



HOUSE OF REPRESENTATIVES

H. No. 5288

BY REPRESENTATIVES SARMIENTO (M.), BIAZON, GONZALES, MERCADO-REVILLA, RODRIGUEZ (R.), RODRIGUEZ (M.), ARNAIZ, ARROYO, MACAPAGAL-ARROYO, BICHARA, CO, BATOCABE, DEL ROSARIO (A.G.), ABELLANOSA, ACOP, UNGAB, TEVES, ACEDILLO, FUENTEBELLA, LOBREGAT, GARIN (S.), ALIPING, DEFENSOR, DEL MAR, SY-ALVARADO, PICHAY, NOEL, SUANSING, ACOSTA-ALBA, QUIMBO AND DE VENECIA, PER COMMITTEE REPORT NO. 519

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
2 Property Valuation and Assessment Reform Act".

3 ARTICLE I

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

6 SEC. 2. *Declaration of Policy and Objectives.* - It is the policy of the
7 State to promote the development and maintenance of a just, equitable,
8 impartial, and nationally consistent real property valuation based on

1 internationally accepted valuation standards, concepts, principles, and
2 practices. Towards this end, the State shall:

3 (a) Promote the fiscal autonomy of local governments to provide basic
4 services to their constituencies by enhancing their capacity to generate local
5 revenues from real property;

6 (b) Establish and maintain valuation standards to govern the valuation
7 of real property in the country;

8 (c) Adopt market value as the single real property valuation base for
9 the assessment of real property related taxes in the country, and for valuing or
10 appraising real property for various transactions by all government agencies;

11 (d) Separate the function of valuing or appraising of real properties
12 from the functions of tax policy and administering the taxes due thereon;

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

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

18 (g) Support the development of an information database on valuation
19 by continuing research and monitoring of new developments in the valuation
20 discipline for upgrading the country’s valuation and keeping it abreast with
21 global developments; and

22 (h) Ensure transparency in real property transactions to protect the
23 public and develop confidence in the work of appraisers and assessors.

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

25 (a) *Appraiser* refers to a natural person who conducts valuation and
26 appraisal; specifically, one who possesses the necessary qualifications,
27 license, ability, and experience to execute or direct the valuation and appraisal
28 of real property; also known as *valuer*;

1 (b) *Assessor* refers to an official in the local government unit (LGU)
2 who is a licensed appraiser, who performs appraisal and assessment of real
3 properties including plant, machinery and equipment, essentially for taxation
4 and other purposes. This definition also includes *assistant assessors*;

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

7 (d) *Improvements* refer to valuable addition made to a property or an
8 amelioration in its condition, amounting to more than a mere repair or
9 replacement of parts involving capital expenditures and labor, which is
10 intended to enhance its value, beauty or utility, or to adapt it for new or further
11 purposes;

12 (e) *Land* refers to one of the major factors of production consisting
13 sometimes of a material economic good, which is supplied by nature without
14 the aid of man. Land may include not only the earth surface, both land and
15 water, but also anything that is attached to the earth's surface. Thus, all
16 natural resources in their original state, such as mineral deposits, wildlife,
17 timber, and fish, are land within the technical meaning of the term; so also are
18 sources of energy, outside of man himself, such as water, coal deposits, and
19 the natural fertility of the soil;

20 (f) *Machinery* refers to machines, equipment, mechanical
21 contrivances, instruments, appliances or apparatus which may or may not be
22 attached, permanently or temporarily, to the real property. It includes the
23 physical facilities for production, the installations and appurtenant service
24 facilities, those which are mobile, self-powered or self-propelled and those not
25 permanently attached to the real property which are actually, directly and
26 exclusively used to meet the needs of the particular industry, business or
27 activity and which by their very nature and purpose are designed for, or

1 necessary to its manufacturing, mining, logging, commercial, industrial or
2 agricultural purposes;

3 (g) *Market value* refers to the estimated amount for which a property
4 should exchange on the date of valuation between a willing buyer and a
5 willing seller in an arm's length transaction (a transaction between
6 independent, unrelated parties involving no irregularity) after proper
7 marketing wherein the parties had each acted knowledgeably, prudently, and
8 without compulsion;

9 (h) *Private appraisal sector* refers to licensed nongovernmental real
10 estate service practitioners who have been active in the practice of real estate
11 appraisal for the last five (5) years;

12 (i) *Real estate* refers to the land and all those items that are attached
13 to the land. It is the physical, tangible entity, together with all the additions or
14 improvements on, above or below the ground;

15 (j) *Real property* refers to all the rights, interests, and benefits related
16 to the ownership of real estate, plant, machinery, and equipment;

17 (k) *Schedule of Market Values*, hereinafter referred to as SMV, refers
18 to a table of base unit market values for all kinds of real properties, except
19 machinery, within an LGU prepared by assessors pursuant to existing laws,
20 rules and regulations;

21 (l) *Special purpose property* refers to a property that is designed,
22 constructed and developed for a specific use or purpose. By its very nature,
23 this type of property is rarely offered for sale in the open market except as part
24 of a going concern. Because of the special design and function, conversion of
25 special purpose properties to other types of development or application is
26 generally not economically feasible; and

27 (m) *Valuation and appraisal* refers to the systematic and analytic
28 determination and recording of property facts, circumstances, investments,

1 and investigation of other relevant data resulting in a supportable estimate and
2 opinion of value or a professional conclusion based upon supporting data,
3 logical analysis, and judgment as of a specific date and for a specific purpose.

4 ARTICLE II

5 STRENGTHENING THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF)

6 Chapter I

7 BLGF Central Operations

8 SEC. 4. *Role of the Bureau of Local Government Finance (BLGF).* –

9 The BLGF, through the Real Property Valuation Service (RPVS) as
10 hereinafter established, shall lead and manage the implementation of the
11 provisions of this Act. The BLGF shall have the following powers and
12 functions:

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

17 (b) Review for compliance with the real property valuation policies
18 and standards and recommend for approval of the Secretary of Finance the
19 SMVs as prepared by the provincial assessors, together with municipal
20 assessors and city assessors, including the municipal assessor in Metro
21 Manila, for tax, both local and national, and for other purposes;

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

25 (d) Provide leadership and policy direction to LGUs on real property
26 valuation and appraisal for taxation and other purposes, including the
27 development and maintenance of valuation standards, the regulation of

1 valuation and appraisal activities and other related matters, and the promotion
2 of valuation and appraisal trainings and seminars;

3 (e) Maintain a roster of licensed local government appraisers and
4 assessors;

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

8 (g) Conduct continuing study and research on valuation, and maintain
9 an information base on current global and country trends and developments in
10 real property valuation and appraisal;

11 (h) Determine, fix, and collect reasonable amounts to be charged as
12 administration fees, fines, and penalties relative to the implementation of this
13 Act; and

14 (i) Perform such other functions as are necessary, proper, and
15 incidental to implement the provisions of this Act.

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

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

25 (a) Develop and implement policies, plans, programs, and operating
26 standards for the attainment of the objectives of this Act;

27 (b) *Provide policy direction and leadership in all aspects of valuation*
28 *and appraisal and their implementation in the regional offices;*

1 (c) Recommend to the Secretary of Finance the approval of the SMVs
2 prepared by the provincial assessors, together with municipal assessors and
3 city assessors, including the municipal assessor in Metro Manila, for tax, both
4 local and national, and other purposes;

5 (d) Advise and assist other government agencies on matters pertaining
6 to real property valuation and appraisal; and

7 (e) Perform such other functions as may be provided by law, or
8 required in pursuance of this Act.

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

12 (1) Bureau of Internal Revenue (BIR);

13 (2) Department of Environment and Natural Resources (DENR);

14 (3) Bangko Sentral ng Pilipinas (BSP);

15 (4) National organization of government assessors;

16 (5) National organization of appraisers in national government
17 agencies;

18 (6) Private appraisal sector; and

19 (7) Union of Local Authorities of the Philippines (ULAP).

20 (b) The member-representatives from the BIR, the DENR and the BSP
21 must be performing valuation-related functions. The national organization of
22 government assessors, the national organization of appraisers in national
23 government agencies, the private appraisal sector and the ULAP shall be
24 represented by their respective heads of organizations.

25 (c) The Chairperson and members of the Committee shall not receive
26 additional salary for the performance of their functions. Members of the
27 Committee who are not incumbent government officials or employees shall be
28 entitled to *honoraria*, pursuant to existing laws and regulations.

1 (d) The Committee shall meet at the initiation of the Chairperson at
2 least once every semester and shall have as many meetings as the Chairperson
3 may deem necessary for the adoption of valuation standards.

