies of corresponding deeds of sale, donation, or partition or other forms of alienation.

19 **SEC. 22. *Duty of Official Issuing Building Permits or Certificates of Registration of***
20 ***Machinery to Transmit Copy to the Assessor.*** - Any public official or employee who may now or
21 hereafter be required by law or regulation to issue to any person a permit for the construction, addition,
22 repair, or renovation of a building, or permanent improvement on land, or a certificate of registration for
23 any machinery, including machines, mechanical contrivances, and apparatus attached or affixed on land
24 or to another real property, shall transmit a copy of such permit or certification within thirty (30) days of its
25 issuance, to the assessor of the province, city or municipality where the property is situated.

26 **SEC. 23. *Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.*** - It shall be the
27 duty of all geodetic engineers, public or private, to furnish free of charge, the assessor of the province,
28 city or municipality where the land is located a copy of the blue or white print of each of all approved
29 original subdivision plans or maps of surveys executed by them every end of the month from receipt of
30 such approved plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA),
31 or the Housing and Land Use Regulatory Board (HLURB), as the case may be.

32 **SEC. 24. *Duty of Assessors to Transmit Documents to the Authority.*** - It shall be the duty of
33 the assessors to transmit all real property transactions data from the Register of Deeds, official issuing
34 building permit and geodetic engineers to the Regional Office of the Authority within one (1) month after
35 the receipt of such data. The Authority's Regional Office shall record, process and make a summary

1 report of the real property data, and submit the same to the Central office within one (1) month from
2 receipt of such data.

3 Chapter 3

4 Appointment and Qualifications of Assessors

5 **SEC. 25. Appointment of Assessors.** - The Secretary of Finance shall appoint provincial, city,
6 and municipal assessors, upon recommendation of the local chief executive, subject to civil service law,
7 *rules and regulations, and the following guidelines:*

8 (a) In the case of provincial and assistant provincial assessors and city and assistant city assessors,
9 appointee shall be chosen from the list of at least three (3) ranking eligible recommendees
10 suitable and qualified for appointment within the region;

11 (b) In the case of municipal and assistant municipal assessors, appointee shall be chosen from the
12 list of at least three (3) ranking eligible recommendees suitable and qualified for appointment
13 within the province; and

14 (c) In the case of city and assistant city assessors and municipal and assistant municipal assessors
15 for Metro Manila, appointee shall be chosen from the list of at least three (3) ranking eligible
16 recommendees suitable and qualified for appointment within the Metro Manila.

17 The assessors shall be under the administrative supervision of the concerned local government
18 unit and under the technical assistance of the Authority, primarily through a system of compliance
19 reporting and provision for education and training for capacity building.

20 **SEC. 26. Qualifications of Local Government Assessors.** - No person shall be appointed
21 assessor or assistant assessor unless such person is a citizen of the Philippines, a resident of the region
22 for a provincial or city assessor/assistant assessor and of the province for a municipal assessor/assistant
23 assessor, a licensed appraiser, of good moral character, a graduate in engineering, accounting,
24 commerce or appraisal related degree, and must have an experience in real property valuation or
25 assessment work or in any suitable field for at least five (5) years in the case of the provincial or city
26 assessor and three (3) years in the case of the municipal assessor, pursuant to the provisions of Republic
27 Act No. 9646, otherwise known as the Real Estate Service Act.

28 In accordance with Section 30 of Republic Act No. 9646, within three years from the effectivity of
29 this Act all existing and new positions in the national and local and local governments, whether career,
30 permanent, temporary or contractual, and primarily requiring the services of any real estate service
31 practitioner, shall be filled only by registered and licensed real estate service practitioners.

