

****Title:**** *Province of Zamboanga del Norte vs. City of Zamboanga, Secretary of Finance and Commissioner of Internal Revenue*

****Facts:**** The Municipality of Zamboanga, previously the provincial capital of the then Zamboanga Province, was converted into Zamboanga City by Commonwealth Act No. 39 on October 12, 1936. Section 50 of the Act stipulated that properties left by the province upon the transfer of the capital to another location would be acquired by the City of Zamboanga at a price set by the Auditor General. These properties included 50 lots and several buildings. The capital of Zamboanga Province was moved to Dipolog in 1945 and later to Molave in 1948. The division of the province into Zamboanga del Norte and Zamboanga del Sur in 1952 led to the assets and obligations of the former province being divided between them, with Zamboanga del Norte entitled to 54.39% of the properties' appraised value of P1,294,244.00. Partial payments were made to Zamboanga del Norte, but Republic Act No. 3039 was passed on June 17, 1961, transferring all former provincial properties within Zamboanga City to the city, free of charge. As a result, the City of Zamboanga ceased further payments. This prompted Zamboanga del Norte to file a complaint in 1962 for declaratory relief and a preliminary mandatory injunction, challenging the constitutionality of Republic Act 3039 and demanding continued payments.

****Issues:**** 1. The constitutionality of Republic Act No. 3039. 2. Whether the properties are held in a governmental or proprietary capacity by the municipality. 3. The distinction between public and patrimonial properties under the Civil Code and the law of Municipal Corporations. 4. The rights of Zamboanga del Norte to the properties and the payment from the City of Zamboanga.

****Court's Decision:**** The Supreme Court resolved the issues by:

1. Upholding the validity of Republic Act No. 3039 for properties used for governmental purposes as these are considered public and under absolute control of Congress.
2. Properties held for proprietary purposes are deemed patrimonial and cannot be transferred without due process and just compensation.
3. Using the classification under the law of Municipal Corporations, it determined that 24 of the lots were used for governmental purposes and were public, while the remaining 26 were patrimonial.
4. Zamboanga del Norte is entitled to compensation for the 26 patrimonial properties, with the payment mechanism specified.

****Doctrine:**** The Court highlighted the distinction between public and patrimonial

properties owned by municipalities, emphasizing their different legal treatments. It reaffirmed that public properties devoted to governmental purposes are under the absolute control of Congress, while patrimonial properties require due process and payment of just compensation for their disposition.

****Class Notes:**** Key Elements:

1. ****Public vs. Patrimonial Property**** – Understanding the distinction and its implications on government control and due process requirements.
2. ****Legislative Control Over Municipal Properties**** – The extent of control depends on the nature of property ownership (public/governmental vs. private/proprietary).
3. ****Effect of Legislation on Property Rights**** – Laws affecting property rights must consider due process and compensation for patrimonial properties.

****Historical Background:**** This case underscores the evolving relationship between local government units and their properties amid administrative reorganization, specifically highlighting the impact of creating new provinces and cities on property ownership and obligations. It reflects the legal and administrative complexities following the division of the Zamboanga Province and the creation of Zamboanga City, set against the backdrop of post-war reconstruction and the redefinition of local government units in the Philippines.