REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

THE PROVINCE OF BULACAN, THE MUNICIPALITY OF NORZAGARAY, MARIA TERESA L. CAMACHO, in her capacity as PROVINCIAL TREASURER, FILIPINA DE MESA, in her capacity as MUNICIPAL TREASURER of the MUNICIPALITY OF NORZAGARAY, BULACAN, *Petitioners,*	**CTA *EB* No. 2700** (CBAA Case Nos. L-82 & L-83) Present: **RINGPIS-LIBAN,** *P.J.,* **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
-versus-	
MANILA WATER COMPANY, INC., MAYNILAD WATER SERVICES, INC., and METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM, *Respondents.*	Promulgated: APR 30 2026 1:30 pm

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DECISION

REYES-FAJARDO, *J.*:

This Amended Petition for Review[1] filed on May 20, 2024, assails the Decision dated August 25, 2022 rendered by the Central Board of Assessment and Appeals (CBAA) in CBAA Case Nos. L-82 and L-83. The assailed Decision nullified the Notice of Assessment dated September 28, 2005 and the Notice of Demand for Payment of Real Property Tax (RPT) No. NA-RPT-003-06-IX-05 dated October 13, 2005

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[1] *Rollo*, pp. 164-172.

issued by the petitioners against Manila Water Company, Inc. ("Manila Water") and Maynilad Water Services, Inc. ("Maynilad") (collectively referred to herein as the "respondents").

FACTS

On June 19, 1971, the Metropolitan Waterworks and Sewerage System (MWSS) was created pursuant to Republic Act No. 6234, otherwise known as the MWSS Charter. MWSS is a government corporation vested with jurisdiction, supervision, and control over all waterworks and sewerage systems in Metro Manila and the Provinces of Rizal and Cavite.

On June 7, 1995, Republic Act No. 8041, otherwise known as the National Water Crisis Act of 1995, as implemented by Executive Order No. 286 dated December 6, 1995, and Executive Order No. 311 dated March 20, 1996, mandated MWSS to enter into arrangements that would result in the involvement or participation of the private sector in any or all segments, operations, and/or facilities of MWSS.

Pursuant to a process of open public bidding and selection, dividing the area into, the Service Area East[2] was awarded to respondent Manila Water, while the Service Area West[3] was awarded to respondent Maynilad.

On February 21, 1997, MWSS entered into separate Concession Agreements (CAs) with respondents Manila Water[4] and Maynilad.[5]

On July 31, 1997, respondents entered into a Common Purpose Facilities Agreement (CPFA)[6] with each other, pursuant to Article 3.8

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2 The Service Area East concession includes Mandaluyong, Makati, Pasig, Pateros, San Juan, Taguig, Marikina, most parts of Quezon City, portions of Manila and Parañaque. The towns of Angono, Baras, Binangonan, Cainta, Cardona, Jalajala, Morong, Pililia, Rodriguez, Tanay, Taytay, Teresa, San Mateo and Antipolo in the province of Rizal are also part of the East Zone.

3 The Service Area West concession includes cities of Manila (all but portions of San Andres and Sta. Ana), Quezon City (west of San Juan River, West Avenue, EDSA, Congressional, Mindanao Avenue, the northern part starting from the Districts of Holy Spirit and Batasan Hills), Makati (west of South Super Highway), Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas and Malabon, all in Metro Manila; the cities of Cavite, Bacoor and Imus, and the towns of Kawit, Noveleta and Rosario, all in the Province of Cavite.

4 *CBAA Docket, Folder 2,* pp. 276-421.

5 *Id., Folder 5,* pp. 1170-1319.

6 *Id., Folder 2,* pp. 422-431.

of the CA. The CPFA delineated their respective responsibilities and liabilities, obligated them to undertake contractual commitments to MWSS, and made them responsible for the operation, maintenance, renewal, and, when appropriate, decommissioning of the CPF, as well as for the performance of other delegated concession functions.

In the Letter[7] dated September 21, 2004, addressed to respondent Maynilad, then Municipal Mayor of Norzagaray, Bulacan Matilde A. Legaspi (Mayor Legaspi) said that the facilities being used, operated, and maintained by respondent Maynilad are subject to real property tax (RPT) under Section 205(d) of the 1991 Local Government Code (LGC),[8] because the beneficial use was transferred to a taxable private entity despite government ownership. In response, respondent Maynilad countered that being a contractor and agent of MWSS, it cannot be held liable for RPT imposed.

In the Letter[9] dated May 4, 2005, jointly addressed to respondents, Mayor Legaspi conveyed that they are *not* contractors and agents of MWSS. Specifically, to subscribe with such characterization circumvents the application of Section 205(d) of the LGC. Mayor Legaspi added that the joint venture they formed is liable for RPT on MWSS assets and properties located within the territorial jurisdiction of the Municipality of Norzagaray for the period covering January 1998 to December 2005.

On September 28, 2005, the Office of the Municipal Treasurer of the Municipality of Norzagaray (**MT-Norzagaray**) issued a Notice of Assessment[10] against respondents covering the CPFs, in the amount of ₱2,231,943,410.00. MT-Norzagaray explained that respondents were the actual, direct, and exclusive possessors, administrators, and beneficial users of the CPFs; hence, they are liable for RPT thereon.

On October 13, 2005, **MT-Norzagaray** issued a Notice of Demand for Payment of Real Property Tax No. NA-RPT-003-06-IX-

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7 *Id., Folder* 2, pp. 432-434.

8 SECTION 205. Listing of Real Property in the Assessment Rolls.-

...

(d) Real property owned by the Republic of the Philippines, its instrumentalities and political subdivisions, the beneficial use of which has been granted, for consideration or otherwise, to a taxable person, shall be listed, valued and assessed in the name of the possessor, grantee or of the public entity if such property has been acquired or held for resale or lease.

9 *Id., Folder* 2, pp. 432.

10 *Id., Folder* 4, pp. 1034-1035.

05,[11] jointly demanding from respondents, payment of RPT and Special Education Fund (SEF) totaling ₱357,110,945.60 for periods 1998 to 2005, corresponding the following CPF:

1. Ipo Dam and its Collecting and Impounding Reservoir;
2. 1st, 2nd, and 3rd Ipo Bicti Tunnels;
3. Bicti Water Settling Basins No. 1, 2 and 3;
4. 1st, 2nd, 3rd, 4th, and 5th Bicti-Novaliches Aqueducts;
5. Ipo Dam Compound, Machineries, and Improvements therein.

Local Board of Assessment Appeals (LBAA) Proceedings

On December 2, 2005, respondents jointly filed an appeal before the Local Board of Assessment Appeals (LBAA), docketed as LBAA Case No. 2005-02, assailing the Notices of Assessment and Demand for Payment and praying for their withdrawal, as well as for the cancellation of the corresponding tax declarations.

By Order dated May 2, 2006, the LBAA denied[12] due course to respondents' appeal for failure to pay the assessed RPT and SEF under protest, as required under Section 252 of the LGC.[13]

On June 9, 2006, respondents filed their Notice of Appeal with the Central Board of Assessment Appeals (CBAA).

Through Indorsement dated October 9, 2006, the CBAA remanded respondents' appeal to the LBAA, because the LBAA Order dated May 2, 2006, was signed only by the LBAA Chairman without the concurrence of at least one other member to constitute a majority.

Under Order dated July 9, 2007,[14] the LBAA denied respondents' appeal dated December 2, 2005, as follows:

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11 *Id., Folder 4,* pp. 1036-1037.

12 *Id., Folder 1,* pp. 49-50.

13 Section 252. Payment Under Protest. - (a) No protest shall be entertained unless the taxpayer first pays the tax. There shall be annotated on the tax receipts the words "paid under protest". The protest in writing must be filed within thirty (30) days from payment of the tax to the provincial, city treasurer or municipal treasurer, in the case of a municipality within Metropolitan Manila Area, who shall decide the protest within sixty (60) days from receipt.

...

14 *Id., Folder 1,* pp. 74-75.

> WHEREFORE, the Board resolves to deny the Appeal filed by [Manila Water and Maynilad] for non-compliance with Section 252 of the Local Government Code of 1991 providing payment prior to the Appeal.
>
> With these premises, the instant Appeal is hereby denied due course.
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> SO ORDERED.

CBAA Proceedings

On August 21, 2007, respondents filed their Appeal[15] to the CBAA.

On August 24, 2007, MWSS filed its Appeal-in-Intervention dated August 21, 2007.

On August 25, 2022, the CBAA rendered a Decision,[16] the dispositive portion of which states:

> WHEREFORE, premises considered, the Appeal is hereby GRANTED.
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> Accordingly, the Notice of Assessment dated 28 September 2005 and the Notice of Demand for Payment of Real Property Tax: NA-RPT-003-06-IX-05 dated 13 October 2005 over the Common Purpose Facilities, covering Tax Declarations Nos. 2003-04840, 04841, 04842, 04843, 04852, 04853, 048454, 01668 and 0166 are hereby declared **VOID.**
>
> SO ORDERED.

In so ruling, the CBAA found that respondents are not liable for RPT and SEF on the CPFs, because they are not beneficial users of the subject properties within the contemplation of Section 234 (a) of the LGC. Specifically, respondents are agents of MWSS, a government instrumentality exempt from the payment of RPT and SEF. Hence, their use of the CPFs is not their act; rather, said use is the act of its

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15 *Id., Folder 1,* pp. 5-45.

16 *Rollo,* pp. 16-30.

principal MWSS, a government instrumentality exempted from RPT and SEF.

CTA *En Banc* Proceedings

On October 11, 2022, petitioners filed a Petition for Review,[17] docketed as CTA EB No. 2700.

Under Resolution dated December 1, 2022, petitioners were directed to properly designated and implead the parties, pursuant to Section 6, Rule 43 of the Rules of Court and Section 4(c), Rule 8 of the Revised Rules of the Court of Tax Appeals (CTA), in relation to Rule 43 of the Rules of Court.

On December 9, 2022, respondent Manila Water filed a Motion to Dismiss,[18] to which petitioners filed their Comment/Opposition to the Motion to Dismiss on February 14, 2023,[19] followed by respondent Manila Water's Reply[20] filed on March 8, 2023.

In the Resolution dated April 13, 2023,[21] the directives in the Resolution dated December 1, 2022 were reiterated. Additionally, the defects in the verification and jurat of the Petition for Review were noted.

In the Resolution dated May 26, 2023,[22] CTA EB No. 2700 was dismissed without prejudice, for failure to comply with the lawful orders of the Court.

On April 19, 2024, respondent Maynilad filed its Motion for Issuance of Entry of Judgment.[23]

On April 26, 2024, petitioners filed a Manifestation,[24] stating that they had yet to receive a copy of the Resolution dated May 26, 2023.

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17 *Id.*, pp. 1-14.
18 *Id.*, pp. 40-52.
19 *Id.*, pp. 59-67.
20 *Rollo*, pp. 75-93.
21 *Id.*, pp.99-101.
22 *Id.*, pp. 105-109.
23 *Id.*, pp. 132-135.
24 *Id.*, pp. 138-142.

In the Resolution dated May 10, 2024, the Court recalled and set aside the dismissal of CTA EB No. 2700 embodied in the Resolution dated May 26, 2023. Additionally, petitioners were granted another opportunity to comply with the directives set forth in the Resolution dated April 13, 2023, within five (5) days from notice. [25]

On May 20, 2024, petitioners filed a Compliance with Manifestation and Explanation,[26] together with an Amended Petition for Review.[27] Petitioners further submitted details of the competent evidence of identities[28] of the declarant and/or affiant in the Verification and Certification against Forum Shopping,[29] as well as in the Affidavit of Service and Explanation.[30]

In the Resolution[31] dated July 11, 2024, the Court *En Banc* denied respondent Maynilad's Motion for Issuance of Entry of Judgment for being moot.

Respondents Manila Water[32] and Maynilad[33] separately moved for the: (1) admission of their respective Comments; and (2) dismissal of petitioners' Petition for Review.

In the Resolution[34] dated March 5, 2025, the Court: (1) allowed respondents to file their respective comment on petitioners' Amended Petition for Review; (2) denied their plea for dismissal of said Petition.

In the Resolution[35] dated May 28, 2025, CTA EB No. 2700 was submitted for decision, considering: (1) respondent Maynilad's Comment (on the Amended Petition for Review (from the Central Board of Assessment Appeals Decision dated August 25, 2022)[36] filed

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25 *Id.*, pp. 150-155.
26 *Id.*, pp. 157-161.
27 *Id.*, pp. 164-175.
28 *Id.*, pp. 197-198.
29 *Id.*, pp. 176-177.
30 *Id.*, p. 178.
31 *Id.*, pp. 252-256.
32 Motion for Leave of Court to File Comment with Comment (on the Compliance dated June 18, 2024) filed on July 19, 2024. *Id.*, pp. 257-268.
33 Manifestation and Motion for Leave of Court to File Comment (with Comment on Petitioners' Compliance dated 18 June 2024). *Id.*, pp. 269-278.
34 *Id.*, pp. 294-302.
35 *Id.*, unpaginated.
36 *Id.*, pp. 334-352.

on April 2, 2025; and (2) respondent Manila Water's Comment[37] filed on April 26, 2025.

ISSUE

Are respondents liable for the assessed RPT and SEF on the CPFs covering the periods 1998-2005?

ARGUMENTS

Section 234(a) of the LGC exempts real property owned by a government instrumentality, unless the beneficial use thereof is transferred. MWSS is such government instrumentality. Petitioners explain since beneficial use of the subject property was transferred by MWSS to respondents; hence, respondents are liable for the assessed RPT and SEF.

Respondents refute that they are independent beneficial users; rather that they merely act as agents of MWSS in the exercise of the latter's rights and functions under its charter. Besides, beneficial use principle only applies when government-owned real property is leased or sold to a taxable person, which is not obtaining here. On these accounts, respondents conclude that they cannot be held liable for the assessed RPT and SEF.

RULING

The Petition fails to impress.

The RPT and SEF assessment covering years 1998 to 2005 found against respondents has been dragging on since 2005. Too, the CBAA already made factual and legal determination of their liability thereon.

The Court writes *finis* to this controversy — respondents are ultimately *not* liable for the 1998 to 2005 RPT and SEF assessments because the Municipality of Norzagaray, Bulacan lacks the requisite authority to levy the same.

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[37] *Id.*, pp. 363-393.

First. The Court differs from the CBAA's finding that respondents are agents of MWSS with respect to the CPFs found in Norzagaray, Bulacan.

Article 1868 of the New Civil Code defines agency as a contract whereby a person binds himself [herself] to render some service or to do something in representation or on behalf of another.[38] The authority of the agent to act emanates from the powers granted to him [her] by his [her] principal; his [her] act is the act of the principal if done within the scope of the authority. *Qui facit per alium facit se.* "He [she] who acts through another acts himself [herself]."[39] In this regard, the law makes no presumption of agency and proving its existence, nature and extent is incumbent upon the person alleging it.[40]

The root of the supposed agency invoked by respondents, is found on Section 2.1 of the CA, providing as follows:

> 2.1 Grant of Concession
>
> On the terms and subject to the conditions set forth herein, **MWSS hereby grants to the Concessionaire**, as **<u>contractor</u> to perform certain functions** and as **<u>agent</u> for the exercise of certain rights and powers under the Charter**, the **sole right to manage, operate, repair, decommission and refurbish the <u>Facilities in the Service Area</u>**, including the right to bill and collect for water and sewerage services supplied in the Service Area (the "Concession"). The Concessionaire shall perform its functions and excise its rights under this Agreement directly or, in respect of functions and rights delegated to the Joint Venture, through the Joint Venture. The rights and benefits of the Concessionaire under this Agreement shall be deemed to apply with equal force to the Joint Venture to the extent that the Joint Venture is performing functions delegated to it under this Agreement.[41]

Per Section 2.1 of the CA, respondents are **agents** of MWSS, regarding the right to: *first,* manage, operate, repair, decommission and refurbish the **facilities** in the **service area**; and *second,* bill

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38 Article 1868. By the contract of agency a person binds himself to render some service or to do something in representation or on behalf of another, with the consent or authority of the latter.

39 *Spouses Fernando and Lourdes Viloria, v. Continental Airlines, Inc.*, G.R. No. 188288, January 16, 2012.

40 *Yun Kwang Byun v. Philippine Amusement and Gaming Corporation,* G.R. No. 163553, December 11, 2009.

41 Emphasis and underlining supplied.

and collect for water and sewerage services supplied in the **service area**.

Also, the agency relationship between MWSS and respondents is only "... for the exercise of certain rights and powers under the [MWSS] Charter." Section 7.2 of the CA confined said relationship on the infrastructure projects and works undertaken in the **service area,** to wit:

> 7.2 **MWSS hereby appoints the Concessionaire as its agent and representative, for purposes**: of, among others, **Section 3(k) of the Charter**, in its name, place and stead, to apply for and exercise its easement, eminent domain, right of way **and similar rights and powers given to MWSS under its Charter in connection with infrastructure projects and works undertaken relating to the Concession by the Concessionaire in the Service Area** pursuant to this Agreement. The Concessionaire shall be solely responsible for the payment of any compensation to third parties occasioned by the exercise of such rights and powers.[42]

Meanwhile, Article 1 of the CA defined the terms "Common Purpose Facilities," "Facilities," and "Service Area," in this wise:

> **"Common Purpose Facilities"** means the Facilities upstream of Angat Dam established under the UATP [Umiray Angat Transbasin Project] project and the **Facilities downstream of the auxiliary hydropower plant of Norzagaray, Bulacan, including the Ipo reservoir facilities, Ipo-Bicti Tunnets, Bicti Basins and Bicti-Novaliches aqueducts**, up to and including the Novaliches portal interconnection Facilities.
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> ...
>
> **"Facilities"** means all **fixed and movable assets**, including Movable Property, **required to provide water delivery services and sewerage services in the Service Area** but excluding the Retained Assets. For purposes of this definition, it is understood that the Magallanes Sewerage Treatment Plant and related infrastructure shall be a Facility of Service Area East, and the Central Collecting System and related infrastructure shall be a Facility of Service Area West.
>
> ...

42 Emphasis supplied.

> "Service Area" means the area identified as Service Area East [or West, as the case may be] on the map attached to Schedule 1 hereto, and "Service Area East" and "Service Area West" means the **areas** identified as such on the map **attached to Schedule 1 hereto.**[43]

Under Article 1 of the CA, Service Area is the area identified as "Service Area East" and "Service Area West," recognized under Schedule 1 of said article. In turn, Schedule 1[44] under the term "Service Area" in Article 1 of the CA enumerated the coverage thereof, as follows:

Service Area

A. Table of municipalities and cities in each Service Area

Service Area West	**Service Area East**
BACOOR	ANGONO
CALOOCAN	ANTIPOLO
CAVITE	BARAS
IMUS	BINANGONAN
KAWIT	CAINTA
LAS PIÑAS	CARDONA
MALABON	JALA-JALA
MAKATI (part)	MAKATI (part)
MANILA (part)	MANDALUYONG
MARIKINA (part)	MANILA (part)
MUNTINLUPA	MARIKINA (part)
NAVOTAS	MORONG
NOVELETA	PASIG CITY
PARAÑAQUE	PATEROS
PASAY	PILILLA
QUEZON CITY (part)	QUEZON CITY (part)
RODRIGUEZ (part)	RODRIGUEZ (part)
ROSARIO	SAN JUAN
SAN MATEO (part)	SAN MATEO (part)
VALENZUELA	TAGUIG
	TANAY
	TAYTAY
	TERESA[45]

Parsed from these notations, respondents are agents of MWSS in managing, operating, repairing, decommissioning, and refurbishing the **facilities** in the **service area**. They, too, are agents of MWSS relative to infrastructure projects and works undertaken in the **service area**. Service Area are the listed cities and municipalities located in the National Capital Region, Province of Cavite, and Province of Rizal.

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43 Emphasis supplied; portions omitted.
44 *CBAA Docket*, Folder 2, p. 352.
45 Footnotes omitted.

Ergo, the agency relationship, if any, between respondents and MWSS is **limited** to managing, operating, repairing, decommissioning, and refurbishing the facilities, as well as in doing infrastructure projects and works in the listed cities and municipalities located in the National Capital Region, Province of Cavite, and Province of Rizal. Outside of these places, no agency relationship may exist between respondents and MWSS.

The assessed RPT and SEF for 1998 to 2005 pertains to respondents' use of CPFs located in Norzagaray, Bulacan.[46] Norzagaray, Bulacan is *not* included in the Service Area. This means that there can be no agency relationship between respondents and MWSS with respect to said CPFs. It then follows that respondents' use of these CPFs is *not* tantamount to use by MWSS. For this reason, the liability for the assessed RPT and SEF, if any, may be ascribed to respondents.

Second. The Court agrees with the CBAA's conclusion that respondents are *not* liable for the assessed RPT and SEF for years 1998 to 2005, albeit for a different reason—the local government unit (LGU) who issued said assessment against respondents is *not* authorized to levy RPT and SEF under the LGC.

Attention is invited on the following documents, collectively evidencing RPT and SEF assessments against respondents for years 1998 to 2005, in the total amount of ₱357,110,945.60:

Document	Signatory/ies	Exhibit Reference
Notice of Assessment dated September 28, 2005 (NOA)	Gloria P. Sta. Maria, Municipal Assessor, Norzagaray Bulacan	"C-MWCI" and "C-MWSI"[47]
Notice of Demand for Payment of RPT RE: NA-RPT-003-06-IX-05 dated October 13, 2005 (NOD)	Gloria P. Sta. Maria, Municipal Assessor, Norzagaray Bulacan	"F-MWCI" and "F-MWSI"[48]

46 Courts are required to take judicial notice, *sans* presentation of evidence, of geographical divisions per Section 1, Rule 129 of the Rules of Court, as amended, *viz.*: "SECTION 1. ***Judicial notice, when mandatory.*** – A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, the official acts of the legislative, executive and judicial departments of the Philippines, the laws of nature, the measure of time, and the geographical divisions." Underscoring ours.

47 Folder 4, CBAA Records, pp. 1034-1035.

48 *Id.* at p. 1036.

Document	Signatory/ies	Exhibit Reference
Real Property Tax Order of Payment dated October 12, 2005 (RP-TOP)	Gloria P. Sta. Maria, Municipal Assessor, Norzagaray Bulacan and Cristeta M. Esteban, Municipal Treasurer, Norzagaray Bulacan	"F-1-MWSI"[49]

What the Court can gather therefrom is that the NOA, NOD, and RP-TOP were all issued by the Municipality of Norzagaray, Bulacan—a LGU without power to levy RPT and SEF. Sections 232 and 235 of the LGC read:

> **Section 232.** *Power to Levy Real Property Tax.* - A province or city or a **<u>municipality within the Metropolitan Manila Area</u>** may levy an annual ad valorem tax on real property such as land, building, machinery, and other improvement not hereinafter specifically exempted.
>
> ...
>
> **Section 235.** *Additional Levy on Real Property for the Special Education Fund.* - A province or city, or a **<u>municipality within the Metropolitan Manila Area</u>**, may levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax. The proceeds thereof shall exclusively accrue to the Special Education Fund (SEF).[50]

Dubongco, et al. v. Commission on Audit (Dubongco)[51] decreed that when the law is clear and free from any doubt or ambiguity, there is no room for construction or interpretation. There is only room for application. As the provisions are clear, plain, and free from ambiguity, they must be given their literal meaning and applied without attempted interpretation. This is what is known as the plain meaning rule, as expressed in the maxim, *verba legis non est recedendum*, or from the words of a statute there should be no departure.

Consistent with *Dubongco*, Sections 232 and 235 of the LGC are unequivocal; hence, should be applied *sans* construal—only municipalities ***<u>within</u>*** the Metropolitan Manila area are authorized to levy RPT and SEF. Municipalities ***<u>outside</u>*** the Metropolitan Manila

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49 *Id.* at p. 1037.
50 Emphases ours.
51 G.R. No. 237813, March 5, 2019.

area are devoid of authority to levy RPT and SEF. Since the NOA, NODP, and RP-TOP were all issued by the Municipality of Norzagaray, Bulacan, these notices are void, for lack of authority to levy RPT and SEF. To stress, Norzagaray is a municipality ***outside*** the Metropolitan Manila area—bereft of authority to levy RPT and SEF.

Assuming *gratia argumenti* that Sections 232 and 235 of the LGC are subject to interpretation, an identical result would ensue. Particularly, had Congress intended that municipalities outside the Metropolitan Manila area possess the authority to levy RPT and SEF, it could have said so in Sections 232 and 235 of the LGC. Nay, Congress did not. Therefore, Congress purposely omitted municipalities outside the Metropolitan Manila area from the local government units allowed to levy RPT and SEF. *Development Bank of the Philippines v. Commission on Audit*[52] is on point:

> It is a settled rule of statutory construction that **the express mention of one person**, thing, act, or consequence **excludes all others**. This rule is expressed in the familiar maxim *expressio unius est exclusio alterius*. **Where a statute, by its terms, is expressly limited to certain matters, it may not, by interpretation or construction, be extended to others**. The rule proceeds from the premise that the legislature would not have made specified enumerations in a statute had the intention been not to restrict its meaning and to confine its terms to those expressly mentioned.

In passing, Congress used the phrase "municipalities within the Metropolitan Manila Area," along with provinces and cities, as the LGUs who may perform the following acts under Title II (Real Property Taxation) of the LGC, *viz.*:

a. who may administer RPT;[53]
b. who may list real property in the assessment rolls;[54]
c. who may prepare the schedule of fair market values;[55]
d. who may classify the classes of real property for assessment purposes;[56]
e. who may fix assessment levels;[57]

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52 G.R. No. 221706, March 13, 2018. Boldfacing ours.
53 Section 200 of the LGC.
54 Section 205 of the LGC.
55 Section 212 of the LGC.
56 Section 215 of the LGC.
57 Section 218 of the LGC.

f. who has the power to levy RPT;[58]
g. who may use the rate of levy of RPT;[59]
h. who has the power to levy SEF;[60]
i. who has the power to levy *ad valorem tax* on idle lands;[61]
j. who may exempt idle lands from tax;[62] and
k. who may levy real property[63]

Congress' constant utilization of the phrase "municipalities within the Metropolitan Manila Area" in the foregoing incidents, under Title II (Real Property Taxation) of the LGC discloses its objective to **generally** remove municipalities ***outside*** the Metropolitan Manila Area from the LGUs authorized to act on RPT matters, **except** for a specific circumstance[64] allowed by the LGC itself. The power to levy RPT and SEF is **no** exception to the general rule.

In fine, the NOA, NODP, and RP-TOP issued by the Municipality of Norzagaray, Bulacan, levying 1998 to 2005 RPT and SEF on respondents are void, for lack of authority to do so.

Third. The matter regarding the authority of the Municipality of Norzagaray, Bulacan to levy 1998 to 2005 RPT and SEF on respondents was not advanced by the parties. Despite their non-advancement thereof, the Court retains authority to address the same. As *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.*[65] puts it: "[u]nder Section 1, Rule 14 of A.M. No. 05-11-07-CTA, or the Revised Rules of the Court of Tax Appeals, the CTA is not bound by the issues specifically raised by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case...."

ACCORDINGLY, the Amended Petition for Review in CTA EB No. 2700 is **DENIED,** for lack of merit. The Decision dated August 25, 2022, rendered by the Central Board of Assessment Appeals in CBAA Case Nos. L-82 & 83, cancelling the Real Property Tax and Special Education Fund assessments for years 1998 to 2005 against respondents is **AFFIRMED,** solely based on the Municipality of

58 Section 232 of the LGC.
59 Section 233 of the LGC.
60 Section 235 of the LGC.
61 Section 236 of the LGC.
62 Section 238 of the LGC.
63 Section 258 of the LGC.
64 Municipalities **(without qualification)** may impose a special levy on lands benefitted by public works, projects, or improvements funded by them. See Section 240 of the LGC.
65 G.R. No. 183408, July 12, 2017.

Norzagaray, Bulacan's lack of authority to levy Real Property Tax and Special Education Fund under Sections 232 and 235 of the 1991 Local Government Code, respectively.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice