

METROPOLITAN MANILA DEVELOPMENT AUTHORITY, PETITIONER, VS. DANTE O. GARIN, RESPONDENT.

G.R. NO. 130230. April 15, 2005

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

At issue in this case is the validity of Section 5(f) of Republic Act No. 7924 creating the Metropolitan Manila Development Authority (MMDA), which authorizes it to confiscate and suspend or revoke driver's licenses in the enforcement of traffic laws and regulations.

The issue arose from an incident involving the respondent Dante O. Garin, a lawyer, who was issued a traffic violation receipt (TVR) and his driver's license confiscated for parking illegally along Gandara Street, Binondo, Manila, on 05 August 1995. The following statements were printed on the TVR:

YOU ARE HEREBY DIRECTED TO REPORT TO THE MMDA TRAFFIC OPERATIONS CENTER PORT AREA MANILA AFTER 48 HOURS FROM DATE OF APPREHENSION FOR DISPOSITION/APPROPRIATE ACTION THEREON. CRIMINAL CASE SHALL BE FILED FOR FAILURE TO REDEEM LICENSE AFTER 30 DAYS.

VALID AS TEMPORARY DRIVER'S LICENSE FOR SEVEN DAYS FROM DATE OF APPREHENSION.[1]

Shortly before the expiration of the TVR's validity, the respondent addressed a letter[2] to then MMDA Chairman Prospero Oreta requesting the return of his driver's license, and expressing his preference for his case to be filed in court.

Receiving no immediate reply, Garin filed the original complaint[3] with application for preliminary injunction in Branch 260 of the Regional Trial Court (RTC) of Parañaque, on 12 September 1995, contending that, in the absence of any implementing rules and regulations, Sec. 5(f) of Rep. Act No. 7924 grants the MMDA unbridled discretion to deprive erring motorists of their licenses, pre-empting a judicial determination of the validity of the deprivation, thereby violating the due process clause of the Constitution. The respondent further contended that the provision violates the constitutional prohibition against undue delegation of legislative authority, allowing as it does the MMDA to fix and impose unspecified – and therefore unlimited - fines and other penalties on erring motorists.

In support of his application for a writ of preliminary injunction, Garin alleged that he suffered and continues to suffer great and irreparable damage because of the deprivation of his license and that, absent any implementing rules from the Metro Manila Council, the TVR and the confiscation of his license have no legal basis.

For its part, the MMDA, represented by the Office of the Solicitor General, pointed out that the powers granted to it by Sec. 5(f) of Rep. Act No. 7924 are limited to the fixing, collection and imposition of fines and penalties for traffic violations, which powers are legislative and executive in nature; the judiciary retains the right to determine

the validity of the penalty imposed. It further argued that the doctrine of separation of powers does not preclude “admixture” of the three powers of government in administrative agencies.[4]

The MMDA also refuted Garin’s allegation that the Metro Manila Council, the governing board and policy making body of the petitioner, has as yet to formulate the implementing rules for Sec. 5(f) of Rep. Act No. 7924 and directed the court’s attention to MMDA Memorandum Circular No. TT-95-001 dated 15 April 1995. Respondent Garin, however, questioned the validity of MMDA Memorandum Circular No. TT-95-001, as he claims that it was passed by the Metro Manila Council in the absence of a quorum.

Judge Helen Bautista-Ricafort issued a temporary restraining order on 26 September 1995, extending the validity of the TVR as a temporary driver’s license for twenty more days. A preliminary mandatory injunction was granted on 23 October 1995, and the MMDA was directed to return the respondent’s driver’s license.

On 14 August 1997, the trial court rendered the assailed decision[5] in favor of the herein respondent and held that:

- There was indeed no quorum in that First Regular Meeting of the MMDA Council held on March 23, 1995, hence MMDA Memorandum Circular No. TT-95-001, authorizing confiscation of driver’s licenses upon issuance of a TVR, is void ab initio.
- The summary confiscation of a driver’s license without first giving the driver an opportunity to be heard; depriving him of a property right (driver’s license) without DUE PROCESS; not filling (sic) in Court the complaint of supposed traffic infraction, cannot be justified by any legislation (and is) hence unconstitutional.

WHEREFORE, the temporary writ of preliminary injunction is hereby made permanent; th(e) MMDA is directed to return to plaintiff his driver’s license; th(e) MMDA is likewise ordered to desist from confiscating driver’s license without first giving the driver the opportunity to be heard in an appropriate proceeding.

