Title: Export Processing Zone Authority v. Hon. Ceferino E. Dulay

Facts:

The Export Processing Zone Authority (EPZA) aimed to acquire a parcel of land in Lapu-Lapu City, Cebu, which included a portion owned by San Antonio Development Corporation. Despite having initiated negotiations based on the valuations pursuant to the amendments in Section 92 of Presidential Decree (P.D.) No. 464, the parties failed to reach an agreement. Consequently, EPZA filed a complaint with the Court of First Instance of Cebu, requesting the expropriation of the land as well as the issuance of a writ of possession.

On October 21, 1980, the writ was granted, and San Antonio Development Corporation filed its answer later that year. A pre-trial conference resolved the exclusive matter of determination to be the just compensation for the expropriated property. Subsequently, an order was issued for condemnation, and commissioners were appointed to determine the just compensation.

The appointed commissioners recommended a just compensation of P15.00 per square meter, against which EPZA filed a Motion for Reconsideration and Objection, citing P.D. No. 1533 as a reason to not exceed the maximum compensation determined by the owner's or assessor's market value—whichever was lower. However, the trial court denied these objections, leading EPZA to file a petition with the Supreme Court. They argued that appointing commissioners was unnecessary under P.D. No. 1533, deeming the prior Rules of Court amended.

Issues:
1. Whether Sections 5 to 8 of Rule 67 of the Revised Rules of Court, concerning the appointment of commissioners to ascertain just compensation, have been repealed by P.D. No. 1533.
2. Whether P.D. No. 1533's method for determining just compensation is valid and constitutional.

Court's Decision:
The Supreme Court dismissed EPZA's petition, lifting the temporary restraining order that had been issued. The deciding factor for the court was whether P.D. No. 1533's method of determining just compensation was an impermissible encroachment on judicial powers and, as such, whether it was constitutionally sound.

The Court reaffirmed its role in determining just compensation, drawing from prior

constitutional cases and doctrines. It found that P.D. No. 1533's formula, which based compensation solely on the lower of the owner's declared value or the assessor's determined value, was unconstitutional and void. The Court emphasized its duty to consider all relevant factors when determining just compensation and rejected the notion that it could be limited to a formula that potentially undermines fairness and due process.

Doctrine:
The Supreme Court established or reiterated the doctrine that the determination of just compensation in eminent domain cases is inherently a judicial function. No executive act or legislative decree can supplant the Court's authority to make a final determination on what constitutes just compensation, conforming with the due process clause of the Constitution.

Class Notes:
– Just Compensation: Determined at the time of taking, representing a fair equivalent for the loss sustained. To be considered: the property's condition, improvements, and capabilities.
– Eminent Domain: A judicial function to determine just compensation, envisaging judicial discretion and respecting due process and equal protection clauses of the Constitution.
– Doctrine of Separation of Powers: The judiciary has the powers reserved by the Constitution to determine just compensation; executive and legislative determinations are initial but not conclusive.

Historical Background:
This case represents a critical juncture in the Philippine legal system during the period following martial law. The Presidential Decrees challenged in this case were products of the Marcos regime, which concentrated powers. The Supreme Court's ruling reaffirmed the checks and balances within the government, especially the independence of the judiciary from executive decrees that might encroach upon constitutional guarantees like due process and just compensation in eminent domain proceedings.