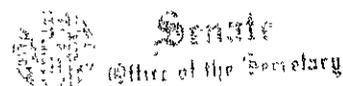


FIFTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

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SENATE

S. NO. 2981

RECEIVED
[Signature]

Introduced by SENATOR FERDINAND R. MARCOS, JR.

EXPLANATORY NOTE

Land governance, in the context of rapid development and urbanization, requires a land administration and management (LAM) system that is efficient, effective and equitable. Within this system operates the real property valuation sector, which is an integral component of LAM and a major contributor to a country's socio-economic development.

For so long, the country's real property sector has operated within an ineffective, inequitable, and inefficient valuation system. The problem is aggravated by the lack of national valuation standards that harmonize the valuations in the government and the private sector. With 23 national government agencies and almost 1,300 local government units (LGUs), along with private appraisers performing valuation using different methods and standards, the sector has been riddled with inconsistent real property values—where one property has conflicting values. Such condition has crippled the Government, both at the local and the national levels, to fully tap the potential of the land sector, and resulted to foregone revenues from national and local real property-related taxes. The resulting condition is unrealized fiscal sustainability.

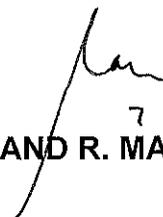
In the LGUs, the problems are more dramatic as the technical process of real property valuation is easily comingled with property taxation, which is a political exercise of elective LGU officials; thus, compromising the capacity of LGUs to generate revenues from real property from which they could sufficiently fund public goods and services for their constituencies. Considered as the main source of locally sourced revenue, the outdated Schedule of Market Values (SMVs), averaging from 10 to 12 years old, greatly narrowed the LGUs' real property tax base while increasing inequity in real property taxation. With the approval of SMVs assigned to the local councils, valuation, as a technical function, is often influenced by highly politicized decisions—far from the democratic tenet of the greater good. Since most of LGU values no longer reflect the true conditions of the local property market, the country's valuation system has acted as a disincentive for private investors to take a more vibrant role in economic development. In the same vein, many government-led projects and investments have been delayed due to just compensation issues and lengthy court litigations.

As the Government pursues reforms in the LAM sector, this bill proposes to institutionalize valuation reforms starting from the LGUs by adopting a market-based SMV that is governed by uniform valuation standards based on international best practices, methods, and techniques. The existing expertise of LGU assessors, who are now subject to the professionalization and regulation requirements of Republic Act No. 9646 or the Real Estate Service Act of 2009, will be the critical players of the reform process. In turn, SMVs shall be the basis of local and national real property taxation, and as benchmark for other purposes by other government agencies and instrumentalities. A national real property transactions database shall also be established to increase transparency and build public trust in the valuation sector.

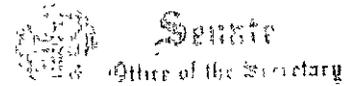
Furthermore, the bill proposes to strengthen and reorganize the Bureau of Local Government Finance (BLGF), under the Department of Finance, to assume institutional responsibility for the proposed reforms. The BLGF, through the creation of the Real Property Valuation Service (RPVS), is envisioned to conduct review of the SMVs and recommend for approval of the Secretary of Finance—thereby, separating the technical function of valuation from the political function of taxation. Thus, political backlash are minimized, and local officials are insulated from public pressures in the revision of SMVs.

In the end, this bill seeks to create a sustainable government platform for the institutionalization of valuation reforms in the country, and achieve a more rational LAM sector that will allow the Government to fully tap the potential of real property both at the national and local levels.

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


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FERDINAND R. MARCOS, JR.

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



11 OCT -3 P5:43

SENATE
S. NO. 2981

RECEIVED BY: 

Introduced by SENATOR FERDINAND R. MARCOS, JR.

AN ACT INSTITUTING REFORMS IN REAL PROPERTY VALUATION AND ASSESSMENT IN THE PHILIPPINES, REORGANIZING THE BUREAU OF LOCAL GOVERNMENT FINANCE, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title. – This Act shall be known as the "THE REAL PROPERTY VALUATION AND ASSESSMENT REFORM ACT OF 2011."

**ARTICLE I
DECLARATION OF POLICY AND OBJECTIVES,
AND DEFINITION OF TERMS**

SECTION 2. Declaration of Policy and Objectives. – It is the policy of the State to promote the development and maintenance of a just, equitable, impartial, and nationally consistent real property valuation based on internationally accepted valuation standards, concepts, principles, and practices. Towards this end, the State shall:

- (a) Promote the fiscal autonomy of local governments to provide basic services to their constituency by enhancing their capacity to generate local revenues from real property;
- (b) Establish and maintain valuation standards to govern the valuation of real property in the country;
- (c) Adopt market value as the single real property valuation base for the assessment of real property related taxes in the country, and for valuing or appraising real property for various transactions by all government agencies;
- (d) Separate the function of valuing or appraising of real properties from the functions of tax policy and administering the taxes due thereon;
- (e) Support the development and professionalization of the valuation/appraisal practice in the country pursuant to Republic Act No. 9646;
- (f) Provide a comprehensive and up-to-date electronic database of all real property transactions;
- (g) Support the development of a "body of knowledge" on valuation by continuing research and monitoring of new developments in the valuation discipline, for upgrading the country's valuation and keeping it abreast with global developments; and

- (h) Ensure transparency in real property transactions to protect the public and develop confidence in the work of appraisers and assessors.

