

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
Second Regular Session



HOUSE BILL NO. 7414

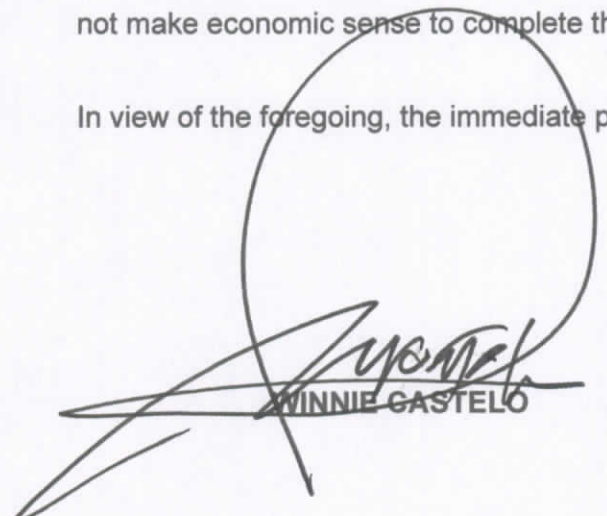
Introduced by Representatives Winston "Winnie" Castelo and Rodel M. Batocabe

EXPLANATORY NOTE

This bill intends to liberalize voluntary dissolution of condominium projects through the lowering of percentage requirements needed for the voluntary dissolution of condominium corporations for condemned projects or projects in existence for more than thirty years.

The State has an interest in protecting public safety and health against buildings that are already considered hazardous. It is also important to keep the condominium owners interests in mind to voluntarily dissolve the condominium corporation when majority agrees for its dissolution after thirty (30) years or more in the project's existence. This could occur when the land value exceeds the unit values or when major repairs are needed, but it does not make economic sense to complete them.

In view of the foregoing, the immediate passage of this bill is most earnestly sought.



WINNIE CASTELO



RODEL M. BATOCABE

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“AN ACT LOWERING THE PERCENTAGE REQUIREMENT FOR THE VOLUNTARY DISSOLUTION OF CONDOMINIUM CORPORATIONS FOR CONDEMNED PROJECT AND PROJECTS IN EXISTENCE FOR MORE THAN THIRTY (30) YEARS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4726 ENTITLED “THE CONDOMINIUM ACT”

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

SECTION 1. Short Title. - This Act shall be known as the “Condominium Redevelopment Act of 2017”.

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the state to ensure the safety and integrity of existing condominium developments in order to protect the public against hazards of aged buildings that pose as threats to the protection of owners and the general public.

SEC. 3. *Scope.* This act shall cover all existing condominium projects which are now in existence or which may be constructed hereinafter.

SEC. 4. Section 8, paragraph (d) of Republic Act No. 4726 is hereby reworded as follows:

d. That the project or a material part thereof has been condemned or expropriated and that the project is no longer viable, or that the condominium owners, BY VOTE OF FIFTY PERCENT PLUS ONE OF THE STOCKHOLDERS OR MEMBERS THEREOF AT A GENERAL OR SPECIAL MEETING DULY CALLED FOR THE

PURPOSE, are opposed to continuation of the condominium regime after the expropriation or condemnation of a material portion thereof;

SEC. 5. Section 14 of Republic Act No. 4726 is hereby reworded as follows:

Sec. 14. The condominium corporation may also be dissolved ~~by the affirmative vote of all stockholders or members thereof at a general or special meeting duly called for the purpose: Provided, That all the requirements of Section sixty-two of the Corporation Law are complied with:~~ IN THE FOLLOWING MANNER:

- a. IF THE PROJECT HAS BEEN IN EXISTENCE FOR THIRTY (30) YEARS OR MORE BUT LESS THAN FORTY (40) YEARS, BY THE AFFIRMATIVE VOTE OF NINETY PERCENT (90%) OF THE STOCKHOLDERS OR MEMBERS THEREOF AT A GENERAL OR SPECIAL MEETING DULY CALLED FOR THAT PURPOSE; PROVIDED THAT ALL THE REQUIREMENTS OF SECTION SIXTY-TWO OF THE CORPORATION CONDE HAS BEEN COMPLIED WITH; AND
- b. IF THE PROJECT HAS BEEN IN EXISTENCE FOR FORTY (40) YEARS OR MORE BUT LESS THAN FIFTY (50) YEARS, BY THE AFFIRMATIVE VOTE OF EIGHTY PERCENT (80%) OF THE STOCKHOLDERS OR MEMBERS THEREOF AT A GENERAL OR SPECIAL MEETING DULY CALLED FOR THAT PURPOSE: PROVIDED, THAT ALL THE REQUIREMENTS OF SECTION SIXTY-TWO OF THE CORPORATION LAW ARE COMPLIED WITH; AND
- c. IF THE PROJECT HAS BEEN IN EXISTENCE FOR FIFTY (50) YEARS AND ABOVE, BY THE AFFIRMATIVE VOTE OF TWO THIRDS (2/3) OF THE STOCKHOLDERS OR MEMBERS THEREOF AT A GENERAL OR SPECIAL MEETING DULY CALLED FOR THE PURPOSE, PROVIDED, THAT ALL THE REQUIREMENTS OF SECTION SIXTY-TWO OF THE CORPORATION LAW ARE COMPLIED WITH.

FOR PURPOSES OF THIS SECTION AND SECTION 8 HEREOF, THE VOTES ALLOCATED TO EACH UNIT OWNER SHALL BE PROPORTIONATE TO THE FLOOR AREA OWNED IN THE CONDOMINIUM DIVIDED BY THE TOTAL FLOOR AREA OWNED BY ALL UNIT OWNERS.

SEC. 6. Implementing Rules and Regulations. The Housing and Land Use Regulatory Board shall have the power to promulgate the implementing rules and regulations as may be

necessary to fully implement the objectives and purposes of this Act within the one (1) year from approval hereof.

SEC. 7. *Separability Clause.* – If any provision or section of this Act is held invalid or unconstitutional, the other provisions and sections not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause.* – All laws, presidential decrees, executive orders, or issuances, or any part thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or two (2) newspapers of general circulation.

Approved.