



17-03-1892

Feb. 1.1

EXECUTIVE ORDER NO. 07  
Series of 2017

AN ORDER RECONSTITUTING THE PROVINCIAL PUBLIC AUCTION COMMITTEE OF  
DELINQUENT REAL PROPERTIES OF THE PROVINCE OF DAVAO DEL NORTE

**WHEREAS**, under Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and consistent with the basic policy of local autonomy, the Local Government Units are empowered to create its own sources of revenues to defray the expenses of government and with the aim of further enhancing the collection and efficient and effective administration of real property taxes, particularly pertaining to unpaid realty tax obligations, the Provincial Government of Davao del Norte, as provided for by law, has adopted the policy of conducting public auction of delinquent real properties;

**WHEREAS**, pursuant to Section 260 of Republic Act No. 7160, as amended, the Provincial Treasurer is authorized to proceed the sale and auction of the property or a usable portion thereof as may be necessary to satisfy the tax delinquencies and expenses of sale within thirty (30) days after service of the warrant of levy;

**WHEREAS**, the Provincial Government of Davao del Norte through the Provincial Treasurer's Office exerts extraordinary efforts and explores every possible opportunity towards most expeditious and efficient way of collecting taxes and continuously instituted the administrative remedy thru levy on property and sale at public auction.

**WHEREAS**, Executive Order No. 03, Series of 2013 was signed into order on 16 January 2013 to create the Provincial Auction Committee of the Province of Davao del Norte who will assist the Provincial Treasurer's Office intensify and hasten the proper collection of delinquent taxes, fees and charges imposed in the real property tax delinquents;

**WHEREAS**, there is a need to reconstitute the existing committee following the assumption to office of the newly elected officials of the Province and the movement/change of office of some members of the committee;

**NOW, THEREFORE, I, ANTONIO RAFAEL G. DEL ROSARIO**, Governor of the Province of Davao del Norte, by virtue of the powers vested in me by law, do hereby order the following:

**Section 1. Reconstitution.** The Provincial Public Auction Committee of the Province of Davao del Norte to assist the Provincial Treasurer's Office in the implementation of the tax levy, collection and public auction of the real property tax delinquencies shall be reconstituted with the following composition:

<i>Chairperson</i>	:	<b>SAMSON J. SANCHEZ, MPA, CSEE</b> Provincial Administrator
<i>Co-Chairperson</i>	:	<b>REGINA C. RICAFORT, CPA, MPA</b> Provincial Treasurer

BASTA DavNor, THE BEST!



*Members*

:

**ATTY. JENNIFER B. NAMOC-YASOL**  
Provincial Legal Officer

**SERLINDA C. ATAKE, CPA, MBA**  
Provincial Accountant

**ENGR. JOYCE T. GUALBERTO, MPA, REA**  
Provincial Assessor

**MUNICIPAL ASSESSOR**  
(Where the property is located)

**MUNICIPAL TREASURER**  
(Where the property is located)

**Section 2. Duties and Functions.** The Provincial Public Auction Committee has the following duties and functions, to wit:

1. Conduct regular and/or call meeting to address matters affecting concerns directly connected with or arising from the conduct of auction sales of delinquent real properties including the adoption of better systems, measures and procedures for a more effective and efficient conduct of auction sale.
2. Recommend and adopt and make changes on the rules and regulations in the conduct of public action to maximize the effective collection of real property tax.
3. Exercise such other powers, duties and functions as may be necessary in the pursuit of the foregoing functions and duties.

**Section 3. Technical Working Group (TWG)/Secretariat.** The TWG/Secretariat shall provide technical assistance to the Committee on Public Auction and shall be composed of the following:

1. **ENGR. LILY M. SALAZAR, MPA, REA**  
Asst. Provincial Assessor
2. **JOSEPHINE L. CALIGDONG, MPA, REA**  
Taxmapper IV, PASSO
3. **EVELYN G. ESPRA, MPA**  
Local Revenue Collection Officer IV, PTO
4. **CAROLINA C. ORTIZ**  
Local Revenue Collection Officer I, PTO
5. **BERNIER R. MEJORADA**  
Computer Programmer III, PAdO-IT Division

**Section 4. Rules and Regulations in the conduct of Public Auction of Delinquent Real Properties.**

**I. QUALIFICATION AND DISQUALIFICATION OF BIDDER/S-**

- a. Bidders who want to participate in the auction sales should have the following qualifications, to wit:

- a.1. All Filipino citizen who are not otherwise disqualified by law to acquire real property in the Philippines;
  - a.2. Partnerships, corporations and other legal entities duly registered with the Securities and Exchange Commission, 60% of the capital of which is owned by Filipino citizens;
  - a.3. Duly authorized representatives of the above-named qualified persons with Special Power of Attorney.
- b. On the other hand, pursuant to Article 1491 of the Civil Code of the Philippines, the following persons cannot acquire by purchase, even at a public or judicial auction, either in person or through the mediation of another, and thus disqualified to bid/participate:
- b.1. The guardian, the property of the person or persons who may be under his guardianship;
  - b.2. Agents, the property whose administration or sale may have been entrusted to them, unless the consent of the principal has been given;
  - b.3. Executors and administrators, the property of the estate under administration;
  - b.4. Public officers and employees, the property of the State or of any subdivision thereof, or of any government-owned or controlled corporation, or institution, the administration of which has been entrusted to them; this provision shall apply to judges and government experts who, in any manner whatsoever, take part in the sale;
  - b.5. Justices, judges, prosecuting attorneys, clerks of superior and inferior courts, and other officers and employees connected with the administration of justice, the property and rights in litigation or levied upon an execution before the court within whose jurisdiction or territory they exercise their respective functions; this prohibition includes the act of acquiring by assignment and shall apply to lawyers, with respect to the property and rights which may be the object of any litigation in which they may take part by virtues of their profession;
  - b.6. Any others specifically disqualified by law.

## II. CONDITIONS OF THE SALE:

1. Within thirty (30) days after service of warrant of levy, the local treasurer shall proceed to publicly advertise for sale or auction the property or a usable portion thereof as may be necessary to satisfy the tax delinquency and expenses of sale. The advertisement shall be effected by posting a notice at the main entrance of the city hall building, and in a conspicuous and publicly accessible place in the **Barangay** where the real property is located, and by publication once a week for two (2) weeks in a newspaper of general circulation in the province, city, or municipality where the property is located. The advertisement shall specify the amount of the delinquent tax, the interest due thereon and expenses of sale, the date and place of sale, the name of the owner of the real property or person having legal interest therein, and a description of the property to be sold. In all cases, written notice of the sale shall be given to the owner of the delinquent

property, at least three (3) days before the sale. The notice shall specify the place, date and exact time of the sale which should not be earlier than nine o'clock in the morning and not later than two o'clock in the afternoon.

The minimum Bid Price of the auctioned property shall be the total amount of unpaid taxes, penalties, cost of sale equivalent to 10% of the tax due but not to exceed FIFTEEN THOUSAND (Php 15,000.00) and Secretary's Fee.

At any time before the date fixed for the auction sale, the owner of the real property or person having legal interest therein may prevent the sale by paying the amount of tax due on the delinquent property, including interests, cost of sale and other incidental expenses.

2. The Provincial/Municipal Treasurer does not warrant the authenticity or validity of the title of the owner nor does he guarantee the correctness or accuracy of the description of the property. Successful bidders acquire no better title than that of the registered owner appearing on the title and they will acquire the property together with all its encumbrances like mortgage, lease and the like, existing at the time of the purchase in the auction sale. For their own protection, the prospective participants may first ascertain the existence and the title of the property they wish to bid before participating in any bid;
3. All bidders are required to post Cash Bond of Five Thousand Pesos (P5,000.00) per title and refundable after the auction sale for losing bidder. Where the bid price of the winning bidder is not paid within the auction date or not later than 3:00PM on the following day, the cash bond shall be forfeited in favor of the provincial government;
4. Winning bidders shall pay the bid price on or before 3:00 PM of the following day of the auction date. Payments shall be made in cash or in Manager's or Cashier's check payable to the Provincial Treasurer of Davao del Norte for the exact amount of the bid;
5. The Committee on Public Auction reserves the right to revoke any or all awards/sale on any of the following grounds:
  - a. Upon presentation that all taxes and penalties due on the delinquent property had been paid when the sale was made;
  - b. It is found later that the property is tax-exempt by virtue of its being already government-owned or devoted exclusively for religious, educational, or charitable use; It is not liable to tax under RA 7160 and other related laws;
  - c. Non - payment of the bid price;
  - d. The property is found to be non - existing;
  - e. Violation of the condition of the sale;
  - f. In any event, the purchase price shall be returned to the buyer/purchaser thereof without interest and it is understood that other incidental damages are hereby waived.

6. Within one (1) year from the date of sale, the owner of the delinquent property or person having legal interest therein, or his representative shall have the right to redeem the property upon payment to the Provincial Treasurer of the total amount of the delinquent tax, including the interest due thereon, and the expenses of the sale from the date of delinquency to the date of sale, plus two (2%) percent monthly interest on the purchase price from the date of the sale to the date of redemption, and such other fees, penalties, or incidental charges in the conduct of the sale. Such payment shall invalidate the certificate of sale issued by the Provincial Treasurer.
7. The Provincial Treasurer or his deputy, upon surrender of the certificate of sale previously issued to the winning bidder, shall return to the latter the entire purchase price paid by him plus interest of two (2%) percent per month computed from the date of sale to the date of redemption.
8. From the date of sale until the expiration of the period of redemption, the delinquent real property shall remain in the possession of the owner or person having legal interest therein who shall be entitled to the income and other fruits thereof. However, the concerned owner is barred from cutting or allowing the destruction of the plants and trees found in the said area. The owner is likewise prohibited to introduce improvement or other structure. The property subject of the said proceeding is on, 'AS IS WHERE IS BASIS'.
9. In case the taxpayer fails to redeem the property within the prescribed period, the Provincial Treasurer shall execute a final deed conveying to the purchaser said property, free from liens of the delinquent tax, interest due thereon and expenses of sale. The deed shall briefly state the proceeding upon which the validity of the sale rests.
10. In case there is no bidder for the real property, the Provincial Treasurer shall purchase the property in behalf of the provincial government of Davao del Norte to satisfy claim. The declared owner of the delinquent property shall have the right to exercise the right ownership during the one (1) year redemption period.
11. Upon the expiration of the (1) year redemption period, later, within thirty (30) days, the winning bidder shall be responsible to pay the capital gains tax, documentary stamp tax, transfer fee, tax clearance and other expenses for the transfer of the title or consolidation thereof.
12. If the winning bidder shall withdraw the acquisition or failed to pay the purchase price of the acquired properties on or before 3:00 P.M. of the day after the date of auction, the cash bonds shall be forfeited in favor of the provincial government. The subject real properties acquired by the former shall be awarded to the second highest bidder and shall pay his/her last highest bid price.

