S. No. 1850
H. No. 6336

Republic of the Philippines

Congress of the Philippines

Metro Manila

Nineteenth Congress

First Regular Session

Begun and held in Metro Manila, on Monday, the twenty-fifth day of July, two thousand twenty-two.

[REPUBLIC ACT NO. 11953]

AN ACT EMANCIPATING AGRARIAN REFORM BENEFICIARIES FROM FINANCIAL BURDEN BY CONDONING ALL PRINCIPAL LOANS, UNPAID AMORTIZATIONS AND INTERESTS AND EXEMPTING PAYMENT OF ESTATE TAX ON AGRICULTURAL LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the "New Agrarian Emancipation Act".

SEC. 2. *Condonation of the Agrarian Reform Debt.* – This Act shall cover the condonation of P57.557 billion principal debt of 610,054 Agrarian Reform Beneficiaries (ARBs), tilling a total of 1,173,101.57 hectares of agrarian reform lands.

The principal loan of P14.5 billion, including interests, penalties and surcharges, of the 263,622 ARBs, tilling 409,206.91 hectares of agrarian reform lands, whose names and other loan details were already submitted by the Land Bank of the Philippines (LBP) to Congress, shall be condoned outright under this Act. However, the inclusion of the remaining P43.057 billion loan in this section shall take effect only upon submission by the LBP and the Department of Agrarian Reform (DAR) of details of the indebtedness to Government of the 346,432 ARBs, tilling 763,894.66 hectares of agrarian reform lands, contained in a list, as provided for in the next paragraph of this section.

Upon the effectivity of this Act, the individual loans of ARBs, including interests, penalties and surcharges, secured under the Comprehensive Agrarian Reform Program (CARP) or from other agrarian reform programs or laws, are hereby condoned and written off by the Government, thereby relieving them from the burden of payment thereof: *Provided,* That these ARBs shall have been indebted to Government as of the effectivity of this Act: *Provided, further,* That the LBP and the DAR shall submit the detailed list of their actual loans subject for condonation, under the collective Certificate of Land Ownership Awards (CLOAs), together with the pertinent information such as name of ARBs; amount of loan plus penalties, interests, and surcharges; location; hectarage; and other relevant information, to the concerned committees of the Senate and House of Representatives, within the three (3)-year period from the effectivity of this Act, which shall then make the submission part of the Congressional Records of this Act: *Provided, furthermore,* That the DAR shall thereafter issue, whenever necessary, a Certificate of Condonation which shall be annotated on the Emancipation Patent (EP), CLOA based on the applicable agrarian reform law: *Provided, finally,* That condonation as provided herein shall lift all mortgage liens, attached to the land acquired, in favor of the National Government, as represented by the LBP.

SEC. 3. *Termination of Payment of Compensation by ARBs Under Voluntary Land Transfer (VLT) and Direct Payment Schemes (DPS).* – All direct payments of compensation by the 10,201 ARBs, tilling 11,531.24 hectares

of agrarian reform lands, to landowners under VLT and DPS, amounting to P206,247,776.41 are hereby terminated, and payments of the remaining balance of compensation due the concerned landowners shall be paid by the Government through the LBP and charged against the Agrarian Reform Fund: *Provided,* That they shall have been indebted to the landowner as of the effectivity of this Act.

SEC. 4. *Coverage.* – For purposes of this Act, the term Agrarian Reform Beneficiaries (ARBs) shall refer to farmers or farmworkers who were granted lands under Presidential Decree No. 27, Republic Act No. 6657, as amended, and Republic Act No. 9700, and who have outstanding loan balances payable to the LBP and to private landowners as of the effectivity of this Act.

SEC. 5. *Mandatory Inclusion of the ARBs in the Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Agriculture (DA).* – The ARBs are Filipino farmers entitled to support from government agencies, particularly from the DA. The DA is hereby mandated to include the ARBs beneficiaries of this Act in the Registry System for Basic Sectors in Agriculture (RSBSA) and shall provide to them all support services that are due our farmers.

SEC. 6. *Preference to Credit Facilities and Support Services for Beneficiaries with Paid Amortizations.* – ARBs who have completed payment of the amortization schedule and the payment of interest charges under Section 26 of Republic Act No. 6657, as amended, Section 6 of Executive Order No. 228 of 1987, and other agrarian reform laws shall be given preference in the provision of credit facilities and support services as provided in this Act, in Section 37 of Republic Act No. 6657, as amended, and in relevant programs and projects implemented by the DA and government financial institutions concerned.

SEC. 7. *Estate Tax Exemption.* – The land awarded to ARBs shall be excluded from his/her gross estate for purposes of estate tax.

