



**COMMITTEE ON FINANCE, BUDGET AND APPROPRIATION
AND
COMMITTEE ON RULES AND PRIVILEGES, LAWS AND ORDINANCES**

**JOINT COMMITTEE REPORT
NO. FBA2-007-S-2025 (6TH SP)**

Office of the Sangguniang Panlungsod
Received by: Janet Pring
Date: 7/14/2025
Time: 8:30am

Subject: REQUEST FROM THE CITY ADMINISTRATOR'S OFFICE: AN ORDINANCE REDUCING AND CONDONING REAL PROPERTY TAXES, INCLUDING INTEREST AND/OR PENALTIES, ASSESSED ON POWER GENERATION FACILITIES OF INDEPENDENT POWER PRODUCERS UNDER BUILD-OPERATE-TRANSFER CONTRACTS WITH GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS IN COMPLIANCE WITH TO EXECUTIVE ORDER NO. 83 FROM THE OFFICE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES. - PCO 2025-016 (PCO 2025-259) dated July 7, 2025

Referred to the Joint Committee on the 1st Regular Session of the 6th Sangguniang Panlungsod is the above-subject matter for appropriate action and recommendation.

All local government units (LGUs) are mandated by the Office of the President of the Republic of the Philippines to comply with its presidential directive, as follows:

[EXECUTIVE ORDER NO. 83, February 13, 2025]

"REDUCING AND CONDONING A REAL PROPERTY TAXES, INCLUDING INTERESTS AND/OR PENALTIES, ASSESSED ON POWER GENERATION FACILITIES OF INDEPENDENT POWER PRODUCERS UNDER BUILD-OPERATE-TRANSFER CONTRACTS WITH GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS."

INFORMATIONS:

THE GOVERNMENT OWNED AND/OR CONTROLLED CORPORATION

As defined, "GOCCs (Government-Owned or Controlled Corporations) are entities established by the government to deliver public services and support economic development. They can be stock or non-stock corporations, performing

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both governmental and proprietary functions and are owned or controlled by the government, either directly or indirectly.

It has been discussed in Executive Order No. 83 that the **Government-owned or Controlled Corporations (GOCCs)** which are engage in the generation and transmission of electricity enjoy certain exemptions and privileges under the "Local Government Code of 1991", as follow:

- exemptions and privileges with respect to real property taxes (RPTs)
- assessment level of ten percent (10%) on all its lands, machinery and equipment that are:
 - ✓ actually,
 - ✓ directly, and
 - ✓ exclusively
 - ✓ used in the generation and transmission of electric power.

INDEPENDENT POWER PRODUCERS (IPPs)

As defined, "Independent Power Producers (IPPs) are private entities that generate electricity, separate from traditional, publicly owned utilities. They develop, finance, and operate power plants, selling the generated power to utilities, power exchanges, or directly to large consumers. IPPs can utilize various energy sources, including conventional fossil fuels and renewable resources."

As stated, the **Independent Power Producers (IPPs)** are taxable entities liable to pay real property taxes imposed by the local government units (LGUs).

However, It is also stated and explained in the same in Executive Order No. 83, that a *substantial portion of the Real Property Taxes (RPTs) being charged by the LGUs to said IPPs has been **contractually assumed by the Power Sector Assets and Liabilities Management (PSALM) Corporation of the National Power Corporation (NAPOCOR) under a Build-Operate-Transfer (BOT) scheme and similar contracts.***

Accordingly, the **IPPs carry the full faith and credit of the National Government.**

APPLICATION OF EO NO. 83:

Section 2 of Executive Order No. 83 provides that the presidential directive shall be applied to the future liabilities of INDEPENDENT POWER PRODUCERS pertaining to their real property taxes.

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We quote the specific mandate in Section 2, as follows:

"All RPT payments made by the IPPs over and above the reduced amount under Section 1 of this Order shall be applied to their RPT liabilities for succeeding years."

COMPLIANCE TO EO NO. 83:

Imperatively, all government entities shall adhere to Section 3 of Executive Order No. 83, we quote:

"All concerned departments, agencies, and instrumentalities, including GOCCs and LGUs, are hereby directed to strictly comply with this Order. Any violation of the provisions of this Order shall be dealt with in accordance with relevant laws, rules and regulations."

FINDINGS:

During the Joint Committee hearing held on July 10, 2025, the resource persons representing the City Assessor's Department was required to submit the list of real property/ies owned by the Independent Power Producers situated within the jurisdiction of the City Government of Bacoor.

It has been manifested by the resource persons from the City Assessor's Department that their available records had no list of any real property and infrastructure owned by Independent Power Producers.

RECOMMENDATION:

In view of the foregoing, and considering that the City Government of Bacoor had no list of real property owned by the **Independent Power Producers (IPPs)**, the Honorable Members of the Joint Committee hereby recommend **TO TEMPORARY ARCHIVE** the proposed city ordinance pertaining to compliance with the presidential directives under Executive Order No. 83 issued on February 13, 2025 by the Office of the President of the Republic of the Philippines.

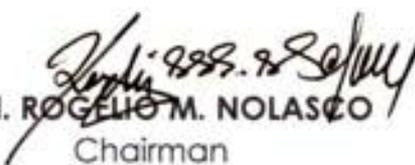




WE HEREBY CERTIFY that the contents of the foregoing report are true and correct.

Signed this day of July 2025 at the City of Bacoor, Cavite.

THE COMMITTEE ON FINANCE, BUDGET AND APPROPRIATION


HON. ROGELIO M. NOLASCO
Chairman

(Acting City Vice Mayor)
HON. CATHERINE S. EVARISTO
Vice Chairperson


HON. RICARDO F. UGALDE
Member

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COMMITTEE ON RULES AND PRIVILEGES, LAWS AND ORDINANCES


HON. REYNALDO D. PALABRICA
Chairman


HON. LEVY M. TELA
Vice Chairman


HON. REYNALDO M. FABIAN
Member


HON. ADRIELITO G. GAWARAN
Member

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