

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 8283



Introduced by **HON. TRICIA NICOLE Q. VELASCO - CATERA**

EXPLANATORY NOTE

This bill seeks to address a procedural problem under Republic Act No. 7160, as amended, otherwise known as the "Local Government Code of 1991", wherein a property owner or person having a legal interest in a real property who appealed the assessment of his property, or the collection of the real property tax due thereon, to the Local Board of Assessment Appeals is left without any speedy and adequate remedy should the concerned Local Board fail to act within the prescribed one hundred twenty (120)-day period under the law.

Under the Local Government Code of 1991 as currently worded, a party may only appeal from the decision of the Local Board of Assessment Appeals. However, if the concerned Local Board does not act on the appeal, the property owner or person having legal interest therein will have no means of elevating the case to the Central Board of Assessment Appeals, and later on, to the Court of Tax Appeals.

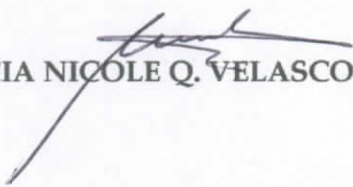
Notably, under the *Consolidated and Revised Rules of Procedure Before the Local Boards of Assessment Appeals (LBAA) and the Central Board of Assessment Appeals (CBAA)*, the Local Board of Assessment Appeals is only required to decide a case within one hundred twenty (120) days from the date of receipt of the appeal "as far as practicable". Given this, there appears to be no real time limit as to when the appeal must be resolved. In relation thereto, it must further be noted that the Local Boards of Assessment Appeals are composed of officials from the local government concerned, or who work closely with the latter, for which reason one cannot expect them to act in a manner that will be adverse to the interest of such local government. Moreover, they are all members of the Local Board merely in an *ex officio* capacity without any additional compensation. There is no incentive for them to act on matters pertaining to the functions of the Local Board. Given this, the property owner or the person having such legal interest therein should have the option to either wait for the decision of the Local Board of Assessment Appeals or appeal from the inaction of the latter. The property owner or the person having such legal interest therein may also choose to wait for the decision even after the lapse of the one hundred twenty (120)-day period before appealing to the Central Board of Assessment Appeals.

In addition, the Local Government Code of 1991 does not provide a period within which the Central Board of Assessment Appeals must decide cases brought before it. While the *Consolidated and Revised Rules* provides for a period of ninety (90) days "as far as practicable" within which to decide a case, this is only reckoned from the time of submission of the case for decision and not from the time of appeal to the Central Board of Assessment Appeals. This bill seeks to legislate a period of twelve (12) months from the date of receipt of the appeal in order to elevate the importance of expeditiously resolving cases brought before it and to realistically ensure compliance therewith.

In view of the potential number of cases that may be elevated to the Central Board of Assessment Appeals, the number of Hearing Officers will be adjusted to a maximum of seven (7) each for Luzon, Visayas, and Mindanao, to be determined as the caseload may require. Moreover, this bill deletes the provision stating that decisions of the Central Board of Assessment Appeals shall be final and executory, and allows parties adversely affected to obtain judicial recourse by means of an appeal to the court of competent jurisdiction, which in this case, is the Court of Tax Appeals, pursuant to Republic Act No. 1125, as amended.

It is imperative to allow an appeal from the inaction of the Local Board of Assessment Appeals and to legislate a period of action for the Central Board of Assessment Appeals as this will, to a certain extent, aid in speeding up the review process, especially considering that Section 231 of the Local Government Code of 1991 provides that an appeal on assessments of real property does not suspend the collection of the corresponding realty taxes on the property involved as assessed by the provincial or city assessor. While such collection is without prejudice to any subsequent adjustment depending upon the final outcome of the appeal, such an appeal may take many years, adding to what may potentially be an unnecessary and unreasonable burden on the property owner or person having a legal interest therein to begin with.

In view thereof, the passage of this bill is earnestly sought.


TRICIA NICOLE Q. VELASCO - CATERA

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HOUSE BILL NO. 8283

Introduced by **HON. TRICIA NICOLE Q. VELASCO - CATERA**

**AN ACT AMENDING SECTIONS 229 AND 230 OF REPUBLIC ACT
NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE "LOCAL
GOVERNMENT CODE OF 1991", AND FOR OTHER PURPOSES**

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

SECTION 1. Section 229 of Republic Act No. 7160, as amended, otherwise known as
the "Local Government Code of 1991", is hereby amended to read as follows:

"SECTION 229. Action by the Local Board of Assessment Appeals. — (a)
The Board shall decide the appeal within one hundred twenty (120) days from the
date of receipt of such appeal. The Board, after hearing, shall render its decision
based on substantial evidence or such relevant evidence on record as a reasonable
mind might accept as adequate to support the conclusion.

(b) In the exercise of its appellate jurisdiction, the Board shall have the power
to summon witnesses, administer oaths, conduct ocular inspection, take
depositions, and issue subpoena and subpoena duces tecum. The proceedings of
the Board shall be conducted solely for the purpose of ascertaining the facts
without necessarily adhering to technical rules applicable in judicial proceedings.

(c) The secretary of the Board shall furnish the owner of the property or the
person having legal interest therein and the provincial or city assessor with a copy
of the decision of the Board. ~~[In case the provincial or city assessor concurs in the
revision or the assessment, it shall be his duty to notify the owner of the property
or the person having legal interest therein of such fact using the form prescribed
for the purpose.]~~ The ~~owner of the property or the person having legal interest
therein or the assessor who is not satisfied with~~ PARTY ADVERSELY
AFFECTED BY the decision of the Board OR THE OWNER OF THE PROPERTY
OR THE PERSON HAVING LEGAL INTEREST THEREIN IN CASE OF
INACTION OF SAID BOARD, may, within thirty (30) days ~~[after]~~ FROM receipt
of ~~[the]~~ SUCH decision ~~[of said Board]~~ OR FROM THE LAPSE OF THE ONE
HUNDRED TWENTY (120)-DAY PERIOD PRESCRIBED THEREIN, appeal to the
Central Board of Assessment Appeals, as herein provided. ~~[The decision of the
Central Board shall be final and executory.]~~ IN CASE THE PROVINCIAL OR
CITY ASSESSOR CONCURS IN THE REVISION OF THE ASSESSMENT, IT
SHALL BE HIS DUTY TO NOTIFY THE OWNER OF THE PROPERTY OR THE
PERSON HAVING LEGAL INTEREST THEREIN OF SUCH FACT USING THE
FORM PRESCRIBED FOR THE PURPOSE.

SEC. 2. Section 230 of Republic Act No. 7160, as amended, is hereby amended to read as follows:

"SECTION 230. Central Board of Assessment Appeals. — The Central Board of Assessment Appeals shall be composed of a chairman and two (2) members to be appointed by the President, who shall serve for a term of seven (7) years, without reappointment. Of those first appointed, the chairman shall hold office for seven (7) years, one member for five (5) years, and the other member for three (3) years. Appointment to any vacancy shall be only for the unexpired portion of the term of the predecessor. In no case shall any member be appointed or designated in a temporary or acting capacity. The chairman and the members of the Board shall be Filipino citizens, at least forty (40) years old at the time of their appointment, and members of the Bar or Certified Public Accountants for at least ten (10) years immediately preceding their appointment. The chairman of the Board of Assessment Appeals shall have the salary grade equivalent to the rank of Director III under the Salary Standardization Law exclusive of allowances and other emoluments. The members of the Board shall have the salary grade equivalent to the rank of Director II under the Salary Standardization Law exclusive of allowances and other emoluments. ~~[The Board shall have appellate jurisdiction over all assessment cases decided by the Local Board of Assessment Appeals.]~~

There shall be Hearing Officers to be appointed by the Central Board of Assessment Appeals pursuant to civil service laws, rules and regulations, ~~[one]~~ OF SUCH NUMBER AS THE EXIGENCIES OF THE SERVICE MAY REQUIRE, NOT EXCEEDING SEVEN (7) each for Luzon, Visayas and Mindanao, who shall hold office in Manila, Cebu City and Cagayan de Oro City, respectively, and who shall serve for a term of six (6) years, without reappointment until their successors have been appointed and qualified. The Hearing Officers shall have the same qualifications as that of the Judges of the Municipal Trial Courts.

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SEC. 3. A new Section 230-A is hereby inserted after Section 230 of Republic Act No. 7160, as amended, and shall read as follows:

"SECTION 230-A. JURISDICTION OF THE CENTRAL BOARD OF ASSESSMENT APPEALS. — THE CENTRAL BOARD SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DECIDE ALL APPEALS FROM THE DECISIONS, RESOLUTIONS AND FINAL ORDERS OF THE LOCAL BOARDS OF ASSESSMENT APPEALS."

SEC. 4. A new Section 230-B is hereby inserted after Section 230-A of Republic Act No. 7160, as amended, and shall read as follows:

"SECTION 230-B. ACTION BY THE CENTRAL BOARD OF ASSESSMENT APPEALS. — (A) THE CENTRAL BOARD SHALL DECIDE THE APPEAL WITHIN TWELVE (12) MONTHS FROM THE DATE OF RECEIPT OF SUCH APPEAL. THE CENTRAL BOARD, AFTER HEARING, SHALL RENDER ITS DECISION BASED ON SUBSTANTIAL EVIDENCE OR SUCH RELEVANT EVIDENCE ON RECORD AS A REASONABLE MIND MIGHT ACCEPT AS ADEQUATE TO SUPPORT THE CONCLUSION.

(B) THE PARTY ADVERSELY AFFECTED BY THE DECISION OF THE CENTRAL BOARD, MAY, WITHIN THIRTY (30) DAYS FROM RECEIPT OF SUCH DECISION, APPEAL TO THE COURT OF COMPETENT JURISDICTION, OTHERWISE, THE DECISION SHALL BECOME FINAL."

SEC. 5. *Implementing Rules and Regulations.* - Within six (6) months from the effectivity of this Act, the Central Board of Assessment Appeals shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SEC. 6. *Separability Clause.* - If any part or provision of this Act is held invalid or unconstitutional, the other parts or provisions hereof not affected thereby shall remain in full force and effect.

SEC. 7. *Repealing Clause.* - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

SEC. 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,