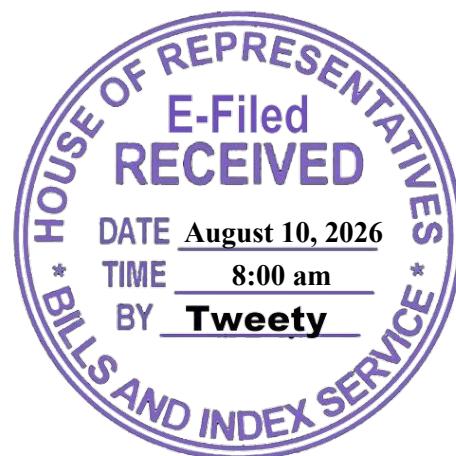




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
Second Regular Session

House Bill No. **10669**

Introduced by HON. RODOLFO “OMPONG” M. ORDANES

AN ACT
AMENDING SECTIONS 15, 19, 29, 30, AND 31 OF REPUBLIC ACT NO. 12001,
OTHERWISE KNOWN AS THE “REAL PROPERTY VALUATION AND
ASSESSMENT REFORM ACT”

EXPLANATORY NOTE

Real property taxation is a vital and stable source of local government revenue. To ensure that property assessments remain fair, transparent, and reflective of prevailing market conditions, Republic Act No. 12001, otherwise known as the “Real Property Valuation and Assessment Reform Act” (RPVARA), established a systematic and evidence-based framework for real property valuation.

This measure does not seek to repeal or weaken the RPVARA. Rather, it recognizes that its successful implementation must consider prevailing economic conditions and the readiness of implementing institutions. The continuing geopolitical tensions in the Middle East have contributed to global market uncertainties and volatility in fuel and commodity prices. At the same time, the Philippines has recently endured successive typhoons, flooding, earthquakes, and other natural calamities that have disrupted livelihoods, damaged property, and strained the financial capacity of many Filipino families and local government units (LGUs).

Under these circumstances, a measured transition in the implementation of RPVARA is both prudent and necessary. Beyond mitigating the immediate financial impact on taxpayers, it will provide local government units (LGUs) sufficient time to complete the

technical, institutional, and administrative requirements necessary to implement the law effectively and uniformly.

Preparing a Schedule of Market Values (SMV), which serves as the foundation of the valuation system under RPVARA, is a highly technical undertaking requiring extensive data gathering, validation of property transactions, market analysis, stakeholder consultations, and compliance with national valuation standards. Although the RPVARA has already taken effect, several implementing mechanisms were issued later than anticipated, while consultations with LGUs reveal varying levels of preparedness in terms of technical expertise, staffing, market data, digital infrastructure, and institutional capacity. These circumstances warrant additional time to ensure the proper implementation of the law.

The readiness of LGUs is particularly important because approved SMVs affect not only real property taxation but also various taxes, fees, and charges under existing laws. Premature implementation may result in inconsistent valuations, administrative disputes, and unintended financial burdens on taxpayers, including senior citizens and other property owners who rely on fixed or limited incomes.

Accordingly, this measure aims to provide a reasonable transition period by postponing the tax-impacting implementation of approved SMVs, while allowing their preparation, updating, review, validation, calibration, harmonization, approval, and publication to continue in accordance with the law. This approach preserves the objectives of RPVARA while ensuring that its implementation proceeds on a sound, uniform, and equitable basis.

By providing LGUs sufficient time to prepare and by mitigating the immediate impact of updated property valuations on taxpayers, especially senior citizens, this measure seeks to strengthen the implementation of RPVARA while promoting a transparent, credible, equitable, and sustainable real property valuation system.

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


RODOLFO "OMPONE" M. ORDANES



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AN ACT
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ASSESSMENT REFORM ACT”

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

1 SECTION 1. Section 15 of Republic Act No. 12001, otherwise known as the “Real
2 Property Valuation and Assessment Reform Act” (RPVARA), is hereby amended to read
3 as follows:

4 “SEC. 15. *Preparation of the Schedule of Market Values.* — xxx

5 The preparation of the SMVs shall be completed within **THIRTY**
6 **SIX (36)** ~~[twelve (12)]~~ months following **THE EFFECTIVITY OF THE**
7 **IMPLEMENTING RULES AND REGULATIONS PROMULGATED**
8 **PURSUANT TO SECTION 36 OF THIS ACT** ~~[the notice from the BLGF~~
9 ~~to all local assessors to submit their proposed SMVs]~~. Two (2) mandatory
10 public consultations shall be conducted within sixty (60) days before the
11 submission by the local assessor of the SMV. All provincial, city, and
12 municipal assessors shall publish the proposed SMVs for at least two (2)
13 weeks prior to the public consultation and hearing, in the official website
14 of the LGU concerned, as well as post in two (2) conspicuous places in the
15 provincial capitol, city hall, or municipal hall, as the case may be.

16 After public consultation and completion of the proposed SMV, the
17 local assessor shall submit the proposed SMV to the BLGF Regional
18 Office, and within **NINETY (90)** ~~[forty-five (45)]~~ days from receipt
19 thereof, the BLGF Regional Office shall review and endorse the same to
20 the head of the BLGF: *Provided, That in the case of cities and the lone*

1 municipality within Metropolitan Manila Area, the proposed SMV shall
2 be submitted to and reviewed by the BLGF Central Office. The head of
3 the BLGF shall review and endorse the proposed SMV within thirty (30)
4 days from receipt thereof to the Secretary of Finance.”

5 SEC. 2. Section 19 of Republic Act No. 12001 is hereby amended to read as follows:

6 “SEC 19. *Updating of the Schedule of Market Values.* — All provincial
7 assessors, together with the municipal assessors and the city assessors,
8 including the lone municipal assessor within the Metropolitan Manila
9 Area and the assessor of the PHIVIDEC Industrial Authority, shall
10 update their respective SMVs within **THREE (3) [two-(2)]** years from the
11 **EFFECTIVITY OF THE IMPLEMENTING RULES AND**
12 **REGULATIONS OF** this Act. LGUs shall update the SMVs and conduct
13 general revision of property assessments and classifications every three
14 (3) years thereafter. The BLGF shall prepare the schedule for the updating
15 of the SMVs in all provinces and cities, including the municipality within
16 the Metropolitan Manila Area and areas under the PHIVIDEC Industrial
17 Authority.

18 xxx”

19 SEC. 3. Section 29 of Republic Act No. 12001 is hereby amended to read as follows:

20 “SEC. 29. *Transitory Guidelines.* — xxx

21 For the **THREE YEARS [first-year]** of effectivity of the approved
22 SMV in accordance to this Act, any increase in real property taxes shall
23 be limited to a maximum of six percent (6%) of the real property taxes
24 assessed on such properties prior to the effectivity of this Act: Provided,
25 That the cap shall be applicable to each type of real property tax,
26 including Special Education Fund, idle land tax, and other special levies
27 in real property: Provided, further, That the LGU may enact an ordinance
28 to impose a cap on the increase in real property taxes for the succeeding
29 years.”

30 SEC. 4. Section 30 of the Republic Act No. 12001 is hereby amended to read as
31 follows:

32 “SEC. 30. *Grant of Tax Amnesty on Real Property Taxes and Special*
33 *Levies on Real Property.* — There is hereby granted a real property tax
34 amnesty which shall cover penalties, surcharges, and interests from all
35 unpaid real property taxes, including Special Education Fund, idle land
36 tax, and other special levy taxes, prior to the effectivity of this
37 Act: *Provided,* That the real property tax amnesty hereby authorized and
38 granted can only be availed within a period of **THREE (3) [two-(2)]** years
39 after the effectivity **OF THE IMPLEMENTING RULES AND**
40 **REGULATIONS** of this Act.

41 This relief may be availed by a delinquent property owner with the
42 option of one-time payment or installment payment of the delinquent

1 real property taxes within **THREE (3) [two (2)]** years from the effectivity
2 **OF THE IMPLEMENTING RULES AND REGULATIONS** of this Act.

3 xxx”

4 SEC. 5. Section 31 of Republic Act No. 12001 is hereby amended to read as follows:

5 “SEC. 31. *Saving Clause.* — The zonal values, as determined by the BIR and
6 approved by the Secretary of Finance for internal revenue tax purposes,
7 together with the municipal assessors, and the city assessors, including the lone
8 municipal assessor in Metropolitan Manila Area and the assessor of the
9 PHIVIDEC Industrial Authority, shall continue to be in force and effect until
10 repealed, superseded, modified, revised, set aside, or replaced by the values
11 provided under the new SMVs as approved in accordance with Section 16 of
12 this Act, which shall be within **FOUR (4) [two (2)]** years upon the effectivity
13 **OF THE IMPLEMENTING RULES AND REGULATIONS** of this
14 Act: *Provided*, That the PHIVIDEC Industrial Authority, pursuant to Section 4
15 (h) of Presidential Decree No. 538, shall continue to levy, assess, and collect real
16 property taxes on real properties within its jurisdiction.”

17 SEC. 6. *Separability Clause.* — If any provision or part of this Act is declared
18 unconstitutional or invalid, the remaining parts or provisions not affected shall
19 remain in full force and effect.

20 SEC. 7. *Repealing Clause.* — All laws, executive orders, presidential decrees,
21 administrative rules and regulations, or parts thereof inconsistent with the
22 provisions of this Act are hereby repealed, amended, or modified accordingly.

23 SEC. 8. *Effectivity.* — This Act shall take effect fifteen (15) days after its
24 publication in the Official Gazette or in two (2) newspapers of general
25 circulation.

26 *Approved,*