


THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Second Regular Session )

5 AUG -2 P6:31

SENATE  
S. No. **2070**RECEIVED BY: 

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Introduced by Senator Rodolfo G. Biazon

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### EXPLANATORY NOTE

The current land and property valuation system is seen as one of the main issues contributing to an inefficient and inequitable land market in the Philippines. This in turn has constrained the country's economic development, reduced opportunities for the poor and discouraged the optimal management and use of land resources.

Since there is no single agency responsible for ensuring that valuations (or appraisals) are completed in accordance with generally accepted standards, real property valuation in the Philippines is fragmented. There are at least 23 national government agencies (NGAs) undertaking real property appraisal of some kind, each using its own system and methodology. The same is noted in the appraisal practices of the local government units (LGUs). There being no adequate technical supervision on valuation matters, local assessors generally operate independently thereby spawning a lack of uniformity and equity in real property appraisal among different provinces and cities. The multiplicity of systems and methods of property appraisal has created confusion in the public mind and a lack of confidence in the system especially when different values are attributed to the same property. It is considered that the adoption of a single valuation base will remove confusion and provide a sound reliable basis for the assessment of real property taxes and reduce costs of duplications.

The schedule of market values (SMV) is the base for the assessment of the real property tax. To maintain equity and uniformity in the base record, it is important to keep it separate from the tax assessment process, which is carried out by the local treasurer as the taxing authority on behalf of the local council. While the grant of authority to LGUs to prepare, legislate and implement the SMVs has enhanced local autonomy, it has also introduced politics in property valuation. Political influence is manifested, among others, in local officials allowing only minor increases in property values over previous value levels; selective and subjective increases on valuations; frequent deferment of the general revision of property assessments contrary to the Local Government Code's requirement of every three years, etc.

The main objective of a general revision of real property assessments is to update real property values for taxation purposes as these change over time. Because of the frequent deferment of the general revisions, valuations used by LGUs are out of date and do not reflect the changes occurring within the market from time to time. The same can be said of the zonal values developed by the Bureau of Internal Revenue (BIR) for tax purposes. Because the zonal value system has no fixed statutory review period, the reviews of the zonal values are not conducted at regular intervals. Moreover, the four-step approval process is so time consuming that by the time the zonal values have been approved, changes had occurred in the property market. This has resulted in distortions in zonal

values ranging from 25 percent to 70 percent of the prevailing land prices (LAMP, 2000). The records would show that generally, the distortions in the LGUs' market values are relatively higher. A comparison of the BIR zonal values of sampled properties in Metro Manila showed that the zonal values are on the average 262 percent higher than the LGU market values (NTRC, 2002). Below market value assessment of real property leads to a relatively low tax intake and undermines the generation of significant revenues from property ownership and transfers. To cite a case in Davao City, on five patrimonial properties alone, using current valuation practices, the government is incurring foregone revenues of P9 million to P35 million annually. (PEENRA, March 2000).

Another factor that has compromised the valuation process is the appointment of the assessor by the local chief executive. The issue raises concerns about the appointment of local assessors with inappropriate qualifications and experience considering the highly technical aspect of the appraisal function. The present set-up also makes the local assessors vulnerable to political influence in the effective discharge of their functions.

Greater efficiency and transparency would result from BIR and the LGUs adopting the new schedule of market value as proposed in this Bill.

If fairness and equity in the taxation of real property are to be achieved, the separation of the valuation and assessment function from tax setting and political influence should be considered. The establishment of an appraisal agency, responsible for regulating and overseeing all LGUs and NGA appraisal activities will address this matter. The Agency will ensure that a nationally consistent, equitable and impartial valuation system for real property taxation is put in place and that it maintains the integrity of real property appraisal. This in turn will provide a wider taxation base resulting in improved and enhanced tax collection.

In view of the foregoing, the approval of this Bill is strongly recommended.



