



EXECUTIVE ORDER NO. 1
Series of 2023

**AN ORDER RECONSTITUTING THE PUBLIC AUCTION COMMITTEE FOR
DELINQUENT REAL PROPERTIES IN THE PROVINCE OF DAVAO ORIENTAL**

WHEREAS, by virtue of Chapter 6, Book II of Republic Act No. 7160 entitled the Local Government Code of 1991" as well as by Chapter II, Article A of Provincial Ordinance No. 15-25-08-2018, otherwise known as the Revised Revenue Code of the Province of Davao Oriental, mandates the Provincial Treasurer to collect Real Property Tax with interests and related expenses and to enforce remedies provided therein;

WHEREAS, the Province of Davao Oriental is committed to collect delinquent taxes which are overdue through legal remedies provided by law including sale through public auction of properties found delinquent;

WHEREAS, in the implementation of the legal provisions for the collection of delinquent taxes requires the creation of a public auction committee to evaluate and monitor the conduct of auction sale of delinquent properties located within the jurisdiction of the Province of Davao Oriental and ensure that the same is in accordance with law;

WHEREAS, with the new administration, there is a need to reconstitute the composition of the Public Auction Committee for Delinquent Real Properties in the Province of Davao oriental;

NOW THEREFORE, I, CORAZON T. NUÑEZ-MALANYAON, by virtue or powers vested in me by law as the Local Chief Executive of the Province of Davao Oriental, do hereby order:

SECTION 1. COMPOSITION. The Public Auction Committee (PAC) shall be reconstituted and shall be composed of the following:

PUBLIC AUCTION COMMITTEE

Chairperson	:	PROVINCIAL ADMINISTRATOR
Co-Chairperson	:	PROVINCIAL LEGAL OFFICER
Vice Chairperson	:	PROVINCIAL TREASURER
Members	:	PROVINCIAL ASSESSOR
		PROVINCIAL ACCOUNTANT
		MUNICIPAL ASSESSORS (Where the property is located)
		MUNICIPAL TREASURERS (Where the property is located)

SECTION 2. Duties and Functions of the Provincial Public Auction Committee.

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 regulation in the conduct of public auction 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.
- 4.

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. **MR. EUGENE B. TOMALE, MPA**
Local Revenue Collection Officer IV
Head Secretariat
2. **MR. JOHN MARCIAN B. LIBRES, CPA**
Local Revenue Collection Officer I
3. **ENGR. ROLAND SILVOSA, REA**
Acting Assistant Provincial Assessor

SECTION 4. Duties and Functions of TWG / Secretariat.

1. Shall provide clerical and technical assistance to the Public Auction Committee members regarding with the auction sale of delinquent real properties;
2. Shall conduct any research for effective procedures and measures on the conduct of auction sale; and
3. Perform such other functions as may be directed or assigned by the Public Auction Committee (PAC)

SECTION 5. 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 of 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 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 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 provincial/municipal 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 three (3) 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 bid price of the property to be auctioned shall be the total amount of the unpaid taxes, penalties, interests and cost of sale rounded off to the nearest thousands immediately higher than the floor price.

Bidders may raise the bid price by an amount not less than Five Hundred Pesos (P500.00) per bid.

On the actual date of the auction sale, the sale may only be prevented by paying the full amount of delinquent taxes, interests, and surcharges, and cost of sales, provided that the particular delinquent real property subject for public auction is not yet announced by the Provincial Treasurer.

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 a cash bond of Five Thousand Pesos (5,000.00) per title or lot consisting of land and building (s) located thereon. The cash bond of the winning bidder shall be deemed as advance payment for the final winning bid amount of the property. The bonds of the non-winning bidders shall be returned immediately after the auction of that property or may be used as cash bonds for other properties also subject of the auction.
4. The bidder with the highest bid must pay the bid amount no later than 5:00 p.m. of the next day following the auction date. Payments shall be made in cash or manager's/cashier's check payable to the Province of Davao Oriental for the exact amount of the winning bid.

Failure of the bidder to tender the bid amount within said period shall result in the forfeiture of the cash bond in favor of the City and the award is deemed automatically cancelled.

It shall be the duty of the second highest bidder to check and ascertain whether the highest bidder has paid his bid within the period prescribed herein and to pay the amount of his bid not later than 5:00 p.m. of the day next following the expiration of the deadline of the highest bidder.

It shall be the duty of the third highest bidder to check and ascertain whether the first and second highest bidder has paid his bid within the period prescribed herein and to pay the amount of his bid not later than 5:00 p.m. of the day next following the expiration of the deadline of the first and second highest bidder. If no payment of the bid price is still made thereafter, the Provincial Treasurer shall cause the property to be re-auctioned.

5. The Committee on Public Auction reserves the right to revoke any or all awards/sales on any of the following grounds:
 - a. Upon presentation that all taxes and penalties due on the delinquent property had been paid prior to 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 penalties and interest due thereon, and the expenses of the sale from the date of delinquency to the date of sale, plus two percent (2%) 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 percent (2%) per month computed from the date of sale to the date of redemption.
8. From the date of sale until 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 property/treatment of new structures or improvements. The property subject of the said proceeding is on, "AS IS WHERE IS BASIS".
9. In case the taxpayer fails to redeem then property within the prescribed period, the Provincial Treasurer shall execute a final deed conveying to the purchaser said property, free from liens of 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 Oriental 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 one (1) year redemption period, 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 title or consolidation thereof; and except a mortgage lien, may petition the court for the entry of a new certificate of the title to him pursuant to Section 75 of PD 1529.
12. If the winning bidder shall withdraw the acquisition or failed to pay the purchase price of the acquired properties not later than 5:00 p.m. of the day next following auction date, 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. The same goes if the second highest bidder shall withdraw the acquisition or failed to pay the purchase price.

III. CONDUCT OF SALE

The sale shall be by oral bidding. The Provincial Treasurer, or his duly authorized representatives conducting the sale, shall auction the entire delinquent properties one after the other. Where the land and 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 declaration 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.

Taxes and penalties paid by the winning bidder covers only for taxes and penalties due and demandable from the start of delinquency up to the current year of the date of auction.

The Provincial Treasurer will accept manager's check, cashier's check or cash payment for the auctioned property.

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

SECTION 6. Reports to the Governor and Sangguniang Panlalawigan. In accordance with the provisions of Section 178 of R.A. 7160 in relation to Section 2A.09 (x), Article A, Chapter II of the Revised Revenue Code of the Province of Davao Oriental, 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 7. Implementing Authority of the Chairperson. The Committee is hereby empowered to cause the issuance of notices and orders as may be necessary to ensure the effective implementation of this Executive Order and the implementing Rules and Regulations adopted pursuant to this Order.

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

SECTION 9. Separability Clause. Should any provision of this order be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 10. Repealing Clause. All issuances, orders, rules and regulations, previous issuances or parts thereof, which are inconsistent with this Executive Order are hereby repealed, amended or modified accordingly.

SECTION 11. Effectivity Clause. This Executive Order shall take effect immediately upon approval thereof.

Done this **JAN 05 2023** day of January, 2023 at the City of Mati, Davao Oriental.

Corazon T. Nuñez-Malanyaon
CORAZON T. NUÑEZ-MALANYAON
Provincial Governor *CS*