

PROVIDING THAT TENANT-FARMERS/AGRICULTURAL LESSEES SHALL PAY THE LEASEHOLD RENTALS WHEN THEY FALL DUE AND PROVIDING PENALTIES THEREFOR.

PRESIDENTIAL DECREE NO. 816, October 21, 1975

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WHEREAS, under Proclamation No. 2, dated September 26, 1972, the whole country has been declared a land reform area;

WHEREAS, the said proclamation covers only tenanted rice and corn landholdings;

WHEREAS, while the implementing rules and regulations of Presidential Decree No. 27 have not yet been issued completely, the status quo shall be maintained between the parties, that is, the landowner shall continue to pay the land taxes thereon if the said landholding is not yet covered by a Certificate of Land Transfer, while on the other hand the tenant-farmer who is now called agricultural lessee shall continue to pay the rental to the landowner whether or not his landholding planted to rice and corn is already covered by a Certificate of Land Transfer;

WHEREAS, such payment of rental shall continue until and after the valuation of the property shall have been determined or agreed upon between the landowner and the Department of Agrarian Reform which, in turn, will become the basis for computing the amortization payment to be made by the agricultural lessee in 15 years with 6% interest per annum under Presidential Decree No. 27;

WHEREAS, it is known that despite the presidential pronouncements that they shall continue to pay the rentals to the landowners/agricultural lessors, some agricultural lessees have stopped and refused to pay their leasehold rentals to their landowners/agricultural lessors on the assumption that, once the Certificates of Land Transfer are issued in their favor, they are no longer obliged to pay the said leasehold rentals;

WHEREAS, this practice is detrimental to the expeditious implementation of land reform because, as I pointed out on May 7, 1975, it indicates resistance to the government's land reform program and its goals;

WHEREAS, it has always been the policy of the government to equalize the rights and obligations of the landowners/agricultural lessors and the agricultural lessees;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION. 1. That the continuing and deliberate refusal of the agricultural lessees to pay their leasehold rentals to the landowners/agricultural lessors cannot be countenanced and shall not remain unchecked or unpunished;

SEC. 2. That any agricultural lessee of a rice or corn land under Presidential Decree No. 27 who deliberately refuses and/or continues to refuse to pay the rentals or amortization payments when they fall due for a period of two (2) years shall, upon hearing and final judgment, forfeit the Certificate of Land Transfer issued in his favor, if his farmholding is already covered by such Certificate of Land Transfer, and his farmholding;

SEC. 3. That any agricultural lessee whose landholding is not yet covered by a Certificate of Land Transfer and

who shall continue not to pay his lease rentals or amortization payments when they fall due for a period of two (2) years to the landowner/agricultural lessor shall, upon proper hearing and judgment, lose his right to be issued a Certificate of Land Transfer under Presidential Decree No. 27 and his farmholding;

SEC. 4. That landholdings subject of forfeiture under the preceding Section shall be turned over to the Samahang Nasyon with which the agricultural lessee is affiliated for assignment to a qualified member or members of the association whose landholding/s is/are of uneconomic size in accordance with the policies laid down by the Department of Agrarian Reform;

SEC. 5. That any action for violation of the provisions of the preceding Section 2 and 3 shall be cognizable by the Court of Agrarian Relations which is hereby vested with original and exclusive jurisdiction to try and decide the same;

SEC. 6. All provisions of existing laws, orders, decrees, and rules and regulations which are inconsistent herewith are hereby repealed or modified accordingly.

SEC. 7. This Decree shall take effect immediately upon its approval.

Done in the City of Manila, this 21st day of October, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

ALEJANDRO MELCHOR

Executive Secretary

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