32 All incumbent assessors/assistant assessors holding permanent appointments shall continue to
33 perform their functions without need for reappointment and without diminution of status, rank and salary
34 grade, and shall enjoy security of tenure. However, they may not be promoted to a higher position until
35 they meet the qualification requirements of that higher position as herein prescribed. Nothing in this Act

1 shall be construed to reduce any benefit, interest, or right enjoyed by the incumbents at the time of the
2 enactment of this Act. The appointing authority shall exercise his power to appoint the assessor in
3 accordance with the provisions of Republic Act No. 9646 only when a vacancy occurs.

4 **ARTICLE IV**

5 **PENAL PROVISIONS**

6 **SEC. 27. Failure to Comply with the Required Submission of Documents.** - Any government
7 official or employee who fails without justifiable reason or reasons to provide or furnish data or information
8 required by the Authority pursuant to Sections 21, 22, 23 and 24 of this Act shall be punished by a
9 maximum fine equivalent to the official's or employee's six (6) months basic salary or suspension from
10 service for a period not exceeding one (1) year, or both, at the discretion of the competent authority.

11 **SEC. 28. Failure to Comply with the Valuation Standards.** - An assessor or appraiser who, for
12 unjustifiable reasons, fails to comply with the valuation standards prepared and adopted pursuant to this
13 Act, or deliberately concealed any deviations or departures from such standards, shall be punished by a
14 maximum fine equivalent to the official's or employee's six (6) months basic salary, and suspension from
15 the government service or from the practice of profession for a period not exceeding one (1) year, or
16 permanent revocation of his/her license at the discretion of the competent authority.

17 **SEC. 29. Failure to Prepare Schedule of Market Values.** - An assessor who, for unjustifiable
18 reasons, intentionally or deliberately refuses or fails to prepare the SMVs within the period required by the
19 Authority shall be punished, upon conviction, by a maximum fine equivalent to the official's or employee's
20 six (6) months basic salary or by suspension from government service for not more than one (1) year, or
21 both, at the discretion of the competent authority.

22 **SEC. 30. Violations of Other Provisions.** - Any person, whether natural or juridical, who violates
23 any provision of this Act other than those punishable under Sections 27, 28, and 29 hereof shall, when
24 warranted, be dealt with under applicable existing laws.

25 **SEC. 31. Taxpayers' Remedies in Case of Wrong Assessment of Real Properties.** - The
26 provisions of Sections 226 (Local Board of Assessment Appeals) and 229 (Action by the Local Board of
27 Assessment Appeals) of Republic Act No. 7661, otherwise known as The Local Government Code of
28 1991 shall apply in all cases of appeals as remedies for the taxpayers in the assessment of their
29 properties.

30 **ARTICLE V**

31 **TRANSITORY PROVISIONS**

32 **SEC. 32. Transitory Guidelines.** - Within ninety (90) days upon the effectivity of this Act, the
33 Authority's Central Office shall be organized. The President of the Philippines shall appoint the Director
34 General upon the recommendation of the Secretary of the Department of Finance.

1 (a) The Director General shall organize the Board pursuant to Section 8 of this Act within thirty (30)
2 days upon the organization of the Authority.

3 (b) An *Ad Hoc* Committee is hereby created which shall be responsible for the formulation of the
4 Authority's Organization, Staffing, and Implementation Plan, including the selection and
5 placement of personnel, taking into consideration the organizational criteria such as, but not
6 limited to, availability of qualified personnel, facilities, budgetary support and others. The *Ad Hoc*
7 Committee shall also be responsible for drafting the Implementing Rules and Regulations (IRR)
8 for this Act.

9 The *Ad Hoc* Committee shall be composed of the Director General as *ex-officio*
10 chairperson and representatives from the DOF, BLGF, BIR, National Tax Research Center
11 (NTRC), and Land Administration and Management Project (LAMP), as members.

12 (c) After the organization of the Authority's Central Office, the Authority's Regional Offices shall be
13 organized.

14 (d) All existing staff of the Property Valuation Staff (PVS) in the Department of Finance, records,
15 equipment and appropriations provided for the PVS, as determined by the *Ad Hoc* Committee
16 based on the approved organization and staffing, shall be transferred to the Authority.