In filing this petition,[6] the MMDA reiterates and reinforces its argument in the court below and contends that a license to operate a motor vehicle is neither a contract nor a property right, but is a privilege subject to reasonable regulation under the police power in the interest of the public safety and welfare. The petitioner further argues that revocation or suspension of this privilege does not constitute a taking without due process as long as the licensee is given the right to appeal the revocation.

To buttress its argument that a licensee may indeed appeal the taking and the judiciary retains the power to determine the validity of the confiscation, suspension or revocation of the license, the petitioner points out that under the terms of the confiscation, the licensee has three options:

- To voluntarily pay the imposable fine,
- To protest the apprehension by filing a protest with the MMDA Adjudication Committee, or
- To request the referral of the TVR to the Public Prosecutor’s Office.

The MMDA likewise argues that Memorandum Circular No. TT-95-001 was validly passed in the presence of a quorum, and that the lower court’s finding that it had not was based on a “misapprehension of facts,” which the petitioner would have us review. Moreover, it asserts that though the circular is the basis for the issuance of TVRs, the basis for the summary confiscation of licenses is Sec. 5(f) of Rep. Act No. 7924 itself, and that such power is self-executory and does not require the issuance of any implementing regulation or circular.

Meanwhile, on 12 August 2004, the MMDA, through its Chairman Bayani Fernando, implemented Memorandum Circular No. 04, Series of 2004, outlining the procedures for the use of the Metropolitan Traffic Ticket (MTT)

scheme. Under the circular, erring motorists are issued an MTT, which can be paid at any Metrobank branch. Traffic enforcers may no longer confiscate drivers' licenses as a matter of course in cases of traffic violations. All motorists with unredeemed TVRs were given seven days from the date of implementation of the new system to pay their fines and redeem their license or vehicle plates.[7]

It would seem, therefore, that insofar as the absence of a prima facie case to enjoin the petitioner from confiscating drivers' licenses is concerned, recent events have overtaken the Court's need to decide this case, which has been rendered moot and academic by the implementation of Memorandum Circular No. 04, Series of 2004.

The petitioner, however, is not precluded from re-implementing Memorandum Circular No. TT-95-001, or any other scheme, for that matter, that would entail confiscating drivers' licenses. For the proper implementation, therefore, of the petitioner's future programs, this Court deems it appropriate to make the following observations:

- A license to operate a motor vehicle is a privilege that the state may withhold in the exercise of its police power.

The petitioner correctly points out that a license to operate a motor vehicle is not a property right, but a privilege granted by the state, which may be suspended or revoked by the state in the exercise of its police power, in the interest of the public safety and welfare, subject to the procedural due process requirements. This is consistent with our rulings in *Pedro v. Provincial Board of Rizal*[8] on the license to operate a cockpit, *Tan v. Director of Forestry*[9] and *Oposa v. Factoran*[10] on timber licensing agreements, and *Surigao Electric Co., Inc. v. Municipality of Surigao*[11] on a legislative franchise to operate an electric plant.

Petitioner cites a long list of American cases to prove this point, such as *State ex. Rel. Sullivan*,[12] which states in part that, "the legislative power to regulate travel over the highways and thoroughfares of the state for the general welfare is extensive. It may be exercised in any reasonable manner to conserve the safety of travelers and pedestrians. Since motor vehicles are instruments of potential danger, their registration and the licensing of their operators have been required almost from their first appearance. The right to operate them in public places is not a natural and unrestrained right, but a privilege subject to reasonable regulation, under the police power, in the interest of the public safety and welfare. The power to license imports further power to withhold or to revoke such license upon noncompliance with prescribed conditions."

Likewise, the petitioner quotes the Pennsylvania Supreme Court in *Commonwealth v. Funk*,[13] to the effect that: "Automobiles are vehicles of great speed and power. The use of them constitutes an element of danger to persons and property upon the highways. Carefully operated, an automobile is still a dangerous instrumentality, but, when operated by careless or incompetent persons, it becomes an engine of destruction. The Legislature, in the exercise of the police power of the commonwealth, not only may, but must, prescribe how and by whom motor vehicles shall be operated on the highways. One of the primary purposes of a system of general regulation of the subject matter, as here by the Vehicle Code, is to insure the competency of the operator of motor vehicles. Such a general law is manifestly directed to the promotion of public safety and is well within the police power."

