



BACOR CITY AUCTION COMMITTEE

Resolution No. 02 s. 2023

**A RESOLUTION RECOMMENDING THE PROCEDURE AND GUIDELINES
IN THE CONDUCT OF PUBLIC AUCTION OF DELINQUENT REAL PROPERTIES
IN THE CITY OF BACOR**

WHEREAS, the Bacoor City Auction Committee (BCAC) completed identification, notification, warrant of levy, and publication of delinquent real properties in the City of Bacoor, and had the schedule of the first batch of public auction to be held on 28 August 2023, at the Bacoor City Hall lobby at Bacoor Government Center;

WHEREAS, in the conduct of the public auction of delinquent real properties, the Bacoor City Auction Committee (BCAC) is guided by the provisions of the Local Government Code of 1991 and the Local Treasury Operations Manual (LTOM) 2nd Edition, particularly Book IV "Detailed Procedures on the Administration and Collection of Real Property Tax, Business Tax, Fees and Charges, and other Fund Sources;

WHEREAS, pending the enactment of a City Ordinance prescribing the specific procedure and guidelines for the conduct of public auction, the BCAC discussed and deliberated the rules to be adopted, as well as the specific amount of registration fees, bonds, and other costs that are necessary or incidental to the conduct of public auction;

NOW, THEREFORE, pursuant to the authority of this committee to formulate or adopt such policy or plan of action that will ensure effective discharge of its functions, the Bacoor City Auction Committee (BCAC) RESOLVED to recommend the following **Procedure and Guidelines in the Conduct of Public Auction of Delinquent Real Properties in the City of Bacoor** to the City Mayor:

**PROCEDURE AND GUIDELINES FOR THE CONDUCT OF PUBLIC AUCTION OF
DELINQUENT REAL PROPERTIES IN THE CITY OF BACOR**

I. Strict Implementation of Auction Laws and Rules

The public auction of real property to satisfy delinquency in paying the corresponding tax impinges on property rights. Thus, the steps prescribed by law are mandatory and must be strictly followed. If not, the sale of the real property is invalid and does not make its purchaser the new owner. Strict adherence to the statutes governing tax sales is imperative not only for the protection of the taxpayers but also to allay any possible suspicion of collusion between the vendee and the public officials called upon to enforce the laws.





II. Persons Allowed to Participate in the Public Auction.

The following are persons who may participate in the public auction:

1. All Filipino citizens of sound mind, able to read and write, and not otherwise disqualified by law, regulations, or ordinance to acquire real properties in the Philippines;
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 and not otherwise disqualified by law to acquire real property in the Philippines;
3. Cooperatives, duly registered with the Cooperative Development Authority, allowed by their Articles of Cooperation and By-Laws to acquire real properties as part of their mandate;
4. Duly authorized representatives of the above-named persons with special power of attorney.

III. Persons NOT ALLOWED to Participate in the Public Auction.

Pursuant to Article 1491 of the Civil Code of the Philippines (RA No. 386) and Section 89 of the Local Government Code of 1991 (RA No. 7160), the following persons are disqualified from purchasing and acquiring properties at public auction:

1. The guardian, the property of the person or persons who may be under his/her guardianship;
2. Agents, the property whose administration or sale may have been entrusted to them, unless the consent of the principal has been given;
3. Executors and administrators, the property of the estate under administration;
4. Public officers and employees, the property of the State or any of the subdivision thereof, or of any government-owned or controlled corporation (GOCC), 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;





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 virtue of their profession;
6. Any others, specially disqualified by law, rules, regulations, or ordinance: such as employees of the City Government of Bacoor, and the Provincial Government of Cavite, regardless of the status of employment, and those **blacklisted for failure to pay the sale price after winning the Public Auction conducted by the City Government of Bacoor.**

IV. Registration of Bidders.

The following procedure shall be followed for the registration of bidders.

