Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

CITY OF BATANGAS, THE SANGGUNIANG PANLUNGSOD, AND THE CITY ASSESSOR, Petitioner,	**G.R. No. 228489** Present:
-versus-	LEONEN, *J.*, *Chairperson*, HERNANDO, INTING, DELOS SANTOS, and LOPEZ, J., *JJ.*
JOSE VIRGILIO Y. TOLENTINO AND THE SECRETARY OF JUSTICE, Respondent.	**Promulgated:** May 5, 2021

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DECISION

LEONEN, *J.*:

An ordinance containing a general revision of real property values for a local government unit for the purpose of real property taxation is deemed a tax ordinance. Its subject being real property taxation, the statutory procedure to be applied in its enactment must pertain to provisions on real property taxation and not on general local taxation. Moreover, an ordinance is a legislative act that carries with it a presumption of validity. Consequently, a party challenging it must show clear proof that would justify a claim of invalidity.

This Court resolves the Petition for Review[1] of the City of Batangas, the Sangguniang Panlungsod, and the City Assessor, assailing the Court of Appeals Decision[2] and Resolution[3] affirming then-Secretary of Justice's Decision, which declared void City Ordinance No. 20, series of 2013, entitled, "An Act Providing for a City Code on Appraisal and Assessment of Real Properties in the City of Batangas."[4]

In 2010, the Department of the Interior and Local Government and the Department of Finance issued Joint Memorandum Circular No. 2010-01, directing all local government units to revise the real property assessments in their respective jurisdictions every three years, pursuant to Section 219 of the Local Government Code.

On November 25, 2013, the Sangguniang Panlungsod of Batangas enacted City Ordinance No. 20, series of 2013 (the Ordinance), which updated the real property values of real properties within Batangas City's jurisdiction based on new schedule of fair market values prepared by the Batangas City Assessor.[5] It was signed and approved by then-City Mayor Eduardo B. Dimacuha on December 9, 2013.[6]

Prior to the enactment of the Ordinance, the Committee of Ways and Means of Batangas City scheduled and conducted public hearings on September 25, October 1, 2, 3, and November 11, 2013.[7] For this purpose, notices were sent to various stakeholders, informing them of the hearing dates and time.[8]

Jose Virgilio Y. Tolentino (Tolentino), a bona fide Batangas City resident and taxpayer, attended the November 11, 2013 meeting[9] and opposed the Ordinance.[10] Former Secretary of Justice Hernani Perez (Secretary of Justice) and Batangas Chamber of Commerce President Faustino Caedo (Caedo) likewise interposed their objections to the Ordinance for being "excessive and unconscionable."[11] Caedo further averred that he never received a notice from the Sangguniang Panlungsod.[12]

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1 *Rollo*, pp. 32–54.
2 Id. at 59–73. The May 31, 2016 Decision was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Associate Justices Japar B. Dimaampao and Franchito N. Diamante of the Eighth Division, Court of Appeals, Manila.
3 Id. at 75–77. The November 8, 2016 Resolution was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Associate Justices Japar B. Dimaampao and Franchito N. Diamante of the Eighth Division, Court of Appeals, Manila.
4 Id. at 10.
5 Id. at 11.
6 Id.
7 Id. at 12.
8 Id. at 35.
9 Id. at 12.
10 Id. at 35.
11 Id. at 12–13.
12 Id.

Upon approval of the Ordinance, it was published in Batangas Post on December 9 to 15, 16 to 22, and 22 to 31, 2013.[13]

On January 28, 2014, Tolentino appealed before the Department of Justice, assailing the Ordinance for violating the due process clause of the Constitution. He asserted that the new market values imposed on real properties for assessment purposes were "excessive, inequitable[,] and confiscatory[.]"[14] He further avers that no written notice was sent to him or to other affected residents of Batangas City in disregard of procedural requirements provided for by law.[15]

On June 6, 2014, the Secretary of Justice promulgated a Resolution declaring the Ordinance void for failing to comply with the notice requirements prescribed in Article 276(b) of the Implementing Rules and Regulations of the Local Government Code.[16] Thus, it was stated:

> Upon perusal of the procedural requirements which are essential to ensure validity of a tax ordinance or revenue measure, it appears imperative that the sanggunian concerned should send prior written notice/s to the interested or affected parties operating or doing business within the territorial jurisdiction of the LGU concerned. Clearly, the procedure requires that before a public hearing takes place, written notice must be sent to the different stakeholders concerned. The written notice must also contain the specific fates when the public hearing will be held. The absence or irregularities concerning the prior written notice will render the public hearing null and void, which in turn, invalidates the tax ordinance or revenue measure involved.
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> The Department notes the letter of Faustino G. Caedo, the President of the Batangas Province Chamber of Commerce and Industry, and the affidavits of several residents of Batangas City, attesting to the fact that they did not receive any notice from the Sangguinang Panlungsod with regard to the public hearing to be held in connection with the proposed measure which became Ordinance No. 20, S. 2013. This fact greatly supports the Appellant's contention that there was indeed no prior written notice sent by the Appellees as opposed to the assertion by the herein Appellees that they complied with the procedure under the LGC. We likewise note that the said Committee Report did not even indicate that the alleged written notice, if any, contains the specified date/s when the public hearing[s] were to be held, in violation of Article 276, supra.
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> As above, stated, the power of the Secretary of Justice is limited to determining whether the ordinance complies with the procedure laid down under the LGC and the Implementing Rules. We find that Ordinance No. 20 S. 2013 is legally infirm for non-compliance therewith.
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> WHEREFORE, in view of the foregoing, the instant Appeal is hereby GRANTED. Ordinance No. 2, S. 2013 is hereby declared VOID for

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13 Id. at 15.
14 Id.
15 Id.
16 Id. at 36.

> being contrary to law, as it did not comply with the procedural requirements under Article 276(b) of the Implementing Rules of the Local Government Code of 1991.
>
> SO ORDERED.[17]

Aggrieved, the City of Batangas appealed before the Court of Appeals, asserting that the Ordinance is not a revenue measure, but is merely an ordinary legislation, and thus, not appealable to the Secretary of Justice.[18]

The City of Batangas further contended that the Secretary of Justice erred in finding that the notice of hearing requirement was not complied with, contrary to the certifications issued by the Secretary of the Sangguniang Panlungsod.[19] Finally, it claimed that the Secretary of Justice failed to apply the presumption of regularity in favor of the Ordinance's enactment and the discharge of duties of Batangas City government officials.[20]

On May 31, 2016, the Court of Appeals issued a Decision[21] denying the appeal. Its dispositive portion reads:

> "WHEREFORE, in view of the foregoing premises, the petition is hereby **DENIED**. The Resolution dated June 6, 2014 issued by the Secretary of Justice is ***AFFIRMED in toto***.
>
> **SO ORDERED**."[22] (Emphasis in the original)

The Court of Appeals declared that the Ordinance was a tax ordinance, since its purpose is to generate revenue for Batangas City.[23] Accordingly, it was properly appealed to the Secretary of Justice, pursuant to Section 187 of the Local Government Code.[24] The Court of Appeals further found the Ordinance to be legally infirm, since it was enacted despite the City's failure to send out written notices to affected residents of Batangas City.[25]

The City of Batangas filed a Motion for Reconsideration, to no avail.[26] Hence, it filed this Petition.

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17 Id. at 126-127.
18 Id. at 36.
19 Id. at 37.
20 Id.
21 Id. at 10-24.
22 Id. at 25.
23 Id. at 16.
24 Id. at 15.
25 Id. at 20.
26 Id. at 75-77.

On August 24, 2017, public respondent Secretary of Justice, through the Office of the Solicitor General, filed his Comment[27] in compliance with this Court's April 19, 2017 Resolution.[28]

On October 3, 2017, petitioners filed a Counter-Comment[29] to the Secretary of Justice's Comment.

In its Petition, petitioners raise the following issues:

First, whether the Ordinance is a tax ordinance, and whether Tolentino properly appealed its validity to the Secretary of Justice;

Second, whether the notice requirements of Sections 186 and 223 of the Local Government Code and Article 276 of its Implementing Rules and Regulations apply in the enactment of the Ordinance; and

Third, whether petitioners bear the burden of proving compliance with the statutory requirements under the doctrine of presumption of regularity in official conduct and the enactment of laws and ordinances.[30]

Moreover, petitioners submit that the Ordinance does not contain a provision that imposes a levy or exaction that may be denominated as a tax or fee. Thus, petitioners assert that the Court of Appeals erred in finding that the Ordinance is a tax measure, since it merely prescribed the use of the revised market value assessments and classifications of real properties within Batangas City's jurisdiction.[31] Accordingly, the Secretary of Justice did not have jurisdiction over Tolentino's appeal. Petitioners submit that, since the Ordinance is not a tax ordinance, the requirements for public hearings and their written notices under Section 186 of the Local Government Code and its Implementing Rules are not applicable.[32]

Finally, petitioners also claim that the Court of Appeals committed a serious error when it misapplied the presumption of regularity in favor of the enactment of an ordinance by unduly shifting the burden of proof of compliance with statutory requirements to petitioners.[33] Thus, petitioners posit that the Ordinance does not suffer any legal infirmities and was thus erroneously struck down by both the Secretary of Justice and the Court of Appeals.[34]

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27 Id. at 412–429.
28 Id. at 412.
29 Id. at 437–442.
30 Id. at 38.
31 Id. at 46.
32 Id. at 45.
33 Id. at 52.
34 Id. at 53.

