

SPECIAL TWENTIETH DIVISION

[CA-G.R. CV NO. 03676, July 02, 2014]

**NATIONAL POWER CORPORATION, PLAINTIFF-APPELLEE, VS.
GLORIA LACSON-CAMON, ROSAURO DINO AND ANA CHRISTINA
FARMS, INC., REPRESENTED BY MANUEL A. PUEY, DEFENDANTS-
APPELLANTS.**

DECISION

QUIJANO-PADILLA, J.:

This is an appeal^[1] from the January 22, 2010 Decision^[2] of the Regional Trial Court (RTC), Branch 54, Bacolod City in Civil Case No. 02-11660. The assailed Decision adopted the valuation for just compensation recommended by City Assessor Winefreda J. Aloro, a court-appointed Commissioner, at four hundred pesos (P400.00) per square meter as the fair market value of the subject property and ordered that defendants-appellees be paid the amount of one million seven hundred forty five thousand two hundred pesos (P1,745,200.00) as just compensation.

The Antecedents

This case stemmed from a complaint for eminent domain^[3] filed by plaintiff-appellee National Power Corporation (NAPOCOR) against defendants-appellees Gloria Lacson-Camon, Rosauro Dino and Ana Christina Farms, Inc., represented by Manuel A. Puey on March 15, 2002, docketed as Civil Case 02-11660.

The subject of this controversy is a parcel of land situated in the Municipality of Talisay, Negros Occidental, and more particularly described as follows:^[4]

Lot No. :	548
Title No. :	T-69324 ^[5]
TD/ARP No. :	ARP-025-0575 ^[6]
Whole Area in Sq. M :	106,344
Area Affected in Sq. M :	4,363
Assessed Value of the Whole Area	P453,600.00
Assessed Value of the Area Affected	P18,586.38
Class of Land	AGRICULTURAL

NAPOCOR is a government-owned and controlled corporation created and existing by virtue of R.A. No. 6395, as amended, to undertake the development of hydro-electric generation of power and the production of power from any other source and to supply such power to the inhabitants of this country. To carry out into effect its mandate, NAPOCOR is authorized under its Charter to exercise the power of eminent

domain.^[7]

On the other hand, defendant-appellee Gloria Lacson-Camon is the registered owner of the above-described property while defendant-appellee Rosauro Dino claims to own the same by virtue of a Deed of Absolute Sale executed by the former in the latter's favor. Defendant-appellee Ana Christina Farms, Inc. claims to be the lessee of the above-described property.^[8]

The above-described property was sought to be expropriated by NAPOCOR for a public purpose, *i.e.*, to construct and maintain its 138 KV Bacolod-Cadiz Transmission Line Project. The total area to be expropriated is 4,363 square meters, more or less, with an assessed value, as declared above, amounting to P18,586.38. After repeated negotiations failed, NAPOCOR filed the instant complaint. Pursuant to Section 2, Rule 67 of the Revised Rules of Court, NAPOCOR declared that it was willing to deposit the amount of P18,586.38, representing the assessed value of the above-described property, to enable NAPOCOR to take immediate possession and control of the same.^[9]

After summons were served, defendants-appellees filed their Answer with Special and Affirmative Defenses.^[10] In their Answer, defendants-appellees, by way of special and affirmative defenses, averred that the expropriation sought in this case is not for public purpose and neither is there reasonableness or practicality in the expropriation of the area subject matter of this case, there being no indication that there were no other areas equally suitable for the purpose alleged by NAPOCOR. Contrary to its allegations, defendants-appellees maintained that NAPOCOR never negotiated with them for the payment of just compensation. Defendants-appellees averred further that NAPOCOR failed to comply with the procedure for determining just compensation and should have considered the current expropriation price in the area and based on similar conditions, the area being near highly developed areas and is likewise residential in character. Finally, defendants-appellees invoked the ruling in *Napocor v. CA*,^[11] that the taking should be reckoned from the filing of the expropriation proceedings and just compensation should refer to the value of the property as of the filing of the complaint.^[12]

