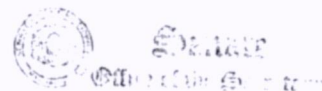


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

**SENATE**

**S. No. 894**



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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

A handwritten signature in black ink, appearing to be "RBR", is written over a horizontal line.

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**AN ACT**  
**INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT**  
**IN THE PHILIPPINES, REORGANIZING THE BUREAU OF LOCAL GOVERNMENT**  
**FINANCE, AND APPROPRIATING FUNDS THEREFOR**

**EXPLANATORY NOTE**

One of the main issues contributing to the inefficiency of the real estate market in the country is the current valuation system that we have. The system has tremendously constrained the optimal management and use of our valued land resources.

This bill seeks to address the following concerns in order to improve the state of our valuation system:

- Lack of a uniform valuation standards which should govern the valuation of real property in the country;
- Lack of a single real property valuation base for the assessment of all real property related taxes in the country and for valuing or appraising real property for various transactions by all government agencies;
- Mixed functions of valuing or appraising of real properties from the and tax policy and administering the taxes due thereon;
- Lack of a comprehensive and up-to-date electronic database of all real property transactions.

In addition, this bill seeks to support the development and professionalization of the valuation/appraisal practice in the country pursuant to Republic Act No. 9646; support the development of a "body of knowledge" on valuation by continuing research and monitoring of new developments in the valuation discipline for upgrading the country's valuation and making it abreast with global developments; and ensure transparency in real property transactions to protect consumers and develop confidence in the work of appraisers and assessors.

In view of the foregoing, passage of this bill is earnestly sought.

  
**RAMON BONG REVILLA, JR.**



**SENATE**

**S. No. 894**

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**AN ACT  
INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT IN  
THE PHILIPPINES, REORGANIZING THE BUREAU OF LOCAL GOVERNMENT  
FINANCE, AND APPROPRIATING FUNDS THEREFOR**

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

1 Section. 1. *Short Title.* – This Act shall be known as the “Real Property Valuation and  
2 Assessment Reform Act of 2019.”

3  
4 **ARTICLE I**

5 **DECLARATION OF STATE POLICY AND OBJECTIVES,**  
6 **AND DEFINITION OF TERMS**

7 *Sec. 2. Declaration of Policy and Objectives.* – It is the policy of the State to promote  
8 the development and maintenance of a just, equitable, impartial, and nationally consistent  
9 real property valuation based on internationally accepted valuation standards, concepts,  
10 principles, and practices. Towards this end, the State shall:

- 11 (a) Establish and maintain standards to govern the valuation of real property in the  
12 country;
- 13 (b) Adopt market value as the single real property valuation base for the assessment  
14 of real property-related taxes in the country, and for the valuation of real property  
15 for various transactions by all government agencies;
- 16 (c) Promote the fiscal autonomy of local government units (LGUs) to provide basic  
17 services to their constituency by enhancing their capacity to generate local  
18 revenues from real property;

- 1 (d) Separate the function of valuation or appraising of real properties from the  
2 functions of tax policy formulation and administration of the taxes due thereon;  
3 (e) Support the development and professionalization of the valuation practice in the  
4 country pursuant to Republic Act No. 9646, otherwise known as the "Real Estate  
5 Service Act of the Philippines".  
6 (f) Provide a comprehensive and up-to-date electronic database of all real property  
7 transactions;  
8 (g) Support the development of an information database on valuation through  
9 continuing research and monitoring of new developments in the discipline to  
10 upgrade the country's valuation system to be at par with global standards; and  
11 (h) Ensure transparency in real property transactions to protect public interests, and  
12 develop confidence in the valuation system.

13 *Sec. 3. Definition of Terms. – As used in this Act:*

- 14 (a) **Appraiser**, also known as valuer, refers to a person who conducts valuation;  
15 specifically, one who possesses the necessary qualifications, license, ability, and  
16 experience to execute or direct the valuation of real property;  
17 (b) **Assessed Value**, also known as taxable value, refers to the market value of the  
18 property multiplied by the corresponding assessment level;  
19 (c) **Assessment** refers to the act or process of determining the value of a property,  
20 or proportion thereof subject to taxation, including the discovery, listing,  
21 classification, and appraisal of properties;  
22 (d) **Assessment Level** refers to the percentage applied to the market value to  
23 determine the taxable value of the property based on property classifications as  
24 prescribed in Republic Act No. 7160, otherwise known as the "Local Government  
25 Code of 1991", as amended;  
26 (e) **Assessor** refers to an official in the LGU who is a licensed appraiser, and performs  
27 appraisal and assessment of real properties, including plant, machinery and  
28 equipment, essentially for taxation and other purposes.  
29 (f) **Building** refers to a man-made structure permanently attached to land for  
30 residential, commercial, industrial, recreational or other purposes;  
31 (g) **Electronic database** refers to an organized collection of data, or information,  
32 that is stored in computer-readable form;  
33 (h) **Improvement** refers to a valuable addition made to a property or an amelioration  
34 in its condition, amounting to more than a mere repair or replacement of parts,

1 involving capital expenditures and labor intended to enhance its value, beauty or  
2 utility or to adapt it for new or further purposes;

- 3 (i) **International Valuation Standards (IVS)** refer to standards that provide  
4 property valuers with a framework composed of recognized principles and concepts  
5 as well as internationally accepted definitions, best practices, and reporting  
6 systems;
- 7 (j) **Land** refers to one of the major factors of production which is supplied by nature  
8 without the aid of man. Land may include not only the earth's surface, both land  
9 and water, but also anything that is attached to the earth's surface including all  
10 natural resources in their original state, such as minerals deposits, wildlife, and  
11 timber;
- 12 (k) **Machinery** refers to machines, equipment, mechanical contrivances, instruments,  
13 appliances or apparatus which may be attached, permanently or temporarily, to  
14 the real property. It includes the physical facilities for production, the installations  
15 and appurtenant service facilities, those which are mobile, self-powered or self-  
16 propelled, and those not permanently attached to the real property which are  
17 actually, directly, and exclusively used to meet the needs of the particular industry,  
18 business or activity and which by their very nature and purpose are designed for,  
19 or necessary to its manufacturing, mining, logging, commercial, industrial or  
20 agricultural purposes;
- 21 (l) **Market value** refers to the estimated amount for which a property should  
22 exchange on the date of valuation between a willing buyer and a willing seller in  
23 an arm's length transaction which is a transaction between independent, unrelated  
24 parties involving no irregularity after proper marketing wherein the parties had  
25 each acted knowledgeably, prudently, and without compulsion;
- 26 (m) **Private appraisal sector** refers to licensed non-governmental real estate service  
27 practitioners who have been active in the practice of real estate appraisal for at  
28 least five (5) years;
- 29 (n) **Real estate** refers to the land and all those items which are attached to the land.  
30 It is the physical, tangible entity, together with all the additions or improvements  
31 on, above or below the ground;
- 32 (o) **Real property** refers to all the rights, interests and benefits related to the  
33 ownership of real estate. It is a legal concept distinct from real estate, which is a  
34 physical asset.

- 1 (p) ***Schedule of Market Values***, hereinafter referred to as SMV, refers to a table of  
2 base unit market values for all kinds of real properties, except machinery, within a  
3 local government unit (LGU) prepared by assessors pursuant to existing laws, rules  
4 and regulations;
- 5 (q) ***Special purpose property*** refers to a property that is designed, constructed and  
6 developed for a specific use or purpose. By its very nature, this type of property is  
7 rarely offered for sale in the open market except as part of a going concern. Due  
8 to the special design and function, conversion of a special purpose property to  
9 other types of development or application is generally not economically feasible;  
10 and
- 11 (r) ***Valuation***, also known as appraisal, refers to the systematic, analytic and logical  
12 analysis of the recording of property facts, circumstances, investments and other  
13 relevant data resulting in a supportable estimate or professional opinion of the  
14 value of a property as of a specific date and for a specific purpose;

## 15 16 **ARTICLE II**

### 17 **STRENGTHENING THE BUREAU OF LOCAL GOVERNMENT OF FINANCE (BLGF)**

#### 18 **Chapter I**

#### 19 **BLGF Central Operations**

20 Sec. 4. Powers and Functions *of the Bureau of Local Government Finance (BLGF)*. –  
21 The BLGF of the Department of Finance (DOF), shall lead and manage the implementation of  
22 the provisions of this Act. It shall have the following powers and functions:

- 23 (a) Develop, adopt, and maintain valuation standards consistent with generally  
24 accepted international valuation standards, regulations and specifications for real  
25 property appraisal used for taxation and other purposes, and ensure compliance  
26 therewith by LGUs and other concerned parties;
- 27 (b) In coordination with the Bureau of Internal Revenue (BIR), review and ensure that  
28 the Schedule of Market Values (SMVs) as prepared by the provincial assessors  
29 together with municipal assessors, and city assessors, including the municipal  
30 assessor in Metropolitan Manila Area, is compliant with real property valuation  
31 policies and standards, and recommend its approval to the Secretary of Finance  
32 for local and national taxation, and for other purposes.;
- 33 (c) Provide technical assistance on real property appraisal matters to government  
34 agencies and instrumentalities, and coordinate or conduct the valuation and  
35 appraisal of special purpose properties, when requested;

- 1 (d) Provide leadership and policy direction to LGUs on real property valuation and  
2 appraisal for taxation and other purposes, including the development and  
3 maintenance of valuation standards, the regulation of valuation activities and other  
4 related matters, and the promotion of valuation training and seminars;
- 5 (e) Maintain a roster of licensed local government appraisers and assessors in  
6 consultation and coordination with the Professional Regulatory Board of Real Estate  
7 Service (PRBRES) under the Professional Regulation Commission;
- 8 (f) Develop and maintain a comprehensive and up-to-date electronic database of real  
9 property transactions and prices of materials for buildings, machinery, and other  
10 structures;
- 11 (g) Conduct continuing study and research on valuation, and maintain information on  
12 current global and country trends and developments in real property valuation;
- 13 (h) Formulate and provide for uniform procedures on the different transactions in the  
14 assessor's office, including the transfer, annotation and issuance of tax  
15 declarations;
- 16 (i) Determine, fix, and collect reasonable amounts to be charged as administration  
17 fees, fines, and penalties relative to the implementation of this Act; and
- 18 (j) Perform such other functions as are necessary, proper, and incidental to implement  
19 the provisions of this Act.

20 *Sec. 5. Establishment of the Real Property Valuation Service.* - To achieve the policy  
21 and objectives declared in this Act, the Real Property Valuation Service, hereinafter referred  
22 to as the RPVS, within the BLGF with counterpart personnel in the BLGF Regional Offices is  
23 hereby established.

24 *Sec. 6. The BLGF Executive Director.* - The BLGF Executive Director shall be  
25 responsible for the efficient and effective day-day performance of the responsibilities set forth  
26 in this Act, and shall be responsible for the overall internal management and governance of  
27 the RPVS.

28 *Sec. 7. Creation of Central Consultative Committee.* -

- 29 (a) A Central Consultative Committee shall be created and shall serve as the  
30 consultative forum on matters pertaining to the setting, adoption and maintenance  
31 of the valuation standards and other related concerns on real property valuation
- 32 (b) It shall be chaired by the BLGF Executive Director and shall be composed of a  
33 representative each from the:
- 34 1. Bureau of Internal Revenue (BIR);
  - 35 2. Department of Environment and Natural Resources (DENR);

- 1 3. Bangko Sentral ng Pilipinas (BSP);
- 2 4. National organization of government assessors;
- 3 5. National organization of appraisers in national government agencies; and
- 4 6. Private appraisal sector.

5 (c) The representatives from the BIR, the DENR and the BSP must be performing  
6 valuation-related functions. The national organization of government assessors,  
7 and the private appraisal sector shall be represented by their respective heads of  
8 organizations.

9 (d) The Chairperson and members of the Committee shall not receive additional salary  
10 for the performance of their functions. Members of the consultative committee  
11 who are not incumbent government officials or employees shall be entitled to  
12 *honoraria*, pursuant to existing laws and regulations.

13 (e) The Committee shall meet at the initiation of the Chairperson at least once every  
14 semester and shall have as many meetings as the Chairperson may deem  
15 necessary for the adoption of valuation standards. The Chairperson may invite  
16 resource persons on specific issues concerning real property valuation.

## 17 **Chapter 2**

### 18 **BLGF Regional Operations**

19 *Sec. 8. Role of the BLGF Regional Offices.* – The BLGF Regional Offices, through the  
20 Regional Director, shall be responsible for all matters relating to valuation and the supervision  
21 of the SMVs in the region. They shall:

- 22 (a) Implement policies, plans, programs, rules and regulations on real property  
23 valuation of local government units in the region;
- 24 (b) Review, in coordination with the BIR, and endorse to the RPVS the proposed SMV's  
25 prepared by the assessors of the local government units in the region;
- 26 (c) Provide for economical, efficient and effective valuation services in the region;
- 27 (d) Coordinate and consult with other government departments, bureaus and agencies  
28 within the region dealing with real property valuation;
- 29 (e) Adopt and maintain a comprehensive and up-to-date electronic database of all  
30 regional real property-related transactions, and have custody of all transaction  
31 records submitted by local government assessors; and
- 32 (f) Perform other functions as may be assigned by the BLGF Executive Director.

33 *Sec. 9. The Regional Consultative Committee.* –  
34  
35



1 (a) There shall be a Regional Consultative Committee that shall be chaired by the BLGF  
2 Regional Director and shall be composed of a representative each from the:

- 3 1. BIR – Regional Office;
- 4 2. DENR – Regional Office;
- 5 3. Head of Regional organization of government assessors;
- 6 4. Head of Regional organization of national government appraisers;
- 7 5. Head of the private appraisal sector within the region; and
- 8 6. Head of the bankers association within the region.