1. All persons interested in participating in the Public Auction under this Ordinance shall register with the City Treasurer or the office stated in the Notice of Advertisement or Sale by giving their name, present address, civil status, citizenship, and other personal circumstances.
2. The registration forms are available at the Office of the City Treasurer every Monday to Friday from 8:00 AM to 5:00 PM, and at Main Square Mall Satellite Office during their operation days and hours.
3. The City Treasurer may require the presentation of additional credentials or documents as may be deemed necessary to check on the qualifications and disqualifications of the prospective bidder.
4. Upon registration, the participant shall pay a non-refundable registration fee of **Five Thousand Pesos (Php 5,000.00)**.
5. Each prospective participant will be given a copy of the **"Procedure and Guidelines for the Conduct of Public Auction of Delinquent Real Properties in the City of Bacoor"** and shall sign the "undertaking and waiver" to be provided by the Bacoor City Auction Committee (BCAC). Those participants





who agree to the rules, regulations, and conditions of the public auction shall sign the acceptance slip provided for the purpose.

6. The names of those who manifested their willingness to abide by the rules will be entered in the list of participants. Only those on the list may participate in the public auction.

V. General Guidelines and Process of the Public Auction

1. Any qualified person interested in participating in the public auction shall register with the City Treasurer or the office stated in the Notice of Advertisement or Sale during the period stated in the Notice of Sale.
2. The property shall be sold to the highest bidder that complies with all the requirements and is not otherwise disqualified by law or ordinance.
3. No bid lower than the floor price shall be admitted. The floor price shall be equivalent to the **sum of the delinquent tax, the interest due thereon, and expenses of sale.**

VI. Conduct of Public Auction

1. The Public Auction Sale shall be conducted using the closed bidding method.
2. Requirements of the bid:
 - a. All bids shall be contained in a BID FORM supplied by the City Treasurer or his/her authorized representative/s.
 - b. The minimum price or floor price for each parcel of land will be indicated in the BID FORM.
 - c. Each bid must be accompanied by a bidder's bond in the form of a Cash/Manager's Check issued by any universal or commercial bank payable to the City Government of Bacoor in the amount equivalent to Ten Thousand Pesos (Php 10,000.00) or ten percent (10%) of the floor price, whichever is higher. **In case the conduct of the public auction falls on a holiday or non-working day when banks are closed, personal or company checks be allowed provisionally subject to clearing on the next banking day.**





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- d. The bid must be in a SEALED ENVELOPE and shall be submitted to the City Treasurer or his/her duly authorized representative/s and shall be opened only in public during the scheduled Public Auction.
 - e. The bidder's bond shall be refundable after the auction without interest, as soon as the Notice of Award has been issued, except for (a) bond paid by the winning bidder as the bond will form part of the purchase price; and (b) bond paid by the winning bidder who did not pay the bid price within the prescribed period herein, in which case, such cash bond shall be forfeited in favor of the City.
3. The sale shall be held either at the main entrance of Bacoor City Hall or at any other place as specified in the Notice of Sale. The venue cannot be changed after the Notice of Advertisement and/or Notice of Sale has been published.
 4. All correspondence and documents relating to public auctions shall be written in English. Supporting documents and printed literature may be in another language, must be accompanied by a translation of the documents in English issued by the relevant foreign government agency, the foreign government agency authorized to translate documents, or a registered translator in the originating country; and shall be authenticated by the appropriate Philippine foreign service establishment/post or the equivalent office having jurisdiction over the originating country's affairs in the Philippines.
 5. Participating bidders shall be required to pay a non-refundable registration fee and a refundable cash bond and shall accomplish the "registration form".
 6. Registered bidders shall be read and issued a copy of Rules and Regulations in Public Auction and shall sign the "undertaking and waver".
 7. Registered bidders who accede to the rules and regulation of public auction shall be entered into a list, and shall be assigned with a bidder number, upon which such bidder shall be called or referred to during the entire proceedings of the public auction. Only those with assigned bidder number may participate in the public auction.
 8. All bid price shall be quoted or deemed quoted in Philippine Peso.





