



**Republic of the Philippines
CITY COUNCIL
City of Manila**

REGULAR SESSION NO. 37

13TH CITY COUNCIL

**Begun and held in the City Council on Tuesday,
the twenty-eighth day of October, Two Thousand Twenty-Five**

ORDINANCE NO. 9150

AN ORDINANCE HARMONIZING REPUBLIC ACT NO. 12001 OTHERWISE KNOWN AS THE "REAL PROPERTY VALUATION AND ASSESSMENT REFORM ACT" OR RPVARA WITH CITY OF MANILA ORDINANCE NO. 8330 OTHERWISE KNOWN AS "THE 2014 GENERAL REVISION OF REAL PROPERTY ASSESSMENTS", SERIES OF 2013, RETAINING THE EXISTING VALUE-BRACKET COMPUTATION FOR REAL PROPERTY ASSESSMENT AND TAXATION, AND PROVIDING TRANSITORY, ADMINISTRATIVE, AND ENFORCEMENT PROVISIONS

ADMINISTRATION MEASURE

**HON. DON JUAN "DJ" BAGATS1NG
Chairman, Committee on Ways and Means**



EXPLANATORY NOTE

Republic Act No. 12001 otherwise known as the “Real Property Valuation and Assessment Reform Act” (RPVARA) mandates uniform, transparent, and efficient real property valuation system nationwide under the policy supervision of the Department of Finance (DOF) and the Bureau of Local Government Finance (BLGF).

Section 30 of RA 12001 provides for transitory guidelines, including limits on tax increases during the first year of effectivity of an approved Schedule of Market Values (SMV), and authorizes LGUs to adopt local ordinances prescribing phased or capped increases in real property taxes.

Pursuant to Article X, Sections 5 and 6 of the 1987 Philippine Constitution, and Sections 129 and 232 of Republic Act No. 7160 (Local Government Code of 1991), local governments are granted the power to create their own sources of revenue and to levy taxes, fees, and charges, subject to such guidelines and limitations as may be provided by law.

Local tax revenues, particularly real property taxes and efficient collection thereof, are indispensable to the City of Manila’s development, enabling the City Government to finance social welfare programs, public health services, housing initiatives, education, and infrastructure projects that improve the quality of life of its residents and foster inclusive growth.

City of Manila Ordinance No. 8330 (s. 2013) adopted the Revised Schedule of Fair Market Values (FMVs) of Real Properties for lands, buildings, and other improvements within the City and continues to serve as the valuation base for assessment and collection pending the approval of a new SMV under RA 12001.

To ensure compliance with RA 12001 while maintaining stability and predictability for taxpayers, there is a need to harmonize the City’s existing valuation ordinance with national standards, and prescribe phased increases and clear transitory measures.


DON JUAN "D" BAGATSING
Councilor, Fourth District
Manila

Be it ordained by the City Council of Manila, in session assembled, *THAT*:

SECTION 1. Policy Declaration. – It is hereby declared the policy of the City of Manila to align its real property valuation, assessment, and taxation system with Republic Act No. 12001 otherwise known as the “Real Property Valuation and Assessment Reform Act” (RPVARA) to ensure fairness, transparency, and fiscal responsibility in local tax administration.

SEC. 2. Scope. – This Ordinance shall apply to all taxable real properties within the territorial jurisdiction of the City of Manila, including lands, buildings, machineries, and other improvements.

SEC. 3. Adoption of the RPVARA Framework. – The City of Manila adopts the definitions, valuation standards and procedural requirements under RA 12001 and BLGF Memorandum Circular No. 001-2025. All future revisions of the Schedule of Market Values (SMV) shall conform to these national standards.

SECTION 4. Harmonization of Ordinance No. 8330 (Series of 2013). –

- a. **Continuity of Existing Valuation Base.** – The Schedule of Fair Market Values (SFMV) adopted under Ordinance No. 8330 (s. 2013) shall remain in full force and effect until a new Schedule of Market Values (SMV), prepared pursuant to Republic Act No. 12001 and its Implementing Rules and Regulations (IRR), reviewed by the Bureau of Local Government Finance (BLGF), and certified by the Secretary of Finance, becomes effective.
- b. **Automatic Supersession Upon Effectivity of the New SMV.** – Upon certification, approval, and publication of the new BLGF-reviewed and DOF-certified SMV prepared under RA No. 12001, the said SMV shall automatically supersede the valuation base under Ordinance No. 8330 and shall thereafter serve as the official basis for real property valuation and assessment in the City of Manila.
- c. **Interpretation of Valuation References.** – All references to “Fair Market Values,” “Schedule of Fair Market Values,” or similar terms appearing in existing ordinances shall henceforth be interpreted to mean the Schedule of Market Values (SMV) as defined, prepared, reviewed, and certified under RA No. 12001 and its Implementing Rules and Regulations (IRR).

SEC. 5. Assessment Levels. – The assessment levels prescribed under Ordinance No. 8330 (s. 2013) are hereby retained until such time as a new Schedule of Market Values has been approved by BLGF and corresponding assessment level ordinance is enacted.

SEC. 6. Assessment Basis. – The market value of real properties shall continue to be determined in accordance with the Schedule of Fair Market Values under Ordinance No. 8330 (s. 2013) until approval of a new schedule pursuant to RA 12001.

SECTION 7. Tax Base for Vertical and Horizontal Developments. – For purposes of real property assessment and taxation of condominiums, apartment buildings, and similar vertical developments, the City Assessor shall determine the taxable base for each unit in a manner that ensures equitable valuation and maximizes fiscal yield for the City, consistent with Sections 201 and 205 of the Local Government Code and Sections 18–19 of RA 12001, as follows:

- a. **Component Valuation.** — The taxable market value per unit shall include:
 1. The proportionate land value share, computed as the total land market value divided by the total floor area of the building, multiplied by the floor area of the individual unit;

2. The building value share, based on the construction cost per square meter for the building classification and the size of the unit; and
 3. The pro-rata value of common areas, representing the proportional condominium interest or lot share of each unit owner in the common elements of the development.
- b. **Ownership of Common Areas.** – All common areas, facilities, and improvements such as lobbies, hallways, elevators, recreational spaces, open areas, driveways, and similar shared facilities shall remain registered under the name of the developer prior to turnover, or under the condominium or homeowners' association if duly constituted, in accordance with Republic Act No. 4726 (The Condominium Act) or other applicable laws.

Such common areas shall be taxable in the name of the developer or association, who shall in turn apportion and collect the corresponding share of real property taxes from individual unit owners proportionate to their condominium or ownership interest.

- c. **Formula for Computation.** –

$$\text{Taxable Value per Unit} = \left(\frac{\text{Total Saleable Area}}{\text{Total Floor Area}} \times \text{Unit Floor Area} \right) + \text{Building Value Share}$$

- d. **Assessment and Billing.** – The City Assessor shall prepare valuation worksheets and assessment rolls showing the land, building, and common-area components of each unit. The City Treasurer shall issue billing statements reflecting the total real property tax due per unit or per association, as applicable.
- e. **Liability for Payment.** –
1. Until turnover, the developer shall be liable for all real property taxes on common areas and unsold units;
 2. After turnover, the condominium or homeowners' association if constituted, shall be liable for taxes on common areas and shall bill and collect proportionately from unit owners based on their respective ownership interest.
- f. **Lien and Enforcement.** – Unpaid taxes on units or common areas shall constitute a statutory lien enforceable under Sections 257 to 263 of Republic Act No. 7160 otherwise known as the "Local Government Code of 1991" without prejudice to action against the developer or association as the registered owner.

SEC. 8. Exempt Properties. – In accordance with Section 234 of RA No. 7160 and Section 19 of RA No. 12001, the following real properties shall be exempt from real property tax, unless otherwise provided by law:

- a. Real property owned by the Republic of the Philippines or any of its political subdivisions, except when such property is beneficially used by a taxable person for a purpose other than the public use to which it is devoted;
- b. Charitable institutions, churches, parsonages or convents appurtenant thereto, mosques, non-profit cemeteries, and all lands, buildings, and improvements actually, directly, and exclusively used for religious, charitable or educational purposes;

- c. Machinery and equipment actually, directly, and exclusively used by local water districts and government-owned or controlled corporations engaged in the supply and distribution of water and/or generation and transmission of electric power;
- d. Real property owned by duly registered cooperatives as provided under RA 9520 (Philippine Cooperative Code of 2008);
- e. Machinery and equipment used for pollution control and environmental protection; and
- f. Other exemptions as may be provided by special laws or future ordinances consistent with national policy.

Provided, however, that properties previously declared exempt but later found to be used for commercial, industrial, or other taxable purposes shall be subject to assessment and taxation from the time such use began, including applicable surcharges, interests and penalties.

SEC. 9. Transitory Provisions (Phased Increase). –

- a. Effective January 1, 2026 – an increase of three percent (3%) over the current real property tax due;
- b. Effective January 1, 2027 – the same increase shall be applied on the second (2nd) year of the phased implementation, thereby completing the adjustment to a total of six percent (6%);
- c. The phase implementation shall apply uniformly to all taxable properties; and
- d. A taxpayer who has paid in advance and availed of the twenty percent (20%) discount for Tax Year 2026 shall not be subjected to the three percent (3%) incremental increase for the said same year, the same having been fully settled prior to the effectivity of the adjustment.

SEC. 10. Application of Payments. – All payments made for real property taxes shall be applied first to prior years' delinquencies, including interests and penalties, before being credited to current year taxes.

When a property owner has multiple parcels of land or improvements, payment shall be applied in the following order:

1. To the oldest unpaid tax liability;
2. Then to subsequent years, in chronological order; and
3. Finally, to the current year's assessment, unless otherwise specifically directed by the taxpayer and approved by the City Treasurer.

Partial payments shall be applied first to penalties and interest, then to the basic tax, and finally to the Special Education Fund (SEF).

The City Treasurer shall ensure that official receipts and the Real Property Tax System accurately reflect the application of such payments in compliance with Section 250 of the Local Government Code of 1991 and BLGF guidelines.

SEC. 11. Expenses of Implementation. – All expenses incident to the general revision of property assessments, updating of the Schedule of Market Values, monitoring and collection of real property taxes shall be proportionately shared by the City Government, the City School Board, and the Barangays of Manila, as follows:

- a. The share of the City Government shall be appropriated under the annual budget ordinance or any supplemental appropriation specifically authorized for this purpose;
- b. The share of the Barangays shall be charged against their corresponding share in the proceeds of the real property tax, as provided under Section 271 of the “Local Government Code of 1991”; and
- c. The share of the City School Board shall be charged to the Special Education Fund (SEF), pursuant to Sections 235 and 272 of the same Code.

The City Treasurer and City Budget Officer shall jointly determine the apportionment and release of such expenses, subject to existing auditing and budgeting rules and regulations of the Department of Budget and Management (DBM) and the Commission on Audit (COA).

SEC. 12. Information Dissemination. – To ensure transparency and promote public awareness of this Ordinance, the City Treasurer, City Assessor, and Public Information Office shall jointly implement an information campaign covering the following:

- a. **Publication by the Secretary to the City Council.** – The Secretary to the Sangguniang Panlungsod is hereby directed to cause the publication of a notice containing the gist of this Ordinance in a newspaper of general circulation once every week throughout its effectivity, and to ensure that certified copies are made available to the public upon request.
- b. **Coordination with National and Local Media.** – The Manila Public Information Office (MPIO) shall coordinate with national news agencies, local press outlets, radio, and television networks for the timely dissemination of information to the general public regarding this measure, its objectives, and implementation phases.
- c. **Barangay-Level Dissemination.** – The Manila Barangay Bureau shall issue a memorandum to all barangays, directing barangay officials to inform their respective constituents through barangay assemblies, postings, and public notices of the effectivity and salient features of this Ordinance, including the phased implementation of the Real Property Tax adjustments.
- d. **Public Awareness Materials.** – The MPIO and the City Treasurer’s Office shall jointly prepare and distribute informational brochures, FAQs, and online advisories summarizing the provisions on phased tax increases, assessment levels, payment applications, and amnesty availment.

Failure to conduct the required information dissemination shall not affect the validity of this Ordinance but shall be considered in the administrative performance review of the concerned city offices.

SEC. 13. Advance and Prompt Payment Incentives. – Real property owners without delinquency who pay their taxes in full shall receive the following discounts:

Payment Date	Discount (%)	Condition
On or before December 10 of the preceding year	20%	Full advance
December 11 to December 29 of the preceding year	15%	Full advance
December 30 of the preceding year to January 31	10%	Full current-year

Discounts apply only to full payments of basic tax and SEF and shall not cover any delinquent or partial payments.

SEC. 14. Penalties for Delinquency. – Unpaid real property taxes shall incur interest at the rate of two percent (2 %) per month on the unpaid amount or fraction thereof, until the delinquent tax has been fully paid. In no case shall the total interest on the unpaid tax exceed seventy-two percent (72 %) or the equivalent of thirty-six (36) months of delinquency, whichever is lower, unless a succeeding ordinance provides otherwise in accordance with Section 255 of RA No. 7160.

SEC. 15. Real Property Tax Enforcement Task Force. – A Task Force is hereby created, composed of the City Treasurer (Chairperson), City Assessor (Vice-Chairperson), City Legal Officer, and representatives of the City School Board and Liga ng mga Barangay, to coordinate enforcement actions including issuance of demand letters and levy procedures.

SEC. 16. Electronic Payment System. – The City Treasurer is authorized to establish electronic billing and payment systems, including online and mobile platforms, subject to DOF and BSP guidelines.

SEC. 17. Barangay Assistance in Tax Collection and Information Dissemination. – The City Government may seek the assistance of barangay officials in disseminating information on payment schedules and in serving notices of delinquency. Barangay participation shall be purely supportive and shall not involve the receipt or custody of tax payments.

SEC. 18. Public Auction and Forfeiture Procedures. – The City Treasurer shall enforce levy and public-auction proceedings for delinquent real properties in accordance with Sections 256 to 263 of RA No. 7160, with due notice posted in barangay halls and on the City's official website.

SEC. 19. Transparency and Reporting. – The City Treasurer shall submit quarterly Real Property Tax Collection Reports to the Sangguniang Panlungsod and post the same publicly within fifteen (15) days of submission.

SEC. 20. Integration with Existing Amnesty Programs. –

Implementation of this Ordinance shall be coordinated with:

- Ordinance No. 9082 (s. 2024) – Real Property Tax Amnesty (available until June 30 2026); and
- Ordinance No. 9118 (s. 2025) – General Tax Amnesty (available until December 31 2025).

Taxpayers availing of such programs shall retain eligibility for the transitional caps herein provided.

SEC. 21. Separability Clause. – If any provision of this Ordinance is declared invalid, the remaining portions shall continue in effect.

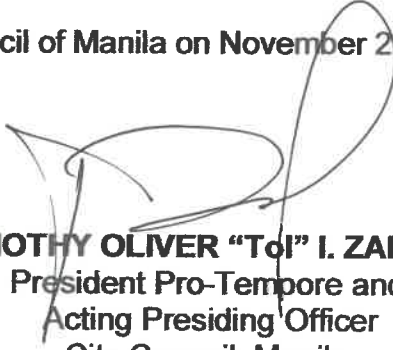
SEC. 22. Repealing Clause. – All ordinances, resolutions, or executive issuances inconsistent herewith are hereby amended or repealed accordingly, including any conflicting provisions in Ordinance No. 8330 (s. 2013).

SEC. 23. Effectivity and Reassessment Period for Newly Assessed Properties.

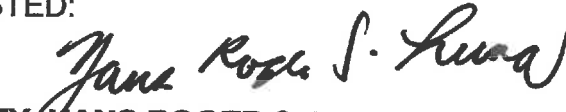
- a. This Ordinance shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation and posting in conspicuous places within the City of Manila, pursuant to Section 53 of the Local Government Code of 1991 (RA No. 7160).
- b. Those properties which have been declared and assessed as new or re-assessed increasing the assessment prior to the effectivity of this Ordinance, with tax declarations having been issued and bearing effectivity dates of January 1, 2025 to December 31, 2025, shall be re-assessed under this Ordinance, three (3) years after the effectivity date as appearing in the said tax declaration unless earlier reassessment is warranted under any of the following conditions:
 1. When new improvements are made that substantially increase the property's value;
 2. When the property is destroyed or has suffered a substantial decline in value;
 3. When there has been a change in the actual use of the property; or
 4. When a general revision of assessments is otherwise authorized by law.

This Ordinance was enacted by the City Council of Manila on November 25, 2025.

PRESIDED BY:


TIMOTHY OLIVER "TOI" I. ZARCAL
President Pro-Tempore and
Acting Presiding Officer
City Council, Manila


ATTESTED:


ATTY HANS ROGER S. LUNA
City Government Department Head III
(Secretary to the City Council)

APPROVED BY HIS HONOR, THE MAYOR, ON DEC 12 2025.


FRANCISCO "ISKO MORENO" M. DOMAGOSO
Mayor
City of Manila

ATTESTED:


MANUEL M. ZARCAL
Secretary to the Mayor

CLN: jhb/rmd/agn/egv/eys