

****Title:**** Carlos Balacuit et al. vs. Court of First Instance of Agusan Del Norte and Butuan City and City of Butuan

****Facts:****

This case involves the legality and constitutionality of Ordinance No. 640, enacted by the Municipal Board of the City of Butuan on April 21, 1969. The ordinance mandated that children aged seven (7) to twelve (12) years should only be charged half the price of admission tickets intended for adults at movie houses and other public exhibitions. Petitioners, Carlos Balacuit, Lamberto Tan, and Sergio Yu Carcel, managers of Maya and Dalisay Theaters, Crown Theater, and Diamond Theater respectively, challenged the ordinance as unconstitutional and void. They sought relief at the Court of First Instance of Agusan del Norte and Butuan City (Special Civil Case No. 237), which issued a temporary restraining order against the ordinance's enforcement. However, upon respondents' (City of Butuan and its officials) answer, the trial court eventually ruled in favor of the ordinance's validity. The Petitioners' motion for reconsideration was denied, prompting this petition to the Supreme Court.

****Issues:****

1. Whether Ordinance No. 640 is within the power of the Municipal Board to enact according to the City Charter of Butuan, specifically Section 15(n) of Republic Act No. 523.
2. If so, whether the ordinance's enactment is a valid exercise of police power under the general welfare clause.
3. Whether the ordinance violates the due process clause of the Constitution for being oppressive, unjust, confiscatory, and an undue restraint of trade.

****Court's Decision:****

1. The Supreme Court acknowledged that while the Municipal Board of the City of Butuan has the power to regulate businesses under its charter, this does not extend to direct interference in the business operations to the extent of fixing admission prices.
2. The Court also found that the ordinance could not be justified under the police power as delegated to the city under the general welfare clause. The ordinance was deemed not reasonably necessary for the accomplishment of any public purpose and was found to be unduly oppressive upon individuals.
3. The Court held that the ordinance indeed violates the due process clause for being oppressive and an undue restraint of trade, lacking a reasonable relation between the purposes and means of enactment, and therefore unconstitutional.

****Doctrine:****

The Court established that while local governments possess the authority to regulate businesses within their jurisdiction for the general welfare, such powers do not extend to arbitrary interference with private business operations, such as fixing the prices of admission tickets. Additionally, any measure enacted under the guise of police power must be reasonable, necessary for public welfare, and not oppressive.

****Class Notes:****

1. ****Police Power and General Welfare Clause:**** Municipal and city governments may regulate businesses within their jurisdiction but must do so within the bounds prescribed by law, ensuring regulations are for the public good, reasonable, and not oppressive.
2. ****Due Process Clause:**** Government actions, including those of local governments, must not arbitrarily interfere with private businesses or the right to enter into contracts. Measures must be just, not confiscatory, and respect the rights to personal and property freedoms.
3. ****Ultra Vires Acts:**** Acts or ordinances that exceed the authority granted to a government body are deemed “ultra vires” and can be declared void and unenforceable.
4. ****Validity of Municipal Ordinances:**** While presumed valid, municipal ordinances must not contravene the Constitution, must be within the powers conferred upon the municipality by law, and must be reasonable and just.

****Historical Background:****

The case presents a notable instance of the Philippine Supreme Court scrutinizing the balance between local government powers and constitutional rights, specifically in the arena of business regulation and police power. It underscores the judicial system’s role in ensuring that such powers are not exercised arbitrarily to the detriment of individuals’ rights and freedoms, emphasizing the importance of adhering to constitutional limits and principles.