


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

S E N A T E

S. No. 1645

RECEIVED


Introduced by Senator Biazon

EXPLANATORY NOTE

The absence of a uniform set of standards for valuation of land in the country has caused the existence of multiple, unrealistic, and corruption-prone system of land valuation. This in turn has generated inefficiencies in the allocation and utilization of the land market, lack of confidence of the public and investors on the real property sector, and, above all, loss of income and unrealized revenues from real property for the Philippine Government. Estimated to contribute 50 percent to the national wealth, the land market contributes only 6.6 percent and national revenues from real estate transactions have been consistently going down over the years.

There are at least twenty-three (23) national government agencies undertaking real property valuation, each using its own system, and methodology for its own purpose, (i.e. the Bureau of Internal Revenue (BIR) with its zonal values for various national land tax transactions like capital gains tax, estate tax, and documentary stamp tax, the DPWH for expropriation of real property, etc.). The Local Government Units (LGUs) likewise prepare, legislate, and implement their own schedules of market values (SMVs) on which the assessment of real property tax is based. Thus, the same property is given different values depending on the nature and purpose for valuation, confounding the property owners and the public, and making valuation susceptible to political influence and corruption. The zonal values of the BIR are generally 25 percent higher than the SMVs of the LGUs. But even this higher level was found out to be 25 to 70 percent lower than the prevailing market prices. The national and local governments are thus deprived of much needed revenues from a most stable and convenient source due to these rampant undervaluations.

Valuations used by both BIR and LGUs for taxation purposes are also outdated. While the Local Government Code requires the LGUs to revise their SMVs every three years, this is hardly observed. The same is true for the BIR which has no statutory requirement to revise its zonal values. The situation does not also provide equity and fairness to taxpayers as well as to property owners, nor is it conducive to encouraging investments and confidence in the land market.

The Valuation Reform Act (VRA) seeks to address these problems. It seeks to establish uniform and internationally-accepted standards for the valuation of real property in the country. It also adopts market value as a single real property valuation base for the assessment of real property related taxes. The proposed measure also establishes market value for valuing or appraising real property for various government purposes. Reform is also introduced by separating the function of appraising and assessment of property from tax policy and tax administration. For this purpose a National Valuation Authority (NVA) is

being proposed to be created to regulate and have oversight of the valuation and appraisal of real property in the country. This would also ensure that a nationally consistent, equitable, and impartial valuation system of real property for taxation and other purposes is put in place. Hopefully, such will result in broadening the valuation base of real property for taxation and thus contribute to improving the national income for the country's social and economic development.

As a necessary support to improving the valuation system and keeping it abreast with international standards and practices, assessors are professionalized and insulated from undue political intervention by setting the qualifications standards for their appointment.

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



RODOLFO G. BIAZON
Senator

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
S. No. 1645

RECEIVED
11.13.07
[Signature]

Introduced by Senator Biazon

AN ACT
INSTITUTING REFORMS IN THE REAL PROPERTY VALUATION 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

SEC. 1. *Short Title.* - This Act shall be known as the "THE REAL PROPERTY VALUATION REFORM ACT OF 2007."

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

- (a) Establish and maintain valuation standards to govern the valuation of real property in the country;
- (b) Adopt market value as the 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;
- (c) Separate the function of valuing or appraising and assessment of real properties from the function of tax policy and administering the taxes due thereon;
- (d) Develop and professionalize the valuation or appraisal practice in the country;

- (e) Provide a comprehensive and up-to-date electronic database of all real property transactions;
- (f) Support the development of a “body of knowledge” on valuation systems by continuing research and monitoring of new developments in the valuation discipline for upgrading the country’s valuation system and making it abreast with global developments; and
- (g) Ensure transparency in real property transactions to protect consumers and develop confidence in the work of appraisers and assessors.

