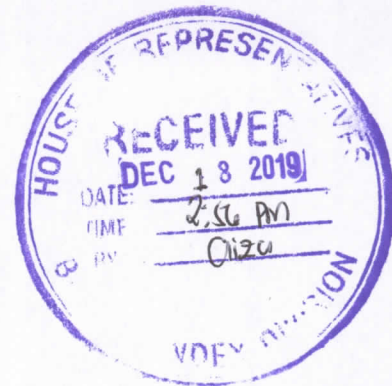




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Eighteenth Congress
First Regular Session

HOUSE BILL NO. 5867

Introduced by Representative Jericho Jonas B. Nograles

EXPLANATORY NOTE

This bill seeks to amend further Batas Pambansa Blg. (BP) 129, as amended by Republic Act (RA) No. 7691, by increasing the jurisdiction in civil cases of the Regional Trial Courts (RTCs) and first level courts nationwide which are the Metropolitan Trial Courts (MeTCs), the Municipal Trial Courts (MTCs) and the Municipal Circuit Trial Courts (MCTCs).

Section 33 of BP Blg. 129, which took effect on 14, August 1981, established among others, the jurisdiction in civil cases of the MeTCs, MTCs and MCTCs. It provides the jurisdictional amount of Twenty Thousand Pesos (P20,000.00) in civil actions and probate proceedings.

Subsequently, Section 3 of RA 7691, which took effect on April 15, 1994, expanded the jurisdiction of the first level courts by increasing its jurisdictional threshold in civil actions and probate proceedings from Twenty thousand pesos (P20,000.00) to One hundred thousand pesos (P100,000.00), and in the case of courts in Metro Manila, to Two hundred thousand pesos (P200,000.00), and added a third category of civil cases involving title to, possession of, or interest in real property.

Section 5 of RA 7691, automatically adjusted the jurisdictional amount under Paragraph (1) of Section 33 of the same Act to Two hundred thousand pesos (P200,000.00) after five (5) years from its effectivity, or on March 20, 1999; and to Three hundred thousand pesos (P300,000.00) five years thereafter, or on February 22, 2004. In the case of Metro Manila, the jurisdictional amount was adjusted to Four hundred thousand pesos (P400,000.00) after five (5) years

from the effectivity of RA 7691, or March 20, 1999. Thereafter, no other amendments to the jurisdictional amounts of the first level courts have been introduced despite inflation and the constant increase in real property value.

It must be noted that while not explicitly stated in BP 129, first level courts also have jurisdiction over admiralty and maritime actions where the demand or claim does not exceed Three hundred thousand pesos (P300,000.00), or in Metro Manila, where such demand or claim does not exceed Four hundred thousand pesos (P400,000.00), as can be inferred from Section 19 thereof:

“Section 19. Jurisdiction in Civil Cases. – Regional Trial Courts shall exercise exclusive original jurisdiction:

x x x

(3) In all actions in admiralty and maritime jurisdiction where the demand or claim exceeds Three hundred thousand pesos (P300,000.00), or in Metro Manila, where such demand or claim exceeds Four hundred thousand pesos (P400,000.00).”

In civil actions, which involve title to, possession of, or any interest in real property, the assessed value of the real property, which determines the jurisdiction of courts in civil cases, is based on its fair market value multiplied by the assessment level fixed by ordinances of the sangguniang panlalawigan, sangguniang panglungsod, or sangguniang bayan, as the case may be. The Local Government Code requires the provincial, city or municipal assessor to undertake a general revision of property assessments every three (3) years. Since 1994, the fair market value of real property has risen considerably. As a result, nearly all civil cases involving title to, possession of, or any interest in real property are filed with the second level courts, or the Regional Trial Courts.

The assessed values of nearly all sample properties fall under the jurisdiction of the Regional Trial Courts. The exceptions fall slightly short of the jurisdictional threshold of Twenty thousand pesos (P20,000.00) for first level courts outside Metro Manila.

In the first level courts, there are three (3) main categories of procedural rules applicable in civil cases: (1) the regular rules under the 1997 Rules of Civil Procedure; (2) the 1991 Revised Rules on Summary Procedure; and (3) the Revised Rules of Procedure for Small Claims Cases.

Based on statistical reports of the Court Management Office, Office of the Court Administrator, 47,442 civil cases were filed with first level courts in 2018, 14% of which are covered by the Revised Rules on Summary Procedure, 66% are

covered by the Revised Rules on Small Claims Cases, while 20% are covered by the regular rules. By year end, only 21,169 cases were left pending, with 15% covered by the Rules on Summary Procedure, 66% by the Revised Rules on Small Claims Cases and 19% by the regular rules. (See Table 4).

Table 4. First Level Courts Case Flow, Clearance and Disposition for 2018

Category	Pending as of December 2017	Inflow	Outflow	Pending as of December 2018	Clearance Rate	Disposition Rate
Summary Procedure	6,207	6,533	6,741	5,750	103%	53%
Small Claims	5,754	31,263	30,153	6,467	96%	81%
Regular Rules	7,871	9,646	8,563	8,952	89%	49%
Total	19,832	47,442	45,457	21,169		

Compare this to the inflow of civil cases in the second level courts, which was 68,457 for 2018, with 108,484 cases left pending at the end of the year despite an outflow of 65,363 cases. (See Table 5).

Table 5. Second Level Courts Case Flow and Pending Cases for 2018

Pending as of December 2017	Inflow	Outflow	Pending as of December 2018
117,785	68,457	65,363	108,484

The above data show that first level courts have a high outflow of cases, which is more or less at par with their inflow, and a low number of cases pending at the end of the year, especially for those covered by the Revised Rules on Small Claims. The second level courts, however, have a high number of pending cases at the end of the year despite the close numbers of their case inflow and outflow.

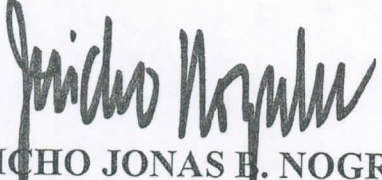
To help de-clog the dockets of the second level courts and increase the number of cases that can be covered by the simpler procedures and quicker resolution mandated by the Revised Rules on Small Claims and Revised Rules on Summary Procedure, it is respectfully proposed that the jurisdictional threshold of the first level courts under Section 33 (1) and (3), Batas Pambansa Blg. 129, as amended by RA 7691, be increased to Two million pesos (P2,000,000.00) for civil actions, probate proceedings (testate and intestate), and admiralty and maritime actions, and Four hundred thousand pesos (P400,000.00) for civil actions which involve title to, possession of, real property, or any interest

therein, whether in or outside Metro Manila. It is also recommended that an additional provision be included providing for the regular increase of both these jurisdictional amounts every five (5) years by One hundred thousand pesos (P100,000.00), similar to Sec. 5, RA 7691.

Consequently, Section 19, Batas Pambansa Blg. 129, as amended, which provides for the jurisdiction of Regional Trial Courts in civil cases, particularly paragraphs 2, 3, 4 and 8, would likewise need to be amended to reflect such increases.

Increasing the jurisdictional threshold of the first level courts and consequently, the number of cases filed before them, will likewise complement the recent increase in the salary grades of first level court judges outside Metro Manila.

Hence, the immediate approval of this bill is earnestly sought.


JERICHO JONAS B. NOGRALES



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 5867

Introduced by Representative Jericho Jonas B. Nograles

AN ACT

FURTHER EXPANDING THE JURISDICTION OF THE REGIONAL TRIAL COURTS, METROPOLITAN TRIAL COURTS, MUNICIPAL TRIAL COURTS, AND MUNICIPAL CIRCUIT TRIAL COURTS, AMENDING FOR THE PURPOSE BATAS PAMBANSA BLG. 129, AS AMENDED, OTHERWISE KNOWN AS THE "*JUDICIARY REORGANIZATION ACT OF 1980*"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 19 of Batas Pambansa Blg. 129, as amended, is hereby further amended to read as follows:

"Sec. 19. *Jurisdiction in civil cases.* Regional Trial Courts shall exercise exclusive original jurisdiction:

(1) xxx;

(2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds [Twenty

1 ~~thousand pesos (P20,000.00) or for civil actions in Metro~~
2 ~~Manila, where such value exceeds Fifty thousand pesos~~
3 ~~(50,000.00)]~~ **FOUR HUNDRED THOUSAND PESOS**
4 **(P400,000.00)** except actions for forcible entry into and
5 unlawful detainer of lands or buildings, original jurisdiction
6 over which is conferred upon the Metropolitan Trial Courts,
7 Municipal Trial Courts, and Municipal Circuit Trial Courts;

8 (3) In all actions in admiralty and maritime jurisdiction
9 where the demand or claim exceeds [~~One hundred thousand~~
10 ~~pesos (P100,000.00) or, in Metro Manila, where such demand~~
11 ~~or claim exceeds Two hundred thousand pesos (200,000.00)]~~
12 **TWO MILLION PESOS (P2,000,000.00);**

13 (4) In all matters of probate, both testate and intestate,
14 where the gross value of the estate exceeds [~~One hundred~~
15 ~~thousand pesos (P100,000.00) or, in probate matters in Metro~~
16 ~~Manila, where such gross value exceeds Two hundred thousand~~
17 ~~pesos — (200,000.00)]~~ **TWO MILLION PESOS**
18 **(P2,000,000.00);**

19 (5) xxx;

20 (6) xxx;

1 (7) xxx;

2 (8) In all other cases in which the demand, exclusive of interest,
3 damages of whatever kind, attorney's fees, litigation expenses, and
4 costs or the value of the property in controversy exceeds [~~One hundred~~
5 ~~thousand pesos (100,000.00) or, in such other cases in Metro Manila,~~
6 ~~where the demand exclusive of the abovementioned items exceeds~~
7 ~~Two hundred thousand pesos (200,000.00)] **TWO MILLION**
8 **PESOS (P2,000,000.00).**~~

9 At the beginning of the year 2025, and every five (5) years thereafter, the
10 jurisdictional amounts mentioned in Paragraphs (2), (3), (4), and (8) of this section
11 shall be increased by One hundred thousand pesos (P100,000.00).

12 SEC. 2. Section 33 of Batas Pambansa Blg. 129, as amended, is hereby further
13 amended to read as follows:

14 Sec. 33. *Jurisdiction of Metropolitan Trial Courts,*
15 *Municipal Trial Courts and Municipal Circuit Trial Courts in*
16 *civil cases.* Metropolitan Trial Courts, Municipal Trial Courts,
17 and Municipal Circuit Trial Courts shall exercise:

18 (1) Exclusive original jurisdiction over civil actions and
19 probate proceedings, testate and intestate, including the grant of
20 provisional remedies in proper cases, where the value of the

1 personal property, estate, or amount of the demand does not
2 exceed [~~One hundred thousand pesos (P100,000.00) or, in~~
3 ~~Metro Manila where such personal property, estate, or amount~~
4 ~~of the demand does not exceed Two hundred thousand pesos~~
5 ~~(P200,000.00)] TWO MILLION PESOS (P2,000,000.00)~~
6 exclusive of interest damages of whatever kind, attorney's fees,
7 litigation expenses, and costs, the amount of which must be
8 specifically alleged: *Provided*, That interest, damages of
9 whatever kind, attorney's fees, litigation expenses and costs
10 shall be included in the determination of the filing fees:
11 *Provided, further*, That where there are several claims or causes
12 of action between the same or different parties, embodied in the
13 same complaint, the amount of the demand shall be the totality
14 of the claims in all the causes of action, irrespective of whether
15 the causes of action arose out of the same or different
16 transactions;

17 xxx

18 (3) Exclusive original jurisdiction in all civil actions
19 which involve title to, or possession of, real property, or any
20 interest therein where the assessed value of the property [or

1 ~~interest therein~~] does not exceed [~~Twenty thousand pesos~~
2 ~~(P20,000.00)] or, in civil actions in Metro Manila, where such~~
3 ~~assessed value does not exceed Fifty thousand pesos~~
4 ~~(P50,000.00)]~~ **FOUR HUNDRED THOUSAND PESOS**
5 **(P400,000.00)** exclusive of interest, damages of whatever kind,
6 attorney's fees, litigation expenses and costs: *Provided*, That in
7 cases of land not declared for taxation purposes, the value of
8 such property shall be determined by the assessed value of the
9 adjacent lots.

10 **(4) EXCLUSIVE ORIGINAL JURISDICTION IN**
11 **ADMIRALTY AND MARITIME ACTIONS WHERE**
12 **THE DEMAND OR CLAIM DOES NOT EXCEED TWO**
13 **MILLION PESOS (P2,000,000.00).**

14 At the beginning of the year 2025, and every five (5) years thereafter, the
15 jurisdictional amounts mentioned in Paragraphs (1), (3) and (4) of this section shall be
16 increased by One hundred thousand pesos (P100,000.00).

17 SEC. 3. The provision of this Act shall apply to all civil cases that have not yet
18 reached the pre-trial stage. However, by agreement of all the parties, civil cases
19 cognizable by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal
20 Circuit Trial Courts, by the provisions of this Act may be transferred from the Regional

1 Trial Courts to the latter. The Supreme Court shall define the administrative procedure
2 for the transfer of cases, affected by the redefinition of jurisdiction to the Metropolitan
3 Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts.

4 SEC. 4. All other laws, decrees, orders, proclamations, rules and regulations,
5 or parts thereof, which are inconsistent with this Act are hereby repealed, amended, or
6 modified accordingly.

7 SEC. 5. This Act shall take effect fifteen (15) days after its publication in the
8 *Official Gazette* or in a newspaper of general circulation.

9 Approved,