On the other hand, in its Comment, the Office of the Solicitor General insists that the Court of Appeals was correct in upholding that the Ordinance is a tax measure, and thus, subject to review by the Secretary of Justice.[35] Moreover, it counters that the Court of Appeals was correct in ruling that Tolentino's appeal was timely filed within the 30-day period, provided under Section 187 of the Local Government Code.[36]

The Secretary of Justice further reiterates that the Ordinance is a tax ordinance which must follow the notice requirements of the Local Government Code and its Implementing Rules and Regulations.[37] Lastly, it asserts that petitioners cannot invoke the principle of presumption of regularity in the enactment of the Ordinance, seeing as they did not comply with the statutory requirements in relation to its enactment.[38]

In its Counter-Comment, petitioners reiterate their arguments, adding that Tolentino and Caedo were both able to express their views against the Ordinance at public hearings, rendering their arguments of lack of notice moot.[39] Moreover, petitioners reiterate that the Ordinance should not be considered as a tax ordinance, since it merely states the current market values of real property in Batangas City, which is then used as basis in the determination of real property tax assessments under Batangas City Revenue Code of 2009. They further assert that the Ordinance itself does not impose taxes.[40]

The following are the issues for this Court's resolution:

First, whether or not Ordinance No. 20, series of 2013, is a tax ordinance subject to the Secretary of Justice's review and governed by the notice requirements of Sections 186 and 223 of the Local Government Code and Article 276 of its Implementing Rules and Regulations; and

Second, whether or not the presumption of regularity in the enactment of the Ordinance finds application here.

The Petition is impressed with merit.

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35 Id. at 418.
36 Id.
37 Id
38 Id. at 419.
39 Id. at 440
40 Id. at 441.

I

Section 219 of Republic Act No. 7160, also known as the Local Government Code of 1991, requires the conduct of the general revision of real property as follows:

> SECTION 219. *General Revision of Assessment and Property Classification* The provincial, city or municipal assessor shall undertake a general revision of real property assessments within two (2) years after the effectivity of this Code and every three (3) years thereafter.

Consequently, the Department of the Interior and Local Government, in collaboration with the Department of Finance, issued Joint Memorandum Circular No. 2010-01, "enjoining all provinces, and cities to prepare the schedule of market values of real property and to conduct the general revision of property assessments in their respective jurisdictions."[41]

At issue here is the proper appreciation of the Ordinance, enacted by the Local Government of Batangas, which updated the real property values of real properties within the jurisdiction of Batangas City based on new schedule fair market values prepared by Batangas City Assessor.[42]

The pertinent portions of the Ordinance state:

> WHEREAS, the City Assessor's Office is mandated under Republic Act 7160 to conduct a general revision of real property assessment within every three (3) years after the effectivity of the Code.
>
> WHEREAS, before any general revision of real property assessment is made, there shall be prepared a schedule of fair market value by the City Assessor, for different classes of real property situated within the territorial jurisdiction of the city for enactment by Ordinance of the Sangguniang Panlungsod pursuant to Sec. 212 of RA 7160 and in consonance to the BLGF Memorandum Circular No. 17-201 dated November 30, 2010 and DILG Joint Memorandum Circular No. 2010-01 dated October 2010.
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> WHEREAS, the effectivity of this general revision of assessment and property classification under this ordinance shall be January 2014.
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> WHEREAS, the passage of this Ordinance will not only bring forth a reasonable valuation of real properties but will also generate more revenue for the City that will benefit numerous property owners as more infrastructure and other projects maybe catered by the local government.
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> WHEREAS, submitted before this Honorable Body is the proposed Code on Appraisal and Assessment of Real Properties in the City Batangas

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[41] DILG and DOF Joint Memorandum Circular No. 2010-01, October 20, 2010 <https://ntrc.gov.ph/images/other-issuances/Local%20Taxes/JMC_No_2010-01.pdf> (Last accessed on May 5, 2021).

[42] *Rollo*, p. 11.

