



EXCERPT FROM THE MINUTES OF THE 2ND SPECIAL SESSION OF THE 5TH SANGGUNIANG PANLUNGSOD (SP) HELD AT THE SP SESSION HALL, LEGISLATIVE BUILDING, EAST POBLACION, CITY OF NAGA, CEBU ON DECEMBER 09, 2022.

PRESENT:

- | | |
|------------------------------|--|
| HON. VIRGILIO M. CHIONG | - Vice Mayor /Presiding Officer |
| HON. CLINT ISIDRO A. CHIONG | - Presiding Officer Pro Tempore |
| HON. ALEXANDER R. LARA | - Sangguniang Panlungsod Member |
| HON. SCOTT JUVENAL A. CHIONG | - Assistant Majority Floor Leader/Liga ng mga Barangay President |
| HON. AURELIO B. ALINSONORIN | - Sangguniang Panlungsod Member |
| HON. CHARMAINE R. NAVARRO | - Sangguniang Panlungsod Member |
| HON. RAY A. MANABAT | - Sangguniang Panlungsod Member |
| HON. LUZMINDA R. LAPITAN | - Sangguniang Panlungsod Member |
| HON. JUSTINO L. DAKAY | - Sangguniang Panlungsod Member |
| HON. DOMINADOR A. LIBOR | - Sangguniang Panlungsod Member |
| HON. LETECIA F. ABANGAN | - Sangguniang Panlungsod Member |
| HON. KERSY C. BAFLOR | - SK Federation President |

ON OFFICIAL BUSINESS:

- | | |
|-----------------------------|-------------------------|
| HON. CARMELINO N. CRUZ, JR. | - Majority Floor Leader |
|-----------------------------|-------------------------|



ORDINANCE NO. 2022-08

Hon. Dominador A. Libor - Sponsor

Chairperson, Committee on Housing, Urban Planning and Land Utilization

APPROVING AND ADOPTING THE REVISED SCHEDULE OF BASE UNIT MARKET VALUES, AND PROVIDING FOR A GENERAL REVISION OF PROPERTY ASSESSMENT AND CLASSIFICATION OF THE DIFFERENT CLASSES OF REAL PROPERTIES IN THE CITY OF NAGA, CEBU PURSUANT TO REPUBLIC ACT (RA) 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 AND ITS IMPLEMENTING RULES AND REGULATIONS

EXPLANATORY NOTE

The General Revision of Real Property Assessment and Classification, as mandated under Section 219 of RA 7160, otherwise known as the Local Government Code, has not been undertaken by the City of Naga, Cebu since 2002 or for the past twenty (20) years.

Section 60 of RA 9491, an Act which converted the Municipality of Naga into a Component City of the Province of Cebu, states that there shall be no increase in the rates of local taxes within five (5) years from the date of its corporate existence in 2007.

Moreover, the non-imposition of new tax rates lasted for a total of ten (10) years, as the Sangguniang Panlungsod (SP) reached a consensus and passed a resolution extending the tax moratorium to another five years.

The city leadership opted to suspend further the imposition of new real property valuation and assessment following the devastation brought by a string natural calamities such as the massive landslide in 2018 in Naga, the lingering COVID-19 pandemic, and the onslaught of Typhoon Odette in December 2021.

The suspension of real property valuation and assessments for a considerable period of time may have reduced the burdens on the part of real property taxpayers. However, it has brought the corresponding local revenues of the City Government to a standstill.

Furthermore, the Commission on Audit, in its Audit Observation Memorandum No. 2019-040, and the Bureau of Local Government Finance-Department of Finance, in several instances, enjoined the LGU-City of Naga, Cebu to comply with the provisions of RA 7160 relative to the updated property valuation and assessment levels.

As per the data of the Department of Budget and Management, the National Tax Allocation for the City of Naga is seen to significantly drop in 2023, thereby severely affecting the basic services presently enjoyed by its constituency.

To compensate for this huge financial loss, the City Government has to find ways and means to generate additional local revenues in order to sustain the implementation of its various development plans, programs and projects.

BE IT ORDAINED, as it is hereby **ORDAINED** by the Sangguniang Panlungsod of the City of Naga, Cebu, in a session duly assembled, that:

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TITLE I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Ordinance shall be known as the "GENERAL REVISION OF PROPERTY ASSESSMENT AND CLASSIFICATION ORDINANCE OF 2022."

SECTION 2. SCOPE OF APPLICATION. Subject to the provisions of pertinent laws in force or which may hereafter be promulgated, this Ordinance shall govern the levy, assessment, imposition, collection and payment of realty taxes and prescribe administrative fines and penalties for violation thereof within the territorial jurisdiction of the City of Naga, Cebu.

SECTION 3. PURPOSE. The purpose of this Ordinance is to update the real property valuation and assessment which is no longer reflective of the current and fair market value of real properties located within the territorial jurisdiction of the city since its current schedule of values is based on the 2002 Ordinance of the then Municipality of Naga.

Thus, there is a need to revise the existing Ordinance relative to the implementation and administration of real property taxation in consonance with the pertinent provisions of RA 7160 or the Local Government Code of 1991.

SECTION 4. DEFINITION OF TERMS. Whenever used in this Ordinance, the following terms shall mean:

Acquisition Cost (for newly acquired machinery not yet depreciated and appraised within the year of its purchase) refers to the actual cost of the machinery to its present owner, plus the cost of transportation, handling and installation at the present site. The cost may also include freight and insurance charges, brokerage, customs duties and taxes.

Actual Use refers to the purpose for which the property is principally or predominantly utilized by the person in possession thereof.

Actually used is defined as an act or fact in reality; "Actual is something real or actually existing as opposed to something merely possible, or to something which is presumptive or constructive.

Directly used is defined as that use without anything intervening proximately or without an intervening agency or person.

Exclusively used means the primary or inherent use and does not preclude such incidental used as are directly connected with, essential to, and in furtherance of the primary use.

Agricultural Land is land principally devoted to planting of trees, raising of crops, livestock and poultry, dairying, salt making, inland fishing and similar aqua cultural activities, and other agricultural activities, and is not classified as mineral, timberland, residential, commercial or industrial land.

Appraisal is the act or process of determining the value of a property as of a specific date for a specific purpose. It may be defined as the act of estimating the value of a property. It is an estimate or opinion of value, usually market value or value as defined by the appraiser. It is made as of a specific date and is a conclusion which results from a logical and orderly analysis of facts.

Assessment is the act or process of determining the value of a property or proportion thereof subject to tax, including the discovery, listing, classification and appraisal of properties.

Assessment Level is the percentage applied to the market value to determine the taxable value of a property.

Assessed Value is the market value of the property multiplied by the assessment level. It is synonymous to taxable value.

Buildings are permanent structures adhered to the land usually for habitation, commercial and industrial purposes and for other uses and not mere superimpositions on the land like a "barong barong".

Cemetery is an area or place where the dead are buried, a place of burial set apart either by municipal authority or private enterprise for the interment of the dead, etc. and this includes whatever property is necessary for use of the cemetery such as paths, ornamentation of the land within the cemetery limits acquired for but not yet actually used for the burial of the dead.

Charitable Institutions refer to anybody of persons or trust established for charitable purposes such as (1) relief of poverty; (2) advancement of education; (3) advancement of religion; and (4) other purposes of a charitable nature beneficial to the community.

Church is a building set apart for public worship; a place of worship of any religion.

Commercial Property is property devoted principally for the object of profit and is not classified as agricultural, residential, mineral, timberland or industrial property.

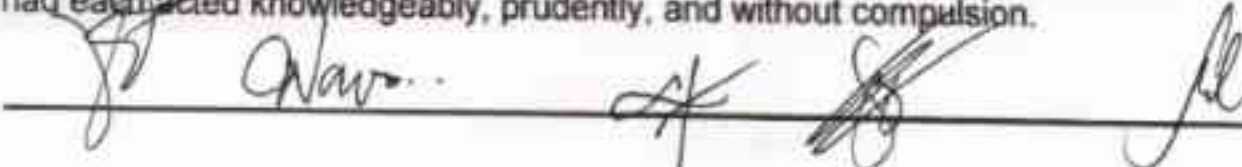
Depreciation is a loss in value brought about by physical deterioration and/or obsolescence.

