

LILIA Y. GONZALES, PETITIONER, VS. COURT OF APPEALS, HON. ANTONIO S. MARAYA, AS REGIONAL DIRECTOR, DAR, REGION VI, ILOILO CITY, LAND BANK OF THE PHILIPPINES, ILOILO CITY, RAMON ...

G.R. No. 106028. May 09, 2001

Ponente: GONZAGA-REYES, J.

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GONZAGA-REYES, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court seeking the reversal of the decision of the Court of Appeals[2] in CA-G.R. SP No. 26891 which dismissed the petition for certiorari and prohibition with temporary restraining order.

The pertinent facts are as follows:

Petitioner Lilia Y. Gonzales received two Orders dated November 27, 1990 and April 22, 1991 from the Regional Office of the Department of Agrarian Reform (DAR), signed by the respondent DAR Regional Director Antonio S. Maraya, and issued pursuant to the operation land transfer program of the government under Presidential Decree (PD) No. 27[3]. Petitioner was directed to surrender the titles[4] to her land and to submit the other requirements of the respondent Land Bank of the Philippines, while the said bank was ordered to pay the petitioner an aggregate amount of P55,690.74 as compensation for the two parcels of land.

On December 20, 1991, the petitioner filed a Petition for Certiorari and Prohibition with Temporary Restraining Order with the Court of Appeals to restrain the enforcement and to annul the said two Orders of the DAR Regional Director on the ground of lack or excess of jurisdiction, alleging that the petitioner never filed a land transfer claim and was not notified of nor heard in the execution of the final survey plans and the valuation of her land.

After requiring the respondents to file their Comment, the Court of Appeals rendered a Decision dated June 29, 1992, denying due course to, and dismissing the petition for failure of the petitioners to exhaust administrative remedies. The Court of Appeals also held that Certiorari cannot be used by the petitioners as a substitute for appeal of the assailed issuances.[5] Hence this petition.

The petitioner assigned the following errors:

I.

THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR OF LAW IN DISMISSING THE PETITION FOR FAILING TO EXHAUST ADMINISTRATIVE REMEDIES.

II.

THE COURT OF APPEALS COMMITTED A REVERSIBLE ERROR OF LAW IN NOT HOLDING THAT RESPONDENTS DAR DIRECTOR AND LBP ARE ACTING WITHOUT OR IN EXCESS OF

JURISDICTION IN ISSUING THE ORDERS DATED NOVEMBER 27, 1990 AND APRIL 22, 1991.

We will resolve the two related issues jointly.

The petitioner contends that the petition for certiorari and prohibition filed with the Court of Appeals comes within the exceptions to the rule on exhaustion of administrative remedies, to wit: (1) where the questioned order is a patent nullity; (2) where there is a deprivation of the petitioner's fundamental right to due process; and (3) where the question involved is a purely legal one. The petitioner further contends that certiorari, not appeal, is the proper remedy as a question of jurisdiction prescinding from the alleged denial of due process is raised in the petition; and that the questioned Orders are merely interlocutory and hence unappealable. Moreover, the Orders issued by the Regional Office of the DAR are void for being issued without or in excess of jurisdiction based on the following: (1) the orders are baseless as the petitioner never filed any land transfer claim with the DAR; (2) they were issued in violation of the petitioner's right to due process as the latter was never notified of the approved final survey plan, the land valuation summary and the farmer's undertaking; and (3) the orders fixed just compensation based on the provisions of P.D. 27 which is inconsistent with, and therefore has already been repealed by, Republic Act No. 6657.

The public respondent DAR Regional Director and the private respondents counter that there still are plain, speedy and adequate remedies which the petitioner could have availed of prior to the filing of the Petition for Certiorari and Prohibition with the Court of Appeals, such as a Motion for Reconsideration of the assailed Orders of the DAR Regional Director, an appeal to the Department of Agrarian Reform Adjudication Board (DARAB), or even to the Special Agrarian Court. They further contend that the allegation of lack of due process is baseless as the petitioner had been duly served three (3) notices, either through registered mail or personally through her representative or overseer;^[6] unfortunately, the receipts and return cards thereof were destroyed by white ants at the Municipal Office of Pototan. They add that although the petitioner never filed any land transfer claim with the DAR, such claim may be validly filed by the Municipal Agrarian Reform Officer (MARO) as the subject land is clearly covered by the operation land transfer program under PD 27 and therefore may be compulsorily transferred by operation of law. These respondents also aver that PD 27 was not repealed by RA 6657, and that some provisions of RA 6657 even recognize the continued application of PD 27.^[7] Finally, the orders were issued by respondent Regional Director in the faithful discharge of official functions and duties and without grave abuse of discretion, and therefore, neither certiorari nor prohibition will lie. Respondent Land Bank raises a similar contention that questions on valuations made by the DAR should be addressed to the DARAB, not to the Court of Appeals.

