

NINETEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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Senate  
Office of the Secretary

'22 AUG -4 A9 :24

SENATE

RECEIVED BY: \_\_\_\_\_

S. No. 1018

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**Introduced by Senator Jinggoy Ejercito Estrada**

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

**EXPLANATORY NOTE**

According to a World Bank report, land assets account for an important share of the total wealth in low- and middle-income countries. On average, the percentage of land assets among low- and middle-income countries to total national wealth ranges from 16 to 45 percent.

As a source of revenue, real property tax (RPT) is the most important for local governments. However, the real property valuation system at present has been a concern due to the multiple and overlapping property valuations which has complicated real property assessment and taxation. In addition, the valuations used for governmental purposes are outdated. As of 2018, only 38.8% of LGUs have updated Schedule of Market Values (SMVs), with 93 non-compliant cities and 46 provinces. Within the last five (5) years, only 50.4% of Revenue District Offices (RDOs) have updated zonal values, with 65 RDOs still in the process of revising. Moreover, there is no single agency tasked to ensure the correct valuation of real property. Furthermore, there is an absence of a comprehensive real property electronic database.

The outdated SMVs has resulted in foregone revenues, which in turn, lead to unrealized socio-economic benefits. Multiple and overlapping property valuations have also resulted in Right-of-Way acquisition concerns and delays in the construction of infrastructure projects, thereby resulting also in the delays in the creation of jobs and inducement of consumption and investment.

This measure will ensure that LGUs' financial self-sufficiency through an increased capacity to generate revenues from real property tax. Outdated property values have hindered the growth of tax collections of LGUs, with real property tax contributing to an average of 29 percent to LGU revenues.

As such, the real property valuation system stands to benefit from reforms introduced in this measure, such as the establishment of a single valuation system and a comprehensive electronic database to support the valuation function, as well as the adoption of international standards to rationalize the process. These reforms will ensure the efficient real property tax administration of LGUs to arrive at a fair and equitable RPT, yield higher investor confidence and professionalism in real property valuation, and reduce government costs borne from conflicting appraisals and project delays.

Hence, the immediate passage of this bill is earnestly requested.



**JINGCOY EJERCITO ESTRADA**

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

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

3 **ARTICLE I**  
4 **DECLARATION OF POLICY AND OBJECTIVES,**  
5 **AND DEFINITION OF TERMS**

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

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

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

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

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



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

3 (i) *International Valuation Standards (IVS)* refer to standards for undertaking  
4 valuation assessments using generally recognized concepts and principles that  
5 promote transparency and consistency evaluation practice as determined by the  
6 International Valuation Standards Council;

7 (j) *Internationally Accepted Valuation Standards* refers to generally accepted  
8 standards for the valuation for all types of assets including real estate plant and  
9 equipment, intangible assets and businesses which shall include, but not limited  
10 to, the international valuation standards;

11 (k) *Land* refers to one of the major factors of production which is supplied by nature  
12 without the aid of man. Land may include not only the earth's surface, both land  
13 and water, but also anything that is attached to the earth's surface including all  
14 natural resources in their original state, such as mineral deposits, wildlife, and  
15 timber;

16 (l) *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 property  
21 which are actually, directly, and exclusively used to meet the needs of the  
22 particular industry, business or activity, and which by their very nature and purpose  
23 are designed for or necessary to its manufacturing, mining, logging, commercial,  
24 industrial or agricultural purposes;

25 (m) *Market value* refers to the estimated amount for which a property shall exchange  
26 on the date of valuation between a willing buyer and a willing seller in an arm's  
27 length transaction, which is a transaction between independent, unrelated parties  
28 involving no irregularity after proper marketing wherein the parties had each acted  
29 knowledgeably, prudently, and without compulsion;

30 (n) *Private appraisal sector* refers to licensed non-governmental real estate service  
31 practitioners;

32 (o) *Real estate* refers to the land and all those items which are attached to the land.  
33 It is the physical, tangible entity, together with all the additions or improvements  
34 on, above, or below the ground;

