

JOSE T. VELASQUEZ, PETITIONER AND APPELLEE, VS. THE HON. PEDRO K. CORONEL, ETC., RESPONDENT AND APPELLANT.*G.R. No. L-18745. August 30, 1962*

Ponente: BAUTISTA ANGELO, J.

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On August 3, 1953, the Acting Provincial Treasurer of Rizal advertised for sale at public auction two parcels of land situated in Las Piñas, Rizal to pay certain real property taxes due for 1949 to 1953 from Eduardo Guico and Narciso Mayuga, respectively. The land belonging to Guico contains an area of 383,099 sq. m. and has an assessed value of P4,730.00 while that of Mayuga contains an area of 245,329 sq. m. and has an assessed value of P7,500.00. The land tax due from Mayuga, including penalty and costs, amounted to P470.19, and that due from Guico amounted to P261.58.

On August 24, 1953, Jose T. Velasquez offered the sum of P520.19 for the property of Mayuga and the sum of P311.58 for the property of Guico, which bids were duly accepted and for which the deputy provincial treasurer issued in his favor the corresponding certificates of sale on August 25, 1953.

On September 17, 1954, Velasquez sent a letter to the provincial treasurer requesting him that he execute in his favor the final deed of sale covering the properties purchased by him it appearing that their owners failed to redeem the same within the period of one year, but the latter in his reply stated that he could not accede to the request because the prices he paid for the lands were unconscionable in view of an opinion rendered by the Secretary of Justice in a similar case. In the same letter, Velasquez was advised that the amount he had paid for the properties, plus 20% interest thereon, would be refunded to him if he would return the original of the official receipt issued to him for the payment of said amount. Whereupon, Velasquez complained to the Secretary of Finance against the treasurer's refusal to issue the final deed of sale in his favor, but said Secretary wrote Velasquez telling him that he was sustaining the action taken by the treasurer.

As a consequence, Velasquez filed a petition for mandamus before the Court of First Instance of Rizal praying that the Provincial Treasurer of Rizal be ordered to execute in his favor the final deed of sale covering the parcels of land he had purchased belonging to Narciso Mayuga and Eduardo Guico.

The case having been submitted on the pleadings and on the stipulation of facts agreed upon by the parties, the court a quo rendered decision granting the petition. It ordered respondent, after the decision had become final, to execute in favor of petitioner the necessary final deed of sale as requested in the petition.

The case is now before us in view of the appeal taken by respondent as certified to us by the Court of Appeals.

There is no dispute that the parcels of land in question were advertised for sale at public auction in view of the delinquency on the part of their owners in the payment of land taxes corresponding to several years, and that on the date of the sale they were sold to petitioner as the highest bidder for the sums of P520.19 and P311.58 whose bid was duly accepted by respondent and for which the corresponding certificates of sale were issued in his favor.

The evidence shows that all the steps leading to the sale at public auction of said parcels of land as required by law had been complied with. As a matter of fact, respondent treasurer did not put in issue the legality of any step taken leading to the sale and refused to execute the final deed of sale simply because the prices paid for the lands were unconscionable. There is also no question that the period of one year within which the lands may be redeemed by their owners had already expired and that neither of them has made any attempt to effect their redemption.

The question that now arises is: Can respondent treasurer refuse to execute the final deed of sale on the ground that the prices paid for the lands were unconscionable even if their owners have not interfered nor raised any issue with regard to their validity?

Our answer is in the negative it appearing that all the steps leading to the sale at public auction of the properties in question had been complied with and the period of one year from the date of the original sale had already expired without the delinquent taxpayers having effected their redemption. In such eventuality it is the duty of the provincial treasurer to execute in favor of the purchase an instrument sufficient in form to convey title to the lands free from any encumbrance whatsoever. Thus, under Section 40 of Commonwealth Act No. 470, known as the Assessment Law, "In case the delinquent taxpayer does not repurchase the property sold as herein provided within the period of one year from the date of the sale, the provincial treasurer shall make an instrument sufficient in form and effect to convey to the purchaser the property purchased by him, * * * free from any encumbrance whatsoever."

It is true that respondent treasurer now claims that the prices for which the lands were sold are unconscionable considering the wide divergence between their assessed values and the amounts for which they had been actually sold. However, while in ordinary sales for reasons of equity a transaction may be invalidated on the ground of inadequacy of price, or when such inadequacy shocks one's conscience as to justify the courts to interfere, such does not follow when the law gives to the owner the right to redeem, as when a sale is made at public auction, upon the theory that the lesser the price the easier it is for the owner to effect the redemption. And so it was aptly said: "When there is the right to redeem, inadequacy of price should not be material, because the judgment debtor may reacquire the property or else sell his right to redeem and thus recover the loss he claims to have suffered by reason of the price obtained at the auction sale."^[1] (Italics supplied)

The contention that the procedure set by law in the sale at public auction of delinquent real property was not followed because the whole property was sold and not only so much thereof as may be necessary to satisfy the taxes and penalties due, cannot also be sustained it appearing that what was actually followed is precisely what the law prescribes on the matter. Thus, the court a quo found that the official who conducted the sale at first offered to sell only a portion, then he offered to sell 1/2, and later 3/4, and finally when nobody offered to buy or submit any bid, he offered to sell the property as a whole. This is what was alleged in the petition, and although no evidence was actually submitted to substantiate it, the same was not however denied by respondent and as such it is deemed admitted. Respondent is, therefore, now estopped from assailing the validity of the sale based on that procedural ground.

It appearing that under Section 40 of Commonwealth Act No. 470 in case a delinquent taxpayer does not repurchase the property sold within a period of one year from the date of sale it becomes a mandatory duty of the provincial treasurer to issue in favor of the purchaser a final deed of sale, the court a quo acted properly in granting the relief prayed for contrary to the claim of respondent.

Wherefore, the decision appealed from is affirmed, without pronouncement as to costs.

Bengzon, C. J., Padilla, Labrador, Concepcion, Reyes, J. B. L., Paredes, Dizon, Regala, and Makalintal, JJ.,

concur.

[1] Tolentino vs. Agcaoili, et al., G. R. Nos. L-4349-51, May 28, 1952; See also Barrozo vs. Macaraeg, et al., 83 Phil., 379.

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