Depreciated value is the value remaining after deducting depreciation from the acquisition cost.

Economic life is the estimated period over which it is anticipated that machinery may be profitably utilized.

Fair Market Value/Market Value is the price at which a property may be sold by a seller who is not compelled to sell and bought by a buyer who is not compelled to buy.

Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction (a transaction between independent, unrelated parties involving no irregularity) after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

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Garage is a building or compartment of a building used for housing an automotive vehicle.

Improvement is a valuable addition made on the property or an amelioration in its condition, which is more than a mere repair or replacement or parts involving capital expenditures and labor, intended to enhance its value, beauty or utility or to adapt it for new or further purposes.

Industrial Land is a land devoted principally to industrial activity as capital investment and is not classified as agricultural, commercial, timber, mineral or residential land.

Machinery embraces machines, equipment, mechanical contrivances, instruments, appliances or apparatus, which may or may not be attached, permanently or temporarily to the real property. It includes physical facilities for production, those which are mobile, self-powered or self-propelled, and those not permanently attached to the real property which are actually, directly and exclusively used to meet the needs of the particular industry, business or activity and which by their very nature and purpose are designed for or are necessary to its manufacturing, mining, logging, commercial, industrial or agricultural purposes, without which such industry or facility cannot function.

Memorial Parks are lands exclusively used as burial ground and developed for profit.

Mineral lands are lands in which minerals, metallic or non-metallic, exist in sufficient quantity or grade to justify the necessary expenditures to extract and utilize such materials.

Non-Profit Cemetery is a cemetery owned and operated by the government, by religious corporations, by associations and societies exclusively for its members and not for profit.

Orchard is land specifically devoted to various fruit trees and plants.

Parsonage is a ministerial residence used in connection with any place of worship of any denomination. It shall include the house appurtenant to a cathedral, to a synagogue, or to a country-meeting house.

Real Estate the physical land and all those items, which are attached to the land. It is the physical, tangible entity which can be seen and touched, together with all the additions on, above, or below the ground.

Real Property includes all the rights, interests and benefits related to the ownership of real estate.

SECTION 5. ADMINISTRATION OF REAL PROPERTY TAX. The City through the Office of the City Treasurer and in coordination with the Office of the City Assessor, shall be primarily responsible for the proper, efficient and effective administration of the real property tax subject to the rules and regulations governing the classification, appraisal and assessment of the real property, issued by the Bureau of Local Government Finance and the Department of Finance who shall have authority to review and examine on a continuing basis property, assessment, and real property tax records to ensure the proper implementation of this rule and determine compliance with applicable laws, rules and regulations.

TITLE II. SCHEDULE OF BASE UNIT MARKET VALUES

SECTION 6. SCHEDULE OF BASE UNIT MARKET VALUES FOR URBAN LANDS, are as follows:

UNIT BASE MARKET VALUES OF URBAN LANDS OF THE DIFFERENT BARANGAYS IN THE CITY OF NAGA

Industrial Lands	
Class	Unit Base Market Value per Square Meter
	2020
1	4,200.00
2	3,700.00

Commercial Lands	
Class	Unit Base Market Value per Square Meter
	2020
1	4,200.00
2	3,700.00
3	2,800.00
4	1,800.00
5	1,200.00

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Residential Subdivision

Unit Base Market Value per Square Meter	
	2020
CASA MIRA	4,000.00
PARAMOUNT	6,000.00
OCEANSIDE	4,000.00
ECONOMIC HOUSING	4,000.00
SOCIALIZED HOUSING	2,500.00

Standard Depths: 20 meters
Corner Influence: 10%

Residential Lands	
Unit Base Market Value per Square Meter	
Class	2020
1	2,000.00
2	1,500.00
3	1,000.00
4	700.00
5	500.00

TITLE III. APPRAISAL OF URBAN LANDS

SECTION 7. VALUE OF URBAN LANDS. As a general rule, the rate per square meter fixed in the schedule for urban lands (residential, commercial, and industrial lands) shall be applied within the standard depth strip fronting the street or road with normal elevation or level. The remaining portions thereof shall be considered as interior lots corresponding to the second, third, and fourth strip, and shall be established or fixed after a study of lot values relative to depth variations.

On abnormally low urban lands, a reduction from the base unit value shall be allowed in the amount equivalent to the cost of filling up such land, provided such reduction shall not exceed 30% of the value of the lot subject to appraisal, as if it were normally filled or leveled.

Valuations of lands defined as Special Classes under section 216 of RA 7160 or the Local Government Code of 1991 shall be based on the applicable unit value for residential, commercial, or industrial lands fixed in the schedule for the area where such land is located.

Whenever a parcel or tract of land, residential or commercial is situated at the corner of two streets, a corner influence as defined in Section 33 of Assessment Regulations No. 1-92 of the Department of Finance, shall be added to the base full value of the street with a higher value up to the standard depth. Valuation of the remaining portion of the lot, if there are any, shall be based also from higher rate and adjusted accordingly.

Generally, the value of urban lands is affected by the following influences, viz:

- | | |
|---------------|---------------------|
| 1. Shape | 5. Depth |
| 2. Size | 6. Corner |
| 3. Location | 7. Alley |
| 4. Topography | 8. Zoning Ordinance |

SECTION 8. SUB-CLASSIFICATION OF LANDS. Sub-classification of residential lands situated in the City of Naga, Cebu shall be based on the following criteria:

I RESIDENTIAL LANDS

I. FIRST CLASS RESIDENTIAL LANDS

- a) Located along concreted/asphalted road;
- b) Where high-grade apartments or residential buildings are predominantly situated;
- c) Where public utility transportation facilities are exceptionally regular towards major trading centers;
- d) Located next to Commercially classified land;
- e) Commands the highest residential land value in the city;
- f) Free of squatters;

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II. SECOND CLASS RESIDENTIAL LANDS

- a) Located along concreted/asphalted road;
- b) Where semi-high grade apartments or residential buildings are predominantly situated;
- c) Where public utility transportation facilities are regular toward major trading centers;
- d) Located next to the First Class Residential Lands;
- e) Where water or electric facilities are available;
- f) Commands lesser land value than the First Class Residential Lands;
- g) Free of squatters;

III. THIRD CLASS RESIDENTIAL LANDS

- a) Located along concreted/asphalted roads;
- b) Where semi-high grade apartments or residential buildings are predominantly situated;
- c) Where average grade residential buildings are predominantly situated;
- d) Located next to the Second Class Residential Lands;
- e) Where water facilities are available;
- f) Commands lesser land value than the Second Class Residential Lands;

IV. FOURTH CLASS RESIDENTIAL LANDS

- a) Located along rough roads;
- b) Where low-grade residential buildings are predominantly situated;
- c) Located next to the Third Class Residential Lands;
- d) Where public utility transportation facilities are irregular;
- e) Where sources of water facilities are commonly pumped wells;
- f) Commands lesser value than the Third Class Residential Lands;

V. FIFTH CLASS RESIDENTIAL LANDS

- a) Located along rough roads;
- b) Where residential buildings are still scarcely constructed;
- c) Where public water and electric facility sources are not readily available;
- d) Located farthest residential lands from the trading centers;
- e) Transportation facilities are exceptionally irregular;
- f) Predominantly undeveloped residential area.

SECTION 9. RESIDENTIAL LAND SUBDIVISION. Residential Land Subdivisions are classified according to the degree or extent of development and facilities, regardless of the location from the trading center of the City.

Therefore, their respective schedule of base market values shall be independently established based on the sales analysis of the lots therein. The unit market value of the subdivision shall not under any circumstances be less than the adjoining lands classified in accordance with the above criteria.

SECTION 10. SUB-CLASSIFICATION OF COMMERCIAL LAND, shall be as follows:

I. FIRST CLASS COMMERCIAL LANDS

- a.) Located along National/Provincial roads;
- b.) Areas where the highest trading, social (or educational) activities of the city take place;
- c.) Areas where high grade commercial or business buildings are situated
- d.) Areas where vehicular and pedestrian traffic flow is exceptionally busy;
- e.) Apparently commands the highest land value of the city;

II. SECOND CLASS COMMERCIAL LANDS

- a.) Located along barangay concreted/asphalted roads;
- b.) Areas where trading, social (or educational) activities are considerably high, but fall short from that of the First Class Commercial Lands;
- c.) Areas where semi-concrete commercial or business buildings are situated;
- d.) Where vehicular and pedestrian traffic flow is considerably busy but falls short from that of the First-Class Commercial Lands;
- e.) Commands lesser value than the First Class Commercial Lands;

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III. THIRD CLASS COMMERCIAL LANDS

- a.) Located along barangay rough roads;
- b.) Areas trading, social (or educational) activities are significantly less than the Second Class Commercial Lands;
- c.) Areas where average grade commercial or business buildings are situated;
- d.) Where vehicular and pedestrian traffic flow is fairly busy;
- e.) Commands lesser value than the Second Class Commercial Lands;

IV. FOURTH CLASS COMMERCIAL LANDS

- a.) Along all-weather roads;
- b.) Where trading, social (or educational) activities are significantly low but predominant;
- c.) Where mixed commercial and residential buildings are situated;
- d.) Where vehicular and pedestrian traffic flow is regularly busy;
- e.) Commands lesser value than the Third Class Commercial Lands;

V. FIFTH CLASS COMMERCIAL LANDS

- a.) Along all-weather roads;
- b.) Where trading, social (or educational) activities are significantly low but predominant;
- c.) Where mixed commercial and residential buildings are situated;
- d.) Where vehicular and pedestrian traffic flow is regularly busy;
- e.) Commands lesser value than the Fourth Class Commercial Lands.

SECTION 11. SUB-CLASSIFICATION OF INDUSTRIAL LANDS shall be based on the following criteria:

I. FIRST CLASS INDUSTRIAL LANDS

- a) Located along all-weather road, a navigable river or the seacoast, in export processing zone;
- b) Commands the highest Industrial Land value;

II. SECOND CLASS INDUSTRIAL LANDS

- a) Along all-weather road, pier, seacoast or navigable river;
- b) Commands lesser land value than the First-Class Industrial Lands.

SECTION 12. VALUATION OF MEMORIAL PARKS. Memorial Parks are classified according to the degree or extent of development facilities, regardless of the location from the trading center of the city.

Their respective schedule of base market values shall be independently established based on the sales analysis of the corresponding lots. The unit market value of the memorial lots shall not under any circumstances be lower than that of the adjoining lots.

TITLE IV. APPRAISAL OF AGRICULTURAL LANDS

SECTION 13. CLASSIFICATION. Agricultural lands shall be appraised according to this schedule of fair market values after their productivity classification shall have been previously determined in accordance with the classification hereto indicated. Their classification according to their classification or location to the nearest all-weather road, landing points along seacoasts or from the local trading center or the Poblacion, shown or indicated in their covering tax declarations, or found as a result of ocular inspection previously made or still to be made, shall be maintained unless there were introduced new public buildings or other infrastructure projects after their most recent classification, in which case the properties may be classified in accordance with the productivity classification prescribed in this schedule.

The total base value of agricultural lands and taxable perennial trees or plants, the adjustment factors expressed in percentage for type of roads, location of the property to the nearest all-weather road, railroad station or from the landing points along seacoasts or from the local trading center shall be made as follows:

- 1) Type of road on which parcel or tract of land is located:
 - a) For provincial or national highways, make no addition or deduction;
 - b) For other all-weather roads, other than in (a) above, subtract three (3%) percent from the base value;
 - c) For dirt road, subtract six (6%) percent from base value;
 - d) For no road outlet, subtract nine (9%) percent from the base value;
- 2) For a distance of the property to the nearest all-weather road, railroad stations or landing points along seacoasts and to the nearest trading centers, the following are the percentage adjustments or deductions from the base value.

SECTION 14. PERCENTAGE ADJUSTMENTS shall be applied to agricultural lands, as follows:

Distance in Kilometers	(a) All-weather Roads	(b) Local Trading Center (Poblacion)
0 to 1	(0)	+5%
Over 1 to 3	(2%)	(0)
Over 3 to 6	(4%)	(2%)
Over 6 to 9	(6%)	(4%)
Over 9	(8%)	(6%)

The distance of the property from the all-weather road, railroad stations, landing places along the seacoasts and from the trading center (Poblacion) shall be measured from the corner of the lot or parcel nearest to such road or center.

The all-weather road includes municipal, provincial, national, barangay roads and all other public roads traversable by trucks, cars and other forms of motor vehicles under any kind of weather.

The term "local trading center" refers to the center of the barangay nearest the parcel of land, where marketing is generally done.

SECTION 15. THE SCHEDULE OF UNIT BASE MARKET VALUES FOR AGRICULTURAL LAND IMPROVEMENTS, are as follows:

KINDS OF LANDS	CLASS		
	1 ST	2 ND	3 RD
Riceland (Irrigated)	404,000.00	269,000.00	157,000.00
Riceland (Non-Irrigated)	150,000.00	100,000.00	58,000.00
Abaca Land	388,000.00	198,000.00	61,000.00
Banana Land	1,384,000.00	865,000.00	288,000.00
Bamboo Land	2,474,000.00	1,327,000.00	483,000.00
Cacao Land	204,000.00	130,000.00	74,000.00
Coconut Land	711,000.00	361,000.00	179,000.00
Coffee Land	146,000.00	104,000.00	63,000.00
Corn Land	288,000.00	202,000.00	115,000.00
Fishpond	1,330,000.00	846,000.00	302,000.00
High Value Fruit/Crop Land	2,724,000.00	1,634,000.00	817,000.00
Mango Land	1,598,000.00	999,000.00	533,000.00
Mudcrab Pond	2,195,000.00	1,397,000.00	499,000.00
Nipa or Saksak Lands	162,000.00	114,000.00	65,000.00
Orchard	935,000.00	584,000.00	312,000.00
Piggery Farm	6,793,000.00	3,206,000.00	1,235,000.00
Poultry Farm	3,480,000.00	2,436,000.00	1,740,000.00
Rootcrops Land	1,000,000.00	627,000.00	334,000.00
Salt Beds	280,000.00	160,000.00	80,000.00
Seaweed Farm	1,160,000.00	789,000.00	518,000.00
Shrimp Pond	5,322,000.00	3,725,000.00	2,129,000.00
Sugarland	436,000.00	254,000.00	182,000.00
Vegetable Beds	1,119,000.00	768,000.00	439,000.00
Woodland/Pasture (Grazing) Land	150,000.00	100,000.00	50,000.00

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IMPROVEMENTS			
Atis, per tree	1,000.00	600.00	300.00
Avocado, per tree	1,600.00	1,000.00	500.00
Bamboo, per clump	5,100.00	3,400.00	2,100.00
Banana, per hill	2,000.00	1,400.00	1,000.00
Breadfruit (Kolo), per tree	1,400.00	1,000.00	600.00
Cacao, per tree	1,000.00	800.00	500.00
Caimito (Star Apple), per tree	1,100.00	700.00	500.00
Calamansi (Lemonsito), per tree	700.00	400.00	300.00
Chico (native or Ponderosa), per tree	1,400.00	900.00	500.00
Coconut, per tree	1,400.00	900.00	600.00
Guava, per tree	1,700.00	1,100.00	600.00
Guyabano, per tree	700.00	500.00	300.00
Jackfruit (Nangka, Langka), per tree	1,500.00	1,000.00	600.00
Lanzones, per tree	2,300.00	1,100.00	700.00
Mango, per tree	17,000.00	10,200.00	6,800.00
Pomelo, per tree	7,100.00	4,400.00	3,500.00
Sereguelas, per tree	2,000.00	1,100.00	900.00
Tamarind (Sampaloc, Sambag), per tree	1,100.00	900.00	400.00
Water Apple (Tambis), per tree	1,900.00	800.00	600.00

SECTION 16. AGRICULTURAL LANDS SHALL BE CLASSIFIED BASED ON ITS PRODUCTIVITY
as follows:

BAMBOO LANDS

- First Class** - All lands within one (1) kilometer from the Poblacion national, provincial or municipal all-weather roads, navigable river or seacoast and with more than fifteen (15) clumps of bamboos.
- Second Class** - All lands not falling under the first category and with at least ten (10) bamboo clumps but not more than fifteen (15) clumps.
- Third Class** - All lands with less than ten (10) bamboo clumps not falling within the first and second category.

BANANA LANDS

- First Class** - The land which is capable of growing banana plants that can produce 300 or more banana pieces per hill annually.
- Second Class** - The land which is capable of growing banana plants that can produce more than 220 but not more than 300 banana pieces per hill annually.
- Third Class** - The land which is capable of growing banana plants that can produce not more than 220 banana pieces per hill annually.

COCONUT LANDS

- First Class** - The land which is capable of growing coconut trees that can produce more than seventy (70) nuts annually per tree.
- Second Class** - The land which is capable of growing coconut trees that can produce from fifty (50) nuts to seventy (70) nuts annually per tree.
- Third Class** - The land which is capable of growing coconut trees that can produce less than thirty-three (33) nuts per tree annually.

CORN LAND

- First Class** - With a productivity of more than forty-four (44) cavanes of corn annually per hectare.
- Second Class** - With productivity from twenty-eight (28) to forty-four (44) cavanes of corn annually per hectare.
- Third Class** - With the productivity of less than twenty-eight (28) cavanes of corn annually per hectare.

FISH PONDS

- First Class** - All fish ponds with a productivity of more than one thousand (1,000) kilos of fish annually per hectare.
- Second Class** - All fish ponds with productivity from eight hundred (800) kilos to one thousand (1,000) kilos of fish annually per hectare.
- Third Class** - All fish ponds with productivity of less than eight hundred (800) kilos of fish annually per hectare.

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VEGETABLE BEDS

- First Class** - All vegetable beds situated within a radius of one (1) kilometer from Poblacion, trading center, national, provincial or municipal all-weather roads and with an annual production of more than three hundred (300) kilos of vegetables per hectare.
- Second Class** - All vegetable beds situated beyond one (1) kilometer but not more than two (2) kilometers from Poblacion, trading center, national, provincial or municipal all-weather roads and with annual produce from one hundred fifty (150) to three hundred (300) kilos of vegetables per hectare.
- Third Class** - All vegetable beds situated beyond two (2) kilometers from Poblacion, trading center, national, provincial or municipal all-weather roads and with an annual production of less than one hundred fifty (150) kilos of vegetables per hectare.

NIPA OR SAKSAK LAND

- First Class** - All lands capable of producing eight thousand (8,000) shingles of nipa or saksak per hectare annually.
- Second Class** - All lands capable of producing from six thousand (6,000) to eight thousand (8,000) shingles of nipa or saksak per hectare annually.
- Third Class** - All lands capable of producing less than six thousand (6,000) shingles of nipa or saksak per hectare annually.

CASSAVA OR CAMOTE LAND

- First Class** - All orchard, cassava or camote land situated within one (1) kilometer from the Poblacion, any market place, from any national, provincial or municipal all-weather road, navigable river or sea coast.
- Second Class** - All orchard, cassava or camote land situated at a distance from one (1) to two (2) kilometers from any of the points or places mentioned under the first class category.
- Third Class** - All orchard, cassava or camote land not falling under the first and the second class category.

RICE LAND

- First Class** - Land capable of producing more than sixty (60) cavanes of palay per hectare annually.
- Second Class** - Land capable of producing from forty-five (45) to sixty (60) cavanes of palay per hectare annually.
- Third Class** - Land capable of producing less than thirty (30) cavanes of palay per hectare annually.

WOODLAND AND PASTURE (GRAZING) LAND

- First Class** - All lands situated within one (1) kilometer from the Poblacion national, provincial or municipal all-weather roads, navigable river or sea coast.
- Second Class** - All lands beyond one (1) kilometer but not more than two (2) kilometers from the points or places mentioned in the first category.
- Third Class** - All lands not falling within the first and second class category

PRODUCTIVITY CLASSIFICATION OF PLANTS AND TREES

ACACIA

- First Class** - Trees ten (10) years or more of age, sixteen (16) ft. length lumber with one hundred forty-four (144) sq. inches base.
- Second Class** - Trees five (5) years of age but less than ten (10) years of age, twelve (12) ft. length lumber with one hundred (100) sq. inches base.
- Third Class** - Trees less than five (5) years of age, ten (10) ft. length lumber with sixty-four (64) sq. inches base.

 Nav.    

ATIS

- First Class** - Trees which produce an annual crop of more than one hundred twenty-five (125) fruits per tree.
- Second Class** - Trees which produce more than seventy-five (75) but not more than one hundred twenty-five (125) fruits per tree annually.
- Third Class** - Trees which produce not more than seventy-five (75) fruits per tree annually.

AVOCADO

- First Class** - Trees which produce an annual crop of more than one hundred sixty (160) fruits per tree.
- Second Class** - Trees which produce an average of more than one hundred (100) but not more than one hundred sixty (160) fruits per tree annually.
- Third Class** - Trees which produce an average of not more than one hundred (100) fruits per tree annually.

BAMBOOS

- First Class** - Plants which are capable of producing more than thirty-six (36) poles per groove annually.
- Second Class** - Plants which are capable of producing more than twenty-four (24) but not more than thirty-six (36) poles per groove annually.
- Third Class** - Plants which are capable of producing not more than twenty-four (24) poles per groove annually.

BANANAS

- First Class** - Plants which are capable of producing three hundred (300) or more banana pieces per hill annually.
- Second Class** - Plants which are capable of producing more than two hundred twenty (220) but not more than three hundred (300) banana pieces per hill annually.
- Third Class** - Plants which are capable of producing not more than two hundred twenty (220) banana pieces per hill annually.

BREADFRUIT

- First Class** - Trees which are capable of producing forty (40) or more fruits per tree annually.
- Second Class** - Trees which are capable of producing more than twenty-five (25) but not more than 40 fruits per tree annually.
- Third Class** - Trees which are capable of producing not more than twenty-five (25) fruits per tree annually.

CAIMITOS

- First Class** - Trees which are capable of producing more than two hundred thirty (230) fruits per tree annually.
- Second Class** - Trees which are capable of producing more than one hundred forty (140) but not more than two hundred thirty (230) fruits per tree annually.
- Third Class** - Trees which are capable of producing not more than one hundred forty (140) fruits per tree annually.

CHICOS

- First Class** - Trees which are capable of producing more than six hundred (600) fruits per tree annually.
- Second Class** - Trees which are capable of producing more than four hundred (400) but not more than six hundred (600) fruits per tree annually.
- Third Class** - Trees which are capable of producing not more than four hundred (400) fruits per tree annually.

COCONUT TREES

- First Class** - Trees which are capable of producing more than seventy (70) nuts per tree annually.
- Second Class** - Trees which are capable of producing more than fifty (50) but not more than seventy (70) nuts per tree annually.
- Third Class** - Trees which are capable of producing not more than fifty (50) nuts per tree annually.

GUAVAS

- First Class** - Plants which are capable of producing more than one hundred fifty (150) fruits per tree annually.
- Second Class** - Plants which are capable of producing more than one hundred (100) but not more than one hundred fifty (150) fruits per tree annually.
- Third Class** - Plants which are capable of producing not more than one hundred (100) fruits per tree annually.

MANGO TREES

- First Class** - Trees which are capable of producing more than six hundred thirty (630) fruits per tree annually.
- Second Class** - Trees which are capable of producing more than four hundred thirty (430) but not more than six hundred thirty (630) fruits per tree annually.
- Third Class** - Trees which are capable of producing not more than four hundred thirty (430) fruits per tree annually.

JACKFRUIT

- First Class** - Trees which are capable of producing more than six (6) fruits per tree annually.
- Second Class** - Trees which are capable of producing four to five (4-5) fruits per tree annually.
- Third Class** - Trees which are capable of producing not more than three (3) fruits per tree annually.

NIPA PALMS

- First Class** - Plants which are capable of producing more than five hundred (500) shingles of nipa annually.
- Second Class** - Plants which are capable of producing more than three hundred fifty (350) but not more than five hundred (500) shingles of nipa annually.
- Third Class** - Plants which are capable of producing not more than three hundred fifty (350) shingles of nipa annually.

SAKSAK

- First Class** - Plants which are capable of producing more than two hundred fifty (250) shingles annually.
- Second Class** - Plants which are capable of producing more than one hundred seventy-five (175) but not more than two hundred fifty (250) shingles of annually.
- Third Class** - Plants which are capable of producing not more than one hundred seventy-five (175) shingles of annually.

SEREGUELAS

- First Class** - Plants which are capable of producing more than one thousand eight hundred (1,800) fruits per tree annually.
- Second Class** - Plants which are capable of producing more than one thousand three hundred (1,300) but not more than one thousand eight hundred (1,800) fruits per tree annually.
- Third Class** - Plants which are capable of producing not more than one thousand three hundred (1,300) fruits per tree annually.

All other kinds of agricultural lands which are discovered in the course of any appraisal work, for which no unit base value is specifically prescribed in this schedule of values, shall be appraised in accordance with their current fair market values using the best applicable method of determining their values.

TITLE V.

CLASSIFICATION AND VALUATION OF TIMBER AND FOREST LANDS FOR PURPOSES OF REAL PROPERTY TAXATION IN IMPLEMENTATION OF PD NO. 853, AS AMENDED BY PD NO. 888

SECTION 17. CLASSIFICATION. All timber and forest lands which were included in the definition of agricultural lands under Section 3 (c) of the Real Property Tax Code shall be considered as a separate class of real property to know henceforth as timber and forest lands for purposes of real property taxation.












SECTION 18. APPRAISAL. Timber and forest lands belonging to the Republic of the Philippines or any of its political subdivisions, the beneficial use of which has been granted to a taxable person as evidenced by an existing tax declaration prior to the passage of Presidential Decree 705, or a tenurial agreement with the Department of Environment and Natural Resources, thereafter, shall be subject to real property tax. For this purpose, said lands shall be appraised and assessed yearly, on the basis of its actual use.

SECTION 19. SCHEDULE OF BASE UNIT MARKET VALUES OF MINERAL LANDS shall be as follows:

MINERAL TYPE	APPLICATION MINERAL LANDS	EXPLORATION MINERAL LANDS	RESOURCE MINERAL LANDS	DEVELOPMENT MINERAL LANDS	PRODUCTION MINERAL LANDS
METALLIC					
Copper				Php 3,000,000/hectare applied within areas being developed	P 150,000/dmt
Gold					P 36,000/oz
Silver					P 485/oz
NON-METALLIC					
Aggregates				Php 500,000/hectare applied within areas being developed	P 200/cu.m
Basalt					P 240/cu.m
Clay					P 70/ton
Diorite					P 75/cu.m
Greywacke					P 90/ton
Limestone					P 100/ton
Dolomite					P 65/ ton

Application Mineral Lands

>> a mineral property interest which application has been approved by competent authority.

Exploration Mineral Lands

>> a mineral property interest that is being actively explored for mineral deposits but for which economic viability has not been demonstrated.

Resource Mineral Lands

>> contain a mineral resource but have not been demonstrated by a prefeasibility study or a feasibility study to be economically viable for extraction.

Development Mineral Lands

>> in general, have been demonstrated by a feasibility study to be economically viable but are not yet in production.

Production Reserve Mineral Lands

>> refers to the unextracted quantities of metallic minerals in areas where active mining operations are being undertaken whether or not covered by a permit from proper authorities.

TITLE VI.

APPRAISAL OF BUILDINGS AND OTHER IMPROVEMENTS

SECTION 20. CLASSIFICATION. Buildings shall be classified according to their use and construction characteristics and unit values established for each class and sub-class, together with a set of addition and deduction factors.

Buildings are classified according to their structural characteristics as follows:

- TYPE I** - Buildings shall be of wood construction. The structural elements may be any of the materials permitted as follows: Nipa houses and similar structures fall under this type.
- TYPE II** - Buildings shall be of wood construction with protective fire-resistant materials and one-hour fire-resistive throughout Except, that non-bearing partitions may use fire-retardant-treated wood within the framing assembly with one-hour resistivity.
- TYPE III** - Buildings shall be of masonry and wood construction. Structural elements may be any of the materials permitted by the said National Building Code: Provided that the building shall be one-hour fire-resistive throughout. The exterior wall shall be of incombustible fire-resistive construction.
- TYPE IV** - Buildings shall be of steel, iron, concrete or masonry construction. Walls, ceiling, and permanent partitions shall be of incombustible fire-resistive construction: Except, that permanent non-bearing partitions of one-hour fire-resistive construction may use fire-retardant-treated wood within the framing assembly.

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- a. Concrete columns, beams, and walls – but wooden floor joists, flooring and roof framings, and G.I. roofing; even if walls are in CHB, kitchen, and T & B are reinforced concrete slabs.
- b. Concrete columns, beams, and walls – hollow block walls and G.I. roofing.

TYPE V - Buildings shall be fire-resistive. The structural elements shall be of steel, iron, concrete, or masonry construction. Walls, ceiling, and permanent partitions shall be of incombustible fire-resistive construction.

- a. Structural steel and reinforced concrete columns and beams.
- b. Columns, beams, walls, floors, and roofs are all reinforced concrete.

SECTION 21. KINDS OF BUILDINGS, are as follows:

1. ONE FAMILY DWELLING

A detached building designed for or occupied exclusively by one family.

2. TWO FAMILY DWELLING

A detached building designed for or occupied exclusively by two families living independently of each other in their respective dwelling unit.

3. MULTIPLE DWELLING

A building used as a house or residence of three or more families living independently from one another each occupying one or more rooms as a single housekeeping unit.

4. "ACCESSORIA" OR ROW HOUSES

A house is not more than two stories composed of a row of dwelling units entirely separated from one another by party wall or walls and with an independent entrance for each dwelling.

5. APARTMENT HOUSE

A house with an apartment for five or more families living independently of one another and doing their cooking on the premises, but with one or more entrance common to the apartment. (Apartment-a room or suite of two or more rooms, designed or intended for or occupied by one family for living, sleeping and cooking purposes.)

6. HOTEL

A building with more than fifteen (15) sleeping rooms usually occupied singly, where transients are provided with temporary lodging, with or without meals, and no cooking facilities are provided in an individual suite.

7. BOARDING HOUSE

A house containing not more than 15 sleeping rooms where borders are provided with lodging and meals for the fixed sum paid by the month or week, in accordance with the previous agreement.

8. LODGING HOUSE

A building containing not more than 15 sleeping rooms where lodging is provided for fixed compensation.

9. ACCESSORY BUILDING

A building subordinate to the main building on the same lot and used for purpose customarily incidental to those of the main building, such as servant's quarter, garage, pump house, laundry house, etc.

10. OFFICE BUILDING

A building mainly used for office or stores.

11. THEATER

A building specially designed for the presentation of plays, operas, motion pictures and the

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12. WAREHOUSE, BODEGA, COLD STORAGE

A building mainly used for deposit or storage.

13. SUPERMARKETS, SHOPPING CENTERS

A building used as the market (large), or store, especially a food store, operated in part of a self-service, cash-carry basis.

14. FACTORY BUILDING

A building utilized for manufacture of goods or finished products, manufacturing plant.

15. SAWMILLS AND LUMBER SHEDS

A building used as a mill for dressing logs and lumber

16. RECREATION BUILDING

A building used for recreational purposes like a bowling or billiard hall, night club, clubhouse and the like.

17. GASOLINE SERVICE STATION

A building used as a service station, to sell gasoline and other petroleum products.

SECTION 22. DESIGN CLASSIFICATION. Under the use of design classification, buildings may be grouped into the following:

A. RESIDENTIAL BUILDINGS

- a) Single Detached
- b) Duplex
- c) Multi-family Dwelling
- d) Apartment or Row Houses
- e) Town Houses
- f) Condominiums

B. COMMERCIAL BUILDINGS

- a) Store
- b) Office
- c) Bank
- d) Theater
- e) Hotel
- f) Motel
- g) Parking Buildings
- h) Service Station, etc.

C. INDUSTRIAL BUILDINGS

- a) Factory
- b) Sawmill
- c) Warehouses or Bodega, etc.

D. FARMHOUSES

- a) Barn
- b) Poultry House
- c) Stable
- d) Hog House
- e) Green House, etc.

SECTION 23. ADDITION AND DEDUCTION FACTORS. Section 39 of the Local Assessment Regulations No. 1-92 under Section 39 provides for Addition and Deduction Factors. Structures falling under one classification are not an all-exact replica of each other, or of the standard adopted in the preparation of the schedule of values. It follows therefore that their values are not exactly equal, even if their area and classification may be the same.

To compensate for this difference in the value, a set of adjustment factors must be prepared to go with the schedule. It should only treat items that are commonly found deviating from the standard addressed as a percentage of the base until construction cost listed in the schedule.

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SECTION 24. EXTRA ITEMS AS COMPONENT PART OF BUILDINGS

1. Patio	30% of the Base Unit Value
2. Carport	30% of the Base Unit Value
3. Mezzanine	50% of the Base Unit Value
4. Porch:	
Open	30% of the Base Unit Value
Close	35% of the Base Unit Value
5. Balcony	40% of the Base Unit Value
6. Garage	40% of the Base Unit Value
7. Terrace (Verandah)	
Covered	35% of the Base Unit Value
Open	25% of the Base Unit Value
8. Corridor	20% of the Base Unit Value
9. Deck Roof	
Covered	35% of the Base Unit Value
Open	25% of the Base Unit Value
10. Attic	60% of the Base Unit Value
11. Basement	
Residential	65% of the Base Unit Value
High Rise Building	25% of the Base Unit Value
Service Area	30% of the Base Unit Value
12. Pavements	
Tennis Court	P 180.00 per square meter
Concrete:	
10 cm. thick	P 120.00 per square meter
15 cm. thick	P 150.00 per square meter
20 cm. thick	P 180.00 per square meter
Asphalt:	
1 course	P 45.00 per square meter
2 course	P 75.00 per square meter
3 course	P 100.00 per square meter

SECTION 25. PERCENTAGE DEDUCTION OF BUILDINGS, are as follows:

Description	Percentage Less
No Painting	10%
No Partition	15%
No Ceiling	3%
No Stairs	2%
No Flooring	15%
No Plumbing	10%
No Electrical Installation	10%
No Windows	5%
No Doors	5%
No Wall Finished	20%
No Toilet and Bath	5%
TOTAL	100%

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TITLE VII.

SCHEDULE OF BUILDING COST

SECTION 26. THE SCHEDULE OF BUILDING COST FOR THE DIFFERENT KINDS/TYPES OF BUILDINGS, are as follows:

TYPE OF BLDG	One Storey Residence (1)	Multi-storey Residence (2)	Apartment, Duplex, Townhouse, Boarding/Lodging House, Pension House, Motel/Inn, Cottages/Bungalow, Dormitory, Monastery/Parsonage (3)	Rowhouse/ Accessoria (4)	Hospital Rehabilitation center Nursing House (5)	School, Museum, TV & Radio Station, Airport, Terminal, Government Building, Office Building, Parking Building, Port Terminal, Bus Terminal (6)
V-A					25,000.00	25,000.00
V-B	16,500.00	18,500.00	15,000.00	13,500.00	21,000.00	21,000.00
IV-A	13,900.00	16,500.00	13,500.00	10,500.00	18,500.00	18,500.00
IV-B	11,900.00	14,500.00	10,500.00	9,500.00	16,500.00	16,500.00
III	9,800.00	13,000.00	8,500.00	8,500.00	9,800.00	9,800.00
II	8,500.00	10,000.00	7,700.00	7,700.00	8,500.00	8,500.00
I	6,500.00	8,500.00	6,500.00	6,500.00		

TYPE OF BLDG	Garage, Greenhouse, Laundry Shop, Guardhouse, Bunkhouse, Multi-purpose Stage, Foundry Shop, Car Wash, well House, Water Tower, Billboard, Lighthouse (7)	Factory, Warehouse, Hangars, Feedmill, Rice/Corn Mill, Slaughter House, Wet Market, Ice Plant, Fishport, Fire Station, Hardware Store (8)	Pharmacy, Food court, Pawnshop, Water Refilling station, Internet Café, Parlor/Beauty Salon, Boutique, Clinic, Bookstore, Restaurant, Restobar, Bank, Specialty Shop (9)	Convention Center, Theater, Movie House, Church, Chapel, Temple, Mosque, Funeral Home (10)	Gymnasium, Coliseum, Sports Complex, Recreation Building, Basketball Court, Tennis Court, Bowling Lane, Cockpit Arena (11)	Carwash Shed, Repair Shop, Commercial Shed, Eatery/Carenderia, Retail Store, Bakery (12)
V-A		25,000.00		27,000.00	25,000.00	
V-B	13,500.00	21,000.00	13,500.00	23,000.00	21,000.00	10,500.00
IV-A	10,500.00	18,500.00	11,000.00	20,500.00	18,500.00	9,000.00
IV-B	9,500.00	16,500.00	9,500.00	18,500.00	16,500.00	8,000.00
III	8,500.00	10,500.00	8,500.00	10,500.00	10,500.00	
II	7,700.00					
I	6,500.00					

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TYPE OF BLDG	Gasoline Service Station (13)	Swimming Pool (14)	Shipyard, Waste Treatment, Facility, Industrial Plant, Power Plant (15)	Piggery, Farmhouse, Bodega, Saw Mill, Lumber Shed (16)	Poultry House (17)	Hypermarket Supermarket Commercial Complex, Arcade Department Store Shopping Center Mail (18)	Condominium and Hotel Building (19)
V-A	16,500.00		27,000.00	25,000.00	25,000.00	27,000.00	30,000.00
V-B	11,500.00	8,000.00	23,000.00	21,000.00	21,000.00	23,000.00	25,000.00
IV-A	9,500.00		20,500.00	18,500.00	18,500.00	20,500.00	23,000.00
IV-B			18,500.00	16,500.00	16,500.00	18,500.00	20,500.00
III				10,500.00	10,500.00		
II				6,500.00	6,500.00		
I				2,000.00	2,000.00		

SECTION 27. Buildings depreciate in value due to wear and tear and other factors brought about by the passage of time, however, the age of the building or structure is unreliable as the sole indicator of its depreciation from its new or original cost. House depreciates not merely because they grow old, but because they wear out and become less desirable and less useful for a variety of causes.

In estimating depreciation, it is considered more practical and realistic to apply the CDU rating. To apply the CDU system, the appraiser rates each house according to his composite impression of its relative **CONDITION, DESIRABILITY, and USEFULNESS**, for its **AGE and TYPE**. Thus, a building for twenty years may still be given a rating of "VERY GOOD". The appraiser has determined that this house is in a better condition and is considerably more desirable and useful than the average twenty-year building of its type.

SECTION 28. CONDITION, DESIRABILITY, USEFULNESS (CDU) RATING GUIDE.

CDU RATING	DEFINITION
EXCELLENT	The building/structure is in perfect condition, very attractive and highly desirable.
VERY GOOD	Slight evidence of deterioration, still attractive and quite desirable.
GOOD	Minor deterioration visible, slightly less attractive and desirable.
AVERAGE	Normal wear and tear are apparent, average attractive and desirable.
FAIR	Marked deterioration but quite usable, rather unattractive and undesirable.
POOR	Definite deterioration is obvious, definitely undesirable and barely usable.

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SECTION 29. BASIC DEPRECIATION TABLE.

ACTUAL AGE (YEARS)	EXCELLENT	VERY GOOD	GOOD	AVERAGE	FAIR	POOR
0-3	0%	0-5%	5%	10%	15%	25%
4-8	0-5%	5-10%	10%	15%	20%	25%
9-13	5%	10%	15%	20%	25%	30%
14-18	10%	15%	20%	25%	30%	35%
19-23	15%	20%	25%	30%	35%	40%
24-29	20%	25%	30%	35%	40%	45%
29-38	25%	30%	35%	40%	50%	50%
39-49	30%	35%	40%	45%	55%	55%
50	35%	40%	45%	50%	55%	60%
Over					65%	

TITLE VIII.

APPRAISAL OF MACHINERY

SECTION 30. DEFINITION OF MACHINERY UNDER ARTICLE 290, RULE XXXI, RULES AND REGULATIONS IMPLEMENTING THE LOCAL GOVERNMENT CODE OF 1991, REPUBLIC ACT NO. 7160.

Machinery embraces machines, equipment, mechanical contrivances, instrument, appliances or apparatus, which may or may not be attached permanently or temporarily to real property.

Physical facilities for production, installations, and appurtenant service facilities, those which are mobile, self-powered, or self-propelled and those not permanently attached to the real property shall be classified as real property provided that:

- a) They are actually, directly, and exclusively used to meet the needs of the particular industry, business, or activity; and
- b) By their very nature and purpose are designed for, or necessary to manufacturing, mining, logging, commercial, industrial, or agricultural purposes.

Machinery which are of general purpose use including but not limited to office equipment, typewriters, telephone equipment, breakable or easily damaged containers (glass or cartoons), dispensers, furniture and fixtures, freezers, refrigerators, display cases or racks, fruit juice or beverage automatic dispensing machines which are not directly and exclusively used to meet the needs of a particular industry, business or activity shall not be considered within the definition of machinery under this Rule.

Residential machinery shall include machines, equipment, appliances, or apparatus permanently attached to residential land and improvements or those immovable by destination.

SECTION 31. APPRAISAL AND ASSESSMENT OF MACHINERY UNDER ARTICLE 315, RULE XXXI, RULES AND REGULATIONS IMPLEMENTING THE LOCAL GOVERNMENT CODE OF 1991, REPUBLIC ACT NO. 7160.

- a) The fair market value of brand-new machinery shall be the acquisition cost. In all other cases, the fair market value shall be determined by deriving the remaining economic life of the machinery by its estimated economic life and multiplied by the replacement or reproduction cost.
- b) If the machinery is imported, the acquisition cost includes freight, insurance, bank, and other charges, brokerage, arrastre and handling, duties and taxes, plus the cost of inland transportation, handling and installation charges at the present site. The cost in foreign currency of imported machinery shall be converted to peso cost on the basis of foreign currency exchange rates as fixed by the Central Bank.

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SECTION 32. DEPRECIATION ALLOWANCE FOR MACHINERY UNDER ARTICLE 316, RULE XXXI, RULES AND REGULATIONS IMPLEMENTING THE LOCAL GOVERNMENT CODE OF 1991, REPUBLIC ACT NO. 7160.

For purposes of assessment, a depreciation allowance shall be made for machinery at a rate not exceeding five (5%) percent of its **original cost or its replacement or reproduction cost**, as the case may be, for each year of use provided that the remaining value for all kinds of machinery shall be fixed at not less than twenty (20%) percent of such original, replacement, or reproduction cost for so long as the machinery is useful and in operation.

The replacement cost new of all machineries and equipment shall be substantiated by an appraisal report from a reputable appraisal company. Sales and production reports shall be submitted to support the allowable depreciation.

SECTION 33. GUIDELINES FOR ESTIMATING DEPRECIATION BY THE OBSERVE CONDITION METHOD.

Very Good Condition (80%-100%)- This term describes an item of machinery which are capable of being used to its fully specified utilization and for its designed purpose without being modified, and not requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

Good Condition (55% -79%) – This term describes an item of machinery which has been modified or repaired and are being used at or near their fully specified utilization but the effects of age and/or utilization indicate that some minor repairs are required or that the item may have to be used to some lesser degree than its fully specified utilization in the foreseeable future.

Fair Condition (35%-54%)- This term describes those items which are being used at a point below their specified utilization because the effects of age and/or application, and which require general repairs and some replacement of minor elements in the foreseeable future to raise their level of utilization or near their original specifications.

Poor Condition (21%-34%) – This term is used to describe those items which can only be used at a point well below their specified utilization, and it is not possible to realize full capability in their current condition without extensive repairs and/or the replacement or major elements in the very near future.

TITLE IX.

ASSESSMENT LEVELS

SECTION 34. ASSESSMENT LEVELS. a) The assessment levels to be applied to the fair market value of real property in arriving at the assessed value of real properties within the territorial jurisdiction of the City shall be at the rates and not exceeding the following:

a) On Lands

Class	Assessment Level
Residential	10%
Agricultural	20%
Commercial	25%
Industrial	25%
Mineral	50%
Timberland	20%

b) On Buildings and Other Structures

(1) Residential

Fair Market Value		Assessment Level
Over	Not Over	
0.00	175,000.00	0%
175,000.00	300,000.00	5%
300,000.00	500,000.00	10%
500,000.00	750,000.00	15%
750,000.00	1,000,000.00	20%

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1,000,000.00	2,000,000.00	25%
2,000,000.00	5,000,000.00	30%
5,000,000.00	10,000,000.00	35%
10,000,000.00		40%

(2) Agricultural

Fair Market Value		Assessment Level
Over	Not Over	
0.00	300,000.00	10%
300,000.00	500,000.00	15%
500,000.00	750,000.00	20%
750,000.00	1,000,000.00	25%
1,000,000.00	2,000,000.00	30%
2,000,000.00		35%

(3) Commercial/Industrial

Fair Market Value		Assessment Level
Over	Not Over	
0.00	300,000.00	15%
300,000.00	500,000.00	20%
500,000.00	750,000.00	25%
750,000.00	1,000,000.00	30%
1,000,000.00	2,000,000.00	35%
2,000,000.00	5,000,000.00	40%
5,000,000.00	10,000,000.00	45%
10,000,000.00		50%

(4) Timberland

Fair Market Value		Assessment Level
Over	Not Over	
0.00	300,000.00	45%
300,000.00	500,000.00	50%
500,000.00	750,000.00	55%
750,000.00	1,000,000.00	60%
1,000,000.00	2,000,000.00	65%
2,000,000.00		75%

c) Types of machinery

Class	Assessment Level
Agricultural	40%
Residential	50%
Commercial	80%
Industrial	80%

d) Special Classes: The Assessment levels for all lands, buildings, machinery and other improvements

Actual Use	Assessment Level
Cultural	15%
Scientific	15%
Hospital	15%
Local Water Districts	10%
Government Owned or Controlled corporations engaged in the supply and distribution of water and/or generation and transmission of electric power	10%

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TITLE X.

SECTION 35. ESTIMATED AVERAGE USEFUL LIVES OF MACHINERIES, EQUIPMENT AND CERTAIN STRUCTURES

(From Bulletin F of the U.S. Bureau of Internal Revenue)

Structure	Years	Structure	Years
Buildings:		Pavement:	
Apartments	50	Asphalt	20
Dwellings	60	Brick	14
Hotels	50	Cobblestone	25
Machine Shops	60	Concrete	20
Office	67	Creosote block	12
Stores	67	Granite	20
Warehouses	75	Macadam	15
		Plank	6
		Woodblock	
Dams:		untreated	9
Crib	25	Pipes: Cast-iron	
Earthen,		2-4 inches	50
Concrete or masonry	150	4-6 inches	65
Loose rock	60	8-10 inches	75
Steel	40	12 inches and over	100
Flumes:		Concrete or masonry	20
Concrete or Masonry	75	Steel	
Steel	50	Under 4 inches	30
Wood	25	Over 4 inches	40
Tanks:		Wood slave	
Concrete	50	14 inches and larger	33
Steel	40	3-13 inches	20
Wood	20	Wrought iron	
Wrought-iron and steel,	25	6 inches and larger	75
Ammonia storage		6 inches or less	50
Construction Equipment:		Batteries:	
Bulldozers	4-8	Heavy type	15
Compressors, gasoline	6	Light type	10
Concrete mixers, gasoline	3-5		
Fresno scrapers	2	Canals and Ditches	75
		Chimneys:	
Blowers and Fans:	15	Brick, concrete, or	50
		stone	
Boiler fittings	18	Steel, self-supporting	35
		Lined	30
		Unlined	
Boiler:		Compressors:	
Over 50 hp. Fire tube,	20	Portable	20
horizontal	17	Stationary, all types	25
Under 50 hp. Fire tube,	17		
horizontal	14	Condensers:	
Over 50 hp. Fire tube,	10	Gas Plant	30
locomotive	14	Steam, atmospheric	25
Under 50 hp. Fire tube,	14	Steam, surface	20
locomotive	25		
Under 50 hp. Fire tube,	20	Conveyors, ash, and coal	15
portable, all types	20	Cranes:	
Under 50 hp. Fire tube,	20	Jib	20
vertical	20	Locomotive	25
Over 50 hp. Water tube,	20	Overhead traveling	35
below 225 lb. pressure			
Over 50 hp. Water tube, over			
225 lb. pressure			
Under 50 hp. Water tube,			
below 225 lb. pressure			

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Engines:		Pumps:	
Diesel and Semi-diesel type	22	Auxiliary	18
Gas and Gasoline	17	Centrifugal and Rotary	20
Steam:		Direct Acting	25
High-speed	20	Gas	20
Low-speed	25	Gear Driven	22
Fences:		Purification Equipment for boiler feed water	20
Masonry	40	Reservoirs, with boiler plant	50
Steel Posts and Wire	25		
Wood and Wire	12		
Filters, Oil	20	Standpipes:	
Generators, Alternators, Motors, and Dynamos		Concrete	50
Large Units, above 5,000 kva	28	Steel	50
Units from 1,000 to 3,000 kva		Piers:	
High Speed,		Masonry	50
Direct connected	20	Steel	33
Belt driven	17	Timber	25
Low Speed,		Switchboards and Wirings:	20
Direct connected	25	Towers:	15
Belt driven	22	Cooling (frame)	
Units below 50hp capacity:		Gate	
Alternating current	17	Transformers	25
Direct current	14	Tunnels:	100
Turbines:		Wells:	
Hydraulic	35	Drilled and Driven	40
Steam	22	Open, masonry lined	50
		Tar and ammonia	40

TITLE XI.

MISCELLANEOUS PROVISIONS

SECTION 36. BASE VALUE APPLICATION. As a general rule, 100% base value per square meter for urban (commercial, industrial and residential) land shall be applied to all lands within the first strip of twenty (20) meters on a residential section or zones fronting asphalted or concrete streets or any all-weather road.

SECTION 37. REDUCTION. For low and sunken areas of the land, a reduction from the base value per square meter may be allowed due to the cost of filling and compaction to bring the same at par with the adjoining developed lots, provided, however, that such reduction will, in no case exceed thirty (30%) percent of the base value thereof.

SECTION 38. FRONTAGE VALUATION. Adjustment value for frontage shall be added to the valuation of all commercial lots fronting streets or roads. The same is derived by multiplying the length of frontage in linear meters by fifty (50%) percent of the unit base value thereof.

SECTION 39. CORNER LOTS VALUATION. Corner influence value of ten (10%) percent of the base value shall be added to the valuation of lots situated at the corner of two streets or roads have different base values, the higher base values shall be used in the computation.

For facility and ready reference, the pertinent provisions of Department Order No. 3-74 dated January 31, 1974, are hereby deemed reproduced and incorporated herein.

SECTION 40. VACANT LAND CLASSIFICATION. Vacant or idle lands located in a purely residential area shall be classified as residential and lands located in a purely commercial area, shall be classified as commercial and so on with other classification. Lands located in areas of mixed uses shall be classified according to the class which is more predominant.

SECTION 41. BASE MARKET VALUE. As far as properly applicable, this Schedule of base market values shall be controlling, but where the property to be assessed is of a kind for which a value is not herein fixed, it shall be appraised at the current and fair market value, independently of this schedule.



SECTION 42. BUILDINGS CLASSIFICATION/VALUE. Buildings shall be generally classified and valued in accordance with the Structural Designs for which they were intended regardless of their actual use.

SECTION 43. COST DEPRECIATION. In case of buildings, machinery and other structures already covered by existing assessments, the Reproduction/Replacement Cost New Less Depreciation (RCNLD) approach shall be applied.

SECTION 44. GOVERNING LAWS/RULES. As a general rule, the classification, appraisal, and assessment of real property for taxation purposes, shall be governed by the provisions of RA 7160 and its Implementing Rules and Regulations and other existing laws and rules issued by the Department of Finance and the Sangguniang Panlungsod.

SECTION 45. ASSESSMENT COPIES. As to issuance of copies of records and documents pertaining to assessment: Issue upon request of the property owner or his authorized representative (with special power of attorney or authorization) certificates pertaining to, or certified copies of, the assessment records of real property and other records relative to its assessment after the presentation of the official receipt evidencing full payment of realty tax for the current year and upon payment of a service charge or fee fixed by the Local Sanggunian concerned.

TITLE XII. COMMON PROVISIONS

SECTION 46. REPEALING CLAUSE. Any previous ordinance or parts thereof which are inconsistent with the provisions of this ordinance are hereby repealed, amended or modified accordingly.

SECTION 47. SUPPLETORY EFFECT. RA 7160, otherwise known as the Local Government Code of 1991, shall have suppletory application on this Ordinance.

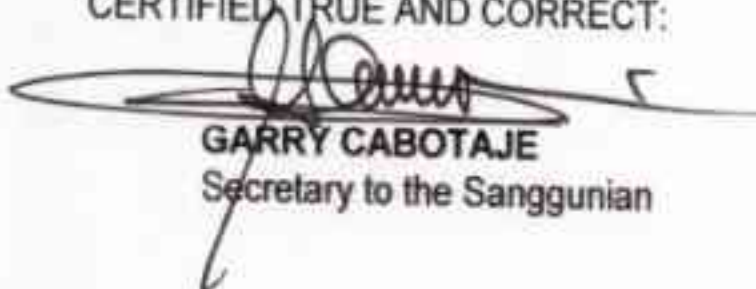
SECTION 48. SEPARABILITY CLAUSE. Should any provision of this Ordinance be declared invalid, unconstitutional or illegal by any court of competent jurisdiction, the portions thereof, which are not so declared, shall remain valid and enforceable.

SECTION 49. EFFECTIVITY. This Ordinance shall become effective upon completion of its publication for three (3) consecutive days in a newspaper of general circulation and posted in at least three (3) conspicuous places in the City of Naga, Cebu pursuant to Sections 59 and 188 of R.A. 7160.

ENACTED BY THE 5TH SANGGUNIANG PANLUNGSOD, CITY OF NAGA, CEBU, in its second (2nd) Special Session held on the 9th day of December 2022.

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CERTIFIED TRUE AND CORRECT:



GARRY CABOTAJE
Secretary to the Sanggunian

ATTESTED BY:


VIRGILIO M. CHIONG
Vice Mayor/Presiding Officer

APPROVED BY:


VALDEMAR M. CHIONG
City Mayor

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