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Administrative Law | Local Government Law
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Administrative Law

Cynthia A. Villar v. Alltech Contractors
G.R. No. 208702, 11 May 2021

Administrative Agencies
Agencies are experts.

It is within the **DENR-EMB's** function and expertise to determine the **category or classification of a proposed project** as it is equipped with the knowledge and competence to resolve issues involving the highly technical field of EIS System. Alltech merely complied with the instruction of the DENR-EMB to submit an EPRMP. The project proponent should not be faulted for this as it is not in the position to substitute the assessment or technical opinion of the DENR-EMB with its own judgment. It is within the sphere of the **technical knowledge and expertise of the DENR-EMB, and not the Court nor the project proponent, to determine the appropriate EIA report** to submit for a particular project.

GSIS Family Bank Employees Union v. Cesar L. Villanueva et al.
G.R. No. 210773, 23 January 2019

Administrative Agencies

GSIS Family Bank is a Non-Chartered GOCC.

Pursuant to Section 2(13) of the Administrative Code of 1987 and Section 3(o) of R.A. No. 10149, a GOCC is: (1) established by original charter or through the general corporation law; (2) vested with functions relating to public need whether governmental or proprietary in nature; and (3) directly owned by the government or by its instrumentality, or where the government owns a majority of the outstanding capital stock. Possessing all three (3) attributes is necessary to be classified as a GOCC. **GSIS Family Bank is a GOCC since 99.55% of its outstanding capital stock is owned and controlled by the GSIS.** On the issue of whether GSIS Family Bank may negotiate with their employees the economic terms of their CBAs, the Court ruled that under the present state of the law, the test in determining whether a **GOCC** is subject to the **Civil Service Law** is the manner of its creation such that government corporations created by **special charter** are subject to its provisions **while those incorporated under the general Corporation Law** are not within its coverage. Officers and employees of GOCCs without original charters are covered by the **Labor Code**, not the Civil Service Law. However, **non-chartered GOCCs** are **limited by law in negotiating economic terms with their employees**.

Adelaido Oriondo v. Commission on Audit
G.R. No. 211293, 04 June 2019

Administrative Agencies

Corregidor Foundation is a non-stock GOCC.

An entity is considered a **GOCC** if **all 3 attributes** are present: **(1) the entity is organized as a stock or non-stock corporation; (2) its functions are public in character; and (3) it is owned or, at the very least, controlled by the government.** Corregidor Foundation, Inc. is a GOCC under the audit jurisdiction of COA as it was organized as a **non-stock corporation under the Corporation Code.** It was issued a certificate of registration by the SEC and, according to its Articles of Incorporation (AOI), it **was organized and to be operated in the public interest**. It was organized primarily to maintain and preserve the war relics in Corregidor and develop the area's potential as an international and local tourist destination. Its purposes are related to the **promotion and development of tourism in the country,** a declared state policy and, therefore, a function public in character. There is nothing in the law which provides that GOCCs are always created under an original charter or special law. **A corporation, whether with or without an original charter, is under the audit jurisdiction of the COA** so long as the government owns or has controlling interest in it.

Metropolitan Waterworks and Sewerage System v. Central Board of Assessment Appeals, G.R. No. 215955, 13 January 2021

Administrative Agencies

MWSS is a Government Instrumentality.

With the issuance of **E.O. No. 596** and the passage of the **GOCC Governance Act of 2011**, the **Executive and the Legislative Branches** have **explicitly classified MWSS** as a **government instrumentality with corporate powers**. Also, **tax exemptions under Sec. 133(o) and 234(a) of the LGC apply to MWSS.** While the 1987 Constitution now includes taxation as one of the powers of local governments, the latter may only exercise such power "subject to such guidelines and limitations as the Congress may provide." Thus, when local governments invoke their power to tax on government instrumentalities, such power is construed strictly against local governments.

Bases Conversion and Development Authority v. Commissioner of Internal Revenue, G.R. No. 205466, 11 January 2021

Administrative Agencies

BCDA is a Government Instrumentality.

The **BCDA** is a **government instrumentality** as it falls under the definition of an instrumentality under the Administrative Code of 1987, i.e., "any agency of the National Government, **not integrated within the department framework**, vested with special functions or jurisdiction by law, endowed with some if not all **corporate powers**, administering special funds, and enjoying **operational autonomy**, usually through a charter." It is vested with corporate powers under Sec. 3 of RA No. 7227. Despite having such powers, however, the BCDA i**s neither a stock corporation** because its capital is not divided into shares of stocks, **nor a non-stock corporation** because it is not organized for any of the purposes mentioned under the Corporation Code. Instead, **BCDA** is a **government instrumentality organized for the specific purpose of owning, Held and/or administering the military reservations** in the country and implementing their conversion to other productive uses. Being a **government instrumentality, it is exempt from payment of legal fees including docket fees** pursuant to Sec. 22, Rule 141 of the Rules of Court, as amended.

Republic of the Philippines v. Heirs of Ma. Teresita A. Bernabe and Cooperative Rural Bank of Bulacan, G.R. No. 237663, 06 October 2020

Administrative Agencies

BCDA is a Government Instrumentality.

While the BCDA has authorized **capital stock** of P100 Billion, pursuant to the law creating it, the **same is not divided into shares of stock**. The BCDA has **no voting shares** and there is no provision in R.A. 7227 which authorizes the **distribution of dividends** and allotments of surplus and profits to the BCDA stockholders. Hence, it **cannot** be considered as a **stock corporation** under the Corporation Code BCDA is **neither a nonstock corporation** since it is not organized for "charitable, religious, educational, professional, cultural, fraternal, literary, scientific, social, civic service, or similar purposes, like trade, industry, agricultural and like chambers, or any combination thereof,". According to R.A. 7227, BCDA is organized for a specific purpose, i.e. to own, hold and/or administer the military reservations in the country and implement its conversion to other productive uses. BCDA as a GICP or GCE vested or **endowed with the powers of a corporation**, including the power to sue and be sued in its corporate name and the right to own, hold and administer the lands that have been transferred to it, with operational autonomy, and part of the National Government machinery although not integrated within the departmental framework. BCDA is a **mere trustee of the CAB Lands** Thus, being the beneficial owner of the CAB Lands, the **Republic is the real party in interest in this case.**

Philippine Heart Center v. Local Government of Quezon City, G.R. No. 225409, 11 March 2020

Administrative Agencies

Philippine Heart Center is a Government Instrumentality.

Government Instrumentalities with Corporate Powers (GJCP)/ Government Corporate Entities (GCE), is now recognized. These entities remain **government instrumentalities** since they are **not integrated within the department framework** and are **vested with special functions to carry out a declared policy of the national government.** An agency will be classified as a government instrumentality vested with corporate powers when: **a) it performs governmental functions, and b) it enjoys operational autonomy. The PHC passes these twin criteria.** Sec. 234(a) of the LGC further **exempts real property owned by the Republic from real property taxes**, whether the real property is titled in the name of the Republic itself or in the name of agencies or instrumentalities of the national government. or collection of real property taxes against private individuals with beneficial use of the PHC's properties.

Social Security System v. Commission on Audit
G.R. No. 243278, 03 November 2020

Control

Presidential control over all executive departments, bureaus, and offices.

It must be noted that **GOCCs, like the SSS,** are always subject to the **supervision and control of the President.** That it is granted authority to fix **reasonable compensation** for its personnel, as well as an exemption from the SSL, does **not excuse it from complying with the requirement to obtain Presidential approval before granting benefits and allowances.** The Constitution provides that all executive departments, bureaus, and offices are under the control of the President. Thus, petitioner must comply with MO No. 20, s. 2001 which provides that any increase in salary or compensation of GOCCs/GFIs that is not in accordance with the SSL shall be subject to the President's approval.

National Power Corporation Board of Directors v. Commission on Audit, G.R. No. 242342, 10 March 2020

Attachment

Doctrine of Qualified Political Agency does not apply when Secretaries act as Board Chair.

