

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
S E N A T E
Manila



First Regular Session

COMMITTEE REPORT NO. 103

Submitted by the Committee on Agrarian Reform

on December 17, 1987.

Re: Senate Bill No. 249 prepared by the Committee.

Recommending its approval, in consolidation with Senate

Bills Nos. 16, 123 and 133.

Sponsors:

Senators Heherson Alvarez - Chairman, Wigberto Tañada-
Vice-Chairman, Edgardo Angara, Neptali Gonzales,
Teofisto Guingona, Orlando Mercado, Vicente Paterno,
Alberto Romulo and Leticia Shahani, MAMINTAL TAMANO.

Mr. President:

The Committee on Agrarian Reform, to which were
referred Senate Bill No. 16, introduced by Senator Heherson
T. Alvarez, entitled:

"AN ACT ESTABLISHING THE PRIORITIES OF THE COMPREHEN-
SIVE AGRARIAN REFORM PROGRAM, DEFINING THE LAND OWNER-
SHIP CEILINGS AND RETENTION LIMITS, AND FOR OTHER
PURPOSES".

Senate Bill No. 123, introduced by Senator Agapito A. Aquino,
entitled:

"AN ACT INSTITUTING THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM AND PROVIDING THE MECHANISM FOR ITS IMPLEMEN-
TATION".

and Senate Bill No. 133, introduced by Senator Heherson T.
Alvarez, entitled:

"AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM TO
PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING
THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER
PURPOSES".

has considered these bills and has the honor to report them back to the Senate with the recommendation that the said bills be consolidated in the attached Bill (Senate Bill No. 249) prepared by the Committee, entitled:

"AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM TO PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES."

and that this last Bill be approved without amendments with Senators Heherson T. Alvarez, Agapito A. Aquino, and the Committee on Agrarian Reform as authors thereof.

Respectfully submitted:

[Signature]
HEHERSON T. ALVAREZ
Chairman

WITH RESERVATION!
[Signature]
WILBERTO E. TANADA
Vice-Chairman

I dissent!
[Signature]
AGAPITO A. AQUINO
Vice-Chairman

[Signature]
EDGARDO J. ANGARA
Member

[Signature] Submitting dissenting opinion
ERNESTO M. MACEDA
Member

[Signature] with reservations
VICENTE T. PATERNO
Member


[Signature]
JOSEPH E. ESTRADA
Member

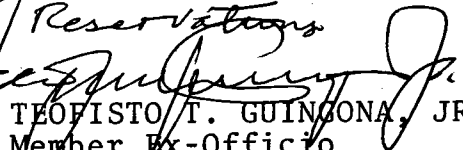
[Signature] Subj. to reservation on retention limit, cooperative package & exemption
ALBERTO G. ROMULO
Member

[Signature] w/ reservations on retention limit & mode of payment
JOSE M. LINA, JR.
Member

[Signature]
LETICIA RAMOS-SHAHANI
Member

[Signature]
AQUILINO Q. PIMENTEL
Member


MAMINTAL A. J. TAMANO
Member

in Reservations

TEOFISTO T. GUINGONA, JR.
Member Ex-Officio

in Reservations
Orly Mercado
ORLANDO S. MERCADO
Member Ex-Officio


JUAN PONCE ENRILE
Member Ex-Officio

(With my dissent for lack of comprehensive study and time to consider the same).

The Honorable
The Senate President
Senate, Manila

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Congress of the Philippines)
First Regular Session)

S E N A T E

S. No. 249

Introduced by Senator Alvarez and the
Committee on Agrarian Reform

AN ACT
INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM - TO
PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING THE
MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

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

CHAPTER I

PRELIMINARY CHAPTER

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SECTION. 1. Title. - This Act shall be known as the
Comprehensive Agrarian Reform Law of 1988.

SEC. 2. Declaration of Policy. - (1) It is the policy
of the State to pursue a Comprehensive Agrarian Reform
Program (CARP) primarily for the welfare of the landless
farmers and agricultural workers which will promote social
justice consistent with the objective of an effective and
aggressive agricultural development policy that will propel
the nation towards industrialization and the establishment
of owner cultivatorship of economic size farms as the basis
of Philippine agriculture.

To this end, a more equitable distribution and
ownership of land, with due regard to the rights of
landowners to just compensation and to the ecological needs
of the nation, shall be undertaken which will provide
farmers and farmworkers with opportunity to improve their
dignity and the quality of their lives through greater
productivity of agricultural lands.

1 SEC. 3. Definitions. - For the purpose of this Act,
2 unless the context indicates otherwise:

3 (a) Agrarian Reform means distribution of lands
4 regardless of crops or fruits produced to farmers, tillers
5 and farmworkers regardless of tenurial arrangement.
6 It also includes the totality of factors and support
7 services designed to uplift the economic status of the
8 beneficiaries and all other interim arrangements such as
9 profit-sharing, labor administration and sales of shares
10 of stocks.

11 (b) Agriculture, Agricultural Enterprise or Activity
12 means the cultivation of the soil, planting of crops,
13 growing of fruit trees, raising livestock, poultry or
14 fish, including the harvesting of such farm products; and
15 other farm activities and practices performed by a farmer in
16 conjunction with such farming operations done by persons
17 whether natural or juridical.

18 (c) Agricultural Land refers to land devoted
19 to agricultural activity as defined in this Act and is not
20 classified as mineral, forest, residential, commercial or
21 industrial land.

22 (d) Agrarian Dispute refers to any controversy
23 relating to tenure, terms, and conditions of agricultural
24 employment and other tenurial arrangement, whether
25 leasehold, tenancy, stewardship or otherwise, over lands
26 devoted to agriculture, including disputes concerning
27 farmworkers associations or representation of persons
28 in negotiating, fixing, maintaining, changing or seeking
29 to arrange terms or conditions of employment in activities
30 or enterprises engaged in agriculture.

1 It includes any dispute relating to compensation of
2 lands acquired under this Act and other terms and conditions
3 of transfer of ownership from landowner to farmworkers,
4 tenants and other beneficiaries, whether the disputants
5 stand in the proximate relation of farm employers and
6 employees, landowner and tenant, or lessor and lessee.

7 It also embraces any matter relating to the
8 application, implementation, and interpretation of the

CARP → 9 Comprehensive Agrarian Reform Program and other
10 pertinent laws on agrarian reform. However, labor disputes
11 in agri-business and agro-industrial enterprises shall
12 continue to be governed by the Labor Code.

13 (e) Idle or Abandoned Land refers to any agricultural
14 land not cultivated, tilled or developed to produce any crop
15 nor devoted to any specific economic purpose continuously
16 for a period of three (3) years immediately prior to the
17 receipt of notice of acquisition by the Government as
18 provided under this Act, but shall not include land that
19 has become permanently or regularly devoted to non-
20 agricultural purposes; neither shall it include land
21 which has become unproductive by reason of force majeure
22 or any other fortuitous event, provided that prior to
23 such event, such land was previously used for agricultural
24 or other economic purpose.

25 (f) Farmer refers to an individual person whose
26 primary livelihood is cultivation of land or the production
27 of agricultural crops either by himself or mainly with
28 the assistance of his immediate family household,
29 whether the land is owned by him, or by another person
30 under a leasehold or share tenancy agreement/arrangement

1 with the owner thereof.

2 (g) Farmworker is an individual person who renders
3 service for value as an employee or laborer in an
4 agricultural enterprise or farm regardless of whether his
5 compensation is paid on a daily, weekly, monthly or
6 "pakyaw" basis. The term includes an individual whose
7 work has ceased as a consequence of, or in connection
8 with, a pending agrarian dispute and who has not obtained
9 a substantially equivalent (and) regular farm employment. *5/5*

10 (h) Regular Farmworker refers to an individual
11 person who is employed on a permanent basis or as a
12 permanent seasonal worker by an agricultural enterprise or
13 farm.

