

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

House Bill No. 3099



Introduced by Rep. **SALACNIB F. BATERINA**

AN ACT

AMENDING SECTION 111, PARAGRAPHS 16 AND 17, SUB-PARAGRAPHS (a) to (g), (n) to (o) OF PRESIDENTIAL DECREE 1529, OTHERWISE KNOWN AS THE PROPERTY REGISTRATION DECREE

EXPLANATORY NOTE

Presidential Decree 1529, otherwise known as the Property Registration Decree, was enacted in 1978 when the peso-dollar exchange rate was merely less than one-fifth of current rates. It was later revised and updated through Circular No. II-2002 which was implemented on February 1, 2003. The revision, however, did not include the items under "Registration Fees", specifically, paragraphs 16, as well as "Fees for Specific Transactions" under paragraph 17, sub-paragraphs (a) to (g), and (n) and (o). The fees specified in these provisions are ridiculously low in the light of present standards and prevailing fiscal situation.

The continued adoption of the above obsolete provisions is tantamount to an unfair and unequitable distribution of the tax burden among the people and is a violation of the Constitution, particularly in the aspect of promoting equality in all aspects of national development. It must therefore be declared a policy of the government to maintain the relevance of all existing laws of the land, and that all acts, decrees and all aspects of jurisprudence are regularly reviewed, updated, and made applicable to the current national economic, social and physical conditions as well as the prevailing global situation.

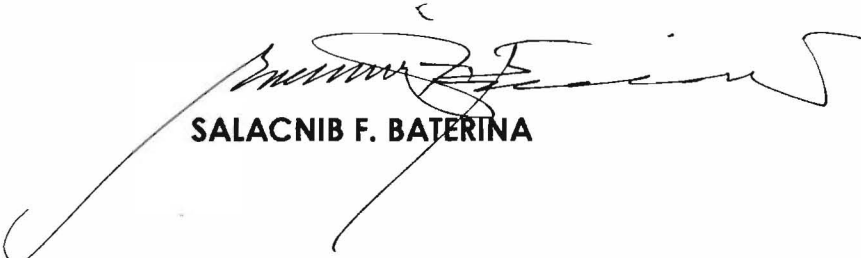
The government, moreover, has the responsibility to seek all possible legal sources of additional national revenues, whenever practicable, in order to improve and enhance the country's fiscal situation.

PD 1529 provided that the basis for the fees to be collected by the Registrar of Deeds shall be the **current assessed value** of the property. It can

be noted that the Bureau of Internal Revenue (BIR) and the local government units are already adopting either the current **fair market value** or the **zonal value of the property, whichever is higher**, as basis in the collection of taxes. There is no reason therefore, not to adopt a similar basis for the present law on property registration.

This measure, once approved, will generate a projected 100% increase in the collection of service fees, estimated to reach ₱ 4.2 billion. This amount will provide a much needed relief to the present budget deficit and the fiscal crisis situation in the country.

Hence, the favorable consideration of this bill is most highly recommended.



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

1 **SECTION 1.** *Policy Objective.* It is a declared policy of the government to
2 maintain the relevance of all existing laws of the land, and that all acts,
3 decrees and all aspects of jurisprudence are regularly reviewed, updated, and
4 made applicable to the current national economic, social and physical
5 conditions as well as the prevailing global situation.

6 The government, moreover, has the responsibility to seek all possible legal
7 sources of additional national revenues, whenever practicable, in order to
8 improve and enhance the country's fiscal situation.

9
10 **SECTION 2.** Chapter XI, Section 111, Paragraph 16 of Presidential Decree
11 1529 is hereby amended to read as follows:

12 16. Registration fee – *For the registration of a deed of sale,*
13 *conveyance, transfer, exchange, partition or donation; a deed of sale*
14 *with pacto de retro, conditional sale, sheriff's sale at public auction,*
15 *sale for non-payment of taxes, or any sale subject to redemption, or*
16 *the repurchase or redemption of the property so sold; any instrument,*

1 order, judgment or decree divesting the title of the registered owner,
2 except in favor of a trustee, executor, administrator or receiver; option
3 to purchase or promise to sell; any mortgage, surety, lease, easement,
4 right-of-way, or other real right or lien created or constituted by virtue
5 of a distinct contract or agreement, and not as an incidental condition
6 of sale, transfer or conveyance; the assignment, enlargement,
7 extension or novation of a mortgage **[or of any other real right, or a**
8 **release of mortgage]**, termination of lease, or consolidation of
9 ownership over a property sold with pacto de retro; where no specific
10 fee is prescribed therefor in the preceding paragraphs, the fees shall
11 be based on the value of the consideration or current fair market
12 value, whichever is higher.

13 In the sale, conveyance or transfer of land including building
14 and/or improvement, the basis shall be the selling price or the fair
15 market value of the land and building, whichever is higher.

