

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
First Regular Session

HOUSE BILL NO. 1529

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by Honorable Alexandria P. Gonzales

EXPLANATORY NOTE

This bill seeks to institute reforms in the real estate property valuation and assessment practices in the Philippines.

Real property is considered the country's most important and biggest financial asset, however, the ineffective and inequitable land valuation and taxation system in the country caused huge losses in revenues, triggered informal property transactions, and affected the quality of governance, socio-economic development, and vibrancy of the real estate market in the country.

Philippine real property market is currently characterized by multiple systems of valuation appraised by the different National Government Agencies (NGAs), each using its own system and methodology. The situation is the same in the appraisal of Local Government Units (LGUs). LGUs prepare, legislate and implement their Schedules Market Values (SMVs) which is the basis of the assessment real estate tax. Hence, the same property is given different values depending on the nature and purpose of valuation. The process is not insulated from political influence as manifested, among others, in local officials allowing minimal, selective and subjective increases on valuations and the frequent deferment of the general revision of property assessments contrary to the provision of the Local Government Code requiring revisions every three (3) years. Valuations used by the LGUs are therefore outdated. The same can be said of valuations used by the Bureau of Internal Revenue (BIR) since there is no statutory requirement for it to revise zonal values.

The lack of a single agency responsible for property valuations and the use of multiple appraisal systems have resulted in the lack of uniformity and equity in real property appraisal in the country. This bill proposes the establishment of an appraisal authority, the National Valuations Authority (NVA), that will be responsible in regulating and overseeing the valuation and appraisal activities of real property in the country. The NVA is envisioned to maintain the integrity of real property appraisal in the country. Establishing uniform and internationally-accepted standards for the valuation of real property in the country and adopting the market value as a single real property valuation base for the assessment of real property taxes will address one of the flaws of our current valuation system. Ensuring equity in real property taxation by separating the valuation and assessment function from tax setting and political influence is also imperative.

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An equitable, creditable, transparent and impartial valuation of real property will result in broadening the taxation base of real property which will in turn result not only in improved revenue collection but also in foreign investors' confidence in the country's real property market.

In view of the foregoing considerations, approval of this proposed measure is earnestly requested.



ALEXANDRIA P. GONZALES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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HOUSE BILL NO. 1529

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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

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

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

ARTICLE I

DECLARATION OF STATE POLICY AND OBJECTIVES,
AND DEFINITION OF TERMS

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

- (a) Promote the fiscal autonomy of local governments to provide basic services to their constituencies by enhancing their capacity to generate local revenues from real property;
- (b) Establish and maintain valuation standards to govern the valuation of real property in the country;
- (c) Adopt market value as the single real property valuation base for the assessment of real property related taxes in the country, and for valuing or appraising real property for various transactions by all government agencies;
- (d) Separate the function of valuing or appraising of real properties from the functions of tax policy and administering the taxes due thereon;
- (e) Support the development and professionalization of the valuation and appraisal practice in the country pursuant to Republic Act No. 9646, otherwise known as the "Real Estate Service Act of the Philippines";
- (f) Provide a comprehensive and up-to-date electronic database of all real property transactions;
- (g) Support the development of an information database on valuation by continuing research and monitoring of new developments in the valuation discipline for upgrading the country's valuation and keeping it abreast with global developments; and
- (h) Ensure transparency in real property transactions to protect the public and develop confidence in the work of appraisers and assessors.

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

- (a) Appraiser refers to a natural person who conducts valuation and appraisal; specifically, one who possesses the necessary qualifications,

license, ability, and experience to execute or direct the valuation and appraisal of real property; also known as valuer;

- (b) Assessor refers to an official in the local government unit (LGU) who is a licensed appraiser, who performs appraisal and assessment of real properties including plant, machinery and equipment, essentially for taxation and other purposes. This definition also includes assistant assessors;
- (c) Building refers to a man-made structure permanently attached to land for residential, commercial, industrial, recreational or other purposes;
- (d) Improvements refer to 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, which is intended to enhance its value, beauty or utility, or to adapt it for new or further purposes;
- (e) Land refers to one of the major factors of production consisting sometimes of a material economic good, which is supplied by nature without the aid of man. Land may include not only the earth surface, both land and water, but also anything that is attached to the earth's surface. Thus, all natural resources in their original state, such as mineral deposits, wildlife, timber, and fish, are land within the technical meaning of the term; so also are sources of energy, outside of man himself, such as water, coal deposits, and the natural fertility of the soil;
- (f) Machinery refers to machines, equipment, mechanical contrivances, instruments, appliances or apparatus which may or may not be attached, permanently or temporarily, to the real property. It includes