The common thread running through the cited cases is that it is the legislature, in the exercise of police power, which has the power and responsibility to regulate how and by whom motor vehicles may be operated on the state highways.

2. The MMDA is not vested with police power.

In *Metro Manila Development Authority v. Bel-Air Village Association, Inc.*,[14] we categorically stated that Rep. Act No. 7924 does not grant the MMDA with police power, let alone legislative power, and that all its

functions are administrative in nature.

The said case also involved the herein petitioner MMDA which claimed that it had the authority to open a subdivision street owned by the Bel-Air Village Association, Inc. to public traffic because it is an agent of the state endowed with police power in the delivery of basic services in Metro Manila. From this premise, the MMDA argued that there was no need for the City of Makati to enact an ordinance opening Neptune Street to the public.

Tracing the legislative history of Rep. Act No. 7924 creating the MMDA, we concluded that the MMDA is not a local government unit or a public corporation endowed with legislative power, and, unlike its predecessor, the Metro Manila Commission, it has no power to enact ordinances for the welfare of the community. Thus, in the absence of an ordinance from the City of Makati, its own order to open the street was invalid.

We restate here the doctrine in the said decision as it applies to the case at bar: police power, as an inherent attribute of sovereignty, is the power vested by the Constitution in the legislature to make, ordain, and establish all manner of wholesome and reasonable laws, statutes and ordinances, either with penalties or without, not repugnant to the Constitution, as they shall judge to be for the good and welfare of the commonwealth, and for the subjects of the same.

Having been lodged primarily in the National Legislature, it cannot be exercised by any group or body of individuals not possessing legislative power. The National Legislature, however, may delegate this power to the president and administrative boards as well as the lawmaking bodies of municipal corporations or local government units (LGUs). Once delegated, the agents can exercise only such legislative powers as are conferred on them by the national lawmaking body.

Our Congress delegated police power to the LGUs in the Local Government Code of 1991.[15] A local government is a "political subdivision of a nation or state which is constituted by law and has substantial control of local affairs." [16] Local government units are the provinces, cities, municipalities and barangays, which exercise police power through their respective legislative bodies.

Metropolitan or Metro Manila is a body composed of several local government units. With the passage of Rep. Act No. 7924 in 1995, Metropolitan Manila was declared as a "special development and administrative region" and the administration of "metro-wide" basic services affecting the region placed under "a development authority" referred to as the MMDA. Thus:

. . . [T]he powers of the MMDA are limited to the following acts: formulation, coordination, regulation, implementation, preparation, management, monitoring, setting of policies, installation of a system and administration. There is no syllable in R. A. No. 7924 that grants the MMDA police power, let alone legislative power. Even the Metro Manila Council has not been delegated any legislative power. Unlike the legislative bodies of the local government units, there is no provision in R. A. No. 7924 that empowers the MMDA or its Council to "enact ordinances, approve resolutions and appropriate funds for the general welfare" of the inhabitants of Metro Manila. The MMDA is, as termed in the charter itself, a "development authority." It is an agency created for the purpose of laying down policies and coordinating with the various national government agencies, people's organizations, non-governmental organizations and the private sector for the efficient and expeditious delivery of basic services in the vast metropolitan area. All its functions are administrative in nature and these are actually summed up in the charter itself, viz:

"Sec. 2. Creation of the Metropolitan Manila Development Authority. -- -x x x.

The MMDA shall perform planning, monitoring and coordinative functions, and in the process exercise regulatory and supervisory authority over the delivery of metro-wide services within Metro Manila, without diminution of the autonomy of the local government units concerning purely local matters."

....

Clearly, the MMDA is not a political unit of government. The power delegated to the MMDA is that given to the Metro Manila Council to promulgate administrative rules and regulations in the implementation of the MMDA's functions. There is no grant of authority to enact ordinances and regulations for the general welfare of the inhabitants of the metropolis. [17] (footnotes omitted, emphasis supplied)

Therefore, insofar as Sec. 5(f) of Rep. Act No. 7924 is understood by the lower court and by the petitioner to grant the MMDA the power to confiscate and suspend or revoke drivers' licenses without need of any other legislative enactment, such is an unauthorized exercise of police power.

