

LUCIA LUSUNG AND LEONCIA Z. PINEDA, PETITIONERS, VS. SUSANA VDA. DE SANTOS, RESPONDENT.

G.R. No. L-35757. November 25, 1982

Ponente: TEEHANKEE, J.

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TEEHANKEE, J.:

Petitioners seek the review by certiorari of the decision of the Court of Appeals[*] in its Case No. 45552-R, setting aside the order of dismissal rendered by the Court of Agrarian Relations of Pampanga in an action brought by herein respondent to compel petitioners to allow the redemption of a piece of agricultural land tenanted by private res-pondent Susana Vda. de Santos with an area of 3 hectares, more or less, situated at Bo. Bacuran, Sta. Rita, Pampanga, pursuant to Section 12 of Republic Act 3844, the Act then in force, otherwise known as the Agricultural Land Reform Code.

In an action filed before the Court of Agrarian Relations in Pam-panga, respondent Susana Vda. de Santos, as plaintiff, sought to compel herein petitioners to allow her to exercise the right of redemption as agricultural lessee of the landholding in question which was originally owned by petitioner Leoncia Z. Pineda and later on sold to her co-petitioner Lucia Lusung allegedly without notice as required under Sections 11 and 12 of Republic Act No. 3844. She also prayed that the deed of sale executed between the defendants (now petitioners) be cancelled.

The Court of Agrarian Relations, on motion of petitioners, dis-missed the case, sustaining petitioners' allegation that the complaint failed to state a cause of action because it did not allege that plain-tiff made either a valid payment or valid tender of payment, and/or con-signation of the purchase price of the landholding in the exercise of her right to redeem the same within the period fixed by law. The order of dismissal reads in part:

"Considering that in this case at bar there was neither a prior valid tender of payment nor consignment of the purchase price within the time limit prescribed by law which is indispen-sable for the exercise of the right of redemption and that failure to comply with this requirement is fatal, the motion to dismiss is therefore in order.

"WHEREFORE, for failure to tender payment of the purchase price or its consignment with the Court the plaintiff's right of action for redemption must fail and the complaint should be, as it is hereby ordered dismissed."

On appeal, the Court of Appeals reversed the lower court's order of dismissal and held that respondent had complied with the require-ments of Section 12 of the Agricultural Land Reform Code in exercising her right of redemption. The appellate court found that there was a valid tender of payment within the prescribed period and therefore res-pondent could exercise her right to redeem the landholding from the vendee Lucia Lusung, and rendered judgment as follows:

"WHEREFORE, we hereby hold that plaintiff-appellant has complied with the requirements of Section 12, R.A. 3844, in exercising her right to redeem the landholding subject of her complaint within the time specified in said section, and we accordingly set aside the appealed Order dis-missing appellant's complaint. The record of this case is ordered remanded to the trial court only for the purpose of determining price and consideration

to be paid by plaintiff for re-deeming the landholding, there being no evidence in the record on that matter. With costs against defendants-appellees."

Petitioners' motion for reconsideration of the appellate court's decision having been denied, the case was elevated to this Court to seek the setting aside the decision of the Court of Appeals and the re-instatement of the lower court's order of dismissal.

The law applicable at the time of the filing of the action to compel redemption (Section 12 of Republic Act No. 3844)[1] reads as follows:

"SEC. 12. Lessee's Right of Redemption. - In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to re-deem the same at a reasonable price and consideration: Provided, That the entire landholding sold must be redeemed: Provided, further, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this Section may be exercised within two years from the registration of the sale, and shall have priority over any other right of legal redemption."

The lower court erred in holding that when respondent as agricultural lessee chose to avail of her right of redemption, after failing to exercise the right of pre-emption, she automatically brought herself under the provisions of Article 1620 of the Civil Code and she had to make a tender of payment of the purchase price or consign the same within 30 days on pain of losing her right to redeem the landholding. For it is expressly provided under Section 12 of Republic Act 3844 that "[T]he right of redemption under this Section may be exercised within two years from registration of the sale and shall have priority over any other right of legal redemption." It is explicit that this provision is limited to a specific class of property and is operative only on agricultural lands. It constitutes therefore an exception to legal redemptions under the Civil Code and other laws.

The appellate court therefore correctly held that: "x x x Un-doubtedly, the situation falls under Section 12, Republic Act 3844, because it is this particular provision of the Land Reform Code which grants to the agricultural lessee the right to redeem the land worked by him from the buyer at a reasonable price and consideration. Inasmuch as it is this specific section of Republic Act 3844 which is the source of the appellant's right, it necessarily follows that it is the same provision of law which governs the manner and time of exercising that right." (and) "Section 12 of Republic Act 3844 provides that the right of redemption granted to the agricultural lessee may be exercised within two years from the registration of the sale; that being the law, we hold that the filing of plaintiff's complaint and the consignment in court by the Land Bank of P2,500.00 in cash and a Land Bank bond worth P22,500.00 which was well within the two year period constituted a valid act of redemption."

It was established during the hearing in the lower court that respondent was not informed of the sale of the landholding. Respondent came to know of the sale only from Pedro Lusung, father of petitioner Lucia Lusung, sometime in the latter part of August 1968[2] after which she immediately sought the assistance of the Office of the Agrarian Counsel[3] where she was advised to petition the Land Authority to assist her to acquire and redeem the landholding under the provisions of paragraph 11 of Section 51 of Republic Act 3844.[4] The Land Bank, sometime between March 27, 1970 (filing of Motion to Dismiss) and May 29, 1970 (issuance of Order of Dismissal), deposited with the trial court the cash amount of P2,500.00 and a Land Bank bond worth P22,500.00. The deed of sale executed between the petitioners was registered with the Register of Deeds of Pampanga on July 30, 1968. The deposit, therefore, of the money and bond was well within the two year period provided under Section 12 of Republic Act 3844. The lower court, nonetheless, relying on Article 1620 of the Civil Code,

erroneously ruled that respondent lost her right to redeem the landholding for "the same came too late for the period of 30 days has long expired," since under the above-quoted applicable law at the time, respondent had two years from registration of the sale within which to exercise her right of redemption.

Petitioners claim, in this appeal, that written notice was given to private respondent when petitioner Leoncia Z. Pineda sent respondent a letter informing her of her desire to sell the landholding. However, this matter cannot be raised for the first time on appeal. Evidence should have been adduced before the lower court. In any event, the no-tice appears to be legally insufficient for not stating the principal terms and conditions of the sale which the intended vendor (landowner) desired to enable the agricultural lessee or tenant to properly exercise the right of pre-emption[5] and/or redemption.

The law gives agricultural lessees first priority to purchase the land they work and to encourage them to become owner-cultivators. The law gives them a longer period of redemption than the ordinary right of redemption provided by the Civil Code. Agricultural tenants, who because of their economic status may not be able to avail of this right of re-demption without securing redemption funds from other sources, are given a substantially longer period within which to exercise their right of redemption precisely to enable them to obtain legal and financial support from the Department (now Ministry) of Agrarian Reform and Land bank and other sources, as provided by the Agrarian Code itself. For this purpose, Section 74 of Republic Act 3844 established a Land Bank of the Philippines intended to finance the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee directly from the landowner.

The lower court likewise erred in dismissing the action on the ground that no previous tender of payment was made by respondent for no-where in the law is it required that a previous tender of payment is necessary before the right of redemption can be exercised.[6] The appellate court again correctly ruled that "the fact that in the instant case the consignment in court was made after the filing of the complaint is not fatal, as long as such consignment which completes the act of redemption was made within the period of two years from the date of registration of the sale."

WHEREFORE , the appealed judgment is hereby affirmed. No pronouncement as to costs.

Melencio-Herrera, Plana, Vasquez, Relova, and Gutierrez, Jr., JJ., concur.

[*] Special Fourth Division composed of Serrano, Muñoz Palma, ponente and Ramon Fernandez, JJ.

[1] This provision has since been amended and the right of re-demption may be exercised within one hundred eighty days from notice in writing. The amended provision reads as follows:

"Section 12. Lessee's right of redemption. - In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration: Provided, That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of redemption under this Section may be exercised within one hundred eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon filing of the corresponding petition or request with the department or corresponding case in court by the agricultural lessee or lessees, the said period of one hundred and eighty days shall cease to run.

Any petition or request for redemption shall be re-solved within sixty days from the filing thereof; other-wise, the said period shall start to run again.

The Department (now Ministry) of Agrarian Reform shall initiate, while the Land Bank shall finance, said redemption as in the case of pre-emption." (R.A No. 6389 enacted Sept. 10, 1971)

[2] P. 3, TSN, March 26, 1969.

[3] Pp. 7-8, TSN, March 26, 1969; p. 6, TSN, Feb. 11, 1970.

[4] Now paragraph 12, as amended.

[5] De Jesus vs. Court of Appeals, 46 SCRA 76.

[6] Dela Cruz vs. Marcelino, 84 Phil. 709; Torio vs. Del Rosario, 93 Phil. 800.

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