

REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. THE INTERMEDIATE APPELLATE COURT, EMILIA H. MIRAFLORES AND GREGORIO TIROL, RESPONDENTS.

G.R. No. 74331. March 25, 1988

Ponente: PARAS, J.

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PARAS, J.:

Petitioner, represented by the Department of Public Works and Highways, seeks to review and annul the decision[1] of the respondent court in AC-G.R. No. 67968 which affirmed the decision[2] of the court a quo, the dispositive portion of which reads:

"WHEREFORE, the Court orders that the compensation to be paid to Corazon Miraflores et al shall be based on the market value appearing on Tax Declarations Nos. 16700 and 16706 covering Lots 1401-A-2 and 1401-A-9, respectively, and on Tax Declaration No. 16719 covering Lot No. 1401-B as regards Gregorio Tirol.

"SO ORDERED". (p. 27, Record on Appeal, p. 37, Rollo)

The abovementioned three parcels of land are only a portion of the total area that is needed to construct and widen the Iloilo-Jaro Road which area was expropriated by the Department of Public Works and Highways. Petitioner deposited with the Philippine National Bank the sum of P177,237.92 representing the aggregate assessed value of all the properties subject of expropriation pursuant to Presidential Decree No. 42, which included the aforementioned 3 parcels of land with the corresponding assessed value computed in accordance with Presidential Decree No. 76, as follows:

Area in

Assessed

Owner

Lot No.

Tax No.

Sq. Meters

Value

1. Emilia Miraflores

1401-A-2

14089

603

1,809.00

2. Emilia Miraflores

1401-A-9

14092

3601

10,803.00

3. Gregorio M. Tirol

1401-B

33851

9696

3,337.86

On September 29, 1980, lot owners Emilia Miraflores and Gregorio M. Tirol filed separate Motions for Payment of Just Compensation. The former asserts that the assessed value of her lands must be based on the market value, as appearing in her Sworn Statement filed with the City Assessor in accordance with P.D. 464 which is P25 per square meter or P15,075.00 for Lot 1401-A-2 and P189,725.00 for Lot 1401-A-9, or on the market value as declared by the City Assessor in Tax Declarations Nos. 16700 and 16706 at P10,550 and P132,080, respectively. The latter landowner contends that the current fair market value of that portion of Lot 1401-B, covering 9,696 square meters, as appearing in his sworn statement filed with the city assessor, pursuant to P.D. 464 is P18.00 per square meter or P250,000.00 and appearing in Tax Declaration No. 16719 at P242,480.00.

The trial court resolved the issue of whether P.D. No. 76 or P.D. No. 464 should apply in the payment of compensation by the government, in favor of the latter Presidential Decree (No. 464), thus granting the aforesaid Motions for Reconsideration. The trial court said:

"(T)he Court can take judicial notice that the value of residential land had increased since the sworn statements required by P.D. 76 until June 1977 when sworn statements were required to be filed under P.D. 464. All the three lots involved are residential per tax declarations." (pp. 23-27, Record on Appeal, p. 37, Rollo)

Petitioner appealed to the then Intermediate Appellate Court, now the Court of Appeals, which affirmed the judgment of the trial court in all respects.

Hence the present petition questioning the decision of the Court of Appeals as not in accord with the evidence and applicable jurisprudence. Petitioner asserts that the higher valuations made by the City Assessor in Tax Declarations Nos. 16700, 16706 and 16719 for the lots owned by Emilia Miraflores and Gregorio M. Tirol respectively pursuant to P.D. 464 cannot apply. Petitioner alleges that assessments pursuant to P.D. 464 Sections 21 and 24 were yet to take effect on January 1, 1979, whereas, the expropriation case was filed on June 9, 1977 and that since the actual taking took place in 1978 or subsequent to the commencement of the proceedings, the fair market value of the property should be fixed as of the date the complaint was filed or based on P.D. 76 which was P1,800.00 for Lot 1401-A-2; P22,780.00 for Lot 1401-A-9 of respondent Miraflores and P5,030.00 for Lot 1401-B of respondent Gregorio Tirol as appearing in the lot owners sworn statements. Petitioner to emphasize its point, cited Our recent decision in the case of Export Processing Zone Authority vs. Dulay et al. (G.R. No. 59603

- April 29, 1987) wherein We laid down the rule, among others, that the valuation set in the Presidential Decrees Nos. 76, 464, 794 and 1533 on just compensation, may serve merely as a guiding principle or one of the facts in determining just compensation but may not substitute the court's own judgment as to what amount should be awarded and how to arrive at such amount.

Petitioner's contentions do not hold water.

When petitioner expropriated the lots in 1977 or took possession of the 3 lots in question, the law that should be applied is P.D. 464 which took effect on June 1, 1974, thus making obsolete the valuation made in 1972 by the city assessor as appearing in Tax Declarations Nos. 14089, 14092 and 33851 pursuant to P.D. 76. Be it noted that one of the reasons for the passage of P.D. 464 is to upgrade assessments of real properties which were not accurate in the previous valuation as there were no proper guidelines to be followed. P.D. 464, in part, reads:

"Whereas, to remedy the situation, there is an urgent and compelling need to upgrade assessment services by upgrading assessment techniques, procedures and practices and thereby bring about equitable distribution of the realty tax burden among real property owners throughout the country."

P.D. 464 required all persons to file with the Provincial or City Assessor a sworn statement declaring the true value of their property, once every five years during the period January 1 to June 30 commencing with calendar year 1977, (Sec. 6) whether such property has been previously declared or undeclared, taxable or exempt, which shall be the current and fair market value of the property, determined by the declarant. After landowners shall have filed their sworn statement, the City Assessor shall prepare and issue a declaration of real properties appraising their market value as of January, 1977, using as guidelines the provisions of P.D. 464 to be issued in 1978 for comparison with the market value determined by the landowners in their sworn declaration.

Pursuant to P.D. 464, respondents Miraflores and Tirol filed with the city assessor, their sworn statements declaring the true current and fair market value of their lots as of January 1977. The City Assessor made its own appraisal as stated in Tax Declarations 16700, 16706 and 16719. Sec. 92, P.D. 464 mandates that "in determining just compensation when private property is acquired by the government for public use, the basis shall be the market value declared by the owner or administrator or anyone having legal interest in the property, or such market value as determined by the assessor whichever is lower." In the case at bar, the lot owners (private respondents herein) are satisfied with the appraisal made by the assessor, although lower than the lot owners' own appraisal in their sworn declaration in the hope of receiving their just compensation as early as possible since this case has been pending in court for almost ten years already. Private respondents welcome the recent decision of Export Processing Zone Authority vs. Dulay (supra) cited by petitioner since it is common knowledge that the market value of property made by an assessor in a tax declaration is far lower than the true market value of real properties. Likewise, We find no irreconcilable conflict between the principles We laid down in said case and in the principles laid down in the decisions of the lower courts in the case at bar, which decisions We are now sustaining.

In their reply, petitioner asserts that Tax Declarations Nos. 16700, 16706 and 16719 became effective only in 1979 while the complaint for expropriation was filed in 1977. Such contention is meritless. While it is true that the taxes under said tax declarations would be effective in 1979, the valuation of the market value therein is that of the year 1977 precisely for comparison with the market value declared by the landowners as of January 1977 in their sworn declarations pursuant to the mandate of P.D. 464 to be filed within the period January 1 to June 30, starting with the calendar year 1977. Note again that P.D. 464 is remedial in character.

WHEREFORE, premises considered, the petition is hereby DENIED, and the assailed decision is hereby AFFIRMED.

SO ORDERED.

Yap, (Chairman), Melencio-Herrera, Padilla, and Sarmiento, JJ., concur.

[1] PENNED by Justice Bienvenido C. Ejercito with the concurring votes of Justices Jorge R. Coquia, Mariano A. Zosa and Floreliana Castro-Bartolome.

[2] WRITTEN by Judge Amelia K. del Rosario.

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