

**\*\*Title:\*\***

Lucena B. Rallos v. City of Cebu, et al.

**\*\*Facts:\*\***

The case centers around two parcels of land (Lots 485-D and 485-E) in Barangay Sambag I, Cebu City, which were expropriated in 1963 by the City of Cebu for road construction without following formal proceedings. The heirs of Rev. Fr. Vicente Rallos (the Heirs) claimed that the land was occupied in bad faith without their predecessors' consent and initiated a Complaint for Forfeiture of Improvements or Payment of Fair Market Value with Moral and Exemplary Damages in 1997.

1. **\*\*Regional Trial Court (RTC) - 2000:\*\*** RTC ruled that the City should pay just compensation but referred the determination of the amount to a board of commissioners.
2. **\*\*RTC - 2001:\*\*** Commissioners presented a report; RTC decided the City should pay PhP 34,905,000.00 (later the Heirs contested this, requesting an increase to PhP 12,500 per sq m).
3. **\*\*RTC - 2002:\*\*** Increased the compensation to PhP 9,500 per sq m. The Heirs still sought more, leading to the City of Cebu filing appeals.
4. **\*\*Court of Appeals (CA) - 2007:\*\*** Dismissed the City's appeals on procedural grounds.
5. **\*\*Supreme Court (SC) - 2008:\*\*** Denied City's petitions, thus affirming CA's decision, making it final.

Executions and sheriff interventions followed, involving continuous legal battles and orders. Controversies included computation and payment of interest, partial payments, and disputes over appropriations and proper procedural compliance. The City argued mainly against garnishment without legislative appropriation and the necessity of submitting claims first to the Commission on Audit (COA).

**\*\*Issues:\*\***

1. **\*\*Forum Shopping:\*\*** Whether Lucena engaged in forum shopping by filing multiple contempt petitions with similar causes of action.
2. **\*\*Financial Execution Compliance:\*\*** Whether the City of Cebu legally impeded execution of final judgments.
3. **\*\*Need for Appropriation Ordinance:\*\*** The requirement of a legislative act beforehand for execution payments.
4. **\*\*Role of COA:\*\*** Whether claims should first be filed with COA before enforced payment.
5. **\*\*Garnishment of Public Funds:\*\*** Whether public funds can be garnished for debt

satisfaction.

**Court's Decision:**

1. **Forum Shopping:** The SC found that Lucena was guilty of forum shopping. There were multiple similar petitions filed, all pending and involving essentially the same parties and issues. This resulted in the immediate dismissal of Lucena's current and remaining similar petitions.
2. **Financial Execution Compliance:** The actions taken by the City of Cebu, including filing motions and petitions to contest the decisions and processes, were seen as legal attempts to protect public funds rather than contemptuous actions.
3. **Need for Appropriation Ordinance:** The SC cited that public funds can only be disbursed via a specific legislative appropriation. The absence of such an ordinance in this case legally barred payment, thus supporting the City's position.
4. **Role of COA:** Following established law and precedent, all money claims against government entities must first be settled or approved by COA before enforcement, which Lucena and the Heirs failed to pursue.
5. **Garnishment of Public Funds:** The SC reiterated that garnishment of public funds couldn't bypass established legal and procedural requirements.

**Doctrine:**

1. **Forum Shopping:** Engaging in forum shopping results in the dismissal of the case: "Forum shopping is the act of litigants who repetitively avail themselves of multiple judicial remedies in different fora... This results in summary dismissal."
2. **Appropriation Requirement:** Public funds can only be disbursed when there is a clear legislative appropriation: "No money shall be paid out...except in pursuance of an appropriation law or other specific statutory authority."
3. **COA's Role:** All money claims must first be filed, examined, and approved by COA: "Despite the final judgment... the settlement...is still subject to...COA."

**Class Notes:**

- **Forum Shopping:** Definition, requisites (identity of parties, rights, and cause of action), consequences, and related penalties.
- **Public Fund Execution:** Need for legislative appropriation (Section 305(a), Local Government Code; Section 4(1), P.D. No. 1445).
- **COA Jurisdiction:** Procedures for settling money claims (P.D. No. 1445).

**Relevant Statutes and Provisions:**

- **P.D. No. 1445:** Government Auditing Code of the Philippines.
- **Article 2212, New Civil Code:** Interest on interest.
- **Local Government Code, Section 305(a):** Public funds disbursement process.

**Application in Context:**

The judicial protection of state funds necessitates strict compliance with statutory and procedural norms. Proper legal channels must be respected to avoid undue financial burdens on public treasuries, even in the presence of clear entitlements or liabilities recognized by final court judgments.

**Historical Background:**

This case plays out against a history of struggles between individuals' property rights and governmental procedures. Expropriation practices, administrative procedures for state liabilities, and the importance of legislative oversight reflect long-standing public policy principles aimed at balancing private rights against administrative efficiency and public interest.