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Republic of the Philippines  
Supreme Court  
Manila

EN BANC

MANILA ELECTRIC  
COMPANY,  
*Petitioner,*

G.R. No. 198529

Present:  
PERALTA, C.J.,  
PERLAS-BERNABE,  
LEONEN,  
CAGUIOA,  
GISMUNDO,  
HERNANDO,  
CARANDANG,  
LAZARO-JAVIER, \*  
INTING,  
ZALAMEDA,  
LOPEZ, M. V.,  
DELOS SANTOS,  
GAERLAN,  
ROSARIO, and  
LOPEZ, J. Y., JJ.

- versus -

CITY OF MUNTINLUPA  
and NELIA A. BARLIS,  
*Respondents.*

Promulgated:  
February 9, 2021

X-----X

DECISION

HERNANDO, J.:

Petitioner Manila Electric Company (Meralco) filed the instant Petition for Review on *Certiorari*<sup>1</sup> to assail the Court of Appeal's January 31, 2011 Decision<sup>2</sup> in CA-G.R. CV No. 80558, which set aside the December 19, 2003 Decision<sup>3</sup> of the Regional Trial Court (RTC) of Pasig City, Branch 67.

\* No part due to prior participation in the proceedings in the Court of Appeals.  
<sup>1</sup> *Rollo*, pp. 10-37.  
<sup>2</sup> *Id.* at 39-60; penned by Associate Justice Rebecca De Guia-Salvador and concurred in by Associate Justices Sesinando E. Villon and Amy C. Lazaro-Javier (now a Member of this Court).  
<sup>3</sup> *Id.* at 64-79; penned by Judge Mariano M. Singson, Jr.

In its assailed judgment, the CA ordered Meralco to pay a franchise tax on the operation of public utilities pursuant to Section 25 of Municipal Ordinance No. 93-35 (MO 93-35) or the Revenue Code of the Municipality of Muntinlupa, reckoned from the effectivity of Republic Act No. 7926 (RA 7926),<sup>4</sup> also known as the Charter of the City of Muntinlupa on March 1, 1995.

### **The Antecedents:**

Meralco is a public utility corporation duly organized and existing under Philippine laws. Pursuant to RA 9209,<sup>5</sup> the statute granting its franchise, Meralco is enfranchised to construct, operate and maintain a distribution system for the conveyance of electricity in the cities and municipalities in the National Capital Region, among others.

On the flip side, the City of Muntinlupa is a local government unit that has been converted from a municipality into a highly urbanized city by virtue of RA 7926. Respondent Nelia A. Barlis (Barlis) was the City Treasurer of Muntinlupa at the time Meralco was assessed to pay a franchise tax.

On January 1, 1994, MO 93-35 or the Revenue Code of the Municipality of Muntinlupa took effect.<sup>6</sup> Section 25<sup>7</sup> thereof imposed a franchise tax on private persons or corporations operating public utilities within its territorial jurisdiction at the rate of 50% of 1% of the gross annual receipts of the preceding calendar year.

Subsequently, RA 7926 was enacted and approved on March 1, 1995 which converted the Municipality of Muntinlupa into a highly urbanized city, now the City of Muntinlupa. Section 56 of the transitory and final provisions of RA 7926 adopted all existing municipal ordinances of the Municipality of Muntinlupa as of March 1, 1995, and shall all continue to take effect within

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<sup>4</sup> An Act Converting the Municipality of Muntinlupa into a Highly Urbanized City to be known as the City of Muntinlupa. Approved: March 1, 1995.

<sup>5</sup> An Act Granting the Manila Electric Company a Franchise to Construct, Operate and Maintain a Distribution System for the Conveyance of Electric Power to the End-users in the Cities/Municipalities of Metro Manila, Bulacan, Cavite and Rizal, and Certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga. Approved: June 9, 2003.

<sup>6</sup> *Rollo*, p. 140.

<sup>7</sup> REVENUE CODE OF THE MUNICIPALITY OF MUNTINLUPA or Municipal Ordinance No. 93-35, p. 31.

Sec. 25. Franchise Tax on operation of public utilities. – Notwithstanding any exemption granted by any law or other special law, the municipality may impose a tax on private persons or corporations operating public utilities, at a rate of fifty percent (50%) of one percent (1%) of the gross annual receipts for the preceding calendar year based on the incoming receipt, or realized, within its territorial jurisdiction.

In the case of a newly started business, the tax shall not exceed one-twentieth (1/20) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when the business started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof, as provided herein.

Muntinlupa as of March 1, 1995, and shall all continue to take effect within the City of Muntinlupa unless its *sangguniang panglungsod* enacts an ordinance providing otherwise.

On June 28, 1999, Barlis sent a letter to Meralco demanding payment of the franchise tax it owed to Muntinlupa City from 1992 to 1999 pursuant to Section 25 of MO 93-35 and paragraph 7 of the Bureau of Local Government Finance Circular No. 20-98. Barlis likewise requested for Meralco's certified statement of gross sales/receipts for the years 1992 to 1999 that would support the computation of the franchise tax due.<sup>8</sup>

On July 14, 1999, Meralco requested for the deferment of the submission of its statement of gross sales/receipts, and for a copy of MO 93-35.<sup>9</sup> It also mentioned that its representatives had amicably discussed the matter with Barlis on July 13, 1999, and that the May 5, 1999 Decision of this Court in *Manila Electric Company v. Province of Laguna*<sup>10</sup> is still pending reconsideration.<sup>11</sup>

Meralco likewise ignored the August 21, 2001<sup>12</sup> and the September 27, 2001<sup>13</sup> demand letters for payment of the franchise tax for the years 1994 to 2000 on the premise that the City of Muntinlupa, then a municipality, did not have the power and authority to impose and collect a franchise tax. Pursuant to Section 142<sup>14</sup> in relation to Sections 134,<sup>15</sup> 137<sup>16</sup> and 151<sup>17</sup> of RA 7160 or the Local Government Code of 1991, the power and authority to impose and collect a franchise tax lies with the provinces and cities.

Meralco thus instituted a Petition With Prayer for a Writ of Preliminary Injunction<sup>18</sup> before the RTC of Pasig City, Branch 67 to declare Section 25 of MO 93-35 as null and void for being contrary to law, unjust and confiscatory, and to enjoin the City of Muntinlupa from demanding the submission of its

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<sup>8</sup> *Rollo*, p. 122.

<sup>9</sup> *Id.* at 125.

<sup>10</sup> 366 Phil. 428 (1999).

<sup>11</sup> *Rollo*, p. 125.

<sup>12</sup> *Id.* at 141.

<sup>13</sup> *Id.* at 142.

<sup>14</sup> LOCAL GOVERNMENT CODE OF 1991, SECTION 142. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, municipalities may levy taxes, fees, and charges not otherwise levied by provinces.

<sup>15</sup> LOCAL GOVERNMENT CODE OF 1991, SECTION 134. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, the province may levy only the taxes, fees, and charges as provided in this Article.

<sup>16</sup> LOCAL GOVERNMENT CODE OF 1991, SECTION 137. *Franchise Tax.* – Notwithstanding any exemption granted by any law or other special law, the province may impose a tax on businesses enjoying a franchise x x x.

<sup>17</sup> LOCAL GOVERNMENT CODE OF 1991, SECTION 151. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, the city, may levy the taxes, fees and charges which the province or municipality may impose: x x x.

<sup>18</sup> *Rollo*, pp. 80-91.

certified statement of gross sales/receipts for the computation of the franchise tax.

In its Answer With Compulsory Counterclaim,<sup>19</sup> the City of Muntinlupa mainly argued that Section 137 of RA 7160 and Articles 227 and 237 of its Implementing Rules and Regulations (IRR) allow the imposition of a franchise tax by a local government unit. It also averred that it is entitled to moral damages and attorney's fees in view of Meralco's filing of a baseless and malicious suit which tainted its reputation and constrained it to engage the services of a counsel.

In its Reply and Answer to Compulsory Counterclaim,<sup>20</sup> Meralco maintained that municipalities are not endowed with the authority to impose a franchise tax, which power exclusively belongs to provinces and cities pursuant to RA 7160. It argued that the presumption of validity does not apply because Section 25 of MO 93-35 is patently discordant with existing law and jurisprudence, and that the passage of the Charter of Muntinlupa City cannot breathe life into an ordinance that was void from the beginning. It countered that the City is not entitled to damages because Meralco acted in good faith in seeking relief for a transgression of a right.

The Pre-Trial Order<sup>21</sup> enumerated the issues for resolution as follows: (1) whether Muntinlupa City could legally collect a franchise tax from 1992 to 1999; (2) whether Muntinlupa City could legally require Meralco to submit certain documents for the determination of its franchise tax; (3) whether MO 93-35 as incorporated in the Charter of Muntinlupa City is a valid ordinance; (4) whether Muntinlupa City is entitled to moral damages and attorney's fees; and (5) whether Meralco is entitled to the issuance of a writ of preliminary and/or permanent injunction enjoining the City of Muntinlupa from collecting franchise tax.

On January 30, 2003, Meralco and Muntinlupa City filed a Joint Motion for Summary Judgment.<sup>22</sup>

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

In a Decision<sup>23</sup> dated September 19, 2003, the trial court struck down MO 93-35, particularly Section 25 thereof, for being *ultra vires* because it was enacted when Muntinlupa was still a municipality which, as such, had no power to levy taxes, fees or charges already conferred to the provinces

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<sup>19</sup> Id. at 171-179.

<sup>20</sup> Id. at 180-184.

<sup>21</sup> Id. at 185-188.

<sup>22</sup> Id. at 189-190.

<sup>23</sup> Id. at 64-79.

following Sections 142 and 137 of RA 7160. It held that an ordinance that is invalid on its face may be set aside for being inoperative, and that the 30-day period within which an ordinance can be assailed is merely permissive by express use of the word “may” in Section 187 of RA 7160.

The trial court declared that Article 236 (b) of the IRR cannot contravene or go beyond Section 142 of RA 7160 which it seeks to implement. Also, Section 56 of the Charter of Muntinlupa City adopting Section 25 of MO 93-35 did not cure its infirmity. Thus, the trial court granted Meralco’s prayer for the issuance of a writ of injunction enjoining Muntinlupa City from collecting the franchise tax.

The *fallo* of the trial court’s ruling states:

WHEREFORE, the foregoing premises considered, judgment is hereby rendered:

1. Declaring the implementation of Section 25 of Municipal Ordinance No. 93-35 otherwise known as the revenue code of the Municipality of Muntinlupa null and void ab initio for being ultra vires and contrary to law;

2. Commanding the respondents and their agents, representatives, and successors to desist from enforcing or implementing the said Sections [sic] 25 of Municipal Ordinance No. 93-35 [,] and Article 236 (b) of the Rules and Regulations Implementing the Local Government Code of 1991, as well as from collecting any amount pursuant thereto;

3. Enjoining and commanding the respondents, their agents, representatives, and successors to desist from demanding upon the petitioner to submit a certified statement of its gross sales/receipts derived from its business within the territorial jurisdiction of the City of Muntinlupa for the purpose of assessing franchise tax, and from demanding payment of franchise tax from the petitioner; and

4. On the counterclaim, dismissing and denying respondents' claim for moral damages and attorney's fees for lack of merit.

SO ORDERED.<sup>24</sup>

Muntinlupa City elevated the case to the CA with the following assignment of errors:

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WHETHER OR NOT THE LOWER COURT ERRED IN DECLARING AS NULL AND VOID FOR BEING ULTRA VIRES AND CONTRARY TO LAW SECTION 25 OF [MO] NO. 93-35.

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<sup>24</sup> Id. at 78-79.

## II

WHETHER OR NOT THE LOWER COURT ERRED IN DECLARING AS NULL AND VOID FOR BEING CONTRARY TO SECTION 142 OF THE LOCAL GOVERNMENT CODE, ARTICLE 236 (B) OF [THE IRR].

## III

WHETHER OR NOT THE LOWER COURT ERRED IN ENJOINING [APPELLANTS] FROM IMPOSING [AND] COLLECTING THE SUBJECT FRANCHISE TAX UPON [MERALCO], REQUIRING FOR THAT PURPOSE THE SUBMISSION OF ITS CERTIFIED STATEMENT OF GROSS SALES/RECEIPTS DERIVED WITHIN THE CITY.<sup>25</sup>

**Ruling of the Court of Appeals:**

In its January 31, 2011 Decision,<sup>26</sup> the appellate court concurred with the trial court that municipalities have no authority to levy and collect a franchise tax due to the *ultra vires* nature of Section 25 of MO 93-35. However, it declared that MO 93-35 was cured of its legal infirmities when the Municipality of Muntinlupa was converted into a highly urbanized city by virtue of its Charter in 1995. Moreover, it held that MO 93-35 is presumed to be valid since it had yet to be declared void by final judgment by any court at the time of its adoption. Section 56 of the Charter of Muntinlupa City effectively cured the defects and re-enacted Section 25 of MO 93-35, although the curative effect applies prospectively. Hence, the appellate court held that Meralco's obligation to pay franchise tax begins only from March 1, 1995, the date when the Charter of Muntinlupa City was enacted.

The dispositive portion of the appellate court's assailed Decision reads:

**WHEREFORE**, the foregoing premises considered, the Decision of the RTC of Pasig City, Branch 67, in Civil Case No. 68725, is **SET ASIDE** and a **NEW ONE ENTERED** as follows:

1. Declaring Sec. 25 of Municipal Ordinance 93-35, otherwise known as the Revenue Code of the (now) City of Muntinlupa, as having taken effect only from the date of effectivity of RA 7926, otherwise known as the Charter of the City of Muntinlupa;
2. Ordering appellee to comply with appellants' demands for a certified statement of its gross sales/receipts derived from its business within the territorial jurisdiction of the City of Muntinlupa, and other documents, for the

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<sup>25</sup> Id. at 43-44.

<sup>26</sup> Id. at 39-60.

purpose of assessing franchise tax, computed only from the date of RA 7926 took effect;

3. Ordering appellee to pay franchise tax to appellants based on said assessment.

**SO ORDERED.**<sup>27</sup>

Aggrieved, Meralco filed the instant Petition for Review on *Certiorari*<sup>28</sup> raising the sole issue of:

WHETHER SECTION 25 OF MUNICIPAL ORDINANCE NO. 93-35 OF THE THEN MUNICIPALITY OF MUNTINLUPA IMPOSING A FRANCHISE [TAX], WHICH WAS DECLARED NULL AND VOID *AB INITIO* FOR BEING *ULTRA VIRES* AND CONTRARY TO THE LOCAL GOVERNMENT CODE OF 1991 BOTH BY THE TRIAL AND THE APPELLATE COURTS, WAS CURED BY SECTION 56 OF R.A. 7926 CONVERTING THE MUNICIPALITY OF MUNTINLUPA INTO A HIGHLY URBANIZED CITY.<sup>29</sup>

**Our Ruling**

The Petition is meritorious.

**Section 25 of MO 93-35 is null and void for being *ultra vires*.**

*Ferrer, Jr. v. Bautista*<sup>30</sup> enumerates the requirements for an ordinance to be valid, legally binding, and enforceable, to wit:

For an ordinance to be valid though, it must not only be within the corporate powers of the LGU to enact and must be passed according to the procedure prescribed by law, it should also conform to the following requirements: (1) not contrary to the Constitution or any statute; (2) not unfair or oppressive; (3) not partial or discriminatory; (4) not prohibit but may regulate trade; (5) general and consistent with public policy; and (6) not unreasonable.<sup>31</sup>

*Legaspi v. City of Cebu*<sup>32</sup> explains the two tests in determining the validity of an ordinance, *i.e.*, the Formal Test and the Substantive Test.<sup>33</sup> The Formal Test requires the determination of whether the ordinance was enacted

<sup>27</sup> Id. at 59-60.

<sup>28</sup> Id. at 10-37.

<sup>29</sup> Id. at 20.

<sup>30</sup> 762 Phil. 233 (2015).

<sup>31</sup> Id. at 262-263, citing *Legaspi v. City of Cebu*, 723 Phil. 90 (2013); *White Light Corp. v. City of Manila*, 596 Phil. 444 (2009); *Social Justice Society (SJS) v. Atienza, Jr.*, 568 Phil. 699 (2008).

<sup>32</sup> 723 Phil. 90 (2013).

<sup>33</sup> Id. at 103.

within the corporate powers of the LGU, and whether the same was passed pursuant to the procedure laid down by law. Meanwhile, the Substantive Test primarily assesses the reasonableness and fairness of the ordinance and significantly its compliance with the Constitution and existing statutes.

As correctly ruled by the RTC and the CA, MO 93-35, particularly Section 25 thereof, has failed to meet the requirements of a valid ordinance. Applying the Formal Test, the passage of the subject ordinance was beyond the corporate powers of the then Municipality of Muntinlupa, hence, *ultra vires*.

Based on the Substantive Test, Section 25 of MO 93-35 deviated from the express provision of RA 7160. While ordinances, just like other laws and statutes, enjoy the presumption of validity, they may be struck down and set aside when their invalidity or unreasonableness is evident on the face or has been established in evidence.<sup>34</sup> In this case, Section 25 of MO 93-35 was evidently passed beyond the powers of a municipality in clear contravention of RA 7160.

MO 93-35 was passed by the *Sangguniang Bayan* of the Municipality of Muntinlupa and took effect on January 1, 1994. This is plainly *ultra vires* considering the clear and categorical provisions of Section 142 in relation to Sections 134, 137 and 151 of RA 7160 vesting to the provinces and cities the power to impose, levy, and collect a franchise tax. Muntinlupa being then a municipality definitely had no power or authority to enact the subject franchise tax ordinance.

For emphasis, we reproduce below Sections 142, 134, 137 and 151 of RA 7160:

**ARTICLE II**  
Municipalities

SECTION 142. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, municipalities may levy taxes, fees, and charges not otherwise levied by provinces.

**ARTICLE I**  
Provinces

SECTION 134. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, the province may levy only the taxes, fees, and charges as provided in this Article.

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<sup>34</sup> *City of Cagayan De Oro v. Cagayan Electric Power and Light Co., Inc.*, G.R. No. 224825, October 17, 2018, citing *Social Justice Society v. Atienza*, supra note 31; *Balacuit v. Court of First Instance of Agusan del Norte and Butuan City, Branch II*, 246 Phil. 205 (1988).



x x x x

SECTION 137. *Franchise Tax.* – Notwithstanding any exemption granted by any law or other special law, the **province** may impose a tax on businesses enjoying a franchise, at a rate not exceeding fifty percent (50%) of one percent (1%) of the gross annual receipts for the preceding calendar year based on the incoming receipt, or realized, within its territorial jurisdiction.

In the case of a newly started business, the tax shall not exceed one-twentieth (1/20) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when the business started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereon, as provided herein.

### ARTICLE III

#### Cities

SECTION 151. *Scope of Taxing Powers.* – Except as otherwise provided in this Code, the **city**, may levy the taxes, fees, and charges which the province or municipality may impose: *Provided, however,* That the taxes, fees and charges levied and collected by highly urbanized and independent component cities shall accrue to them and distributed in accordance with the provisions of this Code.

The rates of taxes that the city may levy may exceed the maximum rates allowed for the province or municipality by not more than fifty percent (50%) except the rates of professional and amusement taxes.

The foregoing provisions clearly set out that municipalities may only levy taxes not otherwise levied by the provinces. Section 137 particularly provides that provinces may impose a franchise tax on businesses granted with a franchise to operate. Since provinces have been vested with the power to levy a franchise tax, it follows that municipalities, pursuant to Section 142 of RA 7160, could no longer levy it. Therefore, Section 25 of MO 93-35 which was enacted when Muntinlupa was still a municipality and which imposed a franchise tax on public utility corporations within its territorial jurisdiction, is *ultra vires* for being violative of Section 142 of RA 7160.

The City cannot seek refuge under Article 236(b)<sup>35</sup> of Administrative Order No. 270<sup>36</sup> (AO 270) in its bid to declare Section 25 of MO 93-35 as valid. As mere rules and regulations implementing RA 7160, they cannot go

<sup>35</sup> Article 236. *Rates of Tax in Municipalities Within the Metropolitan Manila Area.* –

x x x x

(b) The said municipalities within MMA, pursuant to Article 275 of this Rule, may levy and collect the taxes which may be imposed by the province under Article 225, 226 [franchise tax], 227, 228, 229, 230 and 231 of this Rule x x x.

<sup>36</sup> Rules and Regulations Implementing the Local Government Code of 1991. Approved: February 21, 1992.

beyond the intent of the law that it seeks to implement. The spring cannot rise above its source.

Hence, even if Article 236(b) of AO 270 appears to vest municipalities with such taxing power, Section 142 of RA 7160 which disenfranchised municipalities from levying a franchise tax, should prevail. The power to levy a franchise tax is bestowed only to provinces and cities.

In sum, the then Municipality of Muntinlupa acted without authority in passing Section 25 of MO 93-35, hence it is null and void for being *ultra vires*.<sup>37</sup>

**Section 56 of the Charter of Muntinlupa City has no curative effect on Section 25 of MO 93-35, the latter being null and void.**

The case of *City of Pasig v. Manila Electric Company (City of Pasig)*<sup>38</sup> is relevant in resolving the issue of whether Section 56 of the Charter of Muntinlupa City cured the legal infirmities of Section 25 of MO 93-35. In *City of Pasig*, the City of Pasig demanded payment from Meralco of a franchise tax based on Section 32, Article 3 of Ordinance No. 25 which Pasig enacted when it was still a municipality, hence without authority to impose such a tax.

By virtue of RA 7829,<sup>39</sup> the then Municipality of Pasig was converted into a highly urbanized city on December 8, 1994. The City of Pasig, similar to the present suit of the City of Muntinlupa, asserted that the transitory provision of RA 7829, particularly Section 45 thereof, cured the infirmities of Section 32, Article 3 of Ordinance No. 25. However, said contention was rebuffed by this Court and declared the City of Pasig's ordinance null and void and that RA 7829 had no curative effect, to wit:

We find the instant case no different from *Arabay* and *SMC*. As in those cases, the cityhood law (R.A. No. 7829) of Pasig cannot breathe life into Section 32 of Municipal Ordinance No. 25, ostensibly by bringing it within the ambit of Section 151 of the LGC that authorizes cities to levy the franchise tax under Section 137 of the same law. It is beyond cavil that Section 32 of Municipal Ordinance No. 25 is an act that is null and void *ab initio*. It is even of little consequence that Pasig sought to collect only those taxes *after* its conversion into a city. **A void ordinance, or provision thereof, is what it is - a nullity that produces no legal effect. It cannot be enforced; and no right**

<sup>37</sup> *City of Cagayan De Oro v. Cagayan Electric Power and Light Co., Inc.*, G.R. No. 224825, October 17, 2018.

<sup>38</sup> G.R. No. 181710, March 7, 2018.

<sup>39</sup> An Act Converting the Municipality of Pasig into a Highly Urbanized City to be known as the City of Pasig. Approved: December 8, 1994.

**could spring forth from it.** The cityhood of Pasig notwithstanding, it has no right to collect franchise tax under the assailed ordinance.

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As we see it, the cited law [Section 45, RA 7829] does not lend any help to the City of Pasig's cause. It is crystal clear from the said law that what shall continue to be in force after the conversion of Pasig into a city are the municipal ordinances existing as of the time of the approval of R.A. No. 7829. **The provision contemplates ordinances that are valid and legal from their inception; that upon the approval of R.A. No. 7829, their effectivity and enforcement shall continue.** To 'continue' means (1) to be steadfast or constant in a course or activity; (2) to keep going; maintain a course, direction, or progress; or (3) to remain in a place or condition. It presupposes something already existing.

**A void ordinance cannot legally exist, it cannot have binding force and effect.** Such is Section 32 of Municipal Ordinance No. 25 and, being so, is outside the comprehension of Section 45 of R.A. No. 7829.<sup>40</sup> (Emphases supplied)

To stress, an ordinance which is incompatible with any existing law or statute is *ultra vires*, hence, null and void. In *City of Manila v. Cosmos Bottling Corporation*,<sup>41</sup> this Court ruled that the City of Manila cannot legally impose a local business tax based on Ordinance Nos. 7988 and 8011 which were void and had no legal existence.

In the same vein, Muntinlupa City cannot hinge its imposition and collection of a franchise tax on the null and void provision of Section 25 of MO 93-35. Moreover, Section 56 of the Charter of Muntinlupa City cannot breathe life into the invalid Section 25 of MO 93-35. Section 56 of the transitory provisions of the Charter of Muntinlupa City contemplates only those ordinances that are valid and legally existing at the time of its enactment. Consequently, Section 56 did not cure the infirmity of Section 25 of MO 93-35 since an *ultra vires* ordinance is null and void and produces no legal effect from its inception.<sup>42</sup>

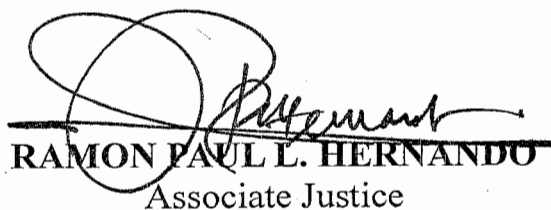
**WHEREFORE**, the Petition is **GRANTED**. The January 31, 2011 Decision of the Court of Appeals in CA-G.R. CV No. 80558 is **REVERSED** and **SET ASIDE**. The September 19, 2003 Decision of the Regional Trial Court of Pasig City, Branch 67 is hereby **REINSTATED**. Section 25 of Municipal Ordinance No. 93-95 is **DECLARED** void.

<sup>40</sup> *City of Pasig v. Manila Electric Company*, supra note 38.

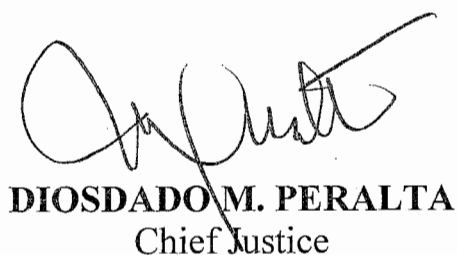
<sup>41</sup> G.R. No. 196681, June 27, 2018.

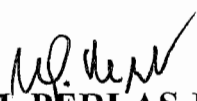
<sup>42</sup> *City of Batangas v. Philippine Shell Petroleum Corporation*, 810 Phil. 566, 587 (2017).

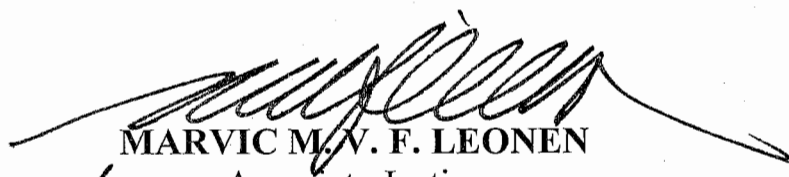
**SO ORDERED.**

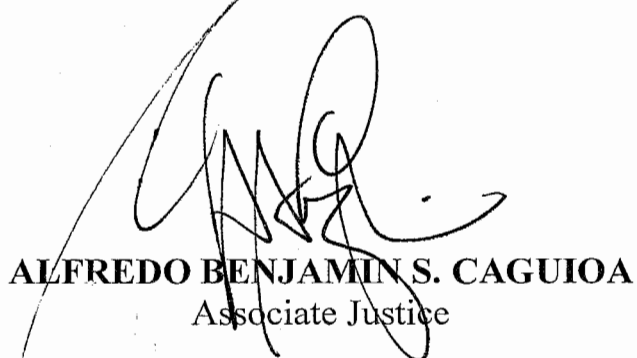
  
**RAMON PAUL L. HERNANDO**  
Associate Justice

**WE CONCUR:**

  
**DIOSDADO M. PERALTA**  
Chief Justice

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

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

  
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

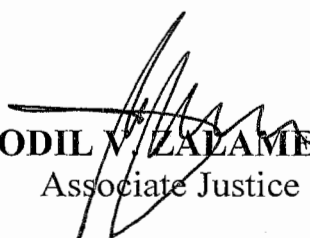
  
**ALEXANDER G. GESMUNDO**  
Associate Justice

  
**ROSMARI D. CARANDANG**  
Associate Justice

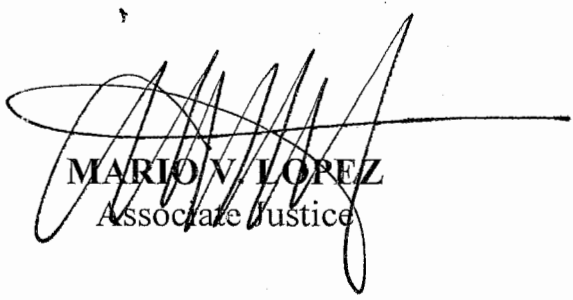
No part.  
**AMY C. LAZARO-JAVIER**  
Associate Justice



**HENRI JEAN PAUL B. INTING**  
Associate Justice



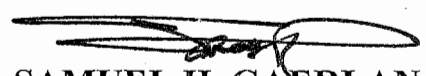
**RODIL V. ZALAMEDA**  
Associate Justice




**MARIO V. LOPEZ**  
Associate Justice



**EDGARDO L. DELOS SANTOS**  
Associate Justice



**SAMUEL H. GAERLAN**  
Associate Justice



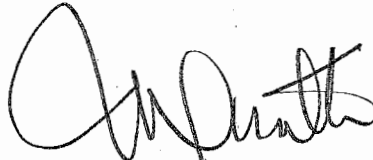
**RICARDO R. ROSARIO**  
Associate Justice



**JHOSEP V. LOPEZ**  
Associate Justice


**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify 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.



**DIOSDADO M. PERALTA**  
Chief Justice

CERTIFIED TRUE COPY



**EDGAR O. ARICHETA**  
Clerk of Court En Banc  
Supreme Court