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SENATE

S. B. No. 1473

Introduced by SENATOR JOEL VILLANUEVA

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

Real property tax is an important source of revenue for local government units (LGUs). In Fiscal Year (FY) 2021, the total Locally Sourced Revenues (LSR) collected by all provinces, cities, and municipalities reached Php256.21 billion, with real property taxes contributing Php78.20 billion, which was second only to business taxes collected, amounting to Php113.16 billion.¹ However, it was notable that LGUs continue to depend on national tax allotment (NTA) (formerly, internal revenue allotment (IRA)), which was at Php554.02 billion.²

LGUs' dependence on externally-generated revenues was likewise confirmed by a study conducted by the National Tax Research Center (NTRC), which covers the analysis of the revenue performance of local taxes on real properties from 2012-2016. The NTRC observed that externally-generated revenues, comprising of the IRA (now, NTA), share from the utilization of national wealth, grants and aids, borrowings, and others contributed to an average of 66.93% of the total revenue of LGUs.³ Out of this number, the IRA (now, NTA) accounted for the biggest share at around 59.27% of total external sources.⁴

¹ May 31, 2022. LGUs post positive local collection growth in FY2021, Q1 FY2022. Bureau of Local Government Finance. Retrieved from <https://blgf.gov.ph/lqus-post-positive-local-collection-growth-in-fy2021-q1-fy2022/> (date last accessed: November 5, 2022).

² *Id.*

³ March-April 2019, Analysis of the Revenue Performance of Local Taxes on Real Properties CY 2012-2016, National Tax Research Center. Retrieved from <https://www.ntrc.gov.ph/images/journal/2019/j20190304b.pdf> (date last accessed: November 5, 2022).

⁴ *Id.*

There is a potential for increasing revenues from real property taxes which can be used by LGUs to deliver frontline government services to their residents. However, reforms must be undertaken to improve the existing land valuation system in the country. According to the Department of Finance (DOF), provinces and cities are losing an estimated Php30.5 billion in total foregone revenues because of outdated real property values,⁵ which is required to be updated every three (3) years under Section 220 of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991."⁶

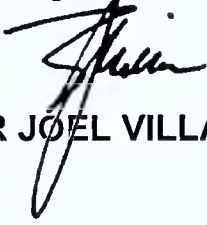
Other systemic problems noted by the DOF include: a) multiple and overlapping valuations in different government agencies; b) absence of a single agency responsible for ensuring that valuations are in accordance with international standards; and c) absence of a comprehensive real property electronic database.⁷

Thus, this proposed measure aims to address these issues by, among others:

- a) Establishing and maintaining valuation standards consistent with internationally accepted valuation standards;
- b) Adopting a single real property valuation base for the assessment of real property-related taxes through the adoption of a schedule of market values (SMVs);
- c) Centralizing the approval of SMVs by the local *Sanggunian* to the Secretary of Finance, through the strengthened Bureau of Local Government Finance (BLGF), and in coordination with the Bureau of Internal Revenue (BIR); and
- d) Establishing an electronic database to support valuation functions.

With the present measure, the aim is to empower and further promote the fiscal autonomy of LGUs to ensure that they can provide basic services to their constituents.

Thus, the immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA

⁵ June 3, 2019, LGUs losing P30.5-B revenues to outdated real property valuation, Department of Finance. Retrieved from https://taxreform.dof.gov.ph/news_and_updates/lgus-losing-p30-5-b-revenues-to-outdated-real-property-valuation/ (date last accessed: November 5, 2022).

⁶ Section 220, Republic Act No. 7160.

⁷ Package 3: Real property valuation reform, Department of Finance. Retrieved from: <https://taxreform.dof.gov.ph/wp-content/uploads/2019/08/CTRP-Package-3-Real-property-valuation-reform-1-page-briefer.pdf> (date last accessed: November 5, 2022).

