

THE LOCAL GOVERNMENT UNIT OF STA. CRUZ, DAVAO DEL SUR, AS REPRESENTED BY ITS MUNICIPAL MAYOR, ATTY. JOEL RAY L. LOPEZ, PETITIONER, VS. PROVINCIAL OFFICE OF THE DEPARTMENT OF AG...

G.R. No. 204232. October 16, 2019

Ponente: REYES, J. JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-204232/>

REYES, J. JR., J.:

Directly filed before this Court is a Petition for Injunction with Application for Permanent Restraining Order[1] by the Local Government Unit of Sta. Cruz, Davao del Sur (LGU-Sta. Cruz), as represented by its Municipal Mayor, Atty. Joel Ray L. Lopez (petitioner) against the Provincial Office of the Department of Agrarian Reform, Digos City, Davao del Sur (respondent) to prevent the latter from subjecting the Tan Kim Kee Estate under the coverage of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657 or the Comprehensive Agrarian Reform Law (CARL).

The Relevant Antecedents

The Tan Kim Kee Estate, comprising more or less 220 hectares, was designated as an industrial zone by virtue of the Municipal Comprehensive Development Plan/Land Use Plan and Zoning Ordinances (MCDP/LUP and ZOs) CY 1991-2000. The latter was subsequently approved by the Municipal Development Council (MDC), adopted by the Sangguniang Bayan ng Sta. Cruz, the Sangguninang Panlalawigan, the Regional Development Council, and the Inter-Agency Committee on Town Planning and Review.[2]

Said classification was carried on in the MCDP/LUP and ZOs CY 2000-2012. It was likewise approved through a public hearing and MDC Resolution, adopted by the Sangguniang Bayan through a Resolution and approved by the Sangguniang Panlalawigan.[3]

In classifying the Tan Kim Kee Estate as an industrial zone, LGU-Sta. Cruz envisioned it to support its agro-industrial program, making said area as an export processing zone.[4]

It appears that in 1994, Braulo Lim, et al., landowners of the Tan Kim Kee Estate, filed an application for conversion of the Estate into commercial/industrial uses. The application was granted with the condition that the Estate be developed within the period of five years. The period was later on extended upon application of Braulo Lim, et al.[5]

Before the lapse of the prescribed period, Braulo Lim, et al. filed an application for the exclusion of the Estate from the coverage of CARP on the ground that the land was actually, exclusively, and directly used for cattle raising.[6]

In 2012, however, the Department of Agrarian Reform (DAR) subjected the Tan Kim Kee Estate under the coverage of the CARP.[7]

In an Order[8] dated January 3, 2013, the DAR denied the application for exclusion.

Seeking recourse from this Court via this Petition, petitioner contends that by putting said Estate into the coverage of CARP would slay the economic development strategy that is knitted in the approved town plans, affecting the progress and development not only for the Municipality, but for the province and the region as well.[9] Hence, it is but proper that an injunction be issued against the respondent.

In its Supplemental Petition,[10] petitioner adds that irreparable damage on its part, as well as the investors that already expressed interest in developing the Tagabuli Bay will ensue and that the MCDP/LUP and ZOs will be prejudiced by said agrarian reform coverage of the area in consideration.

In its Comment[11] the respondent maintained that the Tan Kim Kee Estate was validly put under the CARP coverage for the landowners' failure to comply with the conversion plan under DAR guidelines. The DAR averred that the Tan Kim Kee landowners initially filed their application for conversion from agricultural land to industrial use. However, for a period of five years, they failed to implement the conversion plan. An extension of time within which to comply with the plan was granted by the DAR; despite so, the landowners still failed to comply therewith. Such failure to undertake the conversion activity within the period given by the DAR is in violation of the conditions imposed by relevant laws. Thus, the Tan Kim Kee Estate remains to be an agricultural land under Section 49 of the DAR Administrative Order No. 1, Series of 2002, which may be placed under the CARP.[12] As such, respondent maintains that the application for the issuance of an injunction should be denied.

In its Reply,[13] petitioner insists that its act of reclassifying the Tan Kim Kee Estate as an industrial zone is well within the autonomy provided by the Local Government Code and the Constitution.

Hence, this Petition.

The Issue

Essentially, the issue in this case is whether or not the reclassification of the Tan Kim Kee Estate as an industrial land removes it from the coverage of the CARL.

The Court's Ruling

Initially, it must be highlighted that the Notices of Coverage issued by the DAR basically placed the Tan Kim Kee Estate under the coverage of the CARP. Said notices notify the landowners that their respective properties shall be placed under the CARP; that they are entitled to exercise their retention right; and that a public hearing shall be conducted where they and the representatives of the concerned sectors of society may attend to discuss the results of the field investigation, the land valuation and other pertinent matters.[14] Thus, at this point, no acquisition was yet implemented.

The Court now resolves.

Petitioner directly resorted to this Court in applying for the issuance of an injunctive writ.

Preliminarily, the CARL provides that the remedy of certiorari is available to dispute any decision of the DAR on any agrarian matter pertaining to the application, implementation, enforcement or interpretation of the law:

SEC. 54. Certiorari. — Any decision, order, award or ruling of the DAR on any agrarian dispute or on any matter pertaining to the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals by certiorari except as otherwise provided in this Act within fifteen (15) days from the receipt of a copy thereof.

The findings of fact of the DAR shall be final and conclusive if based on substantial evidence.

However, the CARL expressly states that the a petition for certiorari must be filed with the Court of Appeals (CA), and not directly before this Court.

Nevertheless, whether injunction is available as a remedy in assailing the propriety of the implementation of the CARL is likewise explicitly provided under Section 68 thereof, to wit:

SEC. 68. Immunity of Government Agencies from Undue Interference. — No injunction, restraining order, prohibition or mandamus shall be issued by the lower courts against the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR), and the Department of Justice (DOJ) in their implementation of the program. (Italics supplied)

With the exclusion of the lower courts, this Court and the CA has concurrent jurisdiction to issue an injunctive writ as against the Department of Agriculture in the implementation of the CARL. However, such concurrence does not give the petitioner unrestricted freedom of choice of court forum consistent with the principle of hierarchy of courts.[15]

In the case of *Gios-Samar, Inc. v. Department of Transportation and Communications*,[16] the Court reminded that said doctrine is not a mere policy, but a constitutional filtering mechanism designed to enable the Court to focus on more fundamental and essential tasks assigned to it by the Constitution.

Said principle, however, is subject to exceptions:

(1)

When there are genuine issues of constitutionality that must be addressed at the most immediate time;

(2)

When the issues involved are of transcendental importance;

(3)

Cases of first impression;

(4)

The constitutional issues raised are better decided by the Court;

(5)

Exigency in certain situations;

(6)

The filed petition reviews the act of a constitutional organ;

(7)

When petitioners rightly claim that they had no other plain, speedy, and adequate remedy in the ordinary course of law that could free them from the injurious effects of respondents' acts in violation of their right to freedom of expression; and

(8)

The petition includes questions that are "dictated by public welfare and the advancement of public policy, or demanded by the broader interest of justice, or the orders complained of were found to be patent nullities, or the appeal was considered as clearly an inappropriate remedy." [17]

However, as clarified in the Gios-Samar case, the determinative factor in allowing the application of one of the aforementioned exceptions is the nature of the question raised by the parties in those "exceptions" that enabled the Court to allow such direct resort.[18]

In this case, petitioner merely speculates in its Petition that the benefits of classifying the Tan Kim Kee Estate as an industrial zone far outweighs the benefits of the implementation of the CARL because in previous experiences, the CARP beneficiaries were not able to develop the agricultural lands awarded to them. However, such conjecture does not constitute any of the aforementioned exceptions to the general rule. Thus, the supremacy of the doctrine of hierarchy of courts prevails.

Note too that the Petition failed to state a cause of action considering the insufficiency of the allegations in the pleading.[19] It must be highlighted that petitioner is not the registered owner of the Tan Kim Kee Estate.

Section 2, Rule 3 of the Rules of Court is explicit in stating that every action must be prosecuted or defended in the name of the real party-in-interest, a party who stands to be benefited or injured by the judgment in the suit. On this note, real interest must be one which is present and substantial, as distinguished from a mere expectancy, or a future, contingent, subordinate or consequential interest.[20]

Petitioner's perceived and anticipated benefit from the development of the Tan Kim Kee Estate constitutes a mere expectancy. As aforementioned, the same does not suffice to consider it as a real party-in-interest.

The Court stresses that procedural rules are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party's substantive rights. Like all rules, they are required to be followed except only for the most persuasive of reasons.[21]

Considering the procedural infirmities plaguing the instant Petition, the Court has no choice but to deny the same in the absence of any manifestation that the ends of substantive justice would be subserved thereby.

WHEREFORE, premises considered, the Petition is DENIED.

SO ORDERED.

Carpio (Chairperson), Lazaro-Javier, and Zalameda, JJ., concur.
Caguioa, J., see separate concurring opinion.

[1] Rollo, pp. 3-12.

[2] Id. at 6.

[3] Id.

[4] Id. at 7.

[5] Id. at 125-126.

[6] Id. at 126.

[7] Id. at 112-113.

[8] Id. at 123-136.

[9] Id. at 8.

[10] Id. at 101-104.

[11] Id. at 111-118.

[12] Id. at 112-114.

[13] Id. at 139-146.

[14] *Roxas & Co., Inc. v. Court of Appeals*, 378 Phil. 727, 771 (1999).

[15] *United Claimants Association of NEA (UNICAN) v. National Electrification Administration*, 680 Phil. 506, 514 (2012).

[16] G.R. No. 217158, March 12, 2019.

[17] Id.

[18] Id.

[19] *Zuñiga-Santos v. Santos-Gran*, 745 Phil. 171, 177 (2014).

[20] *Gemina v. Eugenio*, 797 Phil. 763, 770-771 (2016).

[21] *Malixi v. Baltazar*, G.R. No. 208224, November 22, 2017, 846 SCRA 244, 271, citing *Lazaro v. Court of Appeals*, 386 Phil. 412, 417 (2000).

SEPARATE CONCURRING OPINION

CAGUIOA, J.:

Before the Court is a Petition for Injunction with Application for Permanent Restraining Order filed by petitioner Local Government Unit (LGU) of Sta. Cruz, Davao del Sur (petitioner LGU of Sta. Cruz) against respondent Provincial Office of the Department of Agrarian Reform (DAR), Digos City, Davao del Sur (respondent DAR). The instant Petition seeks to prevent respondent DAR from subjecting the Tan Kim Kee Estate (subject property) under Republic Act No. (R.A.) 6657 or the Comprehensive Agrarian Reform Law (CARL).

The subject property was designated by petitioner LGU of Sta. Cruz as an industrial park through the latter's land use plan and zoning ordinance in 1991. In 1994, an application for conversion of the subject property for commercial/industrial uses was filed by Braulio A. Lim (Lim), et al., the landowners of the subject property. On November 8, 1994, respondent DAR, through then Secretary Ernesto Garilao, issued an Order approving the application for¹ conversion, but with the condition that the conversion plan would be implemented within five years from the conversion in 1994. Upon application of Lim, et al., respondent DAR, in its Order dated October 15, 1999, extended the five-year period for a non-extendible period of two years. Before the lapse of the said period, or on March 14, 2001, Lim, et al. filed an application for the exclusion of the subject property from the coverage of CARL on the ground that the land was actually, exclusively, and directly used for cattle raising.

Holding that the condition on the conversion of the subject property from agricultural land to industrial land within the prescribed period was not complied with, respondent DAR, in 2012, placed the subject property under the coverage of the Comprehensive Agrarian Reform Program (CARP) by issuing and publishing several Notices of Coverage.^[1]

Subsequently, an Order (DARCO Order No. Exc-1301-027, s. 2013)^[2] dated January 3, 2013 was issued by respondent DAR, through then DAR Secretary Virgilio R. delos Reyes, denying the application for exclusion filed by Lim, et al. in 2011.

On purely procedural grounds, the instant Petition merits outright dismissal.

By filing the instant Petition, petitioner LGU of Sta. Cruz directly seeks recourse from the Court to reverse respondent DAR's decision to place the subject property under the coverage of the CARP. In this regard, Section 54 of CARL provides which court has jurisdiction to hear, try, and decide this cause of action, to wit:

SEC. 54. Certiorari. - Any decision, order, award or ruling of the DAR on any agrarian dispute or on any matter pertaining to the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals by certiorari except as otherwise provided in this Act within fifteen (15) days from the receipt of a copy thereof.

The findings of fact of the DAR shall be final and conclusive if based on substantial evidence.[3]

As pronounced by the Court in *Department of Agrarian Reform v. Trinidad Valley Realty & Development Corp., et al.*,^[4] "Section 54 of RA 6657 leaves no room for doubt that decisions, orders, awards or rulings of the DAR may be brought to the CA by certiorari."^[5]

Hence, considering that the proper remedy as regards rulings of the DAR pertaining to the application, implementation, enforcement, or interpretation of the CARL is to file a certiorari petition before the Court of Appeals (CA), I agree with the ponencia's holding that petitioner LGU of Sta. Cruz resorted to an improper remedy in filing the instant Petition directly before the Court. To be sure, the Court has no jurisdiction to hear the instant Petition.

Even assuming *arguendo* that the Court has concurrent jurisdiction with the CA in hearing the instant Petition, the doctrine of hierarchy of courts, as correctly held by the ponencia, precludes the Court from taking cognizance of the instant Petition. As unanimously held by the Court in *Gios-Samar, Inc. v. Department of Transportation and Communication*,^[6] strict observance of the doctrine of hierarchy of courts should not be a matter of mere policy. In this regard, I agree with the ponencia that there is no special and important reason to convince this Court to assume jurisdiction over this Petition.^[7]

Moreover, I believe that the instant Petition fails to state any cause of action as the instant Petition was not filed by the real party-in-interest. Under Rule 3, Section 2 of the Rules of Court, every action must be prosecuted or defended in the name of the real party-in-interest.

It is not denied that the petitioner LGU of Sta. Cruz is not the registered owner of the subject property. The lots comprising the subject property are owned by private landowners, i.e., Lim, et al., and not by petitioner LGU of Sta. Cruz.

The Court has held that "a real party in interest is a party who would be benefited or injured by the judgment or is the party entitled to the avails of the suit. Real interest means a present substantial interest, as distinguished from a mere expectancy or a future, contingent, subordinate or consequential interest." ^[8]

In filing the instant Petition, petitioner LGU of Sta. Cruz argues that it would be for the future benefit of the LGU if the area would be converted for industrial and other related usages.^[9] This is a mere expectancy or a future, contingent, subordinate or consequential interest. Hence, the lack of any real party-in-interest warrants the dismissal of the instant Petition.

Nevertheless, even if the Court decides to go beyond the aforementioned procedural hurdles, a ruling on the substantive merits of the instant Petition leads to the same result—the denial of the instant Petition.

It has already been settled with definitiveness that after the passage of R.A. 6657, agricultural lands, though reclassified by LGUs, have to undergo the process of DAR conversion before such lands may be excluded from

the coverage of CARP. As correctly pointed out by the ponencia, the Court already definitively held in *Chamber of Real Estate and Builders Associations, Inc. v. Secretary of Agrarian Reform* (Chamber of Real Estate and Builders Associations, Inc.),^[10] that:

x x x In *Ros v. Department of Agrarian Reform*, this Court has enunciated that after the passage of Republic Act No. 6657, agricultural lands, though reclassified, have to go through the process of conversion, jurisdiction over which is vested in the DAR. However, agricultural lands, which are already reclassified before the effectivity of Republic Act No. 6657 which is 15 June 1988, are exempted from conversion. It bears stressing that the said date of effectivity of Republic Act No. 6657 served as the cut-off period for automatic reclassifications or rezoning of agricultural lands that no longer require any DAR conversion clearance or authority. It necessarily follows that any reclassification made thereafter can be the subject of DAR's conversion authority. Having recognized the DAR's conversion authority over lands reclassified after 15 June 1988, it can no longer be argued that the Secretary of Agrarian Reform was wrongfully given the authority and power to include "lands not reclassified as residential, commercial, industrial or other non-agricultural uses before 15 June 1988" in the definition of agricultural lands. Such inclusion does not unduly expand or enlarge the definition of agricultural lands; instead, it made clear what are the lands that can be the subject of DAR's conversion authority, thus, serving the very purpose of the land use conversion provisions of Republic Act No. 6657.

x x x x

Nevertheless, emphasis must be given to the fact that DAR's conversion authority can only be exercised after the effectivity of Republic Act No. 6657 on 15 June 1988. The said date served as the cut-off period for automatic reclassification or rezoning of agricultural lands that no longer require any DAR conversion clearance or authority. Thereafter, reclassification of agricultural lands is already subject to DAR's conversion authority. Reclassification alone will not suffice to use the agricultural lands for other purposes. Conversion is needed to change the current use of reclassified agricultural lands.

x x x x

x x x Reclassification alone will not suffice and does not automatically allow the landowner to change its use. It must still undergo conversion process before the landowner can use such agricultural lands for such purpose. Reclassification of agricultural lands is one thing, conversion is another. Agricultural lands that are reclassified to non-agricultural uses do not ipso facto allow the landowner thereof to use the same for such purpose. Stated differently, despite having reclassified into school sites, the landowner of such reclassified agricultural lands must apply for conversion before the DAR in order to use the same for the said purpose.^[11]

As explained in *Chamber of Real Estate and Builders Associations, Inc.*, Executive Order No. (E.O.) 129-A, otherwise known as The Reorganization Act of the Department of Agrarian Reform, was issued in 1987 authorizing the DAR to approve or disapprove the conversion, restructuring or readjustment of agricultural lands into non-agricultural uses.^[12]

Upon the passage of R.A. 7160, otherwise known as the Local Government Code of 1991, LGUs were granted the power to reclassify agricultural lands subject to certain conditions.^[13] However, this power of LGUs to reclassify agricultural land for non-agricultural purposes does not mean that DAR conversion can be dispensed with in order to exclude land beyond the coverage of CARP. That was expressly addressed and explained by the Court in *Chamber of Real Estate and Builders Associations, Inc.*, thus: "[t]he aforementioned provisions of law show that the power of the LGUs to reclassify agricultural lands is not absolute. The authority of the DAR to approve conversion of agricultural lands covered by Republic Act No. 6657 to non-agricultural uses has been validly recognized by said Section 20 of Republic Act No. 7160 by explicitly providing therein that, 'nothing in this section shall be construed as repealing or modifying in any manner the provisions of Republic Act No. 6657.'"^[14]

Hence, the rule mandating that "the reclassification of agricultural lands by LGUs shall be subject to the requirements of land use conversion procedure or that DAR's approval or clearance must be secured to effect reclassification, [does] not violate the autonomy of the LGUs"[15] is settled.

It has been espoused that in *Pasong Bayabas Farmers Association, Inc. v. Court of Appeals*,[16] the power of the LGU to convert or reclassify lands is not subject to the approval of the DAR. However, this case is not controlling as the subject property in the said case was reclassified to non-agricultural land by the LGU, i.e., Municipal Council of Carmona, prior to the passage of R.A. 6657.

Prior to the effectivity of R.A. 6657 on June 15, 1988, a conversion clearance from DAR was not necessary with respect to agricultural lands reclassified by the LGU. Under DAR Administrative Order No. (A.O.) 1, series of 1990,[17] the DAR clarified that agricultural lands classified in town plans and zoning ordinances as approved by the Housing and Land Use Regulatory Board and its preceding authorities prior to June 15, 1988 were expressly excluded from the coverage of CARP.[18]

In sharp contrast, the subject property in the instant case was designated by petitioner LGU of Sta. Cruz as an industrial park through the latter's land use plan and zoning ordinance in 1991 after the passage of CARL. To reiterate once more, reclassification of agricultural lands after the effectivity of CARL is subject to DAR's conversion authority.

It has also been posited that since R.A. 6657 applies only for conversion of lands previously placed under the agrarian reform law, petitioner LGU validly reclassified Tan Kim Kee Estate into an industrial land, pointing to Section 65 of R.A. 6657, as amended by R.A. 9700,[19] as basis of its argument that the DAR's power to approve applications for reclassification or conversion of agricultural land and the rule that failure to implement the conversion plan within five years from the approval of the conversion plan causing the land to automatically be covered by CARP applies only to applications by the landowner or the beneficiary for the conversion of lands previously placed under the agrarian reform law after the lapse of five years from its award.

This position is untenable as *Chambers of Real Estate and Builders Associations, Inc.* already directly addressed this. The Court held therein that while "the DAR's express power over land use conversion provided for under Section 65 of Republic Act No. 6657 is limited to cases in which agricultural lands already awarded have, after five years, ceased to be economically feasible and sound for agricultural purposes, or the locality has become urbanized and the land will have a greater economic value for residential, commercial or industrial purposes[,] x x x [t]o suggest, however, that these are the only instances that the DAR can require conversion clearances would open a loophole in Republic Act No. 6657 which every landowner may use to evade compliance with the agrarian reform program. It should logically follow, therefore, from the said department's express duty and function to execute and enforce the said statute that any reclassification of a private land[, including those that were not previously awarded to farmer-beneficiaries,] as a residential, commercial or industrial property, on or after the effectivity of Republic Act No. 6657 on 15 June 1988 should first be cleared by the DAR." [20]

It bears emphasis that the power of DAR to require the application for conversion is not only sourced from R.A. 6657. To reiterate, E.O. 129-A expressly grants DAR the power to approve and disapprove the conversion of agricultural lands for non-agricultural uses. And in exercise of its statutory power to promulgate rules and regulations implementing the said law, DAR required the completion of development within five years from the issuance of the Order of Conversion under DAR A.O. 12-94[21] and subsequent issuances.[22] Hence, as recognized by the Court in *Chambers of Real Estate and Builders Associations, Inc.*, despite the Conversion of Lands provision under R.A. 6657 referring only to agricultural lands already awarded, it cannot be said that respondent DAR has no power to require an application for conversion and impose the condition that the

conversion plan be implemented within five years from the approval of the conversion.

Therefore, applying the foregoing in the instant case, when respondent DAR issued the Order approving the application for conversion, but with the condition that the conversion plan to utilize the subject property for industrial and commercial purposes be actualized within five years from the conversion in 1994, the imposition of such condition was with legal basis.

It is not disputed by petitioner LGU of Sta. Cruz that this condition was not met. In fact, petitioner LGU of Sta. Cruz even admitted in the instant Petition that the subject property was not actually used for commercial and industrial purposes. It was admitted in the instant Petition that the subject property "has been utilized as [a] cattle ranch[.]"[23] In fact, in 2001, Lim, et al. even filed an Application for exclusion from CARP coverage on the ground that the subject property was actually, exclusively, and directly used for cattle raising.[24] It goes without saying that cattle raising is not a commercial or industrial activity. It is in fact an agricultural enterprise or agricultural activity — which includes the raising of livestock.[25]

For the foregoing reasons, I vote to DISMISS the Instant Petition.

[1] Rollo, pp. 119-122.

[2] Id. at 123-136.

[3] Emphasis and underscoring supplied.

[4] 726 Phil. 419 (2014).

[5] Id. at 434.

[6] G.R. No. 217158, March 12, 2019.

[7] Ponencia, p. 5.

[8] Hon. Fortich v. Hon. Corona, 352 Phil. 461, 484 (1998); emphasis supplied, citation omitted.

[9] Rollo, p. 5.

[10] 635 Phil. 283 (2010).

[11] Id. at 307-311; emphasis and underscoring supplied, citations omitted.

[12] E.O. 129-A, Sec. 4(j).

[13] R.A. 7160, SEC. 20. Reclassification of Lands.-

(a) A city or municipality may, through an ordinance passed by the sanggunian after conducting public hearings for the purpose, authorize the reclassification of agricultural lands and provide for the manner of their utilization or disposition in the following cases: (1) when the land ceases to be economically feasible and sound for agricultural purposes as determined by the Department of Agriculture or (2) where the land shall have substantially greater economic value for residential, commercial, or industrial purposes, as determined by the sanggunian concerned: Provided, That such reclassification shall be limited to the following percentage of the total agricultural land area at the time of the passage of the ordinance:

(1)

For highly urbanized and independent component cities, fifteen percent (15%);

(2)

For component cities and first to the third class municipalities, ten percent (10%); and

(3)

For fourth to sixth class municipalities, five percent (5%): Provided, further, That agricultural lands distributed to agrarian reform beneficiaries pursuant to Republic Act Numbered Sixty-six hundred fifty-seven (R.A No. 6657), otherwise known as "The Comprehensive Agrarian Reform Law," shall not be affected by the said reclassification and the conversion of such lands into other purposes shall be governed by Section 65 of said Act.

(b) The President may, when public interest so requires and upon recommendation of the National Economic and Development Authority, authorize a city or municipality to reclassify lands in excess of the limits set in the next preceding paragraph.

(c) The local government units shall, in conformity with existing laws, continue to prepare their respective comprehensive land use plans enacted through zoning ordinances which shall be the primary and dominant bases for the future use of land resources: Provided, That the requirements for food production, human settlements, and industrial expansion shall be taken into consideration in the preparation of such plans.

(d) Where approval by a national agency is required for reclassification, such approval shall not be unreasonably withheld. Failure to act on a proper and complete application for reclassification within three (3) months from receipt of the same shall be deemed as approval thereof.

(e) Nothing in this Section shall be construed as repealing, amending, or modifying in any manner the provisions of R.A. No. 6657.

[14] Chamber of Real Estate and Builders Associations, Inc. v. Secretary of Agrarian Reform, *supra* note 10 at 313.

[15] *Id.* at 312.

[16] 473 Phil. 64 (2004).

[17] Revised Rules and Regulations Governing Conversion of Private Agricultural Lands to Non--Agricultural Uses.

[18] DAR Administrative Order No. 1, series of 1990.

[19] An Act Strengthening The Comprehensive Agrarian Reform Program (CARP), Extending The Acquisition And Distribution Of All Agricultural Lands, Instituting Necessary Reforms, Amending For The Purpose Certain Provisions Of Republic Act No. 6657, Otherwise, Known As The Comprehensive Agrarian Reform Law Of 1988, As Amended, And Appropriating Funds Therefor; Section 65 provides:

SEC. 65. Conversion of Lands. - After the lapse of five (5) years from its award, when the land ceases to be economically feasible and sound for agricultural purposes, or the locality has become urbanized and the land will have a greater economic value for residential, commercial or industrial purposes, the DAR, upon application of the beneficiary or the landowner with respect only to his/her retained area which is tenanted, with due notice to the affected parties, and subject to existing laws, may authorize the reclassification or conversion of the land and its disposition: Provided, That if the applicant is a beneficiary under agrarian laws and the land sought to be converted is the land awarded to him/her or any portion thereof, the applicant, after the conversion is granted, shall invest at least ten percent (10%) of the proceeds coming from the conversion in government securities: Provided, further, That the applicant upon conversion shall fully pay the price of the land: Provided, furthermore, That irrigated and irrigable lands, shall not be subject to conversion: Provided,

finally, That the National Irrigation Administration shall submit a consolidated data on the location nationwide of all irrigable lands within one (1) year from the effectivity of this Act.

Failure to implement the conversion plan within five (5) years from the approval of such conversion plan or any violation of the conditions of the conversion order due to the fault of the applicant shall cause the land to automatically be covered by CARP.

[20] Chamber of Real Estate and Builders Associations, Inc. v. Secretary of Agrarian Reform, *supra* note 10 at 308-309; citation omitted.

[21] Section VI(G) of DAR Administrative Order No. 12-94 re Consolidated and Revised Rules and Procedures Governing Conversion of Agricultural Lands to Non-Agricultural Uses.

[22] Section 33.6 of DAR Administrative Order No. 01-02 re 2002 Comprehensive Rules on Land Use Conversion.

[23] Rollo, p. 8.

[24] Ponencia, p. 2.

[25] R.A. 6657, Sec. 3(b).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.