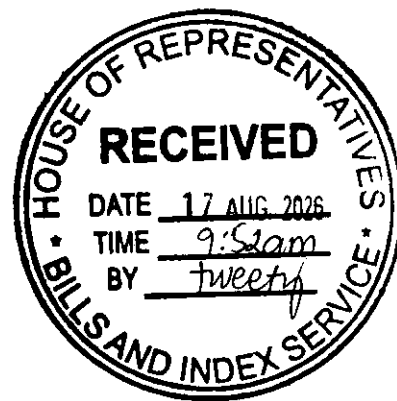


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
Second Regular Session

HOUSE BILL NO. 10811



Introduced by **Representative RAYMOND ADRIAN E. SALCEDA**

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

EXPLANATORY NOTE

Republic Act No. 12001, otherwise known as the "Real Property Valuation and Assessment Reform Act" (RPVARA), was enacted to establish a uniform, equitable, and transparent system of real property valuation in the country. The law seeks to address outdated and inconsistent property valuations by adopting prevailing market values as the single valuation base for taxation and other government purposes, while strengthening the capacity of local government units (LGUs) to generate revenues from real property.

While the objectives of RPVARA remain sound and necessary, its transition to a market-based valuation system may pose challenges to both LGUs and property owners. The preparation and updating of Schedules of Market Values (SMVs) require sufficient technical capacity, reliable market data, trained personnel, digital infrastructure, and adequate time for review and validation. At the same time, the adoption of updated market values may result in significant adjustments in real property valuations and, consequently, the tax obligations of property owners.

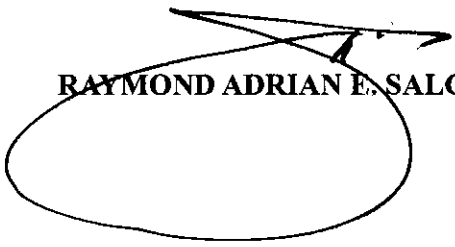
At a time when Filipino families continue to contend with the rising cost of food, fuel, electricity, housing, and other basic necessities, the implementation of these adjustments must be carefully managed. A sound valuation reform should strengthen local fiscal capacity without imposing sudden and disproportionate burdens on ordinary property owners.

This bill, therefore, seeks to provide a reasonable transition and relief period in the implementation of RPVARA. It extends key implementation timelines to give LGUs sufficient time to prepare, review, and harmonize their SMVs and strengthen the systems necessary for effective implementation. It likewise extends the period during which increases in real property taxes arising from the new SMVs are subject to the statutory cap and provides taxpayers additional time to avail themselves of the real property tax amnesty.

These safeguards will particularly benefit ordinary homeowners, senior citizens and retirees living on fixed incomes, low- and middle-income families, small property owners, farmers and other landowners whose properties may experience substantial increases in assessed market values. LGUs will likewise benefit from additional time to build their technical and administrative capacity, helping ensure that the eventual implementation of the reform is accurate, consistent, and sustainable.

The measure does not abandon or diminish the objectives of RPVARA. Rather, it recognizes that a major structural reform in real property valuation must be accompanied by an orderly and equitable transition. The goal is to allow the government to modernize the country's property valuation system while protecting Filipino families from abrupt increases in their tax burden and allowing LGUs to adequately prepare for full implementation.

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



RAYMOND ADRIAN E. SALCEDA

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

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

"SECTION 15. *Preparation of the Schedule of Market Values.*

– The provincial assessors, together with municipal assessors, and city assessors, including the lone municipal assessor in the Metropolitan Manila Area and the assessor of the PHIVIDEC Industrial Authority, shall prepare the SMVs for the different classes of real property situated within their respective LGUs, pursuant to the PVS, and other rules, regulations and specifications set by the DOF.

"The preparation of the SMVs shall be completed within **TWENTY-FOUR (24)** [~~twelve~~—(12)] months following **EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS PROMULGATED PURSUANT TO SECTION 36 OF THIS ACT** [~~the notice from the BLGF to all local assessors to submit their proposed SMVs~~]. Two (2) mandatory public consultations shall be conducted within sixty (60) days before the submission by the local assessor of the SMV. All provincial, city, and municipal assessors shall publish the proposed SMVs for at least two (2) weeks prior to the public consultation and hearing, in the official website of the LGU concerned, as well as post in two (2) conspicuous places in the provincial capitol, city hall, or municipal hall, as the case may be.

"After public consultation and completion of the proposed SMV, the local assessor shall submit the proposed SMV to the BLGF

Regional Office, and within forty-five (45) days from receipt thereof, the BLGF Regional Office shall review and endorse the same to the head of the BLGF: Provided, That in the case of cities and the lone municipality within Metropolitan Manila Area, the proposed SMV shall be submitted to and reviewed by the BLGF Central Office. The head of the BLGF shall review and endorse the proposed SMV within thirty (30) days from receipt thereof to the Secretary of Finance.”

SEC. 2. The first paragraph of Section 19 of the RPVARA is hereby amended to read as follows:

“SECTION 19. *Updating of the Schedule of Market Values.* – All provincial assessors, together with the municipal assessors and the city assessors, including the lone municipal assessor within the Metropolitan Manila Area and the assessor of the PHIVIDEC Industrial Authority, shall update their respective SMVs within **THREE (3)** [~~two (2)~~] years from the effectivity of **THE IMPLEMENTING RULES AND REGULATIONS OF** this Act. LGUs shall update the SMVs and conduct general revision of property assessments and classifications every three (3) years thereafter. The BLGF shall prepare the schedule for the updating of the SMVs in all provinces and cities, including the municipality within the Metropolitan Manila Area and areas under the PHIVIDEC Industrial Authority.

“xxx”

SEC. 3. The first and second paragraphs of Section 30 of the RPVARA is hereby amended to read as follows:

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

This relief may be availed by a delinquent property owner with the option of one-time payment or installment payment of the delinquent real property taxes within **THREE (3)** [~~two (2)~~] years from the effectivity **OF THE IMPLEMENTING RULES AND REGULATIONS** of this Act.”

SEC. 4. Section 31 of the RPVARA is hereby amended to read as follows:

“SECTION 31. *Saving Clause.* – The zonal values, as determined by the BIR and approved by the Secretary of Finance for internal revenue tax purposes, and the existing SMVs prepared by the provincial

assessors, together with the municipal assessors, and the city assessors, including the lone municipal assessor in Metropolitan Manila Area and the assessor of the PHIVIDEC Industrial Authority, shall continue to be in force and effect until repealed, superseded, modified, revised, set aside, or replaced by the values provided under the new SMVs as approved in accordance with Section 16 of this Act, which shall be within **THREE (3)** [~~two (2)~~] years upon the effectivity **OF THE IMPLEMENTING RULES AND REGULATIONS** of this Act: Provided, That the PHIVIDEC Industrial Authority, pursuant to Section 4 (h) of Presidential Decree No. 538, shall continue to levy, assess, and collect real property taxes on real properties within its jurisdiction.”

SEC. 5. *Separability Clause.* – If, for any reason, any provision of this Act or any part thereof shall be held unconstitutional and invalid, the other parts or provisions of this Act, which are not affected thereby, shall remain in full force and effect.

SEC. 6. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,