The petition is devoid of merit.

The thrust of the rule on exhaustion of administrative remedies is that the courts must allow the administrative agencies to carry out their functions and discharge their responsibilities within the specialized areas of their respective competence.^[8] It is presumed that an administrative agency, if afforded an opportunity to pass upon a matter, will decide the same correctly, or correct any previous error committed in its forum.^[9] Furthermore, reasons of law, comity and convenience prevent the courts from entertaining cases proper for determination by administrative agencies.^[10] Hence, premature resort to the courts necessarily becomes fatal to the cause of action of the petitioner.

After a careful perusal of the records, we find the doctrine of exhaustion of administrative remedies to be applicable in this case.

The assailed orders involving parcels of land situated in Naga, Pototan, Iloilo were issued by the Regional Director of DAR Region VI Office in Iloilo City. A Regional Director is the head of a DAR Regional Office

which, under the Administrative Code of 1987, is responsible for "supporting the field units and supervising program implementation of the Department within the region".[11] The function of the DAR Regional Office includes "[implementing] laws, policies, plans, rules and regulations of the Department in the regional area".[12] A similar function is delegated to the DAR Regional Offices under Executive Order No. 129-A[13]. With such a broad function and responsibility, it may be reasonably concluded that the issuance of the assailed orders pursuant to the operation land transfer and tenant emancipation program of the government is within the authority and jurisdiction of the DAR Regional Director. However, questions as to the propriety of the issuance could have still been raised before the proper administrative forum. Instead of going directly to the Court of Appeals on certiorari, the petitioner should have sought redress in the DARAB, and the latter's officials should have been given an opportunity to review the matter and resolve the controversy.

The petitioner raises the following exceptions to the doctrine of Exhaustion of Administrative Remedies as applicable to the case at bar: (1) where the questioned order is a patent nullity; (2) where there is a deprivation of the petitioner's fundamental right to due process; and (3) where the question involved is a purely legal one.[14] We are not convinced that any of the exceptions obtains here. As above stated, the Orders issued by the Regional Director pursuant to law are not patent nullities, and the alleged denial of the petitioner's right to due process is intertwined with the question of notice upon the petitioner which raises basically a factual matter, i.e., whether three notices were properly served upon petitioner.[15] This issue is not to be resolved by the Court of Appeals in the first instance on certiorari. We do not see how the controversy raises a purely legal question.

The procedure for the determination of the compensation for the landowners under the land reform program was outlined by this Court in the case of *Republic vs. Court of Appeals*[16], viz:

xxx under the law, the Land Bank of the Philippines is charged with the initial responsibility of determining the value of lands placed under agrarian reform and the compensation to be paid for their taking. (Sec. 1, E. O. 405[17]) Through notice sent to the landowner pursuant to §16(a) of R.A. No. 6657[18], the DAR makes an offer. In case the landowner rejects the offer, a summary administrative proceeding is held and afterward, the provincial (PARAD), the regional (RARAD) or the central (DARAB) adjudicator as the case maybe, depending on the value of the land, fixes the price to be paid for the land. If the landowner does not agree to the price fixed, he may bring the matter to the RTC acting as Special Agrarian Court. This in essence is the procedure for the determination of compensation cases under R.A. No. 6657.[19]

This procedure was reiterated in the recent case of *Escano, Jr. vs. Court of Appeals*. [20]

The Department of Agrarian Reform Adjudication Board was created under Executive Order No. 129-A to assume specific powers and functions with respect to the adjudication of agrarian reform cases.[21] The Revised Rules of Procedure of the DARAB[22], which was already in effect at the time the Petition for Certiorari and Prohibition was filed with the Court of Appeals, provides as follows:

SECTION 1. Primary, Original and Appellate Jurisdiction. The Agrarian Reform Adjudicatory Board shall have primary jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes, cases, controversies, and matters or incidents involving the implementation of the Comprehensive Agrarian Reform Program under Republic Act No.6657, Executive Order Nos. 229, 228 and 129-A, Republic Act No.3844 as amended by Republic Act No.6389, Presidential Decree No.27 and other agrarian laws and their implementing rules and regulations.

Specifically, such jurisdiction shall extend over but not be limited to the following:

xxx xxx xxx

b) Cases involving the valuation of land, and determination and payment of just compensation, fixing and

collection of lease rentals, disturbance compensation, amortization payments, and similar disputes concerning the functions of the Land Bank.

xxx xxx xxx[23]

Hence, the proper procedure which the petitioner should have taken is to move for a reconsideration of the orders of the Regional Director, or to go directly to the DARAB, or to its executive adjudicator in the region, the Regional Agrarian Reform Adjudicator (RARAD). Prior resort to these administrative bodies will not only satisfy the rule on exhaustion of administrative remedies, but may likewise prove advantageous to the parties as the proceedings will be conducted by experts, and will not be limited by the technical rules of procedure and evidence.[24] From there, the petitioner has yet another forum available--the Special Agrarian Courts which are the final determinants of cases involving land valuation or determination of just compensation.[25]

Thus, the procedural short-cut taken by the petitioner which finds no justification both in law and in jurisprudence must be considered fatal to the petitioner's cause of action. Accordingly, we rule that the Court of Appeals committed no error in dismissing the Petition for Certiorari and Prohibition.