9. The City Treasurer and his/her duly authorized representative shall facilitate the proceedings and shall read/tally the list of delinquent properties subject to public auction. The delinquent real property shall be sold to the highest cash bidder.
10. If land and improvement are covered by two (2) separate tax declarations, and both are delinquent but declared under one (1) person or declared as joint ownership, the same shall be auctioned off together to avoid the sale to a different bidder
11. Only bids equal to or higher than the floor price/minimum bid price, as specified in the BID FORM shall be reviewed and validated by the City Treasurer or his/her duly authorized representative/s.
12. Bids shall be ranked, the ranking shall be calculated from highest to lowest bid, and the highest bid shall be declared as the winner.
13. The delinquent real property shall be sold to the highest bidder whose bid is sufficient to pay the delinquent RPT, the interest due or penalties, and the expenses of sale.
14. In case of tie-bids, new sealed bidding shall immediately be conducted among the tie-bidders until such tie is broken;
15. In case there is no bidder for the real property advertised for sale, or if the highest bid is for an amount insufficient to pay the real property tax and the related interest and costs of sale, the City Treasurer conducting the sale shall purchase the property in behalf of the local government unit concerned to satisfy the claim.
16. The highest bidder shall pay the bid price immediately upon award or until 5:00 PM of the auction date, *i.e.*, August 28, 2023, which shall be made in cash or manager's check for the exact amount of the bid payable in the name of the City of Bacoor. **In case the conduct of the public auction falls on a holiday or non-working day when banks are closed, personal or company checks may be allowed provisionally subject to clearing on the next banking day.** In meritorious cases, the City Government of Bacoor may allow an extension of time within which to fully pay the bid price. The extension shall not exceed 24 hours from the original deadline to pay.
17. The winning bidder shall be responsible at his own expense for the ejection of informal settlers and/or occupants, if any, on the property awarded to him.





18. Within two (2) days from payment of the bid price, the City Treasurer shall report his proceedings which shall be reflected upon the records of his/her office.

VII. Conditions in Public Auction and Sale

1. All participating bidders are required to pay a non-refundable amount of **Five Thousand Pesos (PhP5,000.00)** that shall cover the registration fee for the Public Auction, and post a refundable cash bond in the amount of **Ten Thousand Pesos (PhP 10,000.00) or ten percent (10%) of the floor price, whichever is higher.**
2. The Public Auction of the real property as published shall be done parcel by parcel or title by title on "AS IS WHERE IS BASIS." For their protection, the prospective bidders may first ascertain for themselves the existence and title of the property they may wish to bid on before making any bid.

The City Treasurer does not warrant the authenticity or validity of the Certificate of Title (Title) of the registered or declared owner nor does guarantee the correctness or accuracy of the description of the property.

Successful bidders acquire no better Title than that of the registered or declared 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 public auction. In the observance of due diligence, participating bidders may first ascertain the existence and authenticity of the Title of the property they wish to bid.

3. If land and improvement are covered by two (2) separate tax declarations and both are delinquent but declared under one (1) person or declared as joint ownership, the same shall be auctioned off together, to avoid the sale to a different bidder.
4. The delinquent real property shall be sold to the highest bidder whose bid is sufficient to pay the delinquent RPT, the interest due or penalties, and the expenses of sale, the sum of which shall be the floor price for accepting any bid.

The highest bidder shall, upon award, immediately pay the bid price which shall be made in cash or manager's check for the exact amount of the bid payable in the name of the "**City Treasurer's Office of Bacoor**" or in the name of "**City Government of Bacoor**". **In case the award following the**





conduct of public auction falls on a holiday or non-working day when banks are closed, personal or company checks may be allowed provisionally subject to clearing on the next banking day.

5. A Certificate of Sale shall be issued by the City Treasurer to the highest bidder, which contains the name of the latter, a sufficient description of the property sold, the amount of the delinquent tax, the interest due or penalties, the expenses of sale and a brief description of the public auction.
6. At any time before the date of the public auction, the declared owner/person having legal interest therein or authorized representative may stop the proceedings by paying in **full**, the following:
 - a. The amount of delinquent tax
 - b. The interest due or penalties, and
 - c. The expenses of sale.
7. Within one (1) year from the date of public auction, or as the case may be, the declared owner/person having legal interest therein or authorized representative of the delinquent real property, shall have the right to redeem the same by paying in full, the following:
 - a. The redemption price, which consists of the amount of delinquent tax
 - b. The interests due or penalties
 - c. The expenses of sale, computed from the date of delinquency to the date of sale
 - d. Interest of not more than two percent (2%) per month on the purchase price from the date of Public Auction to the date of payment of the redemption price.

Full payment of the redemption price shall invalidate the Certificate of Sale issued.

8. Upon full payment of the redemption price, the declared owner/person having legal interest therein or authorized representative of the delinquent real property shall be entitled to a Certificate of Redemption which shall be issued by the local treasurer. The City Treasurer shall be responsible for the request for cancellation of annotation of the Certificate of Title and Tax Declaration with the Register of Deeds and City Assessor, respectively.
9. The highest bidder shall return the Certificate of Sale to the City Treasurer, who shall forthwith return to the former the entire





amount paid in the Public Auction, including interest of not more than two percent (2%) per month from the date of sale to the date of payment of the redemption price.

10. From the date of sale until the expiration of the period of redemption, the delinquent real property shall remain in the possession of the declared owner/person having legal interest therein or authorized representative, who shall be entitled to all the income and fruits thereof.

The proceeds of the sale in excess of the delinquent tax, the interest due or penalties and the expenses of sale shall be remitted to the declared owner/ person having legal interest therein or authorized representative.

11. From the award of the Certificate of Sale until the expiration of the period of redemption as provided by law, the owner of the delinquent real property or its authorized representative is prohibited from cutting plants and trees or destroying or defacing any building, structure, or other permanent improvements found thereon.

Permanent improvements or constructions found on the property, including those introduced or constructed from the award of Certificate of Sale until the expiration of the period of redemption, shall inure to the benefit of the highest bidder.

12. In case the declared owner/person having legal interest therein or authorized representative of the delinquent real property fails to redeem the delinquent property, the City Treasurer shall execute a Final Deed of Sale in favor of the highest bidder, conveying subject real property, free from all liens of the delinquent tax, the interests due or penalties and expenses of sale. However, the highest bidder shall be responsible to pay the corresponding taxes, fees, and charges relative to the transfer thereof.
13. In case there is no bidder for the real property advertised for public auction, or if the highest bid is for an amount insufficient to pay the taxes, fees, or charges, related surcharges, interests, penalties, and costs, the local treasurer conducting the sale shall purchase the property in behalf of the LGU to satisfy the claim.
14. The City Treasurer reserves the right to revoke any or all awards/sales on the following grounds:





- a. Upon presentation of competent evidence that all taxes and penalties due on the property had been paid when the sale was made;
- b. It is found later that the property is tax-exempted because it is already government-owned or devoted exclusively to religious and educational purposes;
- c. It is not taxable under RA 7160 and other related laws;
- d. Non-payment of the bid price;
- e. The property is found to be non-existing;
- f. Violation of the conditions of the sale.

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.

VIII. Refusal/Failure to Pay, No Winning Bidder

The following shall be the guidelines in case of refusal/failure to pay the bid price or in case of no winning bidders:

1. Should the highest bidder fail or refuse to pay the price on the auction date, the award shall be considered void, the cash bond shall be forfeited in favor of the city government, and his right as the highest bidder shall be dishonored.
2. Failure or refusal of the winning bidder to pay the full amount of the bid within the period afore-stated shall render the award void, and the bidder's cash bond shall be forfeited in favor of the government.
3. In case the highest bidder fails to pay the bid at a price at the end of the day, the second highest bidder shall be notified in writing as the winning bidder, who may pay his bid price within 24 hours upon receipt of the written notice; the process shall be repeated to the third highest bidder, fourth highest bidder, and so forth in case of failure or refusal to pay the bid price until there are no bidders left; then, the property will be considered sold to the City of Bacoor. The highest bidders who default in their payments shall not be allowed to participate in future public auctions, unless they write the City Mayor a request for reconsideration of such blacklisting and the City Mayor favorably lifted the blacklist status on meritorious grounds.
4. In case there is no bidder for the real property, or if the highest bid is for an amount insufficient to pay the taxes, fees, interest, penalties, cost of sale, and other related charges, the City





Treasurer shall purchase the property if not redeemed as provided, herein, the ownership thereof shall be fully vested in the City Government of Bacoor.

