

CITY GOVERNMENT OF TAGAYTAY, PETITIONER, VS. URBAN PROPERTY HOLDINGS, INC., RESPONDENT.

G.R. No. 272201 & 272254, August 11, 2025

Ponente: LAZARO-JAVIER, J.

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LAZARO-JAVIER, J.:

These consolidated Petitions for Review on Certiorari[1] seek to reverse the twin dispositions of the Court of Appeals in CA-G.R. CV No. 115650, viz.:

1)

Decision[2] dated July 31, 2023 affirming the ruling of the trial court that Urban Property Holdings, Inc. (UPHI) should continue paying real property taxes to City Government of Calamba (Calamba City) until such time that the apparent boundary dispute thereon between Calamba City and City Government of Tagaytay (Tagaytay City) shall have been resolved in appropriate proceedings; and

2)

Resolution[3] dated February 15, 2024 denying the motion for reconsideration of Tagaytay City.

Antecedents

UPHI filed a Complaint for Quieting of Title, Annulment of Sale, Annulment of Warrants of Levy and Cancellation of Tax Declarations[4] before the Regional Trial Court, Calamba City, Laguna. The case was docketed as Civil Case No. 4414-2010-C and raffled to Branch 36.[5]

According to UPHI, it is in possession of the real properties covered by Transfer Certificate of Title (TCT) Nos. 326701 and 326702 (subject property). As the TCTs themselves bear the place of its location to be within the Municipality of Calamba (now City), and said TCTs are in the custodial jurisdiction and safekeeping of the Register of Deeds of Calamba City, the same were declared for real property tax purposes in Calamba City. Thus, UPHI has been paying real estate properties to the said City.[6]

The present controversy arose when a tax declaration was motu proprio issued by Tagaytay City asserting that a portion of the property under TCT No. 326702 falls under its jurisdiction. Tagaytay City issued Tax Declaration No. 2011-00003-00175 covering this portion, after Rosalinda Reyes (Reyes) acquired the lot through public auction conducted by the Office of the City Treasurer of Tagaytay City, where she was declared the highest bidder.[7] Notably, however, there is no territorial dispute pending before any court. Neither has the Register of Deeds of Tagaytay City made any claim for the transfer of the subject TCTs for its custodial jurisdiction and safekeeping.[8]

UPHI was therefore confused as to which between Calamba City and Tagaytay City should it pay its real estate taxes to on the subject property.[9]

UPHI, thus, filed a complaint for quieting of title, annulment of sale, annulment of warrants of levy and

cancellation of tax declarations against Tagaytay City, Calamba City, Pedro Malabo, Manuel Mendoza, Serafin Opena, Soledad Opena, Virginia Opena, Mamerto Opena, Zacarias Opena, Remegio Bobadilla, and Reyes.[10] UPHI alleged that since both Calamba City and Tagaytay City were claiming jurisdiction over its property, there is now confusion as to which local government unit UPHI should pay real estate taxes to.[11] Too, without any judicial resolution regarding this purported territorial dispute, there exists a risk that the subject property may be sold at a public auction by either city.[12]

For her part, Reyes alleged that she was included as party defendant because Tax Declaration No. 2011-00003-00175 issued by Tagaytay City was registered under her name. The said tax declaration covers land located in Tagaytay City which she acquired through a public auction conducted by the Office of the City Treasurer of Tagaytay City where she was declared as the highest bidder. She was unaware that there were titles covering the area of the subject lot of Tax Declaration No. 2011-00003-00175 issued by the Register of Deeds of Calamba City.[13]

After the issues were joined and matters clarified, the trial court issued its Pre-Trial Order[14] dated September 22, 2011 laying down the following undisputed facts:

- The real properties of UPHI are titled under the Torrens System and expressly recited that they are located in the Municipality (now City) of Calamba, Province of Laguna, Philippine Islands;
- Although Tagaytay City claims it has territorial jurisdiction over the barangays where the properties are located, it concedes that there is no territorial dispute involving the same pending before any courts or tribunals;
- The TCTs of the properties are in the custody and safekeeping of the Register of Deeds of Calamba City; and
- The Register of Deeds of Tagaytay City has not made any claim or request for the transfer of custody and safekeeping of the TCTs of UPHI.[15]

Ruling of the Regional Trial Court

After due proceedings, the trial court rendered its Decision[16] dated December 16, 2019 dismissing the complaint, viz.:

WHEREFORE, in view of the foregoing, judgment is hereby rendered DISMISSING the present case for quieting of title filed by Urban Property Holding Inc. against defendants City Government of Tagaytay, City Government of Calamba, Pedro Malabo, Manuel T. Mendoza, Serafin Opena, Soledad Opena, Virginia Opena, Mamerto Opena, Zacarias Opena, Remegio Bobadilla, Rosalinda Reyes, Honesto C. De Castro, Augusto E. Del Rosario, Rufino Oliva, Sps. Lorenzo & Isabel Oliva, Jorge Oliva, Sps. Nicolas and Dorotea Oliva for being prematurely filed. No costs.