WHEREFORE, premises considered, the petition is hereby DENIED, and the assailed Decision of the Court of Appeals is AFFIRMED.

SO ORDERED.

Melo, (Chairman), Vitug, Panganiban, and Sandoval-Gutierrez, JJ., concur.

[1] Re-raffled to herein ponente pursuant to the Court's Resolution in A.M. No. 00-9-03-SC dated February 27, 2001.

[2] Twelfth Division composed of J. Manuel C. Herrera, ponente, and JJ. Nicolas P. Lapena, Jr. and Maria Alicia M. Austria, members.

[3] Decreeing the Emancipation of Tenants From the Bondage of the Soil, Transferring to Them the Ownership of the Land They Till and Providing the Instruments and Mechanism Therefor.

[4] Title Nos. T-41352 and T-81463.

[5] Court of Appeals Decision dated June 29, 1992, pp. 2-3.

[6] These three notices dated February 23, 1990, March 5, 1990, and March 12, 1990, allegedly extended to the petitioner an invitation for a dialogue and a chance to examine the records and evidences presented by the private respondents. [Memorandum For Respondents Antonio S. Maraya and For the Private Respondents, p. 11; rollo, p. 227.]

[7] Sections 6, 7, 75 and 76.

[8] Presidential Commission on Good Government vs. Pena, 159 SCRA 556 (1988), at p. 568.

[9] Diamonon vs. Department of Labor and Employment, G.R. No. 108951, March 7, 2000, at p. 8; citing Union Bank of the Philippines vs. Court of Appeals, 290 SCRA 198, 219 (1998), and, University of the Philippines vs. Catungal, Jr., 272 SCRA 221, 240 (1997).

[10] Factoran vs. Court of Appeals, 320 SCRA 530 (1999), at p. 539; Chua Huat vs. Court of Appeals, 199 SCRA 1 (1991), at p. 19.

[11] Administrative Code of 1987, Title IX, Chapter 5, Sec. 18.

[12] Ibid.

[13] Section 24 of E.O. 129-A, "Modifying Executive Order No. 129 Reorganizing and Strengthening Department of Agrarian Reform and For Other Purposes."

[14] *Samahang Magbubukid ng Kapdula, Inc. vs. Court of Appeals*, 305 SCRA 147 (1999), at p. 155; *China Banking Corporation vs. The Members of the Board of Trustees, et al.*, 307 SCRA 443 (1999), at p. 450; *Prudential Bank vs. Gapultos*, 181 SCRA 159 (1990), at p. 168; *Reyes vs. Subido*, 66 SCRA 203 (1975), at p. 208.

[15] See Note no. 5.

[16] 263 SCRA 758 (1996).

[17] Vesting in the Land Bank of the Philippines the Primary Responsibility to Determine the Land Valuation and Compensation for All Lands covered Under Republic Act No. 6657 Known as the Comprehensive Agrarian Reform Law of 1988. Approved on June 14, 1990.

[18] An Act Instituting A Comprehensive Agrarian Reform Program To Promote Social Justice and Industrialization, Providing the Mechanisms For Its Implementation, and For Other Purposes.

[19] *Republic vs. Court of Appeals*, supra., pp. 764-765.

[20] G.R. No. 101932, January 24, 2000, at p. 6.

[21] Section 13 of E.O. No. 129-A. *Machete vs. Court of Appeals*, 250 SCRA 176 (1995), at p. 180; *Heirs of Rey Santos vs. Court of Appeals*, G.R. No. 109992, March 7, 2000, p. 4.

[22] Approved on December 26, 1988; took effect on February 6, 1989.

[23] Section 1, Rule II of the Revised Rules of Procedure of the DARAB dated December 26, 1988. [Note that these rules had already been suspended by the New Rules of Procedure of the DARAB adopted on May 30, 1994.]

[24] *Machete vs. Court of Appeals*, supra., p. 183; *Quismundo vs. Court of Appeals*, 201 SCRA 609 (1991), at p. 615.

[25] Sec. 2, Rule XIV of the Revised Rules of Procedure of the DARAB (1988). See *Land Bank of the Philippines vs. Court of Appeals*, 318 SCRA 144 (1999), pp. 153-154; *Land Bank of the Philippines vs. Court of Appeals*, 321 SCRA 629 (1999), at p. 639; *Vda. De Tangub vs. Court of Appeals*, 191 SCRA 885 (1990), at pp. 892-893; *Machete vs. Court of Appeals*, supra., at p. 182.

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