IX. Post-Auction Activities.

1. The City Treasurer shall issue a Certificate of Sale to the highest bidder, which contains the name of the latter, a sufficient description of the property sold, the amount of the delinquent tax, the interest due or penalties, the expenses of sale and a brief description of the public auction.
2. All taxes and expenses relative to the transfer and issuance of the certificate of title and/or tax declaration shall be borne by the winning bidder immediately upon signing and approval of the Certificate of Sale.
3. Within thirty (30) days after the sale, the City Treasurer or his/her deputy, make a report of the sale to the *Sangguniang Panlungsod*, and which shall form part of his/her records.
4. The City Treasurer shall hold in trust the excess amount from the purchase price and the floor price (minimum bid price) until the expiration of one-year redemption period.
5. In case the taxpayer fails to redeem the property as herein provided, the City Treasurer shall execute a final deed conveying to the purchaser said property, free from the 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.
6. After the expiration of the right of redemption, the City Treasurer, upon the request of the winning bidder, shall issue the final sale. The winning bidder shall then proceed to the Register of Deeds to consolidate the title. Entry fees, annotation fees, capital gains taxes, documentary stamp taxes, transfer taxes, and other incidental expenses related to the transfer of the auctioned properties in the name of the winning bidders shall be borne by them.

X. Redemption of Property

The following are the guidelines for the redemption of Real Property:





1. Within one (1) year from the date of public auction, or as the case may be, the declared owner/person having legal interest therein or authorized representative of the delinquent real property owner shall have the right to redeem the same by paying in full the following:
 - a. The redemption price, computed from the date of delinquency to the date of sale, consists of the following:
 - i. amount of delinquent tax;
 - ii. interests or penalties due;
 - iii. expenses of sale
 - b. Interest of not more than two percent (2%) per month on the purchase price from the date of Public Auction to the date of payment of the redemption price.
2. Full payment of the redemption price plus applicable interest shall automatically invalidate the Certificate of Sale issued in favor of the highest bidder in the Public Auction.
3. Upon full payment of the redemption price, the declared owner/person having legal interest therein or authorized representative of the delinquent real property shall be entitled to a Certificate of Redemption, which the City Treasurer shall issue. The City Treasurer shall be responsible for the request to cancel the annotation on the Certificate of Title and Tax Declaration with the Registry of Deeds and City Assessor, respectively.
4. The highest bidder shall return the Certificate of Sale to the City Treasurer, who shall forthwith return to the highest bidder the entire amount paid in the Public Auction, including interest of not more than two percent (2%) per month from the date of sale to the date of payment of the redemption price, if applicable.
5. From the date of sale until the expiration of the period of redemption, the delinquent real property shall remain in the possession of the declared owner/person having legal interest therein or authorized representative, who shall be entitled to all the income and fruits thereof.
6. The sale proceeds in excess of the delinquent tax, the interest due or penalties, and the expenses of the sale shall be remitted to the declared owner/ person having legal interest therein or authorized representative.
7. In case the declared owner/person having legal interest therein or authorized representative of the delinquent real property fails to redeem the delinquent property within the one (1) year





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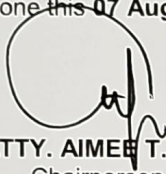
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redemption period, the City Treasurer shall execute a Final Deed of Sale in favor of the highest bidder, conveying subject real property, free from all liens of the delinquent tax, the interests due or penalties and expenses of sale.

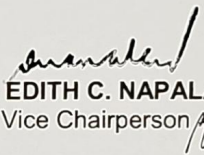
8. Thereafter, within thirty (30) days immediately following the expiration of the one (1) year redemption period, the highest bidder shall be responsible for paying the capital gains tax, documentary stamp tax, transfer fee, tax clearance, and other expenses for the transfer of the title or consolidation thereof.

RESOLVED FURTHER to provide City Mayor Strike B. Revilla a copy of this Resolution for his information and reference.

Done this **07 August 2023** at Bacoor City, Cavite.



ATTY. AIMEE T. NERI
Chairperson



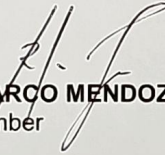
ATTY. EDITH C. NAPALAN
Vice Chairperson



ENGR. ALLAN QUINATADCAN
Member



ENGR. ARTHUR S. SAN JOSE
Member



ATTY. REY MARCO MENDOZA
Member



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