However, plaintiff is enjoined to continue paying real property tax due on the subject properties to Calamba City until such time when the said city and Tagaytay City [are] able to resolve the apparent boundary dispute between them involving Lot 1992-A/Transfer Certificate of Title No. 326702 issued pursuant to Republic Act No. 9024 and Lot Plotting 4322 of the Tagaytay Cadastre made by virtue of Commonwealth Act 338.

The City of Calamba is enjoined to make the initiative through its Sanguniang Panlalawigan to convene with the Sanguniang Panlalawigan of Tagaytay City, and through a joint session, resolve the apparent territorial dispute between them in accordance with Section 118 of the Local Government Code of 1991.

SO ORDERED.[17] (Emphasis in the original)

In so ruling, the trial court explained that it was not convinced that the tax declarations issued by Tagaytay City cast cloud on the titles.[18]

But on UPHI's motion for partial reconsideration, the trial court reversed itself per its Order[19] dated June 5, 2020, viz.:

Wherefore, in view of the foregoing, judgment is hereby rendered GRANTING the Plaintiffs Motion for Partial Reconsideration and hereby declares the following:

1. Urban Property Holding Inc. as the true and lawful, and registered owner of the properties under transfer certificate of title Nos. TCT No. 326701 and TCT No. 326702;

2. Plaintiff is enjoined to continue paying real property tax due on the subject properties to the City of Calamba;

3. The following Tax Declarations with their Assessment of Real Property Numbers (ARPN) are hereby declared null and void:

- a. 2001-003-00004
- b. 2001-003-00020
- c. 2001-003-00022
- d. 2001-003-00023
- e. 2001-003-00028
- f. 2001-003-00029
- g. 2001-003-00033
- h. 2001-003-00034
- i. 2001-003-00035
- j. 2001-003-00060
- k. 2001-003-00037
- l. 2001-003-00003

4. In the event that the Local Government Code of Tagaytay contests that the foregoing lots are within its territorial jurisdiction, the Cities of Calamba and Tagaytay are enjoined to make the initiative through their respective Sangguniang Panglungsod and through a joint session to resolve any territorial dispute between them in accordance with Section 118 of the Local Government Code of 1991.

SO ORDERED.[20]

The Proceedings Before the Court of Appeals

Tagaytay City averred that the trial court erred in exercising jurisdiction over a clear boundary dispute between the cities of Tagaytay and Calamba. There was an existing boundary dispute between the cities of Tagaytay and Calamba and the original jurisdiction over which is vested with the Sanggunian of both cities. The trial court, therefore, had no jurisdiction to determine which city the subject property falls. In declaring null and void the tax declaration of the case, the notice of levy, as well as the auction sale conducted by Tagaytay City in the legitimate exercise of its authority over the property within its jurisdiction, the trial court effectively decided the boundary dispute in favor of Calamba City which is contrary to law.[21]

For her part, Reyes argued that the trial court had no jurisdiction over the subject matter of the case because of an existing boundary dispute. The trial court also has no jurisdiction to declare the tax declarations issued by Tagaytay City as null and void.[22]

Ruling of the Court of Appeals

Under Decision[23] dated July 31, 2023, the Court of Appeals in CA-G.R. CV No. 115650 affirmed. It essentially ruled that there are two indispensable requisites for an action to quiet title to prosper: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the

deed, claim, encumbrance, or proceeding claimed to be casting a cloud on their title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.[24]

The Court of Appeals ruled that the tax declaration issued by Tagaytay City casts a cloud of doubt on UPHI's titles. The bare claim that a boundary dispute exists here cannot divest the trial court of jurisdiction over the complaint. Per Republic Act No. 9024 (Charter of the City of Calamba), the real properties of UPHI form part of the lands covered under the said Charter. This was testified to by Engr. Edgar Barraca, a geodetic engineer and chief of the Regional Surveys Division, Land Management Resources of the Department of Environment and Natural Resources.[25]

Too, Tagaytay City has no right to collect real estate taxes on properties that have not been proven to be within its territorial jurisdiction, especially when Tagaytay City admitted during the pre-trial stages that there was no territorial dispute pending before any court or agencies involving the parties.[26]

Further, a certificate of title is conclusive not only of ownership of the land but also as to its location. TCT No. T-326701 and TCT No. T-326702 registered in the name of UPHI expressly state that the said lots are located in Municipality of Calamba (now City), Province of Laguna. Thus, the TCTs are conclusive as to the properties' location within Calamba City.[27]

Finally, the authority to collect real property taxes is vested in the locality where the property is situated. Verily, for purposes of complying with local tax liabilities, the taxpayer is entitled to rely on the location stated in the certificate of title. Even in cases of boundary disputes, the status of the affected area prior to the dispute shall be maintained and continued for all purposes.[28]

The motion for reconsideration of Tagaytay City was denied under Resolution[29] dated February 15, 2024.

