Title: Alternative Center for Organizational Reforms and Development, Inc. v. Executive Secretary Ronaldo Zamora

Facts:
In 2000, then-President Joseph Ejercito Estrada submitted a National Expenditures Program for Fiscal Year 2000, which included an Internal Revenue Allotment (IRA) amounting to P121,778,000,000. This amount was based on Section 284 of the Local Government Code of 1992.

On February 16, 2000, President Estrada approved House Bill No. 8374, which became Republic Act No. 8760, otherwise known as the General Appropriations Act (GAA) for the Year 2000. Under the GAA, the IRA for local government units was set at P111,778,000,000 under "ALLOCATIONS TO LOCAL GOVERNMENT UNITS". Another P10,000,000,000 was placed under "UNPROGRAMMED FUND," to be released only if revenue collections met the original revenue targets submitted by the President.

On August 22, 2000, several non-government organizations (NGOs) and individuals filed a petition with the Supreme Court against Executive Secretary Ronaldo Zamora and other officials, alleging that specific provisions of the GAA were unconstitutional. They argued that classifying P10 billion of the IRA as unprogrammed funds violated Article X, Section 6 of the 1987 Constitution, which mandates the automatic release of the local government units' just share in national taxes.

After the parties submitted their memoranda, the Province of Batangas and the Province of Nueva Ecija filed motions to intervene, which the Supreme Court granted.

Issues:
1. **Verification and Certification Against Forum-Shopping**: Whether the petition complied with the verification and certification requirements.
2. **Locus Standi (Standing)**: Whether the petitioners had the requisite legal standing to file the case.
3. **Automatic Release of IRA**: Whether the provisions of the Year 2000 GAA violated the constitutional requirement of the automatic release of IRA to local government units.

Court's Decision:
The Supreme Court ruled on each of the issues as follows:

1. **Verification and Certification Against Forum-Shopping**:

– The Court held that the verification was substantially compliant with the Rules of Court. Although some signatories were not officially authorized by their respective NGOs, individual petitioners—Adelino C. Lavador, Punong Barangay Isabel Mendez, and Punong Barangay Carolina Romanos—correctly executed verifications. The procedural technicality did not outweigh the merit of the substantive issues raised.

2. **Locus Standi (Standing)**:
– The Court determined that the subsequent intervention by the provinces of Batangas and Nueva Ecija resolved the issue of standing. These provinces had a direct interest in the outcome, making the question of petitioner standing moot.

3. **Automatic Release of IRA**:
– The Court declared the GAA provisions unconstitutional. Article X, Section 6 of the Constitution mandates the automatic release of IRAs, without imposition of conditions such as meeting revenue targets. The classification of P10 billion of the IRA as "Unprogrammed Fund" was found to impede this constitutional requirement.
– The Court stressed that the just share of local government units in the national taxes shall be released as a matter of course, and any law contrary to this is unconstitutional. The ruling in **Province of Batangas v. Romulo** was cited to emphasize that both the executive and legislative branches are bound by this mandate and cannot introduce conditions for the release of IRAs.

Doctrine:
– **Constitutional Mandate of Automatic Release of IRA**: Article X, Section 6 of the Constitution mandates that the just share of local government units in the national taxes "shall be automatically released to them." This provision prohibits both the executive and legislative branches from imposing conditions that hinder the automatic release of these funds.

Class Notes:
– **Key Elements**:
1. **IRA and Local Government Code**: Section 284 – Calculation and mandated distribution of IRAs.
2. **Constitutional Provision**: Article X, Section 6 – Just share of local government units in national taxes shall be automatically released.
3. **Judicial Interpretation**: The Supreme Court's rulings in **Pimentel v. Aguirre** and **Province of Batangas v. Romulo** provide precedent for automatic release without

conditions.

– **Relevant Legal Statutes**:
– **1987 Constitution of the Philippines**: Article X, Section 6.
– **Local Government Code of 1991**: Sections 18, 284, and 286.

Historical Background:
This case occurred in the context of fiscal management and governance reforms in the Philippines. The conflict over the automatic release of IRA funds underscores broader tensions between local autonomy and central fiscal control. This case reflects a crucial aspect of Philippine federalism, where local government units seek to assert their constitutionally-guaranteed financial independence against the central government's financial strategies to manage budget deficits. This decision reaffirmed the constitutional commitment to fiscal decentralization and local governance autonomy.