

### Title: Land Bank of the Philippines vs. Carolina B. Vda. De Abello, et al.

### Facts:

This case involves a petition for review on certiorari filed by the Land Bank of the Philippines (LBP) against the decision of the Court of Appeals (CA), which affirmed the Special Agrarian Court's (SAC) determination of just compensation for a parcel of land owned by Carolina Vda. de Abello and the heirs of Eliseo Abello, taken under the government's Operation Land Transfer. Initially, the LBP, adhering to the guidelines of Presidential Decree No. 27 (PD 27) and Executive Order No. 228 (EO 228), assessed the compensation for 10.3476 hectares of the respondents' 12.1924-hectare land at P146,938.54. Disagreeing with this valuation, Carolina informed LBP that the prevailing market value was significantly higher and subsequently, the respondents sought just compensation through the SAC, which was then determined to be P200,000.00 per hectare, totaling P2,068,520.00. The LBP's motion for reconsideration was denied, prompting an appeal to the CA, which upheld the SAC's decision. The LBP then elevated the matter to the Supreme Court (SC).

### Issues:

1. Whether the SAC erred in not following the land valuation formula prescribed under PD 27 and EO 228 in fixing the just compensation for PD 27-covered land.
2. Whether the valuation factors under Republic Act No. 6657 (RA 6657) should apply to landholdings acquired under PD 27.

### Court's Decision:

The Supreme Court denied the petition, affirming the CA's decision to uphold the SAC's determination of just compensation based on RA 6657 rather than PD 27 and EO 228 alone. The SC highlighted that the agrarian reform process under PD 27 was not yet completed due to the unsettled just compensation, and since RA 6657 was enacted before this completion, the determination of just compensation should be in accordance with the comprehensive law. The SC clarified that ownership and the right to just compensation are based on the full payment rather than the mere effectivity of PD 27, and thus, the valuation at the time of taking is not solely determinative. The Court also underscored that the determination of just compensation under RA 6657 considers various factors, ensuring a fair and just valuation, reflective of the property's real value.

### Doctrine:

The Supreme Court reiterated the principle that the determination of just compensation

should be in accordance with RA 6657 when it comes to landholdings acquired under PD 27, with PD 27 and EO 228 having suppletory effect. This adherence ensures the just compensation is the full and fair equivalent of the property taken from its owner by the expropriator, calculated at the time of payment.

### Class Notes:

- **Just Compensation**: The full and fair equivalent of the property taken from its owner, determined at the time of payment rather than the time of taking.
- **Applicable Laws**: RA 6657, PD 27, and EO 228 guide the valuation of agricultural land taken for agrarian reform, with RA 6657 being the primary law and PD 27 and EO 228 having a suppletory effect.
- **Valuation Factors**: Under RA 6657, the factors for determining just compensation include the cost of acquisition, current value, nature, actual use and income, owner's sworn valuation, tax declarations, government assessors' assessment, contributions by farmers and farmworkers, and the ecological needs of the nation.
- **Land Acquisition under Agrarian Reform**: Ownership transfers to the farmer beneficiaries not at the decree's effectivity but upon full payment of just compensation.

### Historical Background:

The case is set against the backdrop of the Philippine government's efforts to distribute land to tenant farmers for social justice and equity, which began with PD 27, issued by President Ferdinand Marcos in 1972, and was subsequently expanded and refined through RA 6657, also known as the Comprehensive Agrarian Reform Law (CARL) of 1988. This legal development underscored the government's commitment to addressing longstanding issues of landless farmers through a more equitable distribution of agricultural land while ensuring fair compensation to landowners.