

Title:

Jose F. Puzon vs. Alejandra Abellera (substituted by Tomasa D. Domondon), G.R. No. 04690

Facts:

1. **Subject Property**: Alejandra Abellera owned a two-hectare lot known as Lot 1-B subdivision plan (LRC) PSU-33174, covered by TCT No. 8103.
2. **Background Ruling**:
 - Issued under RA 931, titles within Baguio Townsite Reservation were invalidated by Supreme Court cases (29 SCRA 517, 52 SCRA 238).
 - PD 1271 later partially validated pre-1973 titles with compliance conditions.
3. **Auction Sale**:
 - On October 10, 1977, the property was auctioned due to unpaid real property taxes for 1971-1977.
 - Jose F. Puzon, the lone bidder, won the bid for P3,253.95.
4. **Procedural Steps**:
 - Puzon received a certificate of sale a year post-auction, but registration required court confirmation.
 - Puzon filed a court case to consolidate ownership.
 - Tomasa D. Domondon, Abellera's successor, opposed consolidating ownership asserting improper tax assessment and auction sale. She deposited P4,780.00 with court exceeding Puzon's bid.
5. **Lower Court Ruling**:
 - The CFI and later the IAC declared the auction sale null and void due to improper tax assessment and insufficient notice.

Issues:

1. Whether the property was tax-delinquent for 1971-1977.
2. Whether the auction sale was valid and legally executed.

Court's Decision:

1. **Tax Delinquency**:
 - **Curtative Nature of PD 1271**:
 - Recognizes pre-1973 title validity upon compliance with specified conditions.
 - Good faith improvements respected.
 - **Court Analysis**:
 - The property remained part of the public domain until valid title compliance.
 - Retroactive title validation would subject the property to tax only if conditions met

retrospectively.

- **Conclusion**:
- Abellera was not tax liable for 1971-1977 as the land was technically public domain.

2. **Auction Sale Validity**:

- **Notification Requirement**:
- Law mandates actual notice to the property owner as a precondition.
- **Court Findings**:
- Lack of proper notice vitiated the due process rights.
- Affirmed by precedents like Cabrera v. Prov. Treasurer and Vivencio v. Quintos.
- **Conclusion**:
- The auction sale was null since Abellera wasn't properly notified.

Doctrine:

- **Retrospective Title Validation**:
- Titles are retroactively valid from the date of issuance upon compliance with PD 1271.
- Tax liabilities accrue only after compliance completion.
- **Due Process in Tax Sales**:
- Valid tax sale necessitates actual notice to affected landowners; failure invalidates the sale.

Class Notes:

- **PD 1271 (1977)**:
- Nullifies illicit titles within the Baguio Townsite Reservation.
- Validates such titles on conditions met.
- **Real Property Tax Code (PD 464)**:
- Sections on notification (59, 65, 73, 76) necessitate actual notice to delinquent owners for tax sales.
- Article 4 NCC prohibits retroactive law unless clearly expressed.
- **Key Principles**:
- Good faith reliance on torrens title before 1973.
- Substantive due process in administrative property proceedings.
- The Baguio Townsite reservation's special judicial history.

Historical Background:

- **Baguio Townsite Reservation**:
- Established under Civil Reservation Case No. 1, GLRO Record No. 211.

- Cadastral Act No. 2259 complexities led to conflicting land claims.
- ****Legal Transformations****:
- RA 931 allowed late title claims within 40 years of public land declarations.
- SC nullified Baguio townsite titles under RA 931, later addressed by PD 1271.
- PD 1271's enactment was a partial accommodation to good-faith landowners operating under flawed legal assumptions.

This case exemplifies the intersection of administrative property proceedings with constitutional property rights within the context of Philippines land title legislation.