Petitioners concede that the DBM Secretary sits as member of the National Power Board in an ex officio capacity pursuant to R.A. No. 9136 or the Electric Power Industry Reforms Act of 2001. As such, the **Budget Secretary's authority** to sit in the **National Power Board** emanated from the **law, and not from the appointment of the President**. Thus, the **doctrine of qualified political agency** does **not attach to the acts performed by cabinet secretaries** in connection with their position as **ex officio members** of the National Power Board. xxx Thus, the approval or disapproval of the DBM Secretary as required under the law would **not have the effect of one member of the board overturning the votes** of the majority of the board since it is, by legal fiat, actually the act of the President exercised through his alter ego.

Secretary of Agrarian Reform, et al., v. Heirs Of Redemptor and Elisa Abucay, et al.m G.R. Nos. 186432 & 186964, 12 March 2019

Jurisdiction

Jurisdiction is defined by law.

The **jurisdiction** over the **administrative implementation of agrarian laws exclusively belongs** to the **Department of Agrarian Reform Secretary.** This is true even if the dispute involves the **cancellation of registered emancipation patents and certificates of title**, which, before Republic Act No. 9700 amended Republic Act No. 6657 or the Comprehensive Agrarian Reform Law, was cognizable by the Department of Agrarian Reform Adjudication Board. Thus, under Administrative Order No. 07-14, the Complaint for cancellation of original certificates of title and emancipation patents filed by respondents should be referred to the **Office of the Provincial Agrarian Reform Adjudicator** of Leyte for case buildup. Then, the case shall be decided by the **Department of Agrarian Reform Secretary**.

Power Sector Assets and Liabilities Management Corporation v. Commission on Audit, G.R. No. 247924, 16 November 2021

Jurisdiction
Jurisdiction is defined by law.

The requirement to secure **COA's prior written concurrence** to every engagement of private counsel by a government office is an instance of **pre-audit**. COA has the **constitutional mandate to determine whether to require pre-audit or post-audit**. It is within COA's discretion to require pre-audit in the form of a written concurrence to obtaining outside legal services. Imposing **prior concurrence** of COA as a pre-requisite to the validity of the engagement of a private lawyer, is **not ultra vires**.

Landbank of the Philippines v. Magdalena Quilit and Mauricio Laoyan
G.R. No. 194167, 10 February 2021

Jurisdiction

DARAB cannot self-confer the power to issue writs of certiorari.

In the **absence of a specific statutory grant of jurisdiction** to issue the said extraordinary writ of certiorari, the DARAB, as a **quasi-judicial body** with only limited jurisdiction, cannot exercise jurisdiction over Land Bank's petition for certiorari. Neither the quasi-judicial authority of the DARAB nor its rule-making power justifies such **self-conferment of authority." DARAB is devoid of power to issue writs of certiorari**. The power to issue writs of certiorari is an incident of **judicial review**. DARAB, not being a court of law exercising judicial power, is, therefore, inherently powerless and incapable by constitutional fiat of acquiring jurisdiction over special civil actions for certiorari and issuing writs of certiorari to annul acts of the Provincial Agrarian Reform Adjudicator (PARAD) or RARAD even when it exercises supervisory powers over them.

Department of Health and Food And Drug Administration v. Philippine Tobacco Institute, G.R. No. 200431, 31 July 2021

Jurisdiction

Agencies cannot go beyond its jurisdiction and encroach on others.

IAC-Tobacco's authority under R.A. No. 9211 does **not cover the regulation of the health aspects of tobacco products**. It is evident from R.A. No. 9211 that the IAC-Tobacco has limited jurisdiction over tobacco products and does not regulate all their aspects. Its implementing authority is only restricted to the acts provided under the law, which mainly include the **regulation of distribution, access, sale, labeling, advertisements, sponsorships, and promotions of tobacco products**. Nothing in the law denotes that it holds authority over the health aspects of tobacco products. The mere acknowledgment in Sec. 25 of R.A. No. 9711 that nothing in that law "shall be deemed to modify the sole and exclusive jurisdiction of other specialized agencies," such as the IAC-Tobacco under R.A. No. 9211, does not automatically place tobacco products outside the FDA's regulatory authority.

Efraim C. Genuino v. Commission on Audit
G.R. No. 230818, 15 June 2021

Jurisdiction

COA's jurisdiction limited by special law.

By law, **COA's audit jurisdiction over PAGCOR** is limited to the latter's **remittances to the BIR as franchise tax** and the **National Treasury** with respect to the **Government's share in its gross earnings**. COA's **limited audit jurisdiction over PAGCOR** is based on its **Charter.** Pursuant to Sec. 15 thereof, any government audit over PAGCOR should be limited to its 5% franchise tax and 50% of its gross earnings pertaining to the Government as its share. Resultantly, any audit beyond the aforementioned is accomplished beyond the scope of COA's authority and functions. Here, the P2million **financial assistance** granted by PAGCOR to PVHA was **sourced from PAGCOR's operating expenses, particularly, its marketing expenses.** Hence, the audit conducted by COA in this case was not made in relation to either the 5% franchise tax or the Government's 50% share in its gross earnings and, therefore, **beyond the scope of COA's audit authority.** Despite COA's general mandate to ensure that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, the same cannot prevail over a special law such as the PAGCOR Charter.

Renato B. Padilla and Maria Louisa Perez-Padilla v. Commission on Audit, G.R. No. 244815, 02 February 2021

Jurisdiction

DBM's jurisdiction limited by special law.

While **Philippine International Convention Center** is a distinct and separate entity from its parent company (the BSP), it is **part of the operations of the BSP.** There is no existing law, IRR, or guidelines declaring that PICC is covered by E.O. No. 80 or that it falls under the jurisdiction of the DBM. It bears stressing that the **BSP enjoys fiscal and administrative autonomy** under its charter (R.A. No. 7653). The MB then is granted the authority to adopt an annual budget for and authorize such expenditures by the BSP as are in the interest of its effective administration and operations in accordance with the applicable laws and regulations. Since the MB adopts an annual budget for the BSP and, as a matter of course, the PICCI, it is **incongruous to place the BSP under the jurisdiction of the DBM** and subject its budget to the DBM's review and approval. While it is true that the power to appropriate belongs to Congress, and the responsibility of releasing appropriations belongs to the DBM, but this does not hold true for the BSP. The BSP does **not receive its budget from the national government through the GAA**. Unlike other government agencies, the BSP is not reliant on Congress for budgetary appropriation. **It is the MB which crafts the BSP's annual budget to ensure the effective administration and operations of the BSP and its subsidiaries.**

In Re: In The Matter of the Issuance of a Writ of Habeas Corpus of Inmates Raymundo Reyes and Vincent B. Evangelista, G.R. No. 251954, 10 June 2020

Rule-Making

Rules partake of the nature of a statute.

Rules and regulations issued by administrative bodies to interpret the law which they are entrusted to enforce, such as the 2019 IRR issued by the DOJ and the DILG, have the **force of law**, and are entitled to great respect**.** Administrative issuances **partake of the nature of a statute** and have in their favor a **presumption of legality.** As such, **courts cannot ignore administrative issuances** especially when, as in this case, **its validity was not put in issue. Unless an administrative order is declared invalid, courts have no option but to apply the same.** It is clear from the aforequoted provision that PDLs convicted of heinous crimes shall not be entitled to GCTA.

Philippine Chamber of Commerce and Industry v. Department of Energy, G.R. No. 228588, 229143 & 229453, 02 March 2021

Rule-Making

2 Tests of Subordinate Legislation

All that is required for the valid exercise of this power of subordinate legislation is that the regulation must be **germane to the objects and purposes of the law;** and that the regulation be **not in contradiction to, but in conformity with, the standards prescribed by the law.** Under the first test or the so-called **completeness test,** the law must be complete in all its **terms and conditions** when it leaves the legislature such that when it reaches the delegate, the only thing he will have to do is to **enforce it.** The second test or the **sufficient standard test,** mandates that there should be **adequate guidelines or limitations** in the law to determine the boundaries of the delegate's authority and prevent the delegation from running riot. The EPIRA champions customer choice and allows contestable customers to choose from either franchise holders who have unbundled their business or non-regulated electricity suppliers. Clearly, as respondent Department of Energy itself admits, the **mandatory migration of qualified end-users to the contestable market** required in the assailed issuances finds no basis in the law they seek to implement.

Guagua National Colleges v. Guagua National Colleges Faculty Labor Union, G.R. No. 213730, 23 June 2021

Rule-Making

Rules cannot abridge or expand scope of law.

The resolution of the case centers on the interpretation of **"other benefits"** as provided under Section 5(2) of RA 6728. In effect, the guidelines issued under DECS Order No. 15, series of 1992 on the allocation of the 70% incremental proceeds under RA 6728 restricted the scope of "other benefits" by limiting its applicability to **"wage-related benefits,"** which the law itself does not require. Well-settled is the rule that the letter of the law is controlling and cannot be amended by an administrative rule or regulation. Thus, "in case of **discrepancy** between the **basic law** and a **rule or regulation** issued to implement said law, the **basic law prevails**, because the said rule or regulation cannot go beyond the terms and provisions of the basic law." In case of conflict, the law prevails over the administrative regulations implementing it. The authority to promulgate implementing rules proceeds from the law itself. To be valid, a rule or regulation must **conform to and be consistent with the provisions of the enabling statute**. As such, it cannot amend the law either by abridging or expanding its scope.

Dangerous Drugs Board v. Maria Belen Angelita V. Matibag
G.R. No. 210013, 22 January 2020

Rule-Making

Requirements prescribed under rules must be followed.

First, it must be noted that the **Career Executive Service Board** is expressly empowered to **promulgate rules, standards and procedures** on the **selection, classification, compensation and career development** of the members of the CES. Following CESB's clear authority to prescribe the requirements for **entry to the CES**, the Court held in in a line of cases that even holders of the CSEE still needed to comply with CESB Resolution No. 811, dated Aug. 17, 2009, to the effect that holders of the CSC's CSEE must **comply with the last two stages** – the assessment center and the performance validation – to get CES Eligibility.

Teddy Panarigan v. Civil Service Commission
G.R. No. 238077, 17 March 2021

Factual Findings

Finding of guilt, if supported by substantial evidence, will be sustained.

The **findings of facts** of administrative agencies such as the CSC, are **controlling on the reviewing court.** The CSC is **better equipped** in handling cases involving the employment status of employees in the CSC since it is within its **field of expertise.** As a **general rule, a finding of guilt in administrative cases,** if supported by **substantial evidence** or that amount of evidence which a reasonable mind might accept as adequate to justify a conclusion, **will be sustained by this Court.**

Rene Figueroa v. Commission on Audit
G.R. No. 213212, 27 April 2021

Factual Findings

Findings are reviewable by the Courts when Agencies commit grave abuse of discretion.

Findings of administrative agencies are accorded **not only respect** but also **finality** when the decision and order are **not tainted with unfairness or arbitrariness that would amount to grave abuse of discretion.** It is only when the COA has acted without or in excess of jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, that this Court entertains a petition questioning its rulings. xxx However, we are reminded that said general policy should not be applied in a straightjacket as there are instances wherein the decisions of these agencies should be reviewed by this Court. One of those instances is when the administrative agency committed grave abuse of discretion, as in this case. There is grave abuse of discretion when there is an evasion of a positive duty or a virtual refusal to perform a duty enjoined by law or to act in contemplation of law as when the judgment rendered is not based on law and evidence but on caprice, whim, and despotism.

Lynna Chung v. Office of the Ombudsman
G.R. No. 239871, 18 March 2021

Factual Findings

Policy of judicial non-interference weighed against purpose of preliminary investigation.

First, it must be noted that while the **Court** has a **policy of non-interference in the Ombudsman's exercise of its constitutionally mandated powers,** this should be **weighed against the purpose of a preliminary investigation**, which is securing the innocent against hasty, malicious, and oppressive prosecution, and protecting one from an open and public accusation of a crime from the trouble, expense, and anxiety of a public trial. In the instant case, even at the probable cause stage, it is already evident that **not every element of Sec. 3(e) of RA 3019 is present.** There is no showing that Chung's act was done through manifest partiality, evident bad faith, or gross inexcusable negligence, or that she gave any unwarranted benefit, advantage, or preference to another, or that undue injury was caused to the government.

City of Makati v. Municipality of Bakun
G.R. No. 225226, 07 July 2020

Factual Findings

Findings of fact of Agencies which only provide consultative services not given weight.

To be sure, the **Bureau of Local Government Finance** is **not an administrative agency whose findings on questions of fact are given weight and deference in the courts.** The authorities cited by petitioner pertain to the Court of Tax Appeals, a highly specialized court which performs judicial functions as it was created for the review of tax cases. In contrast, the **BLGF** was created merely to **provide consultative services and technical assistance** to local governments and the general public on local taxation, real property assessment, and other related matters, among others.

Perfecto Velasquez, Jr. v. Linsondra Land Inc.
G.R. No. 231290, 27 August 2020

Quasi-Judicial

Jurisdiction (over subject matter or property involved and the parties) is defined by law.

Jurisdiction is defined as the power and authority to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire jurisdiction over the subject matter. It is axiomatic that jurisdiction over the **subject matter is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists**. Thus, when a court or tribunal has **no jurisdiction** over the subject matter, the only power it has is to **dismiss the action.** The jurisdiction of the HLURB to hear and decide cases is determined by the nature of the cause of action, the **subject matter or property involved and the parties**. Notably, the cases before the HLURB must involve a subdivision project, subdivision lot, condominium project or condominium unit. Otherwise, the HLURB has no jurisdiction over the subject matter. Similarly, the HLURB's jurisdiction is limited to those cases filed by the **buyer or owner of a subdivision or condominium** and based on any of the causes of action enumerated under Section l of PD No. 1344. HLURB does not jurisdiction if one party is a **business partner**.

Bayan Muna v. Energy Regulatory Commission
G.R. Nos. 210245, 210255, & 210502, 03 August 2021

Quasi-Judicial

Rendering a final order when investigation is unfinished violates due process.

As for the *March 3, 2014 ERC Order,* the same is nullified for violating petitioners' rights to due process. It must be recalled that the ERC filed a manifestation and motion attaching a copy of its March 3, 2014 Order in the case docketed as ERC Case No. 2014-021MC. Notably, the ERC rendered this March 3, 2014 Order *even if* it was **still in the process of "completing its findings on the possible abuse of market power** which could have negatively impacted on the prices of electricity in the market." The March 3, 2014 Order acknowledged that it was based on an **unfinished investigation**, and *yet* it included a fallo voiding the Luzon WESM prices and imposing regulated prices instead. The ERC also did not notify the affected parties about ERC Case No. 2014-021MC, in **violation of their right to due process**. Most of the respondents manifested before the Court that they filed petitions to intervene in the ERC case, and motions for reconsideration of the March 3, 2014 Order, to challenge its premature and erroneous findings.

Allan Du Yaphockun v. Professional Regulation Commission
G.R. No. 213314, 23 March 2021

Judicial Review

RTC has jurisdiction to assail validity of rules.

