

Title:

Equitable PCI Bank, Inc. Vs. South Rich Acres, Inc., Top Service, Inc., and the City of Las Piñas: A Case of Unconstitutional City Ordinance and Property Rights

Facts:

This case revolves around the consolidation of two petitions involving South Rich Acres, Inc. (SRA), Top Service, Inc., City of Las Piñas, and Equitable PCI Bank, Inc. (EPCIB), now Banco de Oro Unibank, Inc. (BDO), challenging the constitutionality of City Ordinance No. 343-97 which declared Marcos Alvarez Avenue as a public road. SRA and Top Service filed for declaratory relief and damages against the ordinance, asserting ownership of parcels along Marcos Alvarez Avenue based on legal assignments and purchases dating back to 1959. The City filed an answer asserting the avenue was government property, while Royal Asia Multi-Properties, Inc. (RAMPI) intervened, claiming legal interest due to its Royal South Subdivision utilizing the avenue.

Procedurally, after various motions, including a motion for substitution where BDO succeeded RAMPI as intervenor, the Regional Trial Court (RTC) invalidated the ordinance for taking property without just compensation and denied claims for damages against EPCIB. The proceedings saw appeals and reconsiderations, eventually leading the case to the Court of Appeals (CA), where BDO partially succeeded, affirming the ordinance's unconstitutionality but ordering the cancellation of notices of lis pendens on BDO's properties. Both parties sought reconsideration from the Supreme Court (SC).

Issues:

1. Whether City Ordinance No. 343-97 is constitutional.
2. If the ordinance constituted an invalid exercise of police power.
3. Whether the cancellation of notices of lis pendens on BDO's properties was proper.

Court's Decision:

The Supreme Court denied both petitions, affirming the CA's decision. The court ruled that City Ordinance No. 343-97 was unconstitutional as it constituted an invalid exercise of police power, effectively taking SRA's property without just compensation and violating property rights. Moreover, the Court held that the cancellation of notices of lis pendens on BDO's properties was proper as they were not the properties under litigation.

Doctrine:

- Police Power vs. Eminent Domain: The Court distinguished between police power, which

regulates property and liberty for public welfare without necessitating compensable taking, and eminent domain, where private property is appropriated for public use with the obligation of just compensation.

- **Unlawful Taking**: Declaring private property as a public road without compensation violates the constitutional prohibition against the taking of private property for public use without just compensation.

Class Notes:

- **Police Power and Eminent Domain**: Understanding the distinction is crucial for determining the state's obligations regarding compensation when affecting private property rights.

- **Unlawful Taking**: The government's act of declaring private property for public use without proper compensation is unconstitutional.

- **Notices of Lis Pendens**: Its purpose, applicability, and the conditions under which it may be canceled are essential elements in real property litigation.

Historical Background:

This case underlines the contention between municipal development and private property rights, highlighting the increasingly complex interaction between local government legislation and private development interests. It showcases the judiciary's role in balancing public welfare needs with constitutional property rights protections.