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

- (a) Appraiser – also known as Valuer; refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, ability, and experience to execute or direct the valuation/appraisal of real or personal property;
- (b) Assessor – a government officer who conducts appraisal and assessment of real properties for taxation purposes.
- (c) Building – a man-made structure permanently attached to land for residential, commercial, industrial, recreational or other purposes.
- (d) Improvements – buildings or other more or less permanent structures or developments located upon or attached to land.
- (e) 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.
- (f) Machinery – shall embrace machines, equipment, mechanical contrivances, instruments, appliances or apparatus which may or may not be attached, permanently or temporarily, to the real property.
- (g) Market Value – shall refer to 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 irregularity) after proper marketing wherein the parties had each acted knowledgeable, prudently, and without compulsion;

- (h) Private appraisal sector – refers to licensed non-governmental real estate service practitioners, whether in institutional or individual capacity, who have been active in the practice of real estate service for the last five (5) years.
- (i) Real Estate – is defined as the physical land and all those items which are attached to the land. It is the physical, tangible entity which can be seen and touched together with all the additions or improvements on, above or below the ground.
- (j) Real Property – includes all the rights, interests, and benefits related to the ownership of real estate;
- (k) 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.
- (l) Valuation/Appraisal – the 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.

ARTICLE II

Chapter 1. - ESTABLISHING A NATIONAL VALUATION AUTHORITY

SEC. 4. *Establishing a National Valuation Authority.* - To achieve the policy and objectives declared in this Act, there shall be established a National Valuation Authority, hereinafter referred to as the Authority, which shall be the primary agency of the government on matters concerning the valuation or appraisal of real properties in the Philippines. The Property Valuation Staff (PVS) established within the Bureau of Local Government Finance (BLGF) shall serve as the nucleus of the Authority. The Authority shall be attached to the Department of Finance. 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) Develop, adopt, 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 national government agencies, local government units, and other concerned parties;
- (b) Review and approve the Schedule of Market Values prepared by the provincial and city assessors, including the municipal assessors of Metro Manila, for tax and other purposes;
 - (c) Provide technical assistance on real property appraisal matters to government agencies and instrumentalities, and coordinate, or conduct *when requested, the valuation/appraisal of special purpose properties* for real property tax purposes;
 - (d) Provide leadership and policy directions to local government units, national government agencies, private sector institutions and individuals dealing with real property valuation/appraisal including the development and maintenance of valuation standards, the regulation of valuation/appraisal activities and other related matters, and the promotion of valuation/appraisal education and continuing educational development programs;
 - (e) Recommend to the approving authority, the appointment of qualified persons for local government assessors and maintain a roster of assessors;
 - (f) Develop and maintain a comprehensive and up-to-date electronic database of real property transactions and prices of materials for buildings, machinery, and other structures;
 - (g) Conduct continuing study and research on valuation system, and maintain an information base on current global and country trends and developments in real property valuation/appraisal;
 - (h) Determine, fix, and collect reasonable amounts to be charged as administration fees, fines, and penalties *relative to the implementation of this Act*; and
 - (i) 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 a Director General who shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Finance. The Director General 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 valuation/appraisal or assessment of real properties.

The Director General shall have the salary grade equivalent to the rank of an Assistant Secretary under the Salary Standardization Law.

SEC. 7. Responsibilities of the Director General. - The Director General shall be responsible for the efficient and effective performance of the statutory responsibilities of the Authority set forth in this Act and for the overall internal management and governance of the Authority. For this purpose, the Director General 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 in all aspects of valuation and their implementation in the regional offices;
- (c) Advise and assist the Secretary of Finance on matters pertaining to real property valuation/appraisal and assessments;
- (d) Exercise administrative supervision over the national and regional offices, and provide technical supervision over the local government assessors; and
- (e) Perform such other functions as may be provided by law, or required in pursuance of the law or the demand of the statutory responsibilities of the Authority.

