

AN ACT TO REVISE AND COMPILE THE ASSESSMENT LAW, PROVIDE FOR A SPECIAL, ASSESSMENT FOR CERTAIN PURPOSES, AND ESTABLISH PENALTIES FOR FAILURE TO COMPLY WITH SOME OF ITS PROVISIONS.

Act No. 3995, December 05, 1932

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

PRELIMINARY ARTICLE.—Title of Act

SECTION 1. Title of this Act.—This Act shall be known as the Assessment Law.

ARTICLE II.—General provisions

SEC. 2. Incidence of real-property tax.—In all parts of the Islands other than the cities of Manila and Baguio there shall be levied, assessed, and collected, an annual ad valorem tax on real property, including land, buildings, and other improvements not hereinafter specifically exempted.

SEC. 3. Property exempt from tax.—The exemptions shall be as follows:

- Property owned by the United States of America, the Government of the Philippine Islands, or by any province or municipality in the Philippine Islands.
- Cemeteries or burial grounds.
- Churches and parsonages or conventos appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, scientific, or educational purposes; but this exemption shall not extend to property held for investment, or which produces income, even though the income be devoted to some or more of the purposes above specified.
- When the entire assessed valuation of real property in any one municipality belonging to a single owner, shall be less than the sum of one hundred pesos, the tax thereon shall not be collected, nor shall the tax be collected on a dwelling house built on the field, nor on an adjacent orchard, if any, as improvement, if the assessed value of each, assessed separately, is not in excess of one hundred pesos, though in any event the property shall be valued for the purposes of assessment and record shall be kept thereof as in other cases.
- Land held by a homesteader under an application filed in accordance with law, prior to the approval by the Director of Lands of the final evidence, as required by Act Numbered Twenty-eight hundred and seventy-four; but this exemption does not extend to buildings and improvements thereon the title to which is not in the Government.
- Machinery, which term shall embrace machines, mechanical contrivances, instruments, tools, implements, appliances, and apparatus used for industrial, agricultural, or manufacturing purposes.

- Fruit trees and bamboo plants, except where the land upon which they grow is planted principally to such growth.

SEC. 4. Principle governing valuation and assessments.—All real property subject to taxation under the provisions of this Act shall be valued and assessed for taxation at its true and full value in accordance with the schedule of values in force in the municipality wherein it is situated. So far as properly applicable such schedule shall be controlling; but where the property to be assessed is of a kind not classified in the schedule or of a kind for which a value is not therein fixed, it shall be assessed at its full and true value, independently of such schedule.

SEC. 5. Division of proceeds of assessment between municipalities and provinces.—The proceeds of the real-property tax shall be applied to the use and benefit of the respective provinces and municipalities wherein the property liable to such tax is situated. The share of a province in said tax shall be levied by the provincial board thereof, whose duty it shall be, on or before the thirty-first day of December of each year, to fix by resolution an uniform rate of taxation for the succeeding year, in an amount not less than one-eighth nor more than three-eighths of one per centum, as far as regularly organized provinces are concerned, and four-eighths per centum in the case of specially organized provinces.

The share of a municipality shall in the same manner be levied by ordinance of the municipal council thereof in an amount not less than one-fourth nor more than one-half of one per centum, as far as municipalities in regularly organized provinces are concerned, and five-eighths per centum in the case of municipalities in specially organized provinces.

The resolutions of the provincial board and the municipal ordinances fixing the rate of land tax shall remain in force for succeeding years unless said resolutions and ordinances are amended or revoked.

SEC. 6. Special application of portions of proceeds of tax.—The gross proceeds of the first one-eighth of one per centum levied or imposed for provincial purposes shall accrue, in a regularly organized province, exclusively to its road and bridge fund, and in a specially organized province, exclusively to its road and public works fund: Provided, That the proceeds of said first one-eighth of one per centum levied or imposed for provincial purposes and collected in municipalities, barrios, and sitios situated on islands not benefited by the construction and maintenance of local roads maintained with provincial funds, shall hereafter be applied to school purposes or for the construction and maintenance of local roads or any other local improvements, as the municipal council concerned may determine. The gross proceeds of the remaining two-eighths or three-eighths per centum, as the case may be, or any part thereof, levied for provincial purposes shall accrue to the general fund of the province.

The gross proceeds of the first one-fourth of one per centum levied or imposed for municipal purposes shall accrue exclusively to the school fund of the municipality. The gross proceeds of the remaining one-fourth or three-eighths of one per centum, as the case may be, or any part thereof, levied for municipal purposes shall accrue to the general fund of the municipality.

ARTICLE III.—The provincial assessor and his powers

SEC. 7. Provincial assessor, his deputy, appointment and powers of latter.—There shall be a provincial assessor wherever there is real property subject to the annual ad valorem tax.

Except as otherwise specially provided, the provincial assessor or his deputy shall be appointed by the proper Department head upon nomination of the provincial board. He shall be a resident of the province to which appointed, and his salary shall be as fixed by the provincial board, with the approval of the Department head.

The positions of assessor and deputy assessor shall not be primarily subject to the provisions of the Civil Service

Law; but if any civil-service employee should be transferred to such position, his civil-service status and privileges shall not be thereby suspended or impaired.

A Government officer or employee appointed to the position of assessor or deputy assessor may be allowed additional compensation for his services in such capacity which shall be fixed in his appointment.

The oath of office of a provincial assessor and deputy assessor shall contain a statement to the effect that the affiant will appraise the real property subject to taxation in the province at its true value in money, as required by law.

The provincial assessor shall be the officer in charge of assessment in the province. In the performance of the duties devolving upon the provincial assessor, he shall be authorized from time to time as occasion may require, and subject to the provisions of this Act and of any lawful regulations pursuant thereto:

- To establish a systematic method of assessment.
- To prepare a map showing graphically all property subject to the tax in his province and gather all data concerning the same.
- To keep a record of all transfers of land, leases and mortgages of real property, rentals, insurance, and cost of construction of buildings and other improvements on land for assessment purposes.
- To receive proper declarations of property not previously declared by the owner, or to make official declarations therefor, as the case may require.
- To fix the value of real property not previously assessed and to assess the same for taxation according to law.
- To cancel the declaration of an original owner of property which has changed ownership and to substitute therefor the new declaration in the name of the new owner.
- To cancel, in case that more than one declaration of the same property is received, all except the one properly made; but if any declarant shall object to the cancellation of his declaration, such declaration shall not be canceled but the fact shall be noted thereon and in the proper book of record, and similar notation shall be made on the duplicate declaration. In this case, preference shall be given to the declaration of the person who has the best title to the property, or, in default thereof, to the person who has possession of the property.
- To cancel, raise, or lower, as the case may require the assessment of any parcel or item of real property in any municipality or of the property of any owner or owners therein whenever it appears that the existing assessment, whether originally proper or not, does not conform to the requirements of law, but no assessment shall be lowered or cancelled without the previous approval of the municipal council. In case of disagreement between the assessor and the council, the matter may be taken in appeal to the provincial board within thirty days after receipt of the notice by the owner of the property, and the decision of the board shall be final.

In the exercise of this power, the provincial assessor shall eliminate from the list of taxable property all property which, being exempt, has been improperly included in the same; upon recommendation of the municipal council he shall decrease the assessment where property previously assessed has suffered a permanent loss of value by reason of storm, flood, fire, or other casualty; and shall increase the assessment where taxable improvements have been made upon property subsequent to the last previous assessment.

SEC. 8. Preparation of schedules of values by the assessor.—Before any general assessment revision is made in a province or any municipality thereof, the provincial assessor shall prepare, in such form and detail as shall be prescribed by the Secretary of the Interior, a general schedule of the values of the different classes of land and real

property in each municipality of the province, which shall be submitted to the municipal council concerned, and it shall be the duty of such council to approve or disapprove the same, or any part thereof, within thirty days after receipt thereof, and to transmit its action and all papers thereto belonging to the provincial board, which body shall approve, disapprove, or modify such action within thirty days after receipt of the schedule. Said schedule shall, on its approval by the provincial board, serve the assessor as basis of valuations for assessment. Should the provincial assessor or municipal council not be satisfied with the action of the provincial board, such council or provincial assessor may appeal to the Secretary of the Interior, in which case the provincial board shall forward the schedule to that official within thirty days after receipt thereof, stating the reasons on which the decision is based. The decision of the secretary of the Interior in this case shall be final.

SEC. 9. General revision of values of property subject to tax.—When so directed by the provincial board, the provincial assessor shall make a general revision of real property values in his province or in any municipality thereof, and shall make a new assessment or revised assessment thereof according to law. A general assessment revision shall not be made more frequently than once in two years.

SEC. 10. Certification of revised values to provincial board.—When the provincial assessor shall finish a general revision of the assessments for any municipality he shall so certify to the provincial board, and the assessment shall become effective and taxes shall accrue and be payable thereunder commencing with the year next ensuing.

SEC. 11. Amending schedules of values.—For the correction of errors or inequalities in any schedule of values, the provincial board may at any time, require the provincial assessor to prepare an amendment designed to remedy such errors or inequalities. Such amendments shall be subject to the same conditions as to preparation, modification, and appeal as general schedules.

SEC. 12. Declaration to be prepared by owner of real property.—It shall be the duty of every owner of real property within a municipality or his duly authorized representative, to prepare, or cause to be prepared, and submit to the provincial assessor a declaration of said property stating the value of each parcel thereof which he owns within the municipality. Such declaration shall contain a description of the property sufficient in detail to enable the provincial assessor to identify the same.

It shall also be the duty of any person acquiring at any time real property in any municipality or making any improvement on real property belonging to him, to prepare and the provincial assessor, within sixty days after the acquisition of such property or the completion of the improvement, a declaration containing the value of the real property so acquired or of the improvement made. The property and improvement must be so described as to enable the provincial assessor to identify the same on examination.

He shall subscribe the declaration and verify the same on oath, free of charge, before the municipal secretary of the municipality or before the provincial assessor, or if not conveniently accessible to one of these, before the municipal president or any other person authorized to administer oaths.

SEC. 13. When a new declaration need not be made.—When any real property has been attached or forfeited to the provincial government for delinquent taxes, no other declaration on the same shall be accepted as valid unless the property has been previously redeemed or repurchased or until it has been sold to a third party, in accordance with sections thirty-seven, forty, and forty-three of this Act.

SEC. 14. Assessment of property subject to back taxes.—Real property declared for the first time shall have back taxes assessed against it for the period during which it would have been liable if assessed from the first in proper course but not in any case for more than one year prior to the year of the initial assessment. But real property, part of the area or improvements of which are declared for the first time, will not be subject to taxation on such newly

declared area or improvements till the year following that of assessment.

If said taxes are paid before the expiration of the tax collection period next ensuing, no penalty for delinquency shall be imposed, but if they be not so paid the property shall be subject to all the penalties to which it would have been liable had it originally become delinquent after assessment in usual course.

SEC. 15. Declaration made by assessor for owner.—When real property is found in any municipality the owner of which refuses or fails to make the required declaration, the provincial assessor shall himself declare the property in the name of the defaulting owner, if known, or as against an unknown owner, as the case may be, and shall assess the property for taxation accordingly.

No oath shall be required to a declaration thus made by the provincial assessor.

SEC. 16. Authority of assessor to take evidence.—For the purpose of obtaining information on which to base the correct assessment of any real property, the provincial assessor may summon witnesses, administer oaths, and take depositions concerning the property, its amount, nature or value.

No summons shall be issued compelling a witness to appear outside of the municipality in which he resides.

SEC. 17. Notification of increased assessment.—When real property is assessed at a value greater than that stated in the declaration of the owner, or where an existing assessment is increased to an amount in excess of that so stated, the provincial assessor shall immediately give written notice of such assessment or increased assessment to the owner, or in his absence, to his authorized agent in the Philippine Islands, or if there be none such, to the occupant in possession, if any. This notice may be delivered personally or may be mailed to the last known address of the person to be served.

Written notice shall also be given in like manner to the owner, or his agent, if known, or the occupant, if such there be, of the valuation placed on property newly declared.

SEC. 18. Appeal by owner to municipal council.—Any owner aggrieved by the action of a provincial assessor in the assessment of his property may at any time before or during the first three months of the year in which the assessment is to take effect for the first time bring the matter before the municipal council of the municipality where the property is situated by filing with it a written statement of his grievance.

SEC. 19. Action by the municipal council.—The municipal council shall take action upon the complaint within thirty days from the receipt thereof; and if such action be favorable to the taxpayer the provincial assessor shall be so notified and may thereupon amend the assessment accordingly. If, however, the provincial assessor be of opinion that the matter should be reviewed by the provincial board, all the papers in the case shall be forwarded by him to that body for proper action by it, within thirty days from the receipt of all the papers, and the decision of the provincial board shall be final, unless the taxpayer or the municipal council or provincial assessor disagree with decision of the provincial board, in which case an appeal may be taken from said decision, within thirty days the receipt thereof, to the Secretary of the Interior, whose decision shall be final.

If the action of the municipal council should be unfavorable to the taxpayer and the latter should indicate a desire to have the assessment reviewed by the provincial board, all the papers in the case shall, within ten days, be likewise forwarded as in the preceding paragraph provided.

Any assessment changed by the municipal council and acquiesced in by the parties shall be certified to the provincial treasurer.

SEC. 20. Review by provincial board.—A provincial board shall have the power to review assessments found to be unjust, erroneous or unlawful or not in accordance with the provisions of article four of this Act, whether brought

before it in the manner provided in the preceding section or taken up by the board of its own motion.

SEC. 21. Evidence in assessment proceedings.—In the exercise of their appellate and supervisory powers on assessments, municipal councils, provincial boards and the Department head may receive, take, and consider not only the evidence on which the officers in charge of the assessment have acted, but other pertinent evidence, in the form of either oral testimony or affidavits or depositions.

ARTICLE IV.—Payment of the land tax

SEC. 22. Date of accrual of tax.—The real property tax for any year shall become due and payable on the first of January and from the same date said tax and all penalties subsequently accruing thereto shall constitute a lien upon the property subject to such tax.

Said lien shall be superior to all other liens, mortgages, or incumbrances of any kind whatsoever, shall be enforceable against the property whether in the possession of the delinquent or any subsequent owner or possessor, and shall be removable only by the payment of taxes and penalties.

SEC. 23. Notice of time for collection of tax.—The provincial treasurer shall cause notice of the dates during which the real-property tax may be paid in each municipality to be posted at the main entrance of the provincial building and of all municipal buildings and in a public and conspicuous place in each barrio, and published in the newspapers or by crier.

Such notice shall be posted during the month of January of each year and shall contain the name of the taxpayer, the number of the declaration of each property, the barrio or sitio where the property is situated, its assessed value, the total delinquent tax due on it, and the annual tax chargeable for the current year.

SEC. 24. Payment of the land tax in installments.—The land tax may, in the discretion of the taxpayer, be paid in two installments as determined by the provincial board annually on or before December thirty-first of the year next preceding the one during which such resolution is to take effect: Provided, That the last day of the first and second installment period shall not be later than May thirty-first and November thirtieth of each year, respectively.

Any person who shall on the last day of any period established for the payment of the land tax be in the municipal building, ready and prepared to pay but is unable to do so because of the great number of taxpayers, shall be given a suitable card entitling him to pay the tax without penalty on the day next following.

