

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon

FIFTEENTH CONGRESS
First Regular Session

000000 215
HOUSE BILL NO. _____

Introduced by ATTY. MAGTANGGOL T. GUNIGUNDO I

EXPLANATORY NOTE

This re-filed bill is originally HB 5384 that we filed in the 14th Congress which was extensively discussed and consolidated with two other bills with same import by the Committee on Housing and Urban Development and was approved on Third and Final Reading in the House of Representatives last December 10, 2008 but the Senate counterpart bill was not taken up for deliberations at the Senate.

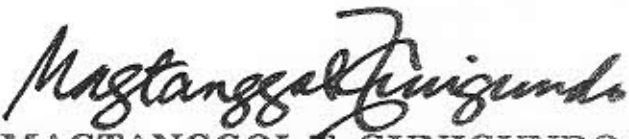
This very important bill seeks to increase the penalty for violation of Presidential Decree Nine hundred fifty seven (PD 957) otherwise known as the law regulating the sale of subdivision lots and condominiums. This law has been out-dated and needs to go in cadence with the present time.

Complaints against real estate developers who violate PD 957 are mounting everyday. Offers to sell without appropriate license, failure to deliver title even after full payment of the estate, failure to complete project in accordance with the correct specifications or approved plan and, misleading advertisements are just some of the reasons among hundreds of cases filed with the HLURB legal department in violation of PD 957.

Due to the obsolete penalty for violation of PD 957 many land and condominium developers contravene PD 957 knowing fully well that what they will pay for the defiance of the law is so small and thereby make a mockery of our laws.

This bill seeks to increase the penalties to serve as deterrent.

Immediate approval of this bill is earnestly sought.


ATTY. MAGTANGGOL T. GUNIGUNDO I

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Introduced by **ATTY. MAGTANGGOL T. GUNIGUNDO I**

**AN ACT TO AMEND PRESIDENTIAL DECREE NINE HUNDRED
FIFTY SEVEN (PD 957) TO INCREASE THE PENALTIES FOR
VIOLATION THEREOF**

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

SECTION 1. Section 39 of Presidential Decree 957 or the law regulating the sale of subdivision lots and condominiums, providing penalties for violations thereof, as amended, is hereby further amended to read as follows:

X X X

"Sec. 39. *Penalties.* Any person who shall violate any of the provisions of this Decree and/or any rules or regulations that may be issued pursuant to this Decree shall suffer:

- a) On the **first offense**, a fine of not more than Five hundred thousand pesos (*Php500,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than four (4) years, at the discretion of the court.
- b) On the **second offense**, a fine of Seven hundred thousand pesos (*Php700,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than seven (7) years, at the discretion of the court.
- c) On the **third offense**, in addition to a fine of not more than One million pesos (*Php 1,000,000.00*) or 100 percent of the total purchase price of the properties sold whichever is higher and/or imprisonment of not more than ten (10) years, at the discretion of the court, the business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

If by reason of advertisements in violation of this decree, a real estate or a condominium unit is sold, an additional fine of not less than Five hundred thousand (*Php 500,000.00*) shall be imposed for every unit sold.

In the case of corporations, partnership, cooperatives, or associations, the President, Manager or Administrator or the person who has charge of the administration of the business shall be criminally responsible for any violation of this Decree and/or the rules and regulations promulgated pursuant thereto.

X X X

SECTION 2. *Repealing Clause* – All laws, decrees, orders, rules and regulations, other issuances, or parts thereof inconsistent with the provisions of this act are hereby repealed or modified accordingly.

SECTION 3. *Effectivity Clause* - This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or at least two (2) news papers of General Circulation.

Approved,