17 (e) Local government units who are in the process of revising their SMVs upon the effectivity of this
18 Act shall continue with such revisions in accordance with Section 16 of this Act: *Provided*, That
19 proper notification and coordination with the Authority shall be undertaken: *Provided, finally*, That
20 the newly approved SMVs shall be in force and effect for a period of two (2) years.

21 (f) In case the SMV is not yet available or revised, the BIR Commissioner shall adopt the existing
22 SMV or the actual price in consideration as stated in real property transaction documents,
23 whichever is higher, for purposes of computing any Internal revenue tax.

24 **SEC. 33. *Saving Clause.*** - The zonal values as determined by the BIR and approved by the
25 Secretary of Finance for internal revenue tax purposes and the SMVs prepared by the provincial
26 assessors together with the municipal assessors, and city assessors, including the municipal assessors of
27 the Metro Manila, that have been approved by their respective *Sanggunians* for real property taxation
28 purposes shall continue to be in force and effect until repealed, superseded, modified, revised, set aside,
29 or replaced by the values provided under the new SMVs as approved in accordance with Section 16 of
30 this Act, which shall be within two (2) years upon the effectivity of this Act.

31 ARTICLE VI

32 FUNDING REQUIREMENTS

33 **SEC. 34. *Budgetary Requirements for Revision of Schedule of Market Values.*** - To ensure
34 the proper implementation of the regular revisions of the SMVs and the administration of real property
35 taxes in all local government units, each local *Sanggunian* shall appropriate the necessary funds

1 equivalent to ten percent (10%) of the one percent (1%) from the original allocation of the Special
2 Education Fund (SEF). The amount so appropriated shall be known as the Real Property Tax
3 Administration Fund (RPTAF).

4 The proceeds from the share of the local government unit in the SEF shall automatically accrue to
5 the RPTAF to be maintained in every provincial, city or municipal treasury offices.

6 **SEC. 35. Appropriations.** - The amount necessary for the initial implementation of this Act shall
7 be charged against the current appropriations of the Property Valuation Staff within the Department of
8 Finance. Thereafter, such sum as may be necessary for the Authority's continuing operations and the
9 proper implementation of this Act shall be included in the annual General Appropriations Act.

10 ARTICLE VII

11 MISCELLANEOUS PROVISIONS

12 **SEC. 36. Implementing Rules and Regulations (IRR).** - The Secretary of Finance, taking into
13 account the recommendation of the *Ad Hoc* Committee created under this Act and in consultation with
14 other concerned parties, shall issue the IRR for the effective implementation of this Act.

15 **SEC. 37. Suppletory Application of Existing Laws.** - The provisions of Republic Act No. 7160,
16 otherwise known as the Local Government Code of 1991, and other laws consistent with this Act shall
17 have suppletory effect.

18 **SEC. 38. Repealing Clause.** -

19 (a) Section 6(E) of Republic Act No. 8424, otherwise known as the National Internal Revenue Code
20 (NIRC), as amended, and Section 199(l) of Republic Act No. 7160, otherwise known as the Local
21 Government Code (LGC) of the Philippines, are hereby repealed;

22 (b) Sections 199(e), 199(m), 199 (o), 201, 202, 203, 209(a), 212, 214, 217, 219, 220, 224, 225,
23 443(d), 444(b)(1)(v), 454 (d), 455(b)(1)(v), 463 (d), 465(b)(1)(v), 472, and 473 of the LGC, and
24 Section 88(B) of the NIRC are hereby modified accordingly;

25 (c) All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations
26 or parts thereof contrary to or inconsistent with this Act are hereby repealed, superseded or
27 modified accordingly.

28 **SEC. 39. Separability Clause.** - Any portion or provision of this Act that may be declared
29 unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long
30 as such remaining portions or provisions can still subsist and be given effect in their entirety.

31 **SEC. 40. Effectivity.** - This Act shall take effect fifteen (15) days after its complete publication in
32 the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,