SEC. 25. Part payment of tax.—When the property consists of several parcels of land, or the owner thereof can not pay the total of the tax due, he may make a payment on account, for one parcel or more, or for part of any of them.

SEC. 26. Payment under protest.—When a taxpayer desires for any reason to pay his tax under protest, such protest shall be annotated on the tax receipt by writing thereon the words "paid under protest." Verbal protests shall be confirmed in writing within thirty days.

SEC. 27. Power of provincial board to extend term for payment of tax without penalty.—The provincial board shall have power, for just cause, to extend the term or terms for the payment without penalty of the real-property tax in the province or in any municipality thereof, for a period not exceeding three months during the same calendar year; but a resolution so disposing shall not take effect until approved by the Governor-General.

SEC 28. Power of Governor-General to postpone term without penalty.—The Governor-General may in his discretion postpone the term for the payment without penalty of the real-property tax, or of installments thereof, as the case may be, in any province or municipality, to any period falling within the same calendar year.

ARTICLE V.—Delinquency in the payment of the land tax

SEC. 29. Notice of delinquency in the payment of the land tax.—Upon the real-property tax becoming delinquent, the provincial treasurer shall immediately cause notice of that fact to be posted at the main entrance of the provincial building and of all municipal buildings and in a public and conspicuous place in each barrio of the municipality concerned.

Such notice shall specify the date upon which the tax became delinquent, and shall state that personal property is subject to seizure to effect payment. It shall also state that, at any time before the seizure of personal property, payment may be made with penalty in accordance with the next following section, and further, that one year from the date of delinquency, unless the tax and penalties be sooner paid or the tax shall have been judicially set aside, the delinquent real property will be forfeited and escheat to the provincial government, that the delinquent owner win then be dispossessed and all occupants and tenants on the property will be ejected, and that thereafter the full title will be and remain in the provincial government.

SEC. 30. Penalty for delinquency.—Failure to pay w«j real-property tax before the expiration of the term for the payment without penalty of the same or installments thereof, shall subject the taxpayer to the payments, for each full month of delinquency that has expired, of a penalty of two per centum on the original amount of tax due, until the tax shall be fully paid, or the property escheats to the provincial government in accordance with section thirty-six of this Act: Provided, That the provisions of this section shall be applicable to delinquencies in the payment of the land tax incurred prior to the approval of this Act.

SEC. 31. Distrain of personal property for delinquency.—After delinquency in the payment of the real-property tax has occurred, the provincial treasurer or his deputy, if desirous of enforcing payment by distraining the personal property of any delinquent person or persons, shall issue a duly authenticated certificate, based upon the records of his office, showing the fact of delinquency and the amounts of tax and penalty due from such delinquent or each of them. This certificate shall be sufficient warrant for the seizure of any nonexempt personal property belonging to the delinquent or delinquents in question; and such process may be credited by the provincial treasurer, his deputy, or other officer authorized to execute legal process.

SEC. 32. Personal property exempt from distrain or levy.—The following property shall be exempt from distrain and from the levy of attachment or execution for delinquency in the payment of the real-property tax:

- Tools and implements necessarily used by the debtor in his trade or employment.
- One horse or cow, or carabao, or other beast of burden, such as the debtor may select, and necessarily used by him in his ordinary occupation.
- His necessary clothing, and that of all his family.
- Household furniture and utensils necessary for housekeeping, and used for that purpose by the debtor, such as the debtor may select, of a value not exceeding one hundred pesos.
- Provisions actually provided for individual or family use sufficient for four months.
- The professional libraries of lawyers, judges, clergymen, doctors, school teachers, and music teachers, not exceeding live hundred pesos in value.
- One fishing boat and net, not exceeding the total value of fifty pesos, the property of any fisherman, by the lawful of which he earns a livelihood.
- Any material or article forming part of a house or improvement of any real property.

SEC. 33. Sale of distrained personal property.—Property seized upon process under section thirty-one hereof shall, after due advertisement, be exposed for sale at public auction, to the highest bidder, and so much of the same shall be thus sold as may be necessary to satisfy the tax, penalty, and costs of the seizure and sale. The purchaser at such sale shall acquire an indefeasible title to the property.

Advertisement in such cases shall be given by notice stating the time, place, and cause of the sale, posted for ten days before the date of the auction at the main entrance of the municipal building and at a public and conspicuous place in the barrio where the property was seized.

The sale shall take place, in the discretion of the provincial treasurer or his deputy, either at the main entrance of the municipal building or at the place where the property was seized. If no satisfactory bid is received in the places mentioned, he may hold the sale anywhere in the province.

SEC. 34. Return of officer—Disposition of proceeds.—The officer conducting a sale under the preceding section shall make immediate return of his proceedings and a memorandum thereof shall be entered by the provincial treasurer in his records. Any surplus proceeds resulting from the sale, and any of the property remaining unsold in the hands of the officer, shall be returned to the delinquent taxpayer.

SEC. 35. Redemption of distrained property.—The owner of personal property seized for the non-payment of taxes hereunder may redeem the same from the collecting officer at any time after seizure and before sale by tendering to him the amount of the tax, the penalty, and the costs incurred up to the time of tender. The costs to be charged in making such seizure and sale shall only embrace the actual expense of seizure and preservation of the property pending the sale, and no charge shall be imposed for the services of the collecting officer or his deputy.

SEC. 36. Final vesting of property in provincial government.—Upon the expiration of one year from the date whereon the first delinquency in the payment of the real property tax occurred, or if the same was paid, from the date when the present delinquency took place, all private right, title, and interest in and to the property upon which the said tax is delinquent shall become indefeasibly vested in the provincial government, subject only to the rights of redemption and repurchase hereinbelow conferred: Provided, That the right acquired by said provincial government to the real property shall not be superior to that which the original owner had to the same before the distraint thereof.

SEC. 37. Redemption of property by owner.—At any time after delinquency shall have occurred, but not later than the expiration of ninety full days from the date of the publication of the notice prescribed in the next succeeding section hereof, the owner or his legal representative or any person having a lien, leasehold, or other legal or equitable interest in or upon such property may satisfy the taxes and penalties then due and thereby redeem the property. Such redemption shall operate to divest the Philippine Government of its title to the property in question and to revert the same in the original owner, but where such redemption is effected by a person other than the owner, the payment shall constitute a lien upon the property and the person making payment shall be entitled to recover it from the original owner, or if he be a lessee, he may retain the amount from any rent owing from him to the owner upon the property: Provided, That the person who exercises the right of redemption shall not acquire a better title to the property than that of the person who originally declared the property before it escheated to the Government.

Subject to such rules of procedure as the Department head may promulgate, the provincial treasurer may accept the redemption of any real estate seized and distrained by the provincial government, upon payment of all taxes and penalties due.

SEC. 38. Announcement of distraint of real property.—The publication required in the preceding section shall be

made by the posting of notices at the main entrances of the provincial building and of all municipal buildings of the province, and in a public and conspicuous place in the barrio wherein the property is situated, in English, Spanish, and the prevailing local dialect. A copy of said notice shall also be posted on the property distrained. Such notices shall contain the names of the persons delinquent, the date upon which the delinquency began, the amount of the tax and penalty then due from each, and shall state that unless such taxes and penalties shall be paid within ninety days from the date of publication of such notice the forfeiture of delinquent real property to the provincial government will become absolute.

SEC. 39. Ejection of occupants from seized property.—After the expiration of ninety full days from the date of property publication of the notice of delinquency prescribed in the next preceding section, the provincial treasurer, or his deputy, may issue to the municipal president or other officers authorized to enforce the laws his certificate describing the parcel of property upon which the taxes are delinquent, stating the amount of taxes due, together with all penalties and costs accrued by reason of delinquency, and require him to eject from the said property all tenants or occupants thereof. The municipal president or other officer authorized to enforce the laws, upon receiving such certificate shall immediately cause all tenants or occupants to be ejected from the property in question by the municipal police, and to that end may employ such force as may be necessary: Provided, however, That if the distrained property is, or includes, a dwelling house, the occupants thereof shall be given an extension of time not to exceed ten days from the date of the notice of ejectment by the municipal president.

SEC. 40. Repurchase by owner before sale of property.—After the title to the property shall have become vested in the provincial government in the manner provided in sections thirty-six and thirty-eight of this Act, and at any time before a sale or contract of sale has been made by the provincial treasurer to a third party, the original owner or his legal representative or any person having a lien, leasehold or other legal or equitable interest in or upon such property shall have a further right to repurchase the entire amount of the property in question, by paying therefor the full amount then due for taxes and penalties due at the time of the distraint, and if the provincial treasurer has made a contract for the lease of the property, the repurchase shall be made subject to such contract: Provided, That the payment of the price of sale may, in the discretion of the purchaser, be made in installments extending over a period not to exceed twelve months, but the first installment, which shall be paid when the application for repurchase is and each subsequent installment shall not be less twenty-five per centum of the total sum due, and shall no case be less than two pesos unless the total or balance the sum due on all property in the name of the taxpayer has been distrained is less than two pesos. The Purchaser may occupy the property after making the first part payment, and the regular taxes on the property shall become payable in the year next following the one in which the application for repurchase was approved. Any failure on the part of the delinquent taxpayer to pay any installment on its due date shall result in the forfeiture to the provincial government of any part payment made by said taxpayer, and if the purchaser has taken possession of the property he shall forthwith surrender the same to said provincial government. In the event that the purchaser fails to relinquish the possession of the property, the provincial treasurer or his deputy shall immediately take steps to eject therefrom all tenants or occupants thereof in conformity with the procedure prescribed in section thirty-nine hereof: Provided, however, That any original owner of real property distrained prior to the approval of this Act who repurchases the same within six months after the approval hereof, is hereby exempted from any obligation towards the Government for rent for the use of such property: Provided, finally, That the provisions of this Act shall apply to repurchases of real property distrained for delinquency in the payment of taxes and not repurchased until the date of the approval hereof.

SEC. 41. Announcement of sale of real property at public auction.—At any time after the embargo of any real property becomes absolute, the provincial treasurer, in accordance with rules of procedure to be issued by the Department head, may announce the sale at public auction of the real property seized for delinquency in the

payment of the tax for the repurchase of which application has not been made. Such announcement shall be made by posting a notice for three consecutive weeks at the main entrances of the provincial building and all municipal buildings in the province, and in a public and conspicuous place in the barrio wherein the property is situated, in English, Spanish, and the local dialect commonly used, and by publishing it once a week for three consecutive weeks in a newspaper of general circulation published in the province, if there be any. Copy of the notice shall be forthwith sent by registered man to the delinquent taxpayer at his residence if known to said treasurer. The notice shall set forth the amount of the taxes and penalties due, the date and place of the sale, the name of the taxpayer against whom the taxes were assessed and the approximate area, the lot number and the location, stating the street, number, district, barrio, municipality and province where the real property to be sold is situated.

SEC. 42. Sale of real property—Conditions.—At any time during or before the sale, the taxpayer may stay all proceedings by paying the taxes and penalties to the provincial treasurer or his deputy. Otherwise, the sale shall proceed, which shall be held either at the main entrance of the municipal government building or on, the site of the real property to be sold, as the provincial treasurer or his deputy may determine. The payment of the price of sale may, in the discretion of the purchaser, be made in installments extending over a period not to exceed twelve months, but the first installment, which shall be paid when the sale is made, and each subsequent installment shall not be less than twenty-five per centum of the total price of sale and shall in no case be less than two pesos unless the total or balance of the sum due is less than two pesos. The purchaser may occupy the property after making the first part payment, and the regular taxes on the property shall become payable in the year next following the one in which the sale took place. Failure on the part of the purchaser to pay the total price of sale within twelve months after the date of the sale shall be sufficient cause for the cancellation of said sale, and any part payment made shall revert to the provincial government, and if the purchaser has taken possession of the property he shall forthwith surrender the same to said provincial government. In the event that the purchaser fails to relinquish the possession of the property, the provincial treasurer or his deputy shall immediately take steps to eject therefrom all tenants or occupants thereof in conformity with the procedure prescribed in section thirty-nine of this Act.

The provincial treasurer or his deputy shall make report of the sale to the provincial board during the five days next following the sale and shall make the same appear in his records. The purchaser at this sale shall receive from the provincial treasurer or his deputy a certificate setting forth the proceedings had at the sale, a description of the property sold, the name of the purchaser, the price of sale, the terms of payment, the sum paid, and the exact amount of the taxes and penalties due.

SEC. 43. Repurchase of real property after sale.—Within the term of one year from the date of the sale, the delinquent taxpayer or any other person in his behalf shall have the right to repurchase the property sold by paying to the provincial treasurer or his deputy the amount of taxes and penalties and the interest, at the rate of twelve per centum per annum, on the purchase price, if paid in full, or on such part thereof as may have been paid by the purchaser, and such payment shall invalidate the sale certificate issued to the purchaser, if there be any, and shall entitle the person making the same to a certificate from the provincial treasurer or his deputy stating that he has redeemed the property, and the provincial treasurer or his deputy, upon surrender by the purchaser of the certificate of sale previously issued to him, shall forthwith return to the latter the entire sum paid by him plus the interest at twelve per centum per annum herein provided for, and said property shall thereafter be free from the lien of said taxes and penalties.

SEC. 44. Issuance of final bill of sale.—In case the delinquent taxpayer does not redeem the property sold as herein provided for within the period of one year from the date of the sale, and the purchaser has then paid the entire purchase price, the provincial treasurer, as conveyor, shall make an instrument sufficient in form and effect to convey to the purchaser the sold part of the property against which the taxes were assessed, free from any

encumbrance whatsoever, and the said instrument shall succinctly set forth all proceedings upon which the validity of the sale depends. Any balance of the proceeds of the sale left after deducting the amount of the taxes and penalties due, and the costs, if any, shall be returned to the original owner or his representative.

SEC. 45. Taxes and penalties payable upon redemption or repurchase.—The taxes and penalties to be paid by way of redemption or repurchase shall in all cases include only the original tax by virtue of the nonpayment of which the forfeiture became operative, and the penalties thereon until the date of the seizure of the property by the Government.

SEC. 46. Disposition of proceeds.—The proceeds of all delinquent taxes and penalties, with the income derived from the use or lease of the distrained land, and the proceeds of the redemption or repurchase thereof, shall accrue to the provincial and municipal governments in the same manner and proportion as if the tax or taxes had been paid in regular course.

ARTICLE VI.—Special assessment

SEC. 47. Power of the municipal council to levy special assessments for certain purposes.—In addition to the powers conferred by existing law, the municipal council may, by ordinance duly approved, provide for the levying and collection, by special assessments of the real estate comprised within the municipality or section thereof especially benefited, a part not exceeding sixty per centum of the cost of laying out, opening, constructing, straightening, widening, extending, grading, paving, curbing, walling, deepening, or otherwise establishing, repairing, enlarging, or improving public avenues, roads, streets, alleys, sidewalks, parks, plazas, bridges, landing places, wharves, piers, docks, levees, reservoirs, waterworks, water mains, water courses, esteros, canals, drains, and sewers, including the cost of acquiring the necessary land, by special assessments of the real estate in the district especially benefited, as hereinafter provided. Within the meaning of this section all real estate comprised within the district benefited, except lands or buildings owned by the United States of America, the Government of the Philippine Islands, or the province, municipality, or other political subdivision in the Philippine Islands, shall be subject to the payment of the special assessment, based upon the valuation of such real estate as shown by the books of the provincial assessor, or its present value as fixed by said officer in the first instance if the property does not appear of record in his books according to the valuation whereof the special tax has to be made, computed, and assessed.

SEC. 48. Ordinance levying special assessment.—The ordinance providing for the levying and collection of a special assessment shall describe with reasonable accuracy the nature, extension, and location of the work to be undertaken; the probable cost of the work; the percentage or the cost to be defrayed by special assessment; the district subject to the payment of the percentage of the cost of the proposed work so established, the limits whereof shall be stated by monuments and lines, and the number of annual installments, which shall not be less than five nor more than ten, in which said special assessment shall be payable without interest. The municipal council shall not be obliged to establish a uniform percentage for all real property subject to the payment of the tax for the entire district, but it may fix different rates for different parts or sections thereof, according to whether such property is more or less benefited by the proposed work.

The district engineer shall make the plans, specifications, and estimates of the proposed work.

SEC. 49. Publication of proposed ordinance levying special assessment.—The proposed special assessment ordinance shall be published, with a list of the owners of the real property affected thereby, once a week for four consecutive weeks in any newspaper published in the locality, one in English, one in Spanish, and one in the local dialect, if there be any, and in default of local papers, in any newspaper of general circulation in the municipality. The said ordinance in English, Spanish, and the local dialect, shall also be posted in places where public notices

are generally posted in the municipality and places affected by said improvement, and shall also be published once a week during four consecutive weeks by crier.

The municipal secretary shall, on application, furnish a copy of the proposed ordinance to each property owner affected, or his agent, and shall, if possible, send to all a copy of said proposed ordinance by ordinary mail or otherwise.

SEC. 50. Protest against special assessment.—Within thirty days after the last publication of the ordinance and list of owners of real property included in the zone subject to special assessment, a protest may be submitted to the municipal council signed by a majority of the property owners affected and by the owners of over one-half of said property, setting forth the addresses of the signers and arguments in support of their objection or protest against the improvement to be made or against the special assessment established in the ordinance. If no protest is filed within the time and under the conditions above specified, the municipal ordinance shall become final and effective in all its points.

SEC. 51. Hearing of protest.—The municipal council shall designate a date for the hearing of the protest filed in accordance with the next preceding section and shall give reasonable time to all protestants who have given their addresses and to all owners of real property affected by any protest or protests, and shall order the publication once a week, during two consecutive weeks, in any newspaper of the locality, if there be one, or, in default thereof, in any newspaper of general circulation in the municipality, of a notice in English or Spanish or the local dialect, of the place and date of the hearing to be held. Said notice shall we wise be posted in the places where public notices are usually posted in each municipality and place affected by said improvement. After the proper hearing, the council shall render its decision confirming, modifying or revoking its ordinance, and shall send notice of its decision to all invested parties who have given their addresses, and shall order the publication of such decision, together with a list of the owners of the parcels of land affected by the special assessment, three times weekly, for two consecutive weeks, in the manner herein specified. The decision shall become final if within thirty days after the date of its publication no appeal is filed with the provincial board against the proposed improvement or against the special assessment, signed by at least a majority of the owners of real property included in the special assessment zone and by the owners of more than one-half of the real property affected.

SEC. 52. Decision of the protest.—If an appeal is taken from the decision of the municipal council in the manner provided for in the next preceding section, said council shall forthwith forward the same to the provincial board, accompanied by an excerpt from the minutes of said council relative to the proposed improvement, and other documents in connection therewith, within ten days after receipt of the appeal. A date shall be set within the thirty days next following for action on the protest, giving both parties reasonable notice. During the hearing of the appeal, the municipal council shall be represented and heard, and the provincial board shall examine de novo all points involved in the protest filed, and its decision thereon shall be final.

SEC. 53. Fixing of amount of special assessment.—Upon the approval of the ordinance, the provincial assessor shall forthwith proceed to determine the special tax which each real property must pay each year in the manner above prescribed, and shall notify each property owner by ordinary mail of the special tax assigned in the assessment to each piece of real property he has in the district benefited; but if upon completion of the work it should appear that the cost thereof is smaller or greater, the municipal treasurer shall without delay certify this fact to the provincial assessor, who shall proceed to correct the assessment, increasing or decreasing, as the case may be, the special tax on each property affected by the balance of the unpaid annual installments, or if all have already been paid, fixing the credit to be allowed to, or additional special assessment to be levied upon the property, as the case may be, and shall give notice of such rectifications to the parties interested.

SEC. 54. Payment of special assessments.—All sums due by any property owner or owners in consequence of any provision adopted by virtue of the authority conferred by this Act shall be due and payable to the provincial treasurer, in the same manner as the annual tax levied upon real property, in accordance with the provisions of the preceding sections, and shall be subject to the same penalties for delinquency and be enforced by the same means as said annual tax; and all said sums, together with any of said penalties, shall from the dates on which assessed constitute special liens upon the property concerned and have the preference over any other liens there may be on said property, with the sole exception of the lien for nonpayment of the ordinary land tax.

ARTICLE VII.—Miscellaneous provisions

SEC. 55. Collection of the land tax through the courts.—In case the property owner delinquent in the payment of the land tax resides outside of the municipality where the real property subject to the tax is located, and said property is leased to persons who under the terms of the contract of lease are not compelled to pay the tax, the provincial treasurer or his deputy may enforce the collection of the delinquent land tax through the courts, upon authorization by the provincial board.

SEC. 56. Repayment of excessive collections.—When it appears that an assessment of real property was erroneous and unjust when made and the same is reduced because of such error or injustice, and not by reason of damage incurred or deterioration suffered by such property subsequently to the date of original assessment, the taxpayer shall be entitled to the proper refund for taxes and penalties paid by him.

Timely notice shall be given by the provincial treasurer to every taxpayer whose assessment is so reduced and he shall be furnished a certificate showing the amount of refund to which, he is entitled for payments already made.

If no taxes shall have been paid upon the original assessment, the taxpayer shall be allowed sixty days after notice of such reduction within which to pay the proper tax upon the reduced assessment, without penalty. But upon his failure to pay the same within said period all the penalties provided by law shall attach as of the date upon which the taxes became delinquent upon the original assessment.

SEC. 57. Remission of tax by provincial board.—In case of a general failure of crops or great decrease in the price of products, or similar widespread disaster in any municipality or municipalities of a province, the provincial board of the same, by resolution passed prior to the first of January of any year, may remit, wholly or partially, the real-property tax or the penalties thereon for the succeeding year in the municipality or municipalities affected by the disaster; but a resolution so disposing must clearly state the reasons for such remission and shall not take effect until approved by the Secretary of the Interior.

SEC. 58. Remission or reduction of tax by Governor-General.—The Governor-General may, in his discretion, remit or reduce the real-property tax for any year in any municipality or province if he deems that the public interest so requires.

SEC. 59. Restriction upon power of court to impeach tax.—No court shall entertain any suit assailing the validity of a tax assessed under this Act until the taxpayer shall have paid, under protest, the taxes assessed against him, nor shall any court declare any tax invalid by reason of irregularities, or informalities in the proceedings of the officers charged with the assessment or collection of the taxes, or of a failure to perform their duties within the time herein specified for their performance, unless such irregularities, informalities, or failures shall have impaired the substantial rights of the taxpayer; nor shall any court declare any tax assessed under the provisions of this Act invalid except upon condition that the taxpayer shall pay the just amount of his tax, as determined by the court in the pending proceeding.

SEC. 60. Restriction upon power of court to impeach forfeiture.—No court shall entertain any suit assailing the

validity of a forfeiture incurred under the provisions of this Act until the taxpayer shall have paid into court the amount due thereon at the time of the forfeiture in question, whether by way of tax or penalties. If the taxpayer should prevail in such suit, the money so paid into court shall be applied to the satisfaction of such tax and penalties; if he should fail, it shall be returned to him, after the deduction of any court costs chargeable to him in the cause.

SEC. 61. Duty of officers to assist provincial assessor.—It shall be the duty of the municipal president, secretary, and treasurer and of all officers and employees of the provincial and municipal governments to render all assistance in their power to the provincial assessor. The register of deeds and the notaries public shall furnish to the provincial assessor a copy of all contracts conveying leases or mortgages on real property received or authorized by them, and insurance companies shall furnish to the provincial assessor a copy of all insurance contracts for buildings, structures or other improvements insured by them.

SEC. 62. Notaries public prohibited from acknowledging deeds on delinquent real property.—No notary public shall acknowledge any deed or document conveying the title to or encumbering any real property, or any interest therein, unless evidence satisfactory to him be produced showing the real-property tax on the property mentioned in the deed or document to have been paid for the current year, and the number and date of the receipt for such payment shall be inserted in and form part of the acknowledgment of the document.

SEC. 63. Promulgation of rules by the Department Head.—The Department Head shall promulgate rules and prescribe the blank forms to be used and the procedure to be followed in carrying out the provisions of this Act.

ARTICLE VIII.—Penal provisions

SEC. 64. Omission of property from tax lists by officer.—Any officer charged with the duty of assessing real property, who shall willfully fail to assess, or shall omit from the tax lists, any real property which he knows to be lawfully taxable, shall be punished by a fine not exceeding one thousand pesos, or imprisonment not exceeding two years, or both.

SEC. 65. Government agents delaying filing of declaration of property and assessment appeals.—Any Government official who shall intentionally and deliberately delay the filing of a real-property tax declaration or any transfer on the assessment books of the assessor, or the filing of any appeal against an assessment, shall, upon conviction, be punished by a fine of not more than five hundred pesos or by imprisonment for not more than one year, or both, in the discretion of the court.

SEC. 66. Unlawful reentry upon forfeited property.—Any person who, after being removed from real property forfeited for the nonpayment of the real property tax, shall unlawfully reenter thereon shall be punished by a fine of not more than one hundred pesos or by imprisonment for not more than thirty days, or both.

SEC. 67. Repeal.—Sections three hundred and forty-two to three hundred and ninety-one of the Administrative Code, and all acts or parts of acts inconsistent with the provisions of this Act, are hereby repealed.

SEC. 68. This Act shall take effect on its approval.

Approved, December 5, 1932.

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