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

## 16 **ARTICLE II**

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

#### 18 **CHAPTER I**

#### 19 **BLGF CENTRAL OPERATIONS**

##### 20 *Sec. 4. Powers and Functions of the Bureau of Local Government Finance (BLGF). –*

21 The BLGF of the Department of Finance (DOF), shall lead and manage the implementation of  
22 the provisions of this Act. It shall have the following powers and functions:

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

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

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

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

28 *Sec. 7. Creation of a Central Consultative Committee.* –

- 29 (a) A Central Consultative Committee shall be created and shall serve as the  
30 consultative forum on matters pertaining to the setting and adoption of  
31 internationally accepted valuation standards and other related concerns on real  
32 property valuation;
- 33 (b) It shall be chaired by the BLGF Executive Director and shall be composed of a  
34 representative each from the:

- 35 1. Bureau of Internal Revenue (BIR);



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

6 *Provided,* That the representative from the private appraisal sector shall be  
7 active in the practice of real estate appraisal for at least five (5) years as certified  
8 by the PRBRES;

- 9 (c) The representatives from the BIR, the DENR and BSP must be performing  
10 valuation-related functions. The national organization of government assessors,  
11 and the private appraisal sector shall be represented by their respective heads of  
12 organizations or their duly qualified representatives;
- 13 (d) The Chairperson and members of the Committee shall not receive additional salary  
14 for the performance of their functions. Members of the consultative committee  
15 who are not incumbent government officials or employees shall be entitled to  
16 *honoraria*, pursuant to existing laws and regulations; and
- 17 (e) The Committee shall meet at the initiation of the Chairperson at least once every  
18 semester and shall have as many meetings as the Chairperson may deem  
19 necessary for the adoption of valuation standards. The Chairperson may invite  
20 resource persons on specific issues concerning real property valuation.

## 21 **CHAPTER 2**

### 22 **BLGF REGIONAL OPERATIONS**

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

- 26 (a) Implement policies, plans, programs, rules and regulations on real property  
27 valuation of LGUs in the region;
- 28 (b) Review, in coordination with the BIR, and endorse to the RPVS the proposed SMVs  
29 prepared by the assessors of the LGUs in the region;
- 30 (c) Provide for economical, efficient and effective valuation services in the region;
- 31 (d) Coordinate and consult with other government departments, bureaus and agencies  
32 within the region dealing with real property valuation;
- 33 (e) Adopt and maintain a comprehensive and up-to-date electronic database of all  
34 regional real property-related transactions, and have custody of all transaction  
35 records submitted by local government assessors; and



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

2 *Sec. 9. The Regional Consultative Committee. –*

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

- 5 1. BIR – Regional Office;
- 6 2. DENR – Regional Office;
- 7 3. Head of Regional organization of government assessors or its duly  
8 authorized representative;
- 9 4. Head of Regional organization of national government appraisers or its duly  
10 authorized representative;
- 11 5. Head of the private appraisal sector within the region or its duly authorized  
12 representative; and
- 13 6. Head of the bankers association within the region or its duly authorized  
14 representative.

15 (b) The members of the Regional Consultative Committee must be performing  
16 valuation-related functions in their respective agencies or sectors; and

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

22 *Sec. 10. Function of the Regional Consultative Committee. –* The Regional Consultative  
23 Committee shall serve as a consultative forum in the region for discussion on developments  
24 in the local real property market; concerns of taxpayers, civil society, and other stakeholders;  
25 outcome of real property tax compliance reporting in the region; level of complaints and  
26 appeals; local government assessors training in the region; appraisal and assessment concerns  
27 in general; and other matters as may be determined by the Committee: *Provided,* That any  
28 report thereof, as a result of the forum, shall be submitted to the Central Consultative  
29 Committee.

### 30 **ARTICLE III**

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

### 32 **CHAPTER 1**

## 33 **VALUATION STANDARDS AND MARKET VALUES**

34 *Sec. 11. Development of Valuation Standards. –* Notwithstanding the provisions of  
35 existing laws to the contrary, the BLGF shall develop, adopt, maintain, and implement uniform

1 valuation standards which shall be used by all appraisers and assessors in the LGUs and other  
2 concerned parties in the appraisal or valuation of lands, buildings, machinery and other real  
3 properties for taxation and other purposes. The valuation standards shall conform with  
4 internationally accepted valuation standards and principles.

