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FIRST DIVISION

[G.R. No. 140474, September 21, 2007]

MUNICIPALITY OF STA. FE, PETITIONER, VS. MUNICIPALITY OF ARITAO, RESPONDENT.

D E C I S I O N

AZCUNA, J.:

This is an appeal by petition for review on *certiorari* under Rule 45 of the Rules of Court of the September 30, 1999 Decision[1] of the Court of Appeals (CA) affirming *in toto* the August 27, 1992 Order[2] of the Regional Trial Court (RTC) of Bayombong, Nueva Vizcaya, Branch 28, which dismissed Civil Case No. 2821 for lack of jurisdiction.

On October 16, 1980, petitioner Municipality of Sta. Fe, in the Province of Nueva Vizcaya, filed before the RTC of Bayombong, Nueva Vizcaya, Branch 28, Civil Case No. 2821 for the Determination of Boundary Dispute involving the barangays of Bantinan and Canabuan. As the parties failed to amicably settle during the pre-trial stage, trial on the merits ensued.

The trial was almost over, with petitioner's rebuttal witness already under cross-examination, when the court, realizing its oversight under existing law, ordered on December 9, 1988, the suspension of the proceedings and the referral of the case to the *Sangguniang Panlalawigan* of Nueva Vizcaya.[3] In turn, the *Sanggunian* concerned passed on the matter to its Committee on Legal Affairs, Ordinances and Resolutions, which recommended adopting Resolution No. 64 dated September 14, 1979 of the former members of its Provincial Board.[4] Said resolution previously resolved to adjudicate the barangays of Bantinan and Canabuan as parts of respondent's territorial jurisdiction and enjoin petitioner from exercising its governmental functions within the same. Subsequently, as per Resolution No. 357 dated November 13, 1989, the *Sangguniang Panlalawigan* approved the Committee's recommendation but endorsed the boundary dispute to the RTC for further proceedings and preservation of the *status quo* pending finality of the case.

Back in the RTC, respondent moved to consider Resolution No. 64 as final and executory. In its Order dated February 12, 1991,[5] the trial court, however, resolved to deny the motion ruling that since there was no amicable settlement reached at the time the Provincial Board had exceeded its authority in issuing a "decision" favoring a party. The court held that, under the law in force, the purpose of such referral was only to afford the parties an opportunity to amicably settle with the intervention and assistance of the Provincial Board and that in case no such settlement is reached, the court proceedings shall be resumed.

Subsequently, respondent again filed a motion on June 23, 1992,[6] this time

praying for the dismissal of the case for lack of jurisdiction. The ground relied upon was that under the prevailing law *at the time of the filing of the motion*, the power to try and decide municipal boundary disputes already belonged to the *Sangguniang Panlalawigan* and no longer with the trial court, primarily citing the doctrine laid down by this Court in *Municipality of Sogod v. Rosal.*[7]

On August 27, 1992, the trial court resolved to grant the motion, thus:

> A close study of the decision of the Honorable Supreme Court in the Municipality of Sogod case in relation to this case palpably shows that, contrary to the claim of respondent Municipality of Sta. Fe, through counsel, it involves boundary dispute as in this case.
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> As to the applicable law on the question of which agency of the Government can take cognizance of this case or whether or not this Court should proceed in exercising jurisdiction over this case, the same [had] been squarely resolved by the [Honorable] Supreme Court in the Municipality of Sogod case in this wise: "It is worthy to note, however, that up to this time, the controversy between these two Municipalities has not been settled. However, the dispute has already been overtaken by events, namely, the enactment of the 1987 Constitution and the New Local Government Code x x x which imposed new mandatory requirements and procedures on the fixing of boundaries between municipalities. The 1987 Constitution now mandates that [`]no province, city, municipality or barangay may be created, divided, merged, abolished or its boundary substantially altered except in accordance with the criteria established in the local government code and subject to approval by a majority of the votes cast in a plebiscite in the political units directly affected.['] x x x Hence, any alteration or modification of the boundaries of the municipalities shall only be by a law to be enacted by Congress subject to the approval by a majority of the votes cast in a plebiscite in the barrios affected (Section 134, Local Government Code). Thus, under present laws, the function of the provincial board to fix the municipal boundaries are now strictly limited to the factual determination of the boundary lines between municipalities, to be specified by natural boundaries or by metes and bounds in accordance with laws creating said municipalities."
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> In view of the above ruling, this Court can do no less but to declare that this case has been overtaken by events, namely, the enactment of the 1987 Constitution and the Local Government Code of 1991. The Constitution requires a plebiscite, whereas the Local Government Code of 1991 provides, as follows: "Sec. 6. Authority to Create Local Government Units. - A local government unit may be created, divided, merged, abolished, or its boundaries substantially altered either by law enacted by Congress in the case of a province, city, municipality, or any other political subdivision, or by ordinance passed by the [s]angguniang [p]anlalawigan, or sangguniang panglungsod concerned in the case of a barangay located within its territorial jurisdiction, subject to such limitations and requirements prescribed in this Code."[8]

The motion for reconsideration of the aforesaid Order having been denied,[9] an appeal was elevated by petitioner to the CA. The CA, however, affirmed *in toto* the assailed Order, holding that:

> We are not unmindful of the rule that where a court has already obtained and is exercising jurisdiction over a controversy, its jurisdiction to proceed to the final determination of the case is not affected by new legislation placing jurisdiction over such proceedings in another tribunal or body. This rule, however, is not without exception. It is not applicable when the change in jurisdiction is curative in character. As far as boundary disputes are concerned, the 1987 Constitution is the latest will of the people, therefore, the same should be given retroactive effect on cases pending before courts after its ratification. It mandates that "no province, city, municipality or barangay may be created, divided, merged, abolished or its boundary substantially altered except in accordance with the criteria established in the Local Government Code and subject to approval by a majority of the votes cast in a plebiscite in the political units directly affected."
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> On the other hand, the Local Government Code of 1991 provides that " [a] local government unit may be created, divided, merged, abolished, or its boundaries substantially altered either by law enacted by Congress in the case of a province, city, municipality, or any other political subdivision, or by ordinance passed by the [s]angguniang [p]anlalawigan or [s]angguniang [p]anglungsod concerned in the case of a barangay located within its territorial jurisdiction, subject to such limitations and requirements prescribed in this Code (Book I, Title One, Chapter 2, Section 6, Local Government Code).
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> Section 118, Title Nine, Book I of the same Code likewise provides:
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> "SEC 118. *Jurisdictional Responsibility for Settlement of Boundary Dispute.* - Boundary disputes between and among local government units shall, as much as possible, be settled amicably. To this end:
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> x x x
>
> a.) Boundary disputes involving two (2) or more municipalities within the same province shall be referred for settlement to the sangguniang panlalawigan concerned;
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> x x x"
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> Since the Local Government Code of 1991 is the latest will of the people expressed through Congress on how boundary disputes should be resolved, the same must prevail over previous ones. It must be emphasized that the laws on the creation of local government units as well as settling boundary disputes are political in character, hence, can be changed from time to time and the latest will of the people should always prevail. In the instant case, there is nothing wrong in holding that Regional Trial Courts no longer have jurisdiction over boundary disputes.[10]

Before this Court, petitioner submits that the CA erred when it affirmed the dismissal of the case for lack of jurisdiction by upholding the RTC's application of the doctrine enunciated in the *Municipality of Sogod,* namely, that being political in character, this case has been overtaken by different laws which should now prevail. Petitioner also claims that the CA erred in relying on the provisions of the 1987 Constitution and the Local Government Code (LGC) of 1991 on the creation, division, merger, abolition, and alteration of boundaries of political units instead of the specific provisions on the settlement of boundary disputes.[11]

The petition fails.

As early as October 1, 1917, the procedure for the settlement of municipal boundary disputes was already set forth when Act No. 2711 or the Revised Administrative Code (RAC) took into effect.[12] At that time, Section 2167 of the law provided:

> "SEC. 2167. *Municipal boundary disputes - How settled.* - Disputes as to jurisdiction of municipal governments over places or barrios shall be decided by the provincial boards of the provinces in which such municipalities are situated, after an investigation at which the municipalities concerned shall be duly heard. From the decision of the provincial board appeal may be taken by the municipality aggrieved to the Secretary of the Interior, whose decision shall be final x x x."[13]

On June 17, 1970,[14] Republic Act (R.A.) No. 6128[15] was approved amending the afore-quoted section of the RAC, Sec. 1 thereof stated:

> SECTION 1. Section Two thousand one hundred sixty-seven of the Revised Administrative Code, as amended, is hereby further amended to read as follows:
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> "SEC. 2167. *Municipal Boundary Disputes*. - *How Settled*. - Disputes as to jurisdiction of municipal governments over places, or barrios shall be heard and decided by the Court of First Instance of the Province where the municipalities concerned are situated x x x: *Provided*, That after joinder of issues, the Court shall suspend proceedings and shall refer the dispute to the Provincial Board x x x concerned for the purpose of affording the parties an opportunity to reach an amicable settlement with the intervention and assistance of the said Provincial Board x x x; *Provided, further,* That in case no amicable settlement is reached within sixty days from the date the dispute was referred to the Provincial Board x x x concerned, the court proceedings shall be resumed. The case shall be decided by the said Court of First Instance within one year from resumption of the court proceedings, and appeal may be taken from the said decision within the time and in the manner prescribed in Rule 41 or Rule 42, as the case may be, of the Rules of Court x x x"

Subsequently, however, with the approval of Batas Pambansa (B.P.) Blg. 337 (otherwise known as the Local Government Code of 1983) on February 10, 1983, [16] Sec. 2167, as amended, was repealed.[17] In particular, Sec. 79 of the Code read:

> SEC. 79. *Municipal Boundary Disputes.* - Disputes as to the jurisdiction of municipal governments over areas or barangays shall be heard and decided by the *sangguniang panlalawigan* of the province where the municipalities concerned are situated x x x in case no settlement is reached within sixty days from the date the dispute was referred to the *sangguniang panlalawigan* concerned, said dispute shall be elevated to the Regional Trial Court of the province which first took cognizance of the dispute. The case shall be decided by the said court within one year from the start of proceedings and appeal may be taken from the decision within the time and in the manner prescribed by the Rules of Court.[18]

Almost a decade passed and R.A. No. 7160 or the LGC of 1991 was signed into law on October 10, 1991 and took effect on January 1, 1992.[19] As the latest law governing jurisdiction over the settlement of boundary disputes, Sections 118 and 119 of the Code now mandate:

> SEC. 118. *Jurisdictional Responsibility for Settlement of Boundary Dispute.* - Boundary disputes between and among local government units shall, as much as possible, be settled amicably. To this end:
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> x x x
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> (b) Boundary disputes involving two (2) or more municipalities within the same province shall be referred for settlement to the *sangguniang panlalawigan* concerned.
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> x x x
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> (e) In the event the *sanggunian* fails to effect an amicable settlement within sixty (60) days from the date the dispute was referred thereto, it shall issue a certification to that effect. Thereafter, the dispute shall be formally tried by the *sanggunian* concerned which shall decide the issue within sixty (60) days from the date of the certification referred to above.
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> SEC. 119. *Appeal.* - Within the time and manner prescribed by the Rules of Court, any party may elevate the decision of the *sanggunian* concerned to the proper Regional Trial Court having jurisdiction over the area in dispute. The Regional Trial Court shall decide the appeal within one (1) year from the filing thereof. Pending final resolution of the disputed area prior to the dispute shall be maintained and continued for all legal purposes.[20]

This Court agrees with petitioner's contention that the trial court had jurisdiction to take cognizance of the complaint when it was filed on October 16, 1980 since the prevailing law then was Section 2167 of the RAC, as amended by Sec. 1 of R.A. No. 6128, which granted the Court of First Instance (now RTC) the jurisdiction to hear and decide cases of municipal boundary disputes. The antecedents of the *Municipality of Sogod* case reveal that it dealt with the trial court's dismissal of cases filed for lack of jurisdiction because at the time of the institution of the civil actions, the law in force was the old provision of Sec. 2167 of the RAC, which empowered the provincial boards, not the trial courts, to hear and resolve such cases.