

Title:

Hacienda Luisita, Incorporated vs. Presidential Agrarian Reform Council, et al.

Facts:

The case revolves around the motion for the payment of just compensation filed by Hacienda Luisita Incorporated (HLI) concerning the agricultural land under compulsory coverage following the Supreme Court's July 5, 2011 Decision, which upheld the Presidential Agrarian Reform Council (PARC)'s revocation of HLI's Stock Distribution Plan (SDP). This led to a series of motions, including the selection of an external audit panel to determine HLI's entitlement to just compensation for both the agricultural land and the homelots previously awarded to farmworker-beneficiaries (FWBs) under the SDP. This procedural history involves numerous motions for clarification, reconsideration, and to compel, illustrating a complex legal battle through multiple forums before reaching the final Supreme Court resolutions that sought to address the distribution of assets, the auditing of HLI's corporate expenses, and the just compensation for the homelots given to FWBs.

Issues:

1. Whether HLI's legitimate corporate expenses exceeded the total proceeds from the subject land transfers.
2. HLI's entitlement to just compensation for the homelots awarded to FWBs.
3. The use of the Agrarian Reform Fund (ARF) to pay just compensation to HLI.
4. The type of title to be issued in favor of FWBs holding certificates of award instead of certificates of title for their homelots.
5. The necessity of certified true copies of documents evidencing the transfer of homelots for DAR's validation procedure.

Court's Decision:

1. The Court denied the motion for reconsideration filed by Mallari and Andaya regarding the audit panel's finding that legitimate corporate expenses exceeded the proceeds, confirming no net distributable balance for the FWBs from land sales.
2. It was affirmed that HLI is entitled to just compensation for the homelots, with the compensation to be computed by DAR in accordance with existing laws and to be paid from the ARF.
3. The Court explained that under RA 9700, the ARF is to be the source of just compensation payments, including those due to HLI for the homelots.
4. Titles for homelots should reflect uniformity; thus, recipients holding certificates of award should proceed to the Register of Deeds for registration to obtain Torrens titles.

5. The Court ordered the formation of a committee/task force consisting of representatives from HLI, PARC/DAR, and the Register of Deeds to compile the documentation required for validating the homelot awards.

Doctrine:

This case elucidates the principle that just compensation is due for lands taken under the Comprehensive Agrarian Reform Program (CARP), inclusive of homelots previously awarded under a Stock Distribution Option Agreement upon the plan's revocation. It further underscores the use of the Agrarian Reform Fund for fulfilling compensation obligations to landowners under CARP.

Class Notes:

- **Just Compensation Principle**: Compensation must be paid for lands acquired for agrarian reform, based on fair market value, observing the form and procedure as prescribed by law.
- **Roles of DAR and Land Bank**: DAR is tasked with computing just compensation, while Land Bank processes payments, both operating under frameworks defined by CARP laws and related issuances.
- **Documentary Requirements for Validation**: Completion of validation procedures necessitates comprehensive documentation, signifying the importance of maintaining records for transactions under agrarian reform projects.
- **Agrarian Reform Fund (ARF)**: RA 9700 clarifies that just compensation payments are sourced exclusively from the ARF, highlighting a specific fund allocation for agrarian reform obligations.

Historical Background:

The case arises from the longstanding agrarian dispute revolving around Hacienda Luisita, which symbolizes the complexities and challenges in implementing agrarian reform in the Philippines. The dispute encapsulates issues ranging from the identification and distribution of land to qualified beneficiaries, the revocation of corporate-led agrarian reform initiatives like SDPs, to the computation and payment of just compensation to affected landowners. This case illustrates the intricate interplay between the agrarian reform policy's objectives and the practical challenges in its enforcement, reflecting broader themes in the socio-economic and political landscape of the Philippines.