

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

'22 AUG -4 A9 :38

SENATE

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S. No. 1028

Introduced by Senator Jinggoy Ejercito Estrada

AN ACT
UPHOLDING THE RIGHT OF ACQUISITION BY QUALIFIED BENEFICIARIES
OF GOVERNMENT-OWNED LANDS THEY ACTUALLY OCCUPY, AMENDING
CERTAIN PROVISIONS OF REPUBLIC ACT NUMBER SEVEN THOUSAND TWO
HUNDRED SEVENTY-NINE (R.A. 7279), OTHERWISE KNOWN AS THE URBAN
DEVELOPMENT AND HOUSING ACT OF 1992, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

This bill seeks to allow the unprivileged and homeless citizens in urban and resettlement areas who are actual occupants of government-owned lands dedicated to socialized housing to have the primary right in acquiring the said land.

Presidential Decree No. 1517, the Urban Land Reform Act, was issued by then President Ferdinand E. Marcos in 1978. The decree adopted as a State policy the liberation of human communities from blight, congestion and hazard, the promotion of their development and modernization, and the optimum use of land as a national resource for public welfare.

In 1992, Congress passed Republic Act No. 7279 or the "Urban Development and Housing Act of 1992." The law laid down as a policy that the State shall undertake a comprehensive and continuing urban development and housing program to uplift the conditions of the underprivileged and homeless citizens in urban areas and resettlement areas by making available to them decent housing at affordable cost. Pursuant to this, all city and municipal governments were mandated to conduct an

inventory of all lands and improvements within their respective localities and, in coordination with the National Housing Authority, the Housing and Land Use Regulatory Board, the National Mapping Resource Information Authority, and the Land Management Bureau, identify and acquire lands for socialized housing and resettlement areas. Said lands shall be disposed of to qualified beneficiaries of the program.

Under Republic Act No. 7279, lands for socialized housing are to be acquired through several modes. These modes include the following: (1) community mortgage; (2) land swapping; (3) land assembly or consolidation; (4) land banking; (5) expropriation. Government-owned and foreclosed properties shall be acquired through negotiated purchase. Under the law's implementing rules and regulations, negotiated purchase allows the transmission of property from one person to another by agreement among the parties. In the case of government-owned and foreclosed land, the parties include the actual occupants and the National Housing Authority or the local government units, as the case may be.

While the law gives qualified beneficiaries who are actual occupants of government owned and foreclosed land the right of first refusal. However, nothing precludes the government from bidding out the land and offering it to other qualified beneficiaries. Thus, there have been instances where the homeless and underprivileged were not given priority in owning government-owned lands they actually occupied because these lands were sold to other qualified beneficiaries who could afford to pay more. While it is the intent of the law to uphold transparency and accountability in the disposition of government-owned properties through public bidding, there is a need to balance this with the mandate of the State to make decent housing affordable to the underprivileged and the homeless, especially to the land's actual occupants.

This bill addresses that situation by providing for a mode of acquisition where government-owned land is acquired without public bidding in cases where the actual occupants of the land who are qualified beneficiaries signify their intentions to acquire

the land for their own. Only when the actual occupants refuse to exercise such right and cannot afford to pay the valuation set for the land shall it be subjected to public bidding.

In view of the foregoing, the urgent approval of this bill is earnestly sought.



JINGGOY EJERCITO ESTRADA
Senator



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

1 Section 1. Section 10 of Republic Act no. 7279, otherwise known as the "Urban
2 Development and housing Act of 1992" is hereby amended to read as follows:

3 "Section. *Modes of Land Acquisition.* The modes of acquiring
4 lands for purposes of this Act shall include, among others,
5 community mortgage, land swapping, land assembly or
6 consolidation, land banking, donation to the Government
7 ,joint-venture agreement, negotiated purchase, and
8 expropriation: *Provided, however,* That expropriation shall be
9 resorted to only when other modes of acquisition have been
10 exhausted *Provided, further,* That where expropriation is
11 resorted to, parcels of this Act: *Provided, finally,* That
12 abandoned property, as herein defined, shall be reverted and
13 escheated to the State in a proceeding analogous to the
14 procedure laid down in Rule 91 of the Rules of Court.

1 "For the purpose of socialized housing, government-owned
2 and foreclosed properties shall be acquired by the local
3 government units, or by the National Housing Authority
4 primarily through negotiated purchase: *Provided*, That
5 qualified beneficiaries who are actual occupants of the land
6 shall be given the right of first refusal. **FOR THIS PURPOSE,**
7 **NEGOTIATED PURCHASE SHALL MEAN THE TRANSFER**
8 **OF PROPERTY FROM ONE PERSON TO ANOTHER**
9 **AGREEMENT AMONG THE PARTIES.**

10 **"WHERE THE ACTUAL OCCUPANTS OF GOVERNMENT-**
11 **OWNED PROPERTY FOR SOCIALIZED HOUSING**
12 **SIGNIFY THAT THEY INTEND TO EXERCISE THEIR**
13 **RIGHT OF FIRST REFUSAL, THEY MAY ACQUIRE SAID**
14 **PROPERTY THROUGH NEGOTIATED PURCHASE,**
15 **SUBJECT TO THE FOLLOWING CONDITIONS:**
16 **THE SUBJECT PROPERTY HAS BEEN CERTIFIED FOR**
17 **SOCIALIZED HOUSING PURPOSE;**

18 **"A) THE OCCUPANT IS QUALIFIED BENEFICIARY, IN**
19 **ACCORDANCE WITH SECTIONS 16 AND 17 OF THIS**
20 **ACT;**

21 **"B) THE OCCUPANT HAS RESIDED ON THE SUBJECT**
22 **PROPERTY FOR AT LEAST TEN (10) YEARS, AS**
23 **CERTIFIED BY THE LOCAL GOVERNMENT UNIT**
24 **CONCERNED; AND,**

25 **"C) ANY SUBSEQUENT DISPOSITION OF THE**
26 **PROPERTY SHALL BE SUBJECT TO THE LIMITATIONS**
27 **PROVIDED IN SECTION 14 HEREOF. THE COST OF**
28 **LAND ACQUISITION SHALL BE MADE AFFORDABLE**
29 **TAKING INTO CONSIDERATION THE LAND**
30 **VALUATION REQUIRED IN SECTION 13 OF THIS ACT.**

31 **"EXCEPT IN THE AFOREMENTIONED INSTANCE, ALL**
32 **OTHER SALE OF GOVERNMENT-OWNED PROPERTY**

1 **UNDER THIS ACT SHALL BE SUBJECT TO PUBLIC**
2 **BIDDING, AS PROVIDED FOR BY LAW.”**

3 *Sec. 2. Separability Clause.* – If any provision or provision of this Act is declared
4 unconstitutional or invalid, the remainder of this Act or any provisions not affected
5 thereby shall remain in force and effect.

6 *Sec. 3. Repealing Clause.* – Any law, presidential decrees or issuance, executive
7 orders, letter of instruction, administrative order, rule, or regulation contrary to or
8 inconsistent with the provisions of this Act are hereby repealed, modified or amended
9 accordingly.

10 *Sec. 4. Effectivity.* – This Act shall take effect fifteen (15) days from the date
11 of its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,