

Title: Lozano v. Martinez

Facts:

The facts of the cases revolve around the constitutionality of Batas Pambansa Bilang 22 (BP 22), known as the Bouncing Checks Law. BP 22 makes the making or drawing and issuance of a check without sufficient funds or credit an offense punishable by fine, imprisonment, or both, depending on judicial discretion. Petitioners were individuals facing prosecution under BP 22 for issuing checks that were dishonored upon presentation due to insufficiency of funds or lack of credit. They filed motions to quash based on the statute being unconstitutional, arguing that the acts charged did not constitute an offense. The motions were denied by respondent trial courts except in one case (G.R. No. 75789), where the trial court declared BP 22 unconstitutional and dismissed the case. Those adversely affected escalated the matter to the Supreme Court, seeking relief.

Issues:

1. Does BP 22 offend the constitutional provision forbidding imprisonment for debt?
2. Does BP 22 impair freedom of contract?
3. Does BP 22 contravene the equal protection clause?
4. Does BP 22 constitute an undue delegation of legislative power?
5. Was BP 22 enacted in violation of Section 9 (2) of Article VII of the 1973 Constitution, prohibiting amendments to a bill during its Third Reading?

Court's Decision:

The Supreme Court upheld the constitutionality of BP 22 and dismissed most of the petitions except G.R. No. 75789 was granted, setting aside the respondent Judge's order. The Court differentiated BP 22 offense from debt, asserting that BP 22 aims to address public order by criminalizing the act of issuing a check when the issuer knows of insufficient funds, not the non-payment of the check. It held that BP 22 does not conflict with the constitutional prohibition against imprisonment for debt as it is a valid exercise of the police power. The freedom of contracts upheld by BP 22 is only to lawful contracts, and BP 22 does not violate equal protection as the law may classify individuals differently provided classification is reasonable. There was no undue legislative delegation as the act does not allow the payee to define the offense or its penalties. Lastly, the enactment process of BP 22 did not violate constitutional provisions regarding amendments as the text submitted was accurately approved upon Second Reading.

Doctrine:

BP 22 stands as a valid exercise of police power, aiming to preserve public order by penalizing the issuance of bouncing checks and not imprisonment for debt. The law is not a creditor's tool to coerce debt payment, but a state instrument to maintain public confidence in the banking system.

Class Notes:

- BP 22 is an exercise of police power aimed at addressing the issuance of worthless checks.
- The gravamen of the offense under BP 22 is the act of making and issuing a worthless check.
- A prima facie presumption of knowledge of insufficient funds arises when a check is dishonored upon presentment.
- BP 22 does not violate imprisonment for debt, freedom of contract, equal protection, or legislative delegation principles.
- Importance of presumption of constitutionality: statutes are presumed constitutional; the burden is on the challenger to prove otherwise.

Historical Background:

Prior to BP 22, prosecution for bounced checks in the Philippines was addressed under the crime of estafa within the Revised Penal Code. Issues arose because estafa required deceit to be prior or simultaneous with the fraud, excluding checks issued for pre-existing debts. Amendments such as Republic Act No. 4885 attempted to address this gap, but were unsuccessful. The enactment of BP 22 by the Interim Batasan Pambansa signified a departure from tying the offense to estafa, and approached the problem as a distinct offense against public order. The historical context includes the common law practice of imprisonment for debt, which was considered inhumane and was abolished in many jurisdictions including the Philippines through constitutional provisions. The evolution of BP 22 is thus tied to both local legal developments concerning commercial transactions and broader human rights considerations.