the physical facilities for production, the installations and appurtenant service facilities, those which are mobile, self-powered or self-propelled and those not permanently attached to the real property which are actually, directly and exclusively used to meet the needs of the particular industry, business or activity and which by their very nature and purpose are designed for, or necessary to its manufacturing, mining, logging, commercial, industrial or agricultural purposes;

- (g) Market value refers to the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction (a transaction between independent, unrelated parties involving no irregularity) after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion;
- (h) Private appraisal sector refers to licensed nongovernmental real estate service practitioners who have been active in the practice of real estate appraisal for the last five (5) years;
- (i) Real estate refers to the land and all those items that are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground;
- (j) Real property refers to all the rights, interests, and benefits related to the ownership of real estate, plant, machinery, and equipment;
- (k) Schedule of Market Values, hereinafter referred to as SMV, refers to a table of base unit market values for all kinds of real properties, except machinery, within an LGU prepared by assessors pursuant to existing laws, rules and regulations;

- (l) Special purpose property refers to a property that is designed, constructed and developed for a specific use or purpose. By its very nature, this type of property is rarely offered for sale in the open market except as part of a going concern. Because of the special design and function, conversion of special purpose properties to other types of development or application is generally not economically feasible; and
- (m) Valuation and appraisal refers to the systematic and analytic determination and recording of property facts, circumstances, investments, and investigation of other relevant data resulting in a supportable estimate and opinion of value or a professional conclusion based upon supporting data, logical analysis, and judgment as of a specific date and for a specific purpose.

ARTICLE II

STRENGTHENING THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF)

Chapter 1

BLGF Central Operations

SEC. 4. *Role of the Bureau of Local Government Finance (BLGF).* – The BLGF, through the Real Property Valuation Service (RPVS) as hereinafter established, shall lead and manage the implementation of the provisions of this Act. The BLGF shall have the following powers and functions:

- (a) Develop, adopt, and maintain valuation standards consistent with generally accepted valuation standards, regulations and specifications

for real property appraisal used for tax and other purposes, and ensure compliance therewith by LGUs and other concerned parties;

- (b) Review for compliance with the real property valuation policies and standards and recommend for approval of the Secretary of Finance the SMVs as prepared by the provincial assessors, together with municipal assessors and city assessors, including the municipal assessor in Metro Manila, for tax, both local and national, and for other purposes;
- (c) Provide technical assistance on real property appraisal matters to government agencies and instrumentalities, and coordinate or conduct the valuation and appraisal of special purpose properties, when requested;
- (d) Provide leadership and policy direction to LGUs on real property valuation and appraisal for taxation and other purposes, including the development and maintenance of valuation standards, the regulation of valuation and appraisal activities and other related matters, and the promotion of valuation and appraisal trainings and seminars;
- (e) Maintain a roster of licensed local government appraisers and assessors;
- (f) Develop and maintain a comprehensive and up-to-date electronic database of real property transactions and prices of materials for buildings, machinery, and other structures;
- (g) Conduct continuing study and research on valuation, and maintain an information base on current global and country trends and developments in real property valuation and appraisal;

- (h) Determine, fix, and collect reasonable amounts to be charged as administration fees, fines, and penalties relative to the implementation of this Act; and
- (i) Perform such other functions as are necessary, proper, and incidental to implement the provisions of this Act.

SEC. 5. *Establishment of the Real Property Valuation Service.* – To achieve the policy and objectives declared in this Act, there shall be established the Real Property Valuation Service, hereinafter referred to as the RPVS, within the BLGF.