> NOW THEREFORE, by virtue of the authority conferred by law upon the Sangguniang Panlungsod, said body in session assembled, ordains and decrees.[43]

Petitioners insist that the Ordinance cannot be considered a revenue measure and must be treated as an ordinary ordinance instead, since it merely states the current market values of real property in Batangas City which are used in determining real property tax assessments. Consequently, petitioners assert that it should not be within the Secretary of Justice's purview for appeal. To support their stand, petitioners cite *Chavez v. Ongpin*,[44] where this Court declared that Executive Order No. 73, as enacted by former President Corazon Aquino, "[did] not impose new taxes or increase taxes"[45] despite its mandate to revise real property market values for property tax assessment purposes.

This argument will not stand, as *Chavez* is not on all fours with this case. A reading of Executive Order No. 73 will show that it was not issued to provide new values to be used in the computation of real property assessments. Instead, it merely postponed the implementation of the increase in real property taxes which had been previously issued. Further, it did not provide for levy or exaction, but only amended another law's effectivity date. Thus, Section 1 of Executive Order No. 73 states:

> SECTION 1. Real property values as of December 31, 1984 as determined by the local assessors during the latest general revision of assessments shall take effect beginning January 1, 1987 for purposes of real property tax collection. (Emphasis supplied)

This is unlike the Ordinance, which provided the updated real property values for the purpose of computing real property tax assessments and generating revenue. Moreover, the Ordinance's objective as a revenue generating instrument was made clear in its scope and coverage, thus:

> SECTION 2. Scope and Coverage: This Code shall cover the assessment, appraisal, classification, sub-classification and identification of all real properties within the City of Batangas subject of real property taxation.

Furthermore, Section 3 of the Ordinance enumerates guidelines for "the appraisal, assessment, levy[,] and collection of real property tax." Thus, it is apparent that the Ordinance was intended for the local government unit's revenue generation. Despite petitioners' claims, they cannot deny that the Ordinance is a tax ordinance. This Court has categorically stated that "if the

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[43] Id. at 11–12.
[44] 264 Phil. 695 (1990) [Per J. Medialdea, En Banc].
[45] Id. at 703.

purpose is primarily revenue, or if revenue is, at least, one of the real and substantial purposes, then the exaction is properly called a tax."[46]

Similarly here, in *Lopez v. City of Manila*,[47] the petitioner questioned the legality of an ordinance enacted by the City of Manila, which revised the real property values in its jurisdiction. In resolving the case, this Court considered the general revision of real property values as a tax ordinance, and appropriately applied Section 187 of the Local Government Code as a remedy available to the taxpayer.

Section 187[48] provides that a taxpayer may question the constitutionality or legality of a tax ordinance on appeal, within 30 days from its effectivity, to the Secretary of Justice. Having established that the Ordinance is a tax ordinance, Tolentino properly questioned its legality before the Secretary of Justice.

Nevertheless, while the Court of Appeals and the Secretary of Justice were correct in denominating the Ordinance as a tax ordinance or revenue measure, this does not automatically make it an ordinance subject to the procedures provided for by Sections 186 and 223 of the Local Government Code, and Article 276 of its Implementing Rules and Regulations, as held by the Court of Appeals and the Secretary of Justice. This was demonstrated in *Lopez*, which applied Section 219 of the Local Government Code in the enactment of the proposed ordinance on general revision of real property values. It was held:

> Based on the evidence presented by the parties, the steps to be followed for the mandatory conduct of General Revision of Real Property assessments, pursuant to the provision of Sec. 219 of R.A. No. 7160 are as follows:
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> "1. The preparation of Schedule of Fair Market Values.
> 2. The enactment of Ordinances:
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> a) levying an annual "*ad valorem*" tax on real property and an additional tax accruing to the SEF;

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46 *Planters Products, Inc.*, v. *Fertiphil Corporation*, 572 Phil. 270, 294 (2008) [Per J. Reyes, Third Division].

47 363 Phil. 68 (1999) [Per J. Quisumbing, Second Division].

48 LOC. GOVT. CODE, sec. 187 states.
SECTION 187. *Procedure for Approval and Effectivity of Tax Ordinances and Revenue Measures; Mandatory Public Hearings.* The procedure for approval of local tax ordinances and revenue measures shall be in accordance with the provisions of this Code: Provided, That public hearings shall be conducted for the purpose prior to the enactment thereof: Provided, further, That any question on the constitutionality or legality of tax ordinances or revenue measures may be raised on appeal within thirty (30) days from the effectivity thereof to the Secretary of Justice who shall render a decision within sixty (60) days from the date of receipt of the appeal. Provided, however, That such appeal shall not have the effect of suspending the effectivity of the ordinance and the accrual and payment of the tax, fee, or charge levied therein: Provided, finally, That within thirty (30) days after receipt of the decision or the lapse of the sixty-day period without the Secretary of Justice acting upon the appeal the aggrieved party may file appropriate proceedings with a court of competent jurisdiction.

> b) fixing the assessment levels to be applied to the market values of real properties:
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> c) providing necessary appropriation to defray expenses incident to general revision of real property assessments; and
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> d) adopting the Schedule of Fair Market Values prepared by the assessors."
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> The preparation of fair market values as a preliminary step in the conduct of general revision was set forth in Section 212 of R.A. 7160, to wit: (1) The city or municipal assessor shall prepare a schedule of fair market values for the different classes of real property situated in their respective Local Government Units for the enactment of an ordinance by the sangguniang concerned. (2) The schedule of fair market values shall be published in a newspaper of general circulation in the province, city or municipality concerned or the posting in the provincial capitol or other places as required by law.
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> It was clear from the records that Mrs. Lourdes Laderas, the incumbent City Assessor, prepared the fair market values of real properties and in preparation thereof, she considered the fair market values prepared in the calendar year 1992. Upon that basis, the City Assessor's Office updated the schedule for the year 1995. In fact, the initial schedule of fair market values of real properties showed an increase in real estate costs, which ranges from 600%-3,330% over the values determined in the year 1979. However, after a careful study on the movement of prices, Mrs. Laderas eventually lowered the average increase to 1,020%. Thereafter, the proposed ordinance with the schedule of the fair market values of real properties was published in the Manila Standard on October 28, 1995 and the Balita on November 1, 1995. Under the circumstances of this case, there was compliance with the requirement provided under Sec. 212 of R.A. 7160.[49] (Citations omitted)

For consideration, the Manila City Assessor's Office submitted the proposed schedule of fair market values to the Manila City Council, which conducted public hearings and readings of the proposed ordinance as required by the Manila City Charter. On October 28, 1995 and November 1, 1995, the proposed ordinance was then published in newspapers of general circulation, together with the schedule of fair market values of real properties.[50]

Subsequently, on December 12, 1995, the City Council enacted Manila Ordinance No. 7894, entitled: "An Ordinance Prescribed as the Revised Schedule of Fair Market Values of Real Properties of the City of Manila," while the City Mayor approved it on December 27, 1995, and made effective on January 1, 1996.[51] It was only after these events that notices of the revised assessments were distributed to Manila's real property owners, pursuant to Section 223 of Republic Act No. 7160.[52]

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[49] Id. at 84–85

[50] Id at. 75.

[51] Id.

[52] Id.

In *Lopez*, this Court found this procedure appropriate for the compliance and enactment of an ordinance to revise a jurisdiction's property values. Applied here, it is apparent that the City of Batangas likewise complied, and even exceeded the Local Government Code's requirements, by conducting public hearings and publishing the proposed ordinance before its enactment.

Here, contrary to the Court of Appeals' finding, Sections 186 and 223 of the Local Government Code and Article 276 of its Implementing Rules and Regulations do not automatically apply to the enactment of the Ordinance because it is tax ordinance.

To illustrate, Section 186 of the Local Government Code falls under Book II, Title I entitled "Local Government Taxation," while the provisions regarding general revision of real property values and assessment are found in Book II, Title II entitled "Real Property Taxation." Under this section of the Local Government Code, Sections 212 and 219 govern the procedure in enacting an ordinance. The aforementioned provisions state:

> SECTION 212. *Preparation of Schedule of Fair Market Values.* - Before any general revision of property assessment is made pursuant to the provisions of this Title, there shall be prepared a schedule of fair market values by the provincial, city and municipal assessor of the municipalities within the Metropolitan Manila Area for the different classes of real property situated in their respective local government units for enactment by ordinance of the sanggunian concerned. The schedule of fair market values shall be published in a newspaper of general circulation in the province, city or municipality concerned or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two other conspicuous public places therein.
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> . . . .
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> SECTION 219. *General Revision of Assessment and Property Classification.* - The provincial, city or municipal assessor shall undertake a general revision of real property assessments within two (2) years after the effectivity of this Code and every three (3) years thereafter.

In addition, the procedure for the enactment of the revisions of property values are provided for in Articles 303 and 310, thus:

> ARTICLE 303. Preparation of Schedule of Fair Market Values. — (a) Before any general revision of property assessment is made pursuant to the provisions of this Rule, there shall be prepared a schedule of fair market values by the provincial and city assessors, and the municipal assessors of the municipalities within MMA for the different classes of real property situated in their respective LGUs for enactment by ordinance of the sanggunian concerned. The schedule of fair market values shall be published in a newspaper of general circulation in the province, city, or municipality concerned, or in the absence thereof, shall be posted in the

> provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein. (b) In the preparation of schedules of fair market values, the provincial and city assessors and the municipal assessors of the municipalities within MMA shall be guided by the rules and regulations issued by DOF.
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> . . . .
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> ARTICLE 310. General Revision of Assessments and Property Classification. — (a) The provincial, city, or municipal assessor shall undertake a general revision of real property assessment within two (2) years after the effectivity of the Code and every three (3) years thereafter. (b) For this purpose, the provincial assessors, the city assessors, and the municipal assessors of MMA shall prepare the schedule of fair market values for the different kinds and classes of real property located within their respective territorial jurisdictions within one (1) year from the effectivity of the Code in accordance with such rules and regulations issued by DOF. (c) The general revision of assessments and property classification shall commence upon the enactment of an ordinance by the sanggunian concerned adopting the schedule of fair market values but not later than two (2) years from the effectivity of the Code. Thereafter, the provincial, city, or municipal assessor shall undertake the general revision of real property assessment and property classification once every three (3) years.

A reading of Articles 303 and 310 will show that while the requirement on publication before the schedule for fair market values is passed, no public hearings or notices for that matter are mentioned. Moreover, Article 324 of the Implementing Rules and Regulations of the Local Government Code clearly states that no public hearing is required in the enactment of a local tax ordinance involving real property tax. It states:

> ARTICLE 324. Rates of Levy. — A province or a city, or a municipality within MMA shall fix a uniform rate of basic real property tax applicable in their respective jurisdictions as follows: (a) For provinces: not exceeding one per cent (1%) of the assessed value; (b) For cities or for municipalities within MMA: not exceeding two percent (2%) of the assessed value. *No public hearing shall be required before the enactment of a local tax ordinance levying the basic real property tax.* (Emphasis supplied)

This is affirmed in *Ty v. Trampe*,[53] where this Court, in harmonizing Presidential Decree No. 921—which dealt with the administration of local financial services in Metro Manila—and the then-newly enacted Local Government Code of 1991, enumerated the steps in the enactment of a city or municipality's schedule of real property values without imposing the conduct of a public hearing. It was held:

> Coming down to specifics, Sec. 9 of P.D. 921 requires that the schedule of values of real properties in the Metropolitan Manila area shall be prepared jointly by the city assessors in the districts created therein; while

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[53] 321 Phil. 81 (1995) [Per J. Panganiban, En Banc].

> Sec. 212 of R.A. 7160 states that the schedule shall be prepared "by the provincial, city and municipal assessors of the municipalities within the Metropolitan Manila Area for the different classes of real property situated in their respective local government units for enactment by ordinance of the sanggunian concerned. . . ."
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> It is obvious that harmony in these provisions is not only possible, but in fact desirable, necessary and consistent with the legislative intent and policy. By reading together and harmonizing these two provisions, we arrive at the following steps in the preparation of the said schedule, as follows: chanrobles virtual law library
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> 1. The assessor in each municipality or city in the Metropolitan Manila area shall prepare his/her proposed schedule of values, in accordance with Sec. 212, R.A. 7160.
>
> 2. Then, the Local Treasury and Assessment District shall meet, per Sec. 9, P.D. 921. In the instant case, that district shall be composed of the assessors in Quezon City, Pasig, Marikina, Mandaluyong and San Juan, pursuant to Sec. 1 of said P.D. In this meeting, the different assessors shall compare their individual assessments, discuss and thereafter jointly agree and produce a schedule of values for their district, taking into account the preamble of said P.D. that they should evolve "a progressive revenue raising program that will not unduly burden the taxpayers."
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> 3. The schedule jointly agreed upon by the assessors shall then be published in a newspaper of general circulation and submitted to the sanggunian concerned for enactment by ordinance, per Sec. 212, R.A. 7160.[54]

Thus, if a public hearing is not a prerequisite for the enactment of an ordinance revising real property values for assessment purposes, then there is no basis to require notices for public hearing, as laid down in Article 276 of the Implementing Rules and Regulations of the Local Government Code. The pertinent portion of the Article states:

> ARTICLE 276. Publication of Tax Ordinances and Revenue Measures. —
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> . . . .
>
> (b) The conduct of public hearings shall be governed by the following procedure:
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> (1) Within ten (10) days from filing of any proposed tax ordinance or revenue measure, the same shall first be published for three (3) consecutive days in a newspaper of local circulation or shall be posted simultaneously in at least four (4) conspicuous public places within the territorial jurisdiction of the LGU concerned.
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> (2) In addition to the requirement for publication or posting, the sanggunian concerned shall cause the *sending of written notices of the proposed ordinance, enclosing a*

[54] Id. at 98-99.