9 (b) The members of the Regional Consultative Committee must be performing  
10 valuation- related functions in their respective agencies or sector.

11 (c) The Committee shall meet at the initiation of the BLGF Regional Director at least  
12 once every quarter and shall have as many meetings as the BLGF Regional Director  
13 may deem necessary for the performance of its function. The BLGF Regional  
14 Director may invite resource persons on specific issues concerning real property  
15 valuation.

16 *Sec. 10. Functions of the Regional Consultative Committee.* – The Regional  
17 Consultative Committee shall serve as a consultative forum in the region for discussion on  
18 developments in the local real property market; concerns of taxpayers, civil society, and other  
19 stakeholders; outcome of real property tax compliance reporting in the region; level of  
20 complaints and appeals; LGU training in the region; appraisal and assessment concerns in  
21 general; and other matters as may be determined by the Committee.

### 22 **ARTICLE III**

## 23 **VALUATION AND APPRAISAL OF REAL PROPERTIES**

### 24 **Chapter 1**

#### 25 **Valuation Standards and Market Values**

26  
27 *Sec. 11. Development of Valuation Standards.* – Notwithstanding the provisions of  
28 existing laws to the contrary, the BLGF shall develop, adopt, and maintain, implement uniform  
29 valuation standards which shall be used by all appraisers and assessors in the LGUs and other  
30 concerned parties in the appraisal or valuation of lands, buildings, machinery and other real  
31 properties for taxation and other purposes. The valuation standards shall conform with the  
32 generally accepted international valuation standards and principles.

33 *Sec. 12. Valuation and Appraisal of Real Property.* – For valuation purposes, all real  
34 properties, whether taxable or exempt, shall be valued or appraised based on prevailing  
35 market values in the locality where the property is situated, in conformity with the valuation

1 standards adopted under this Act. The Secretary of Finance shall promulgate the rules and  
2 regulations for the valuation and appraisal of real property pursuant to the provisions of this  
3 Act.

4 For real properties intended for low-cost or socialized housing, lands included in the  
5 government's agrarian reform program and other programs of the government imbued with  
6 social policy objectives, the provisions of existing pertinent laws shall be applied after  
7 determination of the prevailing market values of these properties in accordance with generally  
8 accepted international valuation standards.

9 *Sec. 13. Preparation of the Schedule of Market Values.* – The provincial assessors  
10 together with municipal assessors, and city assessors, including the municipal assessor in  
11 Metropolitan Manila Area, shall prepare the SMV for the different classes of real property  
12 situated within their respective LGUs, pursuant to the valuation standards, rules, regulations  
13 and other specifications set by the DOF. They shall complete the preparation/updating of the  
14 SMV within six (6) months or one hundred eighty (180) days from January to June following  
15 the announcement from the BLGF that they are due to revise their SMV which will be issued  
16 on the last week of December prior to the SMV preparation.

17 Upon completion of the proposed SMV, the same shall be submitted by the assessors  
18 to the BLGF Regional Office who shall review the proposal in coordination with the BIR  
19 Regional Office, within seventy-five (75) days from receipt thereof to ensure that the SMV  
20 complies with all the requirements. The BLGF/BIR regional offices shall hold at least one  
21 public consultation before they endorse the SMV to the Secretary of Finance.

22 *Sec. 14. Approval of the Schedule of Market Values.* – The Secretary of Finance shall  
23 approve the SMV within thirty (30) days from receipt of the joint endorsement of the BLGF  
24 Executive Director and the Commissioner of Internal Revenue; otherwise, said schedule shall  
25 be deemed approved.

26 The approved SMV shall be published by the DOF in the Official Gazette or in at least  
27 two (2) newspapers of general circulation. The SMV shall take effect after fifteen (15) days  
28 after its publication.

29 The DOF shall post in its official website the approved SMV and furnish the same to  
30 the concerned LGU, through the BLGF, and the BIR, with copies thereof.

31 *Sec. 15. Setting Assessment Levels and Tax Rates.* – The approved SMV shall be  
32 transmitted to the concerned assessor who shall confer with the local chief executive regarding  
33 the approved SMV. The assessor, in coordination with the local treasurer, shall estimate the  
34 revenue and tax impact of the new SMV as against the existing assessment levels and tax  
35 rates, calculate the expected revenue and level of tax burden that the taxpayers will bear

1 based on the new SMV and recommend amendments on the assessment levels and/or tax  
2 rates. The assessor shall prepare a minimum of at least three (3) estimates of the revenue  
3 and tax impact based on different scenarios and submit the revenue/tax impact report to the  
4 local chief executive and the *Sanggunian*.

