



## HOUSE OF REPRESENTATIVES

**H. No. 6558**

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BY REPRESENTATIVES SALCEDA, ROMUALDO, ROMERO, VILLAFUERTE (L.R.), VILLAFUERTE (M.L), HORIBATA, ENCISO, SALO, ACOP, EUDELA, SINGSON-MEEHAN, FRESNEDI, RIVERA, GOMEZ, HARESCO, DUTERTE, YAP (ERIC), TAN-TAMBUT, YAP (EDVIC), TULFO (J.), SORIANO, TAMBUNTING, CRUZ (A.), ROBES, FLORES, BORDADO, TEODORO, ACHARON, PANALIGAN, SOLON, MARIANO-HERNANDEZ, ROQUE, DAGOOC, PADIERNOS, UNGAB, GUINTU, BERNOS, FARIÑAS, CO (E.), QUIMBO, PALMA, ALVAREZ (M.), ALVAREZ (J.), ARENAS, BAUTISTA-LIM, BONGALON, CABREDO, CAJAYON-UY, CAMPOS, CARI, CELESTE, CO (A.N.), CUARESMA, ESPINA, GO (E.C.), GONZAGA, LARA, LOYOLA, NAVA, SINGSON (R.V.), TIANGCO, UMALI, VIOLAGO, ZAMORA (M.C.), ZUBIRI, ABALOS, ADIONG, ASISTIO, BOSITA, CHATTO, CHUNGALAO, CO-PILAR, CRUZ (R.), FORTES, GARCIA (D.), GARDIOLA, GO (M.), GUTIERREZ, HERNANDEZ, LAGMAN, LAGON (D.), LAZATIN, LEGARDA, LUISTRO, MACEDA, MANGAOANG, MANIQUIZ, MATIBAG, OUANO-DIZON, PANCHO, PLEYTO, REYES, REVILLA (R.J.), RODRIGUEZ (E.), TAN (J.), TANCHAY, VARGAS, VERGARA, YAP (C.), AUMENTADO, GATCHALIAN, GATO, SUANSING (M.A.), BRIONES, TY, ARROGANCA, LAGON (S.), SUAREZ, DAZA AND DALIPE, PER COMMITTEE REPORT No. 220

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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:*

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

3                               **ARTICLE I**

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

6           **SEC. 2. *Declaration of Policy and Objectives.*** – It is the policy of the State to  
7 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 in  
12 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 valuation of real  
15 property for various transactions by all government agencies;

16           (c) Promote the fiscal autonomy of local government units to provide basic  
17 services to their constituency by enhancing their capacity to generate local revenues  
18 from real property;

19           (d) Separate the function of valuation of real properties from the functions of tax  
20 policy formulation and the administration of the taxes due thereon;

21           (e) Support the development and professionalization of the valuation practice  
22 in the country pursuant to Republic Act No. 9646, otherwise known as the “Real Estate  
23 Service Act of the Philippines”;

24           (f) Provide a comprehensive and up-to-date electronic database of all real  
25 property transactions;

26           (g) Support the development of an information database on valuation through  
27 continuing research and monitoring of new developments in the discipline to upgrade  
28 the country’s valuation system and be at par with global standards; and

1 (h) Ensure transparency in real property transactions to protect public interest,  
2 and develop confidence in the valuation system.

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

4 (a) **Appraiser** also known as valuer, refers to a person who conducts  
5 valuation, specifically, one who possesses the necessary qualifications, license,  
6 ability, and experience to execute or direct the valuation of real property;

7 (b) **Assessed Value**, also known as taxable value, refers to the market  
8 value of the property multiplied by the corresponding assessment level;

9 (c) **Assessment** refers to the act or process of determining the value of a  
10 property, or proportion thereof subject to taxation, including the discovery, listing,  
11 classification, and appraisal of properties;

12 (d) **Assessment Level** refers to the percentage applied to the market value  
13 to determine the taxable value of the property based on property classifications as  
14 prescribed in Republic Act 7160, as amended, otherwise known as the “Local  
15 Government Code”;

16 (e) **Assessor** refers to the official or employee in a local government unit  
17 (LGU) who is a duly licensed appraiser, and performs the tasks of appraisal and  
18 assessment of real properties, including plant, machinery, and equipment, for taxation  
19 and other purposes. This definition also refers to an assistant assessor;

