

LOPE MACHETE, NICASIO JUMAWID, SANTIAGO JUMAWID, JOHN JUMAWID, PEDRO GAMAYA, RENATO DELGADO, FERNANDO OMBAHIN, MATIAS ROLEDA, PASIANO BARO, IGNACIO BARO, MAMERTO PLARAS AND JUST...

G.R. No. 109093. November 20, 1995

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

Are Regional Trial Courts vested with jurisdiction over cases for collection of back rentals from leasehold tenants?

On 21 July 1989 private respondent Celestino Villalon filed a complaint for collection of back rentals and damages before the Regional Trial Court of Tagbilaran City against petitioners Lope Machete, Nicasio Jumawid, Santiago Jumawid, John Jumawid, Pedro Gamaya, Renato Delgado, Fernando Ombahin, Matias Roleda, Pasiano Baro, Ignacio Baro, Mamerto Plaras and Justiniano Villalon. The complaint alleged that the parties entered into a leasehold agreement with respect to private respondent's landholdings at Poblacion Norte, Carmen, Bohol, under which petitioners were to pay private respondent a certain amount or percentage of their harvests. However, despite repeated demands and with no valid reason, petitioners failed to pay their respective rentals. Private respondent thus prayed that petitioners be ordered to pay him back rentals and damages.

Petitioners moved to dismiss the complaint on the ground of lack of jurisdiction of the trial court over the subject matter. They contended that the case arose out of or was connected with agrarian relations, hence, the subject matter of the complaint fell squarely within the jurisdiction of the Department of Agrarian Reform (DAR) in the exercise of its quasi-judicial powers under Sec. 1, pars. (a) and (b), Rule II of the Revised Rules of the Department of Agrarian Reform Adjudication Board (DARAB).

On 22 August 1989 the trial court granted the motion to dismiss,[1] and on 28 September 1989 denied the motion for reconsideration.[2]

Private respondent sought annulment of both orders before respondent Court of Appeals which on 21 May 1992 rendered judgment reversing the trial court and directing it to assume jurisdiction over the case[3] on the basis of its finding that -

x x x x The CARL (RA 6657) and other pertinent laws on agrarian reform cannot be seen to encompass a case of simple collection of back rentals by virtue of an agreement, as the one at bar, where there is no agrarian dispute to speak of (since the allegation of failure to pay the agreed rentals was never controverted in the motion to dismiss) nor the issue raised on application, implementation, enforcement or interpretation of these laws.[4]

On 18 January 1993 the appellate court rejected the motion for reconsideration.[5]

Petitioners maintain that the alleged cause of action of private respondent arose from an agrarian relation and that

respondent appellate court failed to consider that the agreement involved is an agricultural leasehold contract, hence, the dispute is agrarian in nature. The laws governing its execution and the rights and obligations of the parties thereto are necessarily R.A. 3844,[6] R.A. 6657[7] and other pertinent agrarian laws. Considering that the application, implementation, enforcement or interpretation of said laws are matters which have been vested in the DAR, this case is outside the jurisdiction of the trial court.

The petition is impressed with merit. Section 17 of E.O. 229[8] vested the DAR with quasi-judicial powers to determine and adjudicate agrarian reform matters as well as exclusive original jurisdiction over all matters involving implementation of agrarian reform except those falling under the exclusive original jurisdiction of the Department of Agriculture and the Department of Environment and Natural Resources in accordance with law.

Executive Order 129-A, while in the process of reorganizing and strengthening the DAR, created the DARAB to assume the powers and functions with respect to the adjudication of agrarian reform cases.[9] Section 1, pars. (a) and (b), Rule II of the Revised Rules of the DARAB explicitly provides -

Sec. 1. Primary, Original and Appellate Jurisdiction. - The Agrarian Reform Adjudication 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 Orders 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: (a) Cases involving the rights and obligations of persons engaged in the cultivation and use of agricultural land covered by the Comprehensive Agrarian Reform Program (CARP) and other agrarian laws, (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 x x x x

In *Quismundo v. Court of Appeals*,[10] this Court interpreted the effect of Sec. 17 of E.O. 229 on P.D. 946, which amended R.A. 3844, the agrarian law then in force -

The above quoted provision (Sec. 17) should be deemed to have repealed[11] Sec. 12 (a) and (b) of Presidential Decree No. 946 which invested the then courts of agrarian relations with original exclusive jurisdiction over cases and questions involving rights granted and obligations imposed by presidential issuances promulgated in relation to the agrarian reform program.

Formerly, under Presidential Decree No. 946, amending Chapter IX of Republic Act No. 3844, the courts of agrarian relations had original and exclusive jurisdiction over 'cases involving the rights and obligations of persons in the cultivation and use of agricultural land except those cognizable by the National Labor Relations Commission' and 'questions involving rights granted and obligations imposed by laws, Presidential Decrees, Orders, Instructions, Rules and Regulations issued and promulgated in relation to the agrarian reform program,' except those matters involving the administrative implementation of the transfer of land to the tenant-farmer under Presidential Decree No. 27 and amendments thereto which shall be exclusively cognizable by the Secretary of Agrarian Reform.[12]

In 1980, upon the passage of Batas Pambansa Blg. 129, otherwise known as the Judiciary Reorganization Act, the courts of agrarian relations were integrated into the regional trial courts and the jurisdiction of the former was vested in the latter courts.[13]

However, with the enactment of Executive Order No. 229, which took effect on August 29, 1987, fifteen (15)

days after its release for publication in the Official Gazette,[14] the regional trial courts were divested of their general jurisdiction to try agrarian reform matters. The said jurisdiction is now vested in the Department of Agrarian Reform.

On 15 June 1988 R.A. 6657 was passed containing provisions which evince and support the intention of the legislature to vest in the DAR exclusive jurisdiction over all agrarian reform matters.[15] Section 50 thereof substantially reiterates Sec. 17 of E.O. 229 thus -

Sec. 50. Quasi-Judicial Powers of the DAR. - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR) x x x x

Section 3, par. (d), thereof defines the term "agrarian dispute" as referring to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements.

However it may be mentioned in passing that the Regional Trial Courts have not been completely divested of jurisdiction over agrarian reform matters. Section 56 of R.A. 6657 confers "special jurisdiction" on "Special Agrarian Courts," which are Regional Trial Courts designated by this Court - at least one (1) branch within each province - to act as such. These Regional Trial Courts designated as Special Agrarian Courts have, according to Sec. 57 of the same law, original and exclusive jurisdiction over: (a) all petitions for the determination of just compensation to landowners, and (b) the prosecution of all criminal offenses under the Act.[16]

Consequently, there exists an agrarian dispute in the case at bench which is exclusively cognizable by the DARAB. The failure of petitioners to pay back rentals pursuant to the leasehold contract with private respondent is an issue which is clearly beyond the legal competence of the trial court to resolve. The doctrine of primary jurisdiction does not warrant a court to arrogate unto itself the authority to resolve a controversy the jurisdiction over which is initially lodged with an administrative body of special competence.[17]

Thus, respondent appellate court erred in directing the trial court to assume jurisdiction over this case. At any rate, the present legal battle is "not altogether lost" on the part of private respondent because as this Court was quite emphatic in *Quismundo v. Court of Appeals*,[18] the resolution by the DAR is to the best advantage of the parties since it is in a better position to resolve agrarian disputes, being the administrative agency presumably possessing the necessary expertise on the matter. Further, the proceedings therein are summary in nature and the department is not bound by the technical rules of procedure and evidence, to the end that agrarian reform disputes and other issues will be adjudicated in a just, expeditious and inexpensive proceeding.[19]

WHEREFORE, the decision of respondent Court of Appeals as well as its resolution denying reconsideration is REVERSED and SET ASIDE. The orders of the Regional Trial Court of Tagbilaran City dated 22 August and 28 September 1989 are REINSTATED. Consequently, let the records of this case be immediately transmitted to the appropriate Department of Agrarian Reform Adjudication Board (DARAB) for proper adjudication in accordance with the ruling in *Vda. de Tangub v. Court of Appeals*[20] and reiterated in *Quismundo v. Court of Appeals*,[21] as well as pertinent agrarian laws.

SO ORDERED.

Padilla, (Chairman), Davide, Jr., Kapunan, and Hermosisima, Jr., JJ., concur.

[1] Rollo, p. 20.

[2] Id., p. 24.

[3] Rollo, p. 50.

[4] Id., p. 49.

[5] Id., p. 56.

[6] Code of Agrarian Reform.

[7] Comprehensive Agrarian Reform Law.

[8] This provided the mechanisms for the implementation of the Comprehensive Agrarian Reform Program; Vda. de Tangub v. Court of Appeals, UDK No. 9864, 3 December 1990, 191 SCRA 885.

[9] Sec. 13 thereof.

[10] G.R. No. 95664, 13 September 1991, 201 SCRA 609; reiterated in Tiongson v. Court of Appeals, G.R. Nos. 85403-06, 23 September 1992, 214 SCRA 197.

[11] Citing Sec. 30 of E.O. 229 which provides: "All laws, issuances, decrees, or any parts thereof inconsistent with the provisions of this Order are hereby repealed or amended accordingly."

[12] Citing Sec. 12, pars. (a) and (b), P.D. No. 946.

[13] Citing Romero v. Court of Appeals, G.R. No. 59606, 8 January 1987, 147 SCRA 183; Sec. 19, par. 7, B.P. Blg. 129.

[14] Citing 83 O.G. (Supp. No. 30) 3422-0-36, 27 July 1987.

[15] Quismundo v. Court of Appeals, see Note 10.

[16] Vda. de Tangub v. Court of Appeals, see Note 8.

[17] Vidad v. Regional Trial Court of Negros Oriental, G.R. No. 98084, 18 October 1993, 227 SCRA 271.

[18] See Note 10.

[19] Sec. 50, R.A. 6657.

[20] See Note 8, p. 4.

[21] See Note 10, p. 5.

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