

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session



**HOUSE OF
REPRESENTATIVES
HOUSE BILL NO. 10847**

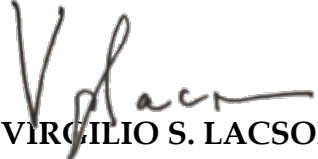
Introduced by **REPRESENTATIVE VIRGILIO S. LACSON**

EXPLANATORY NOTE

The obligations of property ownership does not end at buying property. In fact, it is only the first among the many steps. There is unending expenses for repairs, maintenance, improvements, and most importantly, taxes.

Property owners are required by law to pay real property taxes annually, as provided for in the Local Government Code of 1991 or Republic Act no. 7160. This applies to all types of real properties, including lands, buildings, improvements, and machinery. Failure to pay the annual real property taxes have consequences. Real property subject to such tax may be levied upon through the issuance of a warrant on or before, or simultaneously with, the institution of the civil action for the collection of the delinquent tax. The local government unit which has jurisdiction over the property can auction off to satisfy the delinquency as well as cover the expenses of the sale. However, the law still provides for a remedy to recover this property within the redemption period of 1 year, subject to payment of amount of the delinquent tax, including the interest due thereon, and the expenses of sale from the date of delinquency to the date of sale, plus interest of not more than two percent (2%) per month.

This bill seeks to impose the prevailing interest rate on the penalty imposed against property owners exercising their right to recover their properties.


VIRGILIO S. LACSON
Manila Teachers Party-list

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Introduced by **REPRESENTATIVE VIRGILIO S. LACSON**

AN ACT
AMENDING SECTION 261, TITLE II, CHAPTER VI OF REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS THE 'LOCAL GOVERNMENT CODE OF 1991' AND
FOR OTHER PURPOSES

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

SECTION 1. Section 261 of Republic Act no. 7160, as amended, otherwise known as the "Local Government Code of 1991" is hereby further amended as follows:

SECTION 261. Redemption of Property Sold. – Within one (1) year from the date of sale, the owner of the delinquent real property or person having legal interest therein, or his representative, shall have the right to redeem the property upon payment to the local treasurer of the amount of the delinquent tax, including the interest due thereon, and the expenses of sale from the date of delinquency to the date of sale, plus interest of not more than ~~two percent (2%) per month~~ **THE PREVAILING INTEREST RATE AS DETERMINED BY THE BANGKO SENTRAL NG PILIPINAS** on the purchase price from the date of sale to the date of redemption. Such payment shall invalidate the certificate of sale issued to the purchaser and the owner of the delinquent real property or person having legal interest therein shall be entitled to a certificate of redemption which shall be issued by the local treasurer or his deputy.

From the date of sale until the expiration of the period of redemption, the delinquent real property shall remain in the possession of the owner or person having legal interest therein who shall be entitled to the income and other fruits thereof.

The local treasurer or his deputy, upon receipt from the purchaser of the certificate of sale, shall forthwith return to the latter the entire amount paid by him plus interest of not more than ~~two percent (2%) per month~~ **THE PREVAILING INTEREST RATE AS DETERMINED BY THE BANGKO SENTRAL NG**

PILIPINAS. Thereafter, the property shall be free from the lien of such delinquent tax, interest due thereon and expenses of sale.

SECTION 2. This Act shall take effect fifteen (15) days after its publication in any two (2) newspapers of general circulation.

Approved,