SEC. 6. *Responsibilities of the BLGF Executive Director.* – The BLGF Executive Director shall ensure the efficient and effective performance of the responsibilities set forth in this Act and for the overall internal management and governance of the RPVS. For this purpose, the BLGF Executive Director shall:

- (a) Develop and implement policies, plans, programs, and operating standards for the attainment of the objectives of this Act;
- (b) Provide policy direction and leadership in all aspects of valuation and appraisal and their implementation in the regional offices;
- (c) Recommend to the Secretary of Finance the approval of the SMVs prepared by the provincial assessors, together with municipal assessors and city assessors, including the municipal assessor in Metro Manila, for tax, both local and national, and other purposes;
- (d) Advise and assist other government agencies on matters pertaining to real property valuation and appraisal; and
- (e) Perform such other functions as may be provided by law, or required in pursuance of this Act.

SEC. 7. Creation of Central Consultative Committee. – (a) A Central Consultative Committee shall be created, chaired by the BLGF Executive Director and composed of a representative each from the:

- (1) Bureau of Internal Revenue (BIR);
 - (2) Department of Environment and Natural Resources (DENR);
 - (3) Bangko Sentral ng Pilipinas (BSP);
 - (4) National organization of government assessors;
 - (5) National organization of appraisers in national government agencies;
 - (6) Private appraisal sector; and
 - (7) Union of Local Authorities of the Philippines (ULAP).
- (b) The member-representatives from the BIR, the DENR and the BSP must be performing valuation-related functions. The national organization of government assessors, the national organization of appraisers in national government agencies, the private appraisal sector and the ULAP shall be represented by their respective heads of organizations.
- (c) The Chairperson and members of the Committee shall not receive additional salary for the performance of their functions. Members of the Committee who are not incumbent government officials or employees shall be entitled to honoraria, pursuant to existing laws and regulations.
- (d) The Committee shall meet at the initiation of the Chairperson at least once every semester and shall have as many meetings as the Chairperson may deem necessary for the adoption of valuation standards.

SEC. 8. *Functions of the Central Consultative Committee.* – The Central Consultative Committee shall serve as the consultative forum on matters pertaining to the setting, adoption, and maintenance of the valuation standards.

Chapter 2

BLGF Regional Operations

SEC. 9. *Role of the BLGF Regional Offices.* – The BLGF Regional Offices, through the Regional Director, shall be responsible for all matters relating to valuation and appraisal and the SMVs in the region, such as the:

- (a) Implementation of the provisions of this Act and related policies, plans, programs, rules and regulations on real property valuation or appraisal of LGUs in the region;
- (b) Review and endorsement to the BLGF Executive Director of the proposed SMVs prepared by the provincial assessors, together with the municipal assessors and the city assessors in the region;
- (c) Provision for economical, efficient and effective service relating to the implementation of the provisions of this Act in the region;
- (d) Coordination and consultation with regional offices of other government departments, bureaus and agencies within the region dealing with real property valuation and appraisal to LGUs in the region;
- (e) Provision for leadership and policy direction in the area of real property valuation and appraisal to LGUs in the region;
- (f) Adoption and maintenance of a comprehensive and up-to-date regional electronic database of all regional real property-related

transactions, and have custody of all transaction records submitted by local government assessors; and

- (g) Performance of other functions as may be assigned by the BLGF Executive Director.

SEC. 10. *The Regional Consultative Committee.* – (a) There shall be a Regional Consultative Committee which shall be chaired by the BLGF Regional Director and shall be composed of a representative each from the:

- (1) BIR - Regional Office;
 - (2) DENR - Regional Office;
 - (3) Regional organization of government assessors;
 - (4) Regional organization of national government appraisers;
 - (5) Private appraisal sector within the region; and
 - (6) Bankers association within the region.
- (b) The members of the Regional Consultative Committee must be performing valuation and appraisal-related functions. Representatives from the regional organization of government assessors, regional organization of national government appraisers, private appraisal sector, and bankers association within the region shall be represented by the head of their respective regional organization.
 - (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 functions.

SEC. 11. *Functions 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; LGU training in the region; appraisal and assessment concerns in general; and other matters as may be determined by the Committee.

ARTICLE III

VALUATION AND APPRAISAL OF REAL PROPERTIES

Chapter 1

Valuation Standards and Market Values

SEC. 12. *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 appraising or valuing lands, buildings, machinery and other real properties for taxation and other purposes. The valuation standards shall conform with generally accepted international valuation standards and principles.

