



Republic of the Philippines
QUEZON CITY COUNCIL
Quezon City
18th City Council

PO2010-91

42nd Regular Session

ORDINANCE NO. SP- 2095, S-2011

AN ORDINANCE FURTHER AMENDING THE QUEZON CITY REVENUE CODE, AS AMENDED, TO IMPOSE AN ADDITIONAL ONE-HALF PERCENT (0.5%) TAX ON ASSESSED VALUE OF ALL LANDS IN QUEZON CITY EXCEEDING ONE HUNDRED THOUSAND PESOS (P100,000.00) WHICH SHALL ACCRUE TO THE SOCIALIZED HOUSING PROGRAM OF THE CITY GOVERNMENT AS PROVIDED FOR UNDER SECTION 43 OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT (UDHA) OF 1992 AND LOCAL FINANCE CIRCULAR NO. 1-97 OF THE DEPARTMENT OF FINANCE.

Introduced by Councilors EDU B. LAGMAN, JR., FRANCISCO A. CALALAY, JR., DOROTHY A. DELARMENTE, ANTHONY PETER D. CRISOLOGO, RICARDO T. BELMONTE, JR., JOSEPH P. JUICO, ALEXIS R. HERRERA, PRECIOUS HIPOLITO CASTELO, ALFREDO D. VARGAS III, EDEN "CANDY" A. MEDINA, JULIENNE ALYSON RAE V. MEDALLA, RODERICK M. PAULATE, GODOFREDO T. LIBAN II, JULIAN ML. COSETENO, ALLAN BENEDICT S. REYES, JAIME F. BORRES, JOSE MARIO DON S. DE LEON, GIAN CARLO G. SOTYO, EUFEMIO C. LAGUMBAY, JESUS MANUEL C. SANTAY, JESSICA CASTELO DAZA, RAQUEL S. MALAN SR., VINCENT DC. BELMONTE, MARVIN C. RILLO, RANULFO E. LUDOVICA and JOHN ANSELL R. DE GUZMAN.

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WHEREAS, Section 43 of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act (UDHA) of 1992 provides that "consistent with the constitutional principle that the ownership and enjoyment of property bear a social function and to raise funds for the program, all local government units are hereby authorized to impose an additional one-half percent (0.5%) tax on assessed value of all lands in urban areas in excess of One Hundred Thousand Pesos (P100,000.00);

WHEREAS, the Department of Finance issued Local Finance Circular No. 1-97 dated 10 April 1997 setting guidelines for the implementation of Sections 7, 20 and 43 of Republic Act No. 7279 and to supplement Local Finance Circular No. 3-92 dated 11 September 1992;

WHEREAS, the imposition of additional tax is intended to provide the City Government with sufficient funds to initiate, implement and undertake Socialized Housing Projects and other related preliminary activities;

WHEREAS, the imposition of 0.5% tax will benefit the Socialized Housing Programs and Projects of the City Government specifically the marginalized sector through the acquisition of properties for human settlements;

WHEREAS, the removal of urban blight will definitely increase fair market value of properties in the city;

WHEREAS, Section 132 of the Local Government Code provides that the power to impose a tax, fee or charge or to generate revenue under the code shall be exercised by the sanggunian of the local government unit concerned through an appropriate ordinance.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. TITLE. - This Ordinance shall be known as the "Socialized Housing Tax of Quezon City".

SECTION 2. DEFINITION OF TERMS. - For purposes of this Ordinance, the following is hereby defined.

- (a) "Idle lands" - refers to non-agricultural lands in rural and urbanized areas on which no improvements as herein defined, have been made by the owner, as certified by the City Assessor;
- (b) "Improvements" - refers to all types of buildings and residential units, walls, fences, structures and constructions of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits and other fixtures that are mere superimpositions on the land, and the value of improvements shall not be less than fifty percent of the assessed value of the property;
- (c) "Public-Private Partnership" - refers to the combination or agreement by two (2) or more persons to carry out a specific or single business enterprise for their mutual benefit, for which purpose they combined their financial land resources, facilities and services;
- (d) "Land assembly or consolidation" - refers to the acquisition of lots of varying ownership through purchase or expropriation for the purpose of planning and rational development and socialized housing programs without individual property boundary restrictions;
- (e) "Land banking" - refers to the acquisition of land at values based on existing use in advance of actual need to promote planned development and socialized housing programs;
- (f) "On-site development" - refers to the process of upgrading and rehabilitation of blighted slum areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services as provided for in Section 21 of the Urban Development and Housing Act (UDHA);

