



Republic of the Philippines
House of Representatives
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

COMMITTEE REPORT NO. 21

Submitted by the Committees on Government Reorganization, Ways and Means, and Appropriations on SEP. 17 2019

Re: House Bill No. 4664

Recommending its approval in substitution of House Bills Numbered 305, 343, 815, 1616, 1782, 1908, 2085, 2400, 3358, 3368, 3566, and 3668

Sponsors: Representatives Mario Vittorio "Marvey" A. Mariño, Joey Sarte Salceda and Isidro T. Ungab

Mr. Speaker:

The Committees on Government Reorganization, Ways and Means, and Appropriations to which were referred:

House Bill No. 305, introduced by Representative Joey Sarte Salceda, entitled:

"An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefore"

House Bill No. 343, introduced by Representative Xavier Jesus D. Romualdo, entitled:

"An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefore"

House Bill No. 815, introduced by Representative Rozzano Rufino B. Biazon, entitled:

"An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Establishing the National Valuation Authority, and Appropriating Funds Therefore"

House Bill No. 1616, introduced by Representative Neptali M. Gonzales, II entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor

House Bill No. 1782, introduced by Representative Ron P. Salo, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 1908, introduced by Representative Luis Raymund “LRay” F. Villafuerte, Jr., entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 2085, introduced by Representative Junie E. Cua, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 2400, introduced by Representatives Estrellita B. Suansing and Horacio P. Suansing, Jr., entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 3358, introduced by Representative Ann K. Hofer, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 3368, introduced by Representative Sharon S. Garin, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 3566, introduced by Representative Edgar S. Sarmiento, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

House Bill No. 3668, introduced by Representative Adolf Edward G. Plaza, entitled:

“An Act

Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor”

have considered the same and recommend that the attached House Bill
entitled


4664

"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 approved in substitution of House Bills Numbered 305, 343, 815, 1616, 1782, 1908, 2085, 2400, 3358, 3368, 3566, and 3668 with Representatives Joey Sarte Salceda, Xavier Jesus D. Romualdo, Rozzano Rufino B. Biazon, Neptali M. Gonzales II, Ron P. Salo, Luis Raymund "LRay" F. Villafuerte, Jr., Fernando T. Cabredo, Micaela S. Violago, Junie E. Cua, Estrellita B. Suansing, Horacio P. Suansing, Jr., Frederick W. Siao, Lawrence "Law" H. Fortun, Juan Miguel Macapagal Arroyo, Maximo Y. Dalog Jr., Ronnie L. Ong, Ann K. Hofer, Sharon S. Garin, Antonio "Tonypet" T. Albano, Peter John D. Calderon, Edgar S. Sarmiento, Jorge Antonio P. Bustos, Eddiebong G. Plaza, Gil "Kabarangay Jr." A. Acosta, Lianda B. Bolilia, Mario Vittorio "Marvey" A. Mariño, Isidro T. Ungab, Elenita Milagros "Eileen" Ermita-Buhain, Jose "Pingping" I. Tejada, Alfred D. Vargas, Greg G. Gasataya, Jose Antonio "Kuya Jonathan" R. Sy-Alvarado, Romeo M. Jalosjos, Jr., Francisco Jose "Bingo" F. Matugas II, Ruwel Peter S. Gonzaga, Corazon T. Nuñez-Malanyaon, Teodorico T. Haresco, Jr., Luisa Lloren Cuaresma, Juliette T. Uy, Paul Ruiz Daza, Manuel F. Zubiri, Manuel T. Sagarbarria, Lorna P. Bautista-Bandigan, Michael John R. Duavit, Manuel Jose "Mannix" M. Dalipe, Luis N. Campos, Jr., David "Jay-Jay" C. Suarez, Ed Christopher S. Go, Sandro L. Gonzalez, Rudys Caesar G. Fariñas I, Romeo S. Momo, Sr., Vincent Franco "Duke" D. Frasco, Way Kurat Zamora, Samantha Louise Vargas Alfonso, Faustino "Inno" A. Dy V, Wilfredo "Willy" S. Caminero, Alfel M. Bascug, Jose "Jun" L. Ong, Jr., Mohamad Khalid Q. Dimaporo, Glona G. Labadlabad, Joselito "Joel" S. Sacdalan, Ria Christina G. Fariñas, Gerardo "Gerryboy" J. Espina, Jr., Rossana "Ria" Vergara, Jumel Anthony I. Espino, Francisco "Kiko" B. Benitez, Maricel G. Natividad-Nagaño, M.D., Josefina B. Tallado, Angelo Marcos Barba, Arnold "Noli" D. Celeste, Ramon V. Guico III, Sonny "SL" L. Lagon, Hector S. Sanchez, Cheryl P. Deloso-Montalla, Arnie B. Fuentebella, Cesar "Jawo" L. Jimenez, Jr., Kristine Singson-Meehan, Abdullah D. Dimaporo, Pablo C. Ortega, Faustino Michael Carlos T. Dy III, Allan Benedict S. Reyes, Eric Go Yap, Yasser Alonto Balindong, Janette L. Garin, Alfredo A. Garbin, Jr., Godofredo N. Guya, Stella Luz A. Quimbo, Deogracias Victor "DV" B. Savellano, John Reynald M. Tiangco, Argel Joseph Cabatbat, Joseph Stephen "Corops" S. Paduano, Gabriel H. Bordado, Jr., Jose "Bonito" C. Singson, Jr., France L. Castro, Isagani S. Amatong, Kristine Alexie B. Tutor and Carl Nicolas C. Cari as authors thereof.