RODOLFO G. BIAZON

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**AN ACT**  
**INSTITUTING REFORMS IN THE REAL PROPERTY APPRAISAL AND**  
**ASSESSMENT PRACTICES IN THE PHILIPPINES AND FOR OTHER**  
**PURPOSES**

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

**ARTICLE I**  
**TITLE, DECLARATION OF POLICY AND OBJECTIVES,**  
**AND DEFINITION OF TERMS**

**SECTION 1. Short Title.** - This Act shall be known as the "THE REAL PROPERTY APPRAISAL AND ASSESSMENT REFORM ACT OF 2005."

**SEC. 2. Declaration of Policy and Objectives.** - It is the policy of the State to regulate and oversee the development and maintenance of a just, equitable, impartial, and nationally consistent real property valuation system in conformity with the Philippine Valuation Standards developed under this Act and the generally accepted valuation principles. Towards this end, the State shall:

- (a) Establish a National Appraisal Authority that shall provide a strong leadership in the appraisal of real property for taxation and for other purposes;
- (b) Develop and maintain valuation standards and adopt market value as the single real property valuation base for the assessment of all real property related taxes in the country and for the valuation of real property by all government agencies and units requiring real property valuation;

- (c) Separate the function of valuing or appraising real properties from the function of administering the taxes due thereon; and
- (d) Develop and professionalize the valuation or appraisal practice in the country.

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

- (a) **Appraisal** – systematic and analytic determination and recording of property facts, circumstances and investments and investigation of other relevant data resulting in a supportable estimate and opinion of value.

A professional conclusion based upon supporting data, logical analysis and judgment.

- (b) **Appraiser.** – also known as Valuer; refers to a person who conducts appraisals; specifically, one who possesses the necessary qualifications, ability, and experience to execute or direct the appraisal of real or personal property;
- (c) **Assessor** – a government official who conducts appraisal of real estate properties for ad valorem purposes.
- (d) **Building.** – a man-made structure permanently attached to land for residential, commercial, industrial, recreational or other purposes.
- (e) **Improvements.** – buildings or other more or less permanent structures or developments located upon or attached to land.
- (f) **Land.** - one of the major factors of production consisting sometimes of a material economic good which is supplied by nature without the aid of man. Land may include not only the earth surface, both land and water, but also anything that is attached to the earth's surface. Thus, all natural resources in their original state, such as mineral deposits, wildlife, timber, and fish, are land within the technical meaning of the term; so also are

sources of energy, outside of man himself, such as water, coal deposits, and the natural fertility of the soil.

**(g) Market Value.** – the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction (a transaction between independent, unrelated parties involving no special consideration) after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

**(h) Real Property** – the interests, benefits and rights inherent in the ownership of real estate. Real estate is defined as the physical land and all those items which are attached to the land

**(i) Special Purpose Properties.** – are properties which are designed, constructed and developed for a specific use or purpose. By its very nature this type of property is rarely offered for sale in the open market except as part of a going concern. Because of the special design and function, conversion of special purpose properties to other types of development or application is generally not economically feasible.

## **ARTICLE II**

### **Chapter 1. - ESTABLISHING A NATIONAL APPRAISAL AUTHORITY**

**SEC. 4. *Establishing a National Appraisal Authority.*** - To achieve the policy declared in this Act, there shall be established a National Appraisal Authority, hereinafter referred to as the Authority, which shall be the primary agency of the government on matters concerning the appraisal of real properties in the Philippines. The Authority shall be attached to the Department of Finance. This attachment, however, shall be subject to review under Section 36 of this Act. The Authority shall have its central office in Metro Manila.