5 *Sec. 12. Valuation and Appraisal of Real Property.* – For valuation purposes, all real  
6 properties, whether taxable or exempt, shall be valued or appraised based on prevailing  
7 market values in the locality where the property is situated, in conformity with the valuation  
8 standards adopted under this Act. The Secretary of Finance shall promulgate the rules and  
9 regulations for the valuation and appraisal of real property pursuant to the provisions of this  
10 Act.

11 For real properties intended for low-cost or socialized housing, lands included in the  
12 government’s agrarian reform program and other programs of the government imbued with  
13 social policy objectives, the provisions of existing pertinent laws shall be applied after the  
14 determination of the prevailing market value of these properties in accordance with  
15 internationally accepted international valuation standards.

16 *Sec. 13. Preparation of the Schedule of Market Values.* – The provincial assessors,  
17 together with the municipal assessors and city assessors, including the municipal assessor in  
18 the Metropolitan Manila Area, shall prepare the SMVs for the different classes of real property  
19 situated within their respective LGUs, pursuant to the valuation standards, rules, regulations,  
20 and other specifications set by the DOF. The preparation of the SMVs shall be completed  
21 within six (6) months or one hundred eighty (180) days following the announcement from the  
22 BLGF to all local assessors to submit their revised SMV.

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

32 *Sec. 14. Approval of the Schedule of Market Values.* – The Secretary of Finance shall  
33 approve the SMV in accordance with internationally accepted valuation standards within thirty  
34 (30) days from receipt of the joint endorsement of the BLGF Executive Director and the  
35 Commissioner of Internal Revenue; otherwise, said schedule shall be deemed approved. In

1 case of sudden changes in the market values, including but not limited to, ancestral domain,  
2 public land, agrarian reform beneficiaries, and other vulnerable sectors, the assessor is  
3 mandated to recommend to the *Sanggunian* tax rates and assessment levels that will maintain  
4 or minimally affect the real property tax due for the property.

5 The approved SMVs shall take effect fifteen (15) days after its publication by the DOF  
6 in the *Official Gazette* or in at least two (2) newspapers of general circulation, and posting in  
7 the respective provincial capitol, city hall and municipal hall, and in two (2) other conspicuous  
8 public places within the LGU covered by the approved SMVs.

9 The DOF and the concerned LGUs shall post the approved SMVs in their official  
10 website.

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

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

27 Upon the enactment by the *Sanggunian* of an ordinance for the assessment levels and  
28 tax rates, the local chief executive shall act within ten (10) days, in the case of cities and the  
29 municipality in the Metropolitan Manila Area, or within fifteen (15) days, in the case of  
30 provinces, to approve the same. Failure of the concerned local chief executive to act on the  
31 ordinance within the prescribed period shall render the same approved: *Provided*, That this  
32 law shall not be construed to abridge the power of LGUs to lower and adjust assessment levels  
33 and tax rates in accordance with the provisions of Republic Act No. 7160, otherwise known as  
34 the "Local Government Code of 1991", as amended, to provide with it to residential property  
35 owners as deemed necessary.



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

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

11           (a) For purposes of real property taxation, the approved SMV shall, in no case, be  
12 adopted by the LGU less than six (6) months prior to the effectivity of the new  
13 assessment rates to ensure the proper cleansing and updating of records, and  
14 notification of property owners in the conduct of general revision of assessment  
15 and property classification;

16           (b) In computing any internal revenue tax, the BIR Commissioner shall use the SMV,  
17 or the actual gross selling price in consideration, as stated in real property  
18 transaction documents, whichever is higher; and

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

22           Notwithstanding the provisions of existing laws to the contrary, the failure to conduct  
23 a general revision of assessment and property classification, and use of the approved SMV  
24 shall render an LGU ineligible for any conditional or performance-based grant or to contract  
25 any form of credit financing.

