

Title: Remman Enterprises, Inc. and CREBA vs. Professional Regulatory Board of Real Estate Service and PRC

Facts:

1. **Enactment of R.A. No. 9646:** On June 29, 2009, President Gloria Macapagal-Arroyo signed Republic Act (R.A.) No. 9646, known as the “Real Estate Service Act of the Philippines.” The law aims to professionalize the real estate service sector through a regulatory scheme of licensing, registration, and supervision of real estate service practitioners.

2. **Shift of Regulatory Authority:** Before its enactment, real estate service practitioners were regulated by the Department of Trade and Industry (DTI) through the Bureau of Trade Regulation and Consumer Protection (BTRCP). This authority shifted to the Professional Regulation Commission (PRC) under the new law.

3. **IRR Promulgated:** On July 21, 2010, the PRC and the Professional Regulatory Board of Real Estate Service (PRBRES) promulgated the implementing rules and regulations (IRR) of R.A. No. 9646 under Resolution No. 02, Series of 2010.

4. **Filing of Petition:** On December 7, 2010, Remman Enterprises, Inc. (REI) and the Chamber of Real Estate and Builders’ Association (CREBA) filed Civil Case No. 10-124776 in the Regional Trial Court of Manila, Branch 42, seeking to declare Sections 28(a), 29, and 32 of R.A. No. 9646 as void and unconstitutional.

5. **Assailed Provisions:**

- **Section 28(a):** Exempts ordinary property owners (natural or juridical) engaging in real estate transactions concerning their property from the Act but excludes real estate developers.

- **Section 29:** Prohibits unauthorized practice of real estate service without passing the licensure exam and obtaining proper registration and licensure.

- **Section 32:** Requires corporations or partnerships engaging in real estate service to have specific licensing, registration, and operational protocols.

6. **Grounds for Petition:**

- **Violation of the “one title-one subject” rule:** Alleging non-compliance with this constitutional rule.
- **Conflict with P.D. No. 957:** Asserted that the Act conflicts with existing laws that govern real estate transactions and regulation under the HLURB.
- **Due Process Violation:** Claims that Sections 28(a), 29, and 32 infringe substantive due process rights by restricting real estate developers’ property rights.
- **Equal Protection Violation:** Argued that Section 28(a) unjustly discriminates against real estate developers compared to other property owners.

7. **RTC Decision:** On July 12, 2011, the RTC denied the petition and held that the challenged provisions were not unconstitutional. It reasoned that the provisions were relevant to the title of the law, consistent with the government’s police power, did not conflict with P.D. No. 957, and did not violate equal protection.

8. **Supreme Court Appeal:** Petitioners elevated the case to the Supreme Court questioning:

- The justiciability of the controversy.
- Violation of the “one title-one subject” rule.
- Conflict with P.D. No. 957.
- Violations of substantive due process.
- Violations of equal protection clause.

Issues:

1. **Justiciable Controversy:** Whether the case presents a justiciable controversy for the Court to adjudicate.
2. **One-Title One-Subject Rule:** Whether R.A. No. 9646 violates the Constitutional “one title-one subject” rule.
3. **Conflict with Existing Law:** Whether R.A. No. 9646 conflicts with P.D. No. 957 and E.O. 648 regarding the regulation of real estate developers.
4. **Substantive Due Process:** Whether Sections 28(a), 29, and 32 violate the substantive due process rights of real estate developers.

5. **Equal Protection Clause:** Whether Section 28(a) violates the equal protection clause by treating real estate developers differently from other property owners.

Court's Decision:

1. **Justiciable Controversy:**

- **Existence of Controversy:** The Court found that an actual justiciable controversy existed. The petitioners, being directly affected by the new licensure requirements and possible criminal sanctions for non-compliance, had a valid assertion of conflict warranting judicial resolution.

2. **One-Title One-Subject Rule:**

- **No Violation:** The Court held that R.A. No. 9646 conformed to the “one title-one subject” rule. It was determined that the challenged provisions were germane to the law’s primary objective of regulating the practice of real estate service, thus not violating the constitutional requirement.

3. **Conflict with P.D. No. 957:**

- **No Inconsistency or Conflict:** The Supreme Court found no irreconcilable inconsistency between R.A. No. 9646 and P.D. No. 957. The two laws serve different purposes—the former professionalizing the real estate service sector and the latter regulating the sale of subdivision lots and condominium units.

4. **Substantive Due Process:**

- **Valid Exercise of Police Power:** The Court ruled that R.A. No. 9646 did not violate substantive due process. It deemed the legislative measure a legitimate exercise of the State’s police power aimed at protecting public interest by professionalizing the real estate service sector.

5. **Equal Protection Clause:**

- **Rational Classification:** The Court upheld the trial court’s ruling, finding the classification between real estate developers and other property owners to be reasonable and relevant to the law’s purpose. The distinctions were based on the need to regulate a sector comprising a large number of practitioners and susceptible to fraudulent practices.

****Doctrine:****

- ****Police Power:**** Regulation of professions or trades is a valid exercise of the State's police power, particularly when it aims to protect the public welfare.
- ****One-Title One-Subject Rule:**** Legislative measures need not be narrowly constructed and are sufficient if they reasonably include the general object intended.
- ****Equal Protection Clause:**** Reasonable classification is permissible under the equal protection clause if it is relevant to the legislative purpose.

****Class Notes:****

- ****Police Power:**** It extends to all public needs and justifies regulation of professions impacting public welfare. Case Example: *Remman Enterprises, Inc. case* demonstrates that regulatory statutes aimed at professional competence are valid under police power.
- ****One-Title One-Subject Rule:**** Comprehensive titles are sufficient if they cover the general objectives of the statute without needing precise detail. Important principle: Reasonable, not technical, construction.
- ****Equal Protection Clause:**** Legitimate classification must be based on substantial distinctions relevant to the law's purpose. Distinction between real estate developers and ordinary property owners in R.A. No. 9646 was deemed reasonable and constitutional.

****Historical Background:****

- ****Real Estate Regulation:****
 - Before R.A. No. 9646, real estate service practitioners were regulated by laws and agencies primarily focusing on consumer protection.
 - P.D. No. 957 and E.O. No. 648 provided jurisdiction to NHA and HLURB over real estate transactions but did not specifically professionalize practitioners.
- ****Professionalization Advocacy:****
 - The enactment of R.A. No. 9646 was part of a broader movement toward professionalizing various sectors in the Philippines to align them with global standards and increase protection against unlicensed and unethical practices.
- ****Legislative Intent:****

- The legislative intent behind R.A. No. 9646 was to professionalize the entire real estate service sector, enhance consumer protection, and ensure that practitioners meet standardized qualifications and adhere to ethical practices.