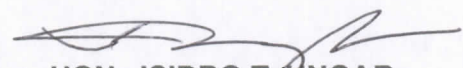
Respectfully submitted:



HON. JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means



HON. MARIO VITTORIO "MARVEY" A. MARIÑO
Chairperson
Committee on Government Reorganization



HON. ISIDRO T. UNGAB
Chairperson
Committee on Appropriations

HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4664**

(In substitution of House Bills Numbered 305, 343, 815, 1616, 1782, 1908, 2085, 2400, 3358, 3368, 3566 & 3668)

Introduced by Representatives

Joey Sarte Salceda, Xavier Jesus D. Romualdo, Rozzano Rufino B. Biazon, Neptali M. Gonzales II, Ron P. Salo, Luis Raymund "LRay" F. Villafuerte, Jr., Fernando T. Cabredo, Micaela S. Violago, Junie E. Cua, Estrellita B. Suansing, Horacio P. Suansing, Jr., Frederick W. Siao, Lawrence "Law" H. Fortun, Juan Miguel Macapagal Arroyo, Maximo Y. Dalog Jr., Ronnie L. Ong, Ann K. Hofer, Sharon S. Garin, Antonio "Tonypet" T. Albano, Peter John D. Calderon, Edgar S. Sarmiento, Jorge Antonio P. Bustos, Eddiebong G. Plaza, Gil "Kabarangay Jr." A. Acosta, Lianda B. Bolilia, Mario Vittorio "Marvey" A. Mariño, Isidro T. Ungab, Elenita Milagros "Eileen" Ermita-Buhain, Jose "Pingping" I. Tejada, Alfred D. Vargas, Greg G. Gasataya, Jose Antonio "Kuya Jonathan" R. Sy-Alvarado, Romeo M. Jalosjos, Jr., Francisco Jose "Bingo" F. Matugas II, Ruwel Peter S. Gonzaga, Corazon T. Nuñez-Malanyaon, Teodorico T. Haresco, Jr., Luisa Lloren Cuaresma, Juliette T. Uy, Paul Ruiz Daza, Manuel F. Zubiri, Manuel T. Sagarbarria, Lorna P. Bautista-Bandigan, Michael John R. Duavit, Manuel Jose "Mannix" M. Dalipe, Luis N. Campos, Jr., David "Jay-Jay" C. Suarez, Ed Christopher S. Go, Sandro L. Gonzalez, Rudys Caesar G. Fariñas I, Romeo S. Momo, Sr., Vincent Franco "Duke" D. Frasco, Way Kurat Zamora, Samantha Louise Vargas Alfonso, Faustino "Inno" A. Dy V, Wilfredo "Willy" S. Caminero, Alfel M. Bascug, Jose "Jun" L. Ong, Jr., Mohamad Khalid Q. Dimaporo, Glona G. Labadlabad, Joselito "Joel" S. Sacdalan, Ria Christina G. Fariñas, Gerardo "Gerryboy" J. Espina, Jr., Rossana "Ria" Vergara, Jumel Anthony I. Espino, Francisco "Kiko" B. Benitez, Maricel G. Natividad-Nagaño, M.D., Josefina B. Tallado, Angelo Marcos Barba, Arnold "Noli" D. Celeste, Ramon V. Guico III, Sonny "SL" L. Lagon, Hector S. Sanchez, Cheryl P. Deloso-Montalla, Arnie B. Fuentebella, Cesar "Jawo" L. Jimenez, Jr., Kristine Singson-Meehan, Abdullah D. Dimaporo, Pablo C. Ortega, Faustino Michael Carlos T. Dy III, Allan Benedict S. Reyes, Eric Go Yap, Yasser Alonto Balindong, Janette L. Garin, Alfredo A. Garbin, Jr., Godofredo N. Guya, Stella Luz A. Quimbo, Deogracias Victor "DV" B. Savellano, John Reynald M. Tiangco, Argel Joseph Cabatbat, Joseph Stephen "Corops" S. Paduano, Gabriel H. Bordado, Jr., Jose "Bonito" C. Singson, Jr., France L. Castro, Isagani S. Amatong, Kristine Alexie B. Tutor and Carl Nicolas C. Cari

