

THIRD DIVISION

[G.R. No. 174964, October 05, 2016]

**SANGGUNIANG PANLALAWIGAN OF BATAAN, PETITIONER, VS.
CONGRESSMAN ENRIQUE T. GARCIA, JR., MEMBERS OF THE
FACULTY, CONCERNED STUDENTS AND THE BOARD OF TRUSTEES
OF THE BATAAN POLYTECHNIC STATE COLLEGE, RESPONDENTS.**

DECISION

REYES, J.:

Before this Court is a Petition for Review on *Certiorari*^[1] of the Decision^[2] dated February 7, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 85902 upholding the Decision dated November 29, 2002 of the Regional Trial Court (RTC) of Bataan which granted the petition for a writ of mandamus in Special Civil Action No. 7043.

Antecedent Facts

Lot Nos. 2193 and 2194 of the Bataan Cadastre, containing 1,222 square meters and 10,598 sq m, respectively, were registered in the name of the Province of Bataan. Both lots were embraced in Original Certificate of Title (OCT) No. N-182, and occupied by the Bataan Community Colleges (BCC) and the Medina Lacson de Leon School of Arts and Trades (MLLSAT), both State-run schools.^[3]

On February 26, 1998, the Congress of the Philippines passed Republic Act (R.A.) No. 8562, authored by Congressman Enrique T. Garcia, Jr. (Cong. Garcia), converting the MLLSAT into a polytechnic college, to be known as the Bataan Polytechnic State College (BPSC), and integrating thereto the BCC.^[4] Section 24 of R.A. No. 8562 provides that:

All parcels of land belonging to the government occupied by the Medina Lacson de Leon School of Arts and Trades and the Bataan Community Colleges are hereby declared to be the property of the Bataan Polytechnic State College and shall be titled under that name: Provided, That should the State College cease to exist or be abolished or should such parcels of land aforementioned be no longer needed by the State College, the same shall revert to the Province of Bataan.

On the basis of the above provision, Cong. Garcia wrote to then Governor of Bataan Leonardo Roman, and the *Sangguniang Panlalawigan* of Bataan (petitioner), requesting them to cause the transfer of the title of the aforesaid lots to BPSC. No transfer was effected.^[5]

Thus, Cong. Garcia, along with the faculty members and some concerned students of BPSC (collectively, the respondents) filed a Special Civil Action for Mandamus with the RTC of Balanga, Bataan against the Governor and the petitioner. Initially, the Board of Trustees of the BPSC was impleaded as an unwilling plaintiff but was eventually included as co-petitioner in the civil suit pursuant to Resolution No. 14, Series of 2000 of the BPSC.^[6]

In their Comment, the Governor and the petitioner took issue with the standing of the respondents, arguing that they were not the real parties in interest who would be benefited or injured by the judgment, or the party entitled to the avails of the suit. They asserted that the subject properties were owned by the Province of Bataan and not the State, for them to be simply transferred to the BPSC by virtue of the law.^[7]

In its Decision dated November 29, 2002, the RTC granted the writ of mandamus. The *fallo* of the RTC decision reads:

WHEREFORE, a writ of mandamus is hereby issued, ordering respondents to forthwith:

1. Deliver the owner's duplicate copy of [OCX] No. N-182 to the Register of Deeds of Bataan, free from any lien or encumbrance;
2. Execute the corresponding deed of conveyance of the parcels of land in issue in favor of the [BPSC]; and
3. Cause the transfer and registration of the title to and in the name of the [BPSC].

SO ORDERED.^[8]

The Governor and the petitioner appealed to the CA alleging that the subject lots were the patrimonial properties of the Province of Bataan, and as such they cannot be taken by the National Government without due process of law and without just compensation. They also pointed out that certain loan obligations of the Province of Bataan to the Land Bank of the Philippines (LBP) were secured with a mortgage on the lots; and since the mortgage lien was duly annotated on its title, OCT No. N-182, the writ of mandamus violated the non-impairment clause of the Constitution. The Governor and the petitioner reiterated that the respondents had no legal standing since they were not the real parties in interest.^[9]

In the Decision^[10] dated February 7, 2006, the CA affirmed the RTC.

The CA rejected the claim that the subject lots were the patrimonial properties of the Province of Bataan, declaring that the petitioner failed to provide proof that the Province of Bataan acquired them with its own private or corporate funds, and for this reason the lots must be presumed to belong to the State, citing *Salas, etc., et*

al. v. Hon. Jarencio, etc., et al.^[11] Concerning the mortgage to the LBP, the appellate court agreed with the RTC that the consent of the LBP to the transfer of title to BPSC must be obtained, and the mortgage lien must be carried over to the new title. The CA also held that BPSC is a real party in interest on the basis of Section 24 of R.A. No. 8562, and was correctly impleaded as a co-petitioner. The subsequent motion for reconsideration was denied in the CA Resolution^[12] dated September 20, 2006; hence, this petition.

Issues

I

WHETHER OR NOT THE SUBJECT PARCELS OF LAND ARE PATRIMONIAL PROPERTIES OF THE PROVINCE OF BATAAN WHICH CANNOT BE TAKEN WITHOUT DUE PROCESS OF LAW AND WITHOUT JUST COMPENSATION.

II

WHETHER OR NOT A WRIT OF MANDAMUS MAY BE ISSUED AGAINST THE PETITIONER TO COMPEL THE TRANSFER OF THE SUBJECT PROPERTIES WITHOUT DUE PROCESS OF LAW AND WITHOUT JUST COMPENSATION.

^[13]

The petitioner insists that the subject lots are not communal lands, or *legua comunal* as they were known under the laws of colonial Spain, but are the patrimonial properties of the Province of Bataan, which were issued a Torrens title by the Cadastral Court on August 11, 1969 in Cadastral Case No. 5;^[14] that while in *Salas*,^[15] the title of the State over the disputed lot was expressly recognized by the City of Manila, this is not so in the case at bar;^[16] that in the exercise of its proprietary rights over the subject lots, the Province of Bataan has used them as collateral for its loan obligations with the LBP;^[17] that in its Manifestation and Motion dated February 24, 2000, the Board of Trustees of BPSC even acknowledged the titles of the Province of Bataan over the subject properties.^[18]

In addition to the above contentions, the petitioner proffers an alleged novel argument that R.A. No. 8562 infringes on the State's underlying policy of local autonomy for its territorial and political subdivisions, found in Article X of the 1987 Constitution (formerly Article XI, 1973 Constitution) and now fleshed out in a landmark legislation, R.A. No. 7160, better known as the Local Government Code of 1991 (LGC). Thus, for this Court to still sustain its ruling in *Salas* would render the State's policy of local autonomy purely illusory.^[19]

Ruling of the Court

The decision of the CA is affirmed.

A. Under the well-entrenched and time-honored Regalian Doctrine, all lands of the public domain are under the absolute control and ownership of the State.

The State's ownership of and control over all lands and resources of the public domain are beyond dispute. Reproducing almost verbatim from the 1973 Constitution,^[20] Section 2, Article XII of the 1987 Constitution provides that "[a]ll lands of the public domain, waters, minerals, coal, petroleum and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the State, x x x." In Section 1, Article XIII of the Amended 1935 Constitution, it was also provided that "[a]ll agricultural timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy and other natural resources of the Philippines belong to the State x x x."

Thus, in *Cariño v. Insular Government*,^[21] a case of Philippine origin, the Supreme Court of the United States of America acknowledged that "Spain in its earlier decrees embodied the universal feudal theory that all lands were held from the Crown x x x." In *Hong Hok v. David*,^[22] citing *Cariño*, the Court likewise said that the theory is a manifestation of the concept of the Regalian Doctrine, or *jura regalia*,^[23] which is enshrined in our 1935, 1973, and 1987 Constitutions. As adopted in our republican system, this medieval concept is stripped of royal overtones; and ownership of all lands belonging to the public domain is vested in the State.^[24] Under this well-entrenched and time-honored Regalian Doctrine, all lands of the public domain are under the absolute control and ownership of the State.

B. Local government property devoted to governmental purposes, such as local administration, public education, and public health, as may be provided under special laws, is classified as public.

In *The Province of Zamboanga del Norte v. City of Zamboanga, et al.*^[25] cited by the CA, the Province of Zamboanga del Norte sought to declare unconstitutional R.A. No. 3039, which ordered the transfer of properties belonging to the Province of Zamboanga located within the territory of the City of Zamboanga to the said City, for depriving the province of property without due process and just compensation. In said case, the Court classified properties of local governments as either (a) properties for public use, or (b) patrimonial properties, and held that the capacity in which the property is held by a local government is dependent on the use to which it is intended and for which it is devoted. If the property is owned by the municipal corporation in its public and governmental capacity, it is public and Congress has absolute control over it; but if the property is owned in its private or proprietary capacity, then it is patrimonial and Congress has no absolute control, in which case, the municipality cannot be deprived of it without due process and payment of just compensation.^[26] In upholding the validity of R.A. No. 3039, the Court noted that it affected "*lots used as capitol site, school sites and its grounds, hospital and*

leprosarium sites and the high school playground sites - a total of 24 lots - since these were held by the former Zamboanga province in its governmental capacity and therefore are subject to the absolute control of Congress." [27]

According to the Court, there are two established norms to determine the classification of the properties: that of the Civil Code, particularly Articles 423 and 424 thereof, and that obtaining under the law of Municipal Corporations. Articles 423 and 424 of the Civil Code provide, as follows:

Art. 423. The property of provinces, cities and municipalities is divided into property for public use and patrimonial property.

Art. 424. Property for public use, in the provinces, cities, and municipalities, consists of the provincial roads, city streets, municipal streets, the squares, fountains, public waters, promenades, and public works for public service paid for by said provinces, cities, or municipalities.

All other property possessed by any of them is patrimonial and shall be governed by this Code, without prejudice to the provisions of special laws.

In *Province of Zamboanga del Norte*, [28] properties for the free and indiscriminate use of everyone are classified under the Civil Code norm as for public use, while all other properties are patrimonial in nature. In contrast, under the Municipal Corporations Law norm, to be considered public property, it is 'enough that a property is held and devoted to a governmental purpose, such as local administration, public education, and public health. [29] Nonetheless, the Court clarified that the classification of properties in the municipalities, other than those for public use, as patrimonial under Article 424 of the Civil Code, is "without prejudice to the provisions of special laws," [30] holding that the principles obtaining under the Law of Municipal Corporations can be considered as "special laws" [31]

Moreover, in the 2009 case of *Heirs of Mario Malabanan v. Republic of the Philippines*, [32] the Court reiterated that Article 420(2) of the Civil Code makes clear that properties "which belong to the State, without being for public use, and are intended for some public service or for the development of the national wealth," are public dominion property. For as long as the property belongs to the State, although already classified as alienable or disposable, it remains property of the public dominion when it is "intended for some public service or for the development of the national wealth." [33]

C. Property registered in the name of the municipal corporation but without proof that it was acquired with its corporate funds is deemed held by it in trust for the State.