

Title: The City Government of Antipolo vs. Transmix Builders & Construction, Inc.: Void Tax Levy and Auction Sale for Lack of Notice to Registered Property Owner

Facts:

The case arose from a real property tax (RPT) delinquency issue involving three parcels of land in Antipolo City. The City Treasurer of Antipolo levied and auctioned the properties due to unpaid RPT. The properties were originally owned by Clarisa San Juan Santos, but Transmix Builders & Construction, Inc., the respondent, purchased the lots and obtained new titles in its name while the tax declarations still indicated Santos as the owner. Subsequent notices of tax delinquency and the auction sale were sent to Santos, not Transmix, leading to the latter's unawareness of the situation.

Transmix later settled the RPT for the relevant years under a city ordinance granting amnesty on interest for delinquent taxes. Despite the payment and the void nature of the auction for lack of proper notice, the City Government of Antipolo deposited the subject properties under its name and later cancelled Transmix's titles.

Issues:

1. Whether the levy, sale, and forfeiture of the subject properties were valid considering the lack of notice to Transmix as the registered owner.
2. Whether petitioners are estopped from accepting RPT payments from Transmix.
3. Whether the deposit made by Transmix should be returned following the declaration of nullity of the tax delinquency proceedings.

Court's Decision:

1. The Supreme Court held that the levy, sale, and subsequent forfeiture of the subject properties were void due to lack of due process. Section 258 of the LGC requires that notices should be sent to the "delinquent owner," which is construed as the person registered as owner of the realty based on the certificate of title, not the tax declaration. Petitioners' failure to send notices to Transmix rendered the levy, and the consequent public auction and sale of the property, void.
2. The Supreme Court asserted that the State is not subject to estoppel by the mistakes or errors of its officials or agents, especially in the absence of proof that it dealt capriciously or dishonorably with its citizens. Thus, petitioners' acceptance of Transmix's tax payment cannot estop the City Government of Antipolo from asserting its position.
3. Regarding the deposit made by Transmix, the Court agreed with the Regional Trial

Court's decision to order the return of the amount consigned because Transmix had already paid the delinquent realty taxes under the city ordinance granting amnesty. Therefore, retaining the deposit would unjustly enrich the City Government of Antipolo.

Doctrine:

- In matters of tax levy and sale due to delinquency, notices must be provided to the registered owner based on the certificate of title, not merely the tax declaration.
- The State cannot be estopped by the omission, mistake, or error of its agents, and acceptance of payments by a local treasurer does not preclude the city government from enforcing tax laws.
- In cases where a public auction and property forfeiture are considered void due to lack of due process, deposits made by property owners for the payment of delinquent taxes must be returned if the tax liabilities have already been settled.

Historical Background:

The case underscores the evolution of property tax enforcement under the Local Government Code (LGC) and its distinction from previous practices under P.D. No. 464. It highlights the imperative of adhering to the requirements of notice in administrative proceedings, which evolved to prioritize the duty of the local treasurer to notify the registered owner as indicated in the TCT over the tax declaration, thereby reinforcing the Torrens system's principle of indefeasibility of title and ensuring due process in tax sale proceedings.