

Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5289



Introduced by Representative Rex Gatchalian

AN ACT
INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND
ASSESSMENT IN THE PHILIPPINES, AMENDING FOR THIS PURPOSE
SECTIONS 199, 201, 202, 207, 212, 214, 218, 219 AND 221 OF
REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991, AS AMENDED, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

The 1987 Constitution of the Philippines empowered each local government unit with the power to create its own sources of revenues and to levy taxes, fees, and charges.¹ This power is put into detail in the Local Government Code of 1991. Under the Code, a province or city or municipality within Metropolitan Area may levy a real property tax on all forms of real property such as land, building, machinery and other improvement.

Unfortunately, there are major concerns in the current valuation and assessment system, and collection of real property taxes. This bill aims to address the (1) lack of uniform valuation systems, methodologies, and standards that govern the valuation of real property; (2) outdated real property valuations, (3) unreliable and non-transparent valuation system, and (4) presence of political intervention in property valuation.

The reforms in the real property valuation and assessment of local government units in the Philippines would maximize local revenue generation

¹ Section 5, Article X, The 1987 Constitution of the Philippines

and ultimately, empower LGUs to have enough funding to provide basic services and facilities for their constituents within their respective territories. The necessity of empowering LGUs to efficiently collect real property taxes is boldened by the recent promulgation of Executive Order No. 138, s. 2021 which orders the full devolution of basic functions and services of the national government to local government units. Without sufficient funding from the national government to support local programs, local government units must henceforth be efficient in the management and administration of its local revenue sources.

In view of the foregoing considerations, approval of this bill is earnestly sought.



HON. REX GATCHALIAN
Representative
1st District, Valenzuela City

Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5289

Introduced by Representative Rex Gatchalian

AN ACT
INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND
ASSESSMENT IN THE PHILIPPINES, AMENDING FOR THIS PURPOSE
SECTIONS 199, 201, 202, 207, 212, 214, 218, 219 AND 221 OF
REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991, AS AMENDED, AND FOR OTHER
PURPOSES

Be it enacted by the Senate and the 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
4 **SEC. 2.** Section 199 of Republic Act (RA) No. 7160, otherwise known as
5 the “Local Government Code of 1991”, as amended, is hereby amended and
6 renumbered as follows:

7
8 **“Section 199. Definitions.** – When used in this Title:

9
10 x x x;

11
12 **(F) “ARM’S LENGTH TRANSACTION” IS A TRANSACTION**
13 **BETWEEN INDEPENDENT, UNRELATED PARTIES**
14 **INVOLVING NO IRREGULARITY;**

15
16 ~~(f)~~**(G)** x x x;

17 ~~(g)~~**(H)** x x x;

18 ~~(h)~~**(I)** x x x;

19 ~~(i)~~**(J)** x x x;

20 ~~(j)~~**(K)** x x x;

21 ~~(k)~~**(L)** x x x;

22
23 ~~(l)~~**(P)** “Fair Market Value” is the price at **ESTIMATED AMOUNT**
24 **FOR** which a property [~~may be sold by a seller who is not~~]

1 ~~compelled to sell and bought by a buyer who is not compelled~~
2 ~~to buy]~~ **SHALL EXCHANGE ON THE DATE OF VALUATION**
3 **BETWEEN A WILLING BUYER AND A WILLING SELLER IN**
4 **ARM'S LENGTH TRANSACTION, AFTER PROPER**
5 **MARKETING, WHEREIN THE PARTIES HAD EACH ACTED**
6 **KNOWLEDGEABLY, PRUDENTLY, AND WITHOUT**
7 **COMPULSION;**

8
9 ~~(p)~~**(Q)** x x x;
10 ~~(q)~~**(R)** x x x;
11 ~~(r)~~**(S)** x x x;
12 ~~(s)~~**(T)** x x x;
13 ~~(t)~~**(U)** x x x;
14 ~~(u)~~**(V)** x x x.”

15
16 **SEC. 2.** Section 201 of RA No. 7160, as amended, is hereby amended
17 to read as follows:

18
19 **“Section 201. *Appraisal VALUATION of Real Property*** – All
20 real property, whether taxable or exempt, shall be **VALUED OR**
21 appraised **BASED ON PREVAILING** ~~at the current [and fair]~~
22 market value ~~S~~ prevailing in the locality where the property is
23 situated. The Department of Finance shall promulgate
24 necessary rules and regulations for the classification, appraisal
25 **VALUATION**, and assessment of real property pursuant to the
26 provisions of this Code.