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

- (a) Set and maintain valuation standards consistent with generally accepted valuation standards, regulations and specifications for real property appraisal used for tax and other purposes and ensure compliance therewith by local government units, national government agencies, and other concerned parties in both government and private sectors;
- (b) Review and approve the Schedule of Market Values prepared by the provincial, city, and municipal assessors of Metro Manila for tax purposes;
- (c) Provide technical assistance on real property appraisal matters to government agencies and instrumentalities, and coordinate, or conduct when requested, the appraisal of special purpose properties for real property tax purposes;
- (d) Provide leadership and direction to local government units, national government agencies, private sector institutions and individuals dealing with real property appraisal on matters pertaining to appraisal including the promotion of appraisal education and continuing educational development programs, development and maintenance of valuation standards, and regulation of appraisal activities, and other related matters;
- (e) Recommend to the approving authority the appointment of qualified persons for local government assessors;
- (f) Develop and maintain a database of real property transactions and prices of materials for buildings and other structures and machineries;
- (g) Determine, fix, and collect reasonable amounts to be charged as administration fees, fines, and penalties relative to the implementation of this Act; and

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

**SEC. 6. *Head of Authority.*** - The Authority shall be headed by an Executive Director who shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Finance. The Executive Director must be a Filipino citizen, of good moral character, a graduate in engineering, accounting or appraisal related degrees, and a licensed appraiser, or assessor, with at least ten (10) years experience in appraisal or assessment of real properties. The Executive Director shall have the salary grade equivalent to the rank of a Director IV under the Salary Standardization Law exclusive of allowances and other emoluments.

**SEC. 7. *Responsibilities of the Executive Director.*** - The Executive Director shall be responsible for the efficient and effective delivery of services to be performed by the Authority as well as the statutory responsibilities set out in this Act. For this purpose, the Executive Director shall:

- (a) Develop policies, plans, programs, and operating standards for the attainment of the objectives and mandate of the Authority;
- (b) Provide policy direction and leadership as well as coordinate and support the functions of the regional offices;
- (c) Advise and assist the Secretary of Finance on matters pertaining to real property appraisal and assessments;
- (d) Delegate authority over certain powers, functions, and responsibilities as the need arises; and
- (e) Perform such other functions as may be provided by law

**SEC. 8. *Deputy Director.*** - In the performance of his/her duties and responsibilities, the Executive Director shall be assisted by a Deputy Director who shall likewise be appointed by the President of the Philippines upon the

recommendation of the Secretary of Finance. The Deputy Director must be a Filipino citizen, of good moral character, a graduate in engineering, accounting or appraisal related degrees, and a licensed appraiser, or assessor, with at least five (5) years experience in appraisal or assessment of real properties. The Deputy Director shall have a salary grade equivalent to the rank of Director III under the Salary Standardization Law exclusive of allowances and other emoluments.

**SEC. 9. Creation of an Advisory Board.** - (a) There shall be created an Advisory Board, hereinafter referred to as the Board, composed of the following:

- (1) Representative from the Department of Finance;
  - (2) Representative from the Bureau of Local Government Finance;
  - (3) Representative from the Bureau of Internal Revenue;
  - (4) Representative from the Department of Environment and Natural Resources;
  - (5) Representative from private appraisal organizations;
- (b) The members shall select among themselves the Chairperson of the Board.
- (c) **Private appraisal organization** refers to a professional organization of licensed real estate appraisers which has been active in the promotion and pursuit of its objectives for the last five (5) years.
- (d) The representatives from the concerned government agencies shall be designated by their respective agency heads while the representative from the private appraisal organizations shall be appointed by the Executive Director from among the list of nominees submitted by their respective organizations. The members shall serve for a maximum of three (3) years unless their designation or appointment is shortened or terminated by the designating agency, private appraisal organization, or Executive Director, as the case may be. In case of vacancy in the Board, the person so appointed



or designated shall serve only for the unexpired term. The chairperson and members of the Board shall not receive additional salary for the performance of their functions but they shall be entitled to honoraria pursuant to existing laws and regulations.

- (e) The Board shall meet every other month and shall have as many special meetings as it may deem necessary for the performance of its functions. The Board may also formulate and adopt its internal rules and regulations for the conduct of its meetings.

**SEC. 10. *Functions of the Advisory Board.*** - The Board shall advise the Executive Director on matters pertaining to the following: (a) preparation, review and approval of the Schedule of Market Values mentioned in Section 18 of this Act; and (b) setting, maintenance, and compliance monitoring of the valuation standards prepared and developed pursuant to Section 16 of this Act.

## **Chapter 2. - ORGANIZATION OF THE AUTHORITY'S REGIONAL OFFICES**

**SEC. 11. *Regional Offices.*** - There shall be established in every administrative region of the country a Regional Office headed by a Regional Director who shall be appointed by the Secretary of Finance upon the recommendation of the Authority's Executive Director. The Regional Director must be a Filipino citizen, of good moral character, a graduate in engineering, accounting or appraisal related degrees, a licensed appraiser, or assessor, with at least five (5) years of experience in appraisal or assessment of real property. The Regional Director shall have a salary grade equivalent to Director III under the Salary Standardization Law exclusive of allowances and other emoluments.

**SEC. 12. *Functions of the Regional Director.*** - The Authority's Regional Director shall:

- (a) Implement laws, policies, plans, programs, rules and regulations of the Authority in the Region;

- (b) Provide economical, efficient, and effective service relating to the Authority's mandate to local government units and government agencies within the region;
- (c) Coordinate with regional offices of other government departments, bureaus, and agencies within the region dealing with real property appraisal and assessment;
- (d) Provide leadership and direction in the area of real property appraisal and assessment to local government units in the region; and
- (e) Perform other functions as may be assigned by the Executive Director.

**SEC. 13. Designation of Officer-in-Charge in Case of the Absence of the Regional Director.** - In the event the Regional Director is temporarily unable to perform his/her duties and responsibilities due to, but not limited to, suspension, leave of absence, attendance in seminars, conventions, workshops, lectures, and other official activities locally or abroad, the Executive Director, prior to the absence of the Regional Director, shall designate any of the Central Office or Regional Office's division, unit, or department chiefs or heads as Officer-in-Charge who shall assume and continue to perform the duties and responsibilities of the Regional Director: *Provided, however, That the person so designated as Officer-in-Charge is not entitled to any additional salary attached to such position.*

**SEC. 14. The NAA Regional Consultative Committee.** - (a) There shall be created in every administrative region a NAA Regional Consultative Committee, hereinafter referred to as the Committee, composed of the following:

- (1) Representative from the Bureau of Local Government Finance- Regional Office;
- (2) Representative from the Bureau of Internal Revenue- Region/District Office;

- (3) Representative from the Department of Environment and Natural Resources-Regional Office; and
  - (4) Two (2) representatives from the private appraisal organization.
- (b) The members shall select from among themselves the chairperson of the Committee.
- (c) **Private appraisal organization** refers to a professional organization of licensed real estate appraisers within the region which has been active in the promotion and pursuit of its profession for the last five (5) years.
- (d) The representatives from the concerned government agencies shall be designated by their respective agency heads while the representatives from the private appraisal organizations shall be appointed by the Regional Director from among the list of nominees submitted by their respective organizations. The members shall serve for a maximum of three (3) years unless his/her designation or appointment is shortened or terminated by the designating agency, private appraisal organization, or Regional Director. In case of vacancy in the Committee, the person so appointed or designated shall serve only for the unexpired term. The chairperson and members of the Committee shall not receive additional salary for the performance of their functions but they shall be entitled to an honoraria pursuant to existing laws and regulations.
- (e) The Committee shall meet every other month and shall have as many special meetings as it may deem necessary for the performance of its functions. Subject to the approval of the Executive Director, the Committee may also formulate and adopt its internal rules and regulations for the conduct of its meetings.

**SEC. 15. Functions of the Committee.** - The Committee is the counterpart of the Board at the regional level and shall advise the Regional Director on matters pertaining to the following: (1) preparation and review of the Schedule of Market

Values mentioned in Section 18 of this Act; and (2) setting, maintenance, and compliance monitoring, of the valuation standards prepared and developed pursuant to Section 16 of this Act.

### **ARTICLE III**

#### **Chapter 1. APPRAISAL AND ASSESSMENT OF PROPERTIES**

**SEC. 16. *Development of Valuation Standards.*** – Notwithstanding the provisions of existing laws to the contrary, the Authority shall develop, maintain and implement uniform valuation standards which shall be used by all appraisers and assessors of national and local governments in appraising or valuing lands, buildings, machineries and other real properties for taxation and other purposes. The valuation standards must conform with the generally accepted valuation principles and internationally accepted standards.

**SEC. 17. *Appraisal of Real Property.*** – For ad valorem purposes, all real property, whether taxable or exempt, shall be appraised at the market value prevailing in the locality where the property is situated in conformity with the valuation standards prepared under this Act. The Authority shall promulgate the rules and regulations for the classification and appraisal of real property pursuant to the provisions of this Act.

**SEC. 18. *Preparation of Schedule of Base Market Values.*** – The Executive Director shall determine the program of the general revisions of property values each year. Before any general revision of property assessment is made, there shall be prepared a Schedule of Market Values by the provincial, city and the municipal assessors of the municipalities within the Metropolitan Manila Area for the different classes of real property and special purpose property situated within their respective local government units pursuant to the appraisal standards and specifications set by the Authority. The said schedule shall be submitted by the assessor concerned to the Authority's regional office for initial review and completion of the compliance report. The said schedule shall then be submitted

to the Authority's central office for approval. The Executive Director shall act within ninety (90) days after receipt of the said schedule and inform the Regional Director and Assessor concerned of any action thereon within the said period, otherwise, the said schedule shall be deemed approved. The approved Schedule of Market Values shall be published in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two other conspicuous public places therein and in the Authority's official website.

**SEC. 19. *Use of Schedule of Market Values.*** - The market value of real property appearing in the Schedule of Market Values approved by the Authority shall be used for the general revision of property assessments and for computing all applicable real property related taxes imposed by the national and local government units.

**SEC. 20. *Revision of Schedule of Market Values.*** - The provincial, city and municipal assessors of Metro Manila shall undertake a general revision of Schedule of Market Values every three (3) years. In the event the provincial, city or municipal assessor is unable to undertake the said revision, the Executive Director is authorized to consider and approve, after due consultation with the local government unit concerned, the extension of the validity of the Schedule of Market Value and property assessment. The provincial, city or municipal assessor in Metropolitan Manila Area may recommend to the Authority revisions to the Schedule of Market Values in case there is significant change in the market where the property is located after the said Schedule has been approved and prior to its next revision. The assessors of any municipality within the province may also recommend revisions to the Schedule of Market Values through their provincial assessors.

**SEC. 21. *Saving Clause.*** - The zonal values as determined by the Bureau of Internal Revenue and approved by the Secretary of Finance and the Schedule of

Market Values prepared by the provincial, city assessors and municipal assessors of the Metropolitan Manila Area that have been approved by their respective Sanggunians for taxation purposes shall continue to be in force and effect until repealed, superseded, modified, revised, set aside, or replaced by the values provided under the Schedule of Market Values approved in accordance with Section 18 of this Act.

## **Chapter 2. DEVELOPMENT AND MAINTENANCE OF REAL PROPERTY DATABASE**

**SEC. 22. *Development of Real Property Database.*** - The Authority shall develop and maintain an updated database on the sale, exchange, lease, mortgage, donation and all other real property transactions in the country and on the cost of construction or renovation of buildings and other structures, and on prices of machinery. For this purpose, the Authority is hereby authorized to require the production of necessary documents or to obtain information from the concerned officials or employees of national government offices or instrumentalities, local government units, and private sectors. The updated database shall be made available to the local government units, national government agencies, and the private sector as well.

**SEC. 23. *Duty of Registrar of Deeds to Supply Assessors of Real Property Transactions Data.*** - The Registrar of Deeds shall prepare and submit to the provincial, city or municipal assessor in Metropolitan Manila Area an abstract of his registry every six (6) months and copies of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real property registered by him/her, within thirty (30) days from the date of registration. The abstract shall include brief but sufficient description of the real properties entered therein, their present owners, and the dates of their most recent transfer or alienation accompanied by copies of corresponding deeds of sale, donation, or partition or other forms of alienation.

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

**SEC. 25. *Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.*** - It shall be the duty of all geodetic engineers, public or private, to furnish free of charge the assessor of the province, city or municipality where the land is located with a white or blue print copy of each of all approved original or subdivision plans or maps of surveys executed by them within thirty (30) days from receipt of such approved plans from the Land Management Bureau, the Land Registration Authority, or the Housing and Land Use Regulatory Board, (or Land Administration Authority), as the case may be.

**SEC. 26. *Duty of Assessors to Transmit Documents to the Authority.*** - It shall be the duty of the Assessors to transmit all real property transactions data from the Registrar of Deeds, Official issuing building permit and Geodetic Engineers to the regional office of the Authority within one (1) month after the receipt of such data. The Authority's regional office shall record, process and make a summary report of the real property data and submit the same to the Central office within one (1) month from receipt of such data.

### **Chapter 3. APPOINTMENT AND QUALIFICATIONS OF LOCAL ASSESSORS**

**Sec. 27. *Appointment of Assessors.*** - The Executive Director shall recommend to the Secretary of Finance the appointment of the following: (a) Provincial and Assistant Provincial Assessors and City and Assistant City

Assessors from the list of persons suitable and qualified for appointment within the region; (b) Municipal and Assistant Municipal Assessors from the list of suitable and qualified for appointment within the Province; and (c) City and Assistant City Assessors and Municipal and Assistant Municipal Assessors from the list of persons suitable and qualified for appointment within the Metropolitan Manila Area. The assessor shall be under the administrative and technical supervision of the Authority.

**SEC. 28. *Qualifications of Local Government Assessors.*** - No person shall be appointed assessor unless such person is a citizen of the Philippines, a resident of the region for a provincial or city assessor and of the province for a municipal assessor, a licensed appraiser, of good moral character, a graduate in engineering, accounting or appraisal related degree, and must have experience in real property assessment work or in any related field for at least five (5) years in the case of the provincial or city assessor and three (3) years in the case of the municipal assessor.

#### ARTICLE IV

##### TRANSITORY PROVISIONS

**SEC. 29. *Implementing Guidelines.*** - (a) Within one hundred eighty days (180) days after the effectivity of this Act, the Authority's Central Office shall be organized. The President shall appoint the Executive Director and the Deputy Director of the Authority upon the recommendation of the Secretary of Finance.

(b) The personnel of the Real Property Assessment and Local Assessment Operations Divisions of the Bureau of Local Government Finance (BLGF) including other personnel of said office whose functions may be necessary in the organization of the Authority shall be absorbed as the Authority's core staff until such time when the organizational structure and staffing pattern of the Authority shall have been approved. For this purpose, there is hereby created an *Ad Hoc*



Committee composed of the Executive Director as *ex-officio* chairperson and representatives from the DOF, BLGF, BIR, National Tax Research Center (NTRC) and Land Administration and Management Project (LAMP) as members. The *Ad Hoc* Committee shall be responsible for the formulation of the Authority's Organization and Implementation Plan: *Provided, That* the preparation and approval of the Authority's Organization and Implementation Plan shall, as far as practicable, respect and ensure the security of tenure, rank and salary of affected government employees;

(c) The personnel of the concerned divisions of BLGF composing the core staff who may not be absorbed by the Authority shall be reassigned by the said office in any of its sections or divisions without diminution of the employee's rank, position and salary.

(d) As early as possible, the Executive Director shall organize the Board pursuant to Section 9 of this Act.

(e) After the organization of the Authority's Central Office, the Authority's regional offices shall be organized taking into consideration the organizational criteria such as, but not limited to, availability of qualified personnel, facilities, budgetary support and others.

