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SENATE

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Introduced by Senator Ramon Bong Revilla, Jr.

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**EXPLANATORY NOTE**

This proposed measure seeks to amend Republic Act No. 7160, with regard to Appraisal and Assessment of Real Property.

It is common knowledge that Real Property Tax is the single major source of income of local governments.

However, there are several reasons why there is an apparent under collection of real property taxes:

- a. there is no uniform method of appraising real properties among local governments
- b. Revision or updating the schedule of fair market values is so infrequent, thus, resulting in a low tax base even as assets in the market continue to appreciate
- c. The approval of the schedule of fair market values is vested on the Sanggunian Panlalawigan/Panlungsod. Considering the political nature of the local Sanggunian, the tendency is to forego revisions in the valuation schedule or to keep the property value understated.

By this proposal, it is suggested for the creation of Technical Valuation Committee which is tasked to formulate a uniform method of assessment and appraisal with the end view of maximizing the potential tax collection from this source.

In view of the foregoing, approval of this bill is earnestly urged.

  
RAMON BONG REVILLA, JR.



*SECTION 2.* Section 214 of the Local Government Code of 1991 is hereby amended to read as follows:

SEC. 214. Amendment of Schedule of Fair Market Values. - The [provincial, city or municipal assessor] **TECHNICAL VALUATION COMMITTEE** may recommend to the sanggunian concerned amendments to correct errors in valuation of the schedule of fair market values. The sanggunian concerned shall, by ordinance act upon the recommendation within ninety (90) days from receipt thereof.

*SECTION 3.* Effectivity. - This Act shall take effect fifteen (15) days following its Publication in two (2) newspapers of general circulation.

Approved,