

Position Paper

Re: Senate Bill No. 44 or An Act Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance and Appropriating Funds Therefor

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This presents the Position Paper of the League of Provinces of the Philippines (LPP) on proposed Senate Bill No. 44 or An Act Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance and Appropriating Funds Therefor.

With all due respect to the proponent and other authors, Senate Bill No. 44 is unnecessary and interferes with local autonomy enshrined under the Constitution and Local Government Code (LGC) of 1991.

Proposed Senate Bill No. 44 is unnecessary because the LGC has already devoted one whole Title or several Chapters on Real Property Tax (RPT). Title II of the LGC extensively provided for the Scope, Fundamental Principles, Definition of Terms, and Administration of RPT. It also provided for Assessment Levels, Collection, Appeals and Remedies.

Senate Bill No. 44 is also unnecessary because the reforms it purports to introduce need not be legislated.

The enlargement of the role of the Bureau of Local Government Finance (BLGF), as the agency tasked to provide guidance and assistance to local government units (LGUs) in the field of local government finance and revenues, does not need a law. The BLGF may recommend valuation standards which LGUs may adopt. The LGUs, on the other hand, must be given the flexibility to the extent allowed by the LGC, to determine their respective local legislations or *sanggunian* resolutions on RPT and its imposition and collection.

To be sure, the BLGF, under the Department of Finance (DoF), is already addressing the issues raised by the proposed Senate Bill No. 44. In fact, without the said Senate Bill No. 44, BLGF provides technical assistance and support to LGUs on fiscal matters and revenue generation.

It is also glaring that funding requirements for the proposed reforms under the Senate Bill No. 44 will have to be sourced from the LGUs. Hence, the proposed Senate Bill No. 44 is another form of unfunded mandate that dictates what LGUs should spend on without the corresponding allocation.