It should be emphasized, however, that while the Constitution expressly vested the **Supreme Court with original jurisdiction** over petitions for **certiorari, prohibition, and mandamus**, among others, such power is **shared with the Court of Appeals (CA) and the Regional Trial Courts (RTC)**. The Court held that if what is being assailed is the **validity or constitutionality of a rule or regulation** issued by an administrative agency in the performance of its **quasi-legislative functions,** then the **RTC has jurisdiction** The determination of whether a specific rule or set of rules issued by an administrative agto pass upon the same. ency contravenes the law or the Constitution is within the jurisdiction of the RTC. The **doctrine of hierarchy of courts** directs the parties to file their petitions for extraordinary writs before the appropriate court of lower rank. **Non-compliance** with this requirement is a ground for **dismissal of the petition.**

Mina C. Nacilla and the late Roberto C. Jacobe v. Movie and Television Review and Classification Board, G.R. No. 223449, 10 November 2020

Judicial Review

Parties must follow options as stated in rules.

When the **Adjudication Committee rendered a decision** against petitioners on April 8, 2008, the applicable CSC rule was MC 19, as amended by Resolution No. 07-0244. Following Sec. 43 as amended, **petitioners** had **two options: appeal to the department head before appealing to the CSC, or directly file an appeal with the CSC.** Petitioners mistakenly appealed to the OP, which as they argue, is the department head. The phrase **"department head"**, when applied to this case, refers to the **Chairperson of the MTRCB** who exercised supervision over the affairs of not only the whole Board but also the MTRCB employees. The Chairperson technically does not report or answer to a department head, compared to other departments under the OP. Besides, the **OP is technically not a department** under the purview of Resolution No. 07-0244, as "department", under said Resolution, refers to "any of the executive departments or entities having the category of a department, including the judiciary and the other constitutional commission and offices."

Local Government Law

Republic v. Provincial Government of Palawan
G.R. No. 170867/G.R. No. 185941, January 21, 2020

Territory

Plebiscite needed for substantial alteration of boundaries.

A **substantial alteration** of the boundaries of a province can only be done through a **plebiscite** called for the purpose (**and cannot be done simply through a law passed by Congress**). Thus, R.A. No. 7611 cannot be the basis to prove that the Camago-Malampaya reservoirs are within the Province of Palawan. The **area remains under the territorial jurisdiction of the Republic, unless otherwise provided by law**. Thus, the Province of Palawan is not entitled to an equitable share in the proceeds of the Camago-Malampaya Natural Gas Project.

Del Rosario v. COMELEC,
G.R. No. 247610, March 10, 2020

Territory

Voters of HUC excluded in plebiscite for splitting of a province.

A city becomes a distinct political entity **independent and autonomous from the province** by virtue of its conversion into a **highly urbanized city**. Hence, it can no longer be considered a "**political unit directly affected**" by the proposed division of the province into separate provinces. Thus, the qualified voters of the highly urbanized city are properly **excluded from the coverage of the plebiscite in the proposed splitting of the province.**

Municipality of Makati vs. Municipality of Taguig
G.R. No. 235316, December 1, 2021

Boundary Dispute
Survey Plan prevails over Map prepared by 1 party.

Between a **survey plan** (Psu-931), which has been repeatedly recognized by duly constituted authorities, and a **map, which was prepared at the instance of a party to the case**, based on documents evidencing private proprietary interests, it is clear that the **former carries more weight**, impressed as it is with the approval of or adoption by the sovereign itself. Judicial notice can be taken of **contemporaneous acts** even without the introduction of evidence. These acts may include laws, proclamations, issuances, as well as the decisions of the Court so long as they are official acts of the executive, legislative, and judicial branches of government. Before the 1973 Constitution, the legislature exercised absolute discretion in fixing territorial boundaries. It did delegate this power to the Chief Executive under the 1917 Revised Administrative Code. This scheme remained unchanged until the effectivity of the 1973 Constitution. Thus, the acts of the legislature and the chief executive prior to the 1973 Constitution carry great weight in ascertaining the boundaries of local government units. Although the laws and proclamations cited do not directly fix the boundaries of the LGUs, they reveal a common understanding on which LGU exercised jurisdiction over the disputed areas. **Census results cannot supplant the declarations of the two government branches** that controlled the boundaries of local government units pre-1973 Constitution. Census results do not determine or fix territorial boundaries.

Municipality of Isabel, Leyte v. Municipality of Merida, Leyte, G.R. No. 216092, December 9, 2020

Boundary Dispute

Testimony of Mayor carries more weight than those of residents.

In **boundary dispute adjudication**, tribunals must weigh and interpret the **evidence presented in a manner which gives full effect to**, and is most consistent with, the **statute or statutes creating the LGUs** involved in the dispute. American authorities on municipal corporation law have stated that in the **determination of LGU boundaries**, "due weight should be given to the **contemporaneous interpretation of the courts and other lawful authorities and by the population at large residing therein**. **Maps published by authority of law** may [also] be referred to as evidence." As weighed against the **statements of residents and municipal employees** who lived in the disputed area contemporaneously with the establishment of Isabel which were given credence by the trial court, the **testimony of Mayor Ruiz must be given greater weight**. Not only was he able to state the location and the circumstances of the installation of the Doldol monument, his official position as the first mayor of Isabel and manifest apprehension in binding the incumbent officials of Isabel to his statement bolsters the accuracy and reliability of his testimony. Furthermore, Isabel offered no credible rebuttal of Mayor Ruiz's testimony.

Madrilejos v. Gatdula
G.R. No. 184389, Sept. 24, 2019

Police Power

Anti-obscenity ordinance is not protected speech.

An anti-obscenity ordinance cannot be falsely attacked for overbreadth, because **obscenity is not protected speech**. The **overbreadth doctrine finds special and limited application only to free speech cases**, not obscenity prosecution. Laws that regulate or proscribe classes of speech falling beyond the ambit of constitutional protection **cannot**, therefore, be **subject to facial invalidation because there is no "transcendent value to all society" that would justify such attack.**

Equitable PCI Bank, Inc. v. South Rich Acres, Inc.
G.R. No. 202384/G.R. No. 202397, May 4, 2021

Eminent Domain

Declaring privately-owned lots as public road amounts to compensable taking.

The **declaration** of the entirety of Marcos Alvarez Avenue as a **public road** despite the fact that the subject lots are **privately-owned** is an act of **unlawful taking of private property.** The **taking of privately-owned property without just compensation amounts to confiscation which is beyond the ambit of police power**. Regardless of the enactment of City Ordinance No. 343-97 for the benefit of the public particularly the residents of Las Piñas and Cavite, the constitutional prohibition on the taking of private property for public use without just compensation prevents the City of Las Piñas from doing so. Since City Ordinance No. 343-97 in effect **deprived SRA of its ownership over the subject lots without just compensation,** the CA correctly upheld the RTC ruling that declared City Ordinance No. 343-97 unconstitutional.

City of Manila v. Prieto
G.R. No. 221366, July 8, 2019

Eminent Domain

Compliance with requirements is mandatory.

Several requisites must concur before a local government unit can exercise the power of eminent domain, to wit: xxx (4) a **valid and definite offer** has been previously made to the owner of the property sought to be expropriated, but said offer was not accepted. Further, the above-cited provision also states that the exercise of such delegated power should be **pursuant to the Constitution and pertinent laws**. **R.A. No. 7279** is such pertinent law in this case as it governs the local expropriation of properties for purposes of **urban land reform and housing**. Compliance with these conditions is mandatory because these are the only safeguards of oftentimes helpless owners of private property against what may be a tyrannical violation of due process when their property is forcibly taken from them allegedly for public use. The City of Manila failed to establish that the **other modes of acquisition** under Section 10 of R.A. No. 7279 were first exhausted. It is undisputed that after respondents rejected petitioner's offer of P2,000.00 per square meter to purchase their lots for being too low compared to the fair market value of their properties, the **City of Manila readily instituted the present expropriation suit without bothering to renegotiate its offer**. Relevantly, thus, there is no valid and definite offer made by petitioner before it filed the expropriation complaint. The intent of the law is for the State or the local government to make a reasonable offer in good faith, not merely & pro forma offer to acquire the property.

Metropolitan Waterworks and Sewerage System v. Central Board of Assessment Appeals, G.R. No. 215955, 13 January 2021

Local Taxation

MWSS, a Government Instrumentality, is exempt from real property tax.

Also, **tax exemptions under Sec. 133(o) and 234(a) of the LGC apply to MWSS.** While the 1987 Constitution now includes taxation as one of the powers of local governments, the latter may only exercise such power "subject to such guidelines and limitations as the Congress may provide." Thus, when local governments invoke their power to tax on government instrumentalities, such power is construed strictly against local governments. However, the **tax exemption** under Sec. 234(a) **ceases when the beneficial use of the real properties is alleged and proved to have been granted, for a consideration or otherwise, to a taxable person.** Beneficial use means actual use or possession of the property. In this case, while there was an allegation that the beneficial use of MWSS' properties in Pasay were given to Maynilad by virtue of a concession agreement, this factual allegation was not proved. At any rate, **the tax-exempt status of a government instrumentality is not lost when it grants the beneficial use of its real property to a taxable person; only the exemption of the real property ceases in such case.**

Local Taxation

Philippine Heart Center v. Local Government of Quezon City, G.R. No. 225409, 11 March 2020

Philippine Heart Center, a Government Instrumentality, is exempt from real property tax.

Sec. 234(a) of the **LGC further exempts real property owned by the Republic from real property taxes, whether the real property is titled in the name of the Republic itself or in the name of agencies or instrumentalities of the national government. The Republic and its instrumentalities, including the PHC, retain their exempt status despite leasing out their properties to private individuals.** The fact that PHC was short of alienating its properties to private parties in relation to the establishment, operation, maintenance and viability of a fully functional specialized hospital, does not divest them of their exemption from levy; **the properties only lost the exemption from being taxed, but they did not lose their exemption from the means to collect such taxes.** Otherwise stated, LGUs are precluded from availing of the remedy of levy against properties owned by government instrumentalities, whether or not vested with corporate powers, such as the PHC. The only recourse of the QC Government is a judicial action for **collection of real property taxes against private individuals with beneficial use of the PHC's properties**.

University of the Philippines v. City Treasurer of Quezon City
G.R. No. 214044, June 19, 2019

Local Taxation

UP Property used for educational purposes exempt from real property tax.

Considering that the subject land and the revenue derived from the lease thereof are used by **UP for educational purposes and in support of its educational purposes**, UP should not be assessed, and should **not be made liable for real property tax** on the land subject of this case. Under R.A. 9500, this tax exemption, however, applies only to "**assets of the University of the Philippines**," referring to assets owned by UP. Under the **Contract of Lease** between UP and ALI, all improvement on the leased land "shall be owned by, and shall be for the account of the LESSEE [ALI]" during the term of the lease. The **improvements are not "assets" owned by UP**; and thus, UP's **tax exemption** under R.A. 9500 does **not extend** to these improvements during the term of the lease.

City of Davao v. Randy Allied Ventures, Inc.
G.R. No. 241697, July 29, 2019

Local Taxation

Holding companies not subject to local business tax.

LBTs are taxes imposed by local government units on the **privilege of doing business** within their jurisdictions. To be sure, the phrase "doing business" means some "**trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit.**" Particularly, the LBT imposed pursuant to Section 143 (t) is premised on the fact that the persons made liable for such tax are banks or other financial institutions by virtue of their being engaged in the business as such. This is why the LBT are imposed on their gross receipts from "interest, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property, insurance premium." However, LBT imposed pursuant to Section 143 (t) **cannot be applied to a holding company as it is neither a bank nor other financial institution.**

City of Davao v. AP Holdings, Inc.
G.R. No. 245887, January 22, 2020

Local Taxation

Income from public assets not subject to local business tax.

The City of Davao acted beyond its taxing authority when it imposed the questioned business tax on APHI. CIIF holding companies, including APHI itself and the entire CIIF block of SMC shares, are **public assets owned by the Republic of the Philippines.** Consequently, **dividends and any income from these shares are also owned by the Republic**. Moreover, APHI cannot be considered as a non-bank financial intermediary since its investment and placement of funds are not done in a regular or recurring manner for the purpose of earning profit. Rather, its management of dividends from the SMC shares is only in furtherance of its purpose as a CIIF **holding company for the benefit of the Republic**.

MERALCO v. City of Muntinlupa and Barlis
G.R. No. 198529, February 9, 2021

Local Taxation

Municipalities cannot levy franchise tax.

Municipalities may **only levy taxes not otherwise levied by the provinces**. Section 137 of RA 7160 particularly provides that provinces may impose a franchise tax on businesses granted with a franchise to operate. Since **provinces** have been vested with the **power to levy a franchise tax, it follows that municipalities, pursuant to Section 142 of RA 7160, could no longer levy it**. Therefore, Section 25 of **MO 93-35** which was enacted when Muntinlupa was still a municipality and which imposed a franchise tax on public utility corporations within its territorial jurisdiction, is ***ultra vires* for being violative of Section 142 of RA 7160**. The City cannot seek refuge under Article 236(b) of Administrative Order No. 270 (AO 270) in its bid to declare Section 25 of MO 93-35 as valid. As mere **rules** and regulations implementing RA 7160, they **cannot go beyond the intent of the law that it seeks to implement**.

Local Taxation

Film Development Council of the Philippines v. Colon Heritage Realty Corporation, G.R. No. 203754/G.R. No. 204418, November 3, 2020

Right to share in revenues from amusement tax subject to exhibition of graded film.

Accordingly, this is the reason why Section 14 limits the FDCP's right only to "all revenue from the amusement tax on the graded film which may otherwise accrue to the cities and municipalities in Metropolitan Manila and highly urbanized and independent component cities in the Philippines pursuant to Section 140 of [the LGC] during the period the graded film is exhibited." **If the graded film for which the revenue to be realized is yet to be exhibited, the taxes deducted/withheld should go to the LGUs. Conversely, once the graded film is exhibited, all revenue from the amusement tax derived during its exhibition should be remitted to FDCP.** To opine otherwise would suppose that FDCP was conferred with taxing authority when it was not. **FDCP has a dedicated function to develop the film industry by giving rewards to graded films which are intended to be exhibited.** This function is not subserved when the graded film is not at all exhibited to the viewing public. In this sense, FDCP's right to receive the revenue from amusement taxes (meant as an incentive to graded film makers) is therefore contingent on the exhibition of the graded film.

National Power Corporation v. Province of Pampanga
G.R. No. 230648, October 6, 2021

Local Taxation

Tax Assessment need not state provision of ordinance.

The **tax assessment**, which stands as the first instance the taxpayer is officially made aware of the pending tax liability, should be **sufficiently informative to apprise the taxpayer the legal basis of the tax.** Section 195 of the Local Government Code does **not** go as far as to **expressly require** that the notice of assessment specifically **cite the provision of the ordinance involved but it does require that it state the nature of the tax, fee or charge, the amount of deficiency, surcharges, interests, and penalties.** Moreover, the issue of nullity of the Assessment Letter is not deemed waived even if raised only in NPC's motion for reconsideration of the CTA En Banc's Decision. The CTA has ample authority to determine compliance by the taxing authority of the due process requirements under the tax laws even though not expressly raised as an issue in the petition filed before them.

Halili v. COMELEC
G.R. No. 231643, January 15, 2019

Term of Office

Conversion of a Municipality to a City not an interruption of term.

2 conditions must concur for the application of the **disqualification** of a candidate based on violation of the **3-term limit rule**, which are: (1) that the official concerned has been **elected for three consecutive terms** in the **same local government post**, and (2) that he has **fully served three consecutive terms**. The **conversion of a municipality into a city** does **not constitute an interruption** of the incumbent official's continuity of service. To be considered as interruption of service, the "law contemplates a rest period during which the local elective official **steps down from office** and **ceases to exercise power or authority over the inhabitants** of the territorial jurisdiction of a particular local government unit.