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

8 Chapter 2

9 BLGF Regional Operations

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

13 (a) Implementation of the provisions of this Act and related policies,
14 plans, programs, rules and regulations on real property valuation or appraisal
15 of LGUs in the region;

16 (b) Review and endorsement to the BLGF Executive Director of the
17 proposed SMVs prepared by the provincial assessors, together with the
18 municipal assessors and the city assessors in the region;

19 (c) Provision for economical, efficient and effective service relating to
20 the implementation of the provisions of this Act in the region;

21 (d) Coordination and consultation with regional offices of other
22 government departments, bureaus and agencies within the region dealing with
23 real property valuation and appraisal to LGUs in the region;

24 (e) Provision for leadership and policy direction in the area of real
25 property valuation and appraisal to LGUs in the region;

26 (f) Adoption and maintenance of a comprehensive and up-to-date
27 regional electronic database of all regional real property-related transactions,

1 and have custody of all transaction records submitted by local government
2 assessors; and

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

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

- 8 (1) BIR - Regional Office;
- 9 (2) DENR - Regional Office;
- 10 (3) Regional organization of government assessors;
- 11 (4) Regional organization of national government appraisers;
- 12 (5) Private appraisal sector within the region; and
- 13 (6) Bankers association within the region.

14 (b) The members of the Regional Consultative Committee must be
15 performing valuation and appraisal-related functions. Representatives from
16 the regional organization of government assessors, regional organization of
17 national government appraisers, private appraisal sector, and bankers
18 association within the region shall be represented by the head of their
19 respective regional organization.

20 (c) The Committee shall meet at the initiation of the BLGF Regional
21 Director at least once every quarter and shall have as many meetings as the
22 BLGF Regional Director may deem necessary for the performance of its
23 functions.

24 SEC. 11. *Functions of the Regional Consultative Committee.* – The
25 Regional Consultative Committee shall serve as a consultative forum in the
26 region for discussion on developments in the local real property market;
27 concerns of taxpayers, civil society, and other stakeholders; outcome of
28 compliance reporting in the region; level of complaints and appeals; LGU

1 training in the region; appraisal and assessment concerns in general; and other
2 matters as may be determined by the Committee.

3 ARTICLE III

4 VALUATION AND APPRAISAL OF REAL PROPERTIES

5 Chapter 1

6 Valuation Standards and Market Values

7 SEC. 12. *Development of Valuation Standards.* – Notwithstanding the
8 provisions of existing laws to the contrary, the BLGF shall develop, adopt,
9 maintain and implement uniform valuation standards which shall be used by
10 all appraisers and assessors in the LGUs and other concerned parties in
11 appraising or valuing lands, buildings, machinery and other real properties for
12 taxation and other purposes. The valuation standards shall conform with
13 *generally accepted international valuation standards and principles.*

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

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

27 SEC. 14. *Preparation of Schedule of Market Values.* – Provincial
28 assessors, together with municipal assessors and city assessors, including the

1 municipal assessor in Metro Manila, shall prepare the SMVs for the different
2 classes of real property situated within their respective LGUs, pursuant to the
3 valuation standards, rules, regulations and other specifications set by the
4 Department of Finance (DOF) and the BLGF. The SMVs shall be submitted
5 by the assessor concerned to the BLGF Regional Office for review and
6 compliance with other requirements not later than the thirty-first (31st) day of
7 October of the immediately preceding calendar year that the general revision
8 of real property assessments shall be undertaken. A copy thereof shall be
9 furnished the concerned sanggunian and the provincial governor, the
10 municipal mayor, or the city mayor, as the case may be.

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

16 The approved SMV shall be transmitted to the concerned assessor who
17 shall confer with the local chief executive regarding the approved SMV.
18 Likewise, the concerned assessor shall submit to the local chief executive a
19 tax impact report of the new SMV as against the existing assessment levels
20 and tax rates, and shall provide the sanggunian, through the Chairperson of
21 the sanggunian's Committee on Ways and Means or its equivalent, a copy of
22 the report. The local chief executive shall transmit the approved SMV,
23 together with the tax impact report, within fifteen (15) days from receipt of the
24 same to the sanggunian for the enactment of an ordinance setting the
25 appropriate assessment levels and tax rates. The concerned sanggunian shall
26 enact such ordinance, upon the conduct of public hearings and proper
27 consultations, within sixty (60) days from receipt thereof; otherwise, the

1 existing ordinance on assessment levels and tax rates shall remain in force and
2 effect.