On May 15, 2002, NAPOCOR filed an Urgent Ex-Parte Motion for the Issuance of a Writ of Possession,^[13] alleging that it had deposited with the Land Bank of the Philippines (LandBank)^[14] the amount of P18,586.38 representing the assessed value of the area sought to be expropriated and in view thereof, prayed that a writ of possession be issued in its favor, but the said Motion was opposed^[15] by the defendants-appellees arguing, among others, that NAPOCOR did not consider the assessed value of the improvements on the subject property in its computation of the just compensation.

In its Order^[16] dated August 6, 2002, the RTC took note of the proposal agreement between NAPOCOR and defendants-appellees with respect to the amount to be deposited. During the pre-trial conference, NAPOCOR manifested that an additional deposit is being made in order for the said writ to be issued.^[17] After the pre-trial was terminated, the RTC constituted a Board of Commissioners, composed of the Branch Clerk of Court and the City Assessor of Talisay City, to recommend the amount of just compensation of the area to be expropriated.

After the additional deposit was made by NAPOCOR with the LandBank, amounting to P87,314.32,^[18] the RTC, in its Order dated October 14, 2002,^[19] then directed for the issuance of a writ of possession. In the same Order, the RTC likewise granted the Motion to Withdraw Deposit^[20] filed by defendants-appellees sans any objection^[21] from NAPOCOR.^[22] On January 13, 2003, the writ of possession was issued.^[23]

On October 3, 2007, court-appointed Commissioner Winefreda J. Aloro, City Assessor of Talisay, Negros Occidental, submitted her Narrative Report,^[24] which valuation of the just compensation was arrived at in this manner:

"xxx.

The said property is currently appraised and classified as agricultural for it is planted with sugarcane along the provincial road going to Brgy. Concepcion. The said property is 7.2 kilometers away from the public market/poblacion, 1 kilometer from Don Simplicio Lizares Elementary School, 7.6 kilometers from Carlos Hilado Memorial State College, 16 kilometers to First Farmers Milling Corporation, 9 kilometers to the New Government Center, 5.4 kilometer to Menlo Subdivision and 4.3 kilometers from Talisay Townes Heights and 2.3 kilometers from Bayanihan Habitat Homes. Based on the Zoning Ordinance[,] the said property is classified as Agricultural Area.

xxx.

Based also on the analysis and investigation on the current selling price of the land in its neighborhood, the said analysis are currently classified as per zoning ordinance as agricultural. Considering the appraisal/assessment of lands which are agricultural in classification and the current unit value for the said land as per our records is P120,000.00 per hectare or P12.00 per square meter for taxation purposes.

Another factor that the undersigned consider (sic) are (sic) the schedule of the unit value of the different classes of land in the City of Talisay and several lots purchased by the City Government of Talisay for its different projects like the following:

Schedule of Unit Value of Residential lot in Brgy. Matab-ang, City of Talisay	P625.00
Deed of Sale (Govt. Center Site)	275.00
New Public Market	275.00
Schedule of Sugarland per square meter	12.00
Schedule of Unit Value of Residential (Menlo)	800.00
As per Deed of Sale (Habitat)	80.00
As per Deed of Sale	100.00

(Employees Village)
As per Deed of Sale
(Menlo Subd.)

916.00

**P3,083.00/8
= 385.37 or
400/square
meters**

Now therefore, based on the sales data approach, in my opinion, the fair market value of the said property [in] the amount of FOUR HUNDRED PESOS (P400.00) per square meter is JUST, FAIR and REASONABLE."

Meanwhile, court-appointed Commissioner Felisa A. Capulong submitted her Ocular Report^[25] on October 4, 2007, which contained her valuation of the just compensation, as follows:

"Since it is located approximately seven (7) kilometers from the town proper and along the provisional road leading from Talisay City to Barangay Concepcion, it is very accessible to transportation which adds to its high market value.