The Present Petitions

Tagaytay City Petition[30] – G.R. No. 272201

Tagaytay City maintains that the action for quieting of title was prematurely filed. Too, the trial court erred in declaring null and void the tax declarations it issued. Finally, there is an existing and recognized boundary dispute between the cities of Tagaytay and Calamba.[31]

The Reyes Petition[32] – G.R. No. 272254

Reyes maintains that the action for quieting of title is not appropriate in this case.[33]

Issues

First, was there a cloud on the title of UPHI?

Second, did the trial court have jurisdiction over the quieting of title case?

Our Ruling

The petitions are denied.

At the outset, a petition for review on certiorari is narrowly confined to any of these two grounds, i.e., (a) when the court a quo has decided a question of substance, not theretofore determined by the Supreme Court, or has decided it in a way probably not in accord with law or with the applicable decisions of the Supreme Court; or (b) when the court a quo has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such departure by a lower court, as to call for an exercise of the power of supervision.[34]

Absent any of these grounds cited or shown in the petition, there is no special reason to warrant the exercise of the

Court's discretionary appellate jurisdiction, as here.

In any event, it must be emphasized that the question of whether there was a cloud on the title of UPHI is evidently factual in nature because it requires an examination of the evidence on record.

An action for quieting of title has for its purpose the determination of the respective rights of the complainant and the other claimants. Any instrument, record, claim, encumbrance or proceeding which appears to be valid or effective but is, in truth and in fact, invalid, ineffective, voidable, or unenforceable, and causes prejudice to a title to real property or any interest therein is considered a cloud thereto which may be removed through an action for quieting of title. This could include any action to prevent a cloud from being cast upon a title to real property or any interest therein.[35]

In an action for quieting of title, the complainant is seeking for an adjudication that a claim of title or interest in property adverse to the claimant is invalid, to free them from the danger of hostile claim, and to remove a cloud upon or quiet title to land where stale or unenforceable claims or demands exist. There are two indispensable requisites for an action to quiet title to prosper: (1) the plaintiff or complainant has a legal or an equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance, or proceeding claimed to be casting a cloud on their title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.[36]

Here, as correctly found by the trial court and Court of Appeals, the quieting of title case was, indeed, proper, as there was a cloud on the title of UPHI that was caused by the numerous tax declarations issued by Tagaytay City without any basis. Verily, the requisites for quieting of title were sufficiently alleged and proven here.

Tagaytay City nevertheless avers that the trial court had no jurisdiction over the case as a boundary dispute exists in the present case.

We cannot agree. As correctly ruled by the trial court and affirmed by the Court of Appeals, there is no existing boundary dispute here.

Notably, Tagaytay City admitted that while it is claiming that the barangays herein are within its territorial jurisdiction, "there is no territorial dispute pending before any courts or executive agencies." [37] More, it admitted that the TCTs of the properties are in the custodial jurisdiction and safekeeping of the Register of Deeds of Calamba City, and that the Register of Deeds of Tagaytay City has not made any claim nor request for transfer of the TCTs to their custody.

Per Republic Act No. 9024, the real properties form part of Calamba City. The properties subject of the case here, specifically registered in the name of "Urban Property Holdings, Inc." were covered by TCT No. T-326701 and TCT No. T-326702. On its face, TCT No. T-326701 covers a parcel of land described as "Lot 1992-A of the subd. Plan Psd, 64315, being a portion of Lot 1992 of the Cad. Survey of Calamba situated in the Bo. Of Gonzalo Bontoc, Mun. of Calamba, Prov. of Laguna xxx." [38] Too, TCT No. T-326702 provides that the land is situated in the "Municipality of Calamba, a parcel of land Lot 1992-B of the subd. Plan Psd, 64315, being a portion of Lot 1992 of the Cad. Survey of Calamba situated in the Bo. Of Gonzalo Bontoc, Mun. of Calamba, Prov. of Laguna." [39]

In *City Government of Tagaytay v. Guerrero*, [40] Tagaytay City levied real estate taxes of certain portions of Birinayan on the pretext that Section 1 of Republic Act No. 1418 only transferred portions thereof to the Province of Batangas despite the absence of any boundary dispute between the two cities. In ruling against Tagaytay City, the Court found that Tagaytay City acted in bad faith when it levied real estate taxes on the properties in question, viz.:

There is no boundary dispute in the case at bar. The RTC did not amend the existing territorial limits of the City of Tagaytay and the Province of Batangas. The entire Barrio Birinayan was transferred to the Municipality of Talisay, Province of Batangas, by virtue of R.A. No. 1418. At present, Barrio Birinayan forms part of the Municipality of Laurel, also in the Province of Batangas, pursuant to R.A. No. 5689. The RTC acted well within its powers when it passed judgment on the nullification of the auction sale of the contested properties, considering that the City of Tagaytay has no right to collect real estate taxes on properties that are not within its territorial jurisdiction.