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

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

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

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

1 SEC. 16. *Revision of Schedule of Market Values.* – The BLGF shall
2 formulate the program for the regular revision of SMVs. All provincial
3 assessors, together with the municipal assessors and the city assessors,
4 including the municipal assessor in Metro Manila, shall undertake a revision
5 of their respective SMVs within two (2) years from the effectivity of this Act.
6 Thereafter, they shall undertake a general revision of SMVs and property
7 assessments not earlier than three (3) years from the date of last revision, but
8 not later than five (5) years.

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

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

24 Chapter 2

25 Development and Maintenance of Real Property Database

26 SEC. 18. *Development of Real Property Database.* – The BLGF shall
27 develop and maintain an up-to-date electronic database of the sale, exchange,
28 lease, mortgage, donation and all other real property transactions in the

1 country and on the cost of construction or renovation of buildings and other
2 structures, and on the prices of machinery. For this purpose, the BLGF is
3 hereby authorized to require the mandatory submission of necessary
4 documents from the concerned officials or employees of national government
5 offices or instrumentalities, LGUs and the private sector. The updated
6 database shall be made available to the LGUs, national government agencies
7 and the private sector.

8 SEC. 19. *Duty of Register of Deeds to Supply Assessors with Real*
9 *Property Transactions Data.* – The Register of Deeds shall prepare and
10 submit to the provincial and city assessors, including the municipal assessor
11 in Metro Manila, an abstract of the entire registry every three (3) months and
12 copies of all contracts selling, transferring or otherwise converting, leasing, or
13 mortgaging real property registered every end of the month. The abstract shall
14 include brief but sufficient description of the real properties entered therein,
15 their present owners, and the dates of their most recent transfer or alienation
16 and shall be accompanied by copies of corresponding deeds of sale, donation
17 or partition or other forms of alienation.

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

1 (b) In the case of municipal and assistant municipal assessors, the
2 appointee shall be chosen from the list of at least three (3) ranking eligible
3 recommendees within the province, as endorsed by the DOF Secretary as
4 suitable and qualified for appointment; and

5 (c) In the case of city and assistant city assessors and municipal and
6 assistant municipal assessors for Metro Manila, the appointee shall be chosen
7 from the list of at least three (3) ranking eligible recommendees within Metro
8 Manila, as endorsed by the DOF Secretary as suitable and qualified for
9 appointment.

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

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

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

ARTICLE IV

PENAL PROVISIONS

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3 SEC. 25. *Failure to Comply with the Required Submission of*
4 *Documents.* – Any government official or employee who fails without
5 justifiable reason to provide or furnish data or information required pursuant
6 to Sections 19, 20, 21 and 22 of this Act shall be punished by a fine equivalent
7 to the official's or employee's six (6) months basic salary, or by suspension
8 from the government service for a period not exceeding one (1) year, or both,
9 at the discretion of the competent authority.

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

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

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

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

7 ARTICLE V

8 TRANSITORY PROVISIONS

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

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

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

ARTICLE VI

FUNDING REQUIREMENTS

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3 SEC. 32. *Budgetary Requirements for the Revision of Schedule of*
4 *Market Values.* – Each local sanggunian shall appropriate the necessary
5 funds from locally generated revenues, the Internal Revenue Allotment (IRA),
6 or such other sources every fiscal year. The accumulated amount so
7 appropriated shall be known as the Real Property Tax Administration Fund
8 (RPTAF) which shall be used for the proper implementation of the regular
9 revision of the SMVs and the general revision of real property assessments,
10 and the administration of real property taxes in all LGUs.

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

ARTICLE VII

MISCELLANEOUS PROVISIONS

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

20 SEC. 35. *Suppletory Application of Existing Laws.* – The provisions of
21 Republic Act No. 7160, otherwise known as the “Local Government Code of
22 1991”, and other laws consistent with this Act shall have suppletory effect.

23 SEC. 36. *Repealing Clause.* – (a) Sections 19, 135(a), 138, 198(a),
24 199(g)(h)(l), 201, 202, 209(a), 212, 214, 218 paragraph 1(b), 219, 220, 224(a),
25 443(d), 444(b)(l)(v), 454(d), 455(b)(1)(v), 463(d), 465(b)(l)(v), 472(a)
26 paragraph 1, 472(b)(8), and 473(a) paragraph 1 of Republic Act No. 7160,
27 otherwise known as the “Local Government Code of 1991”, are hereby
28 repealed;

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

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

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

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

Approved,

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