- 1 (e) Support the development and professionalization of the valuation practice in the
2 country pursuant to Republic Act No. 9646, otherwise known as the "Real Estate
3 Service Act of the Philippines";
4
5 (f) Provide a comprehensive and up-to-date electronic database of all real property
6 transactions;
7
8 (g) Support the development of an information database on valuation through continuing
9 research and monitoring of new developments in the valuation discipline to upgrade
10 the country's valuation system and be at par with global standards; and
11
12 (h) Ensure transparency in real property transactions to protect public interest, and
13 develop confidence in the valuation system.
14

15 **SEC. 3. Definition of Terms.** – As used in this Act, the following terms shall mean:
16

- 17 (a) **Appraiser** refers to a person who conducts valuation, specifically, one who possesses
18 the necessary qualifications, license, ability, and experience to execute or direct the
19 valuation of real property;
20
21 (b) **Assessment** refers to the act or process of determining the value of a property, or
22 proportion thereof subject to taxation, including the discovery, listing, classification,
23 and appraisal of properties;
24
25 (c) **Assessment Level** refers to the percentage applied to the market value to determine
26 the taxable value of the property based on property classifications as prescribed in
27 Republic Act No. 7160, otherwise known as the "Local Government Code of 1991," as
28 amended;
29
30 (d) **Assessor** refers to the official or employee in the LGU who is a duly licensed
31 appraiser, and performs appraisal and assessment of real properties, including plant,
32 machinery, and equipment, for taxation and other purposes. This definition also
33 includes the assistant assessor;
34
35 (e) **Building** refers to a man-made structure permanently attached to land for residential,
36 commercial, industrial, recreational, or other purposes;
37
38 (f) **Improvement** refers to a valuable addition made to a property or an amelioration in
39 its condition, amounting to more than a mere repair or replacement of parts, involving
40 capital expenditures and labor intended to enhance its value, beauty, or utility, or to
41 adapt it for new or further purposes;
42
43 (g) **Land** refers to one of the major factors of production which is supplied by nature
44 without the aid of man. Land not only includes the earth's surface, covering both land
45 and water, but also anything that is attached to the earth's surface, including all natural
46 resources in their original state, such as mineral deposits, wildlife, and timber;
47
48 (h) **Internationally accepted valuation standards** refer to generally accepted standards
49 for the valuation for all types of assets, including real estate plant and equipment,
50 intangible assets and businesses;
51

- 1 (i) **Machinery** refers to machines, equipment, mechanical contrivances, instruments,
2 appliances, or apparatus which may or may not be attached, permanently or
3 temporarily, to real property. It includes the physical facilities for production, the
4 installations and appurtenant service facilities, those which are mobile, self-powered
5 or self-propelled, and those not permanently attached to the real property which are
6 actually, directly, and exclusively used to meet the needs of the particular industry,
7 business, or activity, and which, by their very nature and purpose are designed for or
8 necessary to its manufacturing, mining, logging, commercial, industrial or agricultural
9 purposes;
10
- 11 (j) **Market Value** refers to the estimated amount for which a property shall exchange on
12 the date of valuation between a willing buyer and a willing seller in an arm's length
13 transaction, which is a transaction between independent, unrelated parties involving
14 no irregularity, after proper marketing, wherein the parties acted knowledgeably,
15 prudently, and without compulsion;
16
- 17 (k) **Private appraisal sector** refers to licensed non-governmental real estate service
18 practitioners who have been active in the practice of real estate appraisal for at least
19 five (5) years;
20
- 21 (l) **Real estate** refers to the land and all those items which are attached to the land. It is
22 the physical tangible entity, together with all the additions or improvements on, above,
23 or below the ground;
24
- 25 (m) **Real property** refers to all the rights, interests, and benefits related to the ownership
26 of real estate, plant, machinery, and equipment;
27
- 28 (n) **Schedule of Market Values** or **SMV** refers to a table of base unit market values for
29 all kinds of real property, except machinery within an LGU prepared by assessors
30 pursuant to existing laws, rules and regulations;
31
- 32 (o) **Special purpose property** refers to a property that is designed, constructed and
33 developed for a specific use or purpose. By its very nature, this type of property is
34 rarely offered for sale in the open market except as part of a going concern. Its special
35 design and function renders conversion to other types of development or application
36 not economically feasible; and
37
- 38 (p) **Valuation** or **Appraisal** refers to the systematic, analytic and logical analysis of the
39 recording of property facts, circumstances, investments and other relevant data
40 resulting in a supportable estimate or professional opinion of the value of the property
41 as of a specific date and for a specific purpose.
42