The Department of the Interior and Local Government shall also encourage local government units to enact local tax amnesty on real property taxes and other transfer taxes of qualified ARBs under this section.

SEC. 8. *Issuance of Agrarian Reform Title.* – The appropriate Registry of Deeds shall register the EP, the CLOA, or any other title issued pursuant to the applicable agrarian reform law within sixty (60) days from the issuance thereof in the name of the ARB. It shall likewise annotate the Notice of Condonation on all the affected EPs, CLOAs, or any other title issued pursuant to the applicable agrarian reform law within sixty (60) days from issuance by the DAR.

SEC. 9. *Restitution of the Agrarian Reform Award Forfeited Solely Due to Non-Payment of Annual Amortization and Interest.* – Any pending administrative case involving the forfeiture by the DAR of the agrarian reform award solely due to the failure of an ARB to pay the thirty (30)-year amortization plus six percent (6%) annual interest shall immediately be dismissed *motu proprio* by the DAR.

Under this Act, the DAR shall move for the dismissal of all actions pending with the courts relating to the collection of unpaid principal and interests over agricultural lands covered by agrarian reform laws.

The execution of a final and executory administrative case decision due to the failure of an ARB to pay the thirty (30)-year amortization plus six percent (6%) annual interest resulting in the disqualification of the ARB, the cancellation of the agrarian reform title, the extinguishment of the rights of possession and ownership of the awarded land, as well as the removal of the person from the awarded land or the dismantling of any improvements found therein, shall be immediately terminated, the agrarian reform award immediately restored, and the forfeiture decision accordingly reversed.

Any agrarian reform title cancelled as a result of the final and executory administrative case decision shall immediately be reconstituted in favor of the ARB. In the event that the agricultural land has already been awarded to another beneficiary, the DAR shall as far as equitable award another land to the disqualified ARB.

SEC. 10. *Disqualification of Agrarian Reform Beneficiaries Due to Acts and Omissions Constituting Violations of Agrarian Reform Laws.* – Any person convicted by final judgment of any of the prohibited acts and omissions under Section 73 and meted any of the penalties under Section 74 of Republic Act No. 6657, as amended, is disqualified to avail of the benefits under this Act.

Disqualification shall likewise result as an outcome of a determination by final judgment that the ARB, in violation of Section 22 of Republic Act No. 6657, as amended, willfully refused to make the awarded land as productive as possible or deliberately neglected or abandoned the awarded land continuously for a period of two (2) calendar years: *Provided,* That non-cultivation of the land due to non-installation of the ARBs, threats by other stakeholders or entities, lack of facilities and support services, or situations or conditions beyond the control of the ARBs not due to their fault or actuations shall not be considered as either neglect, abandonment, or grounds for disqualification.

Pursuant thereto, the DAR shall thoroughly investigate and revalidate allegations that will constitute disqualification under this section, in a manner that will be construed liberally in favor of the ARBs.

SEC. 11. *Right of the Landowner to Just Compensation/ Interpretation.* – Nothing in this Act shall diminish the right of landowners to just compensation for their agricultural lands acquired under the agrarian reform program, nor shall it be interpreted to remove existing limitations on the transfer, ownership, and agricultural use of land.

SEC. 12. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the DAR, in coordination with the Executive Committee of the Presidential Agrarian Reform Council (PARC), with the technical assistance of the LBP, shall issue rules and regulations for the effective implementation of this Act.

SEC. 13. *Agency Support.* – All other government offices and agencies are directed to render such prompt and necessary assistance, subject to applicable laws, rules and regulations, to fully implement the provisions of this Act.

SEC. 14. *Funding.* – The amount necessary for the implementation of this Act shall be charged against the Agrarian Reform Fund, as certified by the Bureau of the Treasury, and the inclusion thereof in the annual General Appropriations Act shall be subject to the existing budgeting process, rules and regulations, and to such other funds as may subsequently be authorized by Congress.

SEC. 15. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in full force and effect.

SEC. 16. *Repealing Clause.* – Section 21 of Republic Act No. 6657, as amended, is hereby modified. All laws, executive orders, issuances or parts thereof inconsistent with the provisions of this Act are hereby amended, repealed or modified accordingly.

SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

FERDINAND MARTIN G. ROMUALDEZ
Speaker of the House of Representatives

JUAN MIGUEL F. ZUBIRI
President of the Senate

This Act, which is a consolidation of Senate Bill No. 1850 and House Bill No. 6336, was passed by the Senate of the Philippines and the House of Representatives on March 22, 2023.

REGINALD S. VELASCO
Secretary General
House of Representatives

RENATO N. BANTUG JR.
Secretary of the Senate

Approved: 0 7 JUL 2023

FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines

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DIRECTOR IV
7-7-2023