

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**SPOUSES TIMOTEO RECAÑA, JR. and
ESTER RECAÑA,**

Petitioners,

-versus-

**G.R. No. 123850
January 5, 2001**

**THE COURT OF APPEALS and
AURORA PADPAD, LUCILA
ARBOLEDA, ENRIQUE ARBOLEDA,
AGUSTIN, REYNALDO, RODOLFO and
ROLANDO all surnamed ARBOLEDA in
representation of their father
ERNESTO ARBOLEDA,**

Respondents.

X-----X

DECISION

QUISUMBING, J.:

This Petition for Review on *Certiorari* under Rule 45 seeks to set aside the Decision^[1] of the Court of Appeals promulgated on October 13, 1995 and its Resolution^[2] dated February 7, 1996, which denied petitioners' motion for reconsideration. The Decision of the respondent court affirmed with modification the Decision^[3] of the

Regional Trial Court of Manila, Branch 03, in Civil Case No. 91-56327.

The subject of this case is Lot 6 of Block 2 of the Tondo Foreshore Land which the Land Tenure Administration, pursuant to Republic Act No. 1597,^[4] sold to Macario Arboleda, petitioner-spouses' predecessor-in-interest. The lot was covered by Original Certificate of Title No. 7676 issued on February 1, 1962 in the name of Arboleda. Petitioner Ester Recaña and private respondents are the children and heirs of Macario Arboleda.^[5]

For many years, realty taxes on the lot had not been paid both before and after the death of Arboleda. Thus, on August 26, 1980, the City Treasurer of Manila auctioned the lot for sale due to tax delinquency, under Presidential Decree No. 464.^[6] Spouses Cirilo and Miguela Montejo purchased the lot at a public auction and were issued a transfer certificate of title.^[7]

On April 25, 1984, the Montejos sold the property to petitioner spouses, who also refunded the amount equivalent to the delinquent taxes paid and other expenses entailed. Petitioners thus became the owners of the subject lot, evinced by Transfer Certificate of Title No. 1464015.^[8]

On March 5, 1991, private respondents Aurora Padpad, et al. filed Civil Case No. 91-56327 for declaration of co-ownership and partition against petitioners in the Regional Trial Court of Manila.^[9] They claimed co-ownership of the subject lot with petitioners, asserting that the repurchase by the latter of the lot redounded to their benefit as co-heirs and now as co-owners. In their complaint, they based their claim of co-ownership on the conditions of transfer in the deed of sale executed between Macario Arboleda and the Land Tenure Administration providing, inter alia, as follows:

- “2. Every conveyance shall be subject to repurchase by the original purchaser or his legal (heirs) within a period of five years from the date of the conveyance;

5. That this contract shall be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties thereof; and
6. That the condition contained in paragraph 2 hereof shall be annotated as encumbrance on the certificate of title to be issued in favor of the VENDEE and/or his successor-in-interest.”^[10]

Private respondents also invoked the rule that redemption by a co-owner of auctioned property arising from foreclosure redounds to the benefit of all co-owners.^[11]

After trial, the lower court rendered a decision in favor of herein private respondents, then plaintiffs. It disposed —

“WHEREFORE, judgment is rendered for the plaintiffs:

- 1) Declaring Lot 6, Block 2 of the Tondo Foreshore Land, covered now by TCT No. 1464015, of the Registry of Deeds of Manila, in the name of Ester A. Recaña and Timoteo Recaña, as owned-in-common with equal shares by the plaintiffs and defendants — Aurora A. Padpad; Lucila Arboleda, Enrique Arboleda; the deceased Ernesto Arboleda, represented by his legal heirs, Nenita Agustin, Reynaldo, Rodolfo and Rolando; Ester Recaña; and Milagros A. Claraval;
- 2) Ordering Register of Deeds of Manila to cancel TCT No. 1464014 in the name of Timoteo and Ester Recaña, and to issue in lieu thereof a new Transfer Certificate of Title in the names of all the aforementioned co-owners with equal *pro-indiviso* shares thereon;
- 3) Ordering the defendants to pay the costs of the suit, and

- 4) Dismissing the defendants' counterclaim for lack of merit.

SO ORDERED.”^[12]

On appeal, the Court of Appeals affirmed with modification the trial court, thus:

“WHEREFORE, we affirm the decision of the lower court with modification and judgment is hereby rendered:

- 1) Declaring Lot 6, Block 2 of the Tondo Foreshore Land, covered now by TCT No. 1464015 of the Registry of Deeds of Manila, in the name of Ester A. Recaña and Timoteo Recaña, as owned-in-common with equal shares by the plaintiffs and defendants — Aurora A. Padpad; Lucila Arboleda, Enrique Arboleda; the deceased Ernesto Arboleda, represented by his legal heirs, Nenita Agustin, Reynaldo, Rodolfo and Rolando; Ester Recaña; and Milagros A. Claraval;
- 2) Ordering the Registry of Deeds of Manila to cancel TCT No. 1464015 in the name of Timoteo and Ester Recaña, and to issue in lieu thereof a new Transfer Certificate of Title in the names of all the aforementioned co-owners with equal *pro-indiviso* shares thereon;
- 3) Ordering the appellees to reimburse appellants for the expenses incurred by appellants in the repurchase of the land proportionate to their respective *pro-indiviso* shares.
- 4) Ordering appellants to pay the costs of the suit.

SO ORDERED.”^[13]

Hence, the present petition.

It is petitioners' contention that the last paragraph of Section 4 of Republic Act No. 1597, substantially reproduced in the deed of sale

between the Land Tenure Administration and Macario Arboleda, does not apply to the attendant facts and circumstances in this case. Instead, they insist that it is Section 78 of P.D. No. 464 which is applicable. Section 4 of Republic Act No. 1597, the law governing the subdivision of the Tondo Foreshore Lands from which the subject property emanated, provides —

“SECTION 4. Lands acquired under this Act shall not, except in favor of the Government or any of its branches or institutions, or legally constituted banking corporations, be subject to encumbrance or alienation within 15 years after the date of the issuance of the transfer certificate of title to the purchaser, nor shall they become liable to the satisfaction of any debt contracted prior to the expiration of said period; Provided, however, that such lands may be mortgaged even before said period has expired.

Every conveyance shall be subject to repurchase by the original purchaser or his legal heirs within a period of 5 years from the date of conveyance.”

Private respondents argue that since petitioners repurchased the property from the Montejo spouses well within the five-year period specified in the deed of sale and in Section 4 of R.A. No. 1597, they are deemed to have redeemed the property for all the co-owners, themselves including.

Petitioners, however, insist that it is Section 78 of P.D. No. 464 which should apply. This Section provides for a one-year redemption period for properties foreclosed due to tax delinquency, thus:

“SECTION 78. Redemption of real property after sale. — Within the term of one year from the date of the registration of the sale of the property, the delinquent taxpayer or his representative, or in his absence, any person holding a lien or claim over the property, shall have the right to redeem the same by paying the provincial or city treasurer or his deputy the total amount of taxes and penalties due up to the date of redemption, the costs of sale and the interest at the rate of twenty per centum on the purchase price, and such payment shall

invalidate the sale certificate issued to the purchaser and shall entitle the person making the same to a certificate from the provincial or city treasurer or his deputy, stating that he had redeemed the property.

x x x”

Thus, according to petitioners, their repurchase of the property beyond the one-year redemption period under P.D. No. 464 was outside the ambit of a redemption of foreclosed property, hence, not for the benefit of all co-owners.

In addition, petitioners assert that Section 4 of R.A. No. 1597 does not apply to the present case because it refers to an alienation outside the purview of foreclosure due to tax delinquency. They aver that Section 4 refers to a voluntary alienation, conveyance and encumbrance made in favor of the government, its agencies and instrumentalities within 15 years from the date the certificate of title was issued to the purchaser. These conveyances, they add, are subject to repurchase within five years from the date of conveyance. In contrast, they allege that the conveyance involved in this case is an involuntary conveyance, not covered by Section 4.

Petitioners also stress that R.A. No. 1597 is a special law enacted to apply to the Tondo Foreshore Lands. They further point out that P.D. No. 464 is likewise a special law governing the collection of real property tax, regardless of whether the owner acquired the property from a private person or from a government entity. They claim that no distinction whatsoever is found in the decree on the nature and source of the tax delinquent property, whether express or implied.

Lastly, petitioners claim that Section 4 of R.A. No. 1597 has been expressly repealed and abrogated by P.D. No. 464, by virtue of the following provision:

“SECTION 111. Repealing Clause. — Commonwealth Act Numbered Four Hundred Seventy, as amended; the pertinent provisions of the charters of all cities; Section two thousand ninety-two of the Revised Administrative Code; and all acts, laws or decrees or parts of acts, laws or decrees inconsistent

with the provisions of this Code are hereby repealed or modified accordingly.”

Consequently, petitioners maintain that Section 4 of R.A. No. 1597, being inconsistent with Section 78 of P.D. No. 464, was abrogated and repealed by the latter law, which took effect later on June 1, 1974.

In our view, the issue in this case is which of the two laws should apply in so far as the redemption period of the subject property is concerned? More specifically, is Section 4 of R.A. No. 1597 already repealed by Section 78 of P.D. No. 464, such that the latter provision governs the redemption period?

On one hand, we note that R.A. No. 1597 is a special law enacted specifically to govern all incidents of the subdivision of the Tondo Foreshore Land. On the other hand, P.D. No. 464 covers all real property titled to individuals who become delinquents in paying real estate tax. P.D. 464 is a law of general application. Its provisions have substantially been adopted by the Local Government Code of 1991, a general statute.^[14]

Basic in statutory construction is the rule that the enactment of a later legislation which is a general law cannot be construed to have repealed a special law unless expressly so stated. Well-settled in this jurisdiction is the doctrine that a “special statute, provided for a particular case or class of cases, is not repealed by a subsequent statute, general in its terms, provisions and applications, unless the intent to repeal or alter is manifest, although the terms of the general law are broad enough to include the cases embraced in the special law.”^[15]

We find no such intent to expressly repeal R.A. No. 1597 in the provisions of P.D. 464. Its repealing clause, Section 111, specifically mentions Commonwealth Act No. 470; the pertinent provisions of the charters of all cities; Section 2092 of the Revised Administrative Code; and all acts, laws or decrees or parts thereof inconsistent with P.D. 464, as having been repealed or modified accordingly. However, it is settled that a declaration in a statute, usually in its repealing clause, that a particular and specific law, identified by its number and title is repealed, is an express repeal; all other repeals are implied

repeals.^[16] R.A. No. 1597 was not specifically mentioned in the repealing clause, Section 111 of P.D. 464.

Neither can Section 4, R.A. No. 1597 be considered to have been repealed impliedly. Repeal of laws should be made clear and expressed.^[17] Repeals by implication are not favored as laws are presumed to be passed with deliberation and full knowledge of all laws existing on the subject.^[18] Such repeals are not favored for a law cannot be deemed repealed unless it is clearly manifest that the legislature so intended it.^[19] The failure to add a specific repealing clause indicates that the intent was not to repeal any existing law, unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and old laws.^[20] We find no such inconsistency or repugnancy between Section 4 of R.A. 1597 and Section 78 of P.D. No. 464. The former law is of special and exclusive application to lots acquired from the Tondo Foreshore Land only. The latter is a law or decree of general application. We concur in the view of the trial court and the respondent court that R.A. No. 1597 has not been repealed.^[21]

