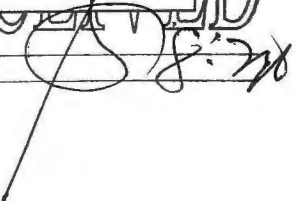




Republic of the Philippines  
Supreme Court  
Manila

SUPREME COURT OF THE PHILIPPINES  
PUBLIC INFORMATION OFFICE

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SECOND DIVISION

SPS. ROGELIO D. MINA and G.R. No. 266538  
SOTERA S. MINA,  
Petitioners,

-versus-

**Members:**

LEONEN, *Chairperson*,  
LAZARO-JAVIER,  
LOPEZ, M.,  
LOPEZ, J., and  
KHO., *JJ.*

HENRY B. AQUENDE,  
Respondent.

**Promulgated:**

AUG 12 2024

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**DECISION**

**LAZARO-JAVIER, J.:**

**The Case**

This Petition for Review on *Certiorari*<sup>1</sup> seeks to reverse the twin dispositions of Branch 207, Regional Trial Court, Muntinlupa City in Civil Case No. 22-091, thus:

<sup>1</sup> Rollo, pp. 8–20. Under Rule 45 of the Rules of Court.

11

- 1) Decision<sup>2</sup> dated March 20, 2023 affirming the dismissal by Branch 114, Metropolitan Trial Court, Muntinlupa City of Spouses Rogelio D. Mina (Rogelio) and Sotera S. Mina's (Sotera; collectively referred to as Spouses Mina) Complaint for Annulment of Tax Sale for failure to deposit the amount required under Section 267 of Republic Act No. 7160 (Local Government Code) at the same time the complaint was filed; and
- 2) Order<sup>3</sup> dated April 4, 2023 denying Spouses Minas Motion for Reconsideration.

### Antecedents

In their Complaint,<sup>4</sup> Spouses Mina alleged that they were the registered owners of a house and lot (subject property) located at Lot 11, Pearl Heights, Victoria Homes Subdivision, Tunasan, Muntinlupa City and covered by Transfer Certificate of Title (TCT) No. 182759.<sup>5</sup> The declared assessed value of the subject property was PHP 34,430.00.<sup>6</sup>

On November 8, 2017, Muntinlupa City Treasurer Anastacio L. Miñoza (Miñoza) sold the subject property at public auction allegedly for nonpayment of real property taxes. Henry B. Aquende (Aquende) won the auction for a bid price of PHP 58,000.00.

Consequently, Miñoza issued a Certificate of Sale in favor of Aquende. This was subsequently annotated on TCT No. 182759. Likewise, an undated Final Deed of Sale/Conveyance got executed in his favor.<sup>7</sup>

On January 10, 2022, Spouses Mina filed with the Metropolitan Trial Court, Muntinlupa City a complaint for Annulment of Tax Sale titled *Sps. Rogelio D. Mina and Sotera S. Mina v. Henry B. Aquende* and docketed as Civil Case No. MeTC-7454. The case got raffled to Branch 114.<sup>8</sup>

Spouses Mina then claimed that the tax auction sale was invalid for failure to comply with the legal requirements under Local Government Code,

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<sup>2</sup> *Id.* at 21–22. Penned by Presiding Judge Philip A. Aguinaldo of Branch 207, Regional Trial Court, Muntinlupa City.

<sup>3</sup> *Id.* at 23.

<sup>4</sup> *Id.* at 24–71.

<sup>5</sup> *Id.* at 40–44.

<sup>6</sup> *Id.* at 45–47. The registered lot covered by Transfer Certificate of Title (TCT) No. 182759 has an assessed value of PHP 16,830.00 under Muntinlupa City Property Record Form (Revised Tax Declaration) No. F-002-13796. The house as improvements has an assessed value of PHP 17,600.00 under RPA Form No. 26-00-014-55-044-1001.

<sup>7</sup> *Id.* at 50–51.

<sup>8</sup> *Id.* at 24.

Sections 254, 258, and 260 specifically: (1) the Notice of Tax Delinquency<sup>9</sup> dated August 14, 2017 and Warrant of Levy<sup>10</sup> dated September 7, 2017 were served by registered mail to No. 6 Diwani Street, San Francisco Del Monte, Quezon City, a boarding house where Rogelio resided way back in 1992. The mailed copies of these notices were returned to the City Treasurer with notation: RTS-Moved Out; (2) these notices should have been mailed and served by the City Treasurer to the occupant of the subject property if the delinquent owner could not be located; (3) the twin notices<sup>11</sup> both dated February 28, 2018 of the auction sale and the one-year redemption period of the subject property were also mailed and served at the same address; (4) the notice was not published as required by law nor was the tax delinquency annotated on the subject property's tax declaration; (5) the subject property valued at PHP 900,000.00 was merely auctioned off at PHP 58,000.00, equivalent only to 6% of the zonal value of the subject property; (6) the auction sale was simply unconscionable and amounted to taking of subject property without due process; (7) Aquende never took ownership of the subject property despite the lapse of the alleged redemption period; and (8) as they were forced to litigate to vindicate their rights, they are entitled to attorney's fees of PHP 150,000.00.<sup>12</sup>

In his Answer<sup>13</sup> dated June 29, 2020, Aquende riposted that he did not have any personal knowledge about the allegations in the complaint but maintained that the auction sale was above board. He also alleged that on November 6, 2019, there was a Petition for Application of a New Certificate of Title Upon Expiration of Redemption Period under Property Decree, Section 75 pending between the same parties before the Regional Trial Court, Muntinlupa City. That case involved the same parties and the same issue pertaining to the validity of the tax auction sale. Further, Spouses Mina failed to make an actual deposit with the court of the amount for which the real property was sold, together with interest of 2% per month from the date of sale to the time of the institution of the action. At any rate, he bought the subject property in good faith and for value. Finally, he was also forced to litigate, hence, was entitled to damages, attorney's fees, and cost of suit.

Under Reply<sup>14</sup> dated July 15, 2022, Spouses Mina averred that there was no *litis pendentia* as they were not aware of any petition filed by Aquende. In any event, the remedies sought in the two cases were different. More, the deposit required under Section 267 of the Local Government Code need not be paid at the same time the complaint is filed. By experience, payment of any deposit required for the filing of the complaint should be contained in a duly issued order of the court. Even then, they were willing to make the deposit once ordered by the trial court. In fact, the Office of the Clerk of Court of the

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<sup>9</sup> *Id.* at 52–57.

<sup>10</sup> *Id.* at 58–63.

<sup>11</sup> *Id.* at 64–65.

<sup>12</sup> *Id.* at 24–32.

<sup>13</sup> *Id.* at 72–85.

<sup>14</sup> *Id.* at 86–88.

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Metropolitan Trial Court, Muntinlupa City advised them that it was better to wait for the order of the Branch 114 to deposit the amount required.

### **Ruling of the Metropolitan Trial Court**

Under Order<sup>15</sup> dated August 1, 2022, Branch 114, Metropolitan Trial Court, Muntinlupa City dismissed the Complaint for failure to deposit the amount required under Section 267 of the Local Government Code. It ruled that the deposit was a jurisdictional requirement, non-payment of which warranted the dismissal of the action. As Spouses Mina did not make the deposit, the court never acquired jurisdiction over the complaint. It was immaterial whether Spouses Mina were willing to pay the deposit after it was filed in court. It must be paid simultaneous with the filing of the action assailing the tax auction sale.

Spouses Mina filed for a motion for reconsideration,<sup>16</sup> but it was denied under Resolution<sup>17</sup> dated September 12, 2022.

### **Ruling of the Regional Trial Court**

On appeal,<sup>18</sup> Branch 207, Regional Trial Court, Muntinlupa City in Civil Case No. 22-091, affirmed through Decision<sup>19</sup> dated March 20, 2023 and denied the subsequent motion for reconsideration under Order<sup>20</sup> dated April 4, 2023.

### **The Present Petition**

Petitioners Spouses Mina now seek affirmative relief from the Court via the present Petition<sup>21</sup> for Review on *Certiorari* on a pure question of law, to wit: does Section 267 of the Local Government Code require the deposit to be made only simultaneously with the filing of the complaint to nullify the auction sale, otherwise, the complaint shall be dismissed outright for failure of the court to acquire jurisdiction over the case?

In his Comment<sup>22</sup> dated November 14, 2023, respondent ripostes that the deposit requirement applies to initiatory actions assailing the validity of tax sales. Section 267 of the Local Government Code used the term

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<sup>15</sup> *Id.* at 90–92. The Order dated August 1, 2022 was penned by Presiding Judge Nelvin M. Asi of Branch 114, Metropolitan Trial Court, Muntinlupa City.

<sup>16</sup> *Id.* at 93–98.

<sup>17</sup> *Id.* at 99–100.

<sup>18</sup> *Id.* at 101–113.

<sup>19</sup> *Id.* at 21–22.

<sup>20</sup> *Id.* at 23.

<sup>21</sup> *Id.* at 8–20.

<sup>22</sup> Temporary *rollo*, unpaginated.

“entertain” and “institution,” thus making the deposit a jurisdictional requirement and simultaneous with the filing of a civil action. More, the supposed willingness of petitioners to deposit the required amount is conditioned on assessment and issuance of a payment order. This is a mere afterthought, alleged only after receiving an answer which specifically raised the issue of non-payment of the required deposit.

### Our Ruling

We reverse.

To begin with, the Court takes cognizance of the present Petition for Review on *Certiorari* directed against the rulings of the Regional Trial Court on a pure question of law as heretofore stated. The resolution of this question rests solely on what the law or the rules provide on the given set of circumstances. To put it in another perspective, the Court ought to look only into whether the trial court correctly applied the law or rules in the case. It does not require the examination of evidence. As held in *Daswani v. Banco De Oro*,<sup>23</sup> when only questions of law remain to be addressed, a direct recourse to the Court under this remedy is the proper mode of appeal.

***The deposit required under Local Government Code, Section 267 is mandatory and jurisdictional but need not be simultaneously paid with the filing of the action***

Section 267 of the Local Government Code explicitly ordains that no court shall entertain any action assailing the validity of any auction sale without the taxpayer satisfying the deposit requirement, viz.:

Section 267. *Action Assailing Validity of Tax Sale.* - No court shall entertain any action assailing the validity of any sale at public auction of real property or rights therein under this Title until the taxpayer shall have **deposited with the court the amount for which the real property was sold, together with interest of two percent (2%) per month from the date of sale to the time of the institution of the action.** The amount so deposited shall be paid to the purchaser at the auction sale if the deed is declared invalid but it shall be returned to the depositor if the action fails.

Neither shall any court declare a sale at public auction invalid by reason of irregularities or informalities in the proceedings unless the substantive rights of the delinquent owner of the real property or the person having legal interest therein have been impaired. (Emphasis supplied)

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<sup>23</sup> 765 Phil. 88, 97 (2015) [Per J. Brion, Second Division].

In *Province of Bataan v. Hon. Remigio M. Escalada, Jr.*,<sup>24</sup> the Court decreed that the deposit requirement under Section 267 of the Local Government Code is mandatory and jurisdictional. It nonetheless clarified that the failure to deposit does not necessarily result in the dismissal of the case, albeit for a different reason:

In *National Housing Authority v. Iloilo City*,<sup>25</sup> We explained that the **requirement for a deposit is jurisdictional**<sup>26</sup> and is an “ingenious legal device to guarantee the satisfaction of the tax delinquency, with the local government unit keeping the payment on the bid price no matter the final outcome of the suit to nullify the tax sale.”<sup>27</sup> But the requirement only applies to initiatory actions<sup>28</sup> and does not apply to the government or any of its agencies, especially when it is acknowledged to be tax-exempt.<sup>29</sup> And in the case of *Beaumont Holdings Corp. v. Reyes*,<sup>30</sup> We clarified that **the requirement for a deposit is jurisdictional** . . .<sup>31</sup>

The taxpayer in Section 267 refers to the “declarant of the property in a real property tax declaration, who is generally its owner, and his declared property is realty tax delinquent.”<sup>32</sup> The taxpayer in this case is undoubtedly Sunrise whose properties were levied because of its failure to pay the real property taxes due to the Province. Sunrise filed a petition for injunction against petitioners to declare the auction sale void on the ground that it was not duly notified of it.<sup>33</sup> Sunrise did not refute having any outstanding liability for real property taxes. It is also not part of the government or a tax-exempt entity. That being the case, Sunrise should have made a deposit pursuant to Section 267. Sunrise, however, stated in no uncertain terms that it was unable to deposit the amount required under Section 267 in its June 29, 2005 Notice of Dismissal. It even declared that the RTC did not have jurisdiction over the case.<sup>34</sup>

Nonetheless, Sunrise’s **failure to pay the deposit required under Section 267 shall not result in the dismissal of the case** before Us. The RTC refused to require the payment of the deposit from Sunrise. **The dismissal of the case will certainly prejudice Gawtee and Cameron...**

....

As such, Gawtee and Cameron’s petitions-in-intervention cannot be dismissed notwithstanding Sunrise’s failure to pay the deposit required under Section 267 of R.A. No. 7160.<sup>35</sup> (Emphasis supplied)

<sup>24</sup> G.R. No. 181311, November 24, 2021 [Per J. Carandang, Third Division].

<sup>25</sup> *Id.*, citing *National Housing Authority v. Iloilo City*, 584 Phil. 604 (2008) [Per J. Tinga, Second Division].

<sup>26</sup> *Id.* See also *Gamilla v. Burgundy Realty Corp.*, 761 Phil. 549 (2015) [Per J. Mendoza, Second Division].

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*, citing *Spouses Plaza v. Lustiva*, 728 Phil. 359 (2014) [Per J. Brion, Second Division].

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*, citing *Beaumont Holdings Corp. v. Reyes*, 815 Phil. 584 (2017) [Per J. Caguioa, First Division].

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

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Further, in *Sps. Plaza v. Lustiva*,<sup>36</sup> the Court ruled that the deposit precondition under Section 267 of the Local Government Code is an ingenious legal device to guarantee the satisfaction of the tax delinquency, with the local government unit keeping the payment on the bid price no matter the outcome of the suit to nullify the tax sale. Verily, *being remedial in nature, the provision should be liberally construed*, to the end that related controversies between the same parties may be adjudicated at one time; and *it should be made effectual as far as practicable, with the end in view of promoting the efficient administration of justice*.<sup>37</sup>

Too, in *NTC v. Heirs of Teodulo Ebesa*,<sup>38</sup> the Court reiterated the rule that payment of appeal docket fees is both mandatory and jurisdictional. It is mandatory as it is required in all appealed cases, otherwise, the Court does not acquire the authority to hear and decide the appeal. Nonetheless, notwithstanding the mandatory nature of the required payment of appeal docket fees, the Court also recognized that its strict application is qualified by the following: *first*, failure to pay those fees within the reglementary period allows only discretionary, not automatic, dismissal; *second*, such power should be used by the court in conjunction with its exercise of sound discretion in accordance with the tenets of justice and fair play, as well as with a great deal of circumspection in consideration of all attendant circumstances.

Applying the foregoing cases here, the Court rules that since Section 267 of the Local Government Code does not provide a period within which the deposit should be made, if deposit is not excused, it may be made: (1) simultaneously with the institution of the action; or (2) after the institution of the action, upon motion to the court having jurisdiction over the case. This does not preclude the court to *motu proprio* issue an order to deposit the required amount. Failure to deposit the amount, after notice and reasonable time for compliance, warrants the dismissal of the case.

As things stand, petitioners are about to lose their subject property valued at PHP 900,000.00 for an alleged meager real property tax liability of PHP 58,000.00. They should be afforded the opportunity to be heard in court in accordance with the basic Constitutional tenets of justice and fair play.

So must it be.

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<sup>36</sup> G.R. No. 172909, March 5, 2014 [Per J. Brion, Second Division].

<sup>37</sup> *Sps. Perez, et al. v. Antonio Hermano*, G.R. No. 147417, July 8, 2005 [Per J. Chico-Nazario, Second Division].

<sup>38</sup> G.R. No. 186102, February 24, 2016 [J. Reyes, Third Division].

**ACCORDINGLY**, the Petition is **GRANTED**. The Decision dated March 20, 2023 and Order dated April 4, 2023 of Branch 207, Regional Trial Court, Muntinlupa City, in Civil Case No. 22-091, as well as the Order dated August 1, 2022 and Resolution dated September 12, 2022 of Branch 114, Metropolitan Trial Court, Muntinlupa City in Civil Case No. MeTC-7454 are all **REVERSED**.

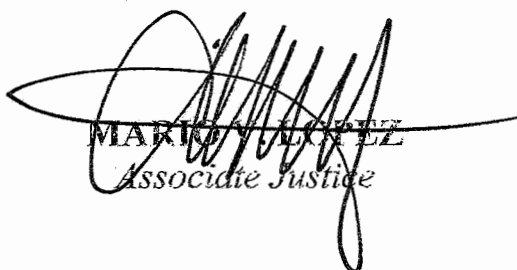
The case is **REMANDED** to Branch 114, Metropolitan Trial Court, Muntinlupa City, which is directed to cause the computation of the total amount of deposit to be paid by petitioners Spouses Rogelio D. Mina and Sotera S. Mina under Section 267 of the Local Government Code and order them to deposit the amount with the court within a reasonable time. Failure to comply with the order of the Court shall warrant the dismissal of the complaint.

**SO ORDERED.**

  
**AMY C. LAZARO-JAVIER**  
*Associate Justice*

**WE CONCUR:**

  
**MARVIC M.V.F. LEONEN**  
*Senior Associate Justice*  
*Chairperson*

  
**MARIO LOPEZ**  
*Associate Justice*

  
**JHOSEP LOPEZ**  
*Associate Justice*

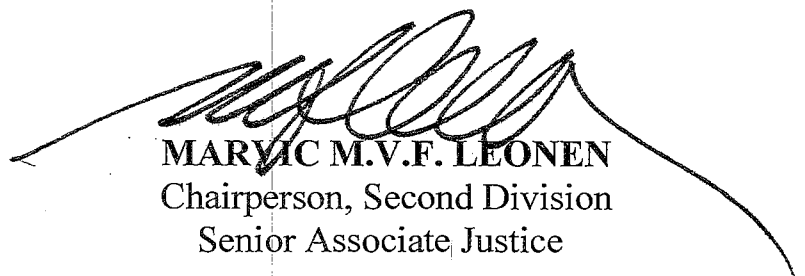




**ANTONIO T. KHO, JR.**  
*Associate Justice*

### ATTESTATION

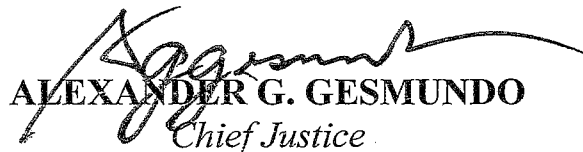
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARYIC M.V.F. LEONEN**  
Chairperson, Second Division  
Senior Associate Justice

### CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, 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*