16
17 **Section 3.** Section 7, Subparagraphs (a) to (g) are hereby amended to
18 read as follows:

19 17. Fees for specific transaction – In the following transactions,
20 however, the basis of the fees collectible under paragraph sixteen of
21 this subsection, whether or not the value of the consideration is stated
22 in the instrument, shall be as hereunder set forth:

23 (a) Exchange – In the exchange of real property the basis of the
24 fees to be paid by each party shall be the zonal value or fair
25 market value, whichever is higher, of the properties acquired
26 by one party from the other, in addition to the value of any
27 other consideration, if any, stated in the contract.

1 (b) *Hereditary transfer* – In the transmission of an hereditary estate
2 without partition or subdivision of the property among the heirs,
3 devisees or legatees, although with specification of the share of
4 each in the value of the estate, the basis shall be the zonal
5 value or fair market value, whichever is higher, of the property
6 thus transmitted.

7 (c) *Partition of hereditary estate; Conjugal property* – In the
8 partition of an hereditary estate which is still in the name of the
9 deceased, in which determinate properties are adjudicated to
10 each heir, devisees or legatees, or to each group, as the case
11 may be, shall be the zonal value or fair market value,
12 whichever is higher, of the properties thus adjudicated to each
13 person or group. In the case, however, of conjugal property,
14 the basis for the fees for the registration of one-half thereof in
15 the name of the surviving spouse shall be the total zonal value
16 or fair market value, whichever is higher, of the properties
17 adjudicated to said spouse.

18 (d) *Subdivision or partition* – In the partition of real property held in
19 common by several registered co-owners, the basis of the fees
20 to be paid by each co-owner or group of co-owners shall be
21 the zonal value or fair market value, whichever is higher, of the
22 property taken by each co-owner or group.

23 (e) *Conveyance: several lots and parties* – In the sale, conveyance
24 or transfer of two more parcels of land in favor of two or more
25 separate parties but executed in one single instrument, the
26 basis shall be the total selling price by each party-buyer or, in
27 the case of lump sum consideration, such portion thereof as

1 apportioned in accordance with the zonal value or fair market
2 value, whichever is higher, of the respective land acquired by
3 each party-buyer.

4 (f) Conveyance of properties in different places – In the sale,
5 conveyance or transfer of properties situated in different cities
6 or provinces, the basis of the fees in each Registry of Deeds
7 where the instrument is to be registered shall be the total selling
8 price or fair market value or zonal value whichever is higher, of
9 the properties situated in the respective city or province or, in
10 the case of lump sum consideration, such portion thereof as
11 obtained for those properties lying within the jurisdiction of the
12 respective Registry after apportioning the total consideration of
13 the sale, conveyance or transfer in accordance with the zonal
14 value or fair market value, whichever is higher, of such
15 properties.

16 (g) Conveyance of mortgaged properties – In the sale,
17 conveyance or transfer of a mortgaged property, the basis
18 shall be the selling price or fair market value or zonal value,
19 whichever is higher, of the property plus the full amount of the
20 mortgage, or the unpaid balance thereof, if the latter is stated
21 in the instrument. If the properties are situated in different cities
22 or provinces, the basis of the fees in each Registry of Deeds
23 where the instrument is to be registered shall be such sum as
24 obtained for the properties situated in the respective city or
25 province after apportioning in accordance with the current fair
26 market or zonal value, whichever is higher, of said properties
27 the total amount of consideration as above computed, unless



the selling price of the properties in each city or province and the proportionate share thereof in the amount of unpaid balance of the mortgage are stated in the instrument in which case, the aggregate of such selling price or fair market value or zonal values, whichever is higher, and share shall be the basis.

Section 4. Section 7, Subparagraphs (n) and (o) are hereby amended to read as follows:

(n) *Option to purchase or promise to sell* – In contracts or option to purchase or promise to sell, the basis of the fees in each Registry shall be ten per centum of the current fair market value or zonal value, whichever is higher, of the property subject of such contract in the respective city or province.

(o) *Consideration not stated or fixed or less than current fair market value* – In other transactions where the actual value of the consideration is not fixed in the contract or cannot be determined from the terms thereof, or in case of sale, conveyance or transfer, the consideration stated is less than the basis of the fees shall be the current fair market value or zonal value, whichever is higher of the property involved in the transaction. If the properties are situated in different cities or provinces, the basis of the fees in each Registry shall be the current fair market value or zonal value, whichever is higher, of the properties lying within the jurisdiction of the Registry concerned.

Section 5. Repealing Clause – All laws, presidential decrees, executive orders, other executive issuances, or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.



- 1 **Section 6.** *Effectivity* – This Act shall take fifteen (15) days after its
- 2 publication in at least two (2) newspapers of general circulation.

Approved.

SALACNIB F. BATERINA