

THIRD DIVISION

[G.R. No. 199290, February 03, 2020]

MUNICIPALITY OF CAINTA, RIZAL, PETITIONER, VS. SPOUSES ERNESTO E. BRAÑA AND EDNA C. BRAÑA AND CITY OF PASIG, RESPONDENTS.

DECISION

CARANDANG, J.:

Before Us is a Petition for Review on *Certiorari*^[1] assailing the Decision^[2] dated June 23, 2008 of the Regional Trial Court of Pasig City, Branch 157 (RTC of Pasig) in SCA No. 1624. Spouses Ernesto E. Braña and Edna C. Braña (collectively, Sps. Braña) filed an action for interpleader against the Municipality of Cainta, Rizal and the City of Pasig on June 26, 1998. The RTC of Pasig ordered Sps. Braña to pay the real estate taxes over their properties to the City of Pasig from the year 1996 up to the present.

The Antecedents

Sps. Braña are the registered owners of six parcels of land located at Phase 9, Pasig Green Park, Cainta Rizal covered by Transfer Certificate of Title (TCT) Nos. 47350, 47351, 47352, 47353, 46600 and 46601^[3] (subject properties). Sps. Braña religiously paid real estate taxes on the subject properties to the Municipality of Cainta from 1994 to 1996. Sometime in 1997, the City of Pasig filed a civil case for the collection of unpaid taxes against Sps. Braña docketed as Civil Case No. 5525. The City of Pasig claimed that the subject properties were all geographically located in Pasig City, as such, Sps. Braña should pay real estate taxes over the said subject properties to the City of Pasig.^[4] Sps. Braña, thereafter, deposited two checks representing the real estate taxes for the years 1995 to 1998 with the Metropolitan Trial Court (MTC) of Pasig City, Branch 70, where Civil Case No. 5525 is pending.

However, the Municipality of Cainta continued to demand from Sps. Braña payment of real estate taxes over the same properties. As such, Sps. Braña filed an action for interpleader to compel the Municipality of Cainta and the City of Pasig to litigate with each other; as a pre-emptive measure to another possible tax collection case that the Municipality of Cainta might file against Sps. Braña.^[5]

Meanwhile, on January 30, 1994, the Municipality of Cainta filed a petition for the settlement of boundary dispute against the City of Pasig with the Regional Trial Court of Antipolo City, Branch 74 (RTC of Antipolo), docketed as Civil Case No. 94-3006. Among the territories disputed in the aforesaid boundary dispute case are the subject properties.^[6]

On December 16, 2002, the RTC of Antipolo in Civil Case No. 94-3006, issued an Injunction Order^[7] enjoining and restraining the City of Pasig from: (1) further collecting taxes from the disputed areas under litigation; (2) from pursuing the

threatened auction sale of the affected lots; (3) making pronouncements of jurisdictional title right over the disputed areas under litigation; and (4) to reimburse in full the taxes it had received from the paying residents.

In its Answer^[8] to the action for interpleader filed by Sps. Braña, the Municipality of Cainta claims that it is entitled to the payment of real estate taxes on the ground that the subject properties are situated in Brgy. San Isidro, Cainta Rizal, which is within the geographical jurisdiction of Cainta under the Progress Map of CAD-688-D or the Cainta-Taytay Cadastral Survey.^[9] Further, the subject properties have long been registered for tax purposes in Cainta, before the City of Pasig assessed the same in 1997.^[10]

For its part, the City of Pasig claims that the locational entries in the TCTs state that the properties are located in Brgy. Santolan, Municipality of Pasig. The payment of taxes to the Municipality of Cainta is, therefore, erroneous. Further, the Department of Finance (DOF) has consistently ruled that the location of the property as indicated in the certificate of title is controlling as to the venue of payment of real estate taxes.^[11]

On June 20, 2016, this Court issued a Resolution^[12] ordering the parties to move in the premises by: (1) informing the Court as to the status of Civil Case No. 94-3006, the boundary dispute case and Civil Case No. 5525, the tax collection case filed by the City of Pasig against Sps. Braña; (2) the actual status of the payment of real estate taxes on the subject properties; and (3) any supervening event that may be of help to this Court.

On August 15, 2016, Sps. Braña filed a Manifestation and Compliance^[13] stating that they paid the real estate taxes for the period of 1995 up to the year 2016 to the City of Pasig. Further, on September 18, 2017, the Municipality of Cainta filed its Compliance^[14] stating that Civil Case No. 94-3006 (boundary dispute case) is already submitted for decision, while Civil Case No. 5525 (tax collection case) was archived pending the resolution of the boundary dispute case.

RTC Ruling

On June 23, 2008, the RTC of Pasig issued its Decision^[15] in the interpleader case ordering Sps. Braña to pay the real estate taxes from the year 1996 up to the present to the City of Pasig.^[16] The RTC of Pasig ruled that while it is improper for the court to declare any finding as to the actual location of the subject properties, since the same is within the jurisdiction of the RTC of Antipolo City, the court is still bound by the locational entries appearing on the TCTs. Thus, unless corrected by competent authority, the locational entries in the TCTs, that the properties are situated in Brgy. Santolan, Municipality of Pasig, is controlling.^[17] The dispositive portion of the Decision, reads:

WHEREFORE, judgment is hereby rendered in favor of defendant City of Pasig and against defendant Cainta, ordering plaintiffs to immediately pay defendant Pasig all the unpaid realty taxes assessed and levied upon their properties covered by TCT Nos. 46600, 46601, 47350, 47351, 47352, and 47353 under Tax Declaration Nos. E-010-03274, E-010-03273, D-010-05247, D-010-05248, D-010-05256 and D-010-05257, respectively, from 1996 to the present.

There being no legal basis, the claim for attorney's fees and litigation expenses by all the parties is hereby DENIED.

SO ORDERED.^[18]

Aggrieved, the Municipality of Cainta directly filed before Us a Petition for Review on *Certiorari*^[19] alleging that:

1. The RTC, Branch 157 of Pasig City erroneously asserted and assumed jurisdiction when it adjudicated the territorial and jurisdictional rights of petitioner Cainta and respondent Pasig by granting the claim of the latter to the payment of respondent spouses Braña's real property taxes despite that the jurisdiction to determine said issue belongs to the Antipolo RTC, Branch 74; and

2. The RTC, Branch 157 of Pasig City erroneously asserted jurisdiction by issuing a *status quo* ruling notwithstanding and in contravention of the Injunction Order dated December 16, 2002 issued by the Antipolo Regional Trial Court, Branch 74.^[20]

Municipality of Cainta's Arguments

The Municipality of Cainta argues that the Decision of the RTC of Pasig in the interpleader case renders meaningless the Injunction Order issued by the RTC of Antipolo in the boundary dispute case. As such, the Decision of the RTC of Pasig constitutes under interference with the processes and proceedings undertaken by the RTC of Antipolo. The Municipality of Cainta prays that a *status quo* be maintained and spouses Braña should continue paying their real estate taxes to the Municipality of Cainta until final resolution of the boundary dispute in Civil Case No. 94-3006.

City of Pasig's Arguments

The City of Pasig claims that the issue before the instant interpleader case is which local government is entitled to collect real property taxes on a real property, whose locational entries in the titles state Brgy. Santolan, Municipality of Pasig. Thus, the ruling of the court conforms with the Implementing Rules and Regulations^[21] of the Local Government Code^[22] (LGC) that "pending final resolution of the dispute, the status of the affected area prior to the dispute shall be maintained and continued for all legal purposes."^[23]

The City of Pasig further alleges that the pendency of a boundary dispute case does not suspend applicable rules of taxation. The titles of the said properties are conclusive as to the location stated therein. In fact, the DOF stated in its fifth Indorsement that "for purposes of the issuance of a Tax Declaration of a registered land, the location stated in the certificate of title shall be followed unless corrected by competent authority."^[24]

Issue

For resolution is the question of whether the real estate taxes due upon the subject properties owned by Sps. Braña should be paid to the City of Pasig, as ruled by the RTC of Pasig in the interpleader case.

The Court's Ruling

At the outset, We notice that the Municipality of Cainta directly filed this petition before this Court. The established policy is to strictly observe the judicial hierarchy of courts. However, as provided under Section 2(c),^[25] Rule 41 of the Rules of Court, it allows a party to question the decision of the RTC directly to this Court on pure questions of law.

A question of law exists when the doubt or controversy concerns the correct application of law or jurisprudence to a certain set of facts; or when the issue does not call for the examination of the probative value of the evidence presented, the truth or falsity of facts being admitted. A question of fact exists when the doubt or difference arises as to the truth or falsehood of facts or when the query invites calibration of the whole evidence. If the appellate court can determine the issue raised without reviewing or evaluating the evidence, that is a question of law; otherwise it is a question of fact.^[26]

Here, the Municipality of Cainta raised the issue that the RTC of Pasig interfered with the jurisdiction of the RTC of Antipolo when the former ruled that Sps. Braña should pay the real estate taxes to the City of Pasig despite the fact that the RTC of Antipolo earlier issued an Injunction order restraining the City of Pasig from further collecting taxes from among the disputed areas under litigation in the boundary case. This Court's resolution of the instant case does not involve the examination or the calibration of the evidence presented by the parties. As such, what is involved in the present case is a pure question of law. Therefore, strict observance to the principle of hierarchy of courts can be excused.

Be it noted that the present case stemmed from an action for interpleader filed by Sps. Braña against the Municipality of Cainta and City of Pasig to compel them to interplead and to litigate with each other their claims to the real estate taxes levied over the disputed subject properties. Thus, facts as to whether the City of Pasig participated in the preparation of the CAD-688-D or the Cainta-Tagaytay Cadastral Survey and whether the subject properties are within the geographical location of the Municipality of Cainta cannot be decided by this Court in this present case, since the resolution of the same is lodged with the RTC of Antipolo resolving the boundary dispute case between the Municipality of Cainta and the City of Pasig. At present, the boundary dispute case docketed as Civil Case No. 94-3006 is still pending resolution.

The parties admitted that the locational entries in the TCTs of the subject properties of Sps. Braña indicate "Barrio of Santolan, Municipality of Pasig, Metro Manila."^[27] It is undisputed that the locational entries were not modified or corrected by any competent authority. Neither did the Municipality of Cainta file any action for the correction or alteration of the indicated location.

Under the Real Property Tax Code,^[28] it is provided that the local government unit where the property is located has the authority to assess or appraise the current and fair market value of the property and to collect the taxes due thereon, thus:

Sec. 5. Appraisal of Real Property. - All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality **where the property is situated.**