SEC. 13. *Valuation and Appraisal of Real Property.* – For valuation purposes, all real properties, whether taxable or exempt, shall be valued or appraised at the market value prevailing in the locality where the property is situated, in conformity with the valuation standards adopted under this Act. The BLGF shall promulgate the rules and regulations for the valuation and appraisal of real property pursuant to the provisions of this Act. It shall provide leadership in ensuring rationalized valuation of real properties transcending political boundaries.

For real properties 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 adopted under this Act.

SEC. 14. *Preparation of Schedule of Market Values.* – Provincial assessors, together with municipal assessors and city assessors, including the municipal assessor in Metro Manila, shall prepare the SMVs for the different classes of real property situated within their respective LGUs, pursuant to the valuation standards, rules, regulations and other specifications set by the Department of Finance (DOF) and the BLGF. The SMVs shall be submitted by the assessor concerned to the BLGF Regional Office for review and compliance with other requirements not later than the thirty-first (31st) day of October of the immediately preceding calendar year that the general revision of real property assessments shall be undertaken. A copy thereof shall be furnished the concerned sanggunian and the provincial governor, the municipal mayor, or the city mayor, as the case may be.

The SMVs shall be reviewed by the BLGF Regional Office within thirty (30) days upon receipt thereof and shall then be submitted to the BLGF Central Office. Upon the recommendation of the BLGF Executive Director, the Secretary of Finance shall approve the SMV within sixty (60) days from receipt of the same; otherwise, said schedule shall be deemed approved.

The approved SMV shall be transmitted to the concerned assessor who shall confer with the local chief executive regarding the approved SMV. Likewise, the concerned assessor shall submit to the local chief executive a tax impact report of the new SMV as against the existing assessment levels and tax rates, and shall provide the sanggunian, through the Chairperson of the sanggunian's Committee on Ways and Means or its equivalent, a copy of the report. The local chief executive shall transmit the approved SMV, together with the tax impact report, within fifteen (15) days from receipt of the same to the sanggunian for the enactment of an ordinance setting the appropriate assessment levels and tax rates. The

concerned sanggunian shall enact such ordinance, upon the conduct of public hearings and proper consultations, within sixty (60) days from receipt thereof; otherwise, the existing ordinance on assessment levels and tax rates shall remain in force and effect.

Upon the enactment by the sanggunian of an ordinance for the assessment levels and tax rates, the local chief executive shall act within ten (10) days, in the case of cities and the municipality in Metro Manila, or within fifteen (15) days, in the case of provinces, to approve the same. Failure of the concerned local chief executive to act on the ordinance within the prescribed period shall render the same approved.

The approved ordinance, together with the SMV, shall be published by the concerned LGU in a newspaper of local circulation once a week for two (2) consecutive weeks: Provided, however, That in provinces, cities and municipalities where there are no newspapers of local circulation, the same shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein. A list of LGUs whose SMVs have been approved shall be posted in the BLGF official website.

SEC. 15. Use of Schedule of Market Values. – The SMV, as approved by the Secretary of Finance, shall be used for the general revision of real property assessments in LGUs, as basis for the determination of real property-related taxes imposed by national government agencies, and as benchmark for real property appraisal for other purposes. For purposes of computing any internal revenue tax, the BIR Commissioner shall adopt the SMV, or the actual gross selling price in consideration, as stated in real property transaction documents, whichever is higher.

Notwithstanding the provisions of existing laws to the contrary, the SMV shall cease to be the basis for the determination of national and local real property-related taxes five (5) years after the effectivity of its enacting ordinance.

SEC. 16. *Revision of Schedule of Market Values.* – The BLGF shall formulate the program for the regular revision of SMVs. All provincial assessors, together with the

municipal assessors and the city assessors, including the municipal assessor in Metro Manila, shall undertake a revision of their respective SMVs within two (2) years from the effectivity of this Act. Thereafter, they shall undertake a general revision of SMVs and property assessments not earlier than three (3) years from the date of last revision, but not later than five (5) years.

In case of any significant change in the market where the property is located after the said SMVs have been approved and prior to the next revision, or where correction of errors and inequalities in any SMV is deemed necessary, the provincial assessors, together with the municipal assessors and the city assessors, including the municipal assessor in Metro Manila, may recommend to the BLGF Executive Director revisions to their existing SMV. The revision/s shall be subject to review by the concerned BLGF Regional Office and the recommendation by the BLGF Executive Director for approval by the Secretary of Finance within ninety (90) days from the date of receipt.

