



Republic of the Philippines
SUPREME COURT
Manila

SUPREME COURT OF THE PHILIPPINES
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EN BANC

**CYNTHIA S. DEL ROSARIO,
FEDERICO N. VIRGO, JR.,
RENATO V. BALADAD,
BEATRIZ A. DIOSO, CORAZON
MANALON DAVILA, LORETA N.
ALSA, HIYA I. HASSAN, and
JOHN VINCENT C. COLILI,**
Petitioners,

G.R. No. 247610

Present:

**PERALTA, C.J.,
PERLAS-BERNABE,
LEONEN,
CAGUIOA,
A. REYES, JR.,
GISMUNDO,
J. REYES, JR.,
HERNANDO,
CARANDANG,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ,
DELOS SANTOS, and
GAERLAN, JJ.**

- versus -

**COMMISSION ON ELECTIONS,
THE DEPARTMENT OF
BUDGET AND MANAGEMENT,
THE PROVINCIAL
GOVERNMENT OF PALAWAN,
and THE PROVINCIAL
TREASURER OF THE
PROVINCIAL GOVERNMENT
OF PALAWAN,**

Promulgated:

March 10, 2020

Respondents.

X-----X

DECISION

REYES, A., JR., J.:

Are the voters of a city which used to be a component city of a province entitled to vote in a plebiscite for the division of said province, even after the city has been converted into a highly urbanized city (HUC)?

Reyes

The Case and Its Antecedents

The present petition for prohibition assails the constitutionality and validity of Republic Act (RA) No. 11259, entitled “Charter of the Provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur.”¹ The bill originated from House Bill Nos. 7413 and 8055, which was initiated in the 17th Congress by the representatives of the three legislative districts of the province of Palawan.² The bill was signed into law on April 5, 2019³ and published in the Official Gazette on May 20, 2019.⁴

Sections 51 and 54 of the assailed law provide:

SEC. 51. Plebiscite. — The provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur shall be created upon approval by the majority of the votes cast by the voters of the affected areas in a plebiscite to be conducted and supervised by the Commission on Elections (COMELEC) on the second Monday of May 2020 following the effectivity of this Charter.

The amount necessary for the conduct of the plebiscite shall be charged against the appropriations of the present Province of Palawan.

SEC. 54. Residents of the City of Puerto Princesa. — The residents of the City of Puerto Princesa, as a highly urbanized city, shall not be qualified to vote in the plebiscite and for candidates for provincial elective positions.

The district representatives who were duly elected and qualified in the election immediately preceding the May 2022 national and local elections of the present First Legislative District, Second Legislative District, and Third Legislative District shall continue to represent their respective districts until the representatives for the newly created legislative districts for the three (3) provinces and the highly urbanized City of Puerto Princesa shall have been elected and qualified.

Petitioners Cynthia S. Del Rosario, Federico N. Virgo, Jr., Renato V. Baladad, Beatriz A. Dioso, and Corazon Manalon Davila are all residents of various barangays in Puerto Princesa City; while the other petitioners are residents of three municipalities in Palawan. Loreta N. Alsa is a resident of Sagpangan, Aborlan; petitioner Hiya I. Hassan is a resident of Panitian, Sofronio Española; and petitioner John Vincent C. Colili is a resident of Amas, Brooke’s Point. Claiming standing as taxpayers and registered voters of Puerto Princesa City and of Palawan, they ask this Court to declare RA No. 11259 unconstitutional and invalid. Consequently, they also seek the issuance of a writ of prohibition against the conduct of the May 11, 2020⁵

¹ Republic Act No. 11259, Section 1.

² House of Representatives, 17th Congress, Committee Report No. 809. Accessed February 13, 2020 at http://www.congress.gov.ph/legisdocs/first_17/CR00809.pdf; *rollo*, p. 342.

³ As admitted by petitioners and respondents; *id* at 8, 342.

⁴ 115 O.G. (No. 20) 5025 (2019).

⁵ The second Sunday of May 2020 falls on May 11, 2020.

Meyer

plebiscite provided for in Sections 51 and 54 of RA No. 11259, without the participation of the electorate of Puerto Princesa City, as well as the disbursement of funds relative thereto.

The Issues

The petition alleges that RA No. 11259 suffers from three infirmities which render it unconstitutional: first, its passage and enactment into law was made in gross violation of the public's right to take part in the conduct of public affairs through public hearings and consultations;⁶ second, it disqualifies the voters of Puerto Princesa City from voting in the scheduled plebiscite, contrary to Article X, Section 10 of the Constitution;⁷ and third, it provides for a substantial change in the sharing of proceeds from the development and utilization of the national wealth between the three new provinces and their existing municipalities and barangays, in violation of Article X, Section 7 of the Constitution.⁸

Ruling of the Court

I.

Before delving into the merits of the petition, this Court resolves the objections made by respondents, through the Solicitor General, regarding the prematurity of the petition and petitioners' lack of standing to file the same.

Standing to sue, for purposes of assailing the constitutionality of statutes, has been defined as

a personal and substantial interest in a case such that the party has sustained or will sustain direct injury as a result of the governmental act that is being challenged. The gist of the question of standing is whether a party alleges such personal stake in the outcome of the controversy as to assure that concrete adverseness which sharpens the presentation of issues upon which the court depends for illumination of difficult constitutional questions.⁹

Following this definition, a party was held to have standing upon proof of the following: (1) the suing party has personally suffered some actual or threatened injury because of the allegedly illegal conduct of the government; (2) the injury is fairly traceable to the challenged action; and (3) the injury is likely to be redressed by the remedy being sought.¹⁰

⁶ Rollo, pp. 7-13.

⁷ Id. at 13-18.

⁸ Id. at 19-24.

⁹ *Southern Hemisphere Engagement Network, Inc., et al. v. Anti-Terrorism Council, et al.*, 646 Phil. 452, 472 (2010), citing *Anak Mindanao Party-List Group v. Executive Secretary*, 558 Phil. 338 (2007).

¹⁰ *Atty. Lozano, et al. v. Speaker Nograles*, 607 Phil. 334, 342 (2009).

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Considering the foregoing parameters, We hold that petitioners Cynthia S. Del Rosario, Federico N. Virgo, Jr., Renato V. Baladad, Beatriz A. Dioso, and Corazon Manalon Davila lack standing to file the present petition. As residents of Puerto Princesa, they have become residents of an entity separate, distinct, and autonomous from the province of Palawan, when Puerto Princesa became an HUC. In fact, said petitioners, as qualified voters of Puerto Princesa, have not participated in the elections for provincial officials of Palawan.¹¹ By the same token, they have likewise lost the right to vote in the plebiscite for the division of the province of Palawan, as discussed in the latter part of this ruling. Nevertheless, this Court cannot dismiss the petition on this point alone, considering that petitioners Loreta N. Alsa, Hiya I. Hassan, and John Vincent C. Colili are residents and registered voters of the province of Palawan, and as such, are directly affected by the implementation of the assailed statute, which will divide their home province into three distinct and separate provinces.

As regards the alleged prematurity of the petition, in *Council of Teachers and Staff of Colleges and Universities of the Philippines v. Secretary of Education*,¹² which also involved a Rule 65 challenge against a statute and its implementation, it was held that:

This Court has consistently ruled that an actual case or controversy is necessary even in cases where the constitutionality of a law is being questioned. It is not enough that the statute has been passed. There must still be a real act. The law must have been implemented, and the party filing the case must have been affected by the act of implementation.

On this point, it must be stressed that most of the provisions of RA No. 11259 will take effect only after the approval thereof by the electorate of Palawan. Sections 51 and 52 of the law provide:

SEC. 51. Plebiscite. — The provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur shall be created upon approval by the majority of the votes cast by the voters of the affected areas in a plebiscite to be conducted and supervised by the Commission on Elections (COMELEC) on the second Monday of May 2020 following the effectivity of this Charter.

x x x x

SEC. 52. Commencement of Corporate Existence. — The provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur shall commence its corporate existence upon the election and qualification of its provincial governor, provincial vice governor and majority of the members of the sangguniang panlalawigan.

¹¹ Respondents Provincial Treasurer and Provincial Government of Palawan submitted a sample ballot for Puerto Princesa, which does not include the choices for Governor, Vice-Governor, and Members of Sangguniang Panlalawigan; *rollo*, pp. 129-130.

¹² G.R. Nos. 216930, 217451, 217752, 218045, 218098, 218123 & 218465, October 9, 2018.

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The election of the provincial officials of the newly created provinces shall be held on the second Monday of May in the year 2022. (Emphases supplied.)

At the risk of being repetitive, it is clear from the foregoing that the creation and existence of the three provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur is contingent upon the approval thereof by the voters of the affected areas in a plebiscite conducted for the purpose. Until such plebiscite has been conducted and it is ascertained that the majority of the electorate in said plebiscite approved the proposed division, the provisions of RA No. 11259 relating to the organization and governance of the three provinces of Palawan del Norte, Palawan Oriental, and Palawan del Sur will remain inoperative, as the provinces to which they pertain have not been created yet. Pending the conduct of the plebiscite, only Sections 51, 54, 58, 59, and 60 of the law can be considered to be in full force and effect, as these provisions pertain to matters preparatory to the conduct of the plebiscite for the creation of the three proposed provinces. These are the very provisions sought to be implemented by respondents as they prepare for the conduct of the plebiscite this coming May. It is therefore premature for this Court to make any declaration on the unconstitutionality of the law *in toto*, when most of the provisions of the law have yet to take effect.

It is for these reasons that the Court must refrain from ruling upon the issue raised by the petition regarding the alteration of the natural resource revenue allotments of the three proposed provinces *vis-à-vis* the prescribed allotment ratio in the Local Government Code (LGC). Thus, this decision is confined to the resolution of the first and third issues, *i.e.*, the alleged lack of public consultation in the formulation of R.A. No. 11259, and the question of whether or not Puerto Princesa can still be considered a political unit directly affected by the division of Palawan into three provinces, so as to entitle the city's voters to participate in the plebiscite scheduled for that purpose.

II.

Petitioners allege that in formulating the assailed statute, the legislature

x x x failed to invite written submissions and to conduct public hearings on the subject legislation such that the [H]ouse and [S]enate bills on the proposed act dividing the province of Palawan were never submitted to the constituents of the province of Palawan for public consultations and public hearings.¹³

¹³ Rollo, p. 8.

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According to petitioners, this constituted a violation of the political right of the people of Palawan to participate in public consultations on matters affecting their interest.

Respondents Provincial Treasurer and Provincial Government of Palawan counter that the assailed statute was developed in coordination with the various offices of the provincial government, as well as the municipal mayors and *Sangguniang Panlalawigan* members of Palawan. They also aver that petitioner Cynthia del Rosario was even present during one of the deliberations of the House of Representatives on the matter.¹⁴

Respondents Commission on Elections and the Department of Budget and Management argue that the passage of the statute did not disregard the right to participate in public consultations on matters of the public interest, for the creation of the proposed provinces still needs the approval of the electorate of Palawan.

The Court agrees with the submissions of the respondents on the matter. Petitioners' long but vacuous citation of various constitutional provisions and treaty instruments does not persuade. The records of the case reveal that the proposed division of Palawan, as reflected in the assailed statute, was in fact made in consultation with the people of Palawan, through their elected representatives: the municipal mayors,¹⁵ municipal councilors, and the members of the *Sangguniang Panlalawigan*, as reflected in the transcripts of the consultative meeting,¹⁶ *Sangguniang Panlalawigan* meetings,¹⁷ and resolutions from the municipal councils of Palawan.¹⁸

Furthermore, the Constitution does not establish prior public consultation as a prerequisite for the validity of a statute. Article XIII, Section 16, as cited by petitioners, is a protection against any action which serves to abridge the right of people's organizations to "effective and reasonable participation at all levels of social, political, and economic decision-making." A renowned constitutional scholar and Constitutional Commission member explains that:

¹⁴ Id. at 82-83.

¹⁵ Resolution No. 03, series of 2018 of the League of Municipalities of the Philippines, Palawan Chapter, "Manifesting the Full Support of the League of the Municipalities of the Philippines – Palawan Chapter to the Provincial Government of Palawan Particularly on the Passage of the Creation of Three (3) New Provinces Through the Division of Palawan;" id. at 258-259.

¹⁶ Minutes of Consultative Meeting on Regionalization of Palawan; id. at 132-148.

¹⁷ Minutes of the Joint Committee Meeting of the Committees on Rules and Laws and Local Government Regarding the Division of Palawan into Three Provinces, October 14, October 17, and November 7, 2017, respectively; id. at 149-240; Palawan Provincial Resolution No. 13465, series of 2017; id. at 241-245.

¹⁸ Resolution No. 2018-026 of the Sangguniang Bayan of Rizal, Palawan; id. at 246-247; Resolution No. 30, series of 2018 of the Sangguniang Bayan of Aborlan, Palawan; id. at 248-249; Resolution No. 2018-78 of the Sangguniang Bayan of San Vicente, Palawan; id. at 250-251; Resolution No. 141, series of 2017 of the Sangguniang Bayan of Coron, Palawan; id. at 252-254; Resolution No. 2018-3249 of the Sangguniang Bayan of Narra, Palawan; id. at 255-257.

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x x x At most, the provisions serve as exhortations to the people to act jointly, and to associations to act with independence and not to allow themselves to be instrumentalized by the state. Moreover, *Kilosbayan v. Morato* rejected the notion that the provisions confer on organizations “standing” to challenge in court the validity of governmental policies.

It should be pointed out that the language of Section 16 hews closely to the phraseology of the Bill of Rights. The deliberate intention of the Commission was to not “in any way dilute or diminish the rights already guaranteed in the Bill of Rights, particularly [Sections 8 and 4], which guarantee the right of the people to form associations and unions for purposes not contrary to law, and also the guarantee which says that no law shall be passed abridging the right of the people peaceably to assemble and petition the government for redress of grievances.” Furthermore, in relation to consultation mechanisms, the role of the state is to “facilitate” their creation. x x x¹⁹

This Court sustains the contention of the Solicitor General that the assailed statute does not run afoul of the constitutional policy on public consultation because its effectivity is still subject to the supreme mode of public consultation: the ballot. Petitioners must be reminded that ours is a republican state, where the people are heard primarily through their elected representatives.²⁰ Sovereignty resides in the people, but is primarily manifested through their elected representatives. In the case at bar, the duly elected representatives of the people of Palawan at every level: municipal, provincial, and national, have registered their support and consent to the proposed division of their province.

III.

Article X, Section 10 of the Constitution requires that the division of a province must be approved “by a majority of the votes cast in a plebiscite in the political units directly affected.” As applied to the present petition, is the HUC of Puerto Princesa a “political unit directly affected” by the partition of the province of Palawan into three separate provinces?

In determining which political units are directly affected — hence eligible to participate in the pertinent plebiscite — by a merger, division, creation, or abolition of a local government unit, the Supreme Court has taken into account a number of political and economic factors.

Early decisions of the Court on the matter hinged primarily on the matter of territorial and boundary alteration. In *Tan v. Comelec*,²¹ the Court considered the possible alteration of boundaries and reduction of municipal boundaries, and held that the whole mother province must vote in the

¹⁹ Joaquin G. Bernas, *The 1987 Constitution of the Republic of the Philippines: A Commentary*, pp. 1272-1273 (2009). Citations omitted.

²⁰ CONSTITUTION, Art. II, Sec. 1.

²¹ 226 PHIL 624 (1986).

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division thereof into two provinces. After citing Article XI, Section 3 of the 1973 Constitution, the Court held:

It can be plainly seen that the aforecited constitutional provision makes it imperative that there be first obtained “the approval of a majority of votes in the plebiscite in the unit or units affected” whenever a province is created, divided or merged and there is substantial alteration of the boundaries. It is thus inescapable to conclude that the boundaries of the existing province of Negros Occidental would necessarily be substantially altered by the division of its existing boundaries in order that there can be created the proposed new province of Negros del Norte. Plain and simple logic will demonstrate that two political units would be affected. The first would be the parent province of Negros Occidental because its boundaries would be substantially altered. The other affected entity would be composed of those in the area subtracted from the mother province to constitute the proposed province of Negros del Norte.²²

The applicability of the *Tan* ruling to local government unit (LGU) creations, mergers, divisions, or abolitions under the present constitution was confirmed in *Gov. Padilla, Jr. v. Commission on Elections*,²³ where the Court held that the whole municipality must vote in a plebiscite for the creation of a new barangay therein.²⁴ In *Tobias v. City Mayor Abalos*,²⁵ the Court, faced with a challenge against the constitutionality of the law converting Mandaluyong from a municipality into an HUC, rejected the assertion that a municipality within the same legislative district — but not within the same province — as the proposed HUC is a “political unit directly affected” by such conversion. Said the Court:

Petitioners contend that the people of San Juan should have been made to participate in the plebiscite on R.A. No. 7675 as the same involved a change in their legislative district. The contention is bereft of merit since the principal subject involved in the plebiscite was the conversion of Mandaluyong into a highly urbanized city. The matter of separate district representation was only ancillary thereto. Thus, the inhabitants of San Juan were properly excluded from the said plebiscite as they had nothing to do with the change of status of neighboring Mandaluyong.²⁶

Later Decisions apply a more comprehensive approach in the determination of which political units are directly affected by a change or conversion of an LGU. In *Miranda v. Hon. Aguirre*,²⁷ which involved the conversion²⁸ of Santiago City from an independent component city to a component city of the province of Isabela, the Court said:

²² Id. at 639.

²³ 289 Phil. 356 (1992).

²⁴ Id. at 360-361.

²⁵ 309 Phil. 100 (1994).

²⁶ Id. at 106.

²⁷ 373 PHIL 386 (1999).

²⁸ In the words of the Court, “downgrading.”

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x x x The resolution of the issue depends on whether or not the downgrading falls within the meaning of creation, division, merger, abolition or substantial alteration of boundaries of municipalities per Section 10, Article X of the Constitution. A close analysis of the said constitutional provision will reveal that the creation, division, merger, abolition or substantial alteration of boundaries of local government units involve a *common denominator* — material change in the political and economic rights of the local government units directly affected as well as the people therein. It is precisely for this reason that the Constitution requires the approval of the people “in the political units *directly* affected.” It is not difficult to appreciate the rationale of this constitutional requirement. x x x Section 10, Article X [of the Constitution] addressed the undesirable practice in the past whereby local government units were created, abolished, merged or divided on the basis of the vagaries of politics and not of the welfare of the people. Thus, the consent of the people of the local government unit directly affected was required to serve as a checking mechanism to any exercise of legislative power creating, dividing, abolishing, merging or altering the boundaries of local government units. x x x This plebiscite requirement is also in accord with the philosophy of the Constitution granting more autonomy to local government units.

The changes that will result from the downgrading of the city of Santiago from an independent component city to a component city are many and cannot be characterized as insubstantial. For one, the independence of the city as a political unit will be diminished. The city mayor will be placed under the administrative supervision of the provincial governor. The resolutions and ordinances of the city council of Santiago will have to be reviewed by the Provincial Board of Isabela. Taxes that will be collected by the city will now have to be shared with the province. x x x

x x x x

It is markworthy that when R.A. No. 7720 *upgraded* the status of Santiago City from a municipality to an independent component city, it required the approval of its people thru a plebiscite called for the purpose. There is neither rhyme nor reason why this plebiscite should not be called to determine the will of the people of Santiago City when R.A. No. 8528 *downgrades* the status of their city. Indeed, there is more reason to consult the people when a law substantially diminishes their right. (Italics in the original)²⁹

This comprehensive approach was followed in *Umali v. Commission on Elections, et al.*,³⁰ where the Court held that the whole province of Nueva Ecija is the political unit directly affected by the conversion of Cabanatuan into an HUC, *viz.*:

In cutting the umbilical cord between Cabanatuan City and the province of Nueva Ecija, the city will be separated from the territorial jurisdiction of the province, as earlier explained. The provincial

²⁹ Supra note 27 at 400-402.

³⁰ 733 Phil. 775 (2014).

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government will no longer be responsible for delivering basic services for the city residents' benefit. Ordinances and resolutions passed by the provincial council will no longer cover the city. Projects queued by the provincial government to be executed in the city will also be suspended if not scrapped to prevent the LGU from performing functions outside the bounds of its territorial jurisdiction, and from expending its limited resources for ventures that do not cater to its constituents.

In view of these changes in the economic and political rights of the province of Nueva Ecija and its residents, the entire province certainly stands to be directly affected by the conversion of Cabanatuan City into an HUC. Following the doctrines in *Tan* and *Padilla*, all the qualified registered voters of Nueva Ecija should then be allowed to participate in the plebiscite called for that purpose.³¹

A careful survey of these cases reveals that the Court has considered three key factors in determining whether an LGU is a "political unit directly affected" by an LGU change or conversion: territorial alteration, political effects, and economic effects. The Court shall now apply this three-factor test to Puerto Princesa and the rest of Palawan, in the light of the parties' pleadings and the applicable law.

As regards territorial alteration, the petitioners allege that RA No. 11259 will re-draw the boundaries of Palawan's Third Legislative District, which is currently composed of Puerto Princesa and the municipality of Aborlan.³² On the other hand, respondents aver that the law will neither alter the boundaries of Puerto Princesa nor reduce its land area.³³ On this point, this Court agrees with respondents that the assailed statute will not result in the alteration of Puerto Princesa's territorial jurisdiction. Section 4 of the law provides in part that "The terrestrial jurisdictions of the newly created provinces shall be within the present metes and bounds of all the municipalities that comprise the respective provinces" without reference to Puerto Princesa. The Court has pored over the law and finds nothing in it that changes the metes and bounds of Puerto Princesa's territory. Furthermore, following *Tobias v. Abalos*³⁴ and *Bagabuyo v. COMELEC*,³⁵ the realignment of Palawan's legislative district boundaries does not amount to a territorial alteration so as to render Puerto Princesa directly affected by the division of the province of Palawan, for the re-drawing of legislative district boundaries does not require electoral approval through a plebiscite.

As regards political and economic effects, the Court first considers the applicable laws. Section 452 of the Local Government Code provides:

³¹ Id. at 809.

³² *Rollo*, pp. 16-17.

³³ Comment of Provincial Treasurer and Provincial Government of Palawan; id. at 87.

³⁴ *Supra* note 25.

³⁵ 593 Phil. 678 (2008).

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Sec. 452. *Highly Urbanized Cities.* — (a) Cities with a minimum population of two hundred thousand (200,000) inhabitants as certified by the National Statistics Office, and within the latest annual income of at least Fifty Million Pesos (P50,000,000.00) based on 1991 constant prices, as certified by the city treasurer, shall be classified as highly urbanized cities.

(b) Cities which do not meet above requirements shall be considered component cities of the province in which they are geographically located. If a component city is located within the boundaries of two (2) or more provinces, such city shall be considered a component of the province of which it used to be a municipality.

(c) Qualified voters of highly urbanized cities shall remain excluded from voting for elective provincial officials.

Unless otherwise provided in the Constitution or this Code, qualified voters of independent component cities shall be governed by their respective charters, as amended, on the participation of voters in provincial elections.

Qualified voters of cities who acquired the right to vote for elective provincial officials prior to the classification of said cities as highly-urbanized after the ratification of the Constitution and before the effectivity of this Code, shall continue to exercise such right.
(Underscoring supplied)

It is glaringly clear from this provision that voters of highly urbanized cities cannot vote for elective provincial officials. Notably, Section 452(c) uses the phrase “shall remain excluded,” because such exclusion was carried over from previous statutes on the matter.³⁶ Pertinently, Section 3 of Batas Pambansa Blg. 51 provides:

SEC. 3. Cities. — There shall be in each city such elective local officials as provided in their respective charters, including the city mayor, the city vice-mayor, and the elective members of the sangguniang panlungsod, all of whom shall be elected by the qualified voters in the city. In addition thereto, there shall be appointive sangguniang panlungsod, members consisting of the president of the city association of barangay councils, the president of the city federation of the kabataang barangay, and one representative each from the agricultural and industrial labor sectors who shall be appointed by the President (Prime Minister) whenever, as determined by the sangguniang panlungsod, said sectors are of sufficient number in the city to warrant representation.

Until cities are reclassified into highly urbanized and component cities in accordance with the standards established in the Local Government Code as provided for in Article XI, Section 4 (1) of the Constitution, any city now existing with an annual regular income derived from infrastructure and general funds of not less than forty million pesos (P40,000,000.00) at the time of the approval of this Act shall be classified as a highly

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Batas Pambansa Blg. 337, Sections 166-168.

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urbanized city. All other cities shall be considered components of the provinces where they are geographically located.

The City of Baguio, because of its special functions as the summer capital of the Philippines, shall be classified as a highly urbanized city irrespective of its income.

The registered voters of a component city may be entitled to vote in the election of the officials of the province of which that city is a component, if its charter so provides. However, **voters registered in a highly urbanized city, as hereinabove defined, shall not participate nor vote in the election of the officials of the province in which the highly urbanized city is geographically located.** (Emphasis and underscoring supplied)

HUCs, as conceptualized in our local government laws, are essentially cities that have attained a level of population growth and economic development which the legislature has deemed sufficient for devolution of governmental powers as self-contained political units. As such, these cities are intended to function as first-level political and administrative subdivisions in their own right, on par with provinces.³⁷ For this reason, Article X, Section 12 of the Constitution provides that “[c]ities that are highly urbanized, as determined by law, x x x shall be independent of the province.” This constitutionally-mandated independence from provincial units is explicitly declared in Section 29 of the Local Government Code and manifests itself throughout said Code in three forms: first, exclusion from participation in provincial elections, as earlier discussed;³⁸ second, direct Presidential supervision over HUCs and their local chief executives;³⁹ and third, other special distinctions provided for in the Code.⁴⁰ As this Court explained in *Umali*, involving the issue of which political units are directly affected by the conversion of a component city into an HUC:

x x x x

Aside from the alteration of economic rights, the political rights of Nueva Ecija and those of its residents will also be affected by Cabanatuan's conversion into an HUC. Notably, the administrative supervision of the province over the city will effectively be revoked upon conversion. x x x

³⁷ See *Ceniza v. Commission on Elections*, 184 Phil. 597 (1980).

³⁸ CONSTITUTION, Article X, Section 12; LOCAL GOVERNMENT CODE, Sec. 452(c).

³⁹ LOCAL GOVERNMENT CODE, Sections 25, 45, 47, 61, 62, 67, and 82.

⁴⁰ LOCAL GOVERNMENT CODE, Sections 13(b) (regarding special provisions for street renaming in HUCs), 39(b) (regarding qualifications of local chief executives, where the mayors, vice-mayors and member of the sangguniang panlungsod of HUCs are placed in the same group as governors, vice-governors, and members of the sangguniang panlalawigan), 118(d) (regarding the settlement of boundary disputes where one of the parties is a HUC), 386(a) (regarding increased population requirement for creation of a barangay in Metro Manila and other HUCs), 436(c) (providing that elected presidents of the pederasyon at the provincial, highly urbanized city, and metropolitan political subdivision levels shall constitute the pambansang katipunan ng mga sangguniang kabataan), and 456(b) (prescribing different salary grades for vice-mayors of HUCs as against vice-mayors of component cities).

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Duties, privileges and obligations appertaining to HUCs will attach to Cabanatuan City if it is converted into an HUC. This includes the right to be outside the general supervision of the province and be under the direct supervision of the President. An HUC is not subject to provincial oversight because the complex and varied problems in an HUC due to a bigger population and greater economic activity require greater autonomy. The provincial government stands to lose the power to ensure that the local government officials of Cabanatuan City act within the scope of its prescribed powers and functions, to review executive orders issued by the city mayor, and to approve resolutions and ordinances enacted by the city council. The province will also be divested of jurisdiction over disciplinary cases concerning the elected city officials of the new HUC, and the appeal process for administrative case decisions against barangay officials of the city will also be modified accordingly. Likewise, the registered voters of the city will no longer be entitled to vote for and be voted upon as provincial officials.

In cutting the umbilical cord between Cabanatuan City and the province of Nueva Ecija, the city will be separated from the territorial jurisdiction of the province, as earlier explained. The provincial government will no longer be responsible for delivering basic services for the city residents' benefit. Ordinances and resolutions passed by the provincial council will no longer cover the city. Projects queued by the provincial government to be executed in the city will also be suspended if not scrapped to prevent the LGU from performing functions outside the bounds of its territorial jurisdiction, and from expending its limited resources for ventures that do not cater to its constituents.⁴¹

This Court is aware of the fact that Section 89 of the city charter of Puerto Princesa allows its residents to vote for provincial officials of Palawan.⁴² However, upon the declaration of Puerto Princesa as an HUC by the President, and the subsequent approval thereof in a plebiscite as required by Section 453 of the LGC, Section 452(c) of the LGC, and Article X, Section 12 of the Constitution became applicable to the city, superseding Section 89 of the Puerto Princesa charter. As such, when Puerto Princesa was converted from a component city into an HUC, its political ties with the province of Palawan were effectively severed, in accordance with the principle of HUC independence as provided in the Constitution and the LGC. It must be noted that the conversion of Puerto Princesa took effect in 2007,⁴³ under the aegis of the present LGC, taking its case out of the ambit of the last paragraph of Section 453(c), which only applies to cities which became HUCs after the ratification of the 1987 Constitution *and* before the effectivity of the LGC.

⁴¹ Supra note 30 at 806-809. Citations omitted.

⁴² Republic Act No. 5906, Sec. 89.

⁴³ Presidential Proclamation No. 1264, Conversion of Puerto Princesa City into a Highly-Urbanized City, March 26, 2007]. The conversion was approved by the electorate of the city in a plebiscite held on July 9, 2007. See *Mitra v. Commission on Elections*, 636 PHIL 753 (2010) and *Umali v. Commission on Elections*, supra note 12 at 798. See also Philippine Statistics Authority, PSGC Updates (July - September 2007). Accessed 17 February 2020 at https://web.archive.org/web/20160508081947/http://nap.psa.gov.ph/activestats/psgc/PSGC_updates/Sept07.asp.

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On the economic effects of LGU changes or conversions, the following excerpt from *Umali* is illuminating:

Often raised is that Cabanatuan City's conversion into an HUC and its severance from Nueva Ecija will result in the reduction of the Internal Revenue Allotment (IRA) to the province based on Sec. 285 of the LGC. The law states:

Sec. 285. Allocation to Local Government Units. — The share of local government units in the internal revenue allotment shall be collected in the following manner:

- (a) Provinces — Twenty-three percent (23%);
- (b) Cities — Twenty-three percent (23%);
- (c) Municipalities — Thirty-four percent (34%); and
- (d) Barangays — Twenty percent (20%)

Provided, however, That the share of each province, city, and municipality shall be determined on the basis of the following formula:

- (a) Population — Fifty percent (50%);
- (b) Land Area — Twenty-five percent (25%); and
- (c) Equal sharing — Twenty-five percent (25%)

In our earlier disquisitions, we have explained that the conversion into an HUC carries the accessory of substantial alteration of boundaries and that the province of Nueva Ecija will, without a doubt, suffer a reduction in territory because of the severance of Cabanatuan City. The residents of the city will cease to be political constituencies of the province, effectively reducing the latter's population. Taking this decrease in territory and population in connection with the above formula, it is conceded that Nueva Ecija will indeed suffer a reduction in IRA given the decrease of its multipliers' values. x x x

x x x x

Clear as crystal is that the province of Nueva Ecija will suffer a substantial reduction of its share in IRA once Cabanatuan City attains autonomy. In view of the economic impact of Cabanatuan City's conversion, petitioner *Umali's* contention, that its effect on the province is not only direct but also adverse, deserves merit.

Moreover, his claim that the province will lose shares in provincial taxes imposed in Cabanatuan City is well-founded. This is based on Sec. 151 of the LGC x x x.

x x x x

Once converted, the taxes imposed by the HUC will accrue to itself. Prior to this, the province enjoys the prerogative to impose and collect taxes such as those on sand, gravel and other quarry resources, professional taxes, and amusement taxes over the component city. While, it may be argued that this is not a derogation of the province's taxing power because

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it is in no way deprived of its right to collect the mentioned taxes from the rest of its territory, the conversion will still reduce the province's taxing jurisdiction, and corollary to this, it will experience a corresponding decrease in shares in local tax collections. This reduction in both taxing jurisdiction and shares poses a material and substantial change to the province's economic rights, warranting its participation in the plebiscite.

X X X X

A component city's conversion into an HUC and its resultant autonomy from the province is a threat to the latter's economic viability. Noteworthy is that the income criterion for a component city to be converted into an HUC is higher than the income requirement for the creation of a province. The ensuing reduction in income upon separation would clearly leave a crippling effect on the province's operations as there would be less funding to finance infrastructure projects and to defray overhead costs. Moreover, the quality of services being offered by the province may suffer because of looming austerity measures. These are but a few of the social costs of the decline in the province's economic performance, which Nueva Ecija is bound to experience once its most progressive city of Cabanatuan attains independence.⁴⁴

Petitioners argue that the division of Palawan into three provinces will deprive Puerto Princesa of the benefits it enjoys as the provincial capital. Specifically, they assert that the relocation of 1,400 permanent employees and 7,000 job order employees of the provincial government will affect consumer spending in Puerto Princesa.⁴⁵ They also argue that the removal of Puerto Princesa as provincial capital will result in a "dramatic decline" in the number of tourists visiting the city, and affect the price of basic commodities in the city, which will now come from three different provinces which may have different tax rates.⁴⁶

Respondents Provincial Treasurer and Provincial Government of Palawan counter that not all of its employees are residents of Puerto Princesa, and most of its employees are assigned to different offices around the province.⁴⁷ They also argue that the rest of Palawan has enough hospitals, ports, and airports which are enough to service the needs of the three proposed provinces.⁴⁸

As made abundantly clear in *Umali*, the economic factors contemplated in the determination of "political units directly affected" by an LGU change or conversion pertain strictly to fiscal or budgetary relations among the political units concerned, specifically, the sharing of internal revenue allotments, budgetary allocations, and taxing powers, all of which are governed by the pertinent provisions of the LGC and other laws. An

⁴⁴ Supra note 30 at 802-806. Citations omitted.

⁴⁵ *Rollo*, p. 19.

⁴⁶ Id. at 20.

⁴⁷ Comment of Provincial Treasurer and Provincial Government of Palawan; id. at 110.

⁴⁸ Id. at 110-112.

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expansion the scope of economic impact analysis outside these factors, as petitioners would want this Court to do, will require the presentation and evaluation of evidence: a task which is outside the purview of this Court's functions.⁴⁹ Furthermore, the holistic consideration of the economic effects of LGU changes or conversions is a matter of policy in which the judiciary must defer to the other two great branches of government. The holistic analysis of the economic impact of an LGU change or conversion on its neighboring LGUs concerns the wisdom, prudence, and economic viability of the proposed division, and do not pertain to the legality thereof.⁵⁰

Confining ourselves, thus, to the consideration of what is essentially the fiscal impact on Puerto Princesa of the division of Palawan into three provinces, We must again have recourse to the provisions of the Constitution and the LGC. As an HUC, Puerto Princesa, in its own right, has the power to impose its own taxes, fees and charges, the revenues of which shall accrue to its own treasury.⁵¹ It is likewise entitled to its own internal revenue allotment⁵² and its own share in whatever natural resources may be found within its territory.⁵³ It is therefore clear that Puerto Princesa has been rendered *fiscally* autonomous from the province of Palawan by virtue of the city's conversion into an HUC.

The foregoing disquisitions make it abundantly clear that Puerto Princesa has become a distinct political entity independent and autonomous from the province of Palawan, by virtue of its conversion into a highly urbanized city in 2007. Hence, it can no longer be considered a "political unit directly affected" by the proposed division of Palawan into three provinces; and perforce, the qualified voters of the city of Puerto Princesa, including herein petitioners Cynthia S. Del Rosario, Federico N. Virgo, Jr., Renato V. Baladad, Beatriz A. Dioso, and Corazon Manalon Davila were properly excluded from the coverage of the plebiscite scheduled by RA No. 11259. The petition must therefore be dismissed.