20 (f) **Building** refers to a man-made structure permanently attached to land  
21 for residential, commercial, industrial, recreational, or other purposes;

22 (g) **Improvement** refers to a valuable addition made to a property or an  
23 amelioration in its condition, amounting to more than a mere repair or replacement of  
24 parts, involving capital expenditures and labor intended to enhance its value, beauty,  
25 or utility, or to adapt it to new or further purposes;

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

30 (i) **Internationally accepted valuation standards** refer to generally  
31 accepted standards for the valuation for all types of assets including real estate plant  
32 and equipment, intangible assets and businesses which shall include the international  
33 valuation standards;

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

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

14 (l) **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 seller in an  
16 arm's length transaction or a transaction between independent, unrelated parties  
17 involving no irregularity, after proper marketing, who had each acted knowledgeably,  
18 prudently, and without compulsion;

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

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

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

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

30 (q) **Special purpose property** refers to a property that is designed,  
31 constructed and developed for a specific use or purpose. By its very nature, this type  
32 of property is rarely offered for sale in the open market except as part of a going  
33 concern since its special design and function renders conversion to other types of  
34 development or application not economically feasible; and

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

## 5 **ARTICLE II**

### 6 **THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF)**

#### 7 **Chapter I**

#### 8 **BLGF Central Operations**

#### 9 **SEC. 4. Powers and Functions of the Bureau of Local Government**

10 **Finance (BLGF).** – The BLGF of the Department of Finance (DOF) shall lead and  
11 manage the implementation of the provisions of this Act. In addition to the powers  
12 vested upon it by Executive Order No. 292, otherwise known as the “Administrative  
13 Code of 1987”, it shall exercise the following additional powers and functions:

14 (a) Develop, adopt, and maintain valuation standards consistent with  
15 internationally-accepted valuation standards, regulations, and specifications for real  
16 property appraisal used for taxation and other purposes, and ensure compliance  
17 therewith by LGUs and other concerned parties;

18 (b) In coordination with the Bureau of Internal Revenue, review and ensure  
19 that the Schedule of Market Values (SMVs) as prepared by the provincial assessors  
20 together with the municipal assessors, and the city assessors, including the lone  
21 municipal assessor in the Metropolitan Manila area is compliant with real property  
22 valuation policies and standards, and recommend its approval to the Secretary of  
23 Finance for local and national taxation, and for other purposes;

24 (c) Provide technical assistance on real property appraisal matters to  
25 government agencies and instrumentalities, and coordinate or conduct the valuation  
26 of special purpose property, when requested;

27 (d) Provide leadership and policy direction to LGUs on real property  
28 valuation for taxation and other purposes, including the development and maintenance  
29 of internationally-accepted valuation standards, the regulation of valuation activities  
30 and other related matters, and the promotion of valuation training and seminars;

31 (e) Maintain a roster of licensed local government appraisers and assessors  
32 in consultation and coordination with the Professional Regulation Commission;

1 (f) Develop and maintain a comprehensive and up-to-date electronic  
2 database of real property transactions and prices of materials for buildings, machinery,  
3 and other structures;

4 (g) Conduct continuing study and research on valuation, and maintain  
5 information on current global and country trends and developments in real property  
6 valuation;

7 (h) Formulate and provide for uniform procedures on the different  
8 transactions in the assessor's office, including the transfer, annotation, and issuance  
9 of tax declarations;

10 (i) Determine, fix, and collect a reasonable amount to be charged as  
11 administration fees, fines, and penalties relative to the implementation of this Act; and

12 (j) Perform such other functions as are necessary, proper, and incidental to  
13 implement the provisions of this Act.

14 **SEC. 5. Establishment of the Real Property Valuation Service.** – To achieve  
15 the policies and objectives declared in this Act, the Real Property Valuation Service,  
16 hereinafter referred to as the RPVS, is hereby established within the BLGF and shall  
17 have counterpart personnel in the BLGF Regional Offices. The organizational  
18 structure and staffing pattern of the RPVS shall be subject to the evaluation and  
19 approval of the DBM in accordance with civil service laws, rules and regulations.

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

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

25 (a) A Central Consultative Committee shall be created and shall serve as  
26 the consultative forum on matters pertaining to the setting and adoption of  
27 internationally-accepted valuation standards and other related concerns on real  
28 property valuation.

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

- 31 1. Bureau of Internal Revenue (BIR);
- 32 2. Department of Environment and Natural Resources (DENR);
- 33 3. *Bangko Sentral ng Pilipinas* (BSP);
- 34 4. National organization of government assessors;



1 (e) Adopt and maintain a comprehensive and up-to-date electronic  
2 database of all regional real property-related transactions, and have custody of all  
3 transaction records submitted by local government assessors; and

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

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

7 (a) There shall be a Regional Consultative Committee that shall be chaired  
8 by the BLGF Regional Director and shall be composed of a representatives from the:

- 9 1. BIR – Regional Office;
- 10 2. DENR – Regional Office;
- 11 3. Head of the respective regional organizations of government  
12 assessors or ~~its~~ their duly authorized representatives;
- 13 4. Head of the regional organizations of national government appraisers  
14 or ~~its~~ their duly authorized representatives;
- 15 5. Head of the private appraisal sector within the region or its duly  
16 authorized representative; and
- 17 6. Head of the bankers' association within the region or its duly  
18 authorized representative.

19 (b) The members of the Regional Consultative Committee must be  
20 performing valuation-related functions in their respective agencies or sectors.

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

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



1 **ARTICLE III**

2 **VALUATION OF REAL PROPERTIES**

3 **Chapter 1**

4 **Valuation Standards and Market Values**

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

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

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

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

30 Upon its completion, the local assessor shall submit the proposed SMV to the  
31 BLGF Regional Office. Within seventy-five (75) days from receipt thereof, the BLGF  
32 Regional Office, in coordination with the BIR Regional Office, shall review and endorse  
33 the proposed SMV to the BLGF Executive Director and the Commissioner of Internal  
34 Revenue: *Provided*, That in the case of cities and municipality within the Metropolitan

1 Manila Area, the proposed SMV shall be submitted to, and reviewed by the BLGF  
2 Central Office, in coordination with the concerned BIR Regional Office: *Provided,*  
3 *further,* That the SMV complies with all the requirements set by the Secretary of  
4 Finance, including the conduct of at least one public consultation on the proposed  
5 SMVs.

6 **SEC. 14. Approval of Schedule of Market Values.** – The Secretary of Finance  
7 shall approve the SMV in accordance with internationally-accepted valuation  
8 standards within thirty (30) days from receipt of the joint endorsement of the BLGF  
9 Executive Director and the Commissioner of Internal Revenue, otherwise, said  
10 schedule shall be deemed approved. In case of sudden changes in the market values,  
11 including ancestral domain, public land, agrarian reform beneficiaries, and other  
12 vulnerable sectors, the assessor is mandated to recommend to the *sanggunian* tax  
13 rates and assessment levels that will maintain or minimally affect the real property tax  
14 due to the aforementioned property.

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

19 The DOF and the concerned LGUs shall post the approved SMVs in their official  
20 websites.

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

28 The local chief executive shall transmit the approved SMV, together with the  
29 revenue and tax impact report, within fifteen (15) days from receipt of the same to the  
30 *sanggunian*, for the enactment of an ordinance setting the appropriate assessment  
31 levels and tax rates. During the *sanggunian's* deliberations prior to the enactment of  
32 the tax ordinance, it may call upon the assessor to provide technical assistance and  
33 calculate the revenue and tax impact of additional options in order to arrive at a desired  
34 level of revenue and tax burden that the *sanggunian* will adopt. The concerned

1 *sanggunian* shall enact the tax ordinance within sixty (60) days from receipt thereof,  
2 upon conduct of public hearings and proper consultations. Otherwise, the existing  
3 ordinance on assessment levels and tax rates shall remain in force and effect.

4 Upon the enactment by the *sanggunian* of an ordinance for the assessment  
5 levels and tax rates, the local chief executive shall act within ten (10) days, in the case  
6 of cities, including the municipality in the Metropolitan Manila Area, or within fifteen  
7 (15) days, in the case of provinces, to approve the same. Failure of the concerned  
8 local chief executive to act on the ordinance within the prescribed period shall render  
9 the same approved: *Provided, however,* That this law shall not be construed to abridge  
10 the power of the LGUs to lower and adjust assessment levels and tax rates in  
11 accordance with the provisions of Republic Act No. 7160, as amended, to provide it to  
12 residential property owners as deemed necessary.

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

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

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

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

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

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

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

13 In case of any significant change in market value where the property is located  
14 after the SMV has been approved and prior to the next revision, such as in times of  
15 calamities, disasters, man-made or natural and other adverse circumstances, or where  
16 correction of errors and inequalities in the SMV is deemed necessary, or upon the  
17 order of the Secretary of Finance, the provincial and city assessors shall recommend  
18 revisions to the existing SMVs to the BLGF Regional Office, through the BLGF  
19 Regional Director exercising jurisdiction over the LGU concerned: *Provided*, That the  
20 city assessors and municipal assessor within the Metropolitan Manila Area, shall  
21 recommend revisions to the existing SMVs to the BLGF Central Office.

22 Such revision or revisions shall be subject to review by the concerned BLGF  
23 Regional Office and the BIR Regional Office which shall review and submit their  
24 recommendations to the BLGF Executive Director, in accordance with Sections 13  
25 and 14 of this Act.

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

1 **Chapter 2**

2 **Development and Maintenance of Real Property Market Database**

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

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

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

31 **SEC. 21. *Duty of Register of Deeds to Supply Assessors with Real***  
32 ***Property Transactions Data.*** – The Register of Deeds shall prepare and submit to  
33 the provincial assessors, together with the municipal assessors, and city assessors,  
34 including the lone municipal assessor in the Metropolitan Manila Area, an abstract of

1 the entire registry every three (3) months and copies of all contracts selling,  
2 transferring or otherwise converting, leasing, or mortgaging real property registered  
3 every end of the month free from any fees and charges. The abstract shall include  
4 brief but sufficient descriptions of the real properties entered therein, their present  
5 owners, and the dates of their most recent transfer or alienation accompanied by  
6 copies of corresponding deeds of sale, donation, or partition, or other forms of  
7 alienation.

8 **SEC. 22. Duty of the Official Issuing Building Permits or Certificates of**  
9 **Registration of Machinery to Transmit Copy of Permit to the Assessor. –**

10 Any public official or employee who may now or hereafter be required by law or  
11 regulation to issue to any person a permit for the construction, addition, repair or  
12 renovation of a building, or permanent improvement on land, or a certificate of  
13 registration for any machinery, including machines, mechanical contrivances and  
14 apparatus attached or affixed on land or to another real property, shall transmit a copy  
15 of such permit or certification within thirty (30) days of its issuance to the assessor of  
16 the province, city or municipality where the property is situated.

17 **SEC. 23. Duty of the Geodetic Engineers to Furnish Copy of Plans to the**  
18 **Assessor. –** It shall be the duty of all geodetic engineers, public or private, to furnish

19 free of charge, the assessor of the province, city, or municipality where the land is  
20 located, a copy of the blue or white print of each of all approved original subdivision  
21 plans or maps of surveys, duly signed by a Senior Geodetic Engineer, executed by  
22 them every end of the month from receipt of such approved plans from the Land  
23 Management Bureau (LMB), the Land Registration Authority (LRA), or the Housing  
24 and Land Use Regulatory Board (HLURB), as the case may be.

25 **SEC. 24. Duty of the Registrar of Deeds and Notaries Public to Assist the**  
26 **Provincial, City, or Municipal Assessor. –** It shall be the duty of the Registrar of

27 Deeds and notaries public to furnish, free of charge, the provincial, city or municipal  
28 assessor with copies of all contracts selling, transferring, or otherwise conveying,  
29 leasing, or mortgaging real property received by, or acknowledged before them within  
30 such periods as the BLGF shall prescribe.

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

32 Upon operationalization of the real property transactions database free of charge as  
33 provided in Section 20 of this Act, it shall be the duty of the registers of deeds, notaries  
34 public, officials issuing building permits, and the geodetic engineers conducting

1 surveys within a locality to electronically transmit to the concerned BLGF Regional  
2 Office relevant real property transactions data, in accordance with the rules and  
3 regulations to be promulgated by the Secretary of Finance.