SECTION 3. *Definition of Terms.* – As used in this Act, the following terms mean:

- (a) Appraiser refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, license, ability, and experience to execute or direct the valuation/appraisal of real property; also known as valuer.
- (b) Assessor refers to an official in the local government unit, who is a licensed appraiser, who performs appraisal and assessment of real properties, including plant, machinery and equipment, essentially for taxation and other purposes. This definition also includes assistant assessors.
- (c) Building refers to a man-made structure permanently attached to land for residential, commercial, industrial, recreational or other purposes.
- (d) Improvements refer to a valuable addition made to a property or an amelioration in its condition, amounting to more than a mere repair or replacement of parts involving capital expenditures and labor, which is intended to enhance its value, beauty or utility or to adapt it for new or further purposes.
- (e) Land refers to one of the major factors of production consisting sometimes of a material economic good, which is supplied by nature without the aid of man. Land may include not only the earth surface, both land and water, but also anything that is attached to the earth's surface. Thus, all natural resources in their original state, such as mineral deposits, wildlife, timber, and fish, are land within the technical meaning of the term; so also are sources of energy, outside of man himself, such as water, coal deposits, and the natural fertility of the soil.
- (f) Machinery refers to machines, equipment, mechanical contrivances, instruments, appliances or apparatus which may or may not be attached, permanently or temporarily, to the real property. It includes the physical facilities for production, the installations and appurtenant service facilities, those which are mobile, self-powered or self-propelled and those not permanently attached to the real property which are actually, directly and exclusively used to meet the needs of the particular industry, business or activity and which by their very nature and purpose are designed for, or necessary to its manufacturing, mining, logging, commercial, industrial or agricultural purposes.
- (g) Market Value refers to the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction (a transaction between independent, unrelated parties involving no irregularity) after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.
- (h) Private appraisal sector refers to licensed non-governmental real estate service practitioners who have been active in the practice of real estate appraisal for the last five (5) years.
- (i) Real Estate refers to the land and all those items which are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground.

- (j) Real Property refers to all the rights, interests, and benefits related to the ownership of real estate, plant, machinery, and equipment.
- (k) Schedule of Market Values, hereinafter referred to as SMV, refers to a table of market values of real properties within a local government unit prepared by assessors pursuant to existing laws, rules and regulations.
- (l) Special Purpose Property refers to a property which is designed, constructed and developed for a specific use or purpose. By its very nature, this type of property is rarely offered for sale in the open market except as part of a going concern. Because of the special design and function, conversion of special purpose properties to other types of development or application is generally not economically feasible.
- (m) Valuation/Appraisal refers to the systematic and analytic determination and recording of property facts, circumstances, investments, and investigation of other relevant data resulting in a supportable estimate and opinion of value or a professional conclusion based upon supporting data, logical analysis and judgment as of a specific date and for a specific purpose.

ARTICLE II

STRENGTHENING THE BUREAU OF LOCAL GOVERNMENT FINANCE

Chapter 1

BLGF Central Operations

SECTION 4. *Role of the Bureau of Local Government Finance.* – The Bureau of Local Government Finance, through the Real Property Valuation Service (RPVS) as hereinafter established, shall lead and manage the implementation of the provisions of this Act. The BLGF shall have the following powers and functions:

- (a) Develop, adopt, and maintain valuation standards consistent with generally accepted valuation standards, regulations and specifications for real property appraisal used for tax and other purposes, and ensure compliance therewith by local government units and other concerned parties;
- (b) Review for compliance with the real property valuation policies and standards, and recommend for approval of the Secretary of Finance the Schedule of Market Values (SMVs) as prepared by the provincial assessors together with municipal assessors, and city assessors, including the municipal assessor in Metro Manila, for tax, both local and national, and for other purposes;
- (c) Provide technical assistance on real property appraisal matters to government agencies and instrumentalities, and coordinate or conduct the valuation/appraisal of special purpose properties, when requested;
- (d) Provide leadership and policy directions to local government units on real property valuation/appraisal for taxation and other purposes, including the development and maintenance of valuation standards, the regulation of valuation/appraisal activities and other related matters, and the promotion of valuation/appraisal training and seminars;
- (e) Maintain a roster of licensed local government appraisers and assessors;
- (f) Develop and maintain a comprehensive and up-to-date electronic database of real property transactions and prices of materials for buildings, machinery, and other structures;

- (g) Conduct continuing study and research on valuation, and maintain an information based on current global and country trends and developments in real property valuation/appraisal;
- (h) Determine, fix, and collect reasonable amounts to be charged as administration fees, fines, and penalties relative to the implementation of this Act; and
- (i) Perform such other functions as are necessary, proper, and incidental to implement the provisions of this Act.

SECTION 5. *Establishment of the Real Property Valuation Service.* – To achieve the policy and objectives declared in this Act, there shall be established the Real Property Valuation Service, hereinafter referred to as the RPVS, within the Bureau of Local Government Finance.

The RPVS shall be headed by a Director who is a Filipino citizen, of good moral character, a licensed appraiser, and with at least ten (10) years experience in valuation/appraisal or assessment of real properties. The RPVS Director shall be appointed by the President, upon the recommendation of the Secretary of Finance, and shall have a salary grade equivalent to a Director II.

SECTION 6. *Responsibilities of the BLGF Executive Director.* – The BLGF Executive Director shall be responsible for the efficient and effective performance of the responsibilities set forth in this Act and for the overall internal management and governance of the RPVS. For this purpose, the BLGF Executive Director shall:

- (a) Develop and implement policies, plans, programs, and operating standards for the attainment of the objectives of this Act;
- (b) Provide policy directions and leadership in all aspects of valuation/appraisal and their implementation in the regional offices;
- (c) Recommend to the Secretary of Finance the approval of the Schedule of Market Values (SMVs) prepared by the provincial assessors together with municipal assessors, and city assessors, including the municipal assessor in Metro Manila, for tax and other purposes;
- (d) Advise and assist other government agencies on matters pertaining to real property valuation/appraisal; and
- (e) Perform such other functions as may be provided by law, or required in pursuance of this Act.

SECTION 7. *Consultations with Concerned Agencies and Sectors.* – (a) A Central Consultative Committee shall be created, chaired by the BLGF Executive Director and composed of a representative each from the:

1. Bureau of Internal Revenue (BIR);
2. Department of Environment and Natural Resources (DENR);
3. Bangko Sentral ng Pilipinas (BSP);
4. National organization of government assessors;
5. National organization of appraisers in national government agencies;
6. Private appraisal sector; and
7. Union of Local Authorities of the Philippines (ULAP);

- (b) The member-representatives from the BIR, DENR, and BSP must be performing valuation-related functions. The national organization of government assessors, the private sector, and the ULAP shall be represented by their respective heads of organization.
- (c) In case there are several national organizations of government assessors or appraisers, their respective heads shall elect from among themselves a representative to the central consultative committee. The same rule shall apply in the case of the private appraisal sector.
- (d) The Chairperson and members of the Committee shall not receive additional salary for the performance of their functions, but they shall be entitled to *honoraria*, pursuant to existing laws and regulations.
- (e) The Committee shall meet at the initiation of the Chairperson at least once every semester, and shall have as many meetings as the Chairperson may deem necessary for the adoption of valuation standards.

SECTION 8. *Functions of the Central Consultative Committee.* – The Central Consultative Committee shall serve as the consultation forum on matters pertaining to the setting, adoption and maintenance of the valuation standards.

Chapter 2 BLGF Regional Operations

SECTION 9. *Role of the BLGF Regional Offices.* – The BLGF Regional Offices, through the Regional Director, shall have the responsibility on all matters relating to valuation/appraisal and the SMVs in the region, such as:

- (a) Implement the provisions of this Act and related policies, plans, programs, rules and regulations on real property valuation or appraisal of local government units in the region;
- (b) Review and endorse to the BLGF Executive Director the proposed SMVs prepared by the provincial assessors together with the municipal assessors, and city assessors within the region;
- (c) Provide economical, efficient, and effective service relating to the implementation of the provisions of this Act in the region;
- (d) Coordinate and consult with regional offices of other government departments, bureaus, and agencies within the region dealing with real property valuation/appraisal;
- (e) Provide leadership and policy direction in the area of real property valuation/appraisal to local government units in the region;
- (f) Adopt and maintain a comprehensive and up-to-date regional electronic database of all regional real property-related transactions, and have custody of all transaction records submitted by local government assessors; and
- (g) Perform other functions as may be assigned by the BLGF Executive Director.

SECTION 10. *The Regional Consultative Committee.* – (a) There shall be a Regional Consultative Committee chaired by the BLGF Regional Director, and composed of a representative each from:

- 1) Bureau of Internal Revenue - Regional Office;
- 2) Department of Environment and Natural Resources - Regional Office;
- 3) Regional organization of government assessors;
- 4) Regional organization of national government appraisers;
- 5) Private appraisal sector within the region; and
- 6) Bankers association within the region.

- (b) The members of the Regional Consultative Committee must be performing valuation/appraisal related functions. Representatives from the regional organization of government assessors, private appraisal sector, and banking association within the region shall be represented by the head of their respective regional organization.
- (c) In case there are several regional organizations of government assessors or appraisers, their respective heads shall elect from among themselves a representative to the regional consultative committee. The same rule shall apply in the case of the private appraisal sector.
- (d) The Committee shall meet at the initiation of the BLGF Regional Director at least once every quarter, and shall have as many meetings as the BLGF Regional Director may deem necessary for the performance of its functions.

SECTION 11. *Functions of the Regional Consultative Committee.* – The Regional Consultative Committee shall serve as a consultation forum in the region for discussion on developments in the local real property market; concerns of taxpayers, civil society, and other stakeholders; outcome of Compliance Reporting in the region; level of complaints and appeals; local government unit training in the region; appraiser and assessor concerns in general; and other matters as may be determined by the Committee.

ARTICLE III VALUATION/APPRaisal OF REAL PROPERTIES

Chapter 1 Valuation Standards and Market Values

SECTION 12. *Development of Valuation Standards.* – Notwithstanding the provisions of existing laws to the contrary, the BLGF, shall develop, adopt, maintain and implement uniform valuation standards which shall be used by all appraisers and assessors in the local government units and other concerned parties in appraising or valuing lands, buildings, machinery and other real properties for taxation and other purposes. The valuation standards shall conform with generally accepted international valuation standards and principles.

SECTION 13. *Valuation/Appraisal of Real Property.* – For valuation purposes, all real properties, whether taxable or exempt, shall be valued or appraised at the market value prevailing in the locality where the property is situated, in conformity with the valuation standards adopted under this Act. The BLGF shall promulgate the rules and regulations for the valuation/appraisal of real property pursuant to the provisions of this Act. It shall provide leadership in ensuring rationalized valuation of real properties transcending political boundaries.

For real properties intended for low-cost or socialized housing and other programs of the government imbued with social policy objectives, the provisions of existing pertinent laws shall be applied after the determination of the prevailing market value of these properties in accordance with internationally accepted valuation standards adopted under this Act.

SECTION 14. Preparation of Schedule of Market Values. – Provincial assessors together with municipal assessors, and city assessors, including the municipal assessor in Metro Manila, shall prepare the SMVs for the different classes of real property situated within their respective local government units, pursuant to the valuation standards, rules, regulations and other specifications set by the DOF and the BLGF. The said SMVs shall be submitted by the assessor concerned, copy furnished the provincial governor or the city mayor, as the case may be, and the concerned *Sanggunian*, to the BLGF Regional Office for review and compliance with other requirements not later than the thirty-first (31st) day of October of the immediately preceding calendar year the general revision of real property assessments shall be undertaken. The said SMVs shall be reviewed by the BLGF Regional Office within thirty (30) days upon receipt thereof, and shall then be submitted by the same to the BLGF Central Office. Upon the recommendation of the BLGF Executive Director, the Secretary of Finance shall approve the SMV within sixty (60) days from receipt of the same; otherwise, said schedule shall be deemed approved.

The approved SMV shall be transmitted to the concerned assessor who shall confer with the local chief executive regarding the said approved SMV. Likewise, the concerned assessor shall submit to the local chief executive a tax impact report of the new SMV as against the existing assessment levels and tax rates, and shall provide the *Sanggunian*, through the Chairman of the Committee on Ways and Means, a copy of such report. The local chief executive shall transmit the approved SMV together with the tax impact report within fifteen (15) days from receipt of the same to the *Sanggunian* for the enactment of an Ordinance setting the appropriate assessment levels and tax rates. The concerned *Sanggunian* shall enact such Ordinance, upon conduct of public hearings and proper consultation, within sixty (60) days from receipt thereof; otherwise, the existing Ordinance on assessment levels and tax rates shall remain in force and effect.

Upon the enactment by the *Sanggunian* of an Ordinance for the assessment levels and tax rates, the local chief executive shall act within ten (10) days, in the case of cities, and the municipality in Metro Manila, or within fifteen (15) days, in the case of provinces, to approve the same. Failure of the concerned local chief executive to act on the Ordinance within the prescribed period shall render the same approved.

The approved Ordinance together with the SMV shall be published by the concerned local government unit in a newspaper of local circulation once a week for two consecutive weeks: *Provided, however,* That in provinces, cities and municipalities where there are no newspapers of local circulation, the same shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein. A list of LGUs whose SMVs have been approved shall be posted in the BLGF official website.

SECTION 15. Use of Schedule of Market Values. – The SMV, as approved by the Secretary of Finance, shall be used for the general revision of real property assessments as basis for the determination of real property related taxes imposed by the national and local government units, and as benchmark for real property appraisal for other purposes. In computing any internal revenue tax, the BIR Commissioner shall adopt the SMV or the actual price in consideration, as stated in real property transaction documents, whichever is higher.

Notwithstanding the provisions of existing laws to the contrary, the SMV shall cease as basis for the determination of national and local real property related taxes after five (5) years from the effectivity of its enacting Ordinance.

SECTION 16. *Revision of Schedule of Market Values.* – The BLGF shall formulate the program for the regular revision of SMVs. All provincial assessors together with the municipal assessors, and city assessors, including the municipal assessor in Metro Manila, shall undertake a revision of their respective SMVs within two (2) years from the effectivity of this Act. Thereafter, they shall undertake a general revision of SMVs and property assessments not earlier than three (3) years from the date of last revision, but not later than five (5) years.

In case of any significant change in the market where the property is located after the said SMVs have been approved and prior to its next revision, or where correction of errors and inequalities in any SMV is deemed necessary, the provincial assessors together with the municipal assessors, and city assessors, including the municipal assessor in Metro Manila, may recommend to the BLGF Executive Director revisions to their existing SMV. Such revision/s shall be subject to review by the concerned BLGF Regional Office and recommendation by the BLGF Executive Director for approval by the Secretary of Finance within ninety days (90) from the date of receipt thereof.

SECTION 17. *Conduct of Capacity Building Interventions.* – For the effective implementation of this Act, the BLGF shall develop and conduct the necessary trainings for all local assessors and other local officials/staff on the preparation of SMV in accordance with internationally accepted valuation standards, concepts, principles and practices; conduct of SMV impact studies; preparation of compliance reports, and other subject areas to ensure the effective implementation of this Act.

Chapter 2

Development and Maintenance of Real Property Database

SECTION 18. *Development of Real Property Database.* – The BLGF shall develop and maintain an up-to-date electronic database of the sale, exchange, lease, mortgage, donation and all other real property transactions in the country and on the cost of construction or renovation of buildings and other structures, and on prices of machinery. For this purpose, the BLGF is hereby authorized to require the mandatory submission of necessary documents from the concerned officials or employees of national government offices or instrumentalities, local government units, and the private sector. The updated database shall be made available to the local government units, national government agencies, and the private sector.

SECTION 19. *Duty of Register of Deeds to Supply Assessors of Real Property Transactions Data.* – The Register of Deeds shall prepare and submit to the provincial and city assessors, including the municipal assessor in Metro Manila, an abstract of his/her registry every three (3) months and copies of all contracts selling, transferring or otherwise converting, leasing, or mortgaging real property registered by him/her every end of the month. The abstract shall include brief but sufficient description of the real properties entered therein, their present owners, and the dates of their most recent transfer or alienation accompanied by copies of corresponding deeds of sale, donation, or partition or other forms of alienation.

SECTION 20. *Duty of Official Issuing Building Permits or Certificates of Registration of Machinery to Transmit Copy to the Assessor.* – Any public official or employee who may now or hereafter be required by law or regulation to issue to any person a permit for the construction, addition, repair, or renovation of a building, or permanent improvement on land, or a certificate of registration for any machinery, including machines, mechanical contrivances, and apparatus attached or affixed on land or to another real property, shall transmit a copy of such permit or certification within thirty (30) days of its issuance, to the assessor of the province, city or municipality where the property is situated.

SECTION 21. *Duty of Geodetic Engineers to Furnish Copy of Plans to Assessor.* – It shall be the duty of all geodetic engineers, public or private, to furnish free of charge, the assessor of the province, city or municipality where the land is located, a copy of the blue or white print of each of all approved original subdivision plans or maps of surveys, duly signed by a Senior Geodetic Engineer, executed by them every end of the month from receipt of such approved plans from the Land Management Bureau (LMB), the Land Registration Authority (LRA), or the Housing and Land Use Regulatory Board (HLURB), as the case may be.

SECTION 22. *Duty of Assessors to Transmit Documents to the BLGF.* – It shall be the duty of the assessors to transmit to the concerned BLGF Regional Office all real property transactions data from the Register of Deeds, official issuing building permit and geodetic engineers within one (1) month after the receipt of such data. The BLGF's Regional Office shall record, process and make a summary report of the real property data, and submit the same to the BLGF Central office within one (1) month from receipt of such data.

Chapter 3 Appointment and Qualifications of Assessors

SECTION 23. *Appointment of Assessors.* – Notwithstanding the provisions of existing laws to the contrary, appointments of provincial, city, and municipal assessors and assistant assessors shall be in accordance with the following guidelines:

- (a) In the case of provincial and assistant provincial assessors and city and assistant city assessors, appointee shall be chosen from the list of at least three (3) ranking eligible recommendees, as endorsed by the DOF Secretary, suitable and qualified for appointment within the region;
- (b) In the case of municipal and assistant municipal assessors, appointee shall be chosen from the list of at least three (3) ranking eligible recommendees suitable and qualified for appointment within the province, as endorsed by the DOF Secretary; and
- (c) In the case of city and assistant city assessors and municipal and assistant municipal assessors for Metro Manila, appointee shall be chosen from the list of at least three (3) ranking eligible recommendees, as endorsed by the DOF Secretary, suitable and qualified for appointment within the Metro Manila.

The assessors shall be under the technical supervision of the BLGF, primarily through a system of compliance reporting and provision for education and training for capacity building.

SECTION 24. *Qualifications of Local Government Assessors.* – No person shall be appointed assessor or assistant assessor unless such person is a citizen of the Philippines, a resident of the region for a provincial or city assessor/assistant assessor and of the province for a municipal assessor/assistant assessor, a registered and licensed appraiser, of good moral character, and must have an experience in real property valuation or assessment work or in any suitable field for at least five (5) years in the case of the provincial or city assessor, and three (3) years in the case of the municipal assessor.

ARTICLE IV PENAL PROVISIONS

SECTION 25. *Failure to Comply with the Required Submission of Documents.* – Any government official or employee who fails without justifiable reason to provide or furnish data or information required pursuant to Sections 19, 20, 21, and 22 of this Act shall be punished by a fine equivalent to the official's or employee's six (6) months basic salary or suspension from the service for a period not exceeding one (1) year, or both, at the discretion of the competent authority.

SECTION 26. *Failure to Comply with the Valuation Standards.* – An assessor who, for unjustifiable reasons, fails to comply with the valuation standards developed and adopted pursuant to this Act, or deliberately concealed any deviations or departures from such standards in the valuation/appraisal of real property, shall be punished by a fine equivalent to the official's or employee's salary for a period of one (1) month to six (6) months basic salary, and suspension from the government service at the discretion of the competent authority.

SECTION 27. *Failure to Prepare Schedule of Market Values.* – An assessor who, for unjustifiable reasons, intentionally or deliberately refuses or fails to prepare the SMVs within the period set forth in this Act shall be meted with a fine equivalent to the official's or employee's for a period of one (1) month to six (6) months basic salary, or by suspension from government service for not more than one (1) year, or both, at the discretion of the competent authority.

SECTION 28. *Violations of Other Provisions.* – Any person, whether natural or juridical, who violates any provision of this Act other than those punishable under Sections 25, 26, and 27 hereof shall, when warranted, be dealt with under applicable existing laws.

SECTION 29. *Taxpayers' Remedies in Case of Erroneous Assessments of Real Properties.* – The provisions of Sections 226 (Local Board of Assessment Appeals) and 229 (Action by the Local Board of Assessment Appeals) of Republic Act No. 7160, otherwise known as The Local Government Code of 1991 shall apply in all cases of appeals as remedies for the taxpayers in the assessment of their properties.

ARTICLE V TRANSITORY PROVISIONS

SECTION 30. *Transitory Guidelines.* – (a) Local government units which are in the process of revising their SMVs, upon the effectivity of this Act, shall continue with such revisions in accordance with Section 16 of this Act: *Provided*, That proper notification and coordination with the BLGF shall be undertaken.

(b) In case the SMV is not yet available or revised, the BIR Commissioner shall adopt the existing SMV, zonal values or the actual price in consideration as stated in real property transaction documents, whichever is higher, for purposes of computing any internal revenue tax.

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 SMVs prepared by the provincial assessors together with the municipal assessors, and city assessors, including the municipal assessors in Metro Manila, that have been approved by their respective *Sanggunians* for real property taxation purposes 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 two (2) years upon the effectivity of this Act.

ARTICLE VI FUNDING REQUIREMENTS

SECTION 32. *Budgetary Requirements for Revision of Schedule of Market Values.* – Each local *Sanggunian* shall appropriate the necessary funds from locally generated revenues, the Internal Revenue Allotment (IRA), or such other sources every fiscal year. The accumulated amount so appropriated shall be known as the Real Property Tax Administration Fund (RPTAF) which shall be used for the proper implementation of the regular revision of the SMVs and general revision of real property assessments, and the administration of real property taxes in all local government units.

SECTION 33. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the BLGF. Thereafter, such sum for the continuing operations and the proper implementation of this Act shall be included in the annual General Appropriations Act.

ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 34. *Implementing Rules and Regulations (IRR).* – Within six (6) months after the effectivity of this Act, the DOF, in consultation with concerned parties, shall issue the IRR for the effective implementation of this Act.

SECTION 35. *Suppletory Application of Existing Laws.* – The provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and other laws consistent with this Act shall have suppletory effect.

SECTION 36. *Repealing Clause.* – (a) Section 6(e) and Section 88(b) of Republic Act No. 8424, otherwise known as the National Internal Revenue Code (NIRC), as amended, and Sections 19, 135(a), 138, 198(a), 199(g)(h)(l), 201, 202, 209(a), 212, 214, 218 par. 1 (b), 219, 220, 224(a), 443(d), 444(b)(l)(v), 454(d), 455(b)(1)(v), 463(d), 465(b)(l)(v), 472(a) par 1, 472(b)(8), and 473(a) par 1 of Republic Act No. 7160, otherwise known as the Local Government Code (LGC) of the Philippines, are hereby repealed;

(b) All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed, superseded or modified accordingly.

SECTION 37. *Separability Clause.* – Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SECTION 38. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,

11 OCT -4 10:23

Senate Bill No. 2982



Introduced by Senator Edgardo J. Angara

EXPLANATORY NOTE

As of 2010, the Philippines' senior citizens totaled 6.4 million, accounting for 6.8 percent of our entire population of 94 million. Projections based on our national census show that by 2020, Filipinos ages 60 and older would number 9.7 million or 8.7 percent of our population. By 2040, our elderly will total 19.6 million, making up for 13.8 percent of the population, or a 208 percent growth from the present.

Our population remains relatively young—26.6 years on average in 2011. In comparison, the people of advanced economies are much older. The citizens of Monaco are the oldest in the world on average at 49.4 years, followed by the Germans at 44.9 years and Japan at 44.8 years.

The Philippines is still generations away from that situation but our population will age inevitably. By 2030, the median age of Filipinos will be 33.3 according to the National Statistical Coordination Board (NSCB).

The challenges confronting the developed world today will be the developing world's problems in the future. A graying population is one of these major disruptive demographics.

Our pension system will be under increasing pressure as our population becomes grayer. The traditional model followed by most pension systems will have to take into account prevailing trends of longer lifespans and declining fertility rates. As more and more retirees live longer, pension costs will rise accordingly. This will increase the burden on a smaller working population who has to support the pension system through their contributions.

At the same time, society will also have to consider the lifestyle of the future's elderly. Adults today tend to remain active through their advanced years. This will have enormous implications on our infrastructure, particularly our health facilities and transportation systems. The elderly will also soon be a major market. Consumer and recreational products would have to be tailor-fitted to their needs and wants.

Most importantly, many elderly, especially in developing countries like the Philippines, are vulnerable to poverty. According to the NSCB, 16.2 percent of our senior citizens were destitute in 2006, 1.2 percent higher than in 2003.

We should take advantage of the benefits of a young population while we still can—as well as start preparing for an unavoidable future.

Advancements in healthcare, medicine and nutrition are enabling people to live longer. Most people only lived to 47 years at the turn of the 20th century. Today, Filipino men can expect to

live up 67 years while women 72.5 years on average. The NSCB adds that from 2010 to 2015, life expectancy at birth will increase by 3.6 months every year.

Groundbreaking research in neuroscience, gene therapy and stem cell technology are prolonging lifespans even more. An emerging field of research called “smart aging” will help make longer years productive ones too.

This measure seeks to establish the Philippine Institute for Aging, our very own science and research-oriented think-tank that will study aging and the aged as an integrated, multidisciplinary field responsive to the present and prospective needs of our own population.

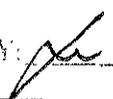
Furthermore, the Philippine Institute for Aging will lead in changing our attitudes toward this phenomenon. Aging should no longer be seen as an impediment to living one’s life to the fullest. Indeed, living should not stop when we get older; only become even more enriching and fulfilling. It is the institute’s goal to help all Filipinos attain longer and better years.

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


EDGARDO J. ANGARA

'11 OCT -4 AM 123

Senate Bill No. 2982

RECEIVED BY: 

Introduced by Senator Edgardo J. Angara

AN ACT ESTABLISHING THE PHILIPPINE INSTITUTE FOR AGING,
DEFINING ITS OBJECTIVES, POWERS AND FUNCTIONS, AND FOR
OTHER PURPOSES

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

1 WHEREAS, Article II, Section 15 of the 1987 Constitution, states that the
2 State shall protect and promote the right to health of the people and instill
3 health consciousness among them.
4

5 WHEREAS, Article XIII, Section 2 provides that "The State shall adopt an
6 integrated and comprehensive approach to health development which shall
7 endeavor to make essential goods, health and other social services available
8 to all the people at affordable cost. There shall be priority for the needs of
9 the underprivileged, sick, elderly, disabled, women and children."
10

11 WHEREAS, Article XV, Section 4 provides that while the family has the
12 duty to care for its elderly members, the State may also do so through just
13 programs of social security.
14

15 **Section 1. Title.** – This Act shall be known as the " Philippine Institute for
16 Aging Act of 2011."
17

18 **Section 2. Policies and Objectives.** -- Consonant with the above-mentioned
19 Constitutional mandate, this Act is aimed to:
20

- 21 a) Motivate and encourage the senior citizens to contribute to nation
22 building;
23 b) Encourage their families and communities they live with to reaffirm
24 the valued Filipino tradition of caring for the senior citizens.
25

26 **Section 3. The Philippine Institute for Aging.** – To carry out these
27 objectives, a research institute to be known as the Philippine Institute for
28 Aging ("PIA") is hereby created under the University of the Philippines –
29 Manila, and attached to the National Institute of Health (hereinafter "NIH").
30

1 **Section 4. Functions of the Philippine Institute for Aging.** -- The functions
2 of the PIA are:

- 3 a) Formulate policy directions and strategies to meet the objectives of
4 this Act;
- 5 b) Promote and conduct science and technology research and
6 development in aging;
- 7 c) Find innovative and interdisciplinary solutions to the issues and
8 challenges posed against the elderly population;
- 9 d) Use and translate technology to advance the health and quality of life
10 of the elderly, and enable them to lead richer lives;
- 11 e) Foster collaborations with similar academic and research institutions,
12 domestic and abroad;
- 13 f) Establish local and foreign linkages;
- 14 g) Establish mechanisms to disseminate and utilize research outputs;
- 15 h) Receive and manage grants, aid, donations or any kind of assistance
16 for achieving its objectives, in accordance with the rules and
17 regulations of the University of the Philippines (hereinafter "UP");
- 18 i) Allocate, source and award research grants and training to outstanding
19 individuals in the field of aging, neuroscience, geriatric research, and
20 related fields;
- 21 j) Complement graduate programs and faculty research human resource
22 training in UP Manila;
- 23 k) Organize, develop and conduct information campaigns, education and
24 training programs to the public and other stakeholders to advance the
25 goals of this Act;
- 26 l) Appoint, hire and maintain adequate personnel and/or consultants
27 with suitable qualifications as necessary;
- 28 m) Propose and allocate the PIA's annual budgetary resources;
- 29 n) Apprise, advise and coordinate with other government agencies,
30 including government owned and controlled corporations and local
31 governments, on any matter relating to the objectives of this Act; and
- 32 o) Perform all other acts as may be necessary to achieve its objectives
33 and functions, in accordance with the rules and regulations of UP.

34
35 **Section 6. Public-Private Partnerships.** – To enable the PIA to perform its
36 functions, the institute shall be empowered to enter into agreements with the
37 public and private sector that:

- 38
39 1) Create collaborations to develop technologies, business solutions and
40 infrastructures that allow the elderly to live richer, fuller lives;
- 41 2) Leverage public and private sector support for early stage research
42 and development of technologies and
- 43 3) Encourage private sector investment in late-stage technology
44 development and product introduction in the market.

45
46 *Provided, however,* that any agreement shall be subject to the review and
47 approval of the Board of Regents of the University of the Philippines.

1 **Section 7. Board of Directors and Executive Director.** – The powers of the
2 PIA shall be vested in and exercised by a Board of Directors, hereinafter
3 referred to as the Board, which shall be composed of the following members:
4

5 a) The Chairperson shall be the Secretary of Department of Health
6 (DOH);

7 b) A Vice-chairperson who shall come from the members of the Board;

8 c) Members consisting of:

9 (1) The Executive Director of PIA in an *ex-officio* capacity;

10 (2) The Executive Director of the National Institutes of Health in
11 an *ex-officio* capacity;

12 (3) Three recognized scholars or specialists in the field of
13 neuroscience, gerontology and aging to be appointed by the
14 Board of Regents of the University of the Philippines as
15 recommended by the Chancellor of the University of the
16 Philippines – Manila.
17

18 **Section 8. Appointment of Faculty and Staff** – The board shall organize a
19 corps of scientists and researchers and a secretariat of the PIA, to be headed
20 by the executive director. It shall fix scientists' honorarium and the
21 secretariat's staffing pattern, determine the duties, qualifications,
22 responsibilities and functions, as well as the compensation scheme for the
23 positions to be created upon the recommendation of the executive director.
24 This shall be performed in accordance with the existing rules and regulations
25 of UP and shall be subject to the approval of the Board of Regents.
26

27 **Section 9. Functions and Qualifications of the Executive Director.** – The
28 Executive Director shall be a recognized scholar in health research and
29 development. He shall be appointed and shall serve in accordance with the
30 existing rules and regulations of UP.
31

32 The Executive Director shall be the chief executive of the Institute and shall
33 exercise direct control and supervision over the internal operations,
34 personnel and representatives of the PIA. S/he is also authorized to represent
35 the PIA in all transactions.
36

37 The Executive Director of the PIA shall also sit in an *ex-officio* capacity as
38 member of the Board of Advisers of the NIH.
39

40 **Section 11. Technical Competence.** – To effectively undertake its functions,
41 the PIA shall enhance its professional and technical competence through
42 continuing education and rigorous training programs through modern
43 laboratory facilities and state of the art technologies. As well as
44 collaborative and exchange works and projects with similar institutions
45 abroad.
46

47 **Section 12. Public access.** – The public and other health institutions shall
48 have access to the research findings, laboratory and research facilities and

1 other resources of the research institutes in UP Manila, as provided in the
2 implementing rules and regulations of this Act.

3
4 The PIA shall submit an annual report to the NIH and to such other agencies
5 as may be required by law before the end of April of each year. The annual
6 report shall contain but not be limited to the following: research conducted
7 or being conducted, exchange or collaborative projects entered into, studies
8 published, forums, symposia and conferences held and attended; grants
9 obtained, incentives granted, revenue generated, cost saved, and such
10 matters relevant to the performance of its functions.

11
12 The PIA shall make copies of such reports available to any interested party
13 upon payment of a charge that reflects its printing costs.

14
15 **Section 13. Appropriations.** – The amount necessary to carry out the initial
16 implementation of this Act shall be charged against the General
17 Appropriations Act. Thereafter, such sums as may be needed for the
18 continued operation of the PIA shall be included in the annual General
19 Appropriations Act.

20
21 **Section 14. Implementing rules and regulations.** – Within sixty (60) days
22 from the effectivity of this Act, the Board of Regents of UP, in coordination
23 with the DOH, shall formulate the rules and regulations necessary for the
24 implementation of this Act.

25
26 **Section 15. Repealing clause.** – All laws, presidential decrees, executive
27 orders, rules and regulations, or parts thereof inconsistent with the
28 provisions of this Act are hereby repealed or modified accordingly.

29
30 **Section 16. Separability Clause.** - If any portion or provision of this Act is
31 declared unconstitutional or invalid, the other portions or provisions hereof,
32 which are not affected thereby, shall continue to be in full force and effect.

33
34 **Section 17. Effectivity.** - This Act shall take effect fifteen (15) days after its
35 publication in the Official Gazette or in two (2) newspaper of general
36 circulation.

37
38
39 APPROVED,