3. Sec. 5(f) grants the MMDA with the duty to enforce existing traffic rules and regulations.

Section 5 of Rep. Act No. 7924 enumerates the "Functions and Powers of the Metro Manila Development Authority." The contested clause in Sec. 5(f) states that the petitioner shall "install and administer a single ticketing system, fix, impose and collect fines and penalties for all kinds of violations of traffic rules and regulations, whether moving or nonmoving in nature, and confiscate and suspend or revoke drivers' licenses in the enforcement of such traffic laws and regulations, the provisions of Rep. Act No. 4136[18] and P.D. No. 1605[19] to the contrary notwithstanding," and that "(f)or this purpose, the Authority shall enforce all traffic laws and regulations in Metro Manila, through its traffic operation center, and may deputize members of the PNP, traffic enforcers of local government units, duly licensed security guards, or members of non-governmental organizations to whom may be delegated certain authority, subject to such conditions and requirements as the Authority may impose."

Thus, where there is a traffic law or regulation validly enacted by the legislature or those agencies to whom legislative powers have been delegated (the City of Manila in this case), the petitioner is not precluded – and in fact is duty-bound – to confiscate and suspend or revoke drivers' licenses in the exercise of its mandate of transport and traffic management, as well as the administration and implementation of all traffic enforcement operations, traffic engineering services and traffic education programs.[20]

This is consistent with our ruling in *Bel-Air* that the MMDA is a development authority created for the purpose of laying down policies and coordinating with the various national government agencies, people's organizations, non-governmental organizations and the private sector, which may enforce, but not enact, ordinances.

This is also consistent with the fundamental rule of statutory construction that a statute is to be read in a manner that would breathe life into it, rather than defeat it,[21] and is supported by the criteria in cases of this nature that all reasonable doubts should be resolved in favor of the constitutionality of a statute.[22]

A last word. The MMDA was intended to coordinate services with metro-wide impact that transcend local political boundaries or would entail huge expenditures if provided by the individual LGUs, especially with regard to transport and traffic management,[23] and we are aware of the valiant efforts of the petitioner to untangle the increasingly traffic-snarled roads of Metro Manila. But these laudable intentions are limited by the MMDA's enabling law, which we can but interpret, and petitioner must be reminded that its efforts in this respect must be authorized by a valid law, or ordinance, or regulation arising from a legitimate source.

WHEREFORE, the petition is dismissed.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, Callejo, Sr., and Tinga, JJ., concur.

[1] Records, p. 10.

[2] Id., p. 11.

[3] Id., p. 1.

[4] Memorandum for Defendants, Records, pp. 178 -185.

[5] Id., pp. 187-190, penned by Hon. Helen Bautista-Ricafort.

[6] Records, pp. 197-225.

[7] Sec. 7, Mem. Circ. No. 04, Series of 2004.

[8] 56 Phil 123 (1931).

[9] G.R. No. L-24548, 27 October 1983, 125 SCRA 302.

[10] G.R. No. 101083, 30 July 1993, 224 SCRA 792.

[11] G.R. No. L-22766, 30 August 1968, 24 SCRA 898.

[12] 63 P. 2d 653, 108 ALR 1156, 1159.

[13] 323 Pa. 390, 186 A. 65 (108 ALR 1161).

[14] G.R. No. 135962, 27 March 2000, 328 SCRA 836, penned by Justice Reynato S. Puno.

[15] Sec. 16 of Book I of the Local Government Code of 1991 states:

General Welfare.-Every local government unit shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. Within their respective territorial jurisdictions, local government units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants.

[16] Supra, Note 18, p. 844, citing Bernas, The 1987 Constitution of the Philippines, A Commentary, pp. 95-98 [1996], citing UP Law Center Revision Project, Part II, 712 [1970] citing Sady, "Improvement of Local Government Administration for Development Purpose," Journal of Local Administration Overseas 135 [July 1962].

[17] Ibid., pp. 849-860.

[18] Entitled "An Act to Compile the Laws Relative to Land Transportation and Traffic Rules, to Create a Land Transportation Commission and for Other Purposes," approved on 20 June 1964. Sec. 29 thereof states:

Confiscation of driver's license.- Law enforcement and peace officers duly designated by the Commissioner shall, in apprehending any driver for violations of this Act or of any regulations issued pursuant thereto, or of

local traffic rules and regulations, confiscate the license of the driver concerned and issue a receipt prescribed and issued by the Commission therefore which shall authorize the driver to operate a motor vehicle for a period not exceeding seventy-two hours from the time and date of issue of said receipt. The period so fixed in the receipt shall not be extended, and shall become invalid thereafter. Failure of the driver to settle his case within fifteen days from the date of apprehension will cause suspension and revocation of his license. (emphasis supplied)

[19] Entitled “Granting the Metropolitan Manila Commission Certain Powers Related to Traffic Management and Control in Metropolitan Manila, Providing Penalties, and for Other Purposes,” dated 21 November 1978.

SEC. 5.- In case of traffic violations, the driver’s license shall not be confiscated but the erring driver shall be immediately issued a traffic citation ticket prescribed by the Metropolitan Manila Commission which shall state the violation committed, the amount of fine imposed for the violation and an advice that he can make payment to the city or municipal treasurer where the violation was committed or to the Philippine National Bank or Philippine Veteran’s Bank or their branches within seven days from the date of issuance of the citation ticket. (emphasis supplied)

[20] Section 3(b), Rep. Act No. 7924.

[21] Thus, in *Briad Agro Development Corporation v. dela Serna*, (G.R. No. 82805, 29 June 1989, 174 SCRA 524) we upheld the grant of concurrent jurisdiction between the Secretary of Labor or its Regional Directors and the Labor Arbiters to pass upon money claims, among other cases, “the provisions of Article 217 of this Code to the contrary notwithstanding,” as enunciated in Executive Order No. 111. Holding that E.O. 111 was a curative law intended to widen worker’s access to the Government for redress of grievances, we held, “...the Executive Order vests in Regional Directors jurisdiction, ‘[t]he provisions of Article 217 of this Code to the contrary notwithstanding,’ it would have rendered such a proviso - and the amendment itself - useless to say that they (Regional Directors) retained the self-same restricted powers, despite such an amendment. It is fundamental that a statute is to be read in a manner that would breathe life into it, rather than defeat it.” (See also *Philthead Workers Union v. Confessor*, G.R. No. 117169, 12 March 1997, 269 SCRA 393.)

[22] In *Heirs of Ardon v. Reyes*, (G.R. No. 60549, 26 October 1983, 125 SCRA 221) we upheld the constitutionality of Presidential Decree No. 564, the Revised Charter of the Philippine Tourism Authority, and Proclamation No. 2052 declaring certain municipalities in the province of Cebu as tourist zones. The law granted the Philippine Tourism authority the right to expropriate 282 hectares of land to establish a resort complex notwithstanding the claim that certificates of land transfer and emancipation patents had already been issued to them thereby making the lands expropriated within the coverage of the land reform area under Presidential Decree No. 2, and that the agrarian reform program occupies a higher level in the order of priorities than other State policies like those relating to the health and physical well-being of the people, and that property already taken for public use may not be taken for another public use. We held that, “(t)he petitioners have failed to overcome the burden of anyone trying to strike down a statute or decree whose avowed purpose is the legislative perception of the public good. A statute has in its favor the presumption of validity. All reasonable doubts should be resolved in favor of the constitutionality of a law. The courts will not set aside a law as violative of the Constitution except in a clear case (*People v. Vera*, 65 Phil. 56). And in the absence of factual findings or evidence to rebut the presumption of validity, the presumption prevails (*Ermita-Malate Hotel, etc. v. Mayor of Manila*, 20 SCRA 849; *Morfe v. Mutuc*, 22 SCRA 424).”

In the same manner, we upheld in *Dumlao v. COMELEC* (G.R. No. L-52245, 22 January 1980, 95 SCRA 392) the first paragraph of Section 4 of *Batas Pambansa Bilang 52* providing that any retired elective provincial, city or municipal official, who has received payment of the retirement benefits and who shall have been 65 years of age

at the commencement of the term of office to which he seeks to be elected is disqualified to run for the same elective local office from which he has retired. Invoking the need for the emergence of younger blood in local politics, we affirmed that the constitutional guarantee is not violated by a reasonable classification based upon substantial distinctions, where the classification is germane to the purpose of the law and applies to all those belonging to the same class. (See also *Tropical Homes, Inc, v. National Housing Authority*, G.R. No. L-48672, 31 July 1987 152 SCRA 540; *Peralta v. COMELEC*, G.R. No. L-47791, 11 March 1978, 82 SCRA 55; *People v. Vera*, GR No. 45685, 65 Phil 56 [1937].)

[23] Section 3(b), Republic Act No. 7924.

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