SEC. 17. *Conduct of Capacity Building Interventions.* – For the effective implementation of this Act, the BLGF shall develop and conduct the necessary training for all local assessors and other local officials and staff on the preparation of the SMV in accordance with internationally accepted valuation standards, concepts, principles and practices; conduct of SMV impact studies; preparation of compliance reports; and other subject areas.

Chapter 2

Development and Maintenance of Real Property Database

SEC. 18. *Development of Real Property Database.* – The BLGF shall develop and maintain an up-to-date electronic database of the sale, exchange, lease, mortgage, donation and all other real property transactions in the country and on the cost of construction or renovation of buildings and other structures, and on the prices of machinery. For this

purpose, the BLGF is hereby authorized to require the mandatory submission of necessary documents from the concerned officials or employees of national government offices or instrumentalities, LGUs and the private sector. The updated database shall be made available to the LGUs, national government agencies and the private sector.

SEC. 19. *Duty of Register of Deeds to Supply Assessors with Real Property*

Transactions Data. – The Register of Deeds shall prepare and submit to the provincial and city assessors, including the municipal assessor in Metro Manila, an abstract of the entire registry every three (3) months and copies of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real property registered every end of the month. The abstract shall include brief but sufficient description of the real properties entered therein, their present owners, and the dates of their most recent transfer or alienation and shall be accompanied by copies of corresponding deeds of sale, donation or partition or other forms of alienation.

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

SEC. 21. *Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.* – It shall be the duty of all geodetic engineers, public or private, to furnish free of charge, the assessor of the province, city or municipality where the land is located, a copy of the blue or white print of each of all approved original subdivision plans or maps of surveys, duly signed by a senior geodetic engineer, executed by them every end of the month from receipt of such

approved plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA), or the Housing and Land Use Regulatory Board (HLURB), as the case may be.

SEC. 22. *Duty of Assessors to Transmit Documents to the BLGF.* – It shall be the duty of the assessors to transmit to the concerned BLGF Regional Office all real property transactions data from the Register of Deeds, and the names of the official issuing the building permit and those of the geodetic engineers within one (1) month after the receipt of such data. The BLGF Regional Office shall record, process and make a summary report of the real property data and submit the same to the BLGF Central Office within one (1) month from receipt of such data.

Chapter 3

Appointment and Qualifications of Assessors

SEC. 23. *Appointment of Assessors.* – The local chief executive shall appoint the provincial, city and municipal assessors and assistant assessors, as the case may be, in accordance with civil service law, rules and regulations and the following guidelines:

- (a) In the case of provincial and assistant provincial assessors and city and assistant city assessors, the appointee shall be chosen from the list of at least three (3) ranking eligible recommendees within the region, as endorsed by the DOF Secretary as suitable and qualified for appointment;
- (b) In the case of municipal and assistant municipal assessors, the appointee shall be chosen from the list of at least three (3) ranking eligible recommendees within the province, as endorsed by the DOF Secretary as suitable and qualified for appointment; and
- (c) In the case of city and assistant city assessors and municipal and assistant municipal assessors for Metro Manila, the appointee shall be

chosen from the list of at least three (3) ranking eligible
recommendtees within Metro Manila, as endorsed by the DOF
Secretary as suitable and qualified for appointment.

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

SEC. 24. *Qualifications of Local Government Assessors.* – No person shall be appointed assessor or assistant assessor unless one is a citizen of the Philippines, a resident of the region for a provincial or city assessor/assistant assessor, and of the province for a municipal assessor/assistant assessor, a registered and licensed appraiser, and of good moral character. The appointee must have experience in real property valuation or assessment work or in any suitable field for at least five (5) years in the case of the provincial or city assessor, and three (3) years in the case of the municipal assessor.

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

ARTICLE IV

PENAL PROVISIONS

SEC. 25. *Failure to Comply with the Required Submission of Documents.* – Any government official or employee who fails without justifiable reason to provide or furnish data or information required pursuant to Sections 19, 20, 21 and 22 of this Act shall be punished by a fine equivalent to the official's or employee's six (6) months basic salary, or by

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

SEC. 26. *Failure to Comply with the Valuation Standards.* – An assessor who, for unjustifiable reasons, fails to comply with the valuation standards developed and adopted pursuant to this Act, or deliberately conceals deviations or departures from the standards in the valuation and appraisal of real property, shall be punished by a fine equivalent to the official's or employee's basic salary for a period of one (1) month to six (6) months, or by suspension from the government service for not more than one (1) year, or both, at the discretion of the competent authority.

SEC. 27. *Failure to Prepare Schedule of Market Values.* – An assessor who, for unjustifiable reasons, intentionally or deliberately refuses or fails to prepare the SMVs within the period set forth in this Act shall be meted a fine equivalent to the official's or employee's basic salary for a period of one (1) month to six (6) months, or by suspension from the government service for not more than one (1) year, or both, at the discretion of the competent authority.

SEC. 28. *Violations of Other Provisions.* – Any person, whether natural or juridical, who violates any provision of this Act other than those punishable under Sections 25, 26 and 27 hereof shall, when warranted, be dealt with under applicable existing laws.

SEC. 29. *Taxpayers' Remedies in Case of Erroneous Assessment of Real Properties.* – The provisions of Sections 226 (Local Board of Assessment Appeals) and 229 (Action by the Local Board of Assessment Appeals) of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991", shall apply in all cases of appeals as remedies for the taxpayers in the assessment of their properties.

ARTICLE V

TRANSITORY PROVISIONS

SEC. 30. *Transitory Guidelines.* – (a) LGUs which are in the process of revising their SMVs, upon the effectivity of this Act, shall continue with such revisions in accordance with Section 16 of this Act: Provided, That proper notification and coordination with the BLGF shall be undertaken.

- (b) In case the SMV is not yet available or revised, the BIR Commissioner shall adopt the existing SMV, zonal values or the actual price in consideration as stated in real property transaction documents, whichever is higher, for purposes of computing any internal revenue tax.

SEC. 31. *Saving Clause.* – The zonal values, as determined by the BIR and approved by the Secretary of Finance for internal revenue tax purposes, and the SMVs prepared by the provincial assessors, together with the municipal assessors and the city assessors, including the municipal assessor in Metro Manila, that have been approved by their respective sanggunians for real property taxation purposes shall continue to be in force and effect until repealed, superseded, modified, revised, set aside, or replaced by the values provided under the new SMVs as approved in accordance with Section 16 of this Act, which shall be within two (2) years upon the effectivity of this Act.

ARTICLE VI

FUNDING REQUIREMENTS

SEC. 32. *Budgetary Requirements for the Revision of Schedule of Market Values.*

- Each local sanggunian shall appropriate the necessary funds from locally generated revenues, the Internal Revenue Allotment (IRA), or such other sources every fiscal year.

The accumulated amount so appropriated shall be known as the Real Property Tax Administration Fund (RPTAF) which shall be used for the proper implementation of the regular revision of the SMVs and the general revision of real property assessments, and the administration of real property taxes in all LGUs.

SEC. 33. *Appropriations.* – The amount necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SEC. 34. *Implementing Rules and Regulations (IRR).* – Within six (6) months after the effectivity of this Act, the DOF, in consultation with concerned parties, shall issue the IRR for the effective implementation of this Act.

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

SEC. 36. *Repealing Clause.* – (a) Sections 19, 135(a), 138, 198(a), 199(g)(h)(l), 201, 202, 209(a), 212, 214, 218 paragraph 1(b), 219, 220, 224(a), 443(d), 444(b)(l)(v), 454(d), 455(b)(1)(v), 463(d), 465(b)(l)(v), 472(a) paragraph 1, 472(b)(8), and 473(a) paragraph 1 of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991”, are hereby repealed;

(b) Sections 6(E), 24(D), 27(D)(5), Sections 88(B) and 102 of Republic Act No. 8424, otherwise known as the “Tax Reform Act of 1997”, are hereby amended or modified accordingly.

(c) All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or

inconsistent with the provisions of this Act are hereby repealed,
superseded or modified accordingly.

SEC. 37. *Separability Clause.* – If any section or provision of this Act shall be declared unconstitutional or invalid, the other sections or provisions not affected thereby shall continue to be in full force and effect.

SEC. 38. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,