

Title:

****Pulgar vs. The Regional Trial Court of Mauban, Quezon, et al.****

Facts:

The case started when the Municipal Assessor of Mauban, Quezon, in 1999, issued 34 tax declarations on the buildings and machinery of the Mauban Plant, owned by Quezon Power (Philippines) Limited, Co. (QPL), assessing it with a total market value of approximately PHP 29.63 billion, which translated to an annual realty tax of around PHP 500 million. QPL disputed this assessment, claiming a lower property value and rejecting the assessment's legality and process.

On May 18, 2000, QPL declared a lower property value (PHP 15.05 billion) and later attempted to pay a portion of the taxes (PHP 60.22 million) for the first quarter of 2001, which the Municipal Assessor rejected. This led QPL to file a Complaint for Consignation and Damages before the Regional Trial Court (RTC) of Mauban, Quezon, essentially challenging the assessment's legality and process.

Frumencio E. Pulgar, a resident and taxpayer of Quezon Province, filed a motion to intervene in January 2002, claiming an interest in the collection of realty taxes from QPL and seeking moral damages and attorney's fees for environmental disturbances caused by the plant.

The parties agreed to submit the dispute to the Secretary of Finance, resulting in a resolution in August 2002. However, the RTC dismissed the case and Pulgar's intervention in December 2002, citing lack of jurisdiction as the matter should have been directed to the Local Board of Assessment Appeals. Pulgar's motion for reconsideration was denied in March 2003.

Issues:

1. Whether the RTC properly dismissed Civil Case No. 0587-M on jurisdictional grounds.
2. Whether the RTC erred in dismissing Pulgar's motion for intervention following the dismissal of the main case.

Court's Decision:

The Supreme Court denied the petition, upholding the RTC's decision. The Court explained that intervention is ancillary and supplemental, dependent on the main action's existence. Since Pulgar did not contest the RTC's dismissal based on lack of jurisdiction but sought review of the tax assessment's correctness, his intervention lacked merit. The cessation of

the principal action on jurisdictional grounds meant the right to intervene also ceased. The Supreme Court emphasized that jurisdiction over an intervention is governed by the main action's jurisdiction.

Doctrine:

Intervention is not an independent action but ancillary and supplemental to existing litigation. Its purpose is to allow one not an original party, yet having a certain right or interest in the pending case, the opportunity to appear and be joined to assert or protect such right or interests. However, where the right of the original party ceases to exist, so does the right to intervene.

Class Notes:

- **Jurisdiction:** Understanding the proper jurisdiction for tax disputes is crucial. In this case, the initial action should have been brought before the Local Board of Assessment Appeals, not the RTC.
- **Intervention:** The right to intervene in a case is contingent upon the pendency of a suit in a court of competent jurisdiction. Intervention is meant to protect or assert a right or interest in the core litigation and must be relevant and permissible within the context of the main action.
- **Tax Assessment Appeals:** Disputes regarding tax assessments, particularly their legality and the process, must follow a defined procedural path, starting with the local assessment appeals board.

Historical Background:

This case highlights the legal processes involved in disputing property tax assessments in the Philippines, underscoring the jurisdictional boundaries between the executive (through the Secretary of Finance) and judicial branches (RTC) in handling such disputes. It also demonstrates the complexities of legal interventions in tax assessments and the environmental considerations intertwined with industrial operations like power generation.