**SEC. 30. *Transfer of Records and Assets.*** - All pertinent records, documents, office equipment and other properties exclusively used by and/or assigned in, under the custody of, the affected divisions of BLGF shall be transferred to the Authority.

**SEC. 31. *Budgetary Requirements.*** - (a) The amount necessary to finance the initial implementation of this Act shall be charged against the corresponding appropriations of the BLGF's Real Property Assessment Division and Local Assessments Operations Division, and other divisions of the said agency where the other core staff came from. Thereafter, such funds as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

(b) The sum of Fifty Million Pesos (Php 50,000,000.00) is hereby appropriated for the expenses to be incurred by the Ad Hoc Committee in carrying out its functions.

## ARTICLE V

### PENAL PROVISIONS

**SEC. 32. *Failure to Provide Information or Data.*** - Any government official or employee who fails without justifiable reason or reasons to provide or furnish data or information required by the Authority pursuant to Sections 23, 24, 25 and 26 of this Act shall be punished by a maximum fine equivalent to the official's or employee's six (6) months basic salary or suspension from service for a period not exceeding one (1) year, or both, at the discretion of the Civil Service Commission (CSC).

**SEC. 33. *Failure to Comply With the Valuation Standards.*** - An assessor or appraiser who fails to comply with the Valuation Standards prepared and adopted pursuant to this Act, or deliberately concealed any deviations or departures from such Standards, shall be punished by a maximum fine equivalent to the official's or employee's six (6) months basic salary, and suspension from the government service or from the practice of profession for a period not exceeding one (1) year, or permanent revocation of his/her license at the discretion of the competent authority.

**SEC. 34. *Failure to Prepare Schedule of Market Values.*** - An assessor who intentionally or deliberately refuses or fails to prepare the Schedule of Market Values within the period required by the Authority shall be punished, upon conviction, by a maximum fine equivalent to the official's or employee's six (6) months basic salary or by suspension from government service for not more than one (1) year, or both, at the discretion of the competent authority.

**SEC. 35. *Violations of Other Provisions.*** - Any person who violates any provision of this Act other than those punishable under Sections 32, 33, and 34 hereof shall, when warranted, be dealt with under the applicable existing laws.

## **ARTICLE VI**

### **MISCELLANEOUS PROVISIONS**

**SEC. 36. *Mandatory Review After Five Years of Authority's Organization.*** -

After five (5) years from the effectivity of this Act, an independent review panel composed of seven (7) persons from the legislative and executive branches of the government shall be appointed by the President to review the organizational and functional relationship of the Authority to other government agencies and stakeholders and shall make recommendations, based on its findings to the President and to both Houses of Congress.

**SEC. 37. *Implementing Rules and Regulations.*** - The Secretary of Finance, upon the recommendation of the Executive Director, shall issue, within ninety (90) days after the organization of the Authority, the rules and regulations for the effective implementation of this Act.

**SEC. 38. *Suppletory Application of Existing Legislations.*** - The provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other laws not inconsistent with this Act shall have suppletory effect.

**SEC. 39. *Repealing Clause.*** - (a) Section 6 (E) of Republic Act No. 8424, as amended, otherwise known as the National Internal Revenue Code of 1997; Presidential Decree No. 921 dated April 12, 1976; Sections 199 (e), 199 (l), 199 (o), 202, and 203 of Republic Act 7160, otherwise known as the Local Government Code of the Philippines, are hereby repealed;

(b) Sections 199 (m), 201, 209 (a), 212, 214, 217, 219, 220, 224, 225, 443 (d), 444 (b) (1) (v), 454 (d), 455 (b) (1) (v), 463 (d), 465 (b) (1) (v), 472 and 473 of Republic Act 7160, otherwise known as the "Local Government Code of the Philippines," including all other provisions of the said laws which are inconsistent

with any of the provisions of this Act are hereby amended or modified accordingly.

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

**SEC. 40. *Separability Clause.*** – Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

**SEC. 41. *Effectivity.*** – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

APPROVED.