

****Title:**** City Mayor, City Treasurer, City Assessor, et al. vs. Rizal Commercial Banking Corporation, G.R. No. 640 Phil. 517

****Facts:****

The case involves a dispute over the redemption of properties sold due to tax delinquency. Roberto and Monette Naval obtained a loan from Rizal Commercial Banking Corporation (RCBC), mortgaging three properties as security. RCBC foreclosed on the properties when the Navals defaulted, and at a public auction on August 4, 1998, RCBC emerged as the highest bidder. Certificates of Sale were issued but allegedly registered only on February 10, 2004.

Later, on May 30, 2003, the City Treasurer of Quezon City auctioned off the same properties for tax delinquency, with Alvin Emerson S. Yu as the highest bidder. Yu's Certificates of Sale for Delinquent Property were registered on February 10, 2004.

On June 10, 2004, RCBC tendered payment for the tax delinquencies to redeem the properties. The City Treasurer refused the payment. RCBC filed a petition for mandamus with a prayer for the issuance of a temporary restraining order and writ of preliminary injunction, claiming it had until February 10, 2005, to redeem the properties. The RTC initially denied RCBC's petition, which prompted RCBC's motion for reconsideration arguing several legal points.

On reconsideration, the RTC decided in RCBC's favor, ruling that the one-year redemption period commenced from the date of registration of the sale, as per Section 78 of P.D. No. 464. The decision was challenged, asserting that P.D. No. 464 was repealed by R.A. No. 7160, with the latter dictating a different redemption period commencement.

****Issues:****

1. Whether Section 78 of P.D. No. 464 was repealed by R.A. No. 7160, the Local Government Code of 1991.
2. Whether the redemption period for tax delinquent properties should be reckoned from the date of sale or the date of registration of the certificate of sale under the applicable laws.
3. Whether the RTC erred in relying on provisions not initially cited in the petition by RCBC.

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

1. ****Repeal and Applicability of Laws:****

The Court clarified that P.D. No. 464 was indeed repealed by R.A. No. 7160. The proper

basis for computation and procedures relating to real property tax should be R.A. No. 7160. Hence, Section 78 of P.D. No. 464 was no longer applicable.

2. **Redemption Period:**

Under R.A. No. 7160, the redemption period for tax delinquent properties is one year from the date of sale. However, Quezon City had enacted a local ordinance, City Ordinance No. SP-91, S-93 (Quezon City Revenue Code of 1993), which specified that the redemption period is one year from the date of annotation of the sale at the proper registry. Despite being seemingly conflicting, special provisions of local ordinances were harmonized with R.A. No. 7160 by defining the redemption period as one year from annotation.

3. **Procedure and Due Process:**

The Court concluded that RCBC's invocation of the Quezon City Revenue Code provisions at a later stage did not fundamentally alter the nature of the issues nor violate due process, as opposing parties were given opportunities to address these new points.

The revision emphasized local autonomy and the intent of the local ordinance to define the terms within the broader framework of R.A. No. 7160. Therefore, the Court upheld the RTC's decision favoring RCBC, affirming the proper exercise of the right to redemption under the local law.

Doctrine:

- **Repeal of P.D. No. 464 by R.A. No. 7160:** R.A. No. 7160 supersedes and repeals P.D. No. 464; all procedures and computations regarding real property tax since January 1, 1992, must adhere to R.A. No. 7160.

- **Commencement of Redemption Period:** In Quezon City, the redemption period is counted from the annotation date in the proper registry, as per local ordinances unless otherwise specified.

Class Notes:

- **Real Property Tax Code Repeal:** P.D. No. 464 was repealed by R.A. No. 7160 effective January 1, 1992 (Sec. 534, R.A. 7160).

- **Redemption Period:** Under Section 261 of R.A. 7160, it commences from the date of sale, but local ordinances can define specific terms, indicating from the date of annotation.

- **Local Government Code Autonomy:** Local units have the power to create and enforce taxes and revenue codes within constitutional and statutory limits (Sec. 5, Article X of the 1987 Constitution; Sec. 14(a)(7), Quezon City Revenue Code of 1993).

****Historical Background:****

The conflict arose from differing interpretations of tax redemption periods between national laws and local ordinances. The issue highlights the balance of powers between national and local governance and how specific local contexts can necessitate deviations from general laws. This case is a significant ruling on the autonomy of local government units and clarifies the applicable legal framework for property tax matters in the Philippines.