




23 JAN 12 P3:29

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

RECEIVED BY: 

**SENATE**  
S.B. No. 1661

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Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT**  
**FULFILLING THE EMANCIPATION OF AGRARIAN REFORM**  
**BENEFICIARIES FROM THE DEBT BURDEN THROUGH THE FREE AWARD OF**  
**AGRICULTURAL LANDS UNDER THE COMPREHENSIVE AGRARIAN REFORM**  
**PROGRAM, TO APPROPRIATE FUNDS THEREFOR,**  
**AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The use of property bears a social function, and this is emphatically asserted in the paramount law. Article II, Section 21 of the 1987 Constitution states that, "*the State shall promote comprehensive rural development and agrarian reform*". Likewise, Article XIII, Section 4 provides that "*the State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof.*"

On 21 October 2022, the country will celebrate the fiftieth (50th) anniversary of Presidential Decree (P.D.) No. 27, making it the longest land reform program in history. P.D. No. 27 breaks down agricultural estates to a maximum of 7 hectares which is also acknowledged by R.A. No. 6657 otherwise known as the, "*Comprehensive Agrarian Reform Law of 1988*".

From 2016 to 2022, the growth of the agricultural sector varied between -1.0% to 4.2%, posting negative growth in 2016, 2020 and 2021. The leading cause for low agricultural growth in the country lack of investment in the sector due to uncertainty in the status of agricultural lands. Land distributed under agrarian reform suffers from restrictions associated with lack of individual land titles. Collective Certificate of Land Ownership Awards (Collective CLOAs) are problematic due to property right issues associated with high uncertainty of ownership and high transaction costs associated

with securing and disposing the land. As such, there is a need to expedite the individual titling of land grants.

In addition, the current law does not enable ARBs to use the land as a collateral for bank loans for a period of ten (10) years, which give rise to the phenomenon of the "landed poor". This phenomenon result in the rise of informal lending channels that circumvent the law and result in farmers paying onerous interest on production loans, leaving them with little money to spend on improving their capital stock.

The imposition of this debt burden ignores the need to fully emancipate the Filipino farmer from the bondage of the soil. It implies that the Filipino Farmer, after being subjected to centuries of oppression, still has to pay a price for the land he has tilled. It degrades the Agrarian Reform Program as a mere installment purchase scheme. It loses sight of the social justice dimension of an authentic agrarian reform program: it is never a mere transfer of ownership of land subject to a monetary consideration; it is an emancipation transforming the serf to master.

Much emphasis has been given to the proposed condonation of the debts of the ARBs in relation to land acquired and distributed to them by the National Government through compulsory acquisition. However, it must be borne in mind that there are still thousands of ARBs who are yet to receive parcels of land that they may call their own. As of January 2022, DAR still has a backlog of 507,243 hectares, of which 84.5% (428,347 hectares) are to be compensated through the Land Bank.

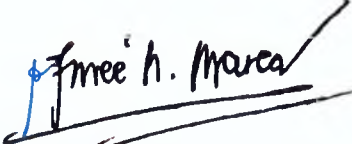
In order to fulfill the agrarian reform program, the Department of Agrarian Reform (DAR) needs to address the immediate distribution of land to agrarian reform beneficiaries. Moreover, in order to fully and truly emancipate the ARBs to whom these tracts of land shall be distributed, it is necessary that such distribution shall be at no cost to them.

Finally, the implementation of the Agrarian Reform Program cannot be seen as successful or complete until and unless adequate support services are given to the Agrarian Reform Beneficiaries (ARBs). However, the support services available to ARBs under the current law are limited to land surveys, titling, access to credit, infrastructures, services related to Agrarian Reform bonds, research and education, and other similar forms of assistance. The agrarian reform law ignores support services which are directly needed and indispensable for the sustenance, dwelling, clothing, medical attendance, education, transportation, and other needs of the ARBs and their families. ARBs should be assisted by the State in ensuring that the needs of their

families are immediately or simultaneously addressed as soon as the farmer or farmworker is enrolled under the program. There is reason to believe that a significant number of ARBs resorted to illegally leasing or selling their awarded lands to businessmen or to the original *haciendero* out of the desperate need to raise funds for the support of the family.

The call of the times is not to end the Agrarian Reform Program. The challenge of the times is to ensure its continuation as an integral component of our national development and social justice programs. We proceed to the full emancipation of the ARBs from the Agrarian Reform debt burden by condoning their loans due to unpaid land amortizations, as well as unpaid interests, fees and charges and other payables as a consequence of their ownership of the awarded lands thereby, protecting their rights and safeguarding their welfare at all times.

Given the abovementioned circumstances, the immediate passage of this bill is necessary.




IMEE R. MARCOS



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

1           **SECTION 1. Short Title.** – This shall be known as the “Free Land Distribution  
2    Act.”

3  
4           **SEC. 2. Declaration of Policy.** – It shall be the policy of the State to have  
5    equitable distribution of opportunities, income, and wealth to attain expanding national  
6    and local productivity that will act as the key to raising the quality of life for all. To this  
7    end, the State shall distribute and award land to qualified Agrarian Reform Beneficiaries  
8    (ARBs) under the Comprehensive Agrarian Reform Program (CARP) and other agrarian  
9    reform laws, at no cost to such ARBs.

10  
11           Furthermore, the State recognizes that social justice is actualized not only when  
12    the landless farmer or farm worker becomes the owner of the land he or she tills but  
13    also when the landowner whose land has been acquired and distributed under the  
14    Comprehensive Agrarian Reform Program (CARP) is paid just compensation. Therefore,



1 it is the policy of the State to ensure that landowners shall continue to be justly  
2 compensated for their lands.

3  
4 **SEC. 3. *Free Land Distribution to Agrarian Reform Beneficiaries.*** – ARBs who are  
5 still to receive their awarded lands under the CARP or any other agrarian reform  
6 program shall do so without any obligation to pay any amortization. All agricultural lands  
7 covered under the CARP or any other agrarian reform program which have not been  
8 distributed at the time of effectivity of this Act, shall be distributed at no cost to the  
9 qualified beneficiaries.

10  
11 **SEC. 4. *Broadened Scope of Support Services to Agrarian Reform Beneficiaries***  
12 ***under the CARP.*** – In addition to the support services available to the ARBs under  
13 Section 37 of R.A. No. 6657, as amended, the DAR, together with the Presidential  
14 Agrarian Reform Council (PARC), shall ensure that support services and assistance  
15 indispensable to agricultural productivity and resiliency, enterprise development, and  
16 financial literacy of the ARBs, as well as to the need for sustenance, dwelling, clothing,  
17 medical assistance, education, transportation, among others, of such beneficiaries and  
18 their families, shall be provided. Any form of support services rendered by any banking  
19 or financial institution for the benefit of the beneficiaries and their families shall be  
20 deemed a form of support under the Agrarian Reform Program thereby amending  
21 Section 37 of Republic Act No. 6657, as amended.

22  
23 This Section is without prejudice to the support services available to ARBs from  
24 other National Government Agencies, and shall not be construed as alternative  
25 compliance to Republic Act No. 10000 otherwise known as the Agri-Agra Reform Credit  
26 Act of 2009.

27  
28 **SEC. 5. *Issuance of Agrarian Reform Title.*** – The proper Registry of Deeds shall  
29 register the Emancipation Patent, the Certificate of Land Ownership Award, or any other

1 title based on the applicable agrarian reform law within sixty (60) days from the  
2 issuance of the title in the name of the Republic of the Philippines. It shall likewise  
3 annotate the Notice of Condonation, on all the affected EPs, CLOAs, or any other titles  
4 based on the applicable agrarian reform law within sixty (60) days from its issuance by  
5 the DAR.

6  
7 **SEC. 6. *Disqualification of Agrarian Reform Beneficiaries due to Acts and***  
8 ***Omissions Constituting Violations of Agrarian Reform Laws.*** – Any person convicted by  
9 final judgment of any of the prohibited acts and omissions under Sec. 73 and meted  
10 any of the penalties under Sec. 74 of RA. No. 6657, as amended, is disqualified to avail  
11 of the benefits under this Act. Disqualification also results for any determination by final  
12 judgment that the ARB, in violation of Sec. 22 of R.A. No. 6657, as amended, willfully  
13 refused to make the awarded land as productive as possible or deliberately neglected  
14 or abandoned the awarded land continuously for a period of two (2) calendar years.  
15 *Provided, That non-cultivation of the land due to non-installation of the ARBs, threats*  
16 *by other stakeholders or entities, lack of facilities and support services, or situations or*  
17 *conditions beyond the control of the ARBs not due to their fault or actuations shall not*  
18 *be considered as either neglect, abandonment, or grounds for disqualification.*

19  
20 To this effect, the DAR shall thoroughly investigate and revalidate allegations  
21 that will constitute disqualification under this Section, in a manner that will be construed  
22 liberally in the favor of the ARBs.

23  
24 **SEC. 7. *Right of the Landowner to Just Compensation.*** – It is indispensable that  
25 a landowner whose land has been acquired and distributed to qualified beneficiaries  
26 under the CARP is paid just compensation. Nothing herein shall diminish the right of  
27 landowners to be justly compensated for their agricultural lands acquired under the said  
28 program.

1           **SEC. 8. *Implementing Rules and Regulations.*** – The DAR, in coordination with  
2 the Executive Committee of the Presidential Agrarian Reform Council (PARC ExCom),  
3 with the technical assistance of the Land Bank of the Philippines (LBP), shall, within  
4 sixty (60) days from the effectivity of this Act, formulate the necessary Implementing  
5 Rules and Regulations.

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

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

16  
17           **SEC. 11. *Repealing Clause.*** – All laws, executive orders, issuances or parts  
18 thereof inconsistent with the provisions of this Act are hereby amended, repealed or  
19 modified accordingly.

20  
21           **SEC. 12. *Separability Clause.*** – If any provision of this Act is declared  
22 unconstitutional, the remainder of this Act or any provisions not affected thereby shall  
23 remain in full force and effect.

24  
25           **SEC. 13. *Effectivity.*** – This Act shall take effect upon its publication in the Official  
26 Gazette or in a newspaper of general circulation

27  
*Approved,*