

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **3830**



Introduced by **HONORABLE STRIKE B. REVILLA**

EXPLANATORY NOTE

This proposed measure seeks to amend Republic Act No. 7160, with regard to Appraisal and Assessment of Real Property.

It is common knowledge that Real Property Tax is single major source of income of local governments.

However, there are several reasons why there is an apparent under collection of real property taxes:

- a. There is no uniform method of appraising real property among local governments;
- b. Revision or updating the schedule of fair market values is so infrequent, thus, resulting in a low tax base even as assets in the market continue to appreciate;
- c. The approval of the schedule of fair market values is vested on the Sangguniang Panlalawigan/Panlungsod. Considering the political nature of the local Sanggunian, the tendency is to forego revisions in the valuation schedule or to keep the property value understated.

By this proposal, it is suggested for the creation of Technical Valuation Committee which is tasked to formulate a uniform method of assessment and appraisal with the end view of maximizing the potential tax collection from this source.

In view of the foregoing, approval of this bill is earnestly urged.


REP. STRIKE B. REVILLA
2nd District of Cavite

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AN ACT
AMENDING SECTIONS 212 AND 214 OF REPUBLIC ACT 7160, OTHERWISE
KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 212 of the Local Government Code of 1991 is hereby amended to read as follows:

SEC. 212. Preparation of Schedule of Fair Market Values. – Before any general revision of property assessment is made pursuant to the provisions of this Title, [there shall be prepared a schedule of fair market values by the provincial, city and the municipal assessors of the municipalities within the Metropolitan Manila Area] **A SCHEDULE OF FAIR MARKET VALUES SHALL BE PREPARED BY A TECHNICAL VALUATION COMMITTEE OF EACH PROVINCE, CITY OR MUNICIPALITY** for the different classes of real property situated in their respected local government units for enactment by ordinance of the sanggunian concerned.

THE TECHNICAL VALUATION COMMITTEE SHALL BE COMPOSED OF THE PROVINCIAL, CITY OR MUNICIPAL ASSESSOR, PROVINCIAL, CITY OR MUNICIPAL PLANNING AND DEVELOPMENT OFFICER, A REPRESENTATIVE FROM THE BUREAU OF INTERNAL REVENUE (BIR), A REPRESENTATIVE FROM THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF), AND THE PRIVATE SECTOR. THE REPRESENTATIVE FROM THE PRIVATE SECTOR MUST BE DIRECTLY INVOLVED IN REAL ESTATE APPRAISAL.

SECTION 2. Section 214 of the Local Government Code of 1991 is hereby amended to read as follows:

SEC. 214. Amendment of Schedule of Fair Market Values. – The [provincial, city or municipal assessor] **TECHNICAL VALUATION COMMITTEE** may recommend to the sanggunian concerned amendments to correct errors in valuation of the schedule of fair market values. The sanggunian concerned shall, by ordinance act upon the recommendation within ninety (90) days from receipt thereof.

SECTION 3. Effectivity – This Act shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Approved,