### 4 Chapter 3

#### 5 Appointment and Qualifications of Assessors

6 **SEC. 26. *Appointment of Assessors.*** – The local chief executive shall appoint  
7 the provincial, city and municipal assessors and assistant assessors, as the case may  
8 be, in accordance with Civil Service laws, Real Estate Service Act, rules and  
9 regulations and the following guidelines:

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

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

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

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

23 **SEC. 27. *Qualification of Local Government Assessors.*** – No person  
24 shall be appointed assessor or assistant assessor unless a citizen of the Philippines,  
25 and must have the necessary work experience in real property valuation or  
26 assessment work, either in private or public practice in any suitable field, and for  
27 at least five (5) years in the case of the provincial or city assessor, and three (3) years  
28 in the case of the municipal assessor. A provincial assessor, city assessor, and  
29 assistant provincial and city assessor must be a resident of the region. A municipal  
30 assessor and assistant municipal assessor must be a resident of the province  
31 where they shall be assigned to. A provincial, city, and municipal assessor, and  
32 assistant assessor must be a registered and licensed appraiser, possesses a  
33 degree in law, engineering, architecture, commerce or accountancy, and of good  
34 moral character, and must not have been convicted of any crime involving moral

1 turpitude. Once appointed, all assessors and local government appraisers must  
2 comply with the requirements of the Professional Regulatory Board of Real Estate  
3 Service for the regular updating of their licenses.

4 **ARTICLE IV**  
5 **PENAL PROVISIONS**

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

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

12 **SEC. 29. Failure to Comply with the Valuation Standards.** – An assessor

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

19 **SEC. 30. Failure to Prepare Schedule of Market Values.** – An assessor who,

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

27 **SEC. 31. Government Agents Delaying the Review, Approval and**  
28 **Implementation of SMV, and Conduct of General Revisions.** – Any government

29 official who delays, without justifiable cause, the review, approval and implementation  
30 of the SMVs, the conduct of general revisions, or causes the improper use thereof,  
31 shall be punished by a fine equivalent to one (1) month to six (6) months basic salary  
32 of the official or employee, or suspension from the service for a period not exceeding  
33 one (1) year, or both, at the discretion of the competent authority.



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

5           **SEC. 33. Taxpayers' Remedies in Case of Erroneous Assessments of Real**  
6 **Properties.** – The provisions of Sections 226 on Local Board of Assessment Appeals  
7 and 229 on “Action by the Local Board of Assessment Appeals of Republic Act No.  
8 7160, as amended, shall apply in all cases of appeal as remedies for the taxpayers in  
9 the assessment of their properties.

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

## 13   **ARTICLE V**

### 14   **TRANSITORY PROVISIONS**

15           **SEC. 34. Transitory Guidelines.** – LGUs which are in the process of updating  
16 their SMVs shall, upon the effectivity of this Act, continue with such revisions in  
17 accordance with Sections 15, 16, 17, and 18 of this Act: *Provided*, That proper  
18 notification and coordination with the BLGF shall be undertaken.

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

23           **SEC. 35. Saving Clause.** – The zonal values, as determined by the BIR and  
24 approved by the Secretary of Finance for internal revenue tax purposes, and the SMVs  
25 prepared by the provincial assessors, together with the city assessors, and municipal  
26 assessors, including the municipal assessor in the Metropolitan Manila Area, that have  
27 been approved by their respective *sanggunians* for real property taxation purposes  
28 shall continue to be in force and effect until repealed, superseded, modified, revised,  
29 set aside, or replaced by the values provided under the updated SMVs as approved  
30 in accordance with Section 15 of this Act, which shall be within two (2) years upon the  
31 effectivity of this Act.

1 **ARTICLE VI**

2 **FUNDING REQUIREMENTS**

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

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

16 **ARTICLE VII**

17 **MISCELLANEOUS PROVISIONS**

18 **SEC. 37. *Appropriations*.** – The initial amount for the implementation of this  
19 act shall be charged against the available funds of the national government agencies  
20 and LGUs concerned. Thereafter, the funding of which shall be included in the annual  
21 General Appropriations Act and in the respective local budgets of the LGUs  
22 concerned.

23 **SEC. 38. *Supplementary Application of Existing Laws*.** – The provisions of  
24 Republic Act No. 7160, as amended, and other laws consistent with this Act shall have  
25 supplementary effect.

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

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

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

2 The following provisions are hereby amended accordingly:

3 (1) Section 33, Chapter IV, Title II, Book IV, of Executive Order No. 292,  
4 otherwise known as the "Administrative Code Of 1987";

5 (2) Sections 19, 135(a), 138, 201, 218, 220, 472(a), 472 (b)(8), and 473 (a)  
6 of Republic Act No. 7160;

7 (3) Sections 5, 6 and 7 of Republic Act No. 10752, otherwise known as "The  
8 Right-of-Way Act";

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

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

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

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

Approved,