The City of Tagaytay acted in bad faith when it levied real estate taxes on the subject properties. R.A. No. 1418 became law as early as 1956. The City of Tagaytay is conclusively presumed to know the law that delineates its jurisdiction, more especially when the law, as in this case, is clear and categorical. Men of common intelligence need not guess at its meaning and differ on its application. The entire Barrio Birinayan, not only portions thereof, was transferred to the Province of Batangas. If it was the true intention of the legislature to transfer only certain portions of Barrio Birinayan to the Province of Batangas, it would have plainly stated so in the law.[41]

Similarly, here, the trial court acted well within its powers when it passed judgment on the nullification of the tax declarations issued by Tagaytay City, considering that Tagaytay City has no right to collect real estate taxes on properties that are not within its territorial jurisdiction.

Verily, as correctly ruled by the lower courts, UPHI must continue paying real property taxes due on the subject properties to Calamba City.

ACCORDINGLY, the consolidated Petitions are DENIED. The Decision dated July 31, 2023 and Resolution dated February 15, 2024 of the Court of Appeals in CA-G.R. CV No. 115650 are AFFIRMED.

SO ORDERED.

Leonen, SAJ. (Chairperson), Lopez, Kho, Jr., and Villanueva, JJ., concur.

[1] Rollo (G.R. No. 272201) pp. 14-30 and rollo (G.R. No. 272254), pp. 10-26.

[2] Id. (G.R. No. 272201) at 32-56. Penned by Associate Justice Raymond Reynold R. Lauigan, concurred in by Associate Justices Remedios A. Salazar-Fernando and Pablito A. Perez, First Division, Court of Appeals, Manila.

[3] Id. (G.R. No. 272201) at 58-62.

[4] Id. (G.R. No. 272201) at 64-80.

[5] Id. (G.R. No. 272201) at 34, 64.

[6] Id. (G.R. No. 272254) at 30-31.

[7] Id. (G.R. No. 272201) at 65-66.

[8] Id. (G.R. No. 272254) at 31.

[9] Id. (G.R. No. 272254).

[10] Id. (G.R. No. 272254) at 30.

[11] Id. (G.R. No. 272254) at 31.

[12] Id. (G.R. No. 272254).

[13] Id. (G.R. No. 272254) at 32.

[14] Id. (G.R. No. 272201) at 65.

[15] Id.

[16] Id. (G.R. No. 272201) at 64-80. Penned by Presiding Judge Glenda R. Mendoza-Ramos, Branch 36, Regional Trial Court, Calamba City, Laguna.

[17] Id. at 79-80.

[18] Id. at 79.

[19] Id. at 39-40.

[20] Id. at 39-40.

[21] Id. (G.R. No. 272254) at 37.

[22] Id. at 38.

[23] Id. (G.R. No. 272201) at 32-56.

[24] Id. at 45.

[25] Id. at 48.

[26] Id.

[27] Id. at 52.

[28] Id.

[29] Id. at 57-62.

[30] Id. at 14-30.

[31] Id.

[32] Id. (G.R. No. 272254) at 10-26.

[33] Id. at 23.

[34] RULES OF COURT, Rule 45

Section 6 states: Review discretionary. — A review is not a matter of right, but of sound judicial discretion, and will be granted only when there are special and important reasons thereof. The following, while neither controlling nor fully measuring the court's discretion, indicate the character of the reasons which will be considered:

(a) When the court a quo has decided a question of substance, not theretofore determined by the Supreme Court, or has decided it in a way probably not in accord with law or with the applicable decisions of the Supreme Court; or

(b) When the court a quo has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such departure by a lower court, as to call for an exercise of the power of supervision.

[35] See Sps. Yu v. Topacio, 863 Phil. 397, 405-406 (2019) [Per J. Reyes, Jr., Second Division].

[36] Bilag v. Ay-Ay, 809 Phil. 236, 247 (2017) [Per J. Perlas-Bernabe, First Division].

[37] Rollo, (G.R. No. 272201) p. 65.

[38] Id. at 47.

[39] Id.

[40] 616 Phil. 28 (2009) [Per J. Nachura, Third Division].

[41] Id. at 50.

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