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REPUBLIC OF THE PHILIPPINES)
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SENATE

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S. No. 2386

(In substitution of Senate Bill Nos. 314, 693, 897, 1018 and 1473, taking into consideration House Bill No. 6558)

Prepared by the Committee on Ways and Means, joint with the Committees on Local Government and Finance with Senators Zubiri, Revilla Jr., Cayetano (P.), Estrada, Villanueva, and Gatchalian as authors

**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 the House of Representatives 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.*”

3 **ARTICLE I**

4 **DECLARATION OF POLICY AND OBJECTIVES, AND DEFINITION OF TERMS**

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

- 1 (a) Establish and maintain standards based on the Philippine Valuation Standards
2 (PVS) to govern the valuation of real property in the country;
- 3 (b) Adopt market value as the single real property valuation base for the assessment
4 of real property-related taxes in the country, and for the valuation of real
5 property for various transactions by all government agencies;
- 6 (c) Promote the fiscal autonomy of local government units (LGUs) to provide basic
7 services to their constituency by enhancing their capacity to generate local
8 revenues from real property;
- 9 (d) Separate the function of valuation of real properties from the functions of tax
10 policy formulation and administration of the taxes due thereon;
- 11 (e) Provide a comprehensive and up-to-date electronic database of all real property
12 transactions;
- 13 (f) Support the development of an information database on valuation through
14 continuing research and monitoring of new developments in the discipline to
15 upgrade the country's valuation system and be at par with global standards;
- 16 (g) Subject to the provisions of Republic Act No. 10173, otherwise known as the
17 "Data Privacy Act of 2012", ensure transparency in real property transactions to
18 protect public interest, and develop confidence in the valuation system; and
- 19 (h) Promote the use of digital technology in local and real property tax administration,
20 real property transactions, and other business processes to improve the LGUs'
21 revenue generation capacity.

22

1 SEC. 3. *Definition of Terms.* – As used in this Act:

- 2 (a) *Appraiser*, also known as valuer, refers to a person who conducts valuation;
3 specifically, one who possesses the necessary qualifications, license, ability, and
4 experience to execute or direct the valuation of real property;
- 5 (b) *Assessed Value*, also known as taxable value, refers to the market value of the
6 property multiplied by the corresponding assessment level;
- 7 (c) *Assessment* refers to the act or process of determining the value of a property,
8 or proportion thereof subject to taxation, including the discovery, listing,
9 classification, and appraisal of properties;
- 10 (d) *Assessment Level* refers to the percentage applied to the market value to
11 determine the taxable value of the property based on property classifications as
12 prescribed in Republic Act No. 7160, otherwise known as the "Local Government
13 Code of 1991", as amended;
- 14 (e) *Assessor* refers to the official or employee in the LGU who is a duly licensed
15 appraiser, and performs appraisal and assessment of real properties, including
16 plant, machinery, and equipment, for taxation and other purposes. This definition
17 also includes assistant assessor;
- 18 (f) *Building* refers to a man-made structure permanently attached to land for
19 residential, commercial, industrial, recreational, or other purposes;
- 20 (g) *Depreciation* refers to reasonable allowance for the exhaustion, wear and tear
21 (including reasonable allowance for obsolescence) of property.
- 22 (h) *Improvement* refers to a valuable addition made to a property or an amelioration
23 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,
2 or utility or to adapt it for new or further purposes;
- 3 (i) *Land* is part of the earth's surface that is not covered by water, and also anything
4 that is attached to the earth's surface;
- 5 (j) *Internationally accepted valuation standards* refer to generally accepted
6 standards for the valuation for all types of assets including real estate plant and
7 equipment, intangible assets and businesses which shall include the international
8 valuation standards;
- 9 (k) *International Valuation Standards* refer to standards for undertaking valuation
10 assessments using generally recognized concepts and principles that promote
11 transparency and consistency evaluation practice as determined by the
12 International Valuation Standards Council;
- 13 (l) *Philippine Valuation Standards* refer to the latest national standards designed
14 and for use in the Philippines, but which are based upon International Valuation
15 Standards duly approved by the Secretary of Finance;
- 16 (m) *Machinery* refers to machines, equipment, mechanical contrivances, instruments,
17 appliances, or apparatus which may or may not be attached, permanently or
18 temporarily, to the real property. It includes the physical facilities for production,
19 the installations and appurtenant service facilities, those which are mobile, self-
20 powered or self-propelled, and those not permanently attached to the real
21 property which are actually, directly, and exclusively used to meet the needs of
22 the particular industry, business or activity, and which by their very nature, and
23 purpose are designed for or necessary to its manufacturing, mining, logging,
24 commercial, industrial or agricultural purposes;

- 1 (n) *Market value* refers to the estimated amount for which a property shall exchange
2 on the date of valuation between a willing buyer and a willing seller in an arm's
3 length transaction which is a transaction between independent, unrelated parties
4 involving no irregularity, after proper marketing, wherein the parties had each
5 acted knowledgeably, prudently, and without compulsion;
- 6 (o) *Private appraisal sector* refers to licensed non-governmental real estate service
7 practitioners;
- 8 (p) *Real Estate* refers to the land and all those items which are attached to the land.
9 It is the physical, tangible entity, together with all the additions or improvements
10 on, above or below the ground;
- 11 (q) *Real Property* refers to all the rights, interests and benefits related to the
12 ownership of real estate;
- 13 (r) *Schedule of Market Values*, hereinafter referred to as SMV, refers to a table of
14 base unit market values for all kinds of real property, except machinery within
15 an LGU prepared by assessors pursuant to existing laws, rules and regulations.
16 For real property not specified in the SMV, the same shall be appraised at its
17 current market value, and shall be assessed for taxation purposes by applying
18 the prescribed assessment level based on its actual use;
- 19 (s) *Special purpose property* refers to a property that is designed, constructed and
20 developed for a specific use or purpose. By its very nature, this type of property
21 is rarely offered for sale in the open market except as part of a going concern
22 since its special design and function renders conversion to other types of
23 development or application not economically feasible; and

1 (t) *Valuation*, also known as appraisal, refers to the systematic, analytic and logical
2 analysis of the recording of property facts, circumstances, investments and other
3 relevant data resulting in a supportable estimate or professional opinion of the
4 value of the property as of a specific date and for a specific purpose.

5 **ARTICLE II**

6 **BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF)**

7 **Chapter 1**

8 **BLGF Central Operations**

9 *SEC. 4. Powers and Functions of the Bureau of Local Government Finance (BLGF).*

10 – The Bureau of Local Government Finance (BLGF) of the Department of Finance
11 (DOF), shall be the primary agency to lead the implementation of the provisions of
12 this Act. In addition to the powers vested upon it by Executive Order No. 292,
13 otherwise known as the “Administrative Code of 1987”, it shall exercise the following
14 powers and functions:

- 15 (a) Develop, adopt, and maintain the Philippine Valuation Standards, regulations,
16 and specifications for real property appraisal used for taxation and other
17 purposes, and ensure compliance therewith by LGUs and other concerned parties;
- 18 (b) Review and ensure that the SMVs as prepared by the provincial assessors
19 together with municipal assessors, and city assessors, including the lone
20 municipal assessor in the Metropolitan Manila Area, and the assessor of the
21 PHIVIDECA Industrial Authority, is compliant with real property valuation policies
22 and standards, and recommend its approval to the Secretary of Finance for local
23 and national taxation, and for other purposes;

- 1 (c) Interpret and decide on matters relating to real property valuation policies and
2 standards, and implementation of SMVs;
- 3 (d) Provide technical assistance on real property appraisal matters to government
4 agencies and instrumentalities, and coordinate or conduct valuation, when
5 requested;
- 6 (e) Provide leadership and policy direction to LGUs on real property valuation for
7 taxation and other purposes, including the development and maintenance of
8 internationally-accepted valuation standards, the regulation of valuation
9 activities and other related matters, and the promotion of valuation training and
10 seminars;
- 11 (f) Maintain a roster of licensed local government appraisers and assessors in
12 consultation and coordination with the Professional Regulation Commission;
- 13 (g) Develop and maintain a comprehensive and up-to-date electronic database of
14 real property transactions and prices of materials for buildings, machinery, and
15 other structures;
- 16 (h) Conduct continuing study and research on valuation, and maintain information
17 on current global and country trends and developments in real property valuation;
- 18 (i) Formulate and provide for uniform procedures on the different transactions in
19 the assessor's office, including the transfer, annotation, and issuance of tax
20 declarations;
- 21 (j) Exercise technical supervision over all assessors through a system of compliance
22 reporting and capacity building, and education and training procedures;
- 23 (k) Determine, fix, and collect a reasonable amount to be charged as administration
24 fees, fines, and penalties relative to the implementation of the Real Property

1 Information System (RPIS): *Provided*, that no fees or fines shall be imposed on
2 LGUs with respect to the use of the RPIS; and

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

5 *SEC. 5. Establishment of the Real Property Valuation Service.* – To achieve the
6 policies and objectives declared in this Act, the Real Property Valuation Service,
7 hereinafter referred to as the RPVS is hereby established within the BLGF and shall
8 have counterpart personnel in the BLGF Regional Offices. The organizational structure
9 and staffing pattern of the RPVS shall be subject to the evaluation and approval of the
10 DBM in accordance with civil service laws, rules and regulations.

11 *SEC. 6. Establishment of a Real Property Valuation Unit.* – To achieve the policies
12 and objectives declared in this Act, there shall be created a Real Property Valuation
13 Unit (RPVU) under the Office of the Local Assessor in every LGU. The organizational
14 structure and staffing pattern shall be included in the annual budget of the Office of
15 the Assessor duly approved by the Sanggunian concerned.

16 *SEC. 7. Supervisory Role of The BLGF Executive Director over the RPVS.* – The
17 BLGF Executive Director shall be responsible for the efficient and effective day-to-day
18 performance of the responsibilities set forth in this Act, and for the overall internal
19 management and governance of the RPVS.

20 *SEC. 8. Creation of Central Consultative Committee.* –

- 21 (a) A Central Consultative Committee shall be created and shall serve as the forum
22 on matters pertaining to the setting and adoption of internationally-accepted
23 valuation standards and other related concerns on real property valuation;

1 (b) It shall be chaired by the BLGF Executive Director and shall be composed of a
2 representative each from the:

- 3 1) Bureau of Internal Revenue (BIR);
- 4 2) Department of Environment and Natural Resources (DENR);
- 5 3) Bangko Sentral ng Pilipinas (BSP);
- 6 4) National organization of government assessors;
- 7 5) Union of Local Authorities of the Philippines (ULAP);
- 8 6) Land Registration Authority (LRA); and
- 9 7) Private appraisal sector.

10 *Provided,* That the representative from the private appraisal sector has been
11 active in the practice of real estate appraisal for at least five (5) years as certified
12 by the Professional Regulatory Board of Real Estate Service (PRBRES).

13 (c) The representatives of the BIR, DENR and BSP must be performing valuation-
14 related functions. The national organization of government assessors, and the
15 private appraisal sector shall be represented by their respective heads of
16 organizations or their duly qualified representatives;

17 d) The Chairperson and members of the Committee shall not receive additional
18 salary for the performance of their functions. Members of the consultative
19 committee who are not incumbent government officials or employees shall be
20 entitled to honoraria, pursuant to existing laws, regulations and other issuances;

21 (e) The Committee shall meet at the initiation of the Chairperson at least once every
22 semester and shall have as many meetings as the Chairperson may deem
23 necessary for the adoption of valuation standards. The Chairperson may invite
24 resource persons on issues concerning real property valuation; and

- 1 (f) The secretariat of the Central Consultative Committee shall be handled by the
2 existing organic personnel or units of the BLGF.

3 **Chapter 2**

4 **BLGF Regional Operations**

5 *SEC. 9. Role of the BLGF Regional Offices.* – The BLGF Regional Offices shall,
6 through the Regional Director, be responsible for all matters relating to valuation and
7 the supervision of the SMVs in the region. They shall:

8 (a) Implement policies, plans, programs, rules and regulations on real property
9 valuation of LGUs in the region;

10 (b) Review and endorse to the RPVS the proposed SMVs prepared by the assessors
11 of the LGUs in the region;

12 (c) Provide for economical, efficient and effective valuation services in the region;

13 (d) Coordinate and consult with other government departments, bureaus and
14 agencies within the region dealing with real property valuation;

15 (e) Adopt and maintain a comprehensive and up-to-date electronic database of all
16 regional real property-related transactions, and have custody of all transaction
17 records submitted by local government assessors; and

18 (f) Perform other functions as may be assigned by the BLGF Executive Director.

19 *SEC. 10. The Regional Consultative Committee.* –

20 (a) There shall be a Regional Consultative Committee that shall be chaired by the
21 BLGF Regional Director and shall be composed of representatives from the:

22 1. BIR – Regional Office;

23 2. DENR – Regional Office;

- 1 3. Head of the respective regional organizations of government assessors or their
2 duly authorized representative;
- 3 4. Head of the private appraisal sector within the region or their duly authorized
4 representative;
- 5 5. Head of the real estate sector within the region or their duly authorized
6 representative;
- 7 6. Head of the bankers' association within the region or their duly authorized
8 representative;
- 9 7. Head of the regional chapter of the league of cities or their duly authorized
10 representative; and
- 11 8. Head of the regional chapter of the league of provinces or their duly authorized
12 representative.

13 (b) Preferably, majority of the members of the Regional Consultative Committee
14 must be performing valuation-related functions in their respective agencies or
15 sectors; and

16 (c) The Committee shall meet at the initiation of the BLGF Regional Director at least
17 once every quarter and shall hold as many meetings as the BLGF Regional
18 Director may deem necessary for the performance of its functions. The BLGF
19 Regional Director may invite resource persons on issues concerning real property
20 valuation.

21 SEC. 11. *Function of the Regional Consultative Committee.* – The Regional
22 Consultative Committee shall serve as a body in the region for discussion on
23 developments in the local real property market; concerns of taxpayers, civil society,
24 and other stakeholders; outcome of compliance reporting in the region; data on

1 complaints and appeals filed before the Local Board of Assessment Appeals (LBAA) or
2 the Central Board of Assessment Appeals (CBAA), as the case may be; training of local
3 government assessors in the region; appraisal and assessment concerns in general;
4 and other matters as may be determined by the Committee. Any report thereof shall
5 be submitted to the Central Consultative Committee, either electronically or manually.

6 **ARTICLE III**

7 **VALUATION OF REAL PROPERTIES**

8 **Chapter 1**

9 **Valuation Standards and Market Values**

10 *SEC. 12. Development of Valuation Standards.* –The BLGF shall develop, adopt,
11 maintain, and implement uniform valuation standards, which shall be used by all
12 appraisers and assessors in the LGUs, and other concerned parties or agencies that
13 conduct valuation in the appraisal or valuation of lands, buildings, machinery and other
14 real properties for taxation and other purposes. The valuation standards shall conform
15 with the internationally-accepted valuation standards and principles. The BLGF,
16 through the RPVS, shall review the PVS every three (3) years to ensure that the same
17 is aligned with globally accepted principles and definitions in real property valuation.

18 *SEC. 13. Valuation of Real Property.* – For valuation purposes, all real properties,
19 whether taxable or exempt, shall be valued or appraised based on prevailing market
20 values in the locality where the property is situated, in conformity with the valuation
21 standards adopted pursuant to this Act. In all instances, depreciation shall be taken
22 into consideration in the valuation of depreciable assets. The Secretary of Finance
23 shall promulgate the rules and regulations for the valuation of real property pursuant
24 to the provisions of this Act.

1 SEC. 14. *Preparation of the Schedule of Market Values.* – The provincial
2 assessors, together with the municipal assessor, and the city assessors, including the
3 lone municipal assessor in the Metropolitan Manila Area and the assessor of the
4 PHIVIDEC Industrial Authority, shall prepare the SMVs for the different classes of real
5 property situated within their respective LGUs, pursuant to the valuation standards,
6 rules, regulations and other specifications set by the DOF.

7 The preparation of the SMVs shall be completed within twelve (12) months
8 following the notice from the BLGF to all local assessors to submit their revised SMVs.
9 Two (2) mandatory public consultations shall be conducted within sixty (60) days
10 before the submission by the local assessor of the SMV.

11 Upon the completion of the proposed SMV, the local assessor shall submit the
12 proposed SMV to the BLGF Regional Office, and within sixty (60) days from receipt
13 thereof, the BLGF Regional Office shall review and endorse the proposed SMV to the
14 BLGF Executive Director: *Provided*, That, in the case of cities and municipality within
15 Metro Manila Area, the proposed SMV shall be submitted to, and reviewed by the BLGF
16 Central Office: *Provided, further*, That the BLGF Executive Director shall review and
17 endorse the proposed SMV within thirty (30) days of receipt thereof to the Secretary
18 of Finance.

19 SEC. 15. *Approval or Disapproval of the Schedule of Market Values.* – The
20 Secretary of Finance shall approve the SMV in accordance with the latest Philippine
21 Valuation Standards, within thirty (30) days from receipt of the endorsement of the
22 BLGF Executive Director; otherwise, said schedule shall be deemed approved:
23 *Provided*, That if the Secretary of Finance finds that the endorsed SMV of a particular
24 LGU was not prepared in accordance with the latest Philippine Valuation Standards,

1 the Secretary of Finance shall order that the said SMV be remanded to the assessor
2 of the concerned LGU for revision together with a written explanation of the
3 disapproval of the SMV. Upon receipt by the assessor of such letter of disapproval, it
4 shall conduct at least one (1) public consultation prior to the submission of the SMV
5 to the concerned BLGF.

6 The approved SMV shall take effect fifteen (15) days after its publication by the
7 DOF in the Official Gazette or in its official website, and in the official website of the
8 LGU concerned as well as in two (2) other conspicuous public places within its
9 territorial jurisdiction.

10 *SEC. 16. Setting Assessment Levels and Tax Rates.* – The approved SMV shall
11 be transmitted to the concerned local chief executive and the Sanggunian, through
12 their respective provincial, city, and municipal assessor. The concerned assessor, in
13 coordination with the local treasurer, shall estimate the revenue and tax impact of the
14 new SMV on taxpayers based on existing assessment levels and tax rates, and
15 recommend amendments thereon based on three (3) different proposed options. The
16 assessor shall thereafter prepare and submit the revenue and tax impact report to the
17 local chief executive and Sanggunian for consideration.

18 The local chief executive shall transmit the three (3) different options, and the
19 revenue and tax impact report, within thirty (30) days from receipt of the same to the
20 Sanggunian for the enactment of an ordinance setting the appropriate assessment
21 levels and tax rate based on the approved SMV by the Secretary of Finance. During
22 the Sanggunian's deliberations prior to the enactment of the tax ordinance, it may call
23 upon the assessor to provide technical assistance and calculate the revenue and tax
24 impact of additional options in order to arrive at a desired level of revenue and tax

1 goals that the Sanggunian will adopt. The concerned Sanggunian shall enact the tax
2 ordinance not later than one hundred twenty (120) days prior to the end of the taxable
3 calendar year from receipt thereof, upon conduct of public hearings and proper
4 consultations.

5 Upon the enactment by the Sanggunian of an ordinance for the assessment
6 levels and tax rates, the said ordinance shall be presented to the provincial governor
7 or city mayor, as the case may be, within fifteen (15) days. If the said ordinance is
8 approved, the signature of the concerned local chief executive shall be affixed on each
9 and every page thereof. Failure of the concerned local chief executive to act on the
10 ordinance within the prescribed period shall render the same approved: *Provided,*
11 *however,* That this law shall not be construed to abridge the power of LGUs to lower
12 and adjust assessment levels and tax rates in accordance with the provisions of
13 Republic Act No. 7160 otherwise known as the "Local Government Code of 1991", as
14 amended, particularly on the ceilings and limitations imposed therein.

15 SEC. 17. *Publication of Assessment Levels and Tax Rates.* - The approved
16 ordinance for the assessment levels and tax rates shall be published by the concerned
17 LGU in a newspaper of local or general circulation once a week for two (2) consecutive
18 weeks, or in the official website of the LGU: *Provided,* That in provinces, and cities,
19 including the municipality where there are no newspapers of local circulation, the same
20 shall be posted in the provincial capitol buildings, city halls, municipal halls, and in two
21 (2) other conspicuous public places therein.

22 SEC. 18. *Use of Schedule of Market Values.* – The approved SMV shall be used
23 as basis for the determination of real property-related taxes of national and local
24 governments, as follows:

1 (a) In the conduct of general revision of assessment and property classification, the
2 approved SMV shall, in no case, be adopted by the LGU less than six (6) months
3 prior to the effectivity of the new assessment rates to ensure the proper
4 cleansing and updating of records, and notification of property owners. However,
5 if no ordinance will be enacted within a period of one hundred twenty (120) days,
6 the local assessor shall conduct the general revision.

7 (b) Upon effectivity of SMVs, in computing any internal revenue tax and local transfer
8 tax, the BIR Commissioner shall use the SMV, or the actual gross selling price in
9 consideration, as stated in real property transaction documents, whichever is
10 higher.

11 (c) For other purposes, such as local transfer tax, tax on sand and gravel, community
12 tax, fees and charges, or as baseline for real property appraisal of all government
13 agencies, the approved SMV shall be used upon its effectivity.

14 LGU compliance to the mandated rule on SMV revision shall be a ground for
15 eligibility to the grant of The Seal of Good Local Governance under Republic Act No.
16 11292.

17 *SEC. 19. Updating of the Schedule of Market Values.* – All provincial assessors,
18 together with the municipal assessors and the city assessors, including the lone
19 municipal assessor within the Metropolitan Manila Area and the assessor of the
20 PHIVIDEC Industrial Authority, shall update their respective SMVs within two (2) years
21 from the effectivity of this Act. Thereafter, they shall update the SMVs and conduct
22 general revision of property assessments and classifications not earlier than three (3)
23 years. The BLGF shall prepare the schedule for the updating of the SMVs in all

1 provinces and cities, including the municipality within the Metropolitan Manila Area
2 and areas under the PHIVIDEDEC Industrial Authority.

3 In case of any significant change in market value where the property is located
4 after the SMV has been approved and prior to the next revision, such as introduction
5 of road right of way or similar infrastructure, in times of calamities, disasters, whether
6 man-made or natural, during a pandemic or a declared public health emergency,
7 whether national or localized, and other analogous adverse circumstances, or where
8 corrections of errors and inequalities in the SMV is deemed necessary, the provincial
9 and city assessors shall recommend revisions to their existing SMVs to the BLGF
10 Regional Office, through the BLGF Regional Director exercising jurisdiction over the
11 LGU concerned: *Provided*, That the city assessors, the lone municipal assessor within
12 the Metropolitan Manila Area, and the assessor of the PHIVIDEDEC Industrial Authority,
13 shall recommend revisions to their existing SMVs to the BLGF Central Office; *Provided*,
14 *however*, That in times of national emergency declared by the President or a local
15 state of calamity declared by the local chief executive, the assessor may suspend the
16 conduct of general revision. In the case of a national state of emergency, the
17 suspension shall take effect until the declaration of national emergency has been lifted
18 by the President. In the case of a local state of calamity, the suspension shall be for
19 thirty (30) days from such declaration: *Provided*, That if the said local state of calamity
20 continue to exist after the expiration of the thirty (30) day-period, the BLGF may
21 recommend further extension to the said suspension to the Secretary of Finance for a
22 period of another thirty (30) days or during the continued existence of calamity,
23 whichever is shorter.

1 Commissioner of Internal Revenue or their duly authorized representative subject to
2 the provisions of Section 270 of the NIRC, and Sections 12 and 13 of the Data Privacy
3 Act of 2012: *Provided, further,* That the private sector may access the database
4 subject to the guidelines of the BLGF: *Provided, furthermore,* That non-submission of
5 the required documents to the BLGF will subject the concerned official or employee to
6 administrative penalties pursuant to the provisions of Section 26 of this Act.

7 The BLGF shall establish mechanisms for the electronic submission of the
8 required documents in accordance with the provisions of Chapter 2, Article II of this
9 Act.

10 All provinces, cities and municipalities shall automate their real property tax
11 administration operations, such as, but not limited to, tax mapping technology,
12 maintain software-enabled valuation systems, undertake regular data cleansing, and
13 computerize records management, with the guidance of the BLGF, in coordination with
14 the Department of Information and Communications Technology (DICT). DICT, shall
15 provide, free of charge, the appropriate equipment, connectivity and inter-operable
16 information and communications technology platform, including their corresponding
17 maintenance, and the appropriate training and capability building programs to all LGUs.
18 The DICT shall prioritize provinces, cities or municipalities belonging to the lower
19 income class levels such as third, fourth, fifth, sixth class LGUs that do not have an
20 existing information communication technology platform in place, to ensure
21 compliance with this section. The BLGF, together with the DICT, shall ensure the full
22 automation by all LGUs of their real property systems within two (2) years from
23 effectivity of this Act.

1 *SEC. 22. Duty of Register of Deeds to Supply Assessors with Real Property*

2 *Transactions Data.* – The Register of Deeds shall prepare and submit to the provincial
3 assessors, together with the municipal assessors, and city assessors, including the
4 lone municipal assessor in the Metropolitan Manila Area and the assessor of the
5 PHIVIDECA Industrial Authority, an abstract of the entire registry every three (3)
6 months and copies of all contracts selling, transferring or otherwise converting, leasing,
7 or mortgaging real property registered every end of the month free from any fees and
8 charges. The abstract shall include brief but sufficient descriptions of the real
9 properties entered therein, their present owners, and the dates of their most recent
10 transfer or alienation accompanied by copies of corresponding deeds of sale, donation,
11 or partition, or other forms of alienation.

12 *SEC. 23. Duty of Official Issuing Building Permits or Certificates of Registration*
13 *of Machinery to Transmit Copy of Permit to the Assessor.* – Section 210 of Republic
14 Act No. 7160, otherwise known as the Local Government Code, is hereby adopted.

15 *SEC. 24. Duty of Geodetic Engineers to Furnish Copy of Plans to the Assessor.*
16 – Section 211 of Republic Act No. 7160, otherwise known as the Local Government
17 Code, is hereby adopted.

18 *SEC. 25. Transmission of Real Property Transactions Data to the BLGF.* – Upon
19 operationalization of the real property transactions database, as provided in Section
20 21 of this Act, it shall be the duty of the registers of deeds, BIR, notaries public,
21 officials issuing building permits, and the geodetic engineers conducting surveys within
22 a locality to electronically transmit to the BLGF, free of charge, relevant real property
23 transactions data, every quarter in accordance with the rules and regulations to be
24 promulgated by the Secretary of Finance.

1 **ARTICLE IV**

2 **PENAL PROVISIONS**

3 *SEC. 26. Failure to Comply with the Required Submission of Documents,*
4 *Valuation Standards, and Preparation of Schedule of Market Values.* – Any official or
5 employee of the BLGF, or any other government official or employee who fails, without
6 justifiable reason, to do any of the required acts provided herein shall be penalized in
7 accordance with the Rules on Administrative Cases in the Civil Service (RACCS), or by
8 fines or penalties imposed by a competent court. The penalized acts are as follows:

9 (a) Failure to provide or furnish data or information required pursuant to
10 Sections 21, 22, 23, 24 and 25 of this Act;

11 (b) Failure of the assessor or assistant assessor to comply with the valuation
12 standards developed and adopted pursuant to this Act, or deliberately
13 conceals any deviation or departure from such standards in the valuation of
14 real property; and

15 (c) Failure or refusal of an assessor, either intentionally or deliberately, to
16 prepare the SMVs within the period set forth in this Act.

17 Assessors who will be found liable to acts under paragraph (c) herein may also
18 be charged with administrative and criminal liability in accordance with the provisions
19 of Republic Act No. 9646, otherwise known as the "Real Estate Service Act of the
20 Philippines".

21 Any government official who delays, without justifiable cause, the review,
22 approval and implementation of the SMVs, the conduct of general revisions, or causes
23 the improper use thereof, shall be punished by a fine equivalent to one (1) month to
24 six (6) months basic salary of the official or employee, or suspension from the service

1 for a period not exceeding one (1) year, or both, at the discretion of the competent
2 authority.

3 SEC. 27. *Violations by Private Individuals.* – Geodetic engineers and notaries
4 public who violate any provision of this Act shall, when warranted, be dealt with under
5 applicable existing laws.

6 ARTICLE V

7 TRANSITORY PROVISIONS

8 SEC. 28. *Transitory Guidelines.* – LGUs, which are in the process of updating
9 their SMVs, upon the effectivity of this Act, shall continue with such revisions in
10 accordance with Sections 15, 16, 17, and 18 of this Act: *Provided,* That proper
11 notification and coordination with the BLGF shall be undertaken.

12 In case the SMVs are not yet available or updated, the BIR Commissioner shall
13 adopt the existing SMVs, zonal values or the actual price in consideration as stated in
14 real property transaction documents, whichever is higher, for purposes of computing
15 any internal revenue tax.

16 SEC. 29. *Saving Clause.* – The zonal values, as determined by the BIR and
17 approved by the Secretary of Finance for internal revenue tax purposes, and the SMVs
18 prepared by the provincial assessors, together with the municipal assessors and the
19 city assessors, including the municipal assessor in Metro Manila and the assessor of
20 the PHIVIDEC Industrial Authority, that have been approved by their respective
21 Sanggunians for real property taxation purposes shall continue to be in force and
22 effect until repealed, superseded, modified, revised, set aside, or replaced by the
23 values provided under the new SMVs as approved in accordance with Section 16 of
24 this Act, which shall be within two (2) years upon the effectivity of this Act: *Provided,*

1 That the PHIVIDEC Industrial Authority, pursuant to Section 4(h) of Presidential
2 Decree No. 538, shall continue to levy, assess, and collect real property taxes on real
3 properties within its jurisdiction: *Provided, further,* That the PHIVIDEC Industrial
4 Authority shall be governed by the provisions of this Act insofar as the valuation and
5 preparation of the SMV is concerned.

6 **ARTICLE VI**

7 **FUNDING REQUIREMENTS**

8 *SEC. 30. Budgetary Requirements for the Updating of Schedule of Market*
9 *Values and General Revision.* – The Secretary of Finance, through the BLGF, and each
10 local Sanggunian shall appropriate the necessary funds from locally generated
11 revenues, the national tax allotment or such other sources every fiscal year to
12 constitute the Real Property Tax Administration Fund (RPTAF), which shall be
13 established and used for the proper implementation of the updating of the SMVs, and
14 general revision of real property assessments, and the administration of real property
15 taxes in all LGUs.

16 **ARTICLE VII**

17 **MISCELLANEOUS PROVISIONS**

18 *SEC. 31. Appropriations.* – The initial amount for the implementation of this Act
19 shall be charged against the available funds of the national government agencies, and
20 LGUs concerned. Thereafter, the funding of which shall be included in the annual
21 General Appropriations Act and in the respective local budgets of the LGUs concerned.

22 *SEC. 32. Reportorial Requirement.* – The BLGF shall submit to the Joint
23 Congressional Oversight Committee on the Comprehensive Tax Reform Program

1 (COCCTRP) created under Republic Act No. 8424, a detailed report on the
2 implementation of this Act during the first quarter of every year.

3 SEC. 33. *Suppletory Application of Existing Laws.* – The provisions of Republic
4 Act No. 7160, as amended, and other laws consistent with this Act shall have suppletory
5 effect.

6 SEC. 34. *Implementing Rules and Regulations (IRR).* – Within six (6) months
7 after the effectivity of this Act, the DOF shall, in consultation with concerned
8 stakeholders and the private sector, issue the rules and regulations for the effective
9 implementation of this Act.

10 SEC. 35. *Separability Clause.* – If any section or provision of this Act shall be
11 declared unconstitutional or invalid, other sections or provisions not affected thereby
12 shall continue to be in full force and effect.

13 SEC. 36. *Repealing Clause.* – The following provisions are hereby repealed:

14 (a) Sections 199 (e), (g), and (o), 212, 214, 215, 217, 218, 219, 472 (a) paragraph
15 1, and 472(b)(8) of Republic Act No. 7160, otherwise known as the “Local
16 Government Code of 1991” are hereby repealed;

17 (b) Section 9 of Presidential Decree No. 921, entitled “Providing for the
18 Administration of Local Financial Services in Metropolitan Manila, Creating Local
19 Treasury and Assessment Districts Therein, and For Other Purposes,” on the
20 administration of local financial services in Metropolitan Manila and creating Local
21 Treasury and Assessment Districts, is hereby repealed; and

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

1 The following provisions are hereby amended insofar as they are inconsistent
2 with the provisions of this Act:

3 (1) Section 33, Chapter IV, Title II, Book IV, of Executive Order No. 292,
4 otherwise known as the "Administrative Code of 1987";

5 (2) Sections 19, 135(a), 138, 201, 218, 220, 473(a) paragraph 1, and 518 of
6 Republic Act No. 7160;

7 (3) Sections 5, 6, and 7 of Republic Act No. 10752, otherwise known as "The
8 Right-of-Way Act"; and

9 (4) Sections 6(e), 24(D), 27(d)(5), 88(b), and 102 of Republic Act No. 8424,
10 otherwise known as the National Internal Revenue Code of 1997, as
11 amended.

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

15 SEC. 37. Effectivity. – This Act shall take effect fifteen (15) days after its
16 publication in the Official Gazette or in a newspaper of general circulation.

17 *Approved,*