IN VIEW OF THE FOREGOING PREMISES, the present petition for prohibition is hereby **DISMISSED**.

SO ORDERED.

⁴⁹ The Supreme Court is not a trier of facts. *Spouses Liu v. Espinosa*, G.R. No. 238513, July 31, 2019; *University of the Philippines v. City Treasurer of Quezon City*, G.R. No. 214044, June 19, 2019; *Miranda v. Social Security Commission*, G.R. No. 238104, February 27, 2019; *Union Bank of the Philippines v. Regional Agrarian Reform Officer*, 806 Phil. 545 (2017); *Information Technology Foundation of the Philippines v. Commission on Elections*, 810 Phil. 400 (2017); *Heirs of Villanueva v. Heirs of Mendoza*, 810 Phil. 172 (2017).

⁵⁰ *Council of Teachers and Staff of Colleges and Universities of the Philippines v. Secretary of Education*, supra note 12; *Padilla v. Congress of the Philippines*, 814 Phil. 344 (2017), citing *Diocese of Bacolod v. Commission on Elections*, 751 Phil. 301 (2015);

⁵¹ LOCAL GOVERNMENT CODE, Sec. 151.

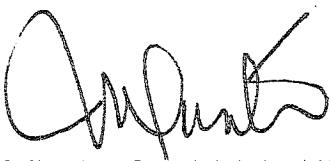
⁵² LOCAL GOVERNMENT CODE, Sec. 285.

⁵³ LOCAL GOVERNMENT CODE, Sec. 292.

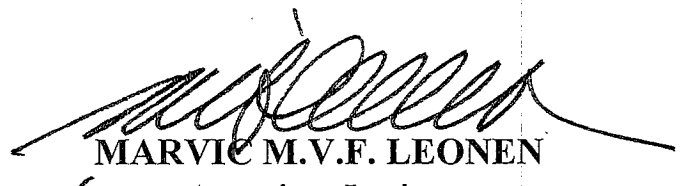
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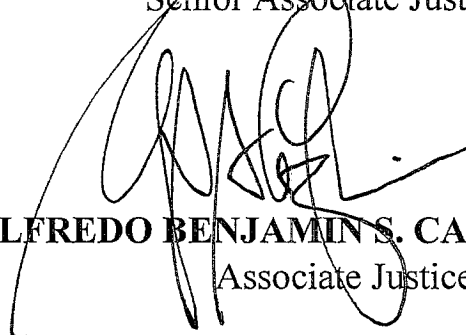
Reyes
ANDRES B. REYES, JR.
Associate Justice

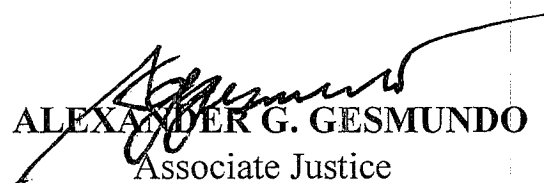
WE CONCUR:


DIOSDADO M. PERALTA
Chief Justice

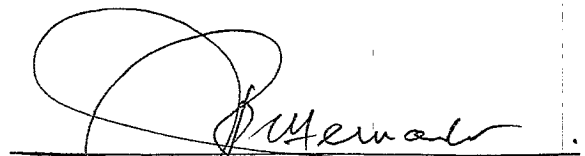
M. Bernabe
ESTELA M. PERLAS-BERNABE
Senior Associate Justice


MARVIC M.V.F. LEONEN
Associate Justice


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



ALEXANDER G. GESMUNDO
Associate Justice

J. C. Reyes
JOSE C. REYES, JR.
Associate Justice

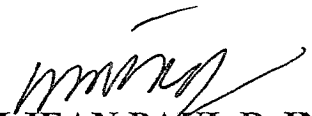

RAMON PAUL L. HERNANDO
Associate Justice



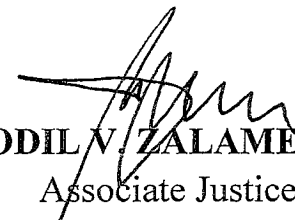
ROSMARI D. CARANDANG
Associate Justice



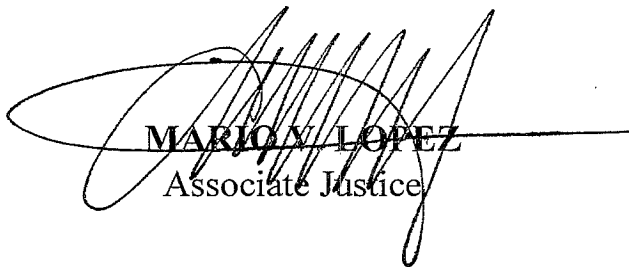
AMY C. LAZARO-JAVIER
Associate Justice




HENRI JEAN PAUL B. INTING
Associate Justice




RODIL V. ZALAMEDA
Associate Justice



MARION V. LOPEZ
Associate Justice



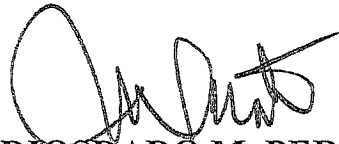
EDGARDO L. DELOS SANTOS
Associate Justice



SAMUEL H. GAERLAN
Associate Justice

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.



DIOSDADO M. PERALTA
Chief Justice