SEC. 8. Creation of an Advisory Board. - (a) There shall be created an Advisory Board, hereinafter referred to as the Board, composed of a representative each from the:

- 1) Bureau of Local Government Finance (BLGF);
 - 2) Bureau of Internal Revenue (BIR);
 - 3) Department of Environment and Natural Resources (DENR);
 - 4) Bangko Sentral ng Pilipinas (BSP);
 - 5) National organization of government assessors;
 - 6) Private appraisal sector;
- (b) They shall be appointed by the President of the Philippines from the nominees of the respective Department Secretaries from officials performing valuation-related functions. The representatives from the national organization of government assessors and the private sector shall be appointed from the nominees of the national government assessors and private appraisers' organizations.
- (c) The President of the Philippines shall appoint the Chairman of the Board from among the members representing the Department of Finance (DOF).

- (d) The members of the Board shall serve for a maximum of three (3) years. In case of vacancy in the Board, the person so appointed or designated shall serve only for the unexpired term. They 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 at the initiation of the Director General or any Board Member at least once every three (3) months. It shall have as many special meetings as it may deem necessary for the performance of its functions. The Board shall also formulate and adopt its internal rules and regulations for the conduct of its meetings.

SEC. 9. *Functions of the Advisory Board.* - The Board shall advise the Director General on matters pertaining to valuation and shall have the recommendatory power on the following: (a) adoption of the valuation standards; (b) setting, maintenance, and compliance monitoring of the valuation standards prepared and developed pursuant to Section 15 of this Act; and (c) preparation, review and approval of the Schedule of Market Values mentioned in Section 17 of this Act.

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

SEC. 10. *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 Director General. 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 valuation/appraisal or assessment of real property. The Regional Director shall have a salary grade equivalent to Director III under the Salary Standardization Law.

SEC. 11. *Functions of the Regional Director.* – The Regional Director shall have the responsibility for all issues relating to valuation and Schedules of Market Values in the region. As such, he/she 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 valuation/appraisal and assessment;
- (d) Provide leadership and direction in the area of real property valuation/appraisal and assessment to local government units in the region;
- (e) Adopt and maintain a comprehensive and up-to-date regional electronic database of all regional real property-related transactions and have custody of all transaction records submitted by local government assessors.
- (f) Perform other functions as may be assigned by the Director General.

SEC. 12. *The Regional Director as Next in Rank to Director General.* – The Regional Directors collectively serve as a corps of officers that constitute the next in rank to the Director General and designation to the Director General's office may be made from their ranks.

SEC. 13. *The NVA Regional Consultative Committee.* – (a) There shall be created in every administrative region a Regional Consultative Committee, hereinafter referred to as the Committee, composed of a representative each from:

- 1) Bureau of Local Government Finance - Regional Office;
 - 2) Bureau of Internal Revenue - Regional Office;
 - 3) Department of Environment and Natural Resources -Regional Office;
and
 - 4) Private appraisal sector within the Region.
- (b) The Regional Director shall serve as *ex officio* Chairman of the Committee.
 - (c) The members of the Consultative Committee, who shall be nominated by the Director General, shall be appointed by Secretary of Finance. The representatives from the concerned government agencies shall be recommended by the Regional Director, and the private appraisal sector representative shall be jointly recommended by the Regional Director and private appraisers' organizations in the region.
 - (d) The members shall serve for a maximum of three (3) years, otherwise shortened or terminated by the appointing authority. 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 honorarium pursuant to existing laws and regulations.

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

SEC. 14. *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 pursuant to Section 18 of this Act; and (2) setting, maintenance, and compliance monitoring of the valuation standards prepared and developed pursuant to Section 15 of this Act. It shall recommend to the Regional Director the Schedule of Market Values for approval of the Director General.

ARTICLE III

Chapter 1. VALUATION/APPRaisal AND ASSESSMENT OF REAL PROPERTIES

SEC. 15. *Development of Valuation Standards.* – Notwithstanding the provisions of existing laws to the contrary, the Authority shall develop, adopt, maintain and implement uniform valuation standards which shall be used by all appraisers and assessors of national and local governments and the private sector in appraising or valuing lands, buildings, machinery 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. 16. *Valuation/Appraisal of Real Property.* – For valuation purposes, all real property, whether taxable or exempt, shall be valued or appraised at the market value prevailing in the locality where the property is situated, in conformity with the valuation standards adopted under this Act. The Authority shall promulgate the rules and regulations for the classification and valuation/appraisal of real property pursuant to the provisions of this Act. It shall provide leadership in ensuring rationalized valuation of real properties transcending political boundaries.

SEC. 17. *Preparation of Schedule of Market Values.* – Provincial, municipal and city assessors within the Metropolitan Manila Area, shall prepare a Schedule of Market Values for the different classes of real property and special purpose property situated within their respective local government units pursuant to the valuation standards and specifications set by the Authority. The said schedule shall be submitted by the assessor concerned to the Authority's regional office for review and completion of the compliance report. The said schedule shall then be submitted to the Authority's Central Office for approval. The Director General shall act within ninety (90) days upon 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 once a week for two consecutive weeks 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 (2) other conspicuous public places therein and in the official website of the Authority.*

SEC. 18. *Use of Schedule of Market Values.* – The Schedule of Market Values approved by the Authority shall be used for the general revision of real property values and as basis for the determination of real property related taxes imposed by the national and local governments, and for other purposes. For purposes of computing any internal revenue tax, the BIR Commissioner shall adopt the *schedule of market values or the actual price in consideration stated in real property transaction documents, whichever is higher.*

SEC. 19. *Revision of Schedule of Market Values.* - The Director General shall formulate the program for the regular revision of real property values. The provincial and city assessors, including the municipal assessors of Metro Manila, shall undertake a general revision of Schedule of Market Values not earlier than three (3) years from the date of last revision, but not later than five (5) years. In the event the provincial and city assessors, including the municipal assessors of Metro Manila, are unable to undertake the said revision, the Director General, after due consultation with the local government unit concerned, and upon *determination that such extension is not contrary to or for the purpose of violating the provisions of this Act, may extend the validity of the Schedule of Market Values and property assessments.* The provincial and city assessors, including the municipal assessors in *Metropolitan Manila Area, shall 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 shall also recommend revisions to the Schedule of Market Values through their provincial assessors. To ensure the implementation of the general and regular revisions of the Schedule of Market Values pursuant to this Act, local Sanggunians shall appropriate the necessary funds therefor.

Chapter 2. DEVELOPMENT AND MAINTENANCE OF REAL PROPERTY DATABASE

SEC. 20. *Development of Real Property Database.* - The Authority shall develop and maintain an up-to-date electronic database of 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 mandatory submission of necessary documents from the concerned officials or employees of national government offices or instrumentalities, local government units, and the private sector. The updated database shall be made available to the local government units, national government agencies, and the private sector as well.

SEC. 21. *Duty of Register of Deeds to Supply Assessors of Real Property Transactions Data.* - The Register of Deeds shall prepare and submit to the provincial and city assessors, including the municipal assessors in Metropolitan Manila Area, an abstract of his registry every three (3) months and copies of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real property registered by him/her every end of the month. 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. 22. *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. 23. *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 a copy of the blue or white print of each of all approved original subdivision plans or maps of surveys executed by them every end of the month from receipt of such approved plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA), or the Housing and Land Use Regulatory Board (HLURB), as the case may be.

SEC. 24. *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 Register 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 ASSESSORS

Sec. 25. *Appointment of Assessors.* - The Secretary of Finance shall appoint provincial, city, and municipal assessors, upon recommendation of the Director General, and subject to the following guidelines:

- (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 persons suitable and qualified for appointment within the Province; and
- (c) City and Assistant City Assessors and Municipal and Assistant Municipal Assessors for the Metropolitan Manila Area from the list of persons suitable and qualified for appointment within the Metropolitan Manila Area.
- (d) The assessors shall be under the administrative and technical supervision of the Authority, primarily through a system of compliance reporting and provision for education and training for capacity building.

SEC. 26. *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, law, accounting, commerce 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.

All incumbent assessors holding permanent appointments shall continue to perform their functions without the need for reappointment and without diminution of status, rank and salary grade, and shall enjoy security of tenure. Those with temporary appointments are given the opportunity to qualify for permanent appointment as assessor for a period to be determined by the Authority upon the effectivity of this Act.

ARTICLE IV

TRANSITORY PROVISIONS

SEC. 27. *Implementing Guidelines.* - Within ninety (90) days upon the effectivity of this Act, the Authority's Central Office shall be organized. The President of the Philippines shall appoint the Director General upon the recommendation of the Secretary of Finance.

- (a) The Director General shall organize the Board pursuant to Section 8 of this Act within thirty (30) days upon the organization of the Authority.
- (b) An *Ad Hoc* Committee is hereby created which shall be responsible for the formulation of the Authority's Organization, Staffing, and Implementation Plan, including the selection and placement of personnel, taking into consideration the organizational criteria such as, but not limited to, availability of qualified personnel, facilities, budgetary support and others. The Committee shall also be responsible for drafting the Implementing Rules and Regulations (IRR) for this Act. The *Ad Hoc* Committee shall be composed of the Director General 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.
- (c) After the organization of the Authority's Central Office, the Authority's Regional Offices shall be organized.
- (d) The positions specifically created for the Property Valuation Staff (PVS) in the Bureau of Local Government Finance (BLGF), with their incumbents, and records, equipment and appropriations provided for the PVS, as determined by a Task Force composed of the BLGF Executive Director,

as head, the NTRC Executive Director and the Director of the PVS, as members, are transferred to the Authority.

SEC. 28. *Saving Clause.* - The zonal values as determined by the Bureau of Internal Revenue and approved by the Secretary of Finance for internal revenue tax purposes and the Schedule of Market Values prepared by the provincial and city assessors, including the municipal assessors of the Metropolitan Manila Area, that have been approved by their respective Sanggunians for real property 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 17 of this Act, which shall be within two (2) years upon the effectivity of this Act.

SEC. 29. *Budgetary Requirements.* – There is hereby appropriated from the General Fund the amount of Seventy Million Pesos (Php70,000,000.00) for the expenses to be incurred by the *Ad Hoc* Committee in carrying out the functions of the Authority and for the initial operations of the Authority. Thereafter, such funds as may be necessary for the continuing operations of the Authority shall be included in the annual General Appropriations Act.

ARTICLE V

PENAL PROVISIONS

SEC. 30. *Failure to Comply with the Required Submission of Documents.* - 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 21, 22, 23 and 24 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 competent authority.

SEC. 31. *Failure to Comply with the Valuation Standards.* – An assessor or appraiser who, for unjustifiable reasons, 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. 32. *Failure to Prepare Schedule of Market Values.* - An assessor who, for unjustifiable reasons, 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. 33. *Violations of Other Provisions.* - Any person who violates any provision of this Act other than those punishable under Sections 30, 31, and 32 hereof shall, when warranted, be dealt with under applicable existing laws.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SEC. 34. *Implementing Rules and Regulations.* - The Secretary of Finance, upon the recommendation of the Director General, shall issue, within ninety (90) days after the organization of the Authority, the rules and regulations for the effective implementation of this Act.

SEC. 35. *Suppletory Application of Existing Laws.* - The provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other laws consistent with this Act shall have suppletory effect.

SEC. 36. *Repealing Clause.*

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

b. Sections 199 (e), 199 (m), 199 (o), 201, 202, 203, 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 the LGC, and Section 88 (B) of the NIRC are hereby modified accordingly;

c. 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. 37. *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. 38. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

APPROVED.