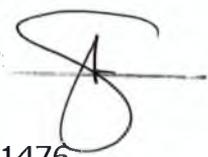


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SENATE

Senate Bill No. 1850

RECEIVED BY: 

(In substitution of Senate Bill Nos. 55, 178, 922, 1112, 1179, 1405, 1476, 1660, 1661, 1662, and 1804, taking into consideration House Bill No. 6336)

Prepared by the Committees on Agriculture, Food and Agrarian Reform; Finance; Ways and Means with Senators Francis "Chiz" G. Escudero, Imee R. Marcos, Manuel "Lito" M. Lapid, Ramon Bong Revilla Jr., Joel Villanueva, Ronald "Bato" M. Dela Rosa, Cynthia A. Villar, and Sonny Angara as authors thereof.

AN ACT
EMANCIPATING AGRARIAN REFORM BENEFICIARIES FROM THE
DEBT BURDEN ARISING FROM THE AWARD OF AGRICULTURAL
LANDS UNDER THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM AND FOR OTHER PURPOSES

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

1 **SECTION. 1.** *Short Title.* - This shall be known as the "New Agrarian
2 Emancipation Act".

3 **SEC. 2.** *Condonation of the Agrarian Reform Debt.* - This Act shall
4 cover the condonation of ₱57.557 billion principal debt of 610,054 Agrarian
5 Reform Beneficiaries (ARBs), tilling a total of 1,173,101.57 hectares of
6 agrarian reform lands.

7 The principal loan of ₱14.5 billion, including interests, penalties and
8 surcharges, of the 263,622 ARBs, tilling 409,206.91 hectares of agrarian
9 reform lands, whose names and other loan details were already submitted
10 by the Land Bank of the Philippines (LBP) to Congress, shall be condoned
11 outright under this Act. However, the inclusion of the remaining ₱43.057B
12 loan in this Section shall take effect only upon submission by the LBP and

1 the Department of Agrarian Reform (DAR) of details of the indebtedness to
2 government of the 346,432 ARBs, tilling 763,894.66 hectares of agrarian
3 reform lands, contained in a list, as provided for in the next paragraph of
4 this Section.

5 Upon the effectivity of this Act, the individual loans of ARBs, including
6 interests, penalties and surcharges, secured under the Comprehensive
7 Agrarian Reform Program (CARP) or from other agrarian reform programs
8 or laws, are hereby condoned and written off by the Government, thereby
9 relieving them from the burden of payment thereof: *Provided*, That these
10 ARBs shall have been indebted to government as of December 31, 2022:
11 *Provided further*, That the Land Bank of the Philippines (LBP) and the
12 Department of Agrarian Reform (DAR) shall submit the detailed list of their
13 actual loans subject for condonation, together with the pertinent information
14 such as name of ARBs, amount of loan plus penalties, interests, and
15 surcharges; location; hectarage; and other relevant information, to the
16 concerned Committees of the Senate and House of Representatives, which
17 shall then make the submission part of the Congressional Records of this
18 Act: *Provided furthermore*, That the Department of Agrarian Reform (DAR)
19 shall thereafter issue, whenever necessary, a Certificate of Condonation
20 which shall be annotated on the Emancipation Patent (EP), Certificate of
21 Land Ownership Award (CLOA), or on any other title based on the applicable
22 agrarian reform law: *Provided finally*, That condonation as provided herein
23 shall lift all mortgage liens, attached to the land acquired, in favor of the
24 National Government, as represented by the LBP.

25 **SEC. 3.** *Termination of Payment of Compensation by ARBs Under*
26 *Voluntary Land Transfer (VLT) and Direct Payment Schemes (DPS).* – All
27 direct payments of compensation by the 92,824 ARBs, tilling 178,063.95
28 hectares of agrarian reform lands, to landowners under VLT and DPS,
29 amounting to ₱119.61M are hereby terminated, and payments of the
30 remaining balance of compensation due the concerned landowners shall be
31 paid by the Government through the LBP and charged against the Agrarian
32 Reform Fund: *Provided*, That they shall have been indebted to government

1 as of December 31, 2022: *Provided further*, That this Section shall take effect
2 only upon the submission by the LBP and DAR of a list similar to Section 2
3 of this Act to the concerned Committees of the Senate and House of
4 Representatives, which shall then be entered into the Congressional Records
5 of this Act.

6 **SEC. 4. Coverage.** – For purposes of this Act, the term Agrarian
7 Reform Beneficiaries (ARBs) shall refer to farmers or farmworkers who were
8 granted lands under Presidential Decree No. 27, Republic Act No. 6657 and
9 Republic Act No. 9700, and who have outstanding loan balances payable to
10 the LBP and to private landowners as of December 31, 2022.

11 **SEC. 5. Transferability and Non-Conversion of Awarded Lands.** - The
12 awarded land subject of this Act shall not be sold, transferred, or conveyed
13 except through hereditary succession, or to the government or to the LBP,
14 or to other qualified beneficiaries through the DAR, for a period of ten (10)
15 years from the issuance of the Certificate of Condonation or the CLOA.

16 The children or the spouse and in their absence, the immediate
17 successor in interest, of the transferor shall have a right to redeem the land
18 from the Government or the LBP within the period of two (2) years. Due
19 notice to the availability of the land shall be given by the LBP to the Barangay
20 Agrarian Reform Committee (BARC) where the land is situated. The
21 Provincial Agrarian Reform Coordinating Committee, shall, in turn, be given
22 due notice thereof by the BARC.

23 The awarded agricultural lands under this Act shall likewise not be
24 subject to conversion to other land uses for a period of ten (10) years from
25 the issuance of the Certificate of Condonation or CLOA.

26 **SEC. 6. Mandatory Inclusion of the ARBs in the Registry System for Basic Sectors**
27 *in Agriculture (RSBSA) of the Department of Agriculture (DA).* – The ARBs are Filipino
28 farmers entitled to support from government agencies, particularly from the DA. The
29 Department of Agriculture is hereby mandated to include the ARBs
30 beneficiaries of this Act in the Registry System for Basic Sectors in Agriculture
31 (RSBSA) and shall provide to them all support services that are due our
32 farmers.

1 **SEC. 7. Preference to Credit Facilities and Support Services for**
2 *Beneficiaries with Paid Amortizations.* - ARBs who have completed payment
3 of the amortization schedule and the payment of interest charges under
4 Section 26 of Republic Act No. 6657, as amended, Section 6 of Executive
5 Order No. 228 of 1987, and other agrarian reform laws shall be given
6 preference in the provision of credit facilities and support services as
7 mandated herein and in Section 37 of RA 6657, as amended.

8 **SEC. 8. Estate Tax Exemption.** – The agrarian reform lands of ARBs,
9 as estates, shall be exempt from the payment of estate tax: *Provided,* That
10 estate tax returns already filed with the Bureau of Internal Revenue shall
11 not be subject to estate tax and penalties arising therefrom: *Provided*
12 *further,* That the estate tax exemption granted herein shall only apply to
13 transfers from ARBs to their heirs.

14 The Department of Interior and Local Government shall also
15 encourage local government units to enact local tax amnesty on real
16 property taxes and other transfer taxes of qualified ARBs under this Section.

17 **SEC. 9. Issuance of Agrarian Reform Title.** - The appropriate Registry
18 of Deeds shall register the Emancipation Patent, the Certificate of Land
19 Ownership Award, or any other title issued pursuant to the applicable
20 agrarian reform law within sixty (60) days from the issuance thereof in the
21 name of the ARB beneficiary. It shall likewise annotate the Notice of
22 Condonation on all the affected EPs, CLOAs, or any other title issued
23 pursuant to the applicable agrarian reform law within sixty (60) days from
24 issuance by the DAR.

25 **SEC. 10. Restitution of the Agrarian Reform Award Forfeited Solely due**
26 *to Non-Payment of Annual Amortization and Interest.* - Any pending
27 administrative or judicial case involving the forfeiture by the DAR of the
28 agrarian reform award solely due to the failure of an ARB to pay the thirty
29 (30)-year amortization plus six percent (6%) annual interest shall
30 immediately be dismissed *motu proprio,* by the DAR or the court.

31 The execution of a final and executory administrative or judicial case
32 decision due to the failure of an ARB to pay the 30-year amortization plus

1 6% annual interest resulting in the disqualification of the ARB, the
2 cancellation of the agrarian reform title, the extinguishment of the rights of
3 possession and ownership of the awarded land, as well as the removal of the
4 person from the awarded land or the dismantling of any improvements found
5 therein, shall be immediately terminated, the agrarian reform award
6 immediately restored, and the forfeiture of decision accordingly reversed.

7 Any agrarian reform title cancelled as a result of the final and
8 executory administrative or judicial case decision shall immediately be
9 reconstituted. In the event that the agricultural land has already been
10 awarded to another beneficiary, the DAR shall as far as equitable award
11 another land to the disqualified ARB.

12 **SEC. 11.** *Disqualification of Agrarian Reform Beneficiaries due to*
13 *Acts and Omissions Constituting Violations of Agrarian Reform Laws.* - Any
14 person convicted by final judgment of any of the prohibited acts and
15 omissions under Sec. 73 and meted any of the penalties under Sec. 74 of RA.
16 No. 6657, as amended, is disqualified to avail of the benefits under this Act.

17 Disqualification shall likewise result as an outcome of a determination by
18 final judgment that the ARB, in violation of Sec. 22 of R.A. No. 6657, as
19 amended, willfully refused to make the awarded land as productive as
20 possible or deliberately neglected or abandoned the awarded land
21 continuously for a period of two (2) calendar years: *Provided*, That non-
22 cultivation of the land due to non-installation of the ARBs, threats by other
23 stakeholders or entities, lack of facilities and support services, or situations
24 or conditions beyond the control of the ARBs not due to their fault or
25 actuations shall not be considered as either neglect, abandonment, or
26 grounds for disqualification.

27 Pursuant thereto, the DAR shall thoroughly investigate and revalidate
28 allegations that will constitute disqualification under this Section, in a manner
29 that will be construed liberally in the favor of the ARBs.

30 **SEC. 12.** *Right of the Landowner to Just Compensation.* - Nothing in
31 this Act shall diminish the right of landowners to just compensation for their
32 agricultural lands acquired under the agrarian reform program.

1 **SEC. 13. *Implementing Rules and Regulations.*** – Within sixty (60)
2 days from the effectivity of this Act, the Department of Agrarian Reform in
3 coordination with the Executive Committee of the Presidential Agrarian
4 Reform Council (PARC), with the technical assistance of the LBP, shall issue
5 rules and regulations for the effective implementation of this Act.

6 **SEC. 14. *Agency Support.*** - All other government offices and
7 agencies are directed to render such prompt and necessary assistance,
8 subject to applicable laws, rules and regulations, to fully implement the
9 provisions of this Act.

10 **SEC. 15. *Funding.*** - The amount necessary for the implementation of
11 this Act shall be charged against the Agrarian Reform Fund, as certified by the
12 Bureau of Treasury, and the inclusion thereof in the annual General
13 Appropriations Act shall be subject to the existing budgeting process, rules and
14 regulations, and to such other funds as may subsequently be authorized by
15 Congress.

16 **SEC. 16. *Separability Clause.*** – If any provision of this Act is declared
17 unconstitutional, the remainder of this Act or any provisions not affected
18 thereby shall remain in full force and effect.

19 **SEC. 17. *Repealing Clause.*** – Section 21 of RA 6657, as
20 amended, is hereby modified. All laws, executive orders,
21 issuances or parts thereof inconsistent with the provisions of this Act are
22 hereby amended, repealed or modified accordingly.

23 **SEC. 18. *Effectivity.*** -This Act shall take effect fifteen (15) days after
24 its publication in the *Official Gazette* or in a newspaper of general circulation.

25 Approved,