

**RAYMUNDO MARABELES AND PACIANO DELALAMON,
PETITIONERS, VS. COURT OF APPEALS AND THE REPUBLIC OF THE
PHILIPPINES, REPRESENTED BY LEYTE SAB-A BASIN DEVELOPMENT
AUTHORITY, RESPONDE...**

G.R. No. 75979. January 17, 1990

Ponente: NARVASA, J.

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NARVASA, J.:

In *Export Processing Zone Authority v. Dulay*, decided in 1987,[1] this court declared P.D. No. 464, as amended, in so far as it prescribed the mode for ascertaining the compensation to be paid for expropriated property, unconstitutional and void. The decree, it will be recalled, provided that in "determining just compensation when private property is acquired by the government for public use, the same shall not exceed 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." [2] This provision was ruled to constitute an "impermissible encroachment on judicial prerogatives," tending "to render this court inutile in a matter which under the Constitution is reserved to it for final determination."

"Thus, although in an expropriation proceeding the court technically would still have the power to determine the just compensation for the property, following the applicable decrees, its task would be relegated to simply stating the lower value of the property as declared either by the owner or assessor. As a necessary consequence, it would be useless for the court to appoint commissioners under rule 67 of the Rules of Court. Moreover, the need to satisfy the due process clause in the taking of private property is seemingly fulfilled since it cannot be said that a judicial proceeding was not had before the actual taking. However, the strict application of the decrees during The proceedings would be nothing short of a mere formality or charade as the court has only to choose between the valuation of the owner and that of the assessor, and its choice is always limited to the lower of the two. The court cannot exercise its discretion or independence in determining what is just or fair. Even a grade school pupil could substitute for the judge insofar as the determination of constitutional just compensation is concerned." (at pp. 311-312)

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"The determination of 'just compensation' in eminent domain cases is a judicial function. The executive department or the legislature may make the initial determinations but when a party claims a violation of the guarantee in the Bill of Rights that private property may not be taken for public use without just compensation, no statute, decree, or executive order can mandate that its own determination shall prevail over the court's findings. Much less can the courts be precluded from looking into the 'just-ness' of the decreed compensation." (at p. 316)

The ruling has since been reiterated and reaffirmed in *Ignacio v. Guerrero*, 150 SCRA 369, *Sumulong v. Guerrero*, 154 SCRA 461, *Leyva v. IAC*, 155 SCRA 39.

That mode of ascertaining just compensation was however Applied by the court of appeals in fixing the value of

land subject of an action of eminent domain commenced in the Regional Trial Court of Ormoc City.[3] Correction is therefore called for.

The expropriation suit resulted from Letter of Instructions No. 962 issued on November 23, 1979. The letter decreed the establishment of an "industrial estate" in Isabel, Leyte,[4] and entrusted to the Leyte Sab-a Basin Development Authority[5] the duty and function of implementing the project.[6] Pursuant thereto, a tract of land of about 426 hectares of "public and mining lands and forests including foreshore areas" was turned over to the Authority to serve as sites of major industrial projects (i.e., copper smelter, phosphatic fertilizer, and aluminum smelter projects). The authority instituted the special civil action of eminent domain against the owners of several lots, or houses and improvements built on land standing, within the area.

After proper proceedings, the Regional Trial Court rendered an order of condemnation,[7] and appointed three (3) commissioners to determine the just compensation to be paid to the defendants, conformably with sections 5 and 6, Rule 67 of the Rules of Court. The commissioners submitted their report in due course.

Only two (2) of the defendants, Raymundo Marabeles and Paciano Delalamon, disputed the report and presented countervailing evidence. The other defendants, by their acceptance of the amounts tendered to them by the authority and their failure to appear during the proceedings, manifested their acquiescence to the compensation fixed by the commissioners. After receiving the evidence of Marabeles and Delalamon, the Trial Court promulgated its decision on the issues thus raised on February 8, 1983, the dispositive portion of which reads as follows:

"WHEREFORE, ** judgment is hereby rendered ordering the plaintiff, Leyte Sab-a Basin development Authority, to pay to the defendant Raymundo Marabeles the amount of P45 Thousand for the house and lot taken by the plaintiff and to pay to the defendant Paciano Delalamon the amount of P19 Thousand for payment of his property as expropriated by the plaintiff, **."

Marabeles and Delalamon appealed to the Court of Appeals, assailing the reliance by the Court a quo entirely on the commissioners' report without taking due account of their evidence. Not only did the appellate tribunal reject their arguments, however; it also reduced the compensation payable to them by the expropriator.[8] Applying P.D. No. 464, the court of appeals ruled that since the market values given by Marabeles and Delalamon for their property, appearing in their respective tax declarations were lower than those determined by the commissioners, those values -- P6,470 and P10,310, respectively -- should be deemed "just" under the circumstances. The Court therefore made the following adjudgment:

" *** the decision appealed from is hereby affirmed with the modification of ordering the plaintiff-appellee to pay appellants Raymundo Marabeles and Paciano Delalamon, the respective amounts of P6,470 and P10,310 as payment for their respective properties subject of the expropriation proceedings."

Hence the petition at bar, for review on certiorari of the judgment of the Court of Appeals. That judgment, as earlier stated, will have to be reversed.

The Court of Appeals applied PD No. 464, as amended, which is unconstitutional and void — in so far as it provides that the just compensation of private property acquired by the government for public use shall not exceed 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 — and purports to amend and supersede the mode of determining said just compensation with the assistance of commissioners laid down in Rule 67 of the Rules of Court. It follows that the Trial Court was quite correct in relying on said Rule 67 and ascertaining, with the aid of not more than three (3) commissioners, the just compensation payable to Marabeles and Delalamon. The factual findings of these commissioners, approved and adopted by the Trial Court, have not been modified by the Court

of Appeals; and this Court has been cited to no circumstance justifying a review of those factual findings, exceptionally to the general rule that issues of fact are not proper in appeals on certiorari to this Court.

WHEREFORE, the Decision of the Court of Appeals of August 13, 1986 is REVERSED and that of the Regional Trial Court of Ormoc City in Case No. 2019-0 REINSTATED AND AFFIRMED. No costs.

SO ORDERED.

Cruz, Gancayco, Griño-Aquino, and Medialdea, JJ., concur.

[1] 149 SCRA 305.

[2] Sec. 92, PD 464, as amended; also par. 3, sec. 1 of PD No. 76, sec. 92, PD No. 794, and sec. 1, PD 1533.

[3] The suit was docketed as Special Civil Action No. 2019-0.

[4] Embracing "all the lands, timber, vegetation, minerals and waters within the municipalities of Alang-alang, Barugo, Palo, San Miguel, Sta. Fe and Babatñgon; that portion of the Municipality of Jaro covering the barrios of Parasan, Sarisari, Badiang, Villa Paz, Sta. Cruz, Pangi, San Roque, Macanip, Batog, Alahag, Malobago, Buri Sagoahan, Buenavista, Poblacion, Olatan, Caglawan and Bukid; and all the forestlands, timberlands, pasturelands and reforestation areas in the city of Tacloban" (sec. 2, pd 625).

[5] The Leyte Sab-a Basin Development Authority (hereafter referred to simply as the Authority) had been created as a body corporate by presidential decree no. 625, effective December 26, 1974, to undertake and promote the economic and social development of the province of Leyte and more particularly the Sab-A Basin.

[6] It was authorized, among others, "to exercise the power of eminent domain in the name of the Republic of the Philippines."

[7] Sec. 4, Rule 67, Rules of Court.

[8] Decision, promulgated on August 13, 1986.

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