43 ARTICLE II

44 THE BUREAU OF LOCAL GOVERNMENT AND FINANCE (BLGF)

45 Chapter 1

46 BLGF Central Operations

47
48
49 **SEC. 4. Powers and Functions of the Bureau of Local Government Finance**
50 **(BLGF).** – The BLGF of the Department of Finance (DOF) shall lead and manage the
51 implementation of the provisions of this Act. In addition to the powers vested upon it by

1 Executive Order No. 292, otherwise known as the "Administrative Code of 1987," it shall
2 exercise the following additional powers and functions:

- 3
- 4 (a) Develop, adopt, and maintain valuation standards consistent with internationally
5 accepted valuation standards, regulations, and specifications of real property
6 appraisal used for taxation and other purposes, and ensure compliance therewith by
7 LGUs and other concerned parties;
- 8
- 9 (b) In coordination with the Bureau of Internal Revenue (BIR), review and ensure that the
10 Schedule of Market Values (SMVs), as prepared by the provincial assessors together
11 with the municipal assessors, and the city assessors, including the municipal assessor
12 in the Metropolitan Manila Area, is compliant with real property valuation properties
13 and standards, and recommend its approval to the Secretary of Finance for local and
14 national taxation, and for other purposes;
- 15
- 16 (c) Provide technical assistance on real property appraisal matters to government
17 agencies and instrumentalities, and coordinate or conduct the valuation of special
18 purpose properties, when requested;
- 19
- 20 (d) Provide leadership and policy directions to LGUs, national government agencies,
21 private sector institutions and individuals dealing with real property valuation for
22 taxation and other purposes, including the development and maintenance of valuation
23 standards, the regulation of valuation activities and other related matters, and the
24 promotion of valuation training and seminars;
- 25
- 26 (e) Maintain a roster of licensed government appraisers and assessors, in coordination
27 with the Professional Regulation Commission (PRC);
- 28
- 29 (f) Develop and maintain a comprehensive and up-to-date electronic database of real
30 property transactions and prices of materials for buildings, machinery, and other
31 structures;
- 32
- 33 (g) Conduct continuing study and research, and maintain information on current global
34 and country trends and developments in real property valuation;
- 35
- 36 (h) Formulate and provide for uniform procedure on the different transactions in the
37 assessor's office, including the transfer, annotation, and issuance of tax declarations;
- 38
- 39 (i) Determine, fix, and collect a reasonable amount to be charged as administration fees,
40 fines, and penalties relative to the implementation of this Act; and
- 41
- 42 (j) Perform such other functions as are necessary proper, and incidental to implement
43 the provisions of this Act.
- 44

45 **SEC. 5. Establishment of the Real Property Valuation Service.** – To achieve
46 the policies and objectives declared in this Act, the Real Property Valuation Service
47 (RPVS) is hereby established within the BLGF and shall have counterpart personnel in
48 the BLGF Regional Offices.

49

50 **SEC. 6. Supervisory Role of the BLGF.** – The BLGF Executive Director shall be
51 responsible for the efficient and effective day-to-day performance of the responsibilities
52 set forth in this Act, and for the overall internal management and governance of the RPVS.

- 1 (b) Review, in coordination with the BIR, and endorse to the RPVS, the proposed SMVs
2 prepared by the assessors of the LGUs in the region;
3
4 (c) Provide for economical, efficient and effective valuation services in the region;
5
6 (d) Coordinate and consult with other government departments, bureaus and agencies
7 within the region dealing with real property valuation;
8
9 (e) Adopt and maintain a comprehensive and up-to-date electronic database of all
10 regional real property-related transactions, and have custody of all transaction records
11 submitted by local government assessors; and
12
13 (f) Perform other functions as may be assigned by the BLGF Executive Director.
14

15 **SEC. 9. *The Regional Consultative Committee.* –**
16

- 17 (a) There shall be a Regional Consultative Committee that shall be chaired by the BLGF
18 Regional Director and shall be composed of a representative from the:
19
20 (1) BIR – Regional Office;
21
22 (2) DENR – Regional Office;
23
24 (3) Head of regional organization of government assessors or its duly authorized
25 representative;
26
27 (4) Head of regional organization of national government appraisers or its duly
28 authorized representative;
29
30 (5) Head of the private appraisal sector within the region or its duly authorized
31 representative; and
32
33 (6) Head of the bankers association within the region or its duly authorized
34 representatives;
35
36 (b) The members of the Regional Consultative Committee must be performing valuation-
37 related functions in their respective agencies or sectors; and
38
39 (c) The Committee shall meet at the initiation of the BLGF Regional Director at least once
40 every quarter and shall have as many meetings as the BLGF Regional Director may
41 deem necessary for the performance of its functions. The BLGF Regional Director may
42 invite resource persons on issues concerning real property valuation.
43

44 **SEC. 10. *Function of the Regional Consultative Committee.* –** The Regional
45 Consultative Committee shall serve as a consultative forum in the region for discussion
46 on developments in the local real property market, concerns of taxpayers, civil society,
47 and other stakeholders, outcome of compliance reporting in the region, level of complaints
48 and appeals; training of local government assessors in the region; appraisal and
49 assessment concerns in general; and other matters as may be determined by the
50 Committee: *Provided*, That any report thereof, as a result of the forum, shall be submitted
51 to the Central Consultative Committee.
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ARTICLE III
VALUATION OF REAL PROPERTIES

Chapter 1
Valuation Standards and Market Values

SEC. 11. *Development of Valuation Standards.* – Notwithstanding the provisions of existing laws to the contrary, the BLGF shall develop, adopt, maintain, and implement uniform valuation standards which shall be used by all appraisers and assessors in the LGUs and other concerned parties in the valuation of lands, buildings, machinery and other real properties for taxation and other purposes. The valuation standards shall conform with internationally accepted valuation standards.

SEC. 12. *Valuation of Real Property.* – For valuation purposes, all real properties, whether taxable or exempt, shall be valued based on prevailing market values in the locality where the property is situated, in conformity with the valuation standards adopted pursuant to this Act.

For real properties intended for low-cost socialized housing and other programs of the government imbued with social policy objectives, the provisions of pertinent laws shall be applied on the prevailing market value of these properties in accordance with internationally accepted valuation standards.

SEC. 13. *Preparation of Schedule of Market Values.* – The provincial assessors, together with the municipal assessors, and the city assessors, including the municipal assessor in the Metropolitan Manila Area, shall prepare the SMVs for the different classes of real property situated within their respective LGUs, pursuant to the valuation standards set by the BLGF, rules and regulations, and other specifications set by the DOF. The preparation of the SMVs shall be completed within six (6) months following the notice from the BLGF to all local assessors to submit their revised SMVs.

Upon its completion, the local assessor shall submit the proposed SMV to the BLGF Regional Office. Within seventy-five (75) days from receipt thereof, the BLGF Regional Office, in coordination with the BIR Regional Office, shall review and endorse the proposed SMV to the BLGF Executive Director and the Commissioner of Internal Revenue: *Provided, That*, in the case of cities and municipality within the Metropolitan Manila Area, the proposed SMV shall be submitted to, and reviewed by, the BLGF Central Office, in coordination with the concerned BIR Regional Office: *Provided, further*, That the SMV complies with all the requirements set by the Secretary of Finance, including the conduct of at least one (1) public consultation on the proposed SMVs.

SEC. 14. *Approval of Schedule of Market Values.* – The Secretary of Finance shall approve the SMV in accordance with internationally accepted valuation standards within thirty (30) days from receipt of the joint endorsement of the BLGF Executive Director and the Commissioner of Internal Revenue; otherwise, said schedule shall be deemed approved. In case of sudden changes in the market values of lands such as, but not limited to, ancestral domain, public land, lands held by agrarian reform beneficiaries and other vulnerable sectors, the assessor is mandated to recommend to the *sanggunian* tax rates and assessment levels that will maintain or minimally affect the real property tax due on the same.

The approved SMVs shall take effect fifteen (15) days after its publication by the DOF in the *Official Gazette* or in at least two (2) newspapers of general circulation, and

1 posting in the respective provincial capitol, city hall, and municipal hall, and in two (2)
2 other conspicuous public places within the LGU covered by the approved SMVs.

3
4 The DOF and the concerned LGUs shall post the approved SMVs in their official
5 website.

6
7 **SEC. 15. Setting Assessment Levels and Tax Rates.** – The approved SMV shall
8 be transmitted to the concerned local chief executive, through the respective provincial,
9 city, and municipal assessor. The concerned assessor, in coordination with the local
10 treasurer, shall estimate the revenue and tax impact of the new SMV based on existing
11 assessment levels and tax rates, and recommend amendments thereon based on three
12 (3) different scenarios. The assessor shall thereafter prepare and submit the revenue and
13 tax impact report to the local chief executive for consideration.

14
15 The local chief executive shall transmit the approved SMV, together with the
16 revenue and tax impact report, within fifteen (15) days from receipt of the same to the
17 *sanggunian* for the enactment of an ordinance setting the appropriate assessment levels
18 and tax rates. During the deliberations of the *sanggunian* prior to the enactment of the tax
19 ordinance, it may call upon the assessor to provide technical assistance and calculate the
20 revenue and tax impact of additional options in order to arrive at a desired level of revenue
21 and tax burden. The concerned *sanggunian* shall enact the tax ordinance within sixty (60)
22 days from receipt thereof, upon conduct of public hearings and proper consultations;
23 otherwise, the existing ordinance on assessment levels and tax rates shall remain in force
24 and effect.

25
26 Upon the enactment by the *sanggunian* of an ordinance for the assessment levels
27 and tax rates, the local chief executive shall act within ten (10) days in the case of cities,
28 including the municipality in the Metropolitan Manila Area, or within fifteen (15) days, in
29 the case of provinces, to approve the same. Failure of the concerned local chief
30 executive to act on the ordinance within the prescribed period shall render the same
31 approved: *Provided, however,* That this law shall not be construed to abridge the power
32 of LGUs to lower and adjust assessment levels and tax rates in accordance with the
33 provisions of the Local Government Code of 1991, as amended, to provide to residential
34 property owners as deemed necessary.

35
36 **SEC. 16. Publication of Assessment Levels and Tax Rates.** – The approved
37 ordinance for the assessment levels and tax rates shall be published by the concerned LGU in
38 a newspaper of local circulation once a week for two (2) consecutive weeks: *Provided,* That in
39 provinces and cities, including the municipality within the Metropolitan Manila Area, where there
40 are no newspapers of local circulation, the same shall be posted in the provincial capitol,
41 including all concerned city halls, municipal halls, and in two (2) other conspicuous public places
42 therein.

43
44 **SEC. 17. Use of Schedule of Market Values.** – The approved SMV shall be
45 used as bases for the determination of real property-related taxes of national and local
46 governments, as follows:

- 47
48 (a) For purposes of real property taxation, the approved SMV shall, in no case, be
49 adopted by the LGU less than six (6) months prior to the effectivity of the new
50 assessment rates to ensure the proper cleansing and updating of records, and
51 notification of property owners in the conduct of general revision of assessment and
52 property classification.

1 (b) In computing any internal revenue tax, the BIR Commissioner shall use the SMV, or
2 the actual gross selling price in consideration, as stated in real property transaction
3 documents, whichever is higher.
4

5 (c) For other purposes, such as local transfer tax, tax on sand and gravel, community
6 tax, fees and charges, or as benchmark for real property appraisal of other
7 government agencies, the approved SMV shall be used upon its effectivity.
8

9 Notwithstanding the provision of existing laws to the contrary, the failure to
10 conduct a general revision of assessment and property classification, and use of the
11 approved SMV shall render an LGU ineligible for any conditional or performance-based
12 grant or to contract any form of credit financing.
13

14 **SEC. 18. Updating the Schedule of Market Values.** – All provincial assessors,
15 together with the municipal assessors and the city assessors, including the municipal
16 assessor within the Metropolitan Manila Area, shall update their respective SMVs within
17 two (2) years from the effectivity of this Act. Thereafter, they shall update the SMVs and
18 conduct general revision of property assessments and classifications once every three (3)
19 years from the date of last revision. The BLGF shall prepare the schedule for the updating
20 of the SMVs in all provinces and cities, including the municipality within the Metropolitan
21 Manila Area.
22

23 In case of any significant change in market value where the property is located
24 after the SMV has been approved and prior to the next revision, such as in times of
25 calamities, man-made or natural disasters, and other adverse circumstances, or where
26 corrections of errors and inequalities in the SMV is deemed necessary, or upon the order
27 of the Secretary of Finance, the provincial and city assessors shall recommend revisions
28 to the existing SMVs to the BLGF Regional Office, through the BLGF Regional Director
29 exercising jurisdiction over the LGU concerned: *Provided*, That the city assessors and
30 municipal assessor within the Metropolitan Manila Area shall recommend revisions to
31 the existing SMVs to the BLGF Central Office.
32

33 Such revision or revisions shall be subject to review by the concerned BLGF
34 Regional Office and the BIR Regional Office which shall complete their review and
35 submit their recommendations to the BLGF Executive Director, in accordance with
36 Sections 13 and 14 of this Act.
37

38 **SEC. 19. Conduct of Capacity Building Interventions.** – The BLGF shall, in
39 coordination with the Philippine Tax Academy of the DOF, develop and conduct the
40 necessary trainings for all local assessors, local officials and staff, and other concerned
41 BIR personnel in the preparation of the SMVs in accordance with internationally accepted
42 valuation standards, concepts, principles and practices, conduct of impact studies,
43 preparation of compliance reports, and other subject areas.
44

45 Chapter 2 46 Development and Maintenance of 47 Real Property Market Database 48

49 **SEC. 20. Development of Real Property Information System.** – The BLGF
50 shall develop and maintain an up-to-date electronic database of the sale, exchange,
51 lease, mortgage, donation, transfer, and all other real property transactions in the country
52 and on the prices of construction or renovation of buildings, machinery, and other
53 structures.

1
2 For this purpose, the BLGF shall require the mandatory submission of necessary
3 documents from the concerned officials or employees of national government offices or
4 instrumentalities, LGUs, and the private sector: *Provided*, That in the case of government
5 agencies and instrumentalities, the mandatory submission of documents and information
6 shall be subject to the prohibition of disclosure of certain information under Republic Act
7 No. 10173, otherwise known as the "Data Privacy Act," and other existing laws. The
8 updated database shall be made available to the LGUs, national government agencies
9 and the private sector: *Provided, further*, That the Commissioner of Internal Revenue or
10 his/her duly authorized representative shall be allowed access to the database without
11 need of prior approval: *Provided, finally*, That non-submission of the required documents
12 to the BLGF will subject the concerned official or employee to administrative penalties
13 under this Act.
14

15 To further ensure the efficiency of real property tax administration, all provinces,
16 cities, and municipalities shall automate their operations, adopt tax mapping technology,
17 maintain software-enabled valuation systems, undertake regular data cleansing, and
18 computerize records management. The National Government, through the Department
19 of Information and Communications Technology (DICT), shall provide the appropriate
20 equipment and connectivity, information and communications technology platform, and
21 the appropriate training and capability building programs to third class up to sixth class
22 municipalities and provinces to ensure compliance with this Section. The BLGF shall
23 establish mechanisms for the electronic submission of the required documents in
24 accordance with the provisions of Chapter 2, Article II of this Act.
25

26 **SEC. 21. Duty of Register of Deeds to Supply Assessors with Real Property**
27 **Transactions Data.** – The Register of Deeds shall prepare and submit to the provincial
28 assessors, together with the municipal assessors, and city assessors, including the
29 municipal assessor in the Metropolitan Manila Area, an abstract of the entire registry
30 every three (3) months and copies of all contracts selling, transferring or otherwise
31 converting, leasing, or mortgaging real property registered every end of the month. The
32 abstract shall include brief, but sufficient descriptions of the real properties entered
33 therein, their present owners, and the dates of their most recent transfer or alienation,
34 accompanied by copies of corresponding deeds of sale, donation, or partition, or other
35 forms of alienation.
36

37 **SEC. 22. Duty of Official Issuing Building Permits or Certificates of**
38 **Registration of Machinery to Transmit Copy of Permit to the Assessor.** – Any public
39 official or employee who may now or hereafter be required by law or regulation to issue
40 to any person a permit for the construction, addition, repair, or renovation of a building,
41 or permanent improvement on land, or a certificate of registration for any machinery,
42 including machines, mechanical contrivances and apparatus attached or affixed on land
43 or to another real property, shall transmit a copy of such permit or certification within
44 thirty (30) days of its issuance to the assessor of the province, city or municipality where
45 the property is situated.
46

47 **SEC. 23. Duty of Geodetic Engineers to Furnish Copy of Plans to the**
48 **Assessor.** – It shall be the duty of all geodetic engineers, public or private, to furnish,
49 free of charge, the assessor of the province, city or municipality where the land is located,
50 a copy of the blue or white print of each of all approved original subdivision plans or
51 maps of surveys, duly signed by a Senior Geodetic Engineer, executed by them every
52 end of the month from receipt of such approved plans from the Land Management
53 Bureau (LMB), the Land Registration Authority (LRA), or the appropriate office of the

1 Department of Human Settlements and Urban Development (DHSUD), as the case may
2 be.
3

4 **SEC. 24. Duty of Registrar of Deeds and Notaries Public to Assist the**
5 **Provincial, City or Municipal Assessor.** – It shall be the duty of the Registrar of Deeds
6 and notaries public to furnish, free of charge, the provincial, city or municipal assessor
7 with copies of all contracts selling, transferring, or otherwise conveying, leasing, or
8 mortgaging real property received by, or acknowledged before them within such periods
9 as the BLGF shall prescribe.
10

11 **SEC. 25. Transmission of Real Property Transactions Data to the BLGF.** –
12 Upon operationalization of the real property transactions database as provided in
13 Section 20 of this Act, it shall be the duty of the registrars of deeds, notaries public,
14 officials issuing building permits, and the geodetic engineers conducting surveys within
15 a locality to electronically transmit to the concerned BLGF Regional Office relevant real
16 property transactions data, in accordance with the rules and regulations to be
17 promulgated by the Secretary of Finance.
18

19 **Chapter 3**
20 **Appointment and Qualifications of Assessors**
21

22 **SEC. 26. Appointment of Assessors.** – The local chief executive shall appoint
23 the provincial, city, and municipal assessors and assistant assessors, as the case may
24 be, in accordance with applicable civil service laws, the Real Estate Service Act of the
25 Philippines, relevant rules and regulations, and the following guidelines:
26

- 27 (a) In the case of provincial and assistant provincial assessors, and city and assistant city
28 assessors, the appointee shall be chosen from the list of at least three (3) ranking
29 eligible candidates within the region;
30
31 (b) In the case of city and assistant city assessors, and the municipal and assistant
32 municipal assessors in the Metropolitan Manila Area, the appointee shall be chosen
33 from the list of at least three (3) ranking eligible candidates within the region; and
34
35 (c) In the case of municipal and assistant municipal assessors, the appointee shall be
36 chosen from the list of at least three (3) ranking eligible candidates within the province.
37

38 The assessors shall be under the technical supervision of the BLGF, primarily
39 through a system of compliance reporting and of capacity building through education
40 and training programs.
41

42 **SEC. 27. Qualification of Local Government Assessors.** – No person shall be
43 appointed assessor or assistant assessor unless he/she is a citizen of the Philippines, a
44 resident of the region for a provincial or city assessor/assistant assessor, and of the
45 province for a municipal assessor/assistant assessor, a registered and licensed appraiser,
46 of good moral character, and must not have been convicted of any crime involving moral
47 turpitude. The appointee must have experience in real property valuation or assessment
48 work in any suitable field, either in private or public practice, for at least five (5) years.
49 Once appointed, all assessors and local government appraisers must comply with the
50 requirements of the Professional Regulatory Board of Real Estate Service for the regular
51 updating of their licenses.

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**ARTICLE IV
PENAL PROVISIONS**

SEC. 28. Failure to Comply with the Required Submission of Documents. – Any government official or employee who fails without justifiable reason to provide or furnish data or information required pursuant to Sections 20, 21, 22, 23, 24 and 25 of this Act, shall be punished by a fine equivalent to one (1) month to six (6) months basic salary of the official or employee, or suspension from the service for a period not exceeding one (1) year, or both, at the discretion of the competent authority.

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

SEC. 30. Failure to Prepare Schedule of Market Values. – An assessor who, for unjustifiable reasons, intentionally or deliberately refuses or fails to prepare the SMVs within the period set forth in this Act shall be punished by a fine equivalent to one (1) month to six (6) months basic salary of the official or employee, or suspension from the service for not more than one (1) year, or both, at the discretion of the competent authority. This shall also be a ground for administrative and criminal liability in accordance with the provisions of the Real Estate Service Act of the Philippines.

SEC. 31. Government Agents Delaying the Review, Approval and Implementation of the SMV, and Conduct of General Revisions. – Any government official or employee who delays, without justifiable cause, the review, approval and implementation of the SMVs, the conduct of general revisions, or causes the improper use thereof, shall be punished by a fine equivalent to one (1) month to six (6) months basic salary of the official or employee, or suspension from the service for a period not exceeding one (1) year, or both, at the discretion of the competent authority.

SEC. 32. Violation of Other Provisions. – Any person, whether natural or juridical, who violates any provision of this Act other than those punishable under Sections 28, 29, 30, and 31 hereof shall, when warranted, be dealt with under applicable existing laws.

SEC. 33. Taxpayers' Remedies in Case of Erroneous Assessments of Real Properties. – The provisions of Sections 226 on Local Board of Assessment Appeals and 229 on Action by the Local Board of Assessment Appeals of the Local Government Code of 1991, as amended, shall apply in all cases of appeal as remedies for the taxpayers in the assessment of their properties.

All concerned local governments shall cause the constitution of a fully functioning Local Board of Assessment Appeals in their respective jurisdictions, in coordination with the Land Registration Authority (LRA).

**ARTICLE V
TRANSITORY PROVISIONS**

1 **SEC. 40. Separability Clause.** – If any provision of this Act is declared
2 unconstitutional or otherwise invalid, the validity of the other provisions shall not be
3 affected thereby.
4

5 **SEC. 41. Repealing Clause.** – Sections 212, 214, and 221 of the Local
6 Government Code of 1991, as amended are hereby repealed.
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8 The following provisions are hereby amended accordingly:
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10 (a) Section 33, Chapter IV, Title II, Book IV of the Administrative Code of 1987;
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12 (b) Sections 19, 135(a), 138, 201, 218, 220, 472(a), 472(b)(8), and 473(a) of the Local
13 Government Code;
14

15 (c) Sections 5, 6, and 7 of Republic Act No. 10752, otherwise known as "The Right of
16 Way Act";
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18 (d) Section 9 of Presidential Decree No. 921, Providing for the Administration of Local
19 Financial Services in Metropolitan Manila, Creating Local Treasury and Assessment
20 Districts Therein, and For Other Purposes; and
21

22 (e) Sections 6(e), 27(d)(5), and 88(b) of Republic Act No. 8424, as amended, otherwise
23 known as the National Internal Revenue Code of 1997, as amended.
24

25 All laws, presidential decrees, executive orders, presidential proclamations, rules
26 and regulations or parts thereof contrary to or inconsistent with this Act are hereby
27 repealed, superseded or modified accordingly.
28

29 **SEC. 42. Effectivity.** – This Act shall take effect fifteen (15) days after its
30 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.
31

32 Approved,