

Republic of the Philippines  
Province of Davao del Norte  
City of Tagum

**BEFORE THE '3<sup>RD</sup> COUNCIL'**

**EXCERPT FROM THE MINUTES OF THE 115<sup>th</sup> REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF TAGUM CITY, PROVINCE OF DAVAO DEL NORTE HELD AT THE SP SESSION HALL ON NOVEMBER 20, 2006.**

**PRESENT:**

Hon. ALLAN L. RELLON, MPA,	City Vice Mayor (Presiding Officer)
Hon. GETERITO T. GEMENTIZA,	Member
Hon. RAYMOND JOEY D. MILLAN,	Member
Hon. ROBERT L. SO,	Member
Hon. OSCAR M. BERMUDEZ,	Member
Hon. ROGELIO E. ISRAEL, MPA,	Member
Hon. VICENTE C. ELIOT, SR.,	Member
Hon. JOEDEL T. CAASI,	Member
Hon. FRANCISCO C. REMITAR,	Member
Hon. BRYAN KIM SAMUEL L. ANGOY,	Member (SKF Representative)

**ON LEAVE:**

Hon. MARIA LINA F. BAURA,	Member
Hon. ERNESTO Y. OBERO,	Member (ABC Representative)

**ON OFFICIAL BUSINESS:**

Hon. LANI B. MAUG,	Member
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**CITY ORDINANCE NO. 225, s-2006**

**“AN ORDINANCE ALLOWING COMPROMISE AGREEMENT WITH REAL PROPERTY OWNERS OR THEIR AUTHORIZED REPRESENTATIVE/S IN THE SETTLEMENT OF THEIR DELINQUENT REAL PROPERTY TAXES.”**

**BE IT ENACTED** by the Sangguniang Panlungsod of Tagum City, Province of Davao del Norte, that:

**SECTION 1.** The City Treasurer is hereby authorized to enter into a compromise agreement with real property owners in the City of Tagum or their duly authorized representative, as tax relief on their delinquencies by providing option for paying such delinquent real property taxes by installment or on a staggered basis.

**SECTION 2. DEFINITION OF TERMS.** As used in this Ordinance, the following terms shall mean:

a. Compromise (Section 2028-Civil code of the Philippines) – is a contract whereby the parties, by making reciprocal concessions, avoid litigation or put an end to one already commenced.

b. Compromise Agreement – a settlement in which each side gives up some demands or makes concessions: something midway between two (2) other things.

c. Delinquent- failing or neglecting to do what duty or law requires.  
- past the time for payment; overdue.

**CITY ORDINANCE NO. 225, s-2006**, cont'd:

e. Jurisdiction- the legal power to administer and enforce the law or the city within this power is valid or in which a person has the territorial range of authority.

f. Moratorium- a legal authorization, usually by a law passed in an emergency to delay payment of money due, as by a bank or debtor.

g. Real Property – immovable property as opposed to temporary, movable personal property.

h. Penalties - are added burdens for failing to adequately pay the tax within a prescribed period.

i. Tax - a charge on person's income and property, direct tax on the price of goods sold, and indirect tax made by a government to collect revenue.

j. Condonment – it is the gratuitous abandon of fix right.

**SECTION 3. COVERAGE.** This Ordinance shall apply to Real Properties located within the jurisdiction of Tagum City, Province of Davao del Norte, as follows:

A. Real Properties covered:

1. Those which are undeclared, and subject to back taxes;
2. Those which are declared and the real property tax thereon have not been paid from the start of the year of delinquency up to effectivity of this ordinance.

B. Real Properties not covered:

1. Real Property with pending cases/under court litigation.

**SECTION 4.** Settlement of Delinquent Real Property Taxes for the year of the effectivity of this ordinance and prior years:

**SECTION 4.1. INSTALLMENT PAYMENTS.** Real Property Taxes (Basic and SEF) including penalties of the delinquent years may be paid on installment without any further penalties within a paying period from Six (6) months to Two (2) years from the date of effectivity of this ordinance. The following ceiling shall be followed in the availment of the installment payments thru the compromise agreement:

TAX DELINQUENCIES Amount (Basic & SEF)	INSTALLMENT PERIOD (Payable in)
Less than and up to P5,000.00	6 months or 2 quarters
P5,001.00 – P 25,000.00	1 year or 4 quarters
P25,001.00 and above	2 years or 8 quarters

However, in cases where the taxpayers regardless of the tax delinquency opt to reduce the installment period, his payment will be adjusted accordingly.

**SECTION 4.2.** The City Treasurer of Tagum city is hereby authorized to enter into a Compromise Agreement (of which terms and conditions formed part of this Ordinance) with any delinquent taxpayer or his duly authorized representative, on the schedule of installment payment on a monthly or quarterly basis, provided that at least 25% of the total delinquency shall be paid in the date of signing the Compromise Agreement.

**SECTION 4.3.** Should any installment prescribed during the period of the Compromise Agreement remain unpaid on its due date or end of its installment period, the total balance of the delinquent real property tax and penalties will still be collected and imposed as provided under Section 4.4 of the City Tax Ordinance and shall become automatically due and shall be subject to collection through legal action in the proper court or through administrative or judicial remedies pursuant to Section 56 of R.A. 7160 – The Local Government Code of 1991. However, in case of death of the delinquent taxpayer, extension for the settlement of delinquent taxes maybe granted to their heirs but paying period not to exceed 1 year. Due date is reckoned at the last installment period indicated in the Compromise Agreement.

**SECTION 4.4.** The payment shall be made in the manner as provided in the compromise agreement, to wit:

**COMPROMISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT made and entered into in the City Government of Tagum, Province of Davao del Norte, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_, by and between the CITY GOVERNMENT OF TAGUM, a Local government Unit with office address of Rizal Street, Magugpo Poblacion, Tagum City, herein represented by the City Treasurer, EDGAR C. DE GUZMAN, herein after referred to as THE **LGU**;

and

\_\_\_\_\_, Filipino, of legal age, single/married and a resident of \_\_\_\_\_, hereinafter referred to as the **TAXPAYER**.

WITNESSETH:

That the Taxpayer is the declared owner of a certain Real Property who is delinquent in the payment of his/her corresponding real property tax obligation. The subject property is located in Barangay \_\_\_\_\_, City of Tagum, Province of Davao del Norte which is more particularly described in the Notice of Real Property Tax Delinquency with cut-off date on \_\_\_\_\_, duly received by the aforesaid owner authorized representative on \_\_\_\_\_;

That the Taxpayer has been duly notified and hereby acknowledge that the afore-described Real Property incurred a total real property tax delinquency amounting to \_\_\_\_\_ (P \_\_\_\_\_ ) covering the period \_\_\_\_\_, \_\_\_\_\_ up to \_\_\_\_\_;

That the Taxpayer voluntarily applied to avail the Compromise Agreement under the City Tax Ordinance No. 2006 - 225 to settle his/her Real Property Tax Delinquency by paying a down payment of not less than Twenty Five (25%) percent of the total tax due upon signing this agreement as initial payment and the balance shall be paid in monthly/quarterly payment commencing on \_\_\_\_\_ until \_\_\_\_\_ but not beyond Two (2) years from date hereof without the necessity of demand in the following manner of amortizations:

**CITY ORDINANCE NO. 225, s-2006**, cont'd:

3 <sup>rd</sup> payment	_____	_____	15 <sup>th</sup> payment	_____	_____
4 <sup>th</sup> payment	_____	_____	16 <sup>th</sup> payment	_____	_____
5 <sup>th</sup> payment	_____	_____	17 <sup>th</sup> payment	_____	_____
6 <sup>th</sup> payment	_____	_____	18 <sup>th</sup> payment	_____	_____
7 <sup>th</sup> payment	_____	_____	19 <sup>th</sup> payment	_____	_____
8 <sup>th</sup> payment	_____	_____	20 <sup>th</sup> payment	_____	_____
9 <sup>th</sup> payment	_____	_____	21 <sup>st</sup> payment	_____	_____
10 <sup>th</sup> payment	_____	_____	22 <sup>nd</sup> payment	_____	_____
11 <sup>th</sup> payment	_____	_____	23 <sup>rd</sup> payment	_____	_____
12 <sup>th</sup> payment	_____	_____	24 <sup>th</sup> payment	_____	_____

That the above-scheduled amortizations cover only to the delinquent real property tax due/obligations of the taxpayer. In addition thereof, the Taxpayer further agree to pay his current and succeeding real property tax obligation in accordance with the regular payment schedules as provided for under our existing laws:

That as long as the taxpayer is updated in paying his delinquent real property tax obligation in accordance with the above-scheduled amortizations, his/her updated payment of corresponding current and succeeding real property taxes will not be imposed of any penalties nor discounts;

That in case the Taxpayer defaults in the payment of at least two (2) amortizations based on the above-schedule, the whole unpaid real property tax obligation shall resume becoming due and demandable plus an additional charge of 2% interest per month pursuant to Section 56 of Resolution No. 360, series of 1998; and the same will be included in the auction sale of delinquent real properties.

That this agreement shall extend and be binding upon the parties hereto, their administrators, executors and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our signature this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at Tagum City, Davao del Norte, Philippines.

**CITY GOVERNMENT OF TAGUM**

By:

**EDGAR C. DE GUZMAN**  
City Treasurer

\_\_\_\_\_  
Taxpayer

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Witness**

**A C K N O W L E D G E M E N T**

Republic of the Philippines }  
Province of Davao del Norte } S.S  
City of Tagum }  
X-----X

Before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ in the City of Tagum, Davao del Norte personally appeared;

in his/her capacity as City Treasurer of Tagum city.

**CITY ORDINANCE NO. 225, s-2006**, cont'd:

\_\_\_\_\_ with Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_ known to me to be the same persons who executed the foregoing instrument, and they acknowledge to me that the same is there free ad voluntary act and deed as well as the principal he/she/they represented.

This instrument refers to a Compromise Agreement and consists of \_\_\_\_\_ (\_\_\_\_) pages, including the page on which this acknowledgement is written, all signed by the parties and their two (2) instrumental witnesses.

Witness my hand and seal on the place and date above-written.

Doc. No. \_\_\_\_\_:  
Page No. \_\_\_\_\_:  
Book No. \_\_\_\_\_:  
Series of \_\_\_\_\_.

**SECTION 5. MORATORIUM.** The City Government of Tagum shall hereby grant:

a. A moratorium of the further imposition and/or collection of penalties on the delinquent real property taxes shall be granted on those who will avail of the Compromise Agreement which shall start from the date of execution thereof. Agreement shall expire two (2) years thereafter except as provided in Section 4.3 of this ordinance;

b. During the years of the effectivity of a particular Compromise Agreement all current penalties for BASIC and SEF incurred by a particular tax delinquent after March 31 of a given year are included in the moratorium;

**SECTION 6. ONE-TIME PAYMENT OF DELINQUENT REAL PROPERTY TAX.** Real property owners who will make a one-time payment of their delinquent real property taxes shall be granted condonment of all penalties and surcharges incurred within a period of six (6) months only upon the effectivity of this ordinance and 50% condonment of penalties and surcharges shall be granted beyond the six (6) month period.

**SECTION 7. APPLICATION.** Delinquent taxpayers who want to avail of the benefits therein provided shall enter into a Compromise Agreement with the City Treasurer. Moreover, payment of their current year taxes must adhere strictly to the provisions of Section 246-247 and 249-250 of the Republic Act No. 7160, otherwise known as the Local government code of 1991.

**SECTION 8. PAYMENT.** Real property taxes shall be paid to the Office of the City Treasurer. The taxpayer who desires to avail the benefits of this ordinance shall signify his or her intention by first applying before the City Treasurer using the prescribe form and manifesting therein his or her plan of payment. The approval of the application shall be made by the City Treasurer and duly notarized by the City Legal Officer or City Prosecutors.

**SECTION 9. REPEALING CLAUSE.** All Ordinances or any part thereof which are inconsistent with any provision or provisions of this ordinance are hereby repealed or modified accordingly.

**SECTION 11. EFFECTIVITY CLAUSE.** This Ordinance shall take effect after its publication in three (3) consecutive issues in a newspaper of general circulation within the City of Tagum.

**CARRIED AND APPROVED.**

**ENACTED AND PASSED** this 20<sup>th</sup> day of November, 2006.

**I HEREBY CERTIFY** to the correctness of the foregoing.

**(Sgd) REY A. BUHION**  
**Secretary to the Sanggunian**

**ATTESTED:**

**(Sgd) ALLAN L. RELLON, MPA**  
**City Vice Mayor**  
**(Presiding Officer)**

**APPROVED:**

**(Sgd) REY T. UY**  
**City Mayor**

*Fname: CO22506*  
*ffm\*\**