It was also noted that as of the (sic) 2003, the Schedule of Base Unit Market Value for Residential, Commercial and Industrial Lands have pegged the market value of land at the area where this lot is located at P/1,200.00 per square meter.

Considering the topographical terrain of the property, its character and use, its accessibility to road and transportation as well as its valuation as shown by the Schedule of Base Unit Market Value for Residential, Commercial and Industrial Lands, it is recommended that the Fare (sic) Market Value of Lot 548 under Title No. T-69324 as P/800.00 per square meter as of 2002."

The Ruling of the RTC

In its presently assailed January 22, 2010 Decision,^[26] the RTC accepted the factual findings and analysis contained in the Narrative Report and adopted the valuation recommended by Commissioner Aloro. The dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered fixing the compensation for the Four Thousand Three Hundred Sixty Three (4,363) square meters, and plaintiff is ordered to pay the defendants the sum of ONE MILLION SEVEN HUNDRED FORTY FIVE THOUSAND TWO HUNDRED (P/1,745,200.00) PESOS, less the amount deposited and taken by the defendants."^[27]

Dissatisfied with the foregoing decision, NAPOCOR appealed before Us with this lone assignment of errors:

THE COURT A QUO ERRED WHEN IT FIXED THE AMOUNT OF JUST COMPENSATION FOR THE SUBJECT TRACT OF LAND BASED ON ITS VALUE, NOT AT THE TIME OF TAKING, BUT ON ITS SUPPOSED

ADAPTABILITY FOR CONVERSION INTO A RESIDENTIAL SITE IN THE FUTURE.^[28]

This Court's Ruling

The instant appeal lacks merit.

However, before proceeding, We wish to emphasize the basic jurisprudential tenets that come into play here.

Eminent domain is the power of the State to take private property for public use.^[29] It is an inherent power of State as it is a power necessary for the State's existence; it is a power the State cannot do without.^[30] As an inherent power, it does not need at all to be embodied in the Constitution; if it is mentioned at all, it is solely for purposes of limiting what is otherwise an unlimited power. The limitation is found in the Bill of Rights^[31] – that part of the Constitution whose provisions all aim at the protection of individuals against the excessive exercise of governmental powers.

Section 9, Article III of the 1987 Constitution, which reads that no private property shall be taken for public use without just compensation, provides two essential limitations to the power of eminent domain, namely, that (1) the purpose of taking must be for public use and (2) just compensation must be given to the owner of the private property.

Constitutionally, "just compensation" is the sum equivalent to the market value of the property, broadly described as the price fixed by the seller in open market in the usual and ordinary course of legal action and competition, or the fair value of the property as between the one who receives and the one who desires to sell, it being fixed at the time of the actual taking by the government. Just compensation is defined as the full and fair equivalent of the property taken from its owner by the expropriator. It has been repeatedly stressed by this Court that the true measure is not the taker's gain but the owner's loss. The word "just" is used to modify the meaning of the word "compensation" to convey the idea that the equivalent to be given for the property to be taken shall be real, substantial, full and ample.^[32]

In the determination of such value, it has been consistently held that the determination of just compensation is a judicial function. No statute, decree, or executive order can mandate that its own determination shall prevail over the court's findings.^[33] Any valuation for just compensation laid down in statutes merely serve as guides or factors and may not substitute the court's own judgment as to what amount should be awarded and how to arrive at such amount.^[34]

The Just Compensation Awarded by RTC is Just, Fair and Reasonable

NAPOCOR contends that the amount of just compensation fixed by the trial court is unjust, unlawful and contrary to existing jurisprudence, because just compensation in expropriation cases must be determined from the time of the filing of the complaint or the time of taking of the subject property. According to NAPOCOR, the trial court ignored the established factors to be appreciated in arriving at the fair market value of the subject property when it did not consider the BIR zonal valuation for the subject property. Likewise, it did not take into account the