REPUBLIC OF THE PHILIPPINES
SANGGUNIANG PANLUNGSOD
CITY OF MANDALUYONG

ISO 9001:2015
QUALITY MANAGEMENT SYSTEM
CB CERT. NO. 119910

ORDINANCE NO. 907, S-2022

AN ORDINANCE AUTHORIZING THE CITY TREASURER TO ENTER INTO COMPROMISE AGREEMENT FOR THE SETTLEMENT OF REAL PROPERTY TAX DELIQUENCIES AS OF DECEMBER 1, 2022, AND PRESCRIBING THE GUIDELINES THEREOF

WHEREAS, the Local Government Code of 1991 vests upon every city within the Metropolitan Manila Area the power to levy real property tax such as lands, buildings, machineries, and other improvements, with a uniform rate of two percent (2%) of the assessed value of such real property, as well as the duty for the proper, efficient, and effective administration of the real property tax;

WHEREAS, the responsibility for the collection of the real property tax with the corresponding interests and other related penalties and the enforcement of the remedies provided for under the Local Government Code or other applicable laws for the said purpose is thus imposed upon the local government units concerned, with such tax accruing on the first (1st) day of January of each year;

WHEREAS, the collection of real property tax deficiencies accruing from several real properties within the City of Mandaluyong has been an on-going concern for the City Government of Mandaluyong, as taxpayers continuously fail to settle this mandated levy on their respective properties thus affecting its scheme of tax collection;

WHEREAS, the City of Mandaluyong intends to devise means to aid taxpayers in settling their unpaid real property taxes in the form of compromise agreements, which sets out the particular obligations of both the taxpayers and the City of Mandaluyong for the collection of these unpaid taxes;

WHEREAS, towards this goal, it is imperative to establish that the Local Government Code of 1991 empowers every local government unit, as a corporation, to enter into contracts and to exercise such other powers as are granted to corporations, subject to the limitations provided for by the said Code and other laws;

WHEREAS, the same Code provides that local government units may, through ordinances duly approved, grant tax exemptions, incentives, or reliefs under such terms and conditions as they may deem necessary;

WHEREAS, as further qualified by the same Code, no contract may be entered into by the local chief executive on behalf of the Local Government unit without prior authorization by the Sanggunian concerned;

WHEREAS, the need to devise this scheme is in fact timely, as the City of Mandaluyong, by way of Ordinance No. 905, Series of 2022, established a revised schedule of fair market values for different classes of real property within the City of Mandaluyong;

WHEREAS, the City of Mandaluyong foresees the effects of the revisions introduced by Ordinance No. 905, Series of 2022 to the taxpayers, as such adjustments to the fair market value will inevitably affect the market values of all real properties in the City of Mandaluyong, and inevitably, the real property taxes levied on them;

WHEREAS, to administer the collection of the deficient real property taxes with the passage of Ordinance No. 905, Series of 2022 while affording and cushioning the taxpayers with a beneficial means to settle its respective real property tax deficiencies, the City of Mandaluyong expresses its intention and willingness to enter into compromise agreements with the taxpayers to concretize their respective commitments towards the full payment of real property tax deficiencies;

WHEREAS, due to the necessity of a compromise agreement, the said agreement shall be executed through the Local City Treasurer who shall represent the City of Mandaluyong in the enforcement of the provisions contained in the compromise agreements.

NOW, THEREFORE, BE IT ORDAINED, as it is hereby ORDAINED, by the Sangguniang Panlungsod of Mandaluyong, in session duly assembled:

SECTION 1. DEFINITION OF TERMS. – For purposes of this Ordinance, the following definitions shall be adopted:

a. Real Property Tax – the annual ad valorem tax imposed by the City of Mandaluyong on real properties, including but not limited to residential, commercial, agricultural, and industrial lands.

b. Assessed Value – the fair market value (FMV) of the real property multiplied by the assessed level as applicable and prescribed by law.

c. Delinquent Tax – the tax due on a specific real property as determined by the assessed value and based on the authentic and genuine records of the City of Mandaluyong.

SECTION 2. COVERAGE – This Guidelines shall only cover real property taxpayers who failed to settle their respective real property tax due, Basic and Special Education Tax (SEF) as of December 1, 2022, are considered qualified to avail of the option to pay their delinquent taxes through the execution of a compromise agreement. Upon availing of the benefits under this Ordinance, the availing taxpayer shall not be subject to any discounts, reliefs, and other concessions until such time that any or all delinquencies have been settled through a Certification evidencing such settlement.

SECTION 3. PAYMENT SCHEME – To aid and assist delinquent taxpayers in the payment of delinquent real property taxes, the taxpayer may avail, by way of a compromise agreement having sufficient securities, the following payment schemes to cover the delinquent taxes and penalties, including expenses involved, in an installment basis, provided that twenty-five percent (25%) of the aggregate amount be initially paid, to wit:

TOTAL DELIQUENCY	BALANCE PAYABLE IN INSTALLMENTS
Less than Php1,000,000.00	Not more than twelve (12) months
Php1,000,001.00 – Php5,000,000.00	13 – 24 months
Php5,000,001.00 and over	25 – 36 months

This notwithstanding, the taxpayer subject of the scheme shall be continuously assessed of the current real property taxes based on the revised schedule of fair market values under Ordinance No. 905, Series of 2022.

SECTION 4. EXECUTION OF COMPROMISE AGREEMENT – Upon the voluntary availment of the taxpayer of his/her option to enter into a compromise agreement for the settlement of the delinquent taxes, the City of Mandaluyong, through its Local City Treasurer, and the subject taxpayer shall enter into a compromise agreement setting forth the terms and conditions of the applicable payment scheme. In no case shall the Agreement be inconsistent with the provisions of this Ordinance nor be against law, morals, good customs, public order, and public policy.

The Agreement shall, likewise, be duly notarized, with copies of the same being furnished to the Treasurer's Department and Assessors Department of the City of Mandaluyong.

SECTION 5. DEFAULT – In the event that the taxpayer defaults in the payment of three (3) consecutive installments or for six (6) months in total, whichever comes first, the remaining balance of the unpaid delinquency taxes shall be immediately due and demandable without need of further notice. For the said failure, the City of Mandaluyong reserves its right to cause the securities attached in the Agreement to be subjected to the proper procedure for their sale in a public auction, which shall then cover the delinquent taxes, as well as other applicable civil remedies in accordance with the relevant provisions of the Republic Act No. 7160 or the "Local Government Code of 1991".

SECTION 6. AUTHORITY TO ENTER INTO COMPROMISE AGREEMENTS – To facilitate the agreement that taxpayers may avail for the payment of delinquent real property taxes, the Local City Treasurer is hereby authorized to enter into compromise agreements in behalf of the City of Mandaluyong. In this view, the Local City Treasurer shall also be authorized to initiate, file, and prosecute civil actions before any court of competent jurisdiction for the enforcement of the City of Mandaluyong's right to collect the delinquent taxes, fees, and charges, with special power to represent and act on behalf of the City and to appear at court hearings, and to settle, make admissions, compromise, and arbitrate with regard to the legal rights of the City of Mandaluyong, to sign, execute, and deliver on behalf of the City agreements, documents, and other similar instruments in connection with any dispositive means to resolve the matters complained of, and such other powers and authority, suppletory in character, to those expressly and impliedly provided to his/her capacity by law or by ordinance in relation thereof.

SECTION 7. SEPARABILITY CLAUSE – Any provision or portion of this Ordinance found to be violative of the Constitution or invalid shall not impair the other provisions or parts thereof which shall continue to be in force and in effect.

SECTION 8. REPEALING CLAUSE – Ordinances, rules, and regulations or parts thereof, which are inconsistent or in conflict with the provisions of this Ordinance are hereby repealed or modified accordingly.

SECTION 9. EFFECTIVITY CLAUSE – This Ordinance shall take effect fifteen (15) days upon its complete publication in a newspaper of general circulation.

ENACTED on this 12th day of December 2022, in the City of Mandaluyong.

I HEREBY CERTIFY THAT THE FOREGOING ORDINANCE WAS ENACTED AND APPROVED BY THE SANGGUNIANG PANLUNGSOD OF MANDALUYONG IN A REGULAR SESSION HELD ON THE DATE AND PLACE FIRST ABOVE GIVEN.

MA. TERESA S. MIRANDA
Sanggunian Secretary

ATTESTED BY:

CARMELITA A. ABALOS
City Vice Mayor &
Presiding Officer

APPROVED BY:

BENJAMIN S. ABALOS
City Mayor

Date: DEC 16 2022