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

33           In case of any significant change in the market value where the property is located  
34 after the SMVs have been approved and prior to the next revision, such as in times of  
35 calamities, disasters, man-made or natural and other adverse circumstances, or where

1 correction of errors and inequalities in the SMV is deemed necessary, or upon the directive of  
2 the Secretary of Finance, the provincial and city assessors shall recommend revisions to the  
3 existing SMVs to the BLGF Regional Office, through the BLGF Regional Director exercising  
4 jurisdiction over the LGU concerned: *Provided*, That the city assessors and municipal assessor  
5 within the Metropolitan Manila Area, shall recommend revisions to the existing SMVs to the  
6 BLGF Central Office.

7 Such revision or revisions shall be subject to review by the concerned BLGF Regional  
8 Office and the BIR Regional Office, which shall complete the review and submit their  
9 recommendations to the BLGF Executive Director, in accordance with Sections 13 and 14  
10 hereof.

11 **Sec. 19. *Conduct of Capacity Building Interventions.*** – The BLGF shall, in coordination  
12 with the Philippine Tax Academy of the DOF, develop and conduct the necessary training for  
13 all local assessors, local officials and staff, and other concerned BIR personnel on the  
14 preparation of the SMVs in accordance with internationally accepted valuation standards,  
15 concepts, principles and practices, conduct of impact studies, preparation of compliance  
16 reports, and other subject areas.

## 17 **CHAPTER 2**

### 18 **DEVELOPMENT AND MAINTENANCE OF REAL PROPERTY MARKET DATABASE**

19 **Sec. 20. *Development of Real Property Information System.*** – The BLGF shall develop  
20 and maintain an up-to-date electronic database of the sale, exchange, lease, mortgage,  
21 donation, transfer, and all other real property transactions and declarations in the country and  
22 on the cost of construction or renovation of buildings and other structures, and on the prices  
23 of machinery.

24 For this purpose, the BLGF shall require the mandatory submission of necessary  
25 documents from the concerned officials or employees of national government offices or  
26 instrumentalities, LGUs and the private sector: *Provided*, That in the case of government  
27 agencies and instrumentalities, the mandatory submission of documents and information shall  
28 be subject to the prohibition of disclosure of certain information under the Data Privacy Act  
29 and other existing laws. The updated database shall be made available to the LGUs, national  
30 government agencies and the private sector: *Provided, further*, That the Commissioner of  
31 Internal Revenue or a duly authorized representative shall be allowed access to the database  
32 without need of prior approval: *Provided, finally*, That non-submission of the required  
33 documents to the BLGF shall subject the concerned official or employee to the administrative  
34 penalties pursuant to the provisions of Section 28 of this Act.

1 To further ensure efficient real property tax administration, all provinces, cities and  
2 municipalities shall automate their operations, adopt tax mapping technology, maintain  
3 software-enabled valuation systems, undertake regular data cleansing and computerize  
4 records management. The National Government, through the Department of Information and  
5 Communications Technology, shall provide the appropriate equipment and connectivity,  
6 information and communications technology platform, training and capability building  
7 programs to ensure the compliance with this Section. The BLGF shall establish mechanisms  
8 for the electronic submission of the required documents in accordance with the provisions of  
9 Article II, Chapter 2 this Act.

10 *Sec. 21. Duty of Register of Deeds to Supply Assessors with Real Property Transactions*  
11 *Data.* – The Register of Deeds shall prepare and submit to the provincial assessors, together  
12 with the municipal assessors, and city assessors, including the municipal assessor in  
13 Metropolitan Manila Area, an abstract of the entire registry every three (3) months and copies  
14 of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real  
15 property registered every end of the month. The abstract shall include brief, but sufficient  
16 descriptions of the real properties entered therein, their present owners, and the dates of  
17 their most recent transfer or alienation accompanied by copies of corresponding deeds of sale,  
18 donation, or partition, or other forms of alienation.