27
28 **FOR REAL PROPERTY INTENDED FOR LOW-COST AND**
29 **SOCIALIZED HOUSING AND OTHER PROGRAMS OF THE**
30 **GOVERNMENT IMBUED WITH SOCIAL POLICY**
31 **OBJECTIVES, THE PROVISIONS OF EXISTING PERTINENT**
32 **LAWS SHALL BE APPLIED AFTER THE DETERMINATION OF**
33 **THE PREVAILING MARKET VALUE OF THESE PROPERTIES**
34 **IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED**
35 **VALUATION STANDARDS.**

36
37 **THE BLGF SHALL DEVELOP, ADOPT, MAINTAIN, AND**
38 **IMPLEMENT UNIFORM VALUATION STANDARDS WHICH**
39 **SHALL BE USED BY ALL APPRAISERS AND ASSESSORS IN**
40 **THE LGUS AND OTHER CONCERNED PARTIES IN THE**
41 **APPRAISAL OR VALUATION OF LANDS, BUILDINGS,**
42 **MACHINERY AND OTHER REAL PROPERTIES FOR**
43 **TAXATION AND OTHER PURPOSES. THE VALUATION**
44 **STANDARDS SHALL CONFORM WITH INTERNATIONALLY**
45 **ACCEPTED VALUATION STANDARDS AND PRINCIPLES.”**
46

1 **SEC. 3.** Section 202 of RA No. 7160, as amended, is hereby amended
2 to read as follows:

3
4 **“Section 202. Declaration of Real Property by the Owner or**
5 **Administrator** – It shall be the duty of all persons, natural or
6 juridical, owning or administering real property, including the
7 improvements therein, within a city or municipality, or their
8 duly authorized representative, to prepare, or cause to be
9 prepared, and file with the provincial, city or municipal
10 assessor, a sworn statement declaring the true value of their
11 property, whether previously declared or undeclared, taxable or
12 exempt, which shall be the current ~~and fair~~ market value of the
13 property, as determined by the declarant. Such declaration
14 shall contain a description of the property sufficient in detail to
15 enable the assessor or his deputy to identify the same for
16 assessment purposes. The sworn declaration of real property
17 herein referred to shall be filed with the assessor concerned
18 once every three (3) years during the period from January first
19 (1st) to June thirtieth (30th) **OF THE FIRST YEAR**, commencing
20 with the calendar year 1992.”

21
22 **SEC. 4.** Section 207 of RA No. 7160, as amended, is hereby amended
23 to read as follows:

24
25 **“Section 207. Real Property Identification INFORMATION**
26 **System. –**

27
28 **THE BLGF SHALL DEVELOP AND MAINTAIN AN UP-TO-**
29 **DATE ELECTRONIC DATABASE OF THE SALE, EXCHANGE,**
30 **LEASE, MORTGAGE, DONATION, TRANSFER AND ALL**
31 **OTHER REAL PROPERTY TRANSACTIONS AND**
32 **DECLARATIONS IN THE COUNTRY AND ON THE COST OF**
33 **CONSTRUCTION OR RENOVATION OF BUILDINGS AND**
34 **OTHER STRUCTURES, AND ON THE PRICES OF**
35 **MACHINERY.**

36
37 **FOR THIS PURPOSE, THE BLGF SHALL REQUIRE THE**
38 **MANDATORY SUBMISSION OF NECESSARY DOCUMENTS**
39 **FROM THE CONCERNED OFFICIALS OR EMPLOYEES OF**
40 **NATIONAL GOVERNMENT OFFICES OR**
41 **INSTRUMENTALITIES, LGUS AND THE PRIVATE SECTOR:**
42 **PROVIDED, THAT IN THE CASE OF GOVERNMENT**
43 **AGENCIES AND INSTRUMENTALITIES, THE MANDATORY**
44 **SUBMISSION OF DOCUMENTS AND INFORMATION SHALL**
45 **BE SUBJECT TO THE PROHIBITION OF DISCLOSURE OF**
46 **CERTAIN INFORMATION UNDER THE DATA PRIVACY ACT**

1 AND OTHER EXISTING LAWS. THE UPDATED DATABASE
2 SHALL BE MADE AVAILABLE TO THE LGUS, NATIONAL
3 GOVERNMENT AGENCIES AND THE PRIVATE SECTOR:
4 *PROVIDED, FURTHER, THAT THE COMMISSIONER OF*
5 *INTERNAL REVENUE OR A DULY AUTHORIZED*
6 *REPRESENTATIVE SHALL BE ALLOWED ACCESS TO THE*
7 *DATABASE WITHOUT NEED OF PRIOR APPROVAL:*
8 *PROVIDED, FINALLY, THAT NON-SUBMISSION OF THE*
9 *REQUIRED DOCUMENTS TO THE BLGF WILL SUBJECT THE*
10 *CONCERNED OFFICIAL OR EMPLOYEE TO*
11 *ADMINISTRATIVE LIABILITIES UNDER THE LAW.*
12
13

14 **PROVINCIAL, CITY OR MUNICIPAL ASSESSORS SHALL**
15 **KEEP AND FILE** all declarations of real property ~~made under~~
16 ~~the provisions of this Title shall be kept and filed under a~~
17 ~~uniform classification system. to be established by the~~
18 ~~provincial, city or municipal assessor.~~
19

20 **TO FURTHER ENSURE THE EFFICIENCY OF REAL**
21 **PROPERTY TAX ADMINISTRATION, ALL PROVINCES,**
22 **CITIES AND MUNICIPALITIES SHALL AUTOMATE THEIR**
23 **OPERATIONS, ADOPT TAX MAPPING TECHNOLOGY,**
24 **MAINTAIN SOFTWARE-ENABLED VALUATION SYSTEMS,**
25 **UNDERTAKE REGULAR DATA CLEANSING, AND**
26 **COMPUTERIZED RECORDS MANAGEMENT. THE NATIONAL**
27 **GOVERNMENT, THROUGH THE DEPARTMENT OF**
28 **INFORMATION AND COMMUNICATIONS TECHNOLOGY,**
29 **SHALL PROVIDE THE APPROPRIATE EQUIPMENT AND**
30 **CONNECTIVITY, INFORMATION AND COMMUNICATIONS**
31 **TECHNOLOGY PLATFORM, AND THE APPROPRIATE**
32 **TRAINING AND CAPABILITY BUILDING PROGRAMS TO**
33 **THIRD CLASS UP TO SIXTH CLASS MUNICIPALITIES AND**
34 **PROVINCES TO ENSURE COMPLIANCE WITH THIS**
35 **SECTION.”**
36

37 **SEC. 5.** Section 212 of RA No. 7160, as amended, is hereby amended
38 to read as follows:
39

40 **“SEC. 212. Preparation of Schedule of Fair Market**
41 **Values.** - Before any general revision of property assessment is
42 ~~made pursuant to the provisions of this Title, there shall be~~
43 ~~prepared a schedule of fair market values by the provincial~~
44 **ASSESSORS, TOGETHER WITH MUNICIPAL ASSESSORS,**
45 **AND city ASSESSORS, INCLUDING** ~~and the municipal~~
46 ~~assessors~~ **IN** ~~of the municipalities within the Metropolitan~~

1 Manila, Area **SHALL PREPARE THE SCHEDULE OF MARKET**
2 **VALUES (SMV)** for the different classes of real property situated
3 ~~in~~ **WITHIN** their respective local government units, ~~for~~
4 ~~enactment by ordinance of the sanggunian concerned.~~
5 **PURSUANT TO THE VALUATION STANDARDS AND**
6 **SPECIFICATIONS SET BY THE DEPARTMENT OF FINANCE**
7 **(DOF).**
8

9 **THE PREPARATION OF THE SMVS SHALL BE COMPLETED**
10 **WITHIN FIVE (5) MONTHS FOLLOWING THE NOTICE FROM**
11 **THE BUREAU OF LOCAL GOVERNMENT FINANCE TO ALL**
12 **CONCERNED LOCAL ASSESSORS TO SUBMIT THEIR**
13 **REVISED SMVS. THE NOTICE SHALL BE MADE ONCE**
14 **EVERY THREE (3) YEARS DURING THE MONTH AFTER THE**
15 **PERIOD SET IN SEC. 202 OF THIS CODE.**
16

17 **UPON ITS COMPLETION, THE LOCAL ASSESSOR SHAL**
18 **SUBMIT THE PROPOSED SMV TO THE BLGF REGIONAL**
19 **OFFICE. WITHIN NINETY (90) DAYS FROM RECEIPT**
20 **THEREOF, THE BLGF REGIONAL OFFICE, IN**
21 **COORDINATION WITH THE BIR REGIONAL OFFICE, SHALL**
22 **REVIEW AND ENDORSE THE PROPOSED SMV TO THE BLGF**
23 **EXECUTIVE DIRECTOR AND THE COMMISSIONER OF**
24 **INTERNAL REVENUE: PROVIDED, THAT, IN THE CASE OF**
25 **CITIES AND THE LONE MUNICIPALITY WITHIN THE**
26 **METROPOLITAN MANILA AREA, THE PROPOSED SMV**
27 **SHALL BE SUBMITTED TO, AND REVIEWED BY THE BLGF**
28 **CENTRAL OFFICE, IN COORDINATION WITH THE**
29 **CONCERNED BIR REGIONAL OFFICE: PROVIDED,**
30 **FURTHER, THAT THE REQUIREMENTS FOR VALIDITY OF**
31 **THE SMV SHALL BE GOVERNED BY THE GUIDELINES TO**
32 **BE ISSUED BY THE DEPARTMENT OF FINANCE,**
33 **INCLUDING THE CONDUCT OF AT LEAST ONE (1) PUBLIC**
34 **CONSULTATION ON THE PROPOSED SMV. THE POWER OF**
35 **THE SECRETARY TO APPROVE THE SMV SHALL NOT BE**
36 **CONSTRUED TO ABRIDGE THE POWER OF LGUS TO**
37 **ADJUST ASSESSMENT LEVELS AND TAX RATES IN**
38 **ACCORDANCE WITH SECTION 218 OF THIS ACT, AND TO**
39 **PROVIDE RELIEF TO RESIDENTIAL REAL PROPERTY**
40 **OWNERS AS DEEMED NECESSARY.**
41

42 ~~The schedule of fair market values shall be published in a~~
43 ~~newspaper of general circulation in the province, city or~~
44 ~~municipality concerned, or in the absence thereof, shall be~~
45 ~~posted in the provincial capitol, city or municipal hall and in two~~

1 other——conspicuous——public——places——therein.”
2

3 **SEC. 6.** A new section designated as Section 212-A of RA No. 7160, as
4 amended, is hereby added to read as follows:
5

6 **“SEC. 212-A. APPROVAL OF SCHEDULE OF MARKET VALUE.**
7 **– THE SECRETARY OF FINANCE SHALL APPROVE THE SMV**
8 **IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED**
9 **VALUATION STANDARDS, WITHIN THIRTY (30) DAYS FROM**
10 **RECEIPT OF THE JOINT ENDORSEMENT OF THE BLGF**
11 **EXECUTIVE DIRECTOR AND THE COMMISSIONER OF**
12 **INTERNAL REVENUE; OTHERWISE, SAID SCHEDULE SHALL**
13 **BE DEEMED APPROVED. IN CASE OF SUDDEN CHANGES IN**
14 **THE MARKET VALUES, INCLUDING BUT NOT LIMITED TO,**
15 **ANCESTRAL DOMAIN, PUBLIC LAND, AGRARIAN REFORM**
16 **BENEFICIARIES, AND OTHER VULNERABLE SECTORS, THE**
17 **ASSESSOR IS MANDATED TO RECOMMEND TO THE**
18 **SANGGUNIAN TAX RATES AND ASSESSMENT LEVELS THAT**
19 **WILL MAINTAIN OR MINIMALLY AFFECT THE REAL**
20 **PROPERTY TAX DUE FOR THE AFOREMENTIONED**
21 **PROPERTY.**
22

23 **THE APPROVED SMVs SHALL TAKE EFFECT FIFTEEN (15)**
24 **DAYS AFTER ITS PUBLICATION BY THE DOF IN THE**
25 **OFFICIAL GAZETTE OR IN AT LEAST TWO (2) NEWSPAPERS**
26 **OF GENERAL CIRCULATION, AND POSTING IN THE**
27 **RESPECTIVE PROVINCIAL CAPITOL, CITY HALL AND**
28 **MUNICIPAL HALL, AND IN TWO (2) OTHER CONSPICUOUS**
29 **PUBLIC PLACES WITHIN THE LGU COVERED BY THE**
30 **APPROVED SMV.**
31

32 **THE DOF AND THE CONCERNED LGUS SHALL POST THE**
33 **APPROVED SMV IN THEIR OFFICIAL WEBSITE.”**
34

35 **SEC. 7.** A new section designated as Section 212-B of RA No. 7160, as
36 amended, is hereby added to read as follows:
37

38 **“SEC. 212-B. MANDATORY REVISION OF SCHEDULE OF**
39 **MARKET VALUE. – ALL PROVINCIAL ASSESSORS,**
40 **TOGETHER WITH THE MUNICIPAL ASSESSORS AND THE**
41 **CITY ASSESSORS, INCLUDING THE MUNICIPAL ASSESSOR**
42 **WITHIN THE METROPOLITAN MANILA AREA, SHALL**
43 **UPDATE THEIR RESPECTIVE SMV, SUBJECT TO THE**
44 **PROCEDURES PROVIDED IN SECTION 212-A, ONCE EVERY**
45 **THREE (3) YEARS.**
46

1 THE BLGF SHALL PREPARE THE SCHEDULE FOR THE
2 UPDATING OF THE SMV IN ALL PROVINCES AND CITIES,
3 INCLUDING THE MUNICIPALITY WITHIN THE
4 METROPOLITAN MANILA AREA.

5
6 FAILURE TO REVISE THEIR RESPECTIVE SCHEDULE OF
7 MARKET VALUES WITHOUT JUSTIFIABLE CAUSE MAY
8 SUBJECT THE RESPONSIBLE OFFICIAL OR PROPERTY
9 OWNER FOR LIABILITIES UNDER THE LAW.”

10
11 **SEC. 8.** Section 214 of RA No. 7160, as amended, is hereby amended
12 to read as follows:

13
14 **“SEC. 214. *Amendment UPDATING of THE Schedule of Fair***
15 ***Market Values.*** - ~~The provincial, city or municipal assessor~~
16 ~~may recommend to the sanggunian concerned amendments to~~
17 ~~correct errors in valuation in the schedule of fair market values.~~
18 ~~The sanggunian concerned shall, by ordinance, act upon the~~
19 ~~recommendation within ninety (90) days from receipt thereof.~~

20
21 **IN CASE OF SIGNIFICANT CHANGE IN THE MARKET VALUE**
22 **WHERE THE PROPERTY IS LOCATED AFTER THE SMV**
23 **HAVE BEEN APPROVED AND PRIOR TO THE NEXT**
24 **REVISION, SUCH AS IN TIMES OF CALAMITIES,**
25 **DISASTERS, MAN-MADE OR NATURAL AND OTHER**
26 **ADVERSE CIRCUMSTANCES, OR WHERE CORRECTION OF**
27 **ERRORS AND INEQUALITIES IN THE SMV IS DEEMED**
28 **NECESSARY, OR UPON THE DIRECTIVE OF THE**
29 **SECRETARY OF FINANCE, THE PROVINCIAL AND CITY**
30 **ASSESSORS SHALL RECOMMEND REVISIONS TO THE**
31 **EXISTING SMV TO THE BLGF REGIONAL OFFICE,**
32 **THROUGH THE BLGF REGIONAL DIRECTOR EXERCISING**
33 **JURISDICTION OVER THE LGU CONCERNED: PROVIDED,**
34 **THAT THE CITY ASSESSORS AND MUNICIPAL ASSESOR**
35 **WITHIN THE METROPOLITAN MANILA AREA, SHALL**
36 **RECOMMEND REVISIONS TO THE EXISTING SMV TO THE**
37 **BLGF CENTRAL OFFICE.**

38
39 **SUCH REVISION OR REVISIONS SHALL BE SUBJECT TO**
40 **REVIEW BY THE CONCERNED BLGF REGIONAL OFFICE**
41 **AND THE BIR REGIONAL OFFICE, WHICH SHALL**
42 **COMPLETE THE REVIEW AND SUBMIT THEIR**
43 **RECOMMENDATIONS TO THE BLGF EXECUTIVE**
44 **DIRECTOR, IN ACCORDANCE WITH SECTIONS 212 AND**
45 **212-A HEREOF.”**
46

1 **SEC. 9.** A new section designated as Section 214-B of RA No. 7160, as
2 amended, is hereby added to read as follows:

3
4 **“SEC. 214-B. USE OF SCHEDULE OF MARKET VALUES. –**
5 **THE APPROVED SMV SHALL BE USED AS A BASIS FOR THE**
6 **DETERMINATION OF REAL PROPERTY-RELATED TAXES**
7 **OF NATIONAL AND LOCAL GOVERNMENTS, AS FOLLOWS:**

8
9 **(A) FOR PURPOSES OF REAL PROPERTY TAXATION, THE**
10 **APPROVED SMV SHALL, IN NO CASE, BE ADOPTED BY**
11 **THE LGU LESS THAN SIX (6) MONTHS PRIOR TO THE**
12 **EFFECTIVITY OF THE NEW ASSESSMENT RATES TO**
13 **ENSURE THE PROPER CLEANSING AND UPDATING OF**
14 **RECORDS, AND NOTIFICATION OF PROPERTY OWNERS**
15 **IN THE CONDUCT OF GENERAL REVISION OF**
16 **ASSESSMENT AND PROPERTY CLASSIFICATION;**

17 **(B) IN COMPUTING ANY INTERNAL REVENUE TAX, THE BIR**
18 **COMMISSIONER SHALL USE THE SMV, OR THE ACTUAL**
19 **GROSS SELLING PRICE IN CONSOLIDATION, AS STATED**
20 **IN REAL PROPERTY TRANSACTION DOCUMENTS,**
21 **WHICHEVER IS HIGHER; AND**

22 **(C) FOR OTHER PURPOSES, SUCH AS LOCAL TRANSFER**
23 **TAX, TAX ON SAND AND GRAVEL, COMMUNITY TAX,**
24 **FEES AND CHARGES, OR AS BENCHMARK FOR REAL**
25 **PROPERTY APPRAISAL OF OTHER GOVERNMENT**
26 **AGENCIES, THE APPROVED SMV SHALL BE USED UPON**
27 **ITS EFFECTIVITY.**

28
29 **NOTWITHSTANDING THE PROVISIONS OF EXISTING LAWS**
30 **TO THE CONTRARY, THE FAILURE TO CONDUCT A**
31 **GENERAL REVISION OF ASSESSMENT AND PROPERTY**
32 **CLASSIFICATION, AND USE OF THE APPROVED SMV SHALL**
33 **RENDER AN LGU INELIGIBLE FOR ANY CONDITIONAL OR**
34 **PERFORMANCE-BASED GRANT OR TO CONTRACT ANY**
35 **FORM OF CREDIT FINANCING.”**

36
37 **SEC. 10.** A new section designated as Section 218 of RA No. 7160, as
38 amended, is hereby added to read as follows:

39
40 **“SEC. 218. SETTING ASSESSMENT LEVELS AND TAX**
41 **RATES. – THE APPROVED SMV SHALL BE TRANSMITTED**
42 **TO THE CONCERNED LOCAL CHIEF EXECUTIVE,**
43 **THROUGH THE RESPECTIVE PROVINCIAL, CITY, AND**
44 **MUNICIPAL ASSESSOR. THE CONCERNED ASSESSOR, IN**
45 **COORDINATION WITH THE LOCAL TREASURER, SHALL**
46 **ESTIMATE THE REVENUE AND TAX IMPACT OF THE NEW**

1 SMV BASED ON EXISTING ASSESSMENT LEVELS AND TAX
2 RATES, AND RECOMMEND AMENDMENTS THEREON
3 BASED ON THREE (3) DIFFERENT SCENARIOS. THE
4 ASSESSOR SHALL THEREAFTER PREPARE AND SUBMIT
5 THE REVENUE AND TAX IMPACT REPORT TO THE LOCAL
6 CHIEF EXECUTIVE FOR CONSIDERATION.

7
8 THE LOCAL CHIEF EXECUTIVE SHALL TRANSMIT THE
9 APPROVED SMV, TOGETHER WITH THE REVENUE AND
10 TAX IMPACT REPORT, WITHIN FIFTEEN (15) DAYS FROM
11 RECEIPT OF THE SAME TO THE SANGGUNIAN FOR THE
12 ENACTMENT OF AN ORDINANCE SETTING THE
13 APPROPRIATE ASSESSMENT LEVELS AND TAX RATES.
14 DURING THE SANGGUNIAN'S DELIBERATIONS PRIOR TO
15 THE ENACTMENT OF THE TAX ORDINANCE, IT MAY CALL
16 UPON THE ASSESSOR TO PROVIDE TECHNICAL
17 ASSISTANCE AND CALCULATE THE REVENUE AND TAX
18 IMPACT OF ADDITIONAL OPTIONS IN ORDER TO ARRIVE
19 AT A DESIRED LEVEL OF REVENUE AND TAX GOALS THAT
20 THE SANGGUNIAN WILL ADOPT.

21
22 THE SANGGUNIAN SHALL EVALUATE AND ENACT THE
23 MOST APPROPRIATE ASSESSMENT LEVELS PURSUANT TO
24 SEC. 218-B OF THIS CODE AND TAX RATES BASED ON THE
25 RECOMMENDATION OF THE ASSESSOR, SUBJECT TO THE
26 LIMITATIONS PROVIDED IN SEC. 233 OF THIS CODE. THE
27 CONCERNED SANGGUNIAN SHALL ENACT THE TAX
28 ORDINANCE WITHIN SIXTY (60) DAYS FROM RECEIPT
29 THEREOF, UPON CONDUCT OF PUBLIC HEARINGS AND
30 PROPER CONSULTATIONS; OTHERWISE, THE EXISTING
31 ORDINANCE ON ASSESSMENT LEVELS AND TAX RATES
32 SHALL REMAIN IN FORCE AND EFFECT.

33
34 UPON ENACTMENT BY THE SANGGUNIAN OF AN
35 ORDINANCE FOR THE ASSESSMENT LEVELS AND TAX
36 RATES, THE LOCAL CHIEF EXECUTIVE SHALL ACT WITHIN
37 TEN (10) DAYS, IN THE CASE OF CITIES, INCLUDING THE
38 MUNICIPALITY IN THE METROPOLITAN MANILA AREA, OR
39 WITHIN FIFTEEN (15) DAYS, IN THE CASE OF PROVINCES,
40 TO APPROVE THE SAME. FAILURE OF THE CONCERNED
41 LOCAL CHIEF EXECUTIVE TO ACT ON THE ORDINANCE
42 WITHIN THE PRESCRIBED PERIOD SHALL RENDER THE
43 SAME APPROVED: PROVIDED, THAT THIS LAW SHALL NOT
44 BE CONSTRUED TO ABRIDGE THE POWER OF LGUS TO
45 LOWER AND ADJUST ASSESSMENT LEVELS AND TAX

1 **RATES TO PROVIDE WITH IT TO RESIDENTIAL PROPERTY**
2 **OWNERS AS DEEMED NECESSARY.”**
3

4 **SEC. 11.** A new section designated as Section 218-A of RA No. 7160,
5 as amended, is hereby added to read as follows:
6

7 **“SEC. 218-A. PUBLICATION OF ASSESSMENT LEVELS AND**
8 **TAX RATES. – THE APPROVED ORDINANCE FOR THE**
9 **ASSESSMENT LEVELS AND TAX RATES SHALL BE**
10 **PUBLISHED BY THE CONCERNED LGU IN A NEWSPAPER OF**
11 **LOCAL OR GENERAL CIRCULATION ONCE A WEEK FOR**
12 **TWO (2) CONSECUTIVE WEEKS AND, BE POSTED IN THE**
13 **RESPECTIVE PROVINCIAL CAPITOL, CITY HALL AND**
14 **MUNICIPAL HALL, AND IN TWO (2) OTHER CONSPICUOUS**
15 **PUBLIC PLACES THEREIN.”**
16

17 **SEC. 12.** Section 218 of RA No. 7160, as amended, is hereby amended
18 and renumbered to read as follows:
19

20 **“SEC. 218-B. Assessment Levels.** – The assessment levels to
21 be applied to the fair market value of real property to determine
22 its assessed value shall be fixed by **AN** ordinance of the **A**
23 ~~Sangguniang Panlalawigan, Sangguniang panlungsod or~~
24 ~~Sangguniang bayan of a municipality within the Metropolitan~~
25 ~~Manila Area,~~ at the rates not exceeding the following:
26

27 (a) x x x

28 (b) x x x

29 (1) Residential

30 Fair Market Value

31 x x x
32

33 (2) Agricultural

34 Fair Market Value

35 x x x
36

37 (3) Commercial / Industrial

38 Fair Market Value

39 x x x
40

41 (4) Timber land

42 Fair Market Value

43 x x x.”
44

45 **SEC. 13.** Section 219 of RA No. 7160, as amended, is hereby amended
46 to read as follows:

1
2 **“SEC. 219. MANDATORY General Revision of Assessments**
3 **and Property Classification.** – The provincial, city, or
4 municipal assessor shall undertake a **MANDATORY** general
5 revision of real property assessments **ONCE EVERY THREE (3)**
6 **YEARS.** ~~within two (2) years after the effectivity of this Code and~~
7 ~~every three (3) years thereafter.~~

8
9 **FAILURE TO CONDUCT A MANDATORY GENERAL REVISION**
10 **OF REAL PROPERTY ASSESSMENTS WITHOUT**
11 **JUSTIFIABLE CAUSE MAY SUBJECT THE RESPONSIBLE**
12 **OFFICIAL OR PROPERTY OWNER FOR LIABILITIES UNDER**
13 **THE LAW.”**

14
15 **SEC. 14.** Section 221 of RA No. 7160, as amended, is hereby amended
16 to read as follows:

17
18 **“SEC. 221. Date of Effectivity of Assessment or**
19 **Reassessment.** – All assessments or reassessments made after
20 the first (1st) day of January of any year shall take effect on the
21 first (1st) day of January of the succeeding year: Provided,
22 however, That the reassessment of real property due to its
23 partial or total destruction, or to a major change in its actual
24 use, or to any great and sudden inflation or deflation of real
25 property values, or to the gross illegality of the assessment when
26 made or to any other abnormal cause, shall be made within
27 ninety (90) days from the date any such cause or causes
28 occurred, and shall take effect at the beginning of the quarter
29 next following the reassessment.

30
31 **PROVIDED, FURTHER, THAT THE MANDATORY GENERAL**
32 **REVISION OF REAL PROPERTY ASSESSMENTS SHALL**
33 **TAKE EFFECT ON THE FIRST DAY OF AUGUST AFTER THE**
34 **WHOLE CYCLE SET TO CONDUCT THE REVISION.”**

35
36 **SEC. 15. Implementing Rules and Regulations.** – Within six (6)
37 months after the effectivity of this Act, the Department of Finance shall, in
38 consultation with concerned parties, issue the Implementing Rules and
39 Regulations for the effective implementation of this Act. The IRR issued
40 pursuant to this section shall take effect thirty (30) days after its publication
41 in a newspaper of general circulation.

42
43 **SEC. 16. Transitory Provisions.** – LGUs which are in the process of
44 updating their SMVs shall, upon the effectivity of this Act, continue with such
45 revisions in accordance with the provisions of this Act: *Provided*, that proper
46 notification and coordination with the BLGF shall be undertaken.

1
2 In case the SMVs are not yet available or updated, the BIR
3 Commissioner shall adopt the existing SMVs, zonal values or the actual price
4 in consideration as stated in real property transaction documents whichever
5 is higher, for purposes of computing any internal revenue taxes.
6

7 The conduct of mandatory revision of Schedule of Market Values and
8 the conduct of mandatory general revision of Assessments and Property
9 Classifications shall commence by calendar year 2025.
10

11 **SEC. 17. *Saving Clause.*** – The zonal values, as determined by the BIR
12 and approved by the Secretary of Finance for internal revenue tax purposes,
13 and the SMVs prepared by the provincial assessors, together with the city
14 assessors, and municipal assessors, including the municipal assessor in the
15 Metropolitan Manila Area, that have been approved by their respective
16 *sanggunians* for real property taxation purposes shall continue to be in force
17 and effect until repealed, superseded, modified, revised, set aside, or replaced
18 by the values provided under the updated SMVs as approved in accordance
19 with the provisions of this Act.
20

21 **SEC. 18. *Separability Clause.*** – If any section or provision of this Act
22 shall be declared unconstitutional or invalid, other sections or provisions not
23 affected thereby shall continue to be in full force and effect.
24

25 **SEC. 19. *Repealing Clause.*** – Sections 199, 201, 202, 207, 212, 214,
26 218, 219, and 221 of Republic Act No. 7160, otherwise known as the Local
27 Government Code of 1991, as amended, are hereby amended. All laws, acts,
28 presidential decrees, executive orders, administrative orders, rules and
29 regulations, or parts thereof inconsistent with or contrary to the provisions of
30 this Act are hereby modified, amended, or repealed accordingly.
31

32 **SEC. 20. *Effectivity.*** – This Act shall take effect fifteen (15) days after
33 its publication in the Official Gazette or in a newspaper of general circulation.
34

Approved,