
Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID
OF LEGISLATION, ON THE COMMISSION ON AUDIT REPORT THAT THE CITY
GOVERNMENT OF PARAÑAQUE LOSES SOME ₱400 MILLION IN REAL PROPERTY
TAXES YEARLY DUE TO THE OUTDATED SCHEDULE OF FAIR MARKET VALUES
AND FAILURE TO CONDUCT GENERAL REVISION OF REAL PROPERTY
ASSESSMENTS, AND, AS OF THE END OF 2014, LOST SOME ₱169 MILLION IN
SOCIALIZED HOUSING PROJECT COSTS

1 WHEREAS, the Constitution provides, in Article 2, Sections 27 and 28:

2 Section 27. The State shall maintain honesty and integrity in the public
3 service and take positive and effective measures against graft and corruption.

4 Section 28. Subject to reasonable conditions prescribed by law, the State
5 adopts and implements a policy of full public disclosure of all its transactions
6 involving public interest.

7 WHEREAS, Republic Act No. 7160, otherwise known as the Local Government Code,
8 states, in Sections 212 and 219:

9 Section 212. Preparation of Schedule of Fair Market Values. - Before any
10 general revision of property assessment is made pursuant to the provisions of this
11 Title, there shall be prepared a schedule of fair market values by the provincial,
12 city and municipal assessor of the municipalities within the Metropolitan Manila
13 Area for the different classes of real property situated in their respective local
14 government units for enactment by ordinance of the sanggunian concerned. The
15 schedule of fair market values shall be published in a newspaper of general
16 circulation in the province, city or municipality concerned or in the absence
17 thereof, shall be posted in the provincial capitol, city or municipal hall and in two
18 other conspicuous public places therein.

19 Section 219. General Revision of Assessment and Property Classification.

20 - The provincial, city or municipal assessor shall undertake a general revision of
21 real property assessments within two (2) years after the effectivity of this
22 Code and every three (3) years thereafter.

23 WHEREAS, state auditors claimed in a recently released report that the City Government
24 of Parañaque failed to revise the Schedule of Fair Market Values for the city's real property units

1 since 1997, and to conduct general revision of real property assessments every three years as
2 required under R.A. No. 7160, Sections 212 and 219;

3 WHEREAS, the Commission on Audit (COA) said that this resulted in non-collection of
4 Real Property Taxes (RPT) estimated at ₱400 million yearly, which could otherwise help resolve
5 the huge cash deficit of the city;

6 WHEREAS, state auditors also claimed that the costs of land extended for socialized
7 housing projects were not recovered due to the city's management failures including, among
8 others:

- 9 - non-transfer of land titles in the name of the city government;
- 10 - non-issuance of site development permit by the City Council as pre-requisites for
11 conversion of land into subdivision project under Batas Pambansa No. 220;
- 12 - poor monitoring of the land use by the City Local House Development Office
13 (LHDO);

14 WHEREAS, the state auditors said that this resulted in non-recovery of costs of land
15 amounting to ₱169.748 million;

16 WHEREAS, local government units must be primarily responsible for the proper,
17 efficient, and effective administration of real property units within their jurisdiction;

18 WHEREAS, Congress, through relevant legislation, must ensure that the City
19 Government of Parañaque will adhere to COA guidelines, especially amid huge losses incurred
20 in the transactions involved;

21 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct
22 the proper Senate committee to conduct an inquiry, in aid of legislation, on the Commission on
23 Audit report that the City Government of Parañaque loses some ₱400 million in real property
24 taxes yearly due to the outdated schedule of fair market values and failure to conduct general
25 revision of real property assessments, and, as of the end of 2014, lost some ₱169 million in
26 socialized housing project costs.

Adopted,


MIRIAM DEFENSOR SANTIAGO
RP