



Republic of the Philippines  
 DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
 DEPARTMENT OF FINANCE



October 20, 2010

By: \_\_\_\_\_  
 Date: 10/27/10  
 Time: 11:40 AM  
 010-1027 004

**JOINT MEMORANDUM CIRCULAR NO. 2010-01**

**To : All Provincial Governors, City Mayors, Municipal Mayor of Pateros, Presiding Officers and Members of the Sangguniang Panlalawigan/Panlungsod; Presiding Officer and Members of the Sangguniang Bayan of Pateros; DILG and DOF-BLGF Regional Directors and All Others Concerned**

**Subject : Enjoining All Provinces, Cities and the Municipality of Pateros, Metro Manila to Prepare the Schedule of Market Values (SMVs) of Real Property and to Conduct the General Revision of Property Assessments in their Respective Jurisdictions**

WHEREAS, real property tax is a major source of revenues of the LGUs, which accounts for 35 percent of locally sourced revenues;

WHEREAS, Section 201 of the Local Government Code (LGC) of 1991 provides that all real property whether taxable or exempt shall be appraised at the current and fair market value prevailing in the locality where the property is situated;

WHEREAS, Section 212 of the Local Government Code of 1991 provides that before any general revision of property assessment is made, there shall be prepared a schedule of fair market values by the provincial, city or municipal assessors of the municipalities within Metro Manila Area for different classes of real property situated in their respective local government units, for enactment by an ordinance of the Sanggunian concerned;

WHEREAS, Section 219 of the Local Government Code of 1991 provides that the provincial, city or municipal assessors of the municipalities within Metro Manila Area shall undertake a general revision of real property assessments within two (2) years after the effectivity of the Local Government Code and every three (3) years thereafter;

WHEREAS, the compliance of LGUs in the conduct of the general revision of SMV for the year 2008 (6<sup>th</sup> General Revision) accounts for only 28 percent for provinces and 22 percent for cities;

WHEREAS, the Department of Finance (DOF) is mandated to promulgate necessary rules and regulations for the classification, appraisal, and assessment of real property pursuant to the Local Government Code;

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WHEREAS, the DOF issued Local Assessment Regulation No. 1-92 on 6 October 1992, prescribing the rules and procedures relative to the conduct of general revisions of real property assessments, pursuant to Sections 201 and 219 of the LGC;

WHEREAS, Section 4 of DOF Department Order No. 37-09 of October 19, 2009 prescribing the Philippine Valuation Standards (1<sup>st</sup> Edition) - Adoption of the IVSC Valuation Standards under Philippine Setting, provides that for purposes of valuations for real property taxation the section entitled Mass Appraisal for Property Taxation (GN 13) shall be complied with;

WHEREAS, DOF Department Order No. 2010-10 issued on April 28, 2010 prescribing the "Mass Appraisal Guidebook: A Supplement to the Manual on Real Property Appraisal and Assessment Operations" shall be complied with;

WHEREAS, the DOF is responsible for the supervision of the revenue operations of all local government units (LGUs), and in ensuring the implementation of necessary policies and measures on local revenue administration, pursuant to the Executive Order (EO) No. 292, otherwise known as the Administrative Code of 1987;

WHEREAS, the Department of the Interior and Local Government (DILG) is in charge of the supervision of the LGUs and on the promotion of local autonomy and monitoring their compliance thereof, and in establishing and prescribing plans, policies, programs and projects to strengthen the administrative, technical, and fiscal capabilities of the LGUs, as provided for by EO No. 292;

WHEREFORE, all concerned are hereby enjoined to, as much as practicable, do the following, to wit:

1. All Local Chief Executives
  - a. To require their respective Provincial/City Assessors, and the Municipal Assessor of Pateros, to prepare an updated SMV and cause the drafting of an appropriate ordinance for consideration of the Sanggunian.
  
2. All Provincial/City Assessors and the Municipal Assessor of Pateros
  - a. Prior to the preparation of the SMV, require all owners/administrators of real property to file a sworn statement declaring the true value of their property/ies, including the improvements therein, whether previously declared or undeclared, taxable or exempt, pursuant to Section 202 of the LGC;
  - b. To prepare, in coordination with the Municipal Assessors, in the case of the Provincial Assessor, the SMV pursuant to Section 212 of the LGC as basis for the conduct of a general revision of real property assessments every three (3) years, and submit the same to the concerned Sangguniang Panlalawigan/Panlungsod for approval;
  - c. To conduct the general revision of real property assessments pursuant to Section 219 of the LGC.

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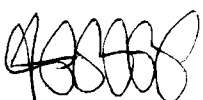
3. All Presiding Officers/Members of Sanggunians
  - a. To calendar, deliberate and cause the passage of an Ordinance incorporating therein the proposed updated SMVs prepared by the Provincial/City Assessors and the Municipal Assessor of Pateros; and
  - b. To appropriate funds for the conduct of the General Revision of Real Property Assessments.

Likewise, all DILG and DOF-BLGF Regional Directors are hereby directed to design and adopt appropriate collaborative mechanisms between the two (2) agencies to ensure compliance of LGUs with this Circular, to include among others:

1. DOF-BLGF Central Office/Regional Directors
  - a. To exercise close supervision over the Provincial/City Assessors, and the Municipal Assessor of Pateros;
  - b. To initiate activities at the local levels to fast-track the preparation of updated SMVs of LGUs; and
  - c. To provide technical assistance in the preparation of the Schedule of Market Values of LGUs.
2. DILG Regional Directors
  - a. To coordinate closely with the LGUs, thru their respective field officers assigned at the various levels of LGUs, in apprising the concerned local officials relative to the preparation of updated SMVs; and
  - b. To cause the dissemination of this Circular to all LGUs within their respective territorial jurisdictions.

Further, ALL DILG REGIONAL DIRECTORS and DOF-BLGF REGIONAL DIRECTORS are hereby directed to monitor jointly the initiatives undertaken and the progress of preparation of the updated SMVs of LGUs in their respective jurisdictions, and to submit a corresponding joint report to the undersigned, as much as practicable, within three (3) months from the issuance of this Circular.

For compliance.

  
**CESAR V. PURISIMA**  
Secretary  
DOF

  
**JESSE M. ROBREDO**  
Secretary  
DILG

