

Title: Republic of the Philippines v. Rural Bank of Kabacan, et al.

Facts:

The National Irrigation Administration (NIA), representing the Republic of the Philippines, initiated a complaint for expropriation of portions of three parcels of land totaling 14,497.91 square meters intended for the Malitubog-Marigado Irrigation Project. This case, designated as Special Civil Case No. 61, involved lands owned by Rural Bank of Kabacan, Inc., and individual owners Little Sarah A. Agdeppa, Leosa Nanette A. Agdeppa, Marcelino Viernes, among others. Following disputes over NIA's authority, negotiations, valuations, and damages, a committee was formed by the RTC to determine just compensation, leading to various reports and recommendations. Despite objections from NIA regarding the valuation, the RTC and CA affirmed the compensation, adjusting for improvements on the land but excluding the value of excavated soil. NIA appealed these decisions, raising issues with the determination of just compensation and ownership of one of the parcels (Lot No. 3080).

Issues:

1. Was the determination of just compensation by the commissioners, as affirmed by the CA, proper and in accordance with legal standards?
2. Was the payment of just compensation for Lot No. 3080 to respondents Margarita Tabaoda and Portia Charisma Ruth Ortiz justified?

Court's Decision:

- The Supreme Court partially granted NIA's petition. It affirmed the CA's decision on just compensation for land and improvements but modified the decision regarding the payment for Lot No. 3080. The case was remanded to the trial court to establish the present owner of Lot No. 3080 for proper compensation.

Doctrine:

- Just compensation is the full and fair equivalent of the property taken from its owner, reflecting the owner's loss rather than the taker's gain. This is determined as the market value of the property at the time of taking, considering reliable and actual data.

Class Notes:

- Just compensation in expropriation proceedings is assessed based on the market value at the time of taking, using reliable data (e.g., sworn declarations, tax declarations, zonal valuations).
- In cases of uncertain ownership or conflicting claims, compensation can be paid to the

court for the benefit of the adjudged owner (Rule 67, Section 9 of the 1997 Rules of Court).  
- The value of improvements (e.g., trees, plants) on expropriated land can be separately compensated, but the soil is not valued separately from the land.

**Historical Background:**

This case reflects the complexities encountered in expropriation proceedings, especially regarding the determination of just compensation, the challenge of proving ownership, and the inclusion of land improvements and excavated materials in compensation calculations. It underscores the need for careful legal and factual analysis in ensuring just compensation, aligning with property rights protections under Philippine law.