Edgardo Tallado v. Commission on Elections
G.R. No. 246679, 02 March 2021

Term of Office

Administrative dismissal results in interruption of term.

Tallado's **dismissal from office** is an interruption of his term in office. **"Interruption" of a term exempting an elective official from the three-term limit rule is one that involves no less than the involuntary loss of title to office**. When an elective local public officer is **administratively dismissed** by the Ombudsman and his penalty subsequently modified to another penalty, like herein petitioner, the **period of dismissal cannot** just be nonchalantly dismissed as a **period for preventive suspension** considering that, in fact, his **term is effectively interrupted**. During said period, petitioner **cannot claim to be Governor** as his title is stripped of him by the Ombudsman despite the pendency of his appeal. **Neither does he exercise the power of the office**. Said title and power are already passed to the Vice-Governor. He also cannot claim that the exercise of his power is merely suspended since it is not. Hence, the Court cannot turn a blind eye on the interruption of his term despite the **ex post facto redemption of his title following the Ombudsman rule**.

Sangguniang Panlungsod ng Valenzuela City v. Carlos
G.R. No. 255453/G.R. No. 255543, November 24, 2021

Accountability

OP, not HUC Council, has jurisdiction over SK President.

The **Sangguniang Panlungsod of a highly-urbanized city** may **not remove an SK federation president** from office. It is the **Office of the President** that has jurisdiction over the administrative complaint against the SK federation president. However, following the enactment of the **SK Reform Act in 2015,** suspension and removal of SK officials may now be carried out by the **concerned Sanggunian** without court action. Upon removal as an SK chairperson, the official was also effectively removed from her position as the city's SK federation president.

Election Law

Bañas-Nograles v. COMELEC
G.R. No. 246328, 10 September 2019

Date of Elections

Law must be categorical when setting a different date of the Regular Elections.

Elections for Congress should be held on the **2nd Monday of May** unless otherwise provided by law. The term "**unless otherwise provided by law**" contemplates two situations (1) when the **law specifically states when the elections** should be held on a date other than the second Monday of May; and (2) when the **law delegates the setting of the date of the elections to COMELEC**. Section 1 of R.A. 11243 categorically states that the **reapportionment** of the 1st District of South Cotabato shall "**commence in the next national and local elections after the effectivity of this Act**." R.A. 11243 did **not specifically provide for a different date**. Neither did it delegate unto COMELEC the setting of a different date. The law was passed with the view of implementing the reapportionment of the First Legislative District of the Province of South Cotabato at the most feasible and practicable time, i.e., during the next elections on the second Monday of May 2022. Congress could not have intended to enforce R.A. 11243 during the 2019 general elections as the election period had already begun when R.A. 11243 was enacted. To require implementation last May 13, 2019 would lead COMELEC to act precipitously.

Guro v. COMELEC
G.R. No. 234345, 22 June 2021

Candidacies

Prescriptive periods must be strictly applied.

Since the petition is anchored on the alleged **ineligibility** of private respondent, the same is in the nature of a **petition to deny due course or to cancel** the latter's COC which falls under Section 78 of the OEC. Where the disqualification is based on **age, residence, or any of the many grounds for ineligibility**, the reglementary period provided by law should be applied strictly. On the ground that the candidate allegedly misrepresented himself as being a registered voter, there is no reason to depart from settled jurisprudence and the **reglementary period of 25 days** provided by law should likewise be strictly applied to such a disqualification.

Zapanta v. Lagasca
G.R. No. 233016, March 05, 2019

Candidacies

Inspection of Ballots needed when crediting votes of a nuisance candidate in a multi-slot office.

In a multi-slot office (e.g. **Sanggunian**), the COMELEC must **not merely apply a simple mathematical formula of adding the votes of the nuisance candidate to the legitimate candidate with the similar name.** To ascertain that the votes for the nuisance candidate is accurately credited in favor of the legitimate candidate with the similar name, the COMELEC must also **inspect the ballots**. In those ballots that contain both votes for nuisance and legitimate candidate, only one count of vote must be credited to the legitimate candidate.

Marcos, Jr. v. Robredo
PET Case No. 005, 16 February 2021

Election Protests

SET has no jurisdiction to rule on the unconstitutionality of contracts.

The **Senate Electoral Tribunal has no express, inherent, or implied power to declare void or unconstitutional** Section 6.9 of the **Automated Election System Contracts**, which requires the protestant to shoulder the retention costs. The **authority of the SET** is limited to matters affecting the validity of the **protestant's title**. While it may be true that the SET has the power to control its proceedings, such power cannot, by any means, be construed as including the power to interpret much less invalidate a contract between third parties. Thus, any issue concerning the contract between the COMELEC and Smartmatic-TIM is beyond the jurisdiction and constitutional mandate of the SET. To rule otherwise is to overstretch if not to go astray from the interpretation of the SET's constitutional grant of jurisdiction as the sole judge of all contests relating to the elections, returns, and qualifications of the members of the Senate, as laid down in *Javier*.

Penson v. Chong
G.R. No. 211636, 28 September 2021

Election Protests

SC has no jurisdiction to rule on irregularities on election of Senators.

It is the **Senate Electoral Tribunal, not the Supreme Court**, which has the **exclusive jurisdiction** to hear and decide all matters relating to the alleged **irregularities in the canvassing of election returns and nullity of the proclamation of the 12 winning senatorial candidates**. To delve on these matters would be to usurp on the clear, complete, and categorical authority bestowed upon the SET as the **sole judge** of all contests relating to the **election, returns, and qualifications of the members of the Senate**. As succinctly held in *Barbers*, any pursuit by the Court to assume jurisdiction would be tantamount to an encroachment of the constitutional functions of the SET.

Marcos, Jr. v. Robredo
PET Case No. 005, 16 February 2021

Election Protests

Heavy burden on protestant to allege and prove irregularities.

An **election protest** is **no ordinary petition**. It alleges anomalies and irregularities which, if proven true, would perniciously deprive a significant portion of the voting population of its constitutionally protected right of suffrage. Given this extraordinary nature, an election protestant takes on the **heavy burden of clearly and specifically alleging, and then proving, the irregularities that led to a breakdown in our mechanisms for suffrage**. When the protestant fails to meet the strict requirement of specificity and established rules on evidence to support the allegations of election irregularities, the election protest must be dismissed.

Marcos, Jr. v. Robredo
PET Case No. 005, 17 November 2020

Election Protests

Internal Proceedings need not be publicized.

There is **no rule** under the 2010 Rules of the Presidential Electoral Tribunal which requires that an election protest should be **decided within 20 months or 12 months**.

The Presidential Electoral Tribunal's actions on **pending matters** before it are **not always publicized**. There is no requirement to keep the parties abreast with all its **internal proceedings**, especially on **administrative matters** which do not directly concern them.

Piccio v. HRET
G.R. No. 248985, 5 October 2021

Quo Warranto
Doubts are resolved in favor of eligibility.

In resolving the merits of the case, the Court is guided by basic principles in electoral tribunal cases brought to it on petition for certiorari. First, the **burden to prove** the ineligibility of a duly elected public official is **upon the person asserting such ineligibility**. A petitioner in a *quo warranto* case must first prove the very fact of disqualification of the candidate by **substantial evidence**. **Once the petitioner makes a *prima facie* case**, the **burden of evidence shifts to the candidate who should now defend himself or herself with countervailing evidence**. A taint of doubt is not enough to discharge the burden. Hence, Piccio and Umali have the burden of proving, with substantial evidence, their allegations that Vergara failed to re-acquire her Filipino citizenship. Second, the Court, in determining whether a quo warranto petitioner has discharged his or her burden of proving the ineligibility of an elected official, must resolve "**all possible doubts in favor of a winning candidate's eligibility**, for to rule otherwise is to defeat the true will of the electorate, which is paramount." Election laws are liberally and equitably construed to give fullest effect to the manifest will of the people.

Law on Public Officers

Fact-finding Investigation Bureau Military And Other Law Enforcement Offices v. Major Adelo B. Jandayan, G.R. No. 218155, 22 September 2020

Public Trust

Public office is a public trust.

A public office is a public trust and public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives. Here, Jandayan **signed** a roster of troops and disbursement voucher to support the liquidation of the cash advance. He even actually **received the funds though lacking authority to do so**. Worse, he **failed to show where the money went**. His acts, taken together with that of his co-respondents show an utter disregard of the trust reposed in him as a public officer and for which he should be held liable. A reasonable mind would arrive at the conclusion that Jandayan transgressed an established rule of action and that there was a **flagrant disregard of such rule.** He also caused **serious damage and prejudice to the government involving money** for which he was accountable.

Philippine Institute for Development Studies v. Commission on Audit, G.R. No. 212022, 20 August 2019

Executive Branch

Actions of Heads of Executive Department are acts of President.

Actions taken by heads of the executive department in the performance of their official duties are deemed the acts of the President, unless the President himself should disapprove such acts. All executive and administrative organizations are adjuncts of the Executive Department, the heads of the various executive departments are assistants and agents of the Chief Executive, and, **except in cases where the Chief Executive is required by the Constitution or the law to act in person** or the exigencies of the situation demand that he act personally, the multifarious executive and administrative functions of the Chief Executive are performed by and through the executive departments, and the acts of the secretaries of such departments, performed and promulgated in the regular course of business, are, **unless disapproved or reprobated** by the Chief Executive, presumptively the acts of the Chief Executive.

Proceso T. Domingo v. Paquito N. Ochoa, Jr.
G.R. Nos. 226648-49, 27 March 2019

Appointment

Powers to appoint and remove are discretionary.

The revocation of petitioners' CESO conferment necessarily flows from the invalidity of Resolution Nos. 871 and 872 insofar as petitioners' appointments are concerned. **Persons occupying positions in the CES are under the disciplinary authority of the President.** Since petitioners' act of signing the Resolutions recommending their own appointments is contrary to the ethical standards imposed on, and the due diligence demanded of, public officers, then necessarily, the OP validly considered the CESB recommendations concerning their own appointments as invalid. The recommendations being invalid, the conferment of CESO ranks flowing from those invalid recommendations are likewise invalid. **The power of appointment and conversely, the power to remove, is essentially discretionary and cannot be controlled, not even by the Court, as long as it is exercised properly by the appointing authority.**

Civil Service Commission v. Richard S. Rebong
G.R. No. 215932, 03 June 2019

Appointment

CSC only determines if appointee is qualified.

Appointment is an essentially discretionary power exercised by the head of an agency who is most knowledgeable to decide who can best perform the functions of the office. If the appointee possesses the qualifications required by law, then the appointment cannot be faulted on the ground that there are others better qualified who should have been preferred. **The choice of an appointee from among those who possess the required qualifications is a political and administrative decision calling for considerations of wisdom, convenience, utility and the interests of the service which can best be made by the head of the office concerned**, the person most familiar with the organizational structure and environmental circumstances within which the appointee must function. As long as the appointee is qualified, the **Civil Service Commission** has no choice but to **attest** to and respect the appointment **even if it be proved that there are others with superior credentials**. The law limits the Commission's authority only to whether or not the appointees **possess the legal qualifications** and the appropriate civil service eligibility, nothing else. If they do then the appointments are approved because the Commission cannot exceed its power by substituting its will for that of the appointing authority.

Marilyn Yangson v. Department of Education
G.R. No. 200170, 03 June 2019

Appointment

Employee can be reassigned when appointment is not station-specific.

A **transfer** is the movement of employee from one position to another which is of equivalent rank, level or salary without gap in the service involving the issuance of an appointment. On the other hand, a **reassignment is merely a movement of an employee from one organizational unit to another in the same department or agency which does not involve a reduction in rank, status or salary and does not require the issuance of an appointment.** An **appointment is station-specific** if the employee's appointment paper specifically indicates on its face the particular office or station the position is located. Moreover, the station should already be specified in the position title, even if the place of assignment is not indicated on the face of the appointment. Furthermore, it was ruled in a catena of cases by the Supreme Court that the right to **security of tenure is not violated** when a public officer or employee, whose **appointment is not station-specific, is reassigned.**

Ramil A. Bagaoisan v. Office of the Ombudsman for Mindanao
G.R. No. 242005, 26 June 2019

Designation

Nepotism applies in appointment and designation.

One is guilty of **nepotism** if an **appointment** is issued in favor of a relative within the **third civil degree** of consanguinity or affinity of any of the following: (*a*) appointing authority; (*b*) recommending authority; (*c*) chief of the bureau or office; and (*d*) person exercising immediate supervision over the appointee. Meanwhile, **"designation"** is defined as **"an appointment or assignment to a particular office," and "to designate" means "to indicate, select, appoint, or set apart for a purpose or duty."** Jurisprudence has it that for the purpose of determining **nepotism**, there should be **no distinction between *appointment* and *designation***; otherwise, the prohibition on nepotism would be meaningless and toothless.

Reinstatement

Marey Beth D. Marzan v. City Government of Olongapo, et al.
G.R. No. 232769, 03 November 2020

Reinstatement, being discretionary, cannot be compelled through mandamus.

Marzan's **reinstatement** to her former position as Department Head of the CPDO constitutes a **discretionary act** which **cannot be compelled through a writ of *mandamus***. Sec. 13, Rule VI of the Omnibus Rules relied upon by Marzan, does not apply. **Said rule does not apply because such mandates that "before a public official or employee can be automatically restored to her former position, there must first be a series of promotions;** second, all appointments are simultaneously submitted to the CSC for approval; and third, the CSC disapproves the appointment of a person proposed to a higher position." Thus, the rule presupposes that the appointment constitutes a promotion. CSC MC No. 40-98 defines **promotion** as "the advancement of an employee from one position to another with an increase in duties and responsibilities as authorized by law, and usually accompanied by an increase in salary." In contrast, a **transfer** contemplates "the movement of an employee from one position to another which is of equivalent rank, level or salary without break in the service involving the issuance of an appointment."

Accountability

Department of Trade and Industry v. Danilo B. Enriquez
G.R. No. 225301, 02 June 2020

The disciplinary authority of Secretaries is limited to non-presidential appointees.

Each department shall have jurisdiction over bureaus, offices, regulatory agencies, and GOCCs assigned to it by law. The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary, who shall have **supervision and control of the Department**. Thus, a **bureau director, which heads a mere subdivision of a department, is under the Department Secretary's disciplinary supervision.** The provisions made no distinction between presidential and non-presidential appointees with regard to the Secretary's disciplinary jurisdiction. The **distinction** between **presidential and non-presidential appointees** becomes relevant only with respect to the Department Secretary's **"power to impose penalties"** and **"power to investigate." The disciplinary authority of the CSC and department secretaries are *limited to non-presidential appointees***. While the power to impose penalty remains with the President or the Ombudsman, **the power to investigate and to designate a committee or officer to investigate,** and thereafter to report its findings and make recommendations, **may be delegated** to and exercised by subordinates or a special commission or committee specifically created for such purpose.

Mansue Nery Lukban v. Ombudsman Conchita Carpio-Morales
G.R. No. 238563, 12 February 2020

Accountability

Administrative liability is separate and distinct from penal liability.

First, it must be noted that **in administrative proceedings,** the complainant carries the burden of proving the allegations with **substantial evidence**. xxx **dishonesty is not simply bad judgment or negligence, but a question of intention.** Although there is no concrete description under the Civil Service law and rules as to what specific acts constitute conduct prejudicial to the best interest of the service, jurisprudence instructs that what is essential is that the **questioned conduct tarnishes the image and integrity of his public office. The administrative liability of a person allegedly involved in a felonious scheme cannot be established through conspiracy, as one's administrative liability is separate and distinct from penal liability.** Thus, in administrative cases, the only inquiry in determining liability is whether the respondent, through his individual actions, committed the charges against him that render him administratively liable.

Accountability

Cecilia Q. Rejas vs. Office of the Ombudsman, et al.
G.R. Nos. 241576 & 241623, 03 November 2020

No substantial evidence when no nexus between acts and functions of office.

The **quantum of proof necessary** to prove a charge in an administrative case, that is, **substantial evidence**, was not met here. While the adjustments to the salary grade of Antonio were made without legal basis, records show that petitioner's act or omission has no material connection thereto and does not constitute grave misconduct or any administrative offense. Nevertheless, the Court finds that petitioner had no participation in the act of increasing Antonio's salary grade. Hence, the OMB erroneously found petitioner guilty of grave misconduct. The **specific act** for which petitioner is being **called to account has nothing to do with budget preparations and any act related to it, leading up to the enactment of an appropriation ordinance by the *Sanggunian*.** Thus, there is **no substantial evidence to hold petitioner administratively liable since there is no nexus between her acts and the functions of her office.**

Emerita A. Collado v. Reynaldo A. Villar
G.R. No. 193143, 01 December 2020

Accountability

Civil liability of officers for acts done in performance of official duties.

Civil liability of officers for acts done in performance of official duties is rooted in Sections 38 and 39, Chapter 9, Book I of the Administrative Code. The civil liability thereunder, including the treatment of their liability as solidary, arises only upon a showing that the approving or certifying officers **performed their official duties with bad faith, malice or gross negligence.** The determination of whether good faith and regularity in the performance of official functions may be appreciated in favor of approving/ certifying officers is done on a case-to-case basis.

Luis Raymund Villafuerte, Jr. v. Commission on Audit
G.R. No. 246053, 27 April 2021

Accountability

Gross negligence when not comply with procurement laws.

Administrative, civil, or even criminal liability, as the case may be, may attach to persons responsible for unlawful expenditures, as a wrongful act or omission of a public officer. According to this "**threefold liability rule**," a public officer may be held civilly liable to reimburse the injured party if his wrongful acts or omissions result in damages. If the law violated attaches a penal sanction, the erring officer may also be punished criminally. Lastly, such violation may also lead to administrative sanctions if disciplinary measures are warranted based on evaluation of the conduct of the public official. Actions resulting from each of these liabilities may **proceed independently** of one another, as in fact, the quantum of evidence required in each case is different. Villafuerte, Jr.'s actuations were **grossly negligent amounting to bad faith when he approved the transaction despite noncompliance with procurement laws and the glaring deficiencies in the requirements needed to process the transaction.** Since there is a clear showing of gross negligence on the part of Villafuerte, Jr., he is solidary liable for the disallowed amount.

Office of the Ombudsman, et al. v. Oscar Malapitan
G.R. No. 229811, 28 April 2021

Accountability

Application of abandonment of condonation doctrine.

The condonation doctrine applies since the act constituting the administrative offense was allegedly committed in 2009, and Malapitan was reelected in 2010. The **abandonment of the condonation doctrine took effect on April 12, 2016**, when the Court denied with finality the Ombudsman's Motion for Reconsideration in *Morales v. Court of Appeals.* In clarifying the effect of the *Carpio Morales* case, the Court noted that the abandonment became effective only on April 12, 2016; it would **no longer apply the defense of condonation** starting on April 12, 2016 ***except for open and pending administrative cases.*** Thus, after *Carpio Morales* became final, **the condonation doctrine's applicability now depends on the date of the filing of the complaint, not the date of the commission of the offense.** Since the administrative case against Malapitan was filed in Jan. 2016, and was admitted in Feb. 2016, *it was already an open case by the time the condonation doctrine was abandoned.*

Grant of Retirement to the Late Former Chief Justice Renato C. Corona
A.M. No. 20-07-10-SC, 12 January 2021

Impeachment

Impeachment is only preparatory to liability.

The **effects of a judgment on an impeachment** complaint extend no further than **removal from office and disqualification from holding any public office. An impeached public officer whose civil, criminal, or administrative liability was not judicially established may be considered involuntarily retired from service.** Retirement is the termination of one's employment or career, especially upon reaching a certain age or for health reasons. To retire is to withdraw from one's position or occupation, or to conclude one's active working life or professional career. In sum, an impeached public officer whose civil, criminal, or administrative liability was not judicially established is **entitled to the retirement benefits** provided under R.A. Nos. 9946 and 8291. **Impeachment is only preparatory to liability.** Since a **removal by impeachment does not explicitly provide for forfeiture** as a consequence thereof, as opposed to a criminal conviction carrying the penalty of perpetual or absolute disqualification, **an impeached official,** like former Chief Justice Corona, **cannot be deprived of his retirement benefits on the sole ground of his removal.**

Elaine R. Abanto v. Development Bank of the Philippines
G.R. Nos. 207281 & 210922, 05 March 2019

Benefits

Benefits under Special-Later Law allowed.

DBP is authorized by its Charter to provide a **supplementary retirement plan**, subject to the prior approval of the Secretary of Finance. Nonetheless, since ERIP IV is not a supplementary retirement plan, prior approval by the Secretary of Finance is not necessary. Its absence, therefore, cannot invalidate ERIP IV. Thus, the **COA erred in disallowing the benefits** under ERIP IV-2003.

There is an **irreconcilable inconsistency** between the **Teves Retirement Law and the DBP Charter because while the former prohibits supplementary retirement plans, the latter expressly authorizes supplementary retirement plans.** As held in *DBP v. COA*, **the DBP Charter prevails over the Teves Retirement Law not only because it is a later law but also because it is a special law.**

Mario M. Madera, et al. v. Commission on Audit
G.R. No. 244128, 08 September 2020

Benefits
Badges of good faith.

1. If a Notice of Disallowance is set aside by the Court, no return shall be required from any of the persons held liable therein.
2. If a Notice of Disallowance is upheld, the **rules on return** are as follows:
    a. Approving and certifying officers who acted in **good faith**, in regular performance of official functions, and with the diligence of a good father of the family are not civilly liable to return consistent with Sec. 38 of the Administrative Code of 1987.
    b. Approving and certifying officers who are clearly shown to have acted in bad faith, malice, or gross negligence are, pursuant to Sec. 43 of the Administrative Code, solidarily liable to return only the net disallowed amount which excludes amounts excused under Sections 2c and 2d.
    c. Recipients — whether approving or certifying officers or mere passive recipients — are liable to return the disallowed amounts respectively received by them, unless they are able to show that the amounts they received were genuinely given in consideration of services rendered.
    d. The Court may likewise excuse the return of recipients based on undue prejudice, social justice considerations, and other bona fide exceptions as it may determine on a case-to-case basis.

The following are **badges for the determination of whether an authorizing officer exercised the diligence of a good father of a family**: a) Certificates of Availability of Funds pursuant to Sec. 40 of the Administrative Code; b) In-house or Department of Justice legal opinion; c) That there is no precedent disallowing a similar case in jurisprudence; d) That it is traditionally practiced within the agency and no prior disallowance has been issued; or e) With regard the question of law, that there is a reasonable textual interpretation on its legality.

Ricardo Rotoras v. Commission on Audit
G.R. No. 211999, 20 August 2019

Benefits

Valid claim to benefits must support good faith to preclude return of disallowed benefits.

Jurisprudence dictates that the defense of **good faith**, which **precludes the requirement to return disallowed benefits or allowances**, is based on the principle that public officials are **entitled to the presumption of good faith** when discharging their official duties. Both the public officers who disbursed the benefits or allowances and those who received them will not be required to return the benefits or disallowances when it is shown that they acted in good faith in doing so. However, if they have **no valid claim to the benefits, they cannot be allowed to retain them, regardless of the alleged good or bad faith of the responsible officers and recipients, under the rule against unjust enrichment.**

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Thank you. Good luck.