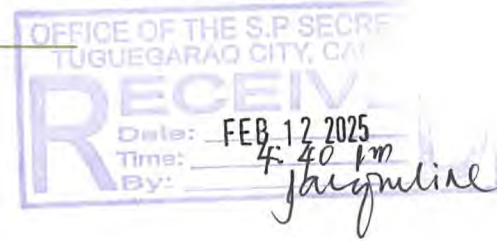




Republic of the Philippines
Province of Cagayan
Tuguegarao City
CITY MAYOR's OFFICE
2nd Floor, Tuguegarao City Hall, Carig Sur,
Tuguegarao City Cagayan 3500



BAGONG PILIPINAS



12 February 2025

HON. BIENVENIDO C. DE GUZMAN II
Vice Mayor and Presiding Officer
And
ALL MEMBERS OF THE 9th CITY COUNCIL
This City

Dear Hon. De Guzman and Honorable Members of the Council,


This is to formally transmit to the Honorable Sangguniang Panlungsod the attached results of the recommendation made by the City Legal Office regarding the proposed revocation of the franchise issued to **MR. JONATHAN POBRE**, as requested by your honorable body. As per the request of the Sangguniang Panlungsod, the City Legal Office has thoroughly reviewed the matter in accordance with the applicable laws, regulations, and franchise agreements.

Based on their findings and evaluation, the City Legal Office has rendered the following recommendation regarding the revocation of the said franchise:

While the City Council has the legal authority to grant franchises under the Local Government Code of 1991 and this power inherently include the power to revoke, it is equally essential that the city take the necessary steps to recover all dues and taxes from the franchise holder regardless whether it did commence its operation. The City Council is reminded that the franchise holder must be notified of his payment obligation ensuring the local government's financial interest is properly protected.

I trust that this recommendation will assist the Honorable Sangguniang Panlungsod in your deliberation of the proposed revocation.

Truly yours,


MAILA ROSARIO S. TING-QUE
Mayor



Republic of the Philippines
Province of Cagayan
Tuguegarao City
CITY LEGAL OFFICE
2nd Floor, Tuguegarao City Hall, Carig Sur,
Tuguegarao City Cagayan 3500



11 February 2025

HON. MAILA ROSARIO S. TING-QUE
City Mayor
This City

OFFICE OF THE CITY MAYOR
RECEIVED
Date: FEB 11 2025
Time: 9:28 PM
By: [Signature]

Dear Honorable Ting-Que,

This addresses the proposed ordinance by the 9th City Council to revoke the franchise issued on May 25, 2022, to the holder for the operation of a cockpit, **MR. JONATHAN ERIC Y. POBRE**.

It is important to consider both the legal grounds for the revocation and the implications on franchise fees and local tax revenues.

On the legal grounds for revocation, the City Council has the legal authority to grant franchises under the Local Government Code. This power inherently includes the authority to revoke or cancel a franchise when there is non-compliance with the terms and conditions attached to its issuance. In this case, the franchise holder has failed to comply with the complete requirements for the building permit necessary to commence operation. As the building permit is a critical requirement for the commencement of operations, the holder's failure to fulfill this obligation justifies the revocation of the franchise, as it has effectively prevented the franchisee from beginning operations and to add the legal complications of an injunction case filed by the late Melvin Vargas, Sr. against Pobre, the City Government and the 9th City Council.

As established, the City Council holds the power to grant franchises for the operation of cockpits, and this power includes the authority to revoke or cancel such franchises if the holder fails to comply with applicable laws, ordinances, or conditions set by the City Council. The revocation in this case is warranted due to the franchise holder's failure to adhere to the legal and regulatory requirements for starting operations.

However, while revocation of the franchise is justified, it is crucial to consider the financial implications for the local government. Although the franchise holder has not commenced operations, the city government must ensure that the holder pays the franchise fees, as these fees are due regardless of whether the holder actually begins operation. The franchise agreement likely specifies the obligation to pay these fees from the date the franchise was issued, even if operations have not started.

Moreover, the local government has also potentially lost out on taxes it could have otherwise collected from the operation of the cockpit. The city must account for the potential tax loss due to the non-operation and ensure that the franchise holder is held liable for the corresponding fees and taxes as per the provisions of the franchise agreement.

In light of the situation, it is recommended that the City Treasurer immediately perform a thorough computation of the franchise fees owed by the holder, taking into account the duration of the franchise and any penalties for non-compliance, if applicable. The Treasurer must issue a formal notice to the franchise holder outlining the amount due, including any interest or penalties as stipulated in the franchise agreement or applicable local ordinances.

Additionally, the City Council should ensure that the franchise holder is notified of their obligations and given a reasonable time frame to remit the payment, failing which appropriate legal action may be pursued to enforce payment.

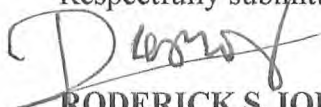


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Hence, the proposed ordinance to revoke the franchise is legally sound given the failure of the holder to comply with building permit requirements. However, it is essential that the city take the necessary steps to recover all due fees and taxes from the franchise holder. The City Treasurer's role in calculating the franchise fees and notifying the holder of their payment obligations is a critical part of ensuring the local government's financial interests are protected.

Respectfully submitted,


RODERICK S. IQUIN
City Legal Officer