14 (i) Other Farmworker refers to a farmworker who is
15 not a regular farmworker such as casual or non-permanent
16 seasonal farmworker.

17 (j) Cooperative is a duly registered association of
18 persons with a common bond of interest and who have
19 voluntarily joined together to achieve a common socio-
20 economic end, making equitable contributions to the
21 capital required and accepting a fair share of the risks
22 and benefits of the undertaking in accordance with
23 universally accepted principles of cooperation.

24 CHAPTER II

25 COVERAGE

26 SEC. 4. Lands Covered. - The following lands are
27 covered by the Comprehensive Agrarian Reform Program:

28 (a) All alienable and disposable lands of the public
29 domain devoted to or suitable for agriculture, consequently,
30 no reclassification of forest or mineral lands to agri-

1 cultural lands shall be undertaken after the approval of
2 this Act until Congress, taking into account ecological,
3 developmental and equity considerations, shall have
4 determined, by law, the specific limits of the public
5 domain;

6 (b) All lands of the public domain in excess of the
7 specific limits of the public domain as determined by
8 Congress in the preceding paragraph;

9 (c) All other lands owned by the Government devoted to
10 or suitable for agriculture;

11 (d) All private lands devoted to or suitable for
12 agriculture regardless of the agricultural products raised
13 or can be raised thereon;

14 (e) All lands in excess of the size fixed by PARC as
15 the reasonable size of land primarily and directly used or
16 to be used for parks, wildlife, forest reserves,
17 reforestation, fish sanctuaries and breeding grounds,
18 watersheds and mangroves, national defense, school
19 sites and campuses including experimental farm stations,
20 operated by public or private schools for their
21 educational purposes, seeds and seedling research and pilot
22 production centers, penal colonies and penal farms
23 actually worked by the inmates, government research and
24 quarantine centers, and government refugee centers.

25 SEC. 5. Retention Limits. - Except as otherwise
26 provided in this Act, citizens of the Philippines qualified
27 to hold private or public lands may own land devoted to
28 agriculture as defined in this Act not exceeding five (5)
29 hectares which may be a compact or contiguous area
30 selected by the owner: Provided, That landowners whose

1 lands have already been subject of land reform under
2 Presidential Decree No. 27 shall retain the seven (7)
3 hectares as provided therein: and Provided, further, That
4 the original homestead grantees or their direct
5 compulsory heirs still cultivating the original homestead
6 shall retain the same areas.

7 The security of tenure of the farmer/farmworkers on the
8 land prior to the approval of this Act shall be respected.

9 SEC. 6. Commercial Farms. - Private agricultural
10 lands devoted to commercial livestock, poultry and swine,
11 and aquaculture including saltbeds, fishponds and prawn
12 ponds, fruit farms, cacao, coffee and rubber plantations
13 shall be subject to compulsory acquisition and distribution
14 ten (10) years after the effectivity of this Act, ^{1/10} however, _{exp}
15 during the period of ten (10) years following the
16 effectivity of this Act, the Government shall take steps
17 to acquire these lands for collective distribution
18 thereafter, to the workers upon payment of just
19 compensation for the land and the improvements thereon
20 preferably in favor of organized cooperatives or
21 associations, which shall thereafter manage the said
22 agribusiness for the beneficiaries.

23 SEC. 7. Ancestral Lands. - (1) Any provision of law to
24 the contrary notwithstanding, the (PARC) may suspend the
25 implementation of this Act with respect to ancestral lands
26 for the purpose of identifying and delimiting such lands:
27 Provided, That said ancestral lands shall be brought within
28 the coverage of the CARP within ten (10) years:
29 Provided, further, That in the autonomous regions,
30 their respective legislatures may enact their own agrarian

1 reform law consistent with the principles enunciated in
2 this Act.

3 (2) The same plan shall apply to certain areas in
4 indigenous communities claiming ancestral lands in which
5 case, PARC shall take into account tribal and cultural
6 considerations.

7 CHAPTER III

8 TENURIAL AND LABOR RELATIONS IMPROVEMENT

9 SEC. 8. Share of Tenant and Lease Rental - Immediately

10 upon the approval of this Act, the share of the tenant
11 shall be eighty-five percent (85%) of ~~the~~ gross harvest ~~of~~
12 in cash or in kind while the rent paid by 12 agricultural
13 leaseholders shall be fifteen percent (15%) of 13 the
14 average gross harvest for the last three normal crop ~~of~~
15 years.

16 SEC. 9. Production sharing. - Any enterprise

17 adopting the scheme provided for in Subsection 2, of Section ~~27~~ ^{reference}

18 27 or operating under production venture, lease, ~~or~~ ^{OK}

19 management contract or other similar arrangement ~~any farm~~ ^{OK} ~~or~~

20 covered by Section 6 is hereby mandated to

21 execute within forty-five (45) days from the effectivity of

22 this Act a production-sharing plan whereby at least five

23 percent (5%) of the gross revenue from the production and/or

24 cultivation of the land is distributed at least every year

25 to employees-beneficiaries who remain as

26 regular or other farmworkers, over and above the

27 compensation they currently receive or to the workers

28 cooperative or associations as the case may be: Provided,

29 however, That in the case of Subsection 2 of Section 27,

30 the production sharing plan shall cease to be effective as

1 soon as the lease/grower agreement shall have been entered
2 to by and between the parties, and in the case of
3 Section 6, the production sharing plan shall cease to be
4 effective upon the transfer of the land to the workers-
5 beneficiaries.

6 Nothing herein shall be construed to sanction
7 the diminution of any benefits such as salaries, bonuses,
8 leaves and working conditions granted to the employee-
9 beneficiaries under existing laws, agreements, and
10 voluntary practice by the enterprise, nor shall the
11 enterprise and its employee-beneficiaries be prevented from
12 entering into any agreement with terms more favorable to the
13 latter.

14 SEC. 10. Representation in Management. - The parties
15 in Section 6 shall set up a system to protect the rights
16 of the workers-beneficiaries by giving them adequate
17 representation in management and at least one (1) seat in
18 the board of directors, as well as in a management or
19 executive committee, if one exists or is created.

20 CHAPTER IV

21 LAND ACQUISITION

22 SEC. 11. Lands to be Acquired. - All lands covered by
23 CARP in excess of the retention limit shall be acquired by
24 the government for distribution to qualified
25 beneficiaries.

26 SEC. 12. Registration of Landowners. - Within one
27 hundred eighty (180) days from the effectivity of this
28 Act, all persons, natural or juridical, including
29 government entities, that own or claim to own
30 agricultural lands, whether in their names or in the name

1 of others, shall file a sworn statement in the proper
2 assessor's office in the form to be prescribed by the
3 Department of Agrarian Reform stating the following
4 information:

5 (a) the description and area of the property;

6 (b) the average gross income from the property for at
7 least three (3) years;

8 (c) the names of all tenants and farmworkers therein;

9 (d) the crop(s) planted in the property and the area
10 covered by each crop as of June 1, 1987;

11 (e) the terms of mortgages, leases, and management
12 contracts subsisting as of June 1, 1987; and

13 (f) the latest declared market value of the land as
14 determined by the city/provincial assessor.

15 SEC. 13. Registration of Beneficiaries. - The DAR in
16 coordination with the Barangay Agrarian Reform Committee
17 (BARC) as organized in this Act, shall register all
18 agricultural lessees, tenants and farmworkers who are
19 qualified to be beneficiaries of the CARP. These potential
20 beneficiaries with the assistance of the BARC and the DAR
21 shall provide the following data:

22 a) names and members of their immediate farm household;

23 b) owners/administrators of the land(s) they work on
24 and the length of tenurial relationship;

25 c) location and area of the land they work;

26 d) crops planted; and

27 e) their share in the harvest and/or amount of rental
28 paid or wages received.

29 A copy of the registry or list of all potential CARP
30 beneficiaries in the barangay shall be posted in the barangay

1 hall, school or other public buildings in the barangay where
2 it shall be open to inspection by the public at all
3 reasonable hours.

4 SEC. 14. Procedure for Acquisition of Private Lands. -

5 For purposes of acquisition of private lands, the
6 following procedure shall be followed:

7 (a) A notice of the decision of the DAR to acquire the
8 land shall be sent to the landowner by personal delivery
9 or registered mail and posted in a conspicuous place in the
10 municipal building and barangay hall of the place where
11 the property is located. Such notice shall contain an
12 offer to buy the land at a specified price.

13 (b) Within thirty (30) days from the date of receipt
14 of written notice by personal delivery or registered mail,
15 the landowner, his administrator, or representative shall
16 inform the DAR in writing of his acceptance or rejection of
17 the offer.

18 (c) In case of acceptance, the landowner shall execute
19 and deliver a deed of transfer in favor of the Government,
20 together with the certificates of title and the tax
21 declaration of the land.

22 (d) Within thirty (30) days from the execution and
23 delivery of the deed of transfer, the Land Bank of the
24 Philippines shall pay the landowner the corresponding
25 compensation.

26 (e) Upon receipt by the landowner of the corresponding
27 payment or in case of rejection, upon the deposit of the
28 downpayment mentioned in subparagraph (f) hereof, the DAR
29 shall take immediate possession of the land and shall
30 request the proper Register of Deeds to issue a Transfer

1 Certificate of Title (TCT) in the name of the Republic of
2 the Philippines. The DAR shall thereafter proceed with
3 the redistribution of the land to the qualified
4 beneficiaries.

5 (f) In case of rejection or failure of the landowner
6 to respond, the DAR shall file a petition
7 before the Special Agrarian Court, designated by the
8 Supreme Court in accordance with Section 44 of this Act
9 to hear and determine in a summary and expeditious manner,
10 the just compensation for the land. In determining just
11 compensation, the Court shall consider the cost of
12 acquisition of the land, the current value of like
13 properties, its nature, actual use and income, the sworn
14 valuation by the owner, the tax declarations, and the
15 assessment made by government assessors. The social and
16 economic benefits contributed by the farmers and farm-
17 workers and the Government to the property as well as non-
18 payment of taxes or loans secured from any government
19 financing institution on the said land shall be considered
20 as factors to reduce its valuation.

21 (g) Upon the deposit with the LBP or any government
22 financial institution or any branch thereof of the
23 downpayment of the compensation offered by the DAR, on its
24 motion and upon notice to the landowner, a writ of
25 possession shall be immediately issued by the Court. The
26 DAR shall henceforth have the right to distribute the land
27 to qualified beneficiaries.

28 SEC. 15. Compensation to Landowners. - Payment of
29 compensation to landowners by the Land Bank of the
30 Philippines shall be made in the following manner:

1 (a) For lands above fifty (50) hectares, ten percent
2 (10%) cash downpayment;

3 (b) For lands between twenty-four (24) to fifty (50)
4 hectares, fifteen percent (15%) cash downpayment;

5 (c) For lands less than twenty-four (24) hectares,
6 twenty percent (20%) cash downpayment; and

7 (d) For lands voluntarily offered for sale, at least
8 twenty five percent (25%) cash downpayment.

9 Subject to fiscal and monetary constraints, the
10 PARC may allow from time to time ^{or} on an annual ~~basis~~
11 basis, a percentage of the cash downpayment higher than
12 those fixed under subparagraphs a, b, and c hereof.

13 In the case of landowners with investment programs
14 approved by the PARC, the downpayment in cash may be
15 allowed at a percentage higher than those fixed under
16 subparagraph (d), provided said investment program is made
17 in the region or province where the land is situated.

18 The balance shall be paid in the form of LBP bonds.

19 SEC. 16. LBP Bonds. - The LBP bonds shall bear
20 market rates of interest that are aligned with 91-day
21 treasury bill rates, which shall be tax exempt. Ten percent
22 of the face value of the bonds shall mature every year from
23 the date of issuance until the tenth (10th) year: Provided,
24 That should the landowner choose to forego the cash portion
25 whether in full or in part, he shall be paid correspondingly
26 in LBP bonds.

27 Said LBP bonds shall be transferable or negotiable
28 and may be used by the landowner, his successors in interest,
29 or assigns, up to the amount of their face value for any of
30 the following:

1 (a) Payment for land or other real properties
2 purchased from the Government including assets purchased
3 under the Asset Privatization Program, and other assets
4 foreclosed by government financial institutions in the same
5 province or region where the land for which the bonds were
6 paid are situated;

7 (b) Payment for the purchase of shares of stock of
8 government-owned or controlled corporations or shares of
9 stock owned by the Government in private corporations;

10 (c) Surety or bail bonds for the provisional release
11 of accused persons or performance bonds in all cases where
12 the Government may require or accept real property as bonds;

13 (d) Security for loans with any Government financial
14 institution, provided the proceeds of the loans shall be
15 invested in an economic enterprise, preferably small and
16 medium-scale industry, in the same province or region as the
17 land for which the bonds were paid;

18 (e) Such other uses as the PARC, may from time to time
19 allow.

20 SEC. 17. Replacements of Bonds Issued Under Presidential
21 Decree No. 27 as Amended. - The manner of compensation
22 paid or to be paid for lands acquired under Presidential
23 Decree No. 27 as amended, by the DAR before the
24 effectivity of this Act shall be readjusted in the
25 following manner:

26 (1) their valuation at the time of their acquisition
27 by the DAR shall remain;

28 (2) the bonds issued or to be issued by the Land Bank
29 in replacement of the original bonds shall include the same
30 terms, rights and privileges as provided in the preceding

OK
A → LBP

1 section.

2 SEC. 18. Voluntary Land Transfer. - Landowners of
3 agricultural lands subject to acquisition under this Act
4 may enter into a voluntary arrangement for direct transfer
5 of their lands to qualified beneficiaries subject to the
6 following guidelines:

7 (a) All notices for voluntary land transfer must be
8 submitted to the DAR within the first year of the
9 implementation of the CARP. Negotiations between the
10 landowners and qualified beneficiaries covering any
11 voluntary land transfer which remain unresolved after two
12 years shall not be recognized and such land shall instead
13 be acquired by the government and transferred pursuant to
14 this Act.

15 (b) The beneficiaries are those duly listed by the
16 DAR with preference to those who are actually working on the
17 land.

18 (c) The terms and conditions of such transfer shall
19 not be less favorable to the transferee than those of the
20 Government's standing offer to purchase from the landowner
21 and standing offer to resell to the beneficiaries if such
22 offers have been made and are fully known to both parties.

23 (d) The voluntary agreement shall include sanctions
24 for non-compliance by either party and shall be duly
25 recorded and its implementation monitored by the DAR.

26 SEC. 19. Compensation to Landowners in Voluntary Land
27 Transfer. - (1) Direct payment in cash or in kind may be
28 made by the farmer beneficiary to the landowner under the
29 terms to be mutually agreed upon by both parties subject
30 to approval by PARC, which shall be binding upon them.

1 In the event they cannot agree on the price of land, the
2 procedure for compulsory acquisition as provided in
3 paragraph (f), Section 14 hereof shall apply, except that
4 the petition shall be filed with the Special Agrarian
5 Court. The ~~Land Bank of the Philippines~~ shall extend
6 financing to the beneficiary for purposes of acquiring
7 the land.

/LBP

8 (2) Where payment is made by the Government, the ~~Land~~
9 ~~Bank of the Philippines~~ shall compensate the landowner. In
10 the event that no agreement is reached between the landowner
11 and the DAR on the compensation to be paid, the same
12 procedure set forth in the preceding subsection shall be
13 observed.

LBP/

14 SEC. 20. Lands Voluntarily Offered for Sale prior to
15 this Act. Landowners who voluntarily offered their lands
16 for sale before the passage of this Act in accordance with
17 Executive Order No. 229 Series of 1987 shall be entitled
18 to the same benefits as in Section 10 hereof, shall be paid
19 thirty percent (30%) cash downpayment.

(-)/

CHAPTER V

LAND DISTRIBUTION

22 SEC. 21. Award to Beneficiaries. - The rights and
23 responsibilities of the beneficiary shall commence at
24 the time the DAR makes an award of the land to him,
25 which award shall be completed within one hundred eighty
26 (180) days from the time the downpayment under sub-
27 paragraph (f) of Section 14 was made. Ownership of
28 the beneficiary shall be evidenced by a Certificate of Land
29 Ownership Award, which shall be annotated on the
30 corresponding Transfer Certificate of Title.

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1 SEC. 22. Qualified Beneficiaries. - The basic
2 qualification of a beneficiary shall be his willingness,
3 aptitude and ability to cultivate and make the land as
4 productive as possible. The government, principally through
5 the PARC and the DAR, shall adopt a system, of monitoring
6 the performance of each beneficiary, to the
7 end that any beneficiary guilty of negligence or misuse of
8 the land and any support extended to him shall forfeit his
9 right to continue as such beneficiary.

10 SEC. 23. Priority among Beneficiaries - (1) Lands
11 available for distribution under this Act shall be given to
12 qualified landless persons falling under any of the
13 following categories, with those first enumerated having
14 first priority:

15 (a) Tenants or lessees of agricultural lands actually
16 tilling or working on the lands subject to distribution;

17 (b) Tenants or lessees of agricultural lands within
18 the areas retained by a landowner;

19 (c) Regular or casual farmworkers;

20 (d) Other farmworkers;

21 (e) Cooperative or other forms of collective
22 organizations of the workers--beneficiaries;

23 (f) Members of the civil or military service or its
24 retirees as well as veterans or veterans organizations who
25 may wish to engage in farming.

26 (2) Subject to the landowner's retention right, each
27 beneficiary belonging to the first three (3) categories
28 shall be entitled to ownership of the land he is cultivating
29 or in which he is working or a portion thereof not exceeding
30 the award ceiling fixed in this Act.

1 (3) If, due to the landowner's retention rights or to
2 the number of tenants, lessees, or workers on the land,
3 nothing of the land remains to accommodate any or some of
4 them, they may be granted ownership of other lands available
5 for distribution under this Act.

6 SEC. 24. Award Ceilings for Beneficiaries. -

7 (1) Individuals who are qualified beneficiaries of
8 agricultural lands subject to distribution under this Act
9 may be awarded an area not exceeding three (3) hectares,
10 which may cover a contiguous tract of land or several
11 parcels of land cumulated up to the prescribed maximum award
12 limits.

13 (2) The beneficiaries may opt for collective
14 ownership, such as co-ownership or farmers cooperative or
15 some other form of collective organizations: Provided,
16 That the total area that may be awarded shall not exceed
17 the total of the number of co-owners or members of the
18 cooperative or collective organization multiplied by the
19 award limit above prescribed, except as provided under
20 Sections 6 and 27 hereof. Title to the property shall be
21 issued in the name of the co-owners or the cooperative or
22 collective organization as the case may be.

23 Alienable and disposable lands and all lands of the
24 public domain which are and may be found to be suitable for
25 agriculture shall be distributed to landless farmers,
26 seasonal and other farmworkers at the earliest practicable
27 time after the approval of this Act. Farmers already in
28 place and those not accommodated in the distribution of
29 privately-owned lands will be given preferential rights in
30 the distribution of lands from the public domain.

1 SEC. 25. Payment by Beneficiaries. - (1) Lands
2 awarded pursuant to this Act shall be paid for by the
3 beneficiaries to the Land Bank of the Philippines (LBP) in
4 thirty (30) annual payments at six percent (6%) interest
5 per annum. The payments for the first three (3) years after
6 the award shall be at reduced amounts established by the
7 PARC: Provided, That the first five (5) annual payments shall
8 not be more than five percent (5%) of the value of the
9 annual gross production as established by the DAR. Should
10 the amortization exceed ten percent (10%) after the first
11 five years and the failure to produce
12 accordingly is not due to the beneficiary's fault, the LBP
13 shall reduce the interest rate and/or reduce the principal
14 obligation to make the repayment affordable. A two percent
15 (2%) interest rebate for prompt payment shall be granted.

16 (2) The LBP shall have a lien by way of mortgage on
17 the land awarded to the beneficiary; and this mortgage may
18 be foreclosed by the LBP for non-payment of an aggregate of
19 three (3) regular annual amortizations. The LBP shall advise
20 the DAR of such proceedings and the latter shall subsequently
21 award the foreclosed landholding to other qualified
22 beneficiaries. A beneficiary whose land, as provided
23 herein, has been foreclosed shall thereafter be permanently
24 disqualified from becoming a beneficiary under this Act and
25 any other land reform law.

26 (3) In the case of voluntary land transfers, payment
27 shall be made by the beneficiary directly to the landowner,
28 as provided for in Section 19 of this Act.

29 SEC. 26. Transferability of Awarded Lands.- (1) The
30 lands acquired by beneficiaries under this Act may not be

1 sold, transferred or conveyed to any person except by
2 hereditary succession to qualified beneficiaries as provided
3 in this Act, or to the Land Bank. Due notice of the
4 availability of the land shall be given by the Land Bank to
5 the Barangay Agrarian Reform Committee of the barangay where
6 the land is situated. The Provincial Agrarian Reform
7 Coordinating Committee (PARCCOM), as herein provided, shall,
8 in turn, be given due notice thereof by the BARC.

9 (2) If the land has not yet been fully-paid by the
10 beneficiary, the rights to the land may be transferred or
11 conveyed with prior approval of the duly authorized
12 representative of PARC in the province to any heir of the
13 beneficiary or to any other beneficiary who, as a condition
14 for such transfer or conveyance, shall cultivate the land
15 himself; failing compliance, the land shall be transferred
16 to the Land Bank which shall give due notice of the
17 availability of the land in the manner specified in the
18 immediately preceding paragraph.

19 (3) In the event of such transfer to the Land Bank,
20 the bank shall compensate the beneficiary in one lump sum
21 for the amounts the latter has already paid, together with
22 the value of improvements he has made on the land, plus
23 applicable interests on these amounts at the same interest
24 rates applicable on the LBP bonds.

25 SEC. 27. Farms Owned and/or Operated by Corporations
26 or Business Associations. In the case of farms owned
27 and/or operated by corporations and/or business
28 associations, the following rules shall be observed by the
29 PARC:

30 1) In general, lands shall be distributed directly to

1 the individual workers-beneficiaries.

2 2) In case it is not economically feasible and sound
3 to divide the land, then it shall be owned collectively by
4 the workers-beneficiaries who shall form a workers
5 cooperative or association which will deal with the
6 corporation or business association for the purpose of
7 entering into a lease/growers agreement and for all other
8 legitimate purposes. Until a new agreement is entered into
9 by and between the workers/cooperative or association and the
10 corporation or business association, any agreement existing
11 at the time this Act takes effect between the latter and
12 the previous landowner(s) shall be respected by both the
13 workers cooperative or association and the corporation or
14 business association.

15 SEC. 28. Payment of Shares of Stock of Cooperative or

16 Association. - Shares of stock of a cooperative or

17 association acquired by farmers-beneficiaries, pursuant to

OK 18 Section 27 Subsection 2 hereof shall be fully paid for

19 in an amount corresponding to the valuation as determined

OK 20 in Section 29. The landowner-management and the Land

21 Bank shall assist the farmworker, the farmworkers'

22 cooperative or association in the payment for said

23 shares by providing credit financing schemes in

24 consonance with the interest and purposes of this Act.

25 SEC. 29. Valuation of Lands. - A valuation scheme for

26 the land shall be formulated by the PARC, taking into

27 account the factors enumerated in Section 19,

28 in addition to the need to stimulate the growth of

29 cooperatives and the objective of fostering responsible

30 participation of the workers-beneficiaries in the creation

1 of wealth. In the determination of a price that is just
2 not only to the individual but to the society as well, the
3 PARC shall consult closely with the owner-management and the
4 workers-beneficiaries. In case of disagreement, the price
5 so determined by PARC, if accepted by the worker-
6 beneficiary, shall be followed, without prejudice to the
7 owner-management's right to petition the special agrarian
8 court to resolve the issue of valuation in accordance with
9 the procedure outlined in Section 9 Subsection 1,
10 paragraph (f) of this Act.

11 SEC. 30. Lease, Management, Grower or Service
12 Contracts, etc.. - Lands covered by this Act under lease,
13 management, grower or service contracts, and the like
14 shall be disposed of as follows:

15 (a) Lease, management, grower, or service contracts
16 covering government lands, and other lands of the public
17 domain devoted to existing and operational agri-business
18 or agro-industrial enterprises operated by domestic or
19 foreign or multinational corporations, covering an
20 aggregate area in excess of 1,000 hectares, are deemed
21 terminated and inoperative as to such excess as of
22 February 2, 1987, and such excess area will be the
23 subject of immediate reversion proceedings by the state or
24 renegotiations among the parties concerned; subject to the
25 monitoring and approval by PARC, conformably with the intent
26 of this Act.

27 (b) Contracts covering areas not in excess of 1,000
28 hectares shall be allowed to continue under their original
29 terms and conditions but not beyond August 8, 1992, or
30 their ~~valid~~ termination, whichever comes sooner, after

1 which such agreements shall continue only when confirmed
2 by the Government. Such contracts shall likewise continue
3 even after the land has been transferred to beneficiaries
4 and/or awardees thereof under the agrarian reform program,
5 which transfer will be implemented immediately upon the
6 effectivity hereof and which shall be fully completed
7 within a period of five years.

8 (c) In no case will such leases and other agreements
9 now being implemented extend beyond the end of 1993 when
10 all lands subject hereof shall have been distributed
11 completely to qualified beneficiaries and/or awardees, and
12 can only continue thereafter under a totally new agreement
13 between the government and/or qualified beneficiaries
14 and/or awardees, on the one hand, and said enterprises, on
15 the other.

16 (d) Lease, management, grower or service contracts
17 covering private lands held by foreign or multinational
18 corporations, shall continue under their original terms and
19 conditions until the expiration of the same even after such
20 land has, in the meantime, been transferred to qualified
21 beneficiaries.

22 (e) During the transition periods, the new owners will
23 be assisted in their efforts to learn modern technology in
24 production to prepare them for new and bigger
25 responsibilities in the future. Enterprises which show a
26 willingness and commitment and good-faith efforts to
27 impart voluntarily such advanced technology will be given
28 preferential treatment but the interests of the Filipino
29 people will always be taken into account over those of
30 foreign or absentee control.

1 (f) Mortgages and other claims registered with the
2 Register of Deeds will be assumed by the government up to
3 an amount equivalent to the landowner's compensation value
4 as provided herein.

5 CHAPTER VI

6 PROGRAM IMPLEMENTATION

7 SEC. 31. The Presidential Agrarian Reform Council.

8 The Presidential Agrarian Reform Council, composed of
9 _____ members is hereby created with the President of the
10 Philippines as Chairman, the Secretary of Agrarian Reform as
11 Vice-Chairman and the following as members: Secretaries of
12 the Departments of Agriculture; Environment and Natural
13 Resources; Budget and Management; Local Government; Public
14 Works and Highways; Trade and Industry; Finance; Labor and
15 Employment; Director-General of the National Economic and
16 Development Authority; President, Land Bank of the
17 Philippines; Chairman, Philippine Coconut Authority
18 Secretary-General, PARC Secretariat; and three (3)
19 representatives from affected landowners to represent Luzon,
20 Visayas and Mindanao, nine (9) representatives from
21 Agrarian Reform beneficiaries, three (3) each from Luzon,
22 Visayas and Mindanao, to be elected at large from among the
23 members of national organizations.

24 SEC. 32. Duties and functions of the PARC. - In

25 addition to those mentioned elsewhere in this Act, the PARC
26 shall;

27 (1) Formulate, develop and adopt a national plan and
28 strategy for the implementation of the Agrarian Reform
29 Program.

30 (2) Promulgate the rules and regulations for the

1 effective and efficient implementation of the various
2 program components, specially those relating to the schedule
3 and priorities for acquisition and distribution.

4 (3) Coordinate the various activities and plans of the
5 government agencies involved in the program, including
6 lending programs of government financial institutions.

7 (4) Identify and generate other sources of technical
8 and financial assistance for the various CARP component
9 programs and projects.

10 (5) Call upon all government departments, bureaus,
11 offices, agencies and instrumentalities, national or local,
12 and all government lending institutions as may be necessary
13 to operationalize and provide support services
14 essential to the CARP, and require said agencies and
15 instrumentalities to align their policies, programs, rules
16 and regulations with the objectives of the CARP.

17 SEC. 33. Meetings and Quorum. - The PARC shall meet
18 regularly every _____ and the presence of a majority
19 of the members shall constitute a quorum. A decision
20 made by the majority in a meeting duly assembled there being
21 a quorum, shall be deemed a decision of the Council.

22 SEC. 34. Compensation. - The Chairman and members of
23 the Council shall not receive any compensation, but shall be
24 entitled to reasonable travel and representation allowance
25 in connection with their attendance at meetings and other
26 official business of the Council, chargeable against the
27 Agrarian Reform Fund herein provided.

28 SEC. 35. Executive Committee. - There shall be an
29 Executive Committee (EXCOM) of the PARC composed of the
30 Secretary of the DAR as Chairman, and such other members

1 as the President may designate, taking into account
2 Article XIII, Sec. 15, of the Constitution. The EXCOM may
3 meet and decide on matters in between meetings of the
4 PARC: Provided, however, That its decision shall be
5 subject to confirmation by the PARC.

6 SEC. 36. Secretariat. - (1) A PARC Secretariat is
7 hereby established to provide general support and
8 coordinative services such as inter-agency linkages; program
9 and project appraisal and evaluation and general operations
10 monitoring for the PARC.

11 (2) The Secretariat shall be headed by a Secretary-
12 General with the rank of Undersecretary to be appointed by
13 the President and shall be supported by a staff whose
14 composition shall be determined by the PARC Executive
15 Committee and whose compensation shall be chargeable against
16 the Agrarian Reform Fund. All subordinate officers and
17 employees of the Secretariat shall be appointed by the
18 Secretary-General who shall be under the supervision of the
19 DAR.

20 SEC. 37. Plans and Programs for Acquisition and
21 Distribution of Lands. - (1) The PARC in coordination with
22 the Department of Agrarian Reform (DAR) shall plan and
23 program the acquisition and distribution of all agricultural
24 lands through a period of ten (10) years from the
25 effectivity of this Act taking into account the following
26 considerations:

27 (a) Rice and corn areas under Presidential Decree No.
28 27; all arable agricultural lands offered for voluntary land
29 acquisition and transfer and those voluntarily offered for
30 sale; abandoned or idle lands; those lands expropriated;

1 those foreclosed by Government financial institutions; those
2 agricultural lands which form part of the ill-gotten wealth
3 sequestered and recovered by the Presidential Commission on
4 Good Government and are within the disposition of the
5 Government; and those lands held or possessed by
6 multinationals shall be programmed for acquisition and
7 distribution immediately upon the approval of this Act
8 within a period of not more than three (3) years.

9 (b) Landholdings fifty (50) hectares and above shall
10 be acquired and transferred to qualified beneficiaries not
11 later than the second year of the effectivity of this Act
12 and shall be completed within three (3) years.

13 (c) Landholdings above twenty-four (24) hectares but
14 below 50 hectares shall be acquired and transferred to
15 qualified beneficiaries not later than the fourth year of
16 the effectivity of this Act and shall be completed within
17 three (3) years.

18 (d) Landholdings below twenty-four (24) hectares and
19 above the retention limit shall be acquired and transferred
20 to qualified beneficiaries not later than the sixth year of
21 the effectivity of this Act.

22 The area and nature of lands outside of urban centers
23 and city limits shall be determined as of the date of the
24 effectivity of this Act. Any sale, transfer, conveyance or
25 a change of its nature either in whole or in part thereafter
26 shall be deemed an illegal and prohibited act and shall be
27 penalized under Sections 52 and 53 of this Act, but shall
28 nevertheless not exclude said land from the operation of the
29 CARP. The date of registration of the deed of conveyance in
30 the Registry of Deeds with respect to titled lands and the

1 date of the issuance of the tax declaration to the
2 transferee of the property with respect to unregistered
3 lands, as the case may be, shall be conclusive for purposes
4 of this Act.

5 2) In effecting the transfer within these guidelines,
6 priority must be given to lands that are tenanted.

7 3) Adequate support services of the program shall be
8 extended to the transferees, the same to be monitored by the
9 Department of Agrarian Reform and reported to Congress every
10 year.

11 SEC. 38. Guidelines to Implement Priorities. - The
12 PARC shall establish guidelines to implement the above
13 priorities and distribution scheme, including the
14 determination of who are qualified as beneficiaries:
15 Provided, That an owner-tiller may be a beneficiary of the
16 land he does not own but is actually cultivating to the
17 extent of the difference between the area of the land he
18 owns and the award ceiling.

19 SEC. 39. Provincial Agrarian Reform Coordinating Committee
20 (PARCCOM). - (1) A Provincial Agrarian Reform Coordinating
21 Committee (PARCCOM) is hereby created in each province,
22 composed of a Chairman, who shall be appointed by the
23 President upon the recommendation of the EXCOM,
24 the Provincial Agrarian Reform Officer as
25 Executive Officer, and one representative each
26 from the Departments of Agriculture, Environment and
27 Natural Resources and from the Land Bank of the
28 Philippines; one representative each from existing farmers
29 organizations, agricultural cooperatives and non-
30 governmental organizations in the province; two

1 representatives from landowners, and two representatives
2 from farmer and farmworker beneficiaries in the province, as
3 members. Representatives from the private sector shall be
4 selected in accordance with the guidelines to be promulgated
5 by the DAR.

6 (2) The term of office of the private sector members
7 of the committee shall be two (2) years.

8 (3) The PARCCOM shall coordinate and monitor the
9 implementation of the comprehensive agrarian reform Program
10 in the province. It shall provide information to
11 concerned citizens and responsible organizations on the
12 provisions of the CARP, guidelines issued by the PARC and
13 on the progress of the CARP in the province.

14 (4) The PARCCOM shall hold office at the Provincial
15 Agrarian Reform Office.

16 SEC. 40. Province-to-Province Implementation. -

17 (1) The PARCCOM shall establish the schedule for
18 implementation of the Agrarian Reform Program for the
19 province in accordance with the guidelines set forth under
20 Section 37 hereof, the annual level of operations
21 determined by the PARC, and the following additional
22 guidelines:

23 (a) Public lands shall be distributed immediately to
24 the beneficiaries already occupying such lands;

25 (b) The year-to-year program of acquisition and
26 distribution of private lands shall be established in the
27 following manner:

28 (i) The total area of private lands in the
29 province subject to Agrarian Reform shall be determined;

30 (ii) Approximately ten percent (10%) of the total

1 area of private lands shall be acquired and distributed in
2 each year of the ten-year program;

3 (iii) The larger parcels of private lands shall be
4 distributed ahead of the smaller parcels:

5 (2) After the beneficiaries of the private lands and
6 the approximate area to be awarded to each beneficiary
7 have been determined, the idle and abandoned lands and
8 undistributed public lands shall be allocated to
9 beneficiaries in the order of their established
10 priorities. The distribution of these lands shall be
11 carried out and completed within a five-year period
12 according to a schedule fixed by the PARC.

13 (3) The ten-year program of distribution of private
14 lands shall be adjusted from year to year by the PARCCOM
15 depending on the level of operations established by the
16 PARC and ensuring that adequate support services are
17 available before actual distribution is effected.

18 SEC. 41. Barangay Agrarian Reform Committee (BARC). :-

19 (1) There shall be constituted every two (2) years a Barangay
20 Agrarian Reform Committee (BARC) in every barangay to be
21 composed of the following:

22 (a) Barangay Chairman, who shall act as Chairman of
23 the BARC without the right to vote;

24 (b) Two (2) representatives of qualified beneficiaries
25 tilling lands within the barangay;

26 (c) Two (2) owners of lands located within the
27 barangay;

28 (d) One (1) owner-tiller of land within the barangay
29 to be chosen by the landowner and beneficiary members;

30 (e) One (1) representative from the Department of

1 Agrarian Reform.

2 (2) Within thirty (30) days from the effectivity
3 hereof, the DAR representative shall initiate the
4 organization of the BARC by posting a notice to
5 constitute the BARC, which shall include a list of the
6 names of members chosen by the various sectors to be
7 represented in the BARC and who have expressed their
8 willingness to serve in the BARC. Such notice shall be
9 posted in three (3) conspicuous places in the barangay
10 continuously for a period of not less than three (3) weeks.

11 (3) Once constituted, the Chairman of the BARC shall
12 post the list of members in three (3) conspicuous places in
13 the barangay and transmit the same to the DAR.

14 (4) The DAR representative shall be ex-officio
15 secretary of the BARC. He shall keep the minutes of
16 meetings, note the various proceedings and activities
17 and submit reports thereon to the DAR annually or as may
18 be required from time to time.

19 (5) The members of the BARC shall be deemed persons
20 in authority, within the meaning of the Revised Penal Code.
21 In addition, they shall, in the exercise of their mandated
22 functions be deemed public officers and such shall be
23 covered by the Anti-Graft and Corrupt Practices Act.

24 (6) The members of the BARC shall be allowed
25 reasonable allowances chargeable against the Agrarian Reform
26 Fund. In addition, such service by any member of the BARC,
27 whether he be in public or private employment, shall be
28 deemed to be on official time and no such member shall
29 suffer any diminution in compensation or allowances by
30 reason thereof.

1 SEC. 42. Functions of the BARC. - (1) The BARC shall
2 have the following functions:

3 (a) Mediate/conciliate between parties involved in
4 an agrarian dispute including matters relating to dispute on
5 tenurial and financial arrangements;

6 (b) Assist in the identification of qualified
7 beneficiaries and landowners within the barangay;

8 (c) Attest to the accuracy of the initial parcellary
9 mapping on the beneficiary's tillage;

10 (d) Assist qualified beneficiaries in obtaining
11 lending operations;

12 (e) Assist in land valuation;

13 (f) Assist the DAR Representative in the preparation
14 of periodic reports on CARP implementation for submission
15 to the DAR;

16 (g) Coordinate the delivery of support services to
17 beneficiaries;

18 (h) Perform such other tasks/functions as may be
19 assigned by the DAR.

20 (2) The BARC shall endeavor to mediate/conciliate and
21 settle all agrarian disputes lodged before it within thirty
22 (30) days from its taking cognizance thereof. If after
23 the lapse of the thirty-day period, it is unable to settle
24 the dispute, it shall issue a certification of its
25 proceedings and shall furnish a copy thereof to the
26 parties within seven (7) days after the expiration of the
27 thirty-day period.

28 SEC. 43. Legal Advisory Services. - The BARC or any
29 member thereof may, whenever necessary in the exercise of
30 any of its functions hereunder, seek the legal assistance

1 of the DAR and the provincial/city/municipal government.

2 CHAPTER VII

3 SPECIAL AGRARIAN COURT

4 SEC. 44. Designation of Special Agrarian Court. - The
5 Supreme Court shall designate at least one (1) branch
6 of the Regional Trial Courts (RTC) within each province
7 to act as Special Agrarian Court.

8 (2) The Supreme Court may designate more branches to
9 constitute such additional Special Agrarian Courts as may be
10 necessary to cope with the number of agrarian disputes in
11 each province. In the designation, the Supreme Court shall
12 give preference to the Regional Trial Courts which have been
13 assigned to handle agrarian cases and/or whose Presiding
14 Judges were former Judges of the defunct Court of Agrarian
15 Relations.

16 The RTC Judges assigned to said Court shall exercise
17 said jurisdiction in addition to the regular jurisdiction
18 of their respective salas.

19 SEC. 45. Special Jurisdiction. - The Special Agrarian
20 Court shall have jurisdiction over all agrarian disputes
21 as defined herein and those arising from this Act,
22 including the prosecution of criminal cases for the
23 violation of this Act except the following which shall be
24 exclusively cognizable by the Secretary of Agrarian
25 Reform through the Department of Agrarian Reform
26 Adjudication Board (DARAB) provided for in executive order
27 No. 129-A, Series of 1987:

28 (a) Matters involving the administrative
29 implementation of the transfer of the land to the
30 beneficiaries under this Act, and Presidential Decree no.

1 27 and amendatory and related decrees including those
2 contained in Section 12, Paragraph (b) of Presidential
3 Decree No. 946;

4 (b) The fixing of lease rentals, fixing and
5 collection of amortization payments and similar disputes
6 concerning the Land Bank of the Philippines (LBP);

7 (c) The annulment or cancellation of orders or
8 decisions of DAR officials other than the Secretary, lease
9 contracts or deeds of sale or their amendments under the
10 administration and disposition of the DAR and LBP;

11 (d) Cases arising from, or connected with membership
12 or representation in compact farms, farmers' cooperatives
13 and other registered farmers' associations or organizations,
14 and the rights and obligations arising from such membership;

15 (e) Issuance of Certificates of Land Transfer (CLTs),
16 Certificates of Land Ownership Award (CLAs) and Emancipation
17 Patents (EPs) as well as administrative corrections thereof.

18 In the exercise of his jurisdiction over the
19 administrative matters enumerated hereinabove, the Secretary
20 of Agrarian Reform through the DARAB shall have the power to
21 issue subpoena ad testificandum and duces tecum and shall,
22 to carry into effect the rules, orders or decisions issued
23 in pursuance of such authority, exercise the power to cite
24 any person or responsible officer of any corporation, agency
25 or entity for contempt.

(7) 26 SEC. 46. Jurisdictional in Agrarian Disputes. - The
27 Special Agrarian Court shall take cognizance of an
28 agrarian dispute only upon presentation by the petitioner
29 of a certification from the BARC that the dispute has been
30 submitted for mediation and conciliation without any

1 success of settlement.

2 SEC. 47. Appointment of Commissioner. - The Special
3 Agrarian Court, upon its own initiative or at the instance
4 of any of the parties, may appoint one or more
5 commissioners for the purpose of examination, investigation
6 and ascertainment of facts relevant to the dispute
7 including the valuation of properties and to file a written
8 report thereof to the court.

9 SEC. 48. Procedure in the Special Agrarian Court. -

10 (1) The Rules of Court governing proceedings in Court shall
11 not apply to cases of Agrarian disputes and the Special
12 Agrarian Court shall not be bound by the rules and
13 technicalities of procedure. To expedite its proceedings,
14 it shall however, adopt a summary procedure consistent with
15 due process which may follow the present summary procedure
16 on civil cases pursuant to the Rules on Summary Procedure
17 promulgated by the Supreme Court en banc on 1 August 1983.
18 the Special Agrarian Courts designated by the Supreme Court
19 shall decide the petition within thirty (30) days from
20 submission of the of the case for decision. The judgement
21 of the Court shall be appealable to the Court of Appeals
22 only by way of petition for review.

23 (2) No order of the Special Agrarian Court on any
24 issue, question, matter or incident raised before it shall
25 be elevated to the Appellate Courts until the hearing
26 shall have been terminated and the case decided on the
27 merits.

28 SEC. 49. Prerogatives and Inherent Powers. - The
29 Special Agrarian Court shall have all the powers and
30 prerogatives inherent in or belonging to the Regional Trial

1 Courts.

2 SEC. 50. Appeals. - An appeal may be taken
3 from the decision of the Special Agrarian Court by filing
4 a petition for review with the Court of Appeals within ten
5 (10) days from the receipt of the notice of the decision.
6 Otherwise, the decision shall become final.

7 SEC. 51. Procedure in the Court of Appeals. - Upon
8 receipt of the petition for review, the Court of Appeals,
9 may if it deems necessary, require the parties to file
10 simultaneous memoranda within a period of fifteen (15)
11 days from notice. The Court of Appeals shall decide the
12 case within thirty (30) days from the receipt of the
13 records or memoranda. No motion for rehearing or
14 reconsideration shall be allowed.

15 SEC. 52. Special Division(s) in the Court of Appeals.
16 - The Court of Appeals shall designate one or more of its
17 divisions to exclusively handle all decisions appealed
18 from the Special Agrarian Courts.

19 SEC. 53. Review by the Supreme Court. - Findings of
20 facts by the Court of Appeals shall be
21 conclusive. Its decisions may be appealed to the Supreme
22 Court by petition for review on certiorari only on
23 questions of law, within a non-extendible period of
24 fifteen (15) days from receipt of a copy thereof.

25 CHAPTER VII

26 GENERAL PROVISIONS

27 SEC. 54. Agrarian Reform Fund. - (1) There is hereby
28 created a special fund to be known as the Agrarian Reform
29 Fund with an initial amount of Fifty Billion Pesos
30 (P50,000,000,000) to be appropriated from proceeds of the

1 sales of the Asset Privatization Trust, all receipts from
2 assets recovered and from the sale of ill-gotten wealth
3 recovered through the Presidential Commission on Good
4 Government, and from the proceeds of the disposition of
5 the properties of the government in foreign countries if
6 the same be sold: Provided, That the amount of annual
7 allocations from said special fund shall be appropriated
8 under the General Appropriations Act: Provided, further,
9 That the amount of seven billion pesos (P7,000,000,000)
10 shall be automatically appropriated annually beginning
11 this year, for a period of ten (10) years from said
12 special fund, general fund, and other sources to be used
13 exclusively for the payment to landowners: Provided, finally,
14 that should the abovementioned amounts be inadequate to
15 support the program requirements, additional funding may
16 be appropriated from the general fund and other sources.

17 SEC. 55. Support Services to the Beneficiaries. - (1)

18 The PARC shall ensure that support services to farmer-
19 beneficiaries are provided, such as:

20 (a) Land surveys and titling;

21 (b) Liberalized terms on credit facilities and
22 production loans;

23 (c) Extension services by way of planting, cropping,
24 production and post harvest technology transfer, as well as
25 marketing and management assistance and support to
26 cooperatives and farmer organizations;

27 (d) Infrastructure such as access trails, mini-dams,
28 public utilities, marketing and storage facilities; and

29 (e) Research, production and use of organic
30 fertilizers and other local substances necessary to farming

1 and cultivation.

2 The PARC shall insure that support services to farmer-
3 beneficiaries shall be provided at all stages of land
4 reform. In particular, these services shall aim at reducing
5 the role of usurers and middlemen and dependents on imported
6 farm substances thus enabling farmers and farmer groups to
7 be self reliant.

8 (2) For the foregoing purposes, the loan portfolio of
9 the Kilusang Kabuhayan at Kaunlaran (KKK), including all
10 its applicable and existing funds, properties, equipment
11 and records are hereby transferred to the LBP for
12 administration and appropriated to serve as financial support
13 therefor.

14 (3) Misuse or diversion of the financial and support
15 services herein provided shall result in sanctions against
16 the beneficiary guilty thereof, including the forfeiture
17 of the land transferred to him or lesser sanctions as may
18 be provided by the PARC, without prejudice to criminal
19 prosecution.

20 SEC. 56. Support Services to Landowners. - (1) The
21 Department of Trade and Industry, the Land Bank of the
22 Philippines and other government agencies and instrumenta-
23 lities as may be directed by PARC, shall provide landowners
24 affected by the CARP and prior agrarian reform programs with
25 the following services:

- 26 (a) Investment information and counselling assistance;
27 (b) Facilities, programs and schemes for the
28 conversion or exchange of bonds issued for payment of the
29 lands acquired with stocks and bonds issued by the
30 National Government, the Central Bank and other government

1 institutions and instrumentalities;

2 (c) Marketing of LBP bonds, as well as promoting the
3 saleability/marketability of LBP bonds in traditional and
4 non-traditional financial markets and stock exchanges;

5 (d) Other services designed to productively utilize
6 the proceeds of the sale of such lands towards rural
7 industrialization;

8 (2) A landowner who invests the proceeds from the
9 transfer of his land to rural-based industries shall be
10 entitled to the incentives granted to a registered
11 enterprise engaged in a preferred area of investment as
12 provided for in the Omnibus Investment Code of 1987.

13 SEC. 57. The landowner shall retain his share of any
14 standing crops unharvested at the time the DAR shall take
15 possession of the land under subparagraphs (e) or (f) above,
16 and shall be given a reasonable time to harvest the same. ?
tr

17 SEC. 58. Disposition of Agricultural Lands. - (1) The
18 sale and/or disposition of agricultural lands retained by
19 a landowner as a consequence of Section 16 hereof after
20 the effectivity of this Act shall be valid as long as
21 the total landholdings that shall be owned by the
22 transferee thereof inclusive of the land to be acquired
23 shall not exceed the landholding ceiling as provided for
24 in Section 17 of this Act.

25 (2) Any sale or disposition of agricultural lands
26 after the effectivity of this Act found to be contrary to
27 the provisions hereof shall be null and void.

28 (3) Transferees of agricultural lands shall furnish
29 the appropriate Register of Deeds and the BARC an affidavit
30 attesting that his total landholdings as a result of the

1 said acquisition do not exceed the landholding ceiling. The
2 Register of Deeds shall not register the transfer of any
3 agricultural land without the submission of the said sworn
4 statement together with proof of service of a copy thereof
5 to the BARC.

6 (4) Banks and other financial institutions allowed by
7 law to hold mortgage rights or security interests in
8 agricultural lands to secure loans and other obligations of
9 borrowers, may acquire title to these mortgage properties
10 regardless of area subject to existing laws on compulsory
11 transfer of foreclosed assets and acquisition as prescribed
12 under Section 9 of this Act.

13 SEC. 59. Transactions involving transfer of ownership
14 under this Act shall be exempt from the payment of capital
15 gains tax, registration fees, and other taxes and fees for
16 the conveyance or transfer thereof: Provided, That all
17 arrearages in real property taxes, without penalty or
18 interest, shall be deductible from the compensation to which
19 the owner may be entitled.

20 SEC. 60. Conversion of Lands. - After the lapse of
21 five (5) years from its award, when the land ceases to be
22 economically feasible and sound for agricultural purposes,
23 or the locality has become urbanized and the land will
24 have a greater economic value for residential, commercial
25 or industrial purposes, the PARC, through its duly
26 authorized representative at the provincial or city
27 level and upon application of the beneficiary, with due
28 notice to the affected parties, and subject to existing laws
29 may authorize the reclassification or conversion of the
30 land and its disposition.

1 SEC. 61. Prohibited Acts and Omissions. - The following
2 are prohibited:

3 (a) The ownership or possession, for the purpose of
4 circumventing the provisions of this Act, of agricultural
5 lands in excess of the total retention limits/award ceilings
6 by any person, natural or juridical, except those under
7 collective ownership by farmers beneficiaries;

8 (b) The forcible entry or illegal detainer by persons
9 who are not qualified beneficiaries under this Act to avail
10 themselves of the rights and benefits of the Agrarian Reform
11 Program;

12 (c) The conversion by any landowner of his
13 agricultural land into any non-agricultural use with
14 intent to avoid the application of this Act and other land
15 reform laws or decrees to his landholdings and to
16 dispossess his tenant farmers of the land tilled by them;

17 (d) The willful prevention or obstruction by any
18 person, association or entity of the implementation of the
19 CARP.

20 SEC. 62. Penalties. - The following penalties shall
21 be imposed upon those convicted of the commission of any
22 of the prohibited acts or omissions:

23 (a) Imprisonment for a period of not less than one (1)
24 month and one (1) day but not exceeding six (6) months of
25 arresto mayor and/or a fine ranging from one thousand pesos
26 (P1,000) to five thousand pesos (P5,000) shall be imposed
27 for the commission of the prohibited acts or omissions
28 specified in Clauses (a), (b) and (c) of the immediately
29 preceding section.

30 (b) Imprisonment for a period of not less than six (6)

1 months and one (1) day but not more than three (3) years of
2 prision correccional and/or a fine ranging from three
3 thousand pesos (P3,000) to ten thousand pesos
4 (P10,000) shall be imposed for the commission of the
5 prohibited acts or omission specified in Clause (d) of the
6 immediately preceding section. OK

7 Provided that, if the prohibited act or omission is
8 committed by a corporation, the President of the said
9 corporation shall be liable.

10 SEC. 63. Supplementary Application of Existing
11 Legislation. - The provisions of Republic Act 3844 as
12 amended, Presidential Decree Nos. 27 and 266 as amended,
13 Executive Order No. 228, Proclamation No. 131, and other
14 laws not inconsistent with this Act shall have supplementary
15 effect.

16 SEC. 64. Separability Clause. - If, for any reason,
17 any section or provision of this Act is declared null and
18 void, no other section or provision hereof shall be
19 affected and the same shall remain in full force and
20 effect.

21 SEC. 65. Repealing Clause. - Executive Order No. 229,
22 Presidential Decree No. 316, the last two paragraphs of
23 Section 12 of Presidential Decree No. 946, Section 6 of
24 Presidential Decree No. 1038, Series of 1987, and all
25 other laws, decrees, executive orders, rules and
26 regulations, issuances or any part thereof inconsistent with
27 the provisions of this Act are hereby repealed or amended
28 accordingly.

29 SEC. 66. Effectivity Clause. - This Act shall take
30 effect fifteen (15) days from the date of its publication
31 in at least two (2) newspapers of general circulation.

Approved,