

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

Salas Vs. Jarencio, G.R. No. L-29788, January 30, 1971

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

1. **\*\*Ownership and Transfer of Land to Manila:\*\*** On February 24, 1919, the Court of First Instance of Manila declared the City of Manila the owner in fee simple of Lot No. 1, Block 557, Cadastral Survey of Manila, and issued Original Certificate of Title No. 4329.
2. **\*\*Sales to Pura Villanueva:\*\*** In 1924, Manila sold portions of this lot to Pura Villanueva. Consequently, TCT No. 4329 was canceled, and new certificates were issued for Villanueva's portions, leaving TCT No. 22547 for the remaining 7,490.10 square meters.
3. **\*\*Municipal Resolution:\*\*** On September 21, 1960, Manila's Municipal Board, led by Vice-Mayor Antonio- J. Villegas, requested the President of the Philippines to consider declaring the properties as patrimonial for resale to occupants.
4. **\*\*House Bill No. 191:\*\*** Congressman Bartolome Cabangbang filed this Bill in Congress, with an explanatory note highlighting the best use of the property for the actual occupants.
5. **\*\*House Bill No. 1453:\*\*** Revised version by Congressmen Cases, Raquiza, and Yñiguez suggested converting the property into alienable land for disposal to bona fide occupants, fulfilling social justice principles.
6. **\*\*Senate Approval & Republic Act No. 4118:\*\*** The Senate approved the Bill on June 20, 1964, converting Lot 1-B-2-B into alienable land under the Land Tenure Administration for subdivision and sale to tenants or bona fide occupants.
7. **\*\*Implementation Efforts:\*\*** The Land Authority sent the proposed subdivision plan to Manila's Mayor Villegas, who consented. TCT No. 22547 was canceled and replaced by TCT No. 80876 in favor of the Land Tenure Administration.
8. **\*\*Reversal by Manila:\*\*** On December 20, 1966, Mayor Villegas filed for injunction, challenging the constitutionality of RA No. 4118, seeking to prevent its implementation.
9. **\*\*Trial Court Verdict:\*\*** The Court of First Instance ruled RA No. 4118 unconstitutional, declaring it deprived Manila of property without due process and compensation, ordering reinstatement of TCT No. 22547 to Manila.

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

1. Whether the property is private or patrimonial property of the City of Manila.
2. Whether Republic Act No. 4118 is valid and not violative of the Constitution.

**\*\*Court's Decision:\*\***

1. **\*\*Property Characterization:\*\***

- The Supreme Court held that the land involved is not patrimonial property of the City of Manila.
- It originated from "legua comunal," property administered by the City but owned by the State.
- Manila did not acquire the property using its private funds, indicating the State's paramount title.

2. **\*\*Validity of Republic Act No. 4118:\*\***

- The Court ruled RA No. 4118 constitutional.
- The property was part of the State's public domain, managed by Manila for municipal purposes.
- Legislative discretion in designating the property as alienable should be respected.
- As the City of Manila recognized through its own resolutions and actions, the title was considered held in trust for the State.

**\*\*Doctrine:\*\***

- **\*\*Governmental Control Over Municipal Property:\*\*** A municipality manages properties in trust for the State, except those acquired by its own funds. Legislative control includes reclassifying such properties for public use or disposition.
- **\*\*Dual Character of Municipal Corporations:\*\*** Municipal entities have governmental and proprietary functions. Properties from the State are held on behalf of the people and subject to legislative oversight.

**\*\*Class Notes:\*\***

- **\*\*Constitutional Law:\*\***
  - Due Process and Just Compensation: Property acquired with State transfer is subject to public trust and legislative control.
  - Legislative Authority: Legislative reclassification of State property does not infringe municipal rights if it holds them for public trust.
- **\*\*Civil Law - Property:\*\***

- Communal Property: Properties allocated to municipalities by the State remain public and subject to State interests.
- Patrimonial Property: Requires proof of purchase/ownership by municipality's own funds for private/commercial intents.
- **Administrative Law:**
- Principles of Social Justice: Legislation promoting welfare policies (e.g., socialized housing) aligns with State powers when involving public domain properties.

**Historical Background:**

- Manila's ownership of properties originates from Spanish colonial municipal structures, where land was allocated for community use under State oversight.
- The legislative move to convert these lands into alienable property aimed to address housing shortages aligning with socio-economic reforms prevalent in 1960s Philippines, particularly under President Diosdado Macapagal's tenure emphasizing land for the landless.