

Title: ****Land Bank of the Philippines v. Eugenio Dalauta****

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****Facts:****

Eugenio Dalauta, owning 25.2160 hectares of agricultural land in Butuan City, faced compulsory acquisition under the Comprehensive Agrarian Reform Program (CARP). The Land Bank of the Philippines (LBP) offered P192,782.59 as compensation, deemed too low by Dalauta. Following a dispute resolution with the Department of Agrarian Reform (DAR) that upheld LBP's valuation, Dalauta approached the Regional Trial Court (RTC), acting as a Special Agrarian Court (SAC), to dispute the valuation. The SAC, employing the Commissioners' report which recommended a compensation of P100,000.00 per hectare, decided in favor of Dalauta, valuing the land at P2,639,557.00 plus additional costs.

Dissatisfied, LBP filed for reconsideration, which was denied by the SAC. Subsequently, LBP appealed to the Court of Appeals (CA), which modified the SAC decision by removing certain awards but upheld the land valuation. LBP filed a petition for review with the Supreme Court, contending that the SAC did not have jurisdiction over the case due to procedural issues and contesting the calculation of just compensation.

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****Issues:****

1. Whether the SAC properly exercised jurisdiction over the case despite LBP's objection based on procedural grounds.
2. The correctness of the SAC's computation of just compensation for Dalauta's land under the agrarian reform program.

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****Court's Decision:****

1. The Supreme Court underscored that the SAC has original and exclusive jurisdiction over petitions for the determination of just compensation, aligned with legislative intent and the need for judicial determination in eminent domain cases.
2. On rendering just compensation, the Court found the SAC's formula as congruent with the requirements set by the CARP law and jurisprudence. The Court, however, set aside the

CA's decision and remanded the case to the SAC for computation of just compensation using a specific formula provided in a DAR-LBP Joint Memorandum Circular, highlighting a more appropriate basis for calculation considering the type of crops on Dalauta's land.

****Doctrine:****

The determination of just compensation is a judicial function, wherein the Regional Trial Court, functioning as a Special Agrarian Court, has original and exclusive jurisdiction. Additionally, the Supreme Court reiterated the principle that legislative acts granting administrative bodies the authority to preliminarily determine just compensation do not diminish the courts' judiciary power to make the final determination.

****Class Notes:****

1. ****Jurisdiction in Just Compensation Cases:**** The Regional Trial Courts, acting as Special Agrarian Courts (SACs), hold original and exclusive jurisdiction over petitions for the determination of just compensation in agrarian reform cases.
 2. ****Doctrine of Primary Jurisdiction:**** Courts defer to the specialized expertise of administrative bodies in preliminary determinations involving technical and intricate matters of fact, such as land valuation under agrarian reform, before judicially resolving related disputes.
 3. ****Prescriptive Period for Filing Cases:**** The Supreme Court clarified that actions for judicial determination of just compensation must be brought within ten (10) years from receiving a notice of coverage, considering the payment of just compensation as an obligation created by law.
 4. ****Determining Just Compensation:**** The computation of just compensation must consider factors specified under agrarian reform laws and any relevant jurisprudence, and may require the adoption of specific formulas applicable to the unique circumstances of the land being valued.
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****Historical Background:****

The case reflects the broader context of the Philippine Government's implementation of the Comprehensive Agrarian Reform Program (CARP), legislated under Republic Act No. 6657 in 1988. CARP aimed at redistributing public and private agricultural lands to landless farmers and farmworkers to promote social justice and industrialization. This case illustrates the complexities involved in determining just compensation for landowners and underscores the evolving legal framework in addressing agrarian reform disputes in the Philippines.