### **III. CONDUCT OF SALE:**

The sale shall be by oral bidding. The Committee on Public Auction/Provincial Treasurer, shall auction the entire delinquent property/ies one after the other. Where the land its

improvement/s are covered by two separate declarations and both are delinquent and are declared in the name of one person or are declared in joint ownership said property will be auctioned together to avoid their sale to different persons. Where an improvement/s that could be separated is/ are erected on lots that are covered by two separate declarations and are delinquent, said delinquent properties will be auctioned together for the same purpose.

The bidder who offers to pay the highest price from which the total amount of taxes, penalties and cost of sale can be satisfied shall be declared the winning bidder and shall be entitled to an award.

Any amount in excess of the minimum bid price shall be deposited as a trust fund and shall be delivered to the delinquent taxpayer upon prior request to the Provincial Treasurer.

Taxes and penalties paid by the winning bidder covers only for the current year of the date of auction sale. The Provincial Treasurer's Office will accept manager's check, cashier's check or cash as payment for the auctioned property. The winning bidder shall pay the bid price right after the award has been granted or not later than 3:00 PM of the succeeding day. Failure to do will be sufficient ground for cancellation of the award. Subject property may be awarded to the next highest bidder or may be considered for re-bidding, after a careful evaluation and determination by the Committee on Auction Sale.

Upon payment of the bid price, the winning bidder shall be issued a Certificate of Sale by the Provincial Treasurer which shall be delivered to the winning bidder within thirty (30) days after the sale. The Certificate of Sale shall in turn be registered by the winning bidder with the Registry of Deeds. The period of redemption shall begin to run within one (1) year from the date of auction sale. The person in whose name the auctioned property is listed and assessed shall be furnished a copy of the Certificate of Sale

**Section 5. Reports to the Governor and Sangguniang Panlalawigan.** In accordance with the provisions of Section 178 of R.A 7160 in relation to sec. 49(a.10), Article F. Chapter II of the Revised Revenue Code of the Province of Davao del Norte - Provincial Tax Ordinance 2011-001, the Provincial Treasurer shall make a report of the sale to the Local Chief Executive and the Sangguniang Panlalawigan within thirty (30) days after the sale.

**Section 6. Implementing Authority of the Chairman.** The Committee is hereby empowered to cause the issuance of notices and orders as may be necessary to ensure the effective implementation of the provisions of this Executive Order and the implementing Rules and Regulations adopted pursuant to this Order.

**Section 7. Periodic Performance Evaluation.** The Committee is hereby required to formulate and enforce a system that shall periodically evaluate the performance of the Committee and a quarterly report therefore submitted to the Provincial Governor.

**Section 8. Funding.** Funds needed to carry out the provisions of this Executive Order shall be included and taken from the Annual Appropriation and/or Supplemental Budget of the General Fund.

**Section 9. Operationalization of the Committee on Public Auction of Delinquent Real Properties.** All expenses relative to such activity shall be taken out from the Appropriation for Revenue Generation Program (RGP)- other Maintenance and Operating Expenses under the office of the Provincial Treasurer in the amount not to exceed three hundred thousand pesos

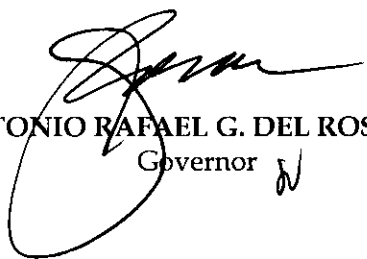
(P300,000.00) for the current year to be used for office supplies, meals, honorarium and other related expenses and to be increased if deem necessary.

**Section 10. Separability Clause.** If any provision of this order is held invalid or unconstitutional, the other provisions not affected thereby shall continue in operation.

**Section 11. Repealing Clause.** All issuances, orders, rules and regulations or parts thereof, which are inconsistent with this Executive Order are hereby repealed or modified accordingly.

**Section 12. Effectivity Clause.** This Executive Order shall take effect immediately upon approval thereof.

Done this 8th day of March 2017 at Capitol Bldg., Mankilam, Tagum City, Davao del Norte Province, Philippines. Lack

  
ANTONIO RAFAEL G. DEL ROSARIO  
Governor *DR*