

****Title:**** Spouses Oscar and Haydee Badillo v. Hon. Arturo G. Tayag, et al.

****Facts:****

1. Petitioners, Spouses Oscar and Haydee Badillo, were plaintiffs in a forcible entry/ejectment case (Civil Case No. 263-94) in the MTC of San Jose del Monte, Bulacan, against Triad Construction and Development Corporation and the National Housing Authority (NHA).
2. The MTC rendered a decision on February 1, 2000, ordering NHA to vacate the disputed land, return possession to the petitioners, pay rentals, and shoulder attorney's fees and litigation costs.
3. NHA contended the property was part of the Bagong Silang Resettlement Project reserved for housing resettlement by a presidential proclamation.
4. Upon receipt of the MTC decision, NHA filed a Notice of Appeal on February 24, 2000, but failed to pay the appellate docket fees within the prescribed 15-day reglementary period.
5. Petitioners filed a motion for the immediate issuance of a writ of execution and demolition, arguing that due to NHA's failure to pay the docket fees, the MTC decision became final.
6. The MTC granted the motion on May 23, 2000, and issued a writ of execution on May 30, 2000. The sheriff then garnished NHA's funds in the Landbank of the Philippines, but the bank did not release the amount.
7. NHA filed a motion to set aside the writ of execution and the notice of garnishment on June 9, 2000, which was denied by the MTC on June 23, 2000.
8. On June 29, 2000, NHA paid the appellate docket fees and filed a petition for certiorari, prohibition, mandamus, and injunction to the RTC.
9. RTC Executive Judge Danio A. Manalastas issued a 72-hour temporary restraining order.
10. The case assigned to RTC Branch 79 issued an order on July 19, 2000, annulling the MTC's writ of execution and ordered the transfer of records for appellate proceedings.
11. Upon transfer of records, RTC Branch 11 issued a decision on October 23, 2000, affirming the order for possession and damages but deleted the award for rentals, leading to the instant petitions.

****Issues:****

1. Whether the NHA's failure to pay appellate docket fees within the reglementary period warranted the dismissal of its appeal.
2. Whether the NHA, being a government corporation, is exempt from filing a supersedeas bond to stay execution as required under the procedural rules.

3. Whether the RTC was correct in deleting the rental awards for the use and occupation of the lot.
4. Whether the RTC's annulment of the MTC's order and issuance of the writ of execution was proper.

Court's Decision:

1. **NHA's Appeal and Appellate Docket Fees:** The Supreme Court held that the NHA, through its Notice of Appeal filed within the reglementary period, had perfected its appeal despite the late payment of the appellate docket fees. This perfection divested the MTC of its jurisdiction to issue execution orders.
2. **Supersedeas Bond Exemption:** The Court recognized that the NHA, performing governmental functions, is exempt from filing a supersedeas bond. The Supreme Court reaffirmed that requiring such a bond from a government agency would indirectly require the State, presumed solvent, to post the bond.
3. **Award of Rentals:** The Supreme Court agreed with the RTC's deletion of rental awards due to a lack of evidentiary basis supporting the MTC's rental determination. Judicial notice alone cannot determine rental values without evidentiary backing.
4. **RTC Annulment of MTC Orders:** The Supreme Court validated the RTC's actions, as the MTC had lost jurisdiction over the case when the NHA perfected its appeal.

Doctrine:

- The requirement for government agencies to file docket fees is discretionary, and non-payment does not automatically invalidate an appeal from an MTC to an RTC.
- Government agencies performing governmental functions are exempt from the requirement to post a supersedeas bond.
- Judicial notice alone cannot suffice in determining rental awards in property disputes; concrete evidentiary support is necessary.

Class Notes:

- **Appellate Jurisdiction:** Notice of Appeal within the reglementary period perfects an appeal and divests the lower court of jurisdiction.
- **Supersedeas Bond Exemption:** Government agencies performing governmental functions are not required to post a supersedeas bond to stay execution.
- **Judicial Notice vs. Evidence:** Courts must rely on evidence rather than judicial notice for factual determinations like rental values.
- **Relevant Statutes/Provisions:**
- Section 21, Rule 141 - Legal fees for government corporations.

- Sections 4 and 9, Rules 40 and 41 - Perfection of appeal.
- Sec 19, Rule 70 - Supersedeas bond in ejectment cases.

****Historical Background:****

- The case reflects the Supreme Court's broader approach during the early 2000s towards ensuring government agencies' ability to function without prohibitive procedural burdens, acknowledging their special roles under governmental mandates.
- Legal principles emphasizing the distinction between governmental and proprietary functions of state entities and streamlining adjudicative processes reflect an evolved understanding of state duties in social justice and urban development.