> *copy thereof, to the interested or affected parties operating or doing business within the territorial jurisdiction of the LGU concerned.*
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> (3) The notice or notices shall specify the date or dates and venue of the public hearing or hearing. The initial public hearing shall be held not earlier than ten (10) days from the sending out of notice or notices, or the last day of publication, or date of posting thereof, whichever is later.
>
> (4) At the public hearing or hearings, all affected or interested parties shall be accorded an opportunity to appear and present or express their views, comments and recommendations, and such public hearing or hearings shall continue until all issues have been presented and fully deliberated upon and/or consensus is obtained, whether for or against the enactment of the proposed tax ordinance or revenue measure.
>
> (5) The secretary of the sanggunian concerned shall prepare the minutes of such public hearing and shall attach to the minutes the position papers, memoranda, and other documents submitted by those who participated.
>
> (c) No tax ordinance or revenue measure shall be enacted or approved in the absence of a public hearing duly conducted in the manner provided in this Article. (Emphasis supplied)

Furthermore, the notice requirement raised by Tolentino here clearly states that the written notices for the enactment of Ordinance No. 20 are to be sent to "interested or affected parties operating or doing business within the territorial jurisdiction of the LGU concerned."[55] Thus, even if the notice and public hearing requirements were deemed necessary for the passing of the Ordinance, Tolentino would have no standing to raise this as a ground, as he is not operating or doing business in Batangas City.

In addition, Joint Memorandum Circular No. 2010-01,[56] which enumerated the procedures to be taken in general revisions of property assessments, did not mention any notice or public hearing requirement. This is in stark contrast with Joint Memorandum Circular No. 2010-02, which was issued by the same administrative departments on the same day, and enforced guidelines in the imposition of an additional *ad valorem* tax on idle lands. In the same Joint Memorandum Circular, the specific procedure for approval and enactment of the subject ordinance included mandatory public hearings and publication of the proposed tax ordinance.

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[55] LGC, GOVT. CODE, art. 276(b)(2).

[56] DILG and DOF Joint Memorandum Circular No. 2010-01, October 20, 2010 <https://ntrc.gov.ph/images/other-issuances/Local%20Taxes/JMC_No_2010-01.pdf> (Last accessed on May 5, 2021). Enjoining All Provinces, Cities and the Municipality of Pateros, Metro Manila to Prepare the Schedule of Market Values (SMVs) of Real Property and to Conduct the General Revision of Property Assessments in their Respective Jurisdictions.

If the legislature intended to impose a notice and public hearing requirement for the enactment of general revisions of property values in a certain jurisdiction, it would have explicitly stated so. Moreover, if the appropriate administrative agencies deemed these additional procedures necessary, it would have included it in their Joint Memorandum.

Thus, although the Ordinance, is deemed a tax ordinance, it is more specifically an ordinance that deals with the general revision of real property values for real property taxation. Accordingly, the procedures that govern its enactment are not the provisions found under Local Government Taxation in the Local Government Code, but those found in Real Property Taxation under the same law.

II

It is a settled rule that there is a strong presumption of validity in favor of legislative acts, including ordinances which are presumed to be valid. Consequently, the party assailing the legality or constitutionality of law has the burden of proving that the piece of legislation is indeed invalid.[57] This was succinctly explained in *City of Cagayan De Oro v. Cagayan Electric Power and Light Co. Inc.*:[58]

> The presumption of validity is a corollary of the presumption of constitutionality, a legal theory of common-law origin developed by courts to deal with cases challenging the constitutionality of statutes.
>
> The presumption of constitutionality, in its most basic sense, only means that courts, in passing upon the validity of a law, will afford some deferenee to the statute and charge the party assailing it with the burden of showing that the act is incompatible with the constitution. The doctrine comes into operation when a party comes to court praying that a law be set aside for being unconstitutional. In effect, it places a heavy burden on the act's assailant to prove invalidity beyond reasonable doubt; it commands the clearest showing of a constitutional infraction. Thus, before a law may be stn1ck down as unconstitutional, courts must be certain that there exists a clear and unequivocal breach of the constitution, and not one that is speculative or argumentative. To doubt, it has been said, is to sustain.
>
> The United States Supreme Court expressed the rationale for the presumption in *Ogden v. Saunders*, thus: "**it is but a decent respect due to the wisdom, the integrity, and the patriotism of the legislative body by which any law is passed to presume in favor of its validity** x x x."
>
> For the same reason, the presumption extends to legislative acts of local governments, as well. Thus, ordinances too are presumed constitutional, and, in addition, they are also presumed consistent with the

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[57] *Mindanao Shopping Destination Corp., v. City of Davao*, 810 Phil. 427, (2017) [Per C.J. Peralta, En Banc].

[58] G.R. No. 224825, October 17, 2018, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64779> [Per J. A. Reyes, Second Division].

> law. This is necessary because one of the requisites of a valid ordinance is that it does not contravene any statute. An ordinance that is incompatible with the law is *ultra vires* and hence null and void. To this end, when an action assailing an ordinance is brought before a court, the judge must, as a rule, presume that the ordinance is valid and therefore charge the plaintiff with the burden of showing otherwise. In *U.S. v. Salaveria*, the Court, speaking through Justice Malcolm, laid down the basis for the presumption in this wise:
>
> > The presumption is all in favor of validity x x x. The action of the elected representatives of the people cannot be lightly set aside. The councilors must, in the very nature of things, be familiar with the necessities of their particular municipality and with all the facts and circumstances which surround the subject and necessitate action. The local legislative body, by enacting the ordinance, has in effect given notice that the regulations are essential to the well-being of the people x x x.[59] (Emphasis in the original, citations omitted)

Nevertheless, the presumption may be set aside when invalidity or unreasonableness: (1) appears on the face of the ordinance or (2) is established by proper evidence.[60] Thus, in *Smart Communications, Inc. v. Municipality of Malvar, Batangas*,[61] this Court held that the breach against the Constitution or law of an enacted legislative act must be clearly seen before it is nullified. It stated, to wit:

> To justify the nullification of the law or its implementation, there must be a clear and unequivocal, not a doubtful, breach of the Constitution. In case of doubt in the sufficiency of proof establishing unconstitutionality, the Court must sustain legislation because "to invalidate [a law] based on x x x baseless supposition is an affront to the wisdom not only of the legislature that passed it but also of the executive which approved it." *This presumption of constitutionality can be overcome only by the clearest showing that there was indeed an infraction of the Constitution*, and only when such a conclusion is reached by the required majority may the Court pronounce, in the discharge of the duty it cannot escape, that the challenged act must be struck down.[62] (Emphasis supplied)

Here, the Court of Appeals affirmed the Secretary of Justice's Resolution, which annulled the Ordinance, for petitioners' alleged noncompliance with the notice requirement of the law. It was held that the Ordinance was legally infirm and that the City of Batangas failed to show that it had indeed complied with the formal requirements of the law regarding proper notice and public hearings.[63]

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59 Id.

60 Id.

61 727 Phil. 430 (2014) [Per J. Carpio, En Banc], citing *Lawyers Against Monopoly and Poverty v. Secretary of Budget and Management*, 686 Phil. 357 (2014) [Per J. Mendoza, En Banc].

62 *Smart Communications, Inc. v. Municipality of Malvar, Batangas*, 727 Phil. 430, 447 (2014) [Per J. Carpio, En Banc].

63 *Rollo*, p. 19.

Petitioners are correct in maintaining that the Court of Appeals erred when it declared the Ordinance, invalid. By stating that petitioners failed to show compliance with the procedural requirements for the passage of an ordinance, the Court of Appeals effectively reversed the presumption of validity and shifted the burden to petitioners.[64]

Here, other than Tolentino's assertion that he did not receive a written notice informing him of the public hearing, he failed to prove that there was noncompliance with the statutory procedures. Moreover, records show that Tolentino, along with other interested parties, were in attendance of the public meeting and able to assert their objections against the increase to be imposed in the property values.

In addition, petitioners' public records show that public hearings were conducted, and that written notices were sent to various stakeholders in the jurisdiction. Thus, respondents not only failed to present any evidence to support their own allegations, but they were also unsuccessful in shifting the presumption of validity of the Ordinance. Given this failure, the Ordinance should be upheld, as it enjoys the presumption of validity.

WHEREFORE, the Petition is **GRANTED**. The Court of Appeals' May 31, 2016 Decision and November 8, 2016 Resolution in C.A.-G.R. SP. No. 136399 sustaining the Secretary of Justice's June 6, 2014 Resolution, which declared void Batangas City's Ordinance No. 20, series 2013, are **REVERSED and SET ASIDE**.

SO ORDERED.

MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:

RAMON PAUL L. HERNANDO
Associate Justice

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[64] G.R. No. 224825, October 17, 2018, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64779> [Per J. A. Reyes, Second Division].

HENRI JEAN PAUL B. INTING
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARVIC M.V.F. LEONEN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice