

****Title:**** Landbank of the Philippines v. Villegas

****Facts:****

1. Corazon M. Villegas owned a 11.7182-hectare lot in Guihulngan, Negros Oriental, under Title No. FV-12575.
2. On April 10, 2003, she offered 10.6194 hectares of her land to the government under the Voluntary Offer to Sell (VOS) program of the Comprehensive Agrarian Reform Program (CARP).
3. The Department of Agrarian Reform (DAR) and the Landbank of the Philippines conducted a field investigation on July 30, 2003.
4. Landbank valued the property at P580,900.08 and deposited this amount into Villegas's account, though she rejected this valuation.
5. The Provincial Agrarian Reform Adjudicator (PARAD) affirmed this valuation.
6. The Department of Agrarian Reform Adjudication Board (DARAB), however, increased this amount to P1,831,351.20 upon appeal.
7. Landbank disagreed and filed for the court determination of just compensation, reaching the Regional Trial Court (RTC) sitting as a Special Agrarian Court (RTC-SAC).
8. A Board of Commissioners was constituted, which recommended two valuation options: P1,833,614.30 (Option 1) and P2,938,448.16 (Option 2), based on different dates of reckoning for sugar, molasses, and corn prices.
9. The RTC-SAC adopted the higher valuation of P2,938,448.16, including a 12% per annum interest from the taking until full payment.
10. Landbank appealed to the Court of Appeals, which upheld the RTC-SAC's decision. A motion for reconsideration was denied.

****Issues:****

1. Whether the RTC-SAC and the Court of Appeals erred in adopting the higher valuation of the Board of Commissioners.
2. Whether just compensation should be recalculated based on compliance with the Department of Agrarian Reform guidelines.
3. Whether the Republic Act No. 6657 formula and its administrative orders are discretionary or mandatory.
4. Whether the 12% annual interest should be upheld or adjusted.

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

1. ****Application of Valuation Formula:**** The Supreme Court found that the Board of Commissioners erred in not using consistent data per administrative guidelines. The correct

formula is based on actual circumstances at the time of taking, and fluctuations in later selling prices are not appropriate.

2. **Adjusted Just Compensation:** The Court adjusted the just compensation to P1,935,776.40, using more accurate selling prices and acreage.

3. **Interest Adjustment:** The Court ruled that the initial deposit discrepancy should be subject to 12% interest from September 29, 2004, until June 30, 2013, and 6% thereafter, aligning with modified jurisprudence and regulatory changes.

Doctrine:

1. **Judicial Function of Just Compensation:** The judiciary exclusively determines just compensation, yet statutory guidelines remain influential and cannot be wholly disregarded unless found invalid.

2. **Constitutional Standard:** The constitutional requirement is that just compensation reflects the property's value at the time of taking, adjusted for inflation and other economic variables.

Class Notes:

1. **Property Valuation in Expropriation:** Land value calculation incorporates market value (MV), capitalized net income (CNI), and sometimes comparable sales (CS) based on existing uses and official declarations.

2. **Interest in Delayed Payment:** Interest on delayed payments remedies the opportunity loss suffered by the property owner, acting as damages rather than simply value addition.

Historical Background:

The case reflects the broader socio-political impact of the Comprehensive Agrarian Reform Program initiated under Republic Act No. 6657, intending to equitably distribute land to alleviate poverty. Disputes regarding land valuation underscore ongoing tensions between landowners' property rights and agrarian reform initiatives.