Petitioners insist that Section 4 of R.A. No. 1597 refers to voluntary conveyances, while Section 78 of P.D. No. 464 refers to involuntary conveyances. This distinction is of no moment. Concerning encumbrances and alienations therein mentioned, Section 4 makes no distinction between voluntary and involuntary conveyances. There should also be no distinction in the application of the law where none is indicated.^[22] Where the law does not distinguish, courts should not distinguish. *Ubi lex non distinguit nec nos distinguere debemos.*^[23]

The deed of sale between the then Land Tenure Administration and Macario Arboleda contains provisions which preclude the application of Section 78, P.D. 464. As raised by private respondents in their complaint before the trial court, Paragraph 2 of the Deed of Sale contains the proviso of Section 4, R.A. 1597, that every conveyance of the lot “shall be subject to repurchase by the original purchaser or his legal heirs within a period of five years from the date of the conveyance.” Paragraph 5 thereof also provides that the contract “shall be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties thereof.”^[24] Even assuming for the sake of argument that Section 4 should be deemed superseded, we have held that where a contract is entered into by the

parties on the basis of the law then obtaining, the repeal or amendment of said law will not affect the terms of the contract, nor impair the right of the parties thereunder.^[25] This rule applies even if one of the contracting parties is the government.^[26] The stipulations in Paragraph 2 and Paragraph 5 being integral parts of the original contract between Arboleda and the Land Tenure Administration, the five-year redemption period in Section 4, R.A. 1597 becomes all the more pertinent and decisive of the controversy in the present case.

In the light of Section 4 of R.A. 1597, we hold that the respondent court committed no reversible error when it affirmed the trial court's judgment. Petitioners' repurchase of the subject lot within the five-year redemption period of Section 4 of R.A. No. 1597 is within the purview of a redemption by a co-owner which inures to the benefit of all other co-owners of the property.

WHEREFORE, the Petition is **DENIED**. The assailed Decision of the Court of Appeals dated October 13, 1995, and its resolution dated February 7, 1996 in CA-G.R. CV No. 37751 are hereby **AFFIRMED**. Costs against petitioners.

SO ORDERED.

Bellosillo, Mendoza, Buena and De Leon, Jr., JJ., concur.

[1] Rollo, pp. 35-43.

[2] Id. at 45.

[3] Id. at 46-50.

[4] An Act Providing For The Subdivision Of The Tondo Foreshore Land Into Lots And The Sale Of Said Lots To Their Lessees Or To Bona Fide Occupants Of Said Land, And For Other Purposes; enacted June 16, 1956.

[5] Rollo, p. 35.

[6] Enacting A Real Property Tax Code; took effect June 1, 1974.

[7] Rollo, pp. 35-36.

[8] Id. at 36.

[9] Id. at 51-54.

[10] Rollo, p. 52.

[11] Mariano vs. CA, 222 SCRA 736, 740 (1993).

[12] Rollo, p. 50.

[13] Id. at 42.

- [14] J.C. Vitug. COMPENDIUM OF TAX LAW AND JURISPRUDENCE 404 (3rd ed. 1993).
- [15] Laguna Lake Development Authority vs. Court of Appeals, 251 SCRA 42, 56 (1995).
- [16] Mecano vs. Commission on Audit, 216 SCRA 500, 504 (1992).
- [17] Supra, note 14.
- [18] City Government of San Pablo, Laguna vs. Reyes, 305 SCRA 353, 360 (1999).
- [19] Intia, Jr. vs. Commission on Audit, 306 SCRA 593, 609 (1999).
- [20] Id. at 608 (1999).
- [21] Rollo, p. 41.
- [22] Lo Cham vs. Ocampo, 77 Phil. 636, 638 (1946).
- [23] Commissioner of Internal Revenue vs. COA, 218 SCRA 203, 214-215 (1993).
- [24] Rollo, p. 55.
- [25] Insular Government vs. Frank, 13 Phil. 236, 239 (1909); Aisporna vs. Court of Appeals, 108 SCRA 481, 494-495 (1981).
- [26] Insular Government vs. Frank, 13 Phil. 236, 239 (1909).