

PLANTERS DEVELOPMENT BANK, PETITIONER, VS. FRANCISCO GARCIA, RESPONDENT.

G.R. NO. 147081. December 09, 2005

Ponente: CORONA, J.

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CORONA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court, assailing the decision of the Court of Appeals (CA) in CA-G.R. SP No. 51801[1] dated November 20, 2000 which dismissed the petition of Planters Development Bank (PDB) and affirmed in toto the decision of the Department of Agrarian Reform Adjudication Board Appeal Board (DARAB Appeal Board) dated February 23, 1999,[2] as well as the CA's resolution dated February 15, 2001 which denied petitioner's motion for reconsideration.

This case involves a parcel of land located in Sto. Cristo, San Antonio, Nueva Ecija with an area of 35,916 square meters. Respondent alleged that he had been an agricultural lessee on said parcel of land since 1936. This land was covered by Transfer Certificate of Title (TCT) No. T-1847, with the spouses Jose Cruz and Braulia Ortiz as the registered owners.

On November 16, 1976, the spouses sold the land to their grandson, Lorenzo Bautista. TCT No. NT-147561 was then issued in his name. Bautista mortgaged the land in favor of PDB to secure a loan on March 2, 1977. For failure to pay the loan, PDB foreclosed on the mortgage and bought the property in a public auction.[3] The certificate of sale and the affidavit of consolidation of ownership were registered on July 11, 1979 and September 25, 1984 respectively.[4] On the latter date, PDB was also issued TCT No. NT-185020. Thereafter, PDB sold the land to spouses Marciano Ramirez and Erlinda Camacho on July 30, 1986.[5]

Respondent Francisco Garcia (Garcia) filed a petition for redemption before the DARAB-Region III in Cabanatuan City on January 17, 1994.[6] The petition was originally against PDB only but in Garcia's amended petition, he impleaded the spouses Marciano Ramirez and Erlinda Camacho as additional respondents. He alleged that as an agricultural lessee, he was a holder of Certificate of Land Transfer (CLT) No. 0-089665 issued on May 26, 1982. He prayed that he be allowed to redeem the land.

The Provincial Adjudicator of DARAB-Cabanatuan City dismissed the petition. On appeal, however, the decision was reversed and set aside by the DARAB Appeal Board in Quezon City:

WHEREFORE, premises considered, the assailed Decision dated February 28, 1995 is hereby REVERSED and SET ASIDE and a new one entered as follows:

- Affirming the coverage of the land in question under Operation Land Transfer pursuant to P.D. No. 27;

Declaring the sale and transfer of the subject property under OLT coverage to respondent-appellee Bank as null and void ab initio for lack of legal and factual basis;

- Directing the respondent-appellee Bank to turn-over the questioned landholding to petitioner-appellant;

- Directing the MARO of San Antonio, Nueva Ecija to facilitate the generation of the necessary Emancipation Patent (E.P.) pursuant to the pertinent laws and guidelines.[7]

PDB elevated the case to the CA which affirmed in toto the decision of the DARAB Appeal Board. Hence this petition.

The main issues before us are as follows:

1)

whether or not Garcia was an agricultural lessee of the predecessors of PDB under Presidential Decree No. 27 (PD 27);

2)

whether or not the transfer of the subject land to PDB was valid and

3)

whether Garcia can redeem the land under Section 12 of Republic Act No. 3844 (RA 3844), as amended by RA 6389.

The land subject of this case is covered by Operation Land Transfer (OLT) pursuant to PD 27[8] which laid down a system for the purchase by small farmers of the lands they tilled. Landowners of agricultural lands which were devoted primarily to rice and corn and exceeded the minimum retention area were compelled to sell their lands to qualified farmers at liberal terms and conditions through the intercession of the government. A qualified tenant farmer was then issued a CLT.[9]

On the first issue, PDB insists that the existence of a tenancy relationship between Garcia and Braulia Ortiz Cruz was never raised as an issue by Garcia because the latter only dwelt on his right of redemption.[10] However, in resolving the issue of the right of redemption, the question of tenancy must first be resolved. The existence or non-existence of a tenancy relationship was a question of fact resolved by the DARAB-Cabanatuan City against Garcia but decided in his favor by the DARAB Appeal Board and the CA. The CA held that:

On the outset, it should be borne in mind that whether the respondent was indeed a tenant or laborer is a question of fact. In this regard, jurisprudence has provided the following requisites for tenancy relationship: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests. All these must concur to establish the juridical relationship of tenancy.

There is no better and eloquent proof of the existence of the tenancy relationship between the respondent and Braulia Ortiz than the issuance in the former's favor of CLT No. 0-089665 over the subject parcel of land. Obviously, the afore-enumerated requisites have been met; otherwise, the said CLT could not have been issued.[11] (Emphasis supplied)

The decision of the DARAB Appeal Board, as affirmed in toto by the CA, in turn had these findings of fact:

As gleaned from the records of the case, there is no denying the fact that petitioner-appellant has farmed and cultivated the land in question since 1936 with the permission of Braulia Ortiz Cruz who was the registered owner of the questioned property xxx

Sometime in December 1974, however, then landowner Braulia Ortiz Cruz entered into a written leasehold contract entitled "Kasunduan sa Buwisan sa Sakahan" (sic) (Annex C) evidencing petitioner's status as "de jure" tenant/agricultural lessee of the land in question.

With the promulgation of Presidential Decree No. 27 decreeing the emancipation of the tenant-farmer from the bondage of the soil, petitioner-appellant was identified by the DAR Office concerned as a qualified farmer-beneficiary under the Operation Land Transfer (OLT) program of the government, such that the latter was a recipient of Certificate of Land Transfer No. 0-089665 dated May 26, 1982 covering the subject property.[12]

PDB, however, argues that there was nothing to show that the property covered by the CLT was the same property subject of this case. The CA merely assumed that these were the same.[13]

It is true that CLT No. 0-089665[14] issued in the name of Garcia merely mentions that it pertained to Lot No. 00147 located in Sto. Cristo, San Antonio, Nueva Ecija. However, a document entitled *Kasunduan sa Buwis ng Sakahan* was executed by Braulia Ortiz Cruz and Francisco Garcia pertaining to Lot No. 487-A, the same lot covered by TCT No. T-1874 registered in the name of Braulia Ortiz and Jose R. Cruz which was transferred to Lorenzo Bautista and then to PDB. This document evidenced the leasehold tenancy relationship between Garcia and Ortiz Cruz,[15] and carried the essential requisites of such relationship:

- Ortiz Cruz was the landowner and Garcia was the tenant;
- the subject land was agricultural;
- the parties consented to this agreement;
- Garcia was obligated to cultivate the same by planting rice thereon;
- the purpose was agricultural production and
- there was sharing of harvests between the parties.[16]

In addition to the *Kasunduan*, there was also a certification from the Ministry of Agrarian Reform-Region III[17] certifying that Garcia was the recipient of CLT No. 0-089665 and specifying Braulia Ortiz as landowner. Lastly, there was the handwritten certification of the barangay captain of Sto. Cristo, San Antonio, Nueva Ecija[18] which specified, among others, that Braulia Ortiz was the landowner of the land cultivated by Garcia.[19]

PDB contends that the affidavits of the previous owners (Ortiz Cruz and Bautista) that the subject land was not tenanted, which affidavits were annotated on the certificate of title, should be believed over the documents submitted by Garcia. This contention is untenable. As we ruled in *Nisnisan, et al. v. Court of Appeals, et al.*: [20]

While there are annotations in Gavino Nisnisan's certificate of title (Entry No. 72086 for Affidavit of Non-Tenancy under Justice Circular No. 31 and Entry No. 117718 for Affidavit of Non-Tenancy executed by Gavino Nisnisan) that the subject land is not tenanted, said annotations are not conclusive proof of the real relationship between Gavino Nisnisan and petitioner Policarpio Nisnisan and are not binding upon the court. As we have ruled in *Cuaño vs. Court of Appeals*,

"We believe and so hold that such annotation cannot be regarded as conclusive upon the courts of justice as to the legal nature and incidents of the relationship between the landowner(s) in this case and private respondents. Firstly, the annotation serves basically as notice to all persons of the existence of the Certification issued by Mr. Eugenio Bernardo, but neither adds to the validity or correctness of that certification nor converts a defective and invalid instrument into a valid one as between the parties. Secondly, the certification issued by Mr. Eugenio Bernardo of the MAR (Ministry of Agrarian Reform) is very much like the certifications issued by the Secretary of Agrarian Reform and other officials of the Ministry and later the Department of Agrarian Reform concerning the existence of tenancy relationships in respect of agricultural lands from which persons, who claim to be tenants, are sought to be ejected. It is well settled that the findings of or certifications issued by the Secretary of Agrarian Reform, or his authorized representative, in a given locality concerning the presence or absence of a tenancy relationship between the contending parties are merely preliminary or

provisional and not binding upon the courts." [21] (Emphasis supplied)

While it is true that certifications by officials of the Department of Agrarian Reform (DAR), like the certification submitted by Garcia, are not necessarily conclusive on the courts, all of the evidence on record, taken as a whole, can be considered as ample proof that Garcia's CLT referred to the land subject of this case and that Garcia was the tenant or agricultural lessee of Braulia Ortiz Cruz therein. As stated by the DARAB Appeal Board, "with respect to the adjudication of agrarian cases, disputes or controversies, the degree of proof or evidence necessary to prove one's cause is only 'substantial evidence'." [22] Accordingly, we will not disturb the factual finding of the CA and DARAB Appeal Board that Garcia was the agricultural lessee of the subject land, considering that it was supported by substantial evidence.

On the second issue, PDB argues that it was a mortgagee in good faith, hence it acquired the subject land validly. This contention has merit.

Well-settled is the rule that persons dealing with property covered by a Torrens Certificate of Title may rely on the face of the certificate. As a rule, they are not required to go beyond what appears therein. Good faith is likewise presumed. [23] Garcia failed to show that PDB acquired the property in bad faith. We thus hold that PDB was a mortgagee in good faith and acquired the subject land validly.

However, Garcia, as tenant or agricultural lessee, enjoys certain legal rights under RA 3844, otherwise known as the "Agricultural Land Reform Code." [24] Section 10 of this law provides that the existence of an agricultural leasehold relationship is not terminated by changes in ownership in case of sale or transfer of legal possession (as in lease):

Sec. 10. Agricultural Leasehold Relation Not Extinguished By Expiration of Period, etc. - The agricultural leasehold relation under this Code shall not be extinguished by mere expiration of the term or period in a leasehold contract nor by the sale, alienation or transfer of the legal possession of the landholding. In case the agricultural lessor sells, alienates or transfers the legal possession of the landholding, the purchaser or transferee thereof shall be subrogated to the rights and substituted to the obligations of the agricultural lessor. (Emphasis supplied)

This doctrine is well-settled in jurisprudence. [25]

Thus, when PDB became the absolute owner of the subject land, it was subrogated to the rights and obligations of its predecessors, Jose Cruz, Braulia Ortiz Cruz and Lorenzo Bautista as agricultural lessors. The tenancy relationship was not affected by the transfer of the ownership of the landholding. [26] The new owner was bound to respect and maintain the tenant's landholding because the tenancy right attached to the land regardless of who its owner may be. [27] The purpose of the law is to strengthen the security of tenure of the tenants:

...in case of transfer or in case of lease, as in the instant case, the tenancy relationship between the landowner and his tenant should be preserved in order to insure the well-being of the tenant or protect him from being unjustly dispossessed by the transferee or purchaser of the land; in other words, the purpose of the law in question is to maintain the tenants in the peaceful possession and cultivation of the land or afford them protection against unjustified dismissal from their holdings. [28]

We therefore conclude that it was error for the CA to declare the sale and transfer of the subject property to the bank as null and void ab initio. The transfer to PDB was valid but subject to the rights of Garcia as tenant. As we ruled in the recent case of *Milestone Realty and Co., Inc. v. Court of Appeals*: [29]

...(W)e are unable to agree with the ruling of respondent Court of Appeals and of DARAB that the sale of the land in question should be declared null and void. There is no legal basis for such declaration. Lest it be forgotten, it is Carolina Zacarias who is the owner of the subject land and both Emilio Peña and Delia Razon

Peña only succeeded to the tenancy rights of Anacleto.

As an owner, Carolina has the right to dispose of the property without other limitations than those established by law. This attribute of ownership is impliedly recognized in Sections 10, 11 and 12 of Republic Act No. 3844, where the law allows the agricultural lessor to sell the landholding, with or without the knowledge of the agricultural lessee and at the same time recognizes the right of preemption and redemption of the agricultural lessee. Thus, the existence of tenancy rights of agricultural lessee cannot affect nor derogate from the right of the agricultural lessor as owner to dispose of the property. The only right of the agricultural lessee or his successor in interest is the right of preemption and/or redemption.

In the case at bar, it is undisputed that Carolina became the absolute owner of the subject landholding by virtue of Deed of Extrajudicial Settlement and Affidavit of Settlement executed by the other heirs of Alfonso Olympia and Spouses Claro and Cristina Zacarias. As the owner, it is within her right to execute a deed of sale of said landholding, without prejudice however to the tenancy rights and the right of redemption of Delia Razon Peña. In *Manuel*, we held that the tenancy relationship is not affected or severed by the change of ownership. The new owner is under the obligation to respect and maintain the tenant's landholding. In turn, Delia Razon Peña, as the successor tenant, has the legal right of redemption. This right of redemption is statutory in character. It attaches to a particular landholding by operation of law. (Emphasis supplied)

Consequently, we are also unable to agree with the CA when it affirmed the DARAB Appeal Board's ruling "directing (PDB) to turn-over the questioned landholding to (Garcia)."[30] According to the CA, "once a CLT has been issued to a tenant covering the property under the supervision of and in compliance with (the) implementing rules and regulations of the DAR, he is thereby deemed to be the owner of the agricultural land in question." [31] The DARAB Appeal Board, on the other hand, reasoned:

Succinctly put, areas covered by OLT pursuant to P.D. 27 are beyond the commerce of man. The Honorable Supreme Court has squarely ruled on this issue by ruling in this wise:

The law is clear and leaves no room for doubt. Upon the promulgation of Presidential Decree No. 27 on October 21, 1972, petitioner was DEEMED OWNER of the land in question.[32]

It is true that in past decisions of this Court, in particular *Torres v. Ventura*[33] (which was cited by the DARAB Appeal Board) and *Quiban v. Butalid*[34] (which was relied upon by the CA), we held that a tenant issued a CLT is deemed the owner of the land. This is because PD 27 states that "(t)he tenant farmer, whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated."

But, as correctly argued by PDB, more current decisions of this Court (where the interpretation of the phrase "deemed owner" was directly tackled) have clarified these pronouncements by distinguishing the legal effects of a CLT and those of an emancipation patent. *Martillano v. Court of Appeals* [35] is instructive:

Both instruments have varying legal effects and implications insofar as the grantee's entitlements to his landholdings. A certificate of land transfer merely evinces that the grantee thereof is qualified to, in the words of *Pagtalunan*, "avail of the statutory mechanisms for the acquisition of ownership of the land tilled by him as provided under Pres. Decree No. 27." It is not a muniment of title that vests upon the farmer/grantee absolute ownership of his tillage. On the other hand, an emancipation patent, while it presupposes that the grantee thereof shall have already complied with all the requirements prescribed under Presidential Decree No. 27, serves as a basis for the issuance of a transfer certificate of title. It is the issuance of this emancipation patent that conclusively entitles the farmer/grantee of the rights of absolute ownership. *Pagtalunan* distinctly recognizes this point when it said that:

It is the emancipation patent which constitutes conclusive authority for the issuance of an Original Certificate of Transfer, or a Transfer Certificate of Title, in the name of the grantee . . .

Clearly, it is only after compliance with the above conditions which entitle a farmer/grantee to an emancipation patent that he acquires the vested right of absolute ownership in the landholding — a right which has become fixed and established, and is no longer open to doubt or controversy. At best, the farmer/grantee, prior to compliance with these conditions, merely possesses a contingent or expectant right of ownership over the landholding. (Citations omitted)[36]

Given that Garcia is a holder of a CLT but not of an emancipation patent, full ownership of the land has not yet vested in him. Hence, there is no basis for the CA and DARAB Appeal Board to direct the bank to turn over the land to him.

We are aware that in another recent case, *Heirs of Guillermo A. Batongbacal v. Court of Appeals*, [37] we ruled that transfer of ownership of land covered by PD 27 is allowed only in favor of actual tenants and the sale to a third party is null and void:

Department Memorandum Circular No. 8, series of 1974, implementing P.D. 27, provides:

- No act shall be done to undermine or subvert the intent and provisions of Presidential Decrees, Letters of Instructions, Memoranda and Directives, such as the following and/or similar acts:

xxx xxx xxx

f.) Transferring ownership of tenanted rice and/or corn lands after October 21, 1972, except to the actual tenant-farmers or tillers but in strict conformity with the provisions of Presidential Decree No. 27 and the requirements of the Department of Agrarian Reform . . .

In other words, transfer of ownership over tenanted rice and/or corn lands after October 21, 1972 is allowed only in favor of the actual tenant-tillers thereon. Hence, the sale executed by Philbanking on January 11, 1985 in favor of petitioner was in violation of the aforequoted provision of P.D. 27 and its implementing guidelines, and must thus be declared null and void.[38]

Nevertheless, we maintain that there is nothing in PD 27 which declares any sale or transfer as null and void ab initio when the sale is done by the agricultural lessor after its enactment. Section 12[39] of RA 3844, as amended by RA 6389, provides the remedy of redemption[40] to the agricultural lessee when the land is sold, with or without his knowledge.

This leads us to the question of whether or not the period for the exercise of Garcia's right to redeem had already lapsed when he invoked it on January 17, 1994.

Section 12 of RA 3844[41] before its amendment provided that:

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 redeem 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 (2) years from the registration of the sale and shall have priority over any other right of legal redemption. (Emphasis supplied)

As amended by RA 6389,[42] it now provides that:

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 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.

xxx xxx xxx

(Emphasis supplied)

PDB asserts that the registration of the certificate of sale and affidavit of consolidation of ownership in its favor should be considered as sufficient notice since registration constitutes notice to the whole world.[43] We do not agree. To emphasize, the law is worded this way:

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 xxx

It is clear from the above provision that the 180-day period must be counted from notice in writing. This notice in writing shall be served by the vendee on all the lessees affected and the DAR upon the registration of the sale. Obviously, notice in writing does not contemplate registration otherwise registration would not have been specified separately from notice in writing. If a statute is clear, plain and free from ambiguity, it must be given its literal meaning and applied without attempted interpretation.[44]

This is consistent with our conclusion in the very recent case *Springsun Management Systems Corporation v. Camerino*[45] wherein we affirmed the decision of the trial court:

The only evidence of defendants (now petitioners) shows that the former owner, Victoria Homes, Inc., sold the lands covered by TCT Nos. (289237) S-6135 and (289236) S-35855 to defendant Springsun Management Systems Corporation on February 9, 1983 in the amount of P7,223,799.00 (Exh. '4'). The sale was made without notifying the lessees affected and the Department of Agrarian Reform as mandated by Section 12 of R.A. 3844 despite the fact that the Deed of Sale was duly registered with the Register of Deeds on April 11, 1983 that cancelled the titles in the name of Victoria Homes, Inc. and TCT Nos. 120542 and 120541 were issued on the same date in the name of defendant Springsun.

Similarly, when Victoria Homes, Inc. sold its land described in TCT No. S-72244 to defendant Springsun on July 12, 1983 in the amount of P2,566,813.00 (Exh.'5'), no notice was ever sent either to the plaintiffs or to the Department of Agrarian Reform, notwithstanding that the Deed of Sale was registered on July 29, 1983 that resulted in the cancellation of TCT No. S-72244 in the name of Victoria Homes, Inc. and a new title bearing No. 123872 was issued to defendant Springsun.

In view of the absence of the notice to the plaintiffs and to the Department of Agrarian Reform as required by law, the inevitable conclusion is that the plaintiffs are entitled to redeem the subject lands from the defendants Springsun.[46] (Emphasis supplied)

PDB nonetheless maintains that the summons received by Garcia in the action for issuance of writ of possession filed[47] in 1984 by PDB in RTC-Branch 36, Gapan, Nueva Ecija was effectively a notice in writing as required by law because the petition attached to the summons alleged, among others, the mortgage, foreclosure and sale of the subject property and PDB's consolidation of ownership.[48] This is correct.

In *Quiño v. Court of Appeals*, [49] we ruled that:

The purpose of the written notice required by law is to remove all uncertainties as to the sale, its terms and its validity, and to quiet any doubts that the alienation is not definitive. The law does not prescribe any particular

form of notice, nor any distinctive method for notifying the redemptioner. So long as the redemptioner is informed in writing of the sale and the particulars thereof, the period for redemption will start running. The letter received by petitioner, being bare, was not such written notice. It failed to make certain the terms, particulars and validity of the sale.[50]

Garcia admits that he "came to know of the alienation of the subject property only when he received the summons from (the RTC)...in 1984" and that "immediately thereafter, (he) filed a complaint for recognition of tenancy ... (in) 1985."^{1/2}[51] He also received a copy of the petition along with the summons.[52] It is fair to conclude therefore that Garcia did not entertain doubts about the transfer to PDB and that he received the "notice in writing" prescribed by law considering that "(t)he law does not prescribe any particular form of notice, nor any distinctive method for notifying the redemptioner." [53] As a result, when Garcia filed his petition for redemption in 1994, his right to redeem had already prescribed.

As to whether or not there was service of notice to the DAR, we also agree with PDB that this question of fact cannot be raised for the first time on appeal.[54]

In sum, we hold that private respondent Garcia is a bona fide and de jure agricultural lessee or tenant of the landholding subject of this case. Petitioner PDB, however, acquired the property in good faith and was subrogated to the rights and obligations of the previous agricultural lessors. Consequently, PDB and its successors, spouses Marciano Ramirez and Erlinda Camacho, were obliged to maintain Garcia in peaceful possession and cultivation of the land. Finally, considering that Garcia was notified in writing of the transfer to PDB in 1984 but filed his petition for redemption only in 1994, his right of redemption had already prescribed.

WHEREFORE, the Court hereby PARTIALLY GRANTS the petition for review on certiorari and REVERSES the decision of the Court of Appeals in so far as it affirmed the decision of the DARAB Appeal Board declaring the sale to petitioner as null and void and directing the petitioner to turn over the landholding to respondent.

The Court orders the dismissal of the petition for redemption filed with the DARAB, Region III, Cabanatuan City. However, this is without prejudice to the right of respondent to continue as agricultural lessee in peaceful possession and enjoyment of the land tenanted by him.

No costs.

SO ORDERED.

Panganiban, (Chairman), Sandoval-Gutierrez, Carpio-Morales, and Garcia, JJ., concur.

[1] Penned by Associate Justice Delilah Vidallon-Magtolis and concurred in by Associate Justices Eloy R. Bello, Jr. and Mercedes Gozo-Dadole.

[2] DARAB Case No. 3508.

[3] Rollo, pp. 4 and 124.

[4] As annotated in TCT No. NT-147561 registered in the name of Lorenzo Bautista, Rollo, pp. 38-39.

[5] Rollo, p. 5.

[6] DARAB Case No. 2806 NE '94.

[7] Rollo, p. 8.

[8] This law was promulgated on October 21, 1972. The relevant portions of the text of the law reads:

PRESIDENTIAL DECREE NO. 27

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

xxx xxx xxx

This shall apply to tenant farmers of private agricultural lands primarily devoted to rice and corn under a system of sharecrop or lease-tenancy, whether classified as landed estate or not;

The tenant farmer, whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated and three (3) hectares if irrigated;

xxx xxx xxx

The total cost of the land, including interest at the rate of six (6) per centum per annum, shall be paid by the tenant in fifteen (15) years of fifteen (15) equal annual amortizations;

xxx xxx xxx

[9] Pagtalunan v. Tamayo, G.R. No. 54281, 19 March 1990, 183 SCRA 252, 258.

[10] Rollo, p. 11.

[11] Id. at p. 27.

[12] Id. at pp. 63-64.

[13] Id. at p. 13.

[14] Id. at p. 44.

[15] Id. at p. 42. The document reads:

KASUNDUAN SA BUWIS NG SAKAHAN**DAPAT MALAMAN NG LAHAT:**

Na ang kasunduang ito ay ginawa dito sa San Antonio, Nuweba Esiha, ngayong ika ____ ng Disyembre, 1974, sa pamamagitan nina: BRAULIA ORTIZ CRUZ, may sapat na gulang, balo, Pilipino at naninirahan sa Poblacion, San Antonio, Nuweba Esiha, ang siyang kikalalaning UNANG BAHAGI; at si, FRANCISCO GARCIA, may sapat na gulang, may asawa, Pilipino at naninirahan sa Sto. Cristo, San Antonio, Nuweba Esiha, ang siya namang kikalalaning IKALAWANG BAHAGI:

Na ang UNANG BAHAGI ang siyang may ari ng isang parsela ng lupa na sinasaka ng IKALAWANG BAHAGI, at ang lupang ito ay nasa Sto. Cristo, San Antonio, Nuweba Esiha; Lot No. 487-A; may sukat ng Tatlong (3) hektarya, humigit kumulang;

Na ang IKA-LAWANG BAHAGI ay bumubuwis sa UNANG BAHAGI ng Dalawampo't Isang (21) kabang palay; at ang buwis ay ibibigay ng Ika-Lawang Bahagi sa Unang Bahagi tuwing makatapos ang anihin ang tanim ng palay sa lupa na pag-aari ng Unang Bahagi;

Na ang IKA-LAWANG BAHAGI ang siya namang gagastos sa lahat ng nauukol sa bukid, simula sa pagpapatanim hanggang sa maani ang palay;

Na ang UNANG Bahagi ang siya namang magbabayad sa buwis sa Pamahalaan, at tungkulin na paalalahanan ang Ika-lawang Bahagi sa pagpapaayos ng ano mang ikauunlad ng lupa;

SA KATUNAYAN NG LAHAT ng ito ay naglagda kami sa ibaba nito ngayong ika _____ ng Disyembre, 1974, dito sa San Antonio, Nuweba Esiha.

(signed) (signed)

BRAULIA ORTIZ CRUZ FRANCISCO GARCIA

[16] See *Nisnisan v. CA*, 355 Phil. 605 (1998).

[17] *Rollo*, p. 43.

[18] *Id.* at p. 45.

[19] It reads:

Tanggapan ng Punong Barangay
Sto. Cristo San Antonio N.E.

April 4, 1983

Malaman ng Sinuman:

Ito ay pagpapatunay na si Ginoong Francisco Garcia ay may lupang sinasaka na nasasakop ng Barangay ng Sto. Cristo. Na ang nasabing lupang sakahin ay may sukat na tatlong (3 has.) ektarya humigit kumulang na pag aari ni Ginang Braulia Ortiz.

Bilang patotoo sa pahayag na ito ako ay lumagda sa dakong ilalim ngayong ika-4 ng Abril 1983 dito sa Sto. Cristo San Antonio N.E.

(signed)

Barangay Captain

[20] *Supra* at note 16, citing *Cuaño v. Court of Appeals*, G.R. No. 107159, 26 September 1994, 237 SCRA 122, 136-137.

[21] *Id.* at pp. 611-613.

[22] *Rollo*, p. 63.

[23] *Rivera v. Santiago, et al.*, G.R. No. 146501, 28 August 2003, 410 SCRA 113, citing *Seno v. Mangubat*, 2 December 1987, 158 SCRA 113, 127, *Centeno v. CA*, 11 November 1985, 139 SCRA 545, 555, and *Duran v. IAC*, 10 September 1985, 138 SCRA 489, 495.

[24] The law is entitled "An Act to Ordain the Agricultural Land Reform Code and to Institute Land Reforms in the Philippines, Including the Abolition of Tenancy and the Channeling of Capital into Industry, Provide for the Necessary Implementing Agencies, Appropriate Funds Therefor and for Other Purposes."

[25] *Valencia v. Court of Appeals*, 449 Phil. 711, 733 (2003), citing *Endaya v. Court of Appeals*, G.R. 88113, 23 October 1992, 215 SCRA 109, 114; *Sarne v. Maquiling*, 431 Phil. 675, 686-687 (2002).

[26] *Relucio III v. Macaraig, Jr.*, G.R. No. 82007, 30 May 1989, 173 SCRA 635, 643.

[27] *Id.*

- [28] Coconut Cooperative Marketing Association, Inc. (COCOMA) v. Court of Appeals, G.R. No. L-46281-83, 19 August 1988, 164 SCRA 568, 584, citing *Primerio v. CAR*, 101 Phil. 675 (1957).
- [29] 431 Phil. 119 (2002).
- [30] *Supra* at note 7.
- [31] *Rollo*, p. 27.
- [32] *Id.* at p. 64, citing *Torres v. Ventura*, *infra*.
- [33] G.R. 86044, 2 July 1990, 187 SCRA 98, 104.
- [34] G.R. No. 90974, 24 August 1990, 189 SCRA 107, 111-112.
- [35] G.R. No. 148277, 29 June 2004, 433 SCRA 195, citing *Pagtalunan v. Tamayo*, *supra* at note 6. See also *Vinzons-Magana v. Hon. Estrella, et al.*, G.R. No. 60269, 13 September 1991, 201 SCRA 536, 540-541.
- [36] *Id.* at pp. 203-204.
- [37] G.R. No. 125063, 24 September 2002, 389 SCRA 517.
- [38] *Id.* at pp. 524-525. See also *Siacor v. Gigantina*, G.R. 147877, 5 April 2002, 380 SCRA 306, 313-314.
- [39] *Infra*.
- [40] *Velasquez v. Sps. Nery*, G.R. No. 64284, 3 July 1992, 211 SCRA 28, 33-34.
- [41] This law took effect on 22 August 1963.
- [42] Promulgated on 10 September 1971.
- [43] *Rollo*, p. 10.
- [44] Ruben E. Agpalo, *Statutory Construction*, Fifth Ed. (2003), p. 124.
- [45] G.R. No. 161029, 19 January 2005.
- [46] *Id.*
- [47] According to petitioner, this case was not given due course; *Rollo*, p. 115.
- [48] *Rollo*, p. 10.
- [49] 353 Phil. 449 (1998).
- [50] *Id.* at p. 457, citing *Conejero v. Court of Appeals*, G.R. No. L-21812, 29 April 1966, 16 SCRA 775.
- [51] *Rollo*, p. 124; *Records*, p. 64. Even the CA had this finding of fact; *Rollo*, p. 30.
- [52] *Records*, p. 58.
- [53] *Supra* at note 51.
- [54] *Rollo*, p. 120.

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