

Title: National Power Corporation vs. Heirs of Antonina Rabie

Facts:

The National Power Corporation (NAPOCOR), a government-owned and controlled corporation, initiated expropriation proceedings against the Heirs of Antonina Rabie for a 822-square meter portion of a lot in Barangay Lewin, Lumban, Laguna for an access road to the Caliraya Hydro Electric Power Plant. The expropriation case, Civil Case No. SC-4842, was filed on December 1, 2009, at the Regional Trial Court (RTC), Branch 91, Sta. Cruz, Laguna. The respondents contested the valuation offered by NAPOCOR, arguing for a higher compensation based on the current market value and sought payment for alleged unauthorized use of the property since 1940.

NAPOCOR deposited an amount with the Land Bank of the Philippines as per the zonal valuation and subsequently moved for an Order of Expropriation and for Annotation/Registration of Partial Payment. A Board of Commissioners was constituted to determine just compensation, eventually recommending a larger area (2,274 square meters) for expropriation at a higher price per square meter than NAPOCOR admitted. Despite NAPOCOR's opposition to this recommendation, the RTC ruled in favor of the respondents, ordering the expropriation of 822 square meters at a significantly higher rate per square meter and awarded rentals from 1940 with interest.

NAPOCOR's motion for reconsideration was denied, and the RTC granted a motion for execution pending appeal filed by the respondents. The sheriff issued a Writ of Execution and Notice of Garnishment for the payment determined by the RTC. Challenging these orders, NAPOCOR sought relief from the Court of Appeals (CA) through a petition for certiorari, which was dismissed. The CA decision prompted NAPOCOR to elevate the matter to the Supreme Court.

Issues:

1. Whether the RTC retained jurisdiction when ruling on the Motion for Execution Pending Appeal.
2. Whether there were valid reasons for the discretionary execution of the trial court's decision pending appeal.
3. Whether NAPOCOR's funds could be subjected to garnishment or execution.

Court's Decision:

The Supreme Court granted NAPOCOR's petition, setting aside the CA's decision. It ruled

that while the appellate court was correct in finding that the RTC still had jurisdiction when it decided on the motion for execution pending appeal, discretionary execution is not applicable to expropriation proceedings based on the precedent that government properties and funds cannot be seized under writs of execution or garnishment to satisfy judgments. The Supreme Court found that the RTC committed grave abuse of discretion by not explicitly stating good reasons for granting execution pending appeal as required, making the use of discretionary execution improper.

Doctrine:

Discretionary execution of judgments pending appeal under Section 2(a) of Rule 39 does not apply to eminent domain proceedings, reinforcing the principle that government funds and properties cannot be seized under writs of execution or garnishment to satisfy such judgments.

Class Notes:

- **Expropriation Process**: Initiates when a government agency files a complaint against a property owner, seeking to take private property for public use with just compensation.
- **Jurisdiction**: Pertains to the authority of a court to hear and decide a case. In appeals, jurisdiction shifts from the trial court to the appellate court upon the filing of a proper notice of appeal.
- **Discretionary Execution**: A provisional remedy that allows the implementation of a judgment before it becomes final, requiring “good reasons” and is strictly regulated.
- **Just Compensation**: The fair market value of the expropriated property, intended to indemnify the property owner; in expropriation cases, this includes consideration of the property’s value at the time of taking.

Historical Background:

The case reflects the ongoing conflict between state interests in public projects and individual property rights, emphasizing the imperative of just compensation and fair legal processes. It underscores the judiciary’s role in balancing these interests and protecting the rights of individuals against procedural oversights or executive overreach.