- (g) *"Resettlement areas"* - refers to areas identified by the appropriate national agency or by the local government unit with respect to areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens;
- (h) *"Slum Improvement and Resettlement Program or SIR"* - refers to the program of the National Housing Authority of upgrading and improving blighted squatter areas outside of Metro Manila pursuant to existing statutes and pertinent executive issuances;
- (i) *"Small property owners"* - refers to those whose only real property consists of residential lands not exceeding three hundred square meters (300 sq.m.) in highly urbanized cities and eight hundred square meters (800 sq.m.) in other urban areas;
- (j) *"Socialized Housing"* - refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for the underprivileged and homeless citizens which shall include sites and services development. Long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of the Urban Development and Housing Act;
- (k) *"Underprivileged and homeless citizens"* - refers to the beneficiaries of this Act and to individuals or families residing in urban and urbanized areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own housing facilities. This shall include those who live in marketshift dwelling units and do not enjoy security of tenure;
- (l) *"Urban areas"* - refers to all cities regardless of their population density and to municipalities with a

(m) "Urbanizable areas" - refers to sites and lands which considering present characteristics and prevailing conditions, display marked and great potential of becoming urban areas within the period of five (5) years;

SECTION 3. IMPOSITION. A special assessment equivalent to one-half percent (0.5%) on the assessed value of land in excess of One Hundred Thousand Pesos (P100,000.00) shall be collected by the City Treasurer which shall accrue to the Socialized Housing Programs of the Quezon City Government. The special assessment shall accrue to the General Fund under a special account to be established for the purpose.

SECTION 4. SOCIALIZED HOUSING FUND UTILIZATION – The Quezon City Government shall utilize the Socialized Housing Tax (SHT) for one or a combination of the following projects:

- 4.1 Land Purchase/ Land Banking
- 4.2 Improvement of current/ existing socialized housing facilities
- 4.3 Land Development
- 4.4 Construction of core houses, sanitary cores, medium-rise buildings and other similar structures

Financing of public-private partnership agreement of the Quezon City Government and National Housing Authority with the private sector.

SECTION 5. RE-INVENTORY OF LANDS – The City Assessor shall conduct a re-inventory of all kinds of land and improvements within the territorial jurisdiction of Quezon City within a period of one hundred eighty (180) days from the effectivity of this Ordinance. The inventory shall include the following:

- (a) Residential lands;
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- (b) Government-owned lands, whether owned by the National Government or any of its subdivisions, instrumentalities, agencies, including government-owned or controlled corporations and their subsidiaries;
- (c) Unregistered or abandoned and idle lands; and
- (d) Other lands.

In conducting the inventory, the City Assessor's Office in coordination with the Housing and Land Use Regulatory Board and with the assistance of the appropriate government agencies shall indicate the type of land use and the degree of land utilization and other data or information necessary to carry out the purposes of this Ordinance.

The City Assessor shall furnish the City Treasurer's Office and the Sangguniang Panlungsod the list of lands to be affected by this Ordinance.

SECTION 6. TERM OF EFFECTIVITY – The effectivity of the special assessment hereby imposed shall be for a period of five (5) years.

SECTION 7. TAX CREDIT – Taxpayers dutifully paying the special assessment tax as imposed by this ordinance shall enjoy a tax credit. The tax credit may be availed of only after five (5) years of continuous payment. Further, the taxpayer availing of this tax credit must be a taxpayer in good standing as certified by the City Treasurer and City Assessor.

The tax credit to be granted shall be equivalent to the total amount of the special assessment paid by the property owner, which shall be given as follows:


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|--------------------------|---|-----|
| 1. 6 th year | - | 20% |
| 2. 7 th year | - | 20% |
| 3. 8 th year | - | 20% |
| 4. 9 th year | - | 20% |
| 5. 10 th year | - | 20% |

Furthermore, only the registered owners may avail of the tax credit and may not be continued by the subsequent property owners even if they are buyers in good faith, heirs or possessor of a right in whatever legal capacity over the subject property.

SECTION 8. SEPARABILITY CLAUSE – If for any reason, any part or provisions of this Ordinance shall be held unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 9. EFFECTIVITY CLAUSE – This Ordinance shall take effect after its publication in a newspaper of general circulation.

ENACTED: October 17, 2011.


MA. JOSEFINA G. BELMONTE
Vice Mayor
Presiding Officer

ATTESTED:


DOROTHY D. LAGRADA, dpa
City Secretary

APPROVED:  10 17 2011

HERBERT M. BAUTISTA
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on October 3, 2011, was reverted back and APPROVED again on Second Reading on October 17, 2011 and PASSED on Third/Final Reading under Suspended Rules on the same date.


DOROTHY D. LAGRADA, dpa