

****Title: Tuzon & Mapagu v. CA & Jurado****

****Facts:****

On March 14, 1977, the Sangguniang Bayan of Camalaniugan, Cagayan, issued Resolution No. 9, mandating a 1% donation from palay thresher operators applying for a permit to help fund the construction of a Sports and Nutrition Center. The document prepared to enforce this was created by Mapagu, the municipal treasurer, requiring signature from the thresher operators indicating their agreement to donate 1% of their palay threshed.

Saturnino T. Jurado sent his agent to pay for a thresher license. The payment was refused by Mapagu unless Jurado secured a mayor's permit first, which Mayor Domingo Tuzon conditioned upon signing the agreement as per Resolution No. 9. Jurado declined to sign and sent the payment by postal money order, which was returned due to non-compliance.

Jurado filed a mandamus action with damages in the Court of First Instance (CFI) of Cagayan on April 4, 1977, to compel the issuance of the permit. On May 31, 1977, he filed another petition for declaratory judgment against the resolution and agreement for their illegality. The CFI upheld the resolution and dismissed the damages claims.

Jurado appealed, and the Court of Appeals (CA) validated the resolution but found Tuzon and Mapagu in bad faith, awarding Jurado P20,000 in actual damages, P5,000 in moral damages, and P3,000 in attorney's fees. Petitioners Tuzon and Mapagu then sought relief from the Supreme Court (SC).

****Issues:****

1. Whether the refusal to issue the mayor's permit and license to Jurado constituted bad faith on the part of the petitioners.
2. Whether compliance with Resolution No. 9 was mandatory despite the CA's ruling.
3. Whether the CA erred in awarding damages to Jurado despite the CFI finding no bad faith or malice by the petitioners.

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

****1. Bad Faith Determination:****

The SC determined that the petitioners acted within their official capacity, without personal spite or gross negligence, and uniformly applied the resolution without discrimination. The

record indicated that they did not personally benefit from the refusal to issue the permit. There was no evidence showing they singled out Jurado for persecution, nor were they his business competitors.

****2. Obligation to Enforce Resolution No. 9:****

The SC established that as long as the resolution was not judicially declared invalid, its legality was presumed. Thus, petitioners were obliged to enforce it, despite differing interpretations about its validity and mandatory nature.

****3. Award of Damages:****

The SC found no evidence of bad faith or malice and reversed the CA's decision to award damages. The Court held that erroneous interpretations of an ordinance do not constitute bad faith warranting damages. Jurado could have continued his operations by signing the agreement under protest while challenging it in court, mitigating his own losses.

****Doctrine:****

- Public officials are presumed to act within their duties unless there is substantial evidence showing bad faith, malice, or gross negligence.
- Good faith actions performed within official capacity should not result in personal liability.
- An ordinance or resolution is presumed valid until judicially declared otherwise.
- Article 27 of the Civil Code requires malice or inexcusable negligence for a public official to be liable for damages.
- Officials enforcing regulations or ordinances without the intent of personal gain or malice are protected from personal liability.

****Class Notes:****

- ****Article 27, Civil Code:**** A public servant may be liable for damages if he refuses, without just cause, to perform an official duty (malice/inexcusable negligence required).
- ****Public Officer Liability:**** Generally protected when acting within scope of authority unless bad faith or malice is present.
- ****Presumed Validity of Ordinances:**** Laws and regulations must be adhered to until deemed invalid by a court.
- ****Local Tax Code Requirements:**** Public hearings, proper approval, and publication are critical in enacting tax ordinances.

****Historical Background:****

The case highlights the balancing act between local government fundraising initiatives and the rights of individuals operating businesses within their jurisdiction during the 1970s. The issuance underscores the administrative complexities and legal interpretations faced by local officials under the 1973 Constitution and the Local Tax Code in the Philippines.