5 The local chief executive shall transmit the approved SMV, together with the  
6 revenue/tax impact report, within fifteen (15) days from receipt of the same to the *Sanggunian*  
7 for the enactment of an ordinance setting the appropriate assessment levels and tax rates.  
8 During the Sanggunian's deliberations prior to the enactment of the tax ordinance, it may call  
9 upon the assessor to provide technical assistance and calculate the revenue and tax impact  
10 of additional options in order to arrive at a desired level of revenue and tax burden that the  
11 *Sanggunian* will adopt. The concerned Sanggunian shall enact the tax ordinance upon conduct  
12 of public hearings and proper consultations within sixty (60) days from receipt thereof;  
13 otherwise, the existing ordinance on assessment levels and tax rates shall remain in force and  
14 effect.

15 Upon the enactment by the *Sanggunian* of an ordinance for the assessment levels and  
16 tax rates, the local chief executive shall act within ten (10) days, in the case of cities and the  
17 municipality in the Metropolitan Manila Area, or within fifteen (15) days, in case of provinces,  
18 to approve the same. Failure of the concerned local chief executive to act on the ordinance  
19 within the prescribed period shall render the same approved.

20 *Sec. 16. Publication of Assessment Levels and Tax Rates.* – The approved ordinance  
21 for the assessment levels and tax rates shall be published by the concerned LGU in a  
22 newspaper of local circulation once a week for two (2) consecutive weeks: *Provided, however,*  
23 that in provinces, cities and municipalities where there are no newspapers of local circulation,  
24 the same shall be posted in the provincial capitol, including all concerned municipal halls, and  
25 city halls and in two (2) other conspicuous public places therein.

26 *Sec. 17. Use of Schedule of Market Values.* – The approved SMV shall be used as basis  
27 for the determination of real property-related taxes of national and local governments, as  
28 follows:

- 29 (a) For purposes of real property taxation, the approved SMV shall in no case be  
30 adopted by the LGU less than six (6) months prior to the effectivity of the new  
31 assessments to ensure the proper cleansing and updating of records, and  
32 notification of property owners in the conduct of general revision of assessment  
33 and property classification.

1 (b) In computing any internal revenue tax, the BIR Commissioner shall use the SMV,  
2 or the actual gross selling price in consideration, as stated in real property  
3 transaction documents, whichever is higher.

4 (c) For purposes of the local transfer tax, the LGU may use the approved SMV upon  
5 its effectivity or the total consideration in the transfer, whichever is higher. For  
6 other purposes such as the tax on sand and gravel, community tax, fees and  
7 charges, or as benchmark for real property appraisal of other government  
8 agencies, the approved SMV may be used upon its effectivity.

9 Notwithstanding the provisions of existing laws to the contrary, the failure to pass an  
10 ordinance providing for revised assessment levels and/or tax rates after the approval of the  
11 SMV and to conduct a general revision of assessment and property classifications, shall  
12 render an LGU ineligible for any conditional or performance-based grants or to contract any  
13 form of credit financing from the national government.

14 *Sec. 18. Updating of the Schedule of Market Values.* – All provincial assessors together  
15 with the municipal assessors, and the city assessors, including the municipal assessor in  
16 Metropolitan Manila Area, shall update of their respective SMVs within two (2) years from the  
17 effectivity of this Act. Thereafter, they shall update the SMVs and conduct a general revision  
18 of property assessments and classifications once every three (3) years from the date of the  
19 last revision. The BLGF shall prepare the schedule for the updating of the SMVs in all provinces,  
20 cities and municipalities within the Metropolitan Manila Area.

21 In case of any significant change in the market where the property is located after the  
22 said SMVs have been approved and prior to the next revision, or where correction of errors  
23 and inequalities in any SMV is deemed necessary or upon the directive of the Secretary of  
24 Finance, the provincial assessors shall, together with the municipal assessors, and the city  
25 assessors, including the municipal assessor in Metropolitan Manila Area, recommend revisions  
26 to their existing SMV to the BLGF Regional Office, through the Regional Director of the BLGF  
27 having jurisdiction over the LGU concerned.

28 Such revision/s shall be subject to review by the concerned BLGF Regional Office in  
29 coordination with the BIR Regional Office, and complete the review and submit their  
30 recommendations to the BLGF Executive Director, in accordance with Section 14 hereof.

31 *Sec. 19. Conduct of Capacity Building Interventions.* – The BLGF shall, in coordination  
32 with the Philippine Tax Academy of the DOF, develop and conduct the necessary training for  
33 all local assessors, local officials and staff, and other concerned BIR personnel on the  
34 preparation of the SMV in accordance with generally accepted international valuation

1 standards, concepts, principles and practices; conduct of SMV tax and revenue impact studies;  
2 preparation of compliance reports, and other subject areas.

## 3 4 **Chapter 2**

### 5 **Development and Maintenance of Real Property Market Database**

6  
7 *Sec. 20. Development of Real Property Information System.* – The BLGF shall develop  
8 and maintain an up-to-date electronic database of the sale, exchange, lease, mortgage,  
9 donation and all other real property transactions and declarations in the country and on the  
10 cost of construction or renovation of buildings and other structure, and on prices of machinery.

11 For this purpose, the BLGF shall require the mandatory submission of necessary  
12 documents from the concerned officials or employees of national government offices or  
13 instrumentalities, LGUs and the private sector; Provided that in the case of government  
14 agencies and instrumentalities, the mandatory submission of documents and information shall  
15 be subject to the prohibition of disclosure of certain information under the Data Privacy Act  
16 and other existing laws. The updated database shall be made available to the LGUs, national  
17 government agencies and the private sector: *Provided*, that the Commissioner of Internal  
18 Revenue or his duly authorized representative shall be allowed access to the database without  
19 need of prior approval: *Provided, Finally*, that non-submission of the required documents to  
20 the BLGF will be subject to the provisions of Section 28 of this Act.

21 To further achieve these objectives and ensure efficient real property tax  
22 administration, all provinces, cities and municipalities shall automate their operations, adopt  
23 tax mapping technology, maintain software-enabled valuation systems, undertake regular  
24 data cleansing and computerize records management. The National Government thru the  
25 Department of Information and Communications Technology shall provide the appropriate  
26 equipment and connectivity, information and communications technology platform, training  
27 and capability building to ensure the compliance with this Section. The BLGF shall establish  
28 mechanisms for the electronic submission of the required documents in accordance with the  
29 succeeding sections of Chapter 2 this Act.

30 *Sec. 21. Duty of Register of Deeds to Supply Assessors with Real Property Transactions*  
31 *Data.* – The Register of Deeds shall prepare and submit to the provincial assessors, together  
32 with the municipal assessors, and city assessors, including the municipal assessor in  
33 Metropolitan Manila Area, an abstract of the entire registry every three (3) months and copies  
34 of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real  
35 property registered every end of the month. The abstract shall include brief but sufficient

1 description of the real properties entered therein, their present owners, and the dates of their  
2 most recent transfer or alienation accompanied by copies of corresponding deeds of sale,  
3 donation or partition or other forms of alienation.

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

12 *Sec. 23. Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.* – It shall be  
13 the duty of all geodetic engineers, public or private, to furnish free of charge, the assessor of  
14 the province, city or municipality where the land is located, a copy of the blue or white print  
15 of each of all approved original subdivision plans or maps of surveys, duly signed by a Senior  
16 Geodetic Engineer, executed by them every end of the month form receipt of such approved  
17 plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA), or  
18 the Housing and Land Use Regulatory Board (HLURB), as the case may be.

19 *Sec. 24. Duty of Registrar of Deeds and Notaries Public to Assist the Provincial, City,*  
20 *or Municipal Assessor.* – It shall be the duty of the Registrar of Deeds and notaries public to  
21 furnish, free of charge, the provincial, city or municipal assessor with copies of all contracts  
22 selling, transferring, or otherwise conveying, leasing, or mortgaging real property received by,  
23 or acknowledged before them within such periods as the BLGF shall prescribe.

24 *Sec. 25. Duty of Assessors to Transmit Documents to the BLGF.* – It shall be the duty  
25 of the assessors to transmit to the concerned BLGF Regional Office all real property  
26 transactions data from the Register of Deeds, and the names of the official issuing the building  
27 permit those of the geodetic engineers within one (1) month after the receipt of such data.  
28 The BLGF's Regional Office shall record, process and make a summary report of the real  
29 property data and submit the same to the BLGF Central office within one (1) month from  
30 receipt of such data.

### 31 32 **Chapter 3**

### 33 **Appointment and Qualifications of Assessors**

1           Sec. 26. *Appointment of Assessors.* – The local chief executive shall appoint the  
2 provincial, city and municipality assessors and assistant assessors, as the case may be, in  
3 accordance with civil service law, rules and regulations and the following guidelines:

4           (a) In the case of provincial and assistant provincial assessors and city and assistant  
5 city assessors, the appointee shall be chosen from the list of at least three (3)  
6 ranking eligible candidates within the region;

7           (b) In the case of city and assistant city assessors, and the municipal and assistant  
8 municipal assessors in Metropolitan Manila Area, the appointee shall be chosen  
9 from the list of at least three (3) ranking eligible candidates within the region; and

10          (c) In the case of municipal and assistant municipal assessors, the appointee shall be  
11 chosen from the list of at least three (3) ranking eligible candidates within the  
12 province.

13          The assessors shall be under the technical supervision of the BLGF, primarily through  
14 a system of compliance reporting and of capacity-building programs through education and  
15 training.

16          Sec. 27. *Qualification of Local Government Assessors.* – No person shall be appointed  
17 assessor or assistant assessor unless such a citizen of the Philippines, a resident of the region  
18 for a provincial or city assessor/assistant assessor, and of the province for a municipal  
19 assessor/assistant assessor, a registered and licensed appraiser, of good moral character, and  
20 must not have been convicted of any crime involving moral turpitude. The appointee must  
21 have experience in real property valuation or assessment work or in any suitable field, either  
22 in private or public practice, for at least five (5) years in the case of the provincial or city  
23 assessor, and three (3) years in the case of the municipal assessor. Once appointed, all  
24 assessors must comply with the requirements of the Professional Regulatory Board of Real  
25 Estate Service (PRBRES) for the regular updating of their licenses; otherwise, they shall be  
26 subject to certain sanctions as may be determined by the BLGF/DOF.

## 27

### 28                                 **ARTICLE IV**

### 29                                 **PENAL PROVISIONS**

30          Sec. 28. *Failure to Comply with the Required Submission of Documents.* – Any  
31 government official or employee who fails without justifiable reason to provide or furnish data  
32 or information required pursuant to Sections 20, 21, 22, 23 and 24 of this Act, shall be  
33 punished by a fine equivalent to the official's or employee's six (6) months basic salary or  
34 suspension from the service for a period not exceeding one (1) year, or both, at the discretion  
35 of the competent authority.

1           Sec. 29. *Failure to Comply with the Valuation Standards.* – An assessor who, for  
2 unjustifiable reasons, fails to comply with the valuation standards developed and adopted  
3 pursuant to this Act, or deliberately conceals any deviations or departures from such standards  
4 in the valuation and appraisal of real property, shall be punished by a fine equivalent to the  
5 official's or employee's six (6) months basic salary or suspension from the service for a period  
6 not exceeding one (1) year, or both, at the discretion of the competent authority.

7           Sec. 30. *Failure to Prepare Schedule of Market Values.* – An assessor who, for  
8 unjustifiable reasons, intentionally or deliberately refuses or fails to prepare the SMVs within  
9 the period set forth in this Act shall be meted a fine equivalent to the official's or employee's  
10 basic salary for a period of one (1) month to six (6) months, or by suspension from the service  
11 for not more than one (1) year, or both, at the discretion of the court. This shall also be a  
12 ground for administrative and criminal liability in accordance with the provisions of Republic  
13 Act No. 9646, otherwise known as the "Real Estate Service Act of the Philippines".

14           Sec. 31. *Government Agents Delaying the Review, Approval and Implementation of*  
15 *SMV, and Conduct of General Revisions.* - Any government official who delays, without  
16 justifiable cause, the review, approval and implementation of the SMV, the conduct of general  
17 revisions, or cause the improper use thereof shall be punished by a fine equivalent to the  
18 official's or employee's six (6) months basic salary or suspension from the service for a period  
19 not exceeding one (1) year, or both, at the discretion of the court.

20           Sec. 32. *Violations of Other Provisions.* – Any person, whether natural or juridical, who  
21 violates any provision of this Act other than those punishable under Sections 28, 29, 30 hereof  
22 shall, when warranted, be dealt with under applicable existing laws.

23           Sec. 33. *Taxpayers' Remedies in Case of Erroneous Assessments of Real Properties.* –  
24 The provisions of Sections 226 on Local Board of Assessment Appeals and 229 on Action by  
25 the Local Board of Assessment Appeals of Republic Act No. 7160, as amended, shall apply in  
26 all cases of appeal as remedies for the taxpayers in the assessment of their properties.

27           All concerned local governments shall cause the constitution of a fully functioning Local  
28 Board of Assessment Appeals in their respective jurisdictions in coordination with the Land  
29 Registration Authority.  
30

## 31   **ARTICLE V**

### 32   **TRANSITORY PROVISIONS**

33           Sec. 34. *Transitory Guidelines.* – (a) LGUs which are in the process of updating their  
34 SMVs, upon the effectivity of this Act, shall continue with such revisions in accordance with



1 Section 16 of this Act: *Provided*, That proper notification and coordination with the BLGF shall  
2 be undertaken.

3 In case the SMV is not yet available or updated, the BIR Commissioner shall adopt the  
4 existing SMV, zonal values or the actual price in consideration as stated in real property  
5 transaction documents, whichever is higher, for purposes of computing any internal revenue  
6 tax.

7 *Sec. 35. Saving Clause.* – The zonal values, as determined by the BIR and approved  
8 by the Secretary of Finance for internal revenue tax purposes, and the SMVs prepared by the  
9 provincial assessors together with the municipal assessors, and the city assessors, including  
10 the municipal assessor in Metropolitan Manila Area, that have been approved by their  
11 respective *Sanggunians* for real property taxation purposes shall continue to be in force and  
12 effect until repealed, superseded, modified, revised, set aside, or replaced by the values  
13 provided under the updated SMVs as approved in accordance with Section 15 of this Act,  
14 which shall be within two (2) years upon the effectivity of this Act.

15  
16 **ARTICLE VI**  
17 **FUNDING REQUIREMENTS**

18 *Sec. 36. Budgetary Requirements for the Updating of Schedule of Market Values.* –  
19 Each local *Sanggunian* shall appropriate the necessary funds from locally generated revenues,  
20 the Internal Revenue Allotment (IRA) or such other sources every fiscal year. The accumulated  
21 amount so appropriated shall be known as the Real Property Tax Administration Fund (RPTAF)  
22 which shall be used for the proper implementation of the updating of the SMVs and general  
23 revision of real property assessments, and the administration of real property taxes in all  
24 LGUs.

25 The BLGF shall annually furnish the Department of Budget and Management (DBM)  
26 with a list of LGUs whose SMVs are due for updating. The DBM, in their review of the ensuing  
27 year budget of provinces, highly urbanized cities, independent component cities and  
28 municipalities within the Metropolitan Manila Area, shall ensure that sufficient funds have been  
29 budgeted to comply with the requirements of this Act: *Provided*, that failure to provide the  
30 appropriations herein required shall render their annual budgets inoperative.

31  
32 **ARTICLE VII**  
33 **MISCELLANEOUS PROVISIONS**  
34

1           Sec. 37. *Appropriations.* – The amount necessary for the implementation of this Act  
2 shall be included in the annual General Appropriations Act.

3           Sec. 38. *Implementing Rules and Regulations (IRR).* – Within six (6) months after the  
4 effectivity of this Act, the DOF, in consultation with concerned parties, shall issue the IRR for  
5 the effective implementation of this Act.

6           Sec. 39. *Suppletory Application of Existing Laws.* – The provisions of Republic Act No.  
7 7160, otherwise known as the “Local Government Code of 1991”, and other laws consistent  
8 with this Act shall have suppletory effect.

9           Sec. 40. *Repealing Clause.* –

10          (a) Sections 188, 199(o), 201, 202, 209 (a), 212, 214, 219, 220, 472 (a) paragraph 1,  
11           472(b)(8), and 473(a) paragraph 1 and 518 of Republic Act No. 7160, otherwise  
12           known as the “Local Government Code of 1991”, are hereby repealed;

13          (b) Section 3 (n) of Presidential Decree No. 464 of 1974 is hereby repealed;

14          (c) Section 6 of Republic Act No. 10752, otherwise known as the “The Right-of-Way  
15           Act” is hereby repealed;

16          (d) Section 4 (a) and (b) of Republic Act No. 8974 are hereby repealed;

17          (e) Section 9 of Presidential Decree No. 921 on the administration of local financial  
18           services in Metropolitan Manila and creating Local Treasure and Assessment  
19           Districts, is hereby repealed;

20          (f) Sections 19, 135 (a), 138, 198(a), 199(o), 218 and 224(a) of Republic Act No.  
21           7160, otherwise known as the “Local Government Code of 1991”, are also  
22           amended or modified accordingly;

23          (g) Likewise, Sections 6(E), 24(D), 27(D)(5), 88(B) and 102 of Republic Act No. 8424,  
24           otherwise known as the “Tax Reform Act of 1997”, are likewise amended or  
25           modified accordingly;

26          (h) Section 4(h) and Section 9 of Presidential Decree 538 on the power of Philippine  
27           Veterans Investment Development Corporation Industrial Authority to collect real  
28           property tax are likewise amended or modified accordingly; and

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

32           Sec. 41. *Separability Clause.* – If any section or provision of this Act shall be declared  
33           unconstitutional or invalid, other sections or provisions not affected thereby shall continue to  
34           be in full force and effect

35

1           Sec. 42. *Effectivity.* – This Act shall take effect fifteen (15) days following its complete  
2 publication in the Official Gazette or in a newspaper of general circulation.

3

4           *Approved,*