



Republic of the Philippines
CITY OF MANDAUE
Sangguniang Panlungsod

Tenth SP

72nd

Session

**EXCERPT FROM THE JOURNAL OF THE 6TH SPECIAL SESSION
HELD BY THE SANGGUNIANG PANLUNGSOD IN ITS HALL OF
FAME ON DECEMBER 01, 2005**

PRESENT:

Hon. Carlo Pontico C. Fortuna	Majority Floor Leader/ Actg. Presiding Offr.
Hon. Glenn O. Bercede	Member
Hon. Rosita S. Benabaye	Member
Hon. Wenceslao O. Gakit	Member
Hon. Raul Y. Cabahug	Member
Hon. Allan V. Borbajo	Member
Hon. Procopio R. Villanueva	Member
Hon. Elmer V. Cabahug	Member
Hon. Jovita Tuela Z. Ouano	Pres. Mandaue A. B. C.

ABSENT:

Hon. Amadeo V. Seno, Jr.	Vice Mayor/Pres. Offr.
Hon. Jonas C. Cortes	Member
Hon. Dionisio A. Ceniza	Member
Hon. Christabel O. Cuizon	Pres. Mandaue S. K. F.

ORDN. # 10-2005-347

AN ORDINANCE AMENDING CITY ORDINANCE NO. 2001/017 (ENTITLED "AN ORDINANCE AMENDING SECTIONS 22 AND 25 OF CITY ORDINANCE NO. 052, SERIES OF 1999, OTHERWISE KNOWN AS THE REAL PROPERTY TAX CODE OF MANDAUE CITY, AS AMENDED")

The TENTH SANGGUNIANG PANLUNGSOD of MANDAUE CITY, with members in session duly assembled, hereby ORDAINS that:

SECTION 1. Section 1 of City Ordinance No. 2001/017 is hereby amended to read as follows:



02/03/2006

“Section 22 of City Ordinance No. 052, Series of 1999 is hereby further amended to read as follows:

- a) The assessment levels to be applied to the fair market value of real property in arriving the assessed value for tax purposes on real properties within the territorial jurisdiction of the City shall be at the rates not exceeding the following:

1.) On Lands:

Class	Assessment Level
Residential	14%
Agricultural	40%
Commercial	50%
Industrial	50%
Mineral	50%
Timberland	20%

2.) On Buildings and Other Structures:

(i) Residential

Fair Market Value		Assessment Level
Over	Not Over	
	P 175,000.00	0%
P 175,000.00	300,000.00	7%
300,000.00	500,000.00	14%
500,000.00	750,000.00	17%
750,000.00	1,000,000.00	21%
1,000,000.00	2,000,000.00	24%
2,000,000.00	5,000,000.00	28%
5,000,000.00	10,000,000.00	35%
10,000,000.00		42%



02/03/2006

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(ii) Agricultural

Fair Market Value		Assessment Level
Over	Not Over	
P 300,000.00	P 300,000.00	25%
500,000.00	500,000.00	30%
750,000.00	750,000.00	35%
1,000,000.00	1,000,000.00	40%
2,000,000.00	2,000,000.00	45%
		50%

(iii) Commercial or Industrial

Fair Market Value		Assessment Level
Over	Not Over	
P 300,000.00	P 300,000.00	30%
500,000.00	500,000.00	35%
750,000.00	750,000.00	40%
1,000,000.00	1,000,000.00	50%
2,000,000.00	2,000,000.00	60%
5,000,000.00	5,000,000.00	70%
10,000,000.00	10,000,000.00	75%
		80%

(iv) Timberland

Fair Market Value		Assessment Level
Over	Not Over	
P 300,000.00	P 300,000.00	45%
500,000.00	500,000.00	50%
750,000.00	750,000.00	55%
1,000,000.00	1,000,000.00	60%
2,000,000.00	2,000,000.00	65%
		70%

3.) On Machineries:

Class	Assessment Level
Agricultural	40%
Residential	35%
Commercial	80%
Industrial	80%



02/03/2006

4.) On Special Classes: Assessment level for all lands, buildings, machineries and other improvements;

Actual Use	Assessment Level
1. Cultural	15%
2. Scientific	15%
3. Hospital	15%
4. Local Water District	10%
5. Government owned or controlled corporation engaged in the supply and distribution of water and/or generation and transmission of electric power	10%

a) Pending the enactment of a revised schedule of fair market values and general revision of assessment and property classification, the current schedules of market values used shall serve as the basis of the assessment levels in paragraph (a) to be applied.”

SECTION 2. Section 25 of City Ordinance No. 2001/017 is hereby amended to read as follows:

“SECTION 25. *Assessment of Property Subject to Back Taxes.* – Real Property declared for the first time shall be assessed for the taxes for the period during which it would have been liable but in no case for more than five (5) years prior to the date of initial assessment; Provided, however, that such taxes shall be computed on the basis of the applicable schedule of values in force during the corresponding period covered.

If such taxes are paid on or before the end of the quarter following the date of assessment, no interest for delinquency shall be imposed thereon, otherwise such taxes shall be subject to an interest of 2% per month or a fraction thereof from the date of receipt of the assessment until such taxes are fully paid.”

SECTION 3. *Separability Clause.* – If any portion of this ordinance will be declared by a court of competent jurisdiction to be illegal or unconstitutional, the portions not so declared shall remain in force and effect.



02/03/2006

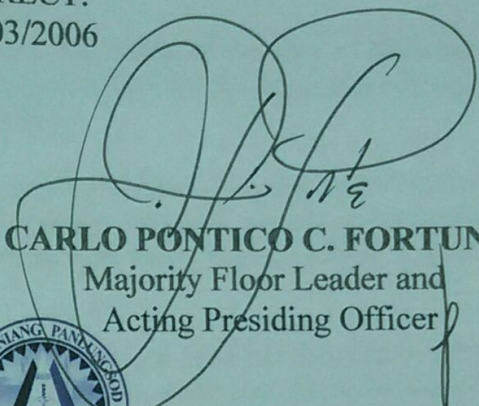
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SECTION 4. *Repealing Clause.* - All other city ordinances, or portions thereof which are inconsistent herewith, particularly Sections 22 and 25 of City Ordinance No. 2001/017 are hereby repealed, amended, superseded and or modified accordingly.

SECTION 5. This Ordinance shall take effect immediately following its publication of a newspaper of general circulation.

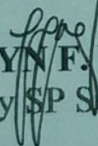
ENACTED "En Masse" after its second and final reading on December 01, 2005; as proposed by Hon. G.O. Bercede, with favorable recommendation from the referee-Committee on Laws and Ordinances.

CERTIFIED TRUE AND CORRECT.
Mandaue City, Philippines, 02/03/2006

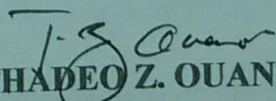

CARLO PONTICO C. FORTUNA
Majority Floor Leader and
Acting Presiding Officer



ATTESTED:


FRELYN F. MABANAG
City SP Secretary

APPROVED: FEB 27 2006


THADEO Z. OUANO
City Mayor

02/03/2006

reading -
 Rep. Oct. 06, 2005
 final reading - Dec. 01, 2005
 GOB/en masse



Republic of the Philippines
 City of Mandaue
 SANGGUNIANG PANLUNGSOD

OFFICE OF THE SECRETARY AND CLERK
 DATE: 100405
 TIME: _____
 NAME: _____

COMMITTEE ON LAWS AND ORDINANCES

Committee Report No. 24 2005

Subject: Draft Ordinance
 Ord. amending Section 21 & 25
 Sponsored by: Hon. Rosita S. B...

DO. No. 49-05 - GOB - (No text)
 Amending ... (Real Property Tax Code)

To: Hon. Amadeo V. Seno Jr.
 Presiding Officer

Rep. Oct. 06, 2005 (special session)
 Dec. 01, 2005 (3rd + final)

Greetings!

Referred to this Committee for
 known as "

GOB/en masse

On December 29, 1999, Mayor

as an ordinance "Enacting the Revised Real Property Tax Code of the City of Mandaue." This ordinance saw the revision of the market values of all real properties in the City, the adjustment of their assessment level to the maximum level and the imposition of a new tax rate.

Unwittingly, the said adjustment resulted to a tremendous and drastic adjustment of the real property taxes of all kinds of properties in the City from residential, commercial, industrial, agricultural, hospital and institutional. There was a meteoric rise of the tax due because of the new set of market values. Expectedly, real property taxpayers vehemently complained and protested.

The City Mayor and the City Council found how meritorious and valid the complaints were. To address them and the income targets of the City, a compromise was reached which was the reduction of all the assessment levels at its maximum level by thirty (30%) percent. This was enacted in City Ordinance No. 2001/01' otherwise known as "An Ordinance Amending Sections 22 and 25 of City Ordinance No. 052, Series of 1999 otherwise known as "An Ordinance Enacting the Revised Real Property Tax Code of Mandaue City."

This measure was basically a remedial measure to mitigate the impact of the meteoric rise of the market value and its corresponding real property taxes. This was enacted on February 2001.

According to a schedule prepared by the City Treasurer's Office, which schedule is herein attached and made an integral part of this report, the total assessed value as of June 30, 2005 showed the following, to wit:

Classification	Assessed value (reduced by 30%)	Assessed value (restored to maximum level)	Difference	Amount collectible of Difference
Residential	P1,337,298,820.00	P1,910,426,885.00	P573,128,065.00	P13,181,945.50
Agricultural	P9,797,570.00	P13,996,528.57	P4,198,958.57	P96,576.50
Commercial	P2,312,445,779.00	P3,740,904,904.00	P1,428,459,125.00	P22,794,108.39
Industrial	P2,618,633,433.00	P5,164,914.29	P1,549,474.29	P25,812,243.83
Hospital	P3,615,440.00	P41,885,100.00	P12,556,530.00	P35,637.91
Institutional	P29,298,570.00	P9,015,842,301.86	P2,704,752,689.86	P288,800.91
Totals	P6,311,089,612.00	x 1.3%	x 1.3%	P62,209,311.87
Tax Rate (Basic)	x 1.3%	P117,205,949.92	P35,161,784.97	
Discount - 10%	P82,044,164.96	P11,720,594.99	P3,516,178.50	
Net of Discount	P 8,204,416.50	P105,485,354.93	P31,645,606.47	
Barangay Share-30%	P73,839,748.46	P31,645,606.48	P9,493,681.94	
	P22,151,924.54			

FROM :

FAX NO. :

Oct. 26 2004 12:59AM P3

Column 2 shows that based on the **current levels**, the total assessed values of the properties tax mapped is **P6,311,089,612.00** and the net amount collectible after deducting the 30% share of the Barangay is **P51,687,823.92**. If the assessment levels are restored to its maximum level in 1999 that took effect in 2000, the expected collectible amount is **P72,839,746.45** or a difference of **P22,151,924.53**. This is the amount that the City Treasurer is expected to collect.

Upon the request of the City Mayor, the Council was asked to restore the maximum level of the assessment levels in order to increase the City's revenue's for the operation of the City Government in the coming years. Hence, the draft measure sponsored by Hon. Glenn Bercede.

To determine whether the subsequent adjustment will not result to delinquencies the Chairman of the Committee requested the City Treasurer to present proof of its collection efficiency. The Treasurer presented a letter dated June 28, 2005 coming from the Regional Director of the Bureau of Local Government Finance of Region VII commending the City of Mandaue for having achieved a collection efficiency of 175.48% where Mandaue City ranked 2nd in real property tax collection for the 1st quarter of this year in Region VII. A copy of the said letter is herein attached and made an integral part of this report.

It appears that the collection efficiency of Mandaue has been positive despite the upward adjustments of the tax notwithstanding the reduction of the assessment levels by 30%.

The Committee recognizes the need to increase revenues to support the programs and operations of the Government. It likewise recognizes the right of the taxpayers to a fair and just tax.

The adjustments in 1999 were justified and mandated under the Local Government Code which provided the maximum assessment levels for each classification of real property. It likewise mandated the revision of real property values every five (5) years. The corresponding readjustment of the assessment level as proposed in the measure is merely the restoration of the original assessment levels in 1999.

Notwithstanding the above and the requests of the City Assessor which was endorsed by the City Mayor, the Committee feels that the adjustments should not be in all classes of real property. Residential real property which ranks third among real properties with more than 1B in assessed values shall be excluded in the readjustments. The reason being is that these are non-earning assets unlike the other types of real property.

The Committee further recommends the ^{full implementation} gradual return of the original assessment level from a reduced ^{effective} level of 30% to 20% in 2006, 25% in 2007 and maximum level on 2008.

Respectfully submitted.

03 October 2005, Mandaue City, Philippines.

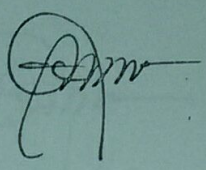
CARLO PONTICO C. FORTUNA
Chairman

R. Benabaye
ROSITA S. BENABAYE
Member

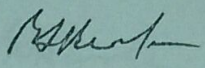
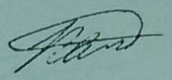
Glenn O. Bercede
GLENN O. BERCEDE
Vice-Chairman

1 veto message because by operation of law, it is deemed approved. Our
2 action on the veto message is to take note and to deem it as a mere
3 observation. Okay, motion by Hon. Gakit, seconded by Hon. Bercede.
4 Any objection? None, the motion is carried. Yes, Hon. Bercede.

Resn. No. 10-578C-2004



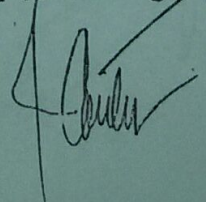
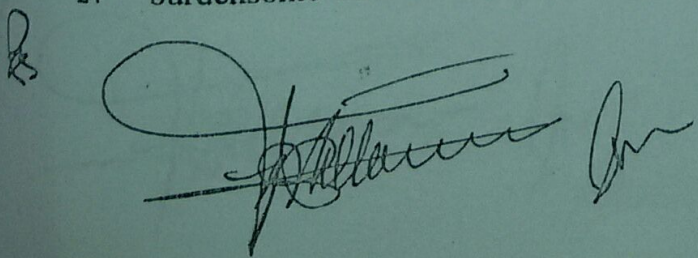
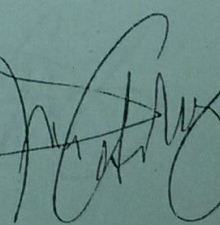
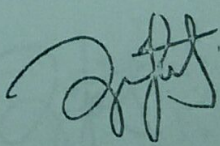
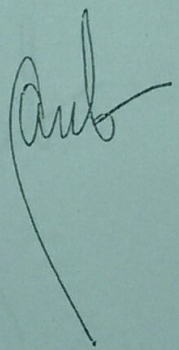
6 HON. BERCEDE: Mr. Chairman, I have one floor resolution. I
7 understand that our colleague, Hon. Fortuna, is not around because he
8 is in Jakarta right now, I move to approve on first reading amending
9 Ordn. No. 2001-017, otherwise known as "An Ordinance amending
10 Section 22 & 25 of City Ordn. No. 52-99". This is an ordinance
11 enacting the Real Property Tax Code of Mandaue City. I move for its
12 approval on first reading, Hon. Chairman.



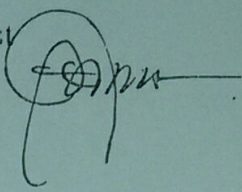
13 HON. CHAIRMAN: What is the intended amendment?

14 HON. BERCEDE: It is the assessment level.

15 HON. CHAIRMAN: This is the situation. We passed our tax
16 ordinance in 2001. After 2001, we amended sections 22 & 25. After
17 that amendment, we will now revert to the original provision. Actually,
18 the reason for that is that, every five years we have a revision of the
19 assessment levels. After passage of the ordinance, we lowered the
20 assessment levels that we have approved. After the lapse of five years,
21 we have to revise again. Now, if we base our revision on the reduced
22 assessment levels, the gap between what is to be the new assessment
23 levels and the original ordinance will become wider. And, it will be
24 burdensome on the taxpayers because our basis will be the original,

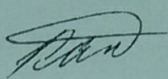


1 what is really provided for under the law. So, we have no other choice
2 but to base our new assessment levels on the approved ordinance, of
3 which, what is provided for under the law. So, to avoid burden on the
4 part of the taxpayers, we have to go back to the original assessment
5 levels.

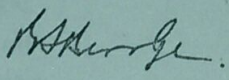


(Further discussion was made off the record.)

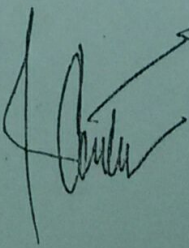
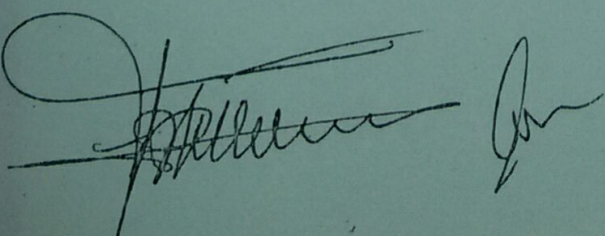
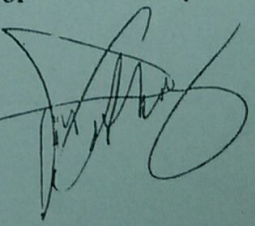
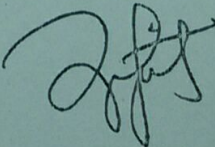
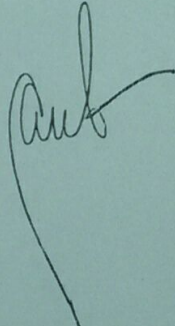
7 HON. CHAIRMAN: A series of public hearing on this matter should
8 be conducted. Okay, motion by Hon. Bercede, seconded by Hon.
9 Gakit. Any objection? None, the motion is carried. Yes, Hon. Borbajo.



Resn. No. 10-579-2004



11 HON. BORBAJO: Hon. Chairman, this is regarding one item under
12 informative matters, item 8.0.1, letter dated December 6, 2004, of
13 Barangay Captain Emiliano M. Rosal of Tabok, Mandaue City,
14 endorsing the Deed of Donation executed by KGK Corporation
15 covering the donated gym. As per advice by the Acting City Legal
16 Officer, Atty. Erwin Rommel Heyrosa, there is a need for this Council
17 to pass a resolution authorizing the City Mayor to sign the Deed of
18 Donation. As we remember, Hon. Chairman, the Hon. City Mayor
19 Thadeo Z. Ouano was given the authority by this Council under SP
20 Resn. No. 9-725-2003, for the construction of the gymnasium in
21 Barangay Tabok, which lot is owned by the City of Mandaue. In line
22 with this item, Mr. Chairman, I move to authorize the Hon. City Mayor
23 Thadeo Z. Ouano to sign the Deed of Donation.



June 28, 2005

Hon. Thadeo Z. Ouano
City Mayor
Mandaue City

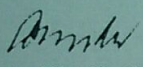
Dear Mayor Ouano:

CONGRATULATIONS!!!

Your city has attained the 1st quarter of CY 2005 collection efficiency of 175.48%, Ranked No.2, in Real Property Tax Collection. Please extend also our COMMENDATION to your City Treasurer and Assessor and to all the local officials thereat for their invaluable contributions, unselfish support and commitments in attaining the revenue target for that city under the Revenue Generation Program, that had led to this success.

Attached is a copy of the Real property Tax Collection Efficiency Report of Region VII, for your information and guidance.

Very truly yours,


CONCEPCION C. DAPLAS
OIC-Regional Director

Copy Furnished:
The City Treasurer
Mandaue City

The City Assessor
Mandaue City

Real Property Tax Collection

Regional Office

(Total Collection-Basic and SEF Including Delinquencies)

First Quarter March 31, 2005, Region VII

Province/City	Annual Target (in Millions)	First Quarter Target 30%	Actual Total Collections Basic & SEF (Million)	Annual Collection Efficiency (%)	Rank	First Quarter	
						Collection Efficiency (%)	Rank
Province	107,594,878.00	32,278,463.40	55,498,833.18	51.58	1	171.94	1
	249,273,175.00	74,781,952.50	94,143,889.57	37.77	3	125.89	3
Province Oriental	90,890,983.00	27,267,284.80	20,280,715.47	31.09	4	103.62	4
	13,807,142.00	4,142,232.00	5,830,490.04	58.81	2	128.89	2
	30,211,100.25	9,063,355.88	9,604,007.16	31.40	8	104.87	8
	15,020,187.00	4,808,756.10	3,837,205.63	23.94	10	79.80	10
	9,000,800.00	2,702,040.00	843,784.05	10.48	12	34.93	12
	590,000,000.00	177,000,000.00	231,757,907.95	39.28	4	130.94	4
	30,321,593.00	9,096,477.80	7,731,309.00	25.50	9	84.99	9
	41,477,706.00	13,343,311.80	19,414,039.31	43.05	3	146.50	3
	158,104,404.00	47,431,321.20	48,070,738.05	30.40	7	101.35	7
	177,880,398.00	53,364,119.40	93,535,522.18	52.64	2	175.48	2
	42,700,746.00	12,810,223.80	23,637,880.73	55.36	1	184.52	1
	31,123,489.00	9,337,046.70	10,805,488.71	34.08	5	113.58	5
	15,513,716.00	4,654,114.80	4,446,293.28	28.09	8	95.53	8
	20,066,150.00	6,019,845.00	3,350,861.52	16.70	11	55.88	11
	1,026,901,853.25	488,070,555.98	640,095,840.40	39.34		131.15	

Certified Correct

Concepcion C. Daplas
CONCEPCION C. DAPLAS
 OIC-Regional Director

TOTAL ASSESSED VALUE AS OF JUNE 30, 2005

CLASSIFICATION	ASSESSED VALUE	ASSESSED VALUE	DIFFERENCE	AMOUNT COLLECTIBLE OF DIFFERENCE	If Reduction of 30% in Assessment Level is not implemented on Residential only		DIFFERENCE	AMOUNT COLLECTIBLE OF DIFFERENCE
	(After Reduction of 30% in Assessment Level)	(30% Added to Assessment Level)			ASSESSED VALUE	AMOUNT COLLECTIBLE OF DIFFERENCE		
Residential	P 1,337,298,820.00	P 1,910,426,885.00	P 573,128,065.00	P 13,181,945.50	P 1,337,298,820.00	P 0.00	P 96,576.05	
Agricultural	9,797,570.00	13,996,528.57	4,198,958.57	96,576.05	13,996,528.57	4,198,958.57	22,794,108.39	
Commercial	2,312,445,779.00	3,303,493,970.00	991,048,191.00	22,794,108.39	3,303,493,970.00	991,048,191.00	25,812,243.83	
Industrial	2,618,633,433.00	3,740,904,904.00	1,122,271,471.00	25,812,243.83	3,740,904,904.00	1,122,271,471.00	35,637.91	
Hospital	3,615,440.00	5,164,914.29	1,549,474.29	35,637.91	5,164,914.29	1,549,474.29	288,800.19	
Institutional	29,298,570.00	41,855,100.00	12,556,530.00	288,800.19	41,855,100.00	12,556,530.00	49,027,366.37	
TOTALS	P 6,311,089,612.00	P 9,015,842,301.86	P 2,704,752,689.86	P 62,209,311.87	P 8,442,714,236.86	P 2,131,624,624.86	P 49,027,366.37	
	x 1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	
Tax Rate (Basic)	82,044,164.96	117,205,949.92	35,161,784.97	109,755,285.08	27,711,120.12	2,771,112.01		
Discount - 10%	8,204,416.50	11,720,594.99	3,516,178.50	10,975,528.51	2,771,112.01	24,940,008.11		
Net of Discount	73,839,748.46	105,485,354.93	31,645,606.47	98,779,756.57	24,940,008.11	7,482,002.43		
Barangay Share-30%	22,151,924.54	31,645,606.48	9,493,681.94	29,633,926.97	7,482,002.43			
Net Amount Collectible	P 51,687,823.92	P 73,839,748.45	P 22,151,924.53	P 69,145,829.60	P 17,458,005.68			

* If reduction of assessment level by 30% is not implemented.