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

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

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

ARTICLE I

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

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

- 11 (a) Establish and maintain standards to govern the valuation of real property
12 in the country;
- 13 (b) Adopt market value as the single real property valuation base for the
14 assessment of real property related taxes in the country, and for the
15 valuation of real property for various transactions by all government
16 agencies;
- 17 (c) Promote the fiscal autonomy of local government units to provide basic
18 services to their constituency by enhancing their capacity to generate local
19 revenues from real property;
- 20 (d) Separate the function of valuation of real properties from the functions of
21 tax policy formulation and the administration of the taxes due thereon;
- 22 (e) Support the development and professionalization of the valuation practice
23 in the country pursuant to Republic Act No. 9646, otherwise known as the
24 *Real Estate Service Act of the Philippines*;
- 25 (f) Provide a comprehensive and up-to-date electronic database of all real
26 property transactions;

- (g) Support the development of an information database on valuation through continuing research and monitoring of new developments in the discipline to upgrade the country's valuation system and be at par with global standards; and
- (h) Ensure transparency in real property transactions to protect public interest, and develop confidence in the valuation system.

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

- (a) ***Appraiser*** also known as valuer, refers to a person who conducts valuation; specifically, one who possesses the necessary qualifications, license, ability, and experience to execute or direct the valuation of real property;
- (b) ***Assessed Value***, also known as taxable value, refers to the market value of the property multiplied by the corresponding assessment level;
- (c) ***Assessment*** refers to the act or process of determining the value of a property, or proportion thereof subject to taxation, including the discovery, listing, classification, and appraisal of properties;
- (d) ***Assessment Level*** refers to the percentage applied to the market value to determine the taxable value of the property based on property classifications as prescribed in Republic Act 7160, otherwise known as the *Local Government Code*, as amended;
- (e) ***Assessor*** refers to the official or employee in the local government unit (LGU) who is a duly licensed appraiser, and performs appraisal and assessment of real properties, including plant, machinery, and equipment, for taxation and other purposes. This definition also includes assistant assessor;
- (f) ***Building*** refers to a man-made structure permanently attached to land for residential, commercial, industrial, recreational, or other purposes;
- (g) ***Improvement*** refers to a valuable addition made to a property or an amelioration in its condition, amounting to more than a mere repair or replacement of parts, involving capital expenditures and labor intended to enhance its value, beauty, or utility, or to adapt it for new or further purposes;
- (h) ***Land*** refers to one of the major factors of production which is supplied by nature without the aid of man. Land may include not only the earth's

1 surface, both land and water, but also anything that is attached to the
2 earth's surface including all natural resources in their original state, such
3 as mineral deposits, wildlife, and timber;

4 (i) **Machinery** refers to machines, equipment, mechanical contrivances,
5 instruments, appliances, or apparatus which may or may not be attached,
6 permanently or temporarily, to the real property. It includes the physical
7 facilities for production, the installations and appurtenant service facilities,
8 those which are mobile, self-powered or self-propelled, and those not
9 permanently attached to the real property which are actually, directly, and
10 exclusively used to meet the needs of the particular industry, business or
11 activity, and which by their very nature, and purpose are designed for or
12 necessary to its manufacturing, mining, logging, commercial, industrial or
13 agricultural purposes;

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

20 (k) **Private appraisal sector** refers to licensed non-governmental real estate
21 service practitioners;

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

25 (m) **Real property** refers to all the rights, interests and benefits related to the
26 ownership of real estate. It is a legal concept distinct from real estate,
27 which is a physical asset;

28 (n) **Schedule of Market Values**, hereinafter referred to as SMV, refers to a
29 table of base unit market values for all kinds of real property, except
30 machinery within a local government unit prepared by assessors pursuant
31 to existing laws, rules and regulations;

32 (o) **Special purpose property** refers to a property that is designed,
33 constructed and developed for a specific use or purpose. By its very
34 nature, this type of property is rarely offered for sale in the open market

1 except as part of a going concern since its special design and function
2 renders conversion to other types of development or application not
3 economically feasible; and

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

9 ARTICLE II

10 THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF)

11 Chapter I

12 BLGF Central Operations

13 **SEC. 4. Powers and Functions of the Bureau of Local Government**
14 **Finance (BLGF).** – The BLGF of the Department of Finance (DOF) shall lead and
15 manage the implementation of the provisions of this Act. In addition to the powers
16 vested upon it by Executive Order 292, otherwise known as the Revised
17 Administrative Code of 1987, it shall exercise the following additional powers and
18 functions:

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

- (d) Provide leadership and policy direction to LGUs on real property valuation for taxation and other purposes, including the development and maintenance of internationally accepted valuation standards, the regulation of valuation activities and other related matters, and the promotion of valuation training and seminars;
- (e) Maintain a roster of licensed local government appraisers and assessors in consultation and coordination with the Professional Regulation Commission;
- (f) Develop and maintain a comprehensive and up-to-date electronic database of real property transactions and prices of materials for buildings, machinery, and other structures;
- (g) Conduct continuing study and research on valuation, and maintain information on current global and country trends and developments in real property valuation;
- (h) Formulate and provide for uniform procedure on the different transactions in the assessor's office, including the transfer, annotation, and issuance of tax declarations;
- (i) Determine, fix, and collect a reasonable amount to be charged as administration fees, fines, and penalties relative to the implementation of this Act; and
- (j) Perform such other functions as are necessary, proper, and incidental to implement the provisions of this Act.

SEC. 5. Establishment of the Real Property Valuation Service. –To achieve the policies and objectives declared in this Act, the Real Property Valuation Service, hereinafter referred to as the RPVS is hereby established within the BLGF and shall have counterpart personnel in the BLGF Regional Offices.

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

SEC. 7. Creation of a Central Consultative Committee. –

- (a) A Central Consultative Committee shall be created and shall serve as the consultative forum on matters pertaining to the setting and adoption of

1 internationally accepted valuation standards and other related concerns on
2 real property valuation;

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

- 5 1. Bureau of Internal Revenue (BIR);
- 6 2. Department of Environment and Natural Resources (DENR);
- 7 3. Bangko Sentral ng Pilipinas (BSP);
- 8 4. National organization of government assessors;
- 9 5. National organization of appraisers in national government
10 agencies; and
- 11 6. Private appraisal sector:

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

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

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

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

29 Chapter 2

30 BLGF Regional Operations

31 **SEC. 8. Role of the BLGF Regional Offices.** – The BLGF Regional Offices,
32 shall, through the Regional Director, be responsible for all matters relating to
33 valuation and the supervision of the SMVs in the region. They shall:

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

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

- (a) There shall be a Regional Consultative Committee that shall be chaired by the BLGF Regional Director and shall be composed of a representative from the:
 1. BIR – Regional Office;
 2. DENR – Regional Office;
 3. Head of Regional organization of government assessors or its duly authorized representative;
 4. Head of Regional organization of national government appraisers or its duly authorized representative;
 5. Head of the private appraisal sector within the region or its duly authorized representative; and
 6. Head of the bankers association within the region or its duly authorized representative.
- (b) The members of the Regional Consultative Committee must be performing valuation-related functions in their respective agencies or sector.
- (c) The Committee shall meet at the initiation of the BLGF Regional Director at least once every quarter and shall have as many meetings as the BLGF Regional Director may deem necessary for the performance of its function.

The BLGF Regional Director may invite resource persons on issues concerning real property valuation.

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

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 appraisal or valuation of lands, buildings, machinery and other real properties for taxation and other purposes. The valuation standards shall conform with internationally accepted valuation standards and principles.

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

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

SEC. 13. *Preparation of Schedule of Market Values.* – The provincial and city assessors, including the municipal assessor in the Metropolitan Manila Area,

1 shall prepare the SMVs for the different classes of real property situated within their
2 respective LGUs, pursuant to the valuation standards, rules, regulations and other
3 specifications set by the DOF. The preparation of the SMVs shall be completed
4 within six (6) months following the notice from the BLGF to all local assessors to
5 submit their revised SMVs.

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

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

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

25 The DOF and the concerned LGUs shall post the approved SMVs in their
26 official websites.

27 **SEC. 15. Setting Assessment Levels and Tax Rates.** – The approved SMV
28 shall be transmitted to the concerned local chief executive, through the respective
29 provincial, city, and municipal assessor. The concerned assessor, in coordination
30 with the local treasurer, shall estimate the revenue and tax impact of the new SMV
31 on taxpayers based on existing assessment levels and tax rates, and recommend
32 amendments thereon based on three (3) different scenarios. The assessor shall
33 thereafter prepare and submit the revenue and tax impact report to the local chief
34 executive for consideration.

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

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

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

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

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

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

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

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

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

21 In case of any significant change in market value where the property is
22 located after the SMV has been approved and prior to the next revision, or where
23 correction of errors and inequalities in the SMV is deemed necessary, or upon the
24 order of the Secretary of Finance, the provincial and city assessors shall recommend
25 revisions to their existing SMVs to the BLGF Regional Office, through the BLGF
26 Regional Director exercising jurisdiction over the local government unit concerned:
27 *Provided, That, the city assessors and municipal assessor within the Metropolitan*
28 *Manila Area, shall recommend revisions to their existing SMVs to the BLGF Central*
29 *Office.*

30 Such revision or revisions shall be subject to review by the concerned BLGF
31 Regional Office and the BIR Regional Office which shall complete their review and
32 submit their recommendations to the BLGF Executive Director, in accordance with
33 Section 13 and 14 hereof.

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

Chapter 2

Development and Maintenance of Real Property Market Database

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

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

To further ensure the efficiency of real property tax administration, all provinces, cities and municipalities shall automate their operations, adopt tax mapping technology, maintain software-enabled valuation systems, undertake regular data cleansing, and computerize records management. The National Government, through the Department of Information and Communications Technology shall provide the appropriate equipment and connectivity, information and communications technology platform, and the appropriate training and capability

1 building programs to third class up to sixth class municipalities and provinces to
2 ensure compliance with this Section. The BLGF shall establish mechanisms for the
3 electronic submission of the required documents in accordance with the provisions of
4 Chapter 2, Article II of this Act.

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

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

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

32 **SEC. 24. *Duty of Registrar of Deeds and Notaries Public to Assist the***
33 ***Provincial, City, or Municipal Assessor.*** – It shall be the duty of the Registrar of
34 Deeds and notaries public to furnish, free of charge, the provincial, city or municipal

1 assessor with copies of all contracts selling, transferring, or otherwise conveying,
2 leasing, or mortgaging real property received by, or acknowledged before them
3 within such periods as the BLGF shall prescribe.

4 **SEC. 25. *Transmission of Real Property Transactions Data to the BLGF.***

5 – Upon operationalization of the real property transactions database provided in
6 Section 20 of this Act, it shall be the duty of the registers of deeds, notaries public,
7 officials issuing building permits, and the geodetic engineers conducting surveys
8 within a locality to electronically transmit to the concerned BLGF Regional Office
9 relevant real property transactions data, in accordance with rules and regulations to
10 be promulgated by the Secretary of Finance.

11 **Chapter 3**

12 **Appointment and Qualifications of Assessors**

13 **SEC. 26. *Appointment of Assessors.*** – The local chief executive shall
14 appoint the provincial, city and municipal assessors and assistant assessors, as the
15 case may be, in accordance with Civil Service Law, Real Estate Service Act, rules
16 and regulations and the following guidelines:

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

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

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

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

30 **SEC. 27. *Qualification of Local Government Assessors.*** – No person shall
31 be appointed assessor or assistant assessor unless a citizen of the Philippines,
32 a resident of the region for a provincial or city assessor/assistant assessor, and of
33 the province for a municipal assessor/assistant assessor, a registered and licensed
34 appraiser, of good moral character, and must not have been convicted of any crime

1 involving moral turpitude. The appointee must have experience in real property
2 valuation or assessment work or in any suitable field, either in private or public
3 practice, for at least five (5) years in the case of the provincial or city assessor, and
4 three (3) years in the case of the municipal assessor. Once appointed, all assessors
5 and local government appraisers must comply with the requirements of the
6 Professional Regulatory Board of Real Estate Service for the regular updating of
7 their licenses.

8 **ARTICLE IV**

9 **PENAL PROVISIONS**

10 **SEC. 28. *Failure to Comply with the Required Submission of Documents.***

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

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

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

31 **SEC. 31. *Government Agents Delaying the Review, Approval and***
32 ***Implementation of SMV, and Conduct of General Revisions.*** - Any government
33 official who delays, without justifiable cause, the review, approval and
34 implementation of the SMVs, the conduct of general revisions, or causes the

1 improper use thereof, shall be punished by a fine equivalent to one (1) month to six
2 (6) months basic salary of the official or employee, or suspension from the service
3 for a period not exceeding one (1) year, or both, at the discretion of the competent
4 authority.

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

9 **SEC. 33. *Taxpayers' Remedies in Case of Erroneous Assessments of***
10 ***Real Properties.*** – The provisions of Sections 226 on Local Board of Assessment
11 Appeals and 229 on "Action by the Local Board of Assessment Appeals of Republic
12 Act No. 7160, as amended", shall apply in all cases of appeal as remedies for the
13 taxpayers in the assessment of their properties.

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

17 **ARTICLE V**

18 **TRANSITORY PROVISIONS**

19 **SEC. 34. *Transitory Guidelines.*** – Local government units which are in the
20 process of updating their SMVs shall, upon the effectivity of this Act, continue with
21 such revisions in accordance with Sections 15 to 18 of this Act: *Provided, That*
22 proper notification and coordination with the BLGF shall be undertaken.

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

27 **SEC. 35. *Saving Clause.*** – The zonal values, as determined by the BIR and
28 approved by the Secretary of Finance for internal revenue tax purposes, and the
29 SMVs prepared by the provincial assessors together with the city assessors, and
30 municipal assessors, including the municipal assessor in the Metropolitan Manila
31 Area, that have been approved by their respective *sanggunians* for real property
32 taxation purposes shall continue to be in force and effect until repealed, superseded,
33 modified, revised, set aside, or replaced by the values provided under the updated

1 SMVs as approved in accordance with Section 15 of this Act, which shall be within
2 two (2) years upon the effectivity of this Act.

3 ARTICLE VI

4 FUNDING REQUIREMENTS

5 **SEC. 36. *Budgetary Requirements for the Updating of Schedule of***
6 ***Market Values.*** – Each local *sanggunian* shall appropriate the necessary funds from
7 locally generated revenues, the internal revenue allotment or such other sources
8 every fiscal year to constitute the Real Property Tax Administration Fund (RPTAF),
9 which shall be established and used for the proper implementation of the updating of
10 the SMVs and general revision of real property assessments, and the administration
11 of real property taxes in all local government units.

12 The BLGF shall annually furnish the Department of Budget and Management
13 (DBM) with a list of local government units with SMVs that are due for updating.
14 The DBM, in its review of the ensuing year's budget of provinces, highly urbanized
15 cities, independent component cities and municipalities within the Metropolitan
16 Manila Area, shall ensure that sufficient funds are so appropriated for the RPTAF:
17 *Provided*, That failure to provide the appropriations required shall render their annual
18 budgets inoperative.

19 ARTICLE VII

20 MISCELLANEOUS PROVISIONS

21 **SEC. 37. *Appropriations.*** – The amount necessary for the implementation of
22 this Act shall be included in the annual General Appropriations Act.

23 **SEC. 38. *Suppletory Application of Existing Laws.*** – The provisions of
24 Republic Act No. 7160, otherwise known as the *Local Government Code of 1991* as
25 amended, and other laws consistent with this Act shall have suppletory effect.

26 **SEC. 39. *Implementing Rules and Regulations (IRR).*** – Within six (6)
27 months after the effectivity of this Act, the DOF shall, in consultation with concerned
28 parties, issue the IRR for the effective implementation of this Act.

29 **SEC. 40. *Separability Clause.*** – If any section or provision of this Act
30 shall be declared unconstitutional or invalid, other sections or provisions not affected
31 thereby shall continue to be in full force and effect.

32 **SEC. 41. *Repealing Clause.*** –The following provisions are hereby
33 repealed:

1 (a) Sections 212, 214, and 221 of Republic Act No. 7160, otherwise known as
2 the *Local Government Code of 1991*; and

3 (b) Section 4(h) of Presidential Decree No. 538.

4 The following provisions are hereby amended accordingly:

5 (a) Section 33, Chapter IV, Title II, Book IV, of Executive Order No. 292,
6 otherwise known as the *Revised Administrative Code Of 1987*;

7 (b) Sections 19, 135(a), 138, 201, 218, 220, 472(a), 472 (b)(8), and 476 of
8 Republic Act No. 7160;

9 (c) Sections 5, 6 and 7 of Republic Act No. 10752, otherwise known as the
10 *Right-of-Way Act*;

11 (d) Section 9 of Presidential Decree No.921;and

12 (e) Sections 6(e), 27(d)(5), and88(b) of Republic Act No. 8424, otherwise
13 known as the *National Internal Revenue Code* of 1997, as amended.

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

17 **SEC. 42. Effectivity.** – This Act shall take effect fifteen (15) days after its
18 publication in the Official Gazette or in a newspaper of general circulation.

19 *Approved,*



**House of Representatives
Committee Affairs Department**

Fact Sheet

House Bill No. 4664

**An Act Instituting Reforms In Real Property Valuation And Assessment
In The Philippines, Reorganizing the Bureau of Local Government Finance,
And Appropriating Funds Therefor"**

Introduced by: Reps. Joey Sarte Salceda, Xavier Jesus D. Romualdo, Rozzano Rufino B. Biazon, Neptali M. Gonzales II, Ron P. Salo, Luis Raymund "LRay" F. Villafuerte, Jr., Fernando T. Cabredo, Micaela S. Violago, Junie E. Cua, Estrellita B. Suansing, Horacio P. Suansing, Jr., Frederick W. Siao, Lawrence "Law" H. Fortun, Juan Miguel Macapagal Arroyo, Maximo Y. Dalog Jr., Ronnie L. Ong, Ann K. Hofer, Sharon S. Garin, Antonio "Tonypet" T. Albano, Peter John D. Calderon, Edgar S. Sarmiento, Jorge Antonio P. Bustos, Eddiebong G. Plaza, Gil "Kabarangay Jr." A. Acosta, Lianda B. Bolilia, Mario Vittorio "Marvey" A. Mariño, Isidro T. Ungab, Elenita Milagros "Eileen" Ermita-Buhain, Jose "Pingping" I. Tejada, Alfred D. Vargas, Greg G. Gasataya, Jose Antonio "Kuya Jonathan" R. Sy-Alvarado, Romeo M. Jalosjos, Jr., Francisco Jose "Bingo" F. Matugas II, Ruwel Peter S. Gonzaga, Corazon T. Nuñez-Malanyaon, Teodorico T. Haresco, Jr., Luisa Lloren Cuaresma, Juliette T. Uy, Paul Ruiz Daza, Manuel F. Zubiri, Manuel T. Sagarbarria, Lorna P. Bautista-Bandigan, Michael John R. Duavit, Manuel Jose "Mannix" M. Dalipe, Luis N. Campos, Jr., David "Jay-Jay" C. Suarez, Ed Christopher S. Go, Sandro L. Gonzalez, Rudys Caesar G. Fariñas I, Romeo S. Momo, Sr., Vincent Franco "Duke" D. Frasco, Way Kurat Zamora, Samantha Louise Vargas Alfonso, Faustino "Inno" A. Dy V, Wilfredo "Willy" S. Caminero, Alfel M. Bascug, Jose "Jun" L. Ong, Jr., Mohamad Khalid Q. Dimaporo, Glona G. Labadlabad, Joselito "Joel" S. Sacdalan, Ria Christina G. Fariñas, Gerardo "Gerryboy" J. Espina, Jr., Rossana "Ria" Vergara, Jumel Anthony I. Espino, Francisco "Kiko" B. Benitez, Maricel G. Natividad-Nagaño, M.D., Josefina B. Tallado, Angelo Marcos Barba, Arnold "Noli" D. Celeste, Ramon V. Guico III, Sonny "SL" L. Lagon, Hector S. Sanchez, Cheryl P. Deloso-Montalla, Arnie B. Fuentebella, Cesar "Jawo" L. Jimenez, Jr., Kristine Singson-Meehan, Abdullah D. Dimaporo, Pablo C. Ortega, Faustino Michael Carlos T. Dy III, Allan Benedict S. Reyes, Eric Go Yap, Yasser Alonto Balindong, Janette L. Garin, Alfredo A. Garbin, Jr., Godofredo N. Guya, Stella Luz A. Quimbo, Deogracias Victor "DV" B. Savellano, John Reynald M. Tiangco, Argel Joseph Cabatbat, Joseph Stephen "Corops" S. Paduano, Gabriel H. Bordado, Jr., Jose "Bonito" C. Singson, Jr., France L. Castro, Isagani S. Amatong, Kristine Alexie B. Tutor and Carl Nicolas C. Cari

Committee Referral: Committee on Government Reorganization (Primary)

Committee Chairperson: Hon. Mario Vittorio "Marvey" A. Mariño

Committee Referral: Committee on Appropriations (Secondary)

Committee Chairperson: Hon. Isidro T. Ungab

Committee Referral: Committee on Ways and Means (Secondary)

Committee Chairperson: Hon. Joey Sarte Salceda

OBJECTIVES:

- To improve real property valuation for the government by adopting a market based Schedule of Market Values (SMV) to be used as basis of local and national real property taxation;
- To reorganize and strengthen the Bureau of Local Government Finance (BLGF) to provide institutional support and accountability to operationalize the reform agenda; and
- To support the long-term revenue efforts of the government

KEY PROVISIONS:

- Requires that the valuation or appraisal of all real property whether taxable or tax-exempt, shall be based on prevailing market values in the locality where the property is situated in conformity with the valuation standards adopted under this Act;
- Mandates the DOF-BLGF to lead and manage the implementation of this Act, and:
 - a. Develop, adopt and maintain valuation standards consistent with generally accepted international valuation standards, regulations and specifications for real property appraisal use for taxation and other purposes;
 - b. In coordination with the BIR, review and ensure that SMV's as prepared by the local government assessor;
 - c. Provide technical assistance to government agencies, leadership and policy direction to LGUs on real property valuation for taxation, uniform procedure on different transactions in the assessor's office, and conduct continuing study and research on valuation.
- Provides for the process of selection and appointment of local assessor;
- Establishes the qualification of local assessors;
- Mandates that the SMVs shall be updated within two (2) years from the effectivity of this Act, and every three years after;
- Mandates the creation of the Real Property Valuation Service within the BLGF with counterpart personnel in BLGF Regional Office;
- Requires the Secretary of Finance to approve the SMVs within sixty (60) days from receipt of the joint endorsement of the BLGF Executive Director and the Commissioner of Internal Revenue, otherwise the SMV shall be deemed approved;
- Requires the DOF to publish the approved SMV in the Official Gazette or in at least two (2) newspapers of general circulation, and shall take effect fifteen (15) days after its publication;

- Requires that the same shall be posted in its official website and copies shall be furnished to the concerned LGU through the BLGF and the BIR;
- Establishes a Central Consultative Committee that shall serve as the consultation forum on matters pertaining to the setting, adoption, and maintenance of valuation standards;
- Establishes the Regional Consultative Committees which shall be chaired by the BLGF Regional Director and shall be composed of the a representative from: 1) BIR- Regional Office; 2) DENR- Regional Office; 3) Head of Regional Organization of Government Assessors; 4) Head of Regional Organization of National Government Appraisers; 5) Head of Private Appraisal Sector within the region; and 6) Head of Bankers Association within the region; The Regional Consultative Committee shall serve as a consultative forum in the region for discussion on developments in the local real property market.

RELATED LAWS:

- R.A. No. 8424, National Internal Revenue Code (NIRC)
- R.A. No. 7160, Local Government Code, as amended
- R.A. No. 9646, Real Estate Service Act
- RA No. 10752, The Right-Of-Way Act