

Title:

Land Bank of the Philippines vs. Heirs of Severino Listana

Facts:

The case revolves around the disputed amount of just compensation for a 246.0561-hectare parcel of land owned by Severino Listana, which was voluntarily sold to the government under the Comprehensive Agrarian Reform Law of 1988 (RA 6657). The Department of Agrarian Reform Adjudication Board (DARAB) initially set the compensation at P10,956,963.25. After the Land Bank of the Philippines (LBP) refused to comply, citing a lower valuation of P5,871,689.03, various legal motions ensued, including a motion for contempt and a petition for a writ of preliminary injunction to prevent the enforcement of the compensation order.

After successive rulings from the DARAB, the Regional Trial Court (RTC), and the Court of Appeals, the case ultimately appealed to the Supreme Court. The Supreme Court initially voided the contempt proceedings against LBP official Alex A. Lorayes and reinstated the RTC's order enjoining the enforcement of the compensation payment pending the final determination of just compensation.

Upon the finality of the Supreme Court's decision, LBP moved to withdraw the cash bond it posted as part of the injunction, which led to another series of denials from the RTC and the Court of Appeals, culminating in the current petition to the Supreme Court.

Issues:

1. Whether the Court of Appeals erred in not allowing the withdrawal of the P5,644,773.02 cash bond posted by the Land Bank of the Philippines.

Court's Decision:

1. The Supreme Court deemed the petition unmeritorious, upholding the Court of Appeals and the RTC's decision not to allow the withdrawal of the cash bond. The Supreme Court clarified that the bond is a condition for the issuance of the writ of preliminary injunction and serves as a security for any damages that the respondents may incur due to the injunction. The bond can only be released upon the final determination of the amount of just compensation for the property, which was still pending.

Doctrine:

The Supreme Court reiterated the principle that the determination of just compensation is a judicial function, emphasizing that administrative agencies like the DARAB have no

jurisdiction over just compensation cases, which fall within the exclusive original jurisdiction of the Special Agrarian Courts as per Section 57 of RA 6657.

Class Notes:

- ****Just Compensation****: The amount deemed by the courts or relevant authorities to be fair compensation to a property owner for the expropriation of his property.
- ****Verification Requirement****: A legal document, such as a petition for contempt, must be verified, meaning it should be sworn to be true by the party filing it.
- ****Writ of Preliminary Injunction****: An order granted at the discretion of the court to preserve the status quo pending litigation. It requires a bond to secure potential damages for the party enjoined by the order.
- ****Special Agrarian Courts****: Courts designated by the Supreme Court to have original and exclusive jurisdiction over all petitions for the determination of just compensation and the prosecution of all criminal offenses under RA No. 6657 (Comprehensive Agrarian Reform Law).

Historical Background:

This case illustrates the complex and often contentious process of determining just compensation under the Comprehensive Agrarian Reform Law of 1988, highlighting the jurisdictional boundaries between administrative agrarian reform bodies and the judiciary in the Philippines. It underscores the Supreme Court's role in ensuring that just compensation matters are adjudicated judicially, reaffirming the judiciary's prerogative in matters of eminent domain and the interpretation of laws.