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

27 *Sec. 23. Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.* – It shall be  
28 the duty of all geodetic engineers, public or private, to furnish free of charge, the assessor of  
29 the province, city or municipality where the land is located, a copy of the blue or white print  
30 of each of all approved original subdivision plans or maps of surveys, duly signed by a Senior  
31 Geodetic Engineer, executed by them every end of the month form receipt of such approved  
32 plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA), or  
33 the Department of Human Settlements and Urban Development (DHSUD), as the case may  
34 be.





1 assessor, and three (3) years in the case of the municipal assessor. Once appointed, all  
2 assessors and local government appraisers must comply with the requirements of the PRBRES  
3 for the regular updating of their licenses.

#### 4 **ARTICLE IV**

#### 5 **PENAL PROVISIONS**

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

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

19 *Sec. 30. Failure to Prepare Schedule of Market Values.* – An assessor who, for  
20 unjustifiable reasons, intentionally or deliberately refuses or fails to prepare the SMVs within  
21 the period set forth in this Act shall be punished by a fine equivalent to one (1) month to six  
22 (6) months basic salary of the official or employee, or suspension from the service for not  
23 more than one (1) year, or both, at the discretion of the competent authority. This shall also  
24 be a ground for administrative and criminal liability in accordance with the provisions of  
25 Republic Act No. 9646, otherwise known as the "Real Estate Service Act of the Philippines".

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

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





1 ensuing year's budget of provinces, highly urbanized cities, independent component cities and  
2 municipality within the Metropolitan Manila Area, shall ensure that sufficient funds are so  
3 appropriated for the RPTAF: *Provided*, That failure to provide the appropriations required shall  
4 render their annual budgets inoperative.

## 5 **ARTICLE VII**

### 6 **MISCELLANEOUS PROVISIONS**

7 *Sec. 37. Appropriations.* -- The amount necessary for the implementation of this Act  
8 shall be included in the annual General Appropriations Act.

9 *Sec. 38. Suppletory Application of Existing Laws.* -- The provisions of Republic Act No.  
10 7160, otherwise known as the "Local Government Code of 1991", and other laws consistent  
11 with this Act shall have suppletory effect.

12 *Sec. 39. Implementing Rules and Regulations (IRR).* -- Within six (6) months after the  
13 effectivity of this Act, the DOF shall, in consultation with concerned parties, issue the IRR for  
14 the effective implementation of this Act.

15 *Sec. 40. Separability Clause.* -- If any section or provision of this Act shall be declared  
16 unconstitutional or invalid, other sections or provisions not affected thereby shall continue to  
17 be in full force and effect.

18 *Sec. 41. Repealing Clause.* -- The following provisions are hereby repealed:

19 (a) Sections 188, 199(o), 201, 202, 209(a), 212, 214, 219, 220, 472(a) paragraph 1,  
20 472(b)(8), and 473(a) paragraph 1 and 518 of Republic Act No. 7160, otherwise  
21 known as the "Local Government Code of 1991";

22 (b) Section 3(n) of Presidential Decree No. 464 of 1974;

23 (c) Section 6 of Republic Act No. 10752, otherwise known as the "The Right-of-Way  
24 Act";

25 (d) Section 4(a) and (b) of Republic Act No. 8974; and

26 (e) Section 9 of Presidential Decree No. 921 on the administration of local financial  
27 services in Metropolitan Manila and creating Local Treasure and Assessment  
28 Districts.

29 The following provisions are hereby amended accordingly:

30 (a) Sections 19, 135(a), 138, 198(a), 199(o), 218 and 224(a) of Republic Act No. 7160,  
31 otherwise known as the "Local Government Code of 1991", are also amended or  
32 modified accordingly;

33 (b) Likewise, Sections 6(e), 24(d), 27(d)(5), 88(b) and 102 of Republic Act No. 8424,  
34 otherwise known as the "Tax Reform Act of 1997"; and

1 (c) Section 4(h) and Section 9 of Presidential Decree 538 on the power of Philippine  
2 Veterans Investment Development Corporation Industrial Authority to collect real  
3 property tax.

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

7 Sec. 42. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication  
8 in the *Official Gazette* or in at least two (2) newspapers of general circulation.

*Approved,*