

JULIAN M. MANANSALA, PLAINTIFF AND APPELLANT, VS. LUCAS BARON, ET AL., DEFENDANTS AND APPELLEES.

G.R. No. 11058. June 30, 1959

Ponente: PADILLA, J.

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PADILLA, J.:

This is an appeal from a judgment of the Court or First Instance of Manila dismissing the plaintiffs complaint (civil No. 27852). The facts are not disputed, the appellant having signified his intention to raise questions of law principally and questions of fact incidentally. In his brief, the appellant does not question the findings of fact of the trial court.

This case involves the ownership of a parcel of land and the improvements existing thereon consisting of a two-story building of strong materials situated at Nos. 601 & 603 Isabel (Corner F. Jocson Streets, Sampaloc, Manila, and more particularly described as follows:

"PARCELA DE TEBRENO No. 14 Manzana No. 124 de la Subdivision de Solucan, con la casa de dos plantas de materiales fuertes,. sefialada con los Nos. 803 al 307 de la Calle Isabel. Linda por el SE, con la Calle Feliciano Jocson; por el SW, con la parcela 28r por el NW, con la parcela 13; y por el NE, con. la Calle Isabel,. conteniendo Una extension superficial de CIENTO OCHIENTA Y SIETE: METROS CUADRADOS CON CINCUENTA DICIMETROS (187.50).

At the trial, the attorneys for both parties entered into the following partial stipulation of facts:

"1. That they agree on the identity, location and description of the property in question as described in Par. 3 of the complaint and that they likewise agree on the identity of the parties, plaintiff and defendants;

"2. That the plaintiff paid to the City Treasurer of Manila the sum of P611.80 on April 2, 1949, under Official Receipt No. 63220-V certified copy of which receipt is hereto attached as Annex 'A'; the sum of P850.00 on January 3, 1950, as per official receipt No. 380415-V, hereto attached as Annex 'A-1'; and the sum of P368.49 on May 4, 1950, as per official receipt «No. 528339-V, hereto attached as Annex 'A-2';

"3. That the property in question is covered by Transfer Certificate of Title No. 63708, issued in the name of Marcelina David, predecessor-in-interest of the defendants, from whom the latter inherited said property, which Transfer Certificate of Title is in the possession of the defendants; and

"4. That all other facts not covered by this stipulation of facts shall be covered by evidence which the parties may wish to adduce in court."

It appears that the same parcel of land and its improvements were the subject-matter of the litigation in Civil Case No. 948 of this Court between Julian M. Manansala and Marcelina David, predecessor-in-interest of the herein defendants, in which said plaintiff; sought to annul two documents, the one a deed of sale and conveyance of said property and the other, a contract of lease and option to repurchase the same property, on the ground that they did not express the true agreement of the parties. During the pendency of said action, Marcelina David died and she, was substituted by the herein defendants as her heirs. In (a) decision rendered

by this Court on March 7, 1950, the defendants were absolved from the complaint and the plaintiff was ordered to vacate said property and to pay the former the sum of P96.00 a month as rent therefor, beginning September 24, 1941, until the premises were surrendered to the defendants by the plaintiff. This decision was affirmed by the Court of Appeals on April 26, 1955.[1]

It further appears that during the pendency of said civil case No. 948, in this Court and in the Court of Appeals, the land taxes for said property corresponding to the years 1945, 1946, 1947, and 1948, inclusive, were not paid, because of which, it was among those that were advertised in the Bagong Balita in its issues of March 2, 9 and 16, 1948, which were to be sold at public auction on April 2, 1948. However, at the public auction held on the date aforesaid, there was no bidder for said property.

On September 14, 1948, the plaintiff Julian M. Manansala; as the declared owner of said property in the tax rolls in the office of the City Treasurer of Manila, was notified by the latter that the same was forfeited to the City in the public auction sale conducted by him on April 2, 1948, and informed him that he had one year from the date of sale within which to redeem said property. On April 2, 1949, or before the expiration of said one year, plaintiff Julian M. Manansala entered into a compromise agreement (Exhibit "C") with the City Treasurer of the City of Manila, as follows:

"I hereby acknowledge to be indebted to the City Treasurer of Manila for real estate taxes and other charges due on my property at 405 Isabel and F. Jocson, Sampaloc, which was forfeited at the tax sale conducted by the office of the City Treasurer on April 2, 1948, in the total amount of P1,424.25, which I hereby promise to settle in the following manner:

"The amount of P611.80 to be paid at this writing and the balance of P812.45, 30 days hereafter.

"I hereby further agree that should I fail to pay the amount of P812.45 on or before the time limit given the City Treasurer is given full authority to confiscate the said property and to take such action as he may deem necessary on the premise."

On the same date, plaintiff paid to the City Treasurer the sum of P611.80 under Official Receipt No. 63220-V.

It seems, however, that the plaintiff failed to comply with said compromise agreement because on August 3, 1959, the City Treasurer invited his attention to his letter of May 10, 1949, and to the compromise agreement signed by him of April 2, 1949, in connection with the payment of the balance of P812.45 which he promised to pay within 30 days from April 2, 1949, otherwise the City Treasurer would "proceed with the confiscation of the property in accordance with the provisions of the Revised Charter, of the City of Manila" (Exhibit "I"). On September 21, 1949, another demand was made upon the plaintiff by the City Treasurer, who gave him 10 days from his receipt of the letter within which to pay said balance "in order to avoid the outright confiscation of the property". On January 3, 1950, plaintiff paid to the City Treasurer the sum of P850.00 under Official Receipt No. 380415-V, and on May 4, 1960, he paid the balance of P368.49 under Official Receipt No. 528339-V. Upon his payment of the last amount, the City Treasurer issued in his favor a certificate of repurchase (Exhibit "A") which reads as follows:

"This is to certify that the land and improvements located at No. 405 Isabel and 251 F. Jocson (Lot 14, Block 124), forfeited to the City of Manila, at the public sale conducted by the undersigned, on April-2, 1948, has been repurchased by Mr. Julian M. Manansala.

"The amount of P1,828.49 representing taxes, penalties and costs, including interest, was paid under Official Receipts Nos. 63220, 380415 and 528339, dated April 4, 1949, January 3, 1950, and May 4, 1950, respectively."

Plaintiff now alleges in his complaint that by virtue of said Exhibit "A", he "acquired and became the absolute legal owner" of said property. He proceeds upon the theory that when the property in question was advertised for sale at public auction for tax delinquency on April 2, 1949, and there was no bidder for it at said auction,

said property was forfeited to the City of Manila; and that when the defendants and their predecessor-in-interest failed to exercise their right of redemption within the period prescribed by law, said forfeiture was rendered absolute and property passed to the ownership of the City of Manila.

Section 72, Republic Act No. 409, provides:

In case there is no bidder at the public sale of such realty who offers a sum sufficient to pay the taxes, penalties, and costs, the city assessor and collector shall declare the real estate forfeited to the city, and shall make, within two days thereafter, a return of his proceedings and the forfeiture, which shall be spread upon the records of his office.[1]

Section 73 of the same Act provides:

Within one year from the date of such forfeiture thus declared the taxpayer, or anyone for him, may redeem said realty as above provided in cases where the same is sold. But, if the realty is not thus redeemed within the year, the forfeiture shall become absolute and the city treasurer shall execute a deed, similar in form as having the same effect as the deed required to be made by him in case of a sale, conveying the real estate to the city. The deed shall be recorded as required by law or other real estate titles and shall then be forwarded to the mayor for notation and return to the city treasurer who shall file the same and enter it in his records of property.[2]

As found by the trial court, the property in, question was declared in the name of the appellant for purposes of taxation. During the pendency of the case between him and the appellees' predecessor-in-interest, the realty tax due on the property for the years 1945, 1946, 1947 and 1948 were not paid and for that reason the same was advertised for sale at public auction on 2 April 1948 in the Bagong Balita. As there was no bidder at the public sale, it was declared forfeited to the City of Manila. On 14 September 1948 the appellant was notified of that fact by the City Treasurer of Manila and that he had one year from the date of forfeiture within which to redeem the property. On 2 April 1949 the appellant entered into a compromise agreement with the City Treasurer for the redemption of the property. After several extensions of time within which to pay the amounts due, the appellant finally made good his promise and undertaking. On 9 May 1950 the City Treasurer issued a "Certificate of Repurchase" in favor of the appellant. The appellant did not purchase the property at the public sale conducted on 2 April 1948, for nobody bid for it, but within one year from date of forfeiture he, as declared owner, redeemed the property to prevent the loss of whatever right he might have in it, which was then under litigation between him and the appellees' predecessor-in-interest. As correctly held by the trial court Exhibit A is not the tax deed mentioned in section 71 of Republic Act No. 409, which must be "inform and effect sufficient to convey to the purchaser so much of the real estate against which the taxes have been assessed as has been sold, free from all liens of any kind whatsoever, and the deed shall succinctly recite all the proceedings upon which the validity of the sale depends." The tax deed contemplated in section 71 is that issued to a third person who buys the property at the public sale after the owner or anybody in his behalf has failed to redeem it within one year from the date of sale. To sustain the appellant's contention would in effect nullify the final judgment rendered by the Court of Appeals holding that the appellee's predecessors-in-interest was the owner of the property in question and the judgment of this Court in G. R. No. L-10223 on 29 August 1957 upholding the judgment of the Court of Appeals.

The appellant contends that the appellees cannot assail the validity of the tax sale in his favor because they did not comply with the provisions of section 77, Republic Act No. 409, by paying into court the amount for which the real estate was sold together with interest thereon at the rate of 15 per cent per annum from the date of sale to the time of the filing of the action. That section applies only when it is the owner of the land himself who assails the validity of the tax sale recover the property sold to a third person or forfeited to the City of Manila and not when, as in the case at bar, the property has not been lost or sold to a third person but redeemed by another in behalf of

the true owner and the redemptioner claims ownership over it by virtue of his redemption.

However, considering that by redeeming the property in question from the City of Manila the appellant had prevented its loss to the prejudice of the appellees, he should be reimbursed by the appellees for whatever amount he had paid to the City of Manila for its redemption, with lawful interest from the time of payment to the City of Manila to the date of reimbursement to the appellant.

With the foregoing modification, the judgment appealed from is affirmed, without pronouncement as to costs.

Paras, C. J., Bengzon, Montemayor, Labrador, Concepcion, Endencia, and Barrera, JJ., concur.

Bautista Angelo, J., concurs in the result.

[1] On 24 June 1955 the Supreme Court denied Manansala's petition for certiorari to review the decision of the Court of Appeals (G. R. No. L-9179). In G. R. No. L-10223, he sought to stop the execution of the judgment by filing a petition for certiorari and praying for a writ of preliminary injunction in the Supreme Court. On 29 August 1957 this Court denied his petition and dissolved the writ it had issued.

[(1)] The same as section 2501 Revised Administrative Code.

[2] The same as section 2502 same code.

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