

THIRTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

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SENATE

S. No. 348

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Introduced by Senator S. R. Osmeña III

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#### EXPLANATORY NOTE

The Philippines has a total population of 79.503 million people as of 2002, with an average population growth rate of roughly 2 percent per annum. The Philippine population is forecasted to reach 84.241 million people by 2005. In addition, the Housing and Urban Development Coordinating Council has projected that the country's housing requirements shall reach 3.285 million units by the year 2005. These statistics serve to underscore the need for the government to find a solution to the housing problem of the nation at the soonest time possible.

It is with this in mind that this bill is hereby being proposed. The bill seeks to lay the foundation for a land reform program with regards to residential units, a Residential Land Reform so to speak. The bill proposes that all alienable and disposable public lands be distributed regardless of tenure arrangements. It provides that the maximum residential area permissible for sale is not to exceed 700 square meters within cities and capital towns and 1,000 square meters in other areas.

In view hereof, the approval of this measure is highly recommended.

*S. Osmeña III*

**SERGIO OSMEÑA III**  
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC  
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S E N A T E

S. No. 348

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Introduced by Senator S. R. Osmeña III

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AN ACT  
PROVIDING FOR A NATIONAL HOMELOTS DISTRIBUTION PROGRAM

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

1 SECTION 1. **Short Title.** – This Act shall be known as the  
2 **“Comprehensive National Homelots Distribution Act of 2004”**

3 SEC. 2. **Declaration of Policy.** – It is hereby declared policy of the  
4 State to pursue a continuing program of urban land reform and housing through a  
5 comprehensive national homelots distribution program which shall fast track  
6 titling of homelots to qualified beneficiaries from the marginalized sectors of  
7 society at affordable cost and shall provide financing schemes to acquire the  
8 same.

9 SEC. 3. **Definition of Terms.**– For the purpose of this Act, the following  
10 are hereby defined:

11 (a) “Affordable cost” refers to the most reasonable price of land and shelter  
12 based on the needs and financial capability of program beneficiaries and  
13 appropriate financing schemes.

14 (b) “Agricultural lands” refer to lands devoted to or suitable for the  
15 cultivation of the soil, planting of crops, growing of fruit trees, raising of livestock,  
16 poultry, fish or aquaculture production, including the harvesting of such farm  
17 products, and other farm activities and practices performed in conjunction with

1 such farming operations done by persons whether natural or juridical and not  
2 classified by law as mineral land, forest land, residential land, commercial land or  
3 industrial land.

4 (c) "Alienable and disposable lands of the public domain" refer to those  
5 lands of the public domain which have been delineated, classified and certified  
6 as such, declared as not needed for forest, mineral purposes or national parks,  
7 and available for disposition under Commonwealth Act No. 141, otherwise known  
8 as the "Public Land Act" as amended.

9 (d) "Ancestral domain" refers to all areas generally belonging to indigenous  
10 cultural communities/ indigenous peoples (ICCs/IPs) as defined in Republic Act  
11 No. 8371, otherwise known as the Indigenous Peoples Rights Act (IPRA) of  
12 1998.

13 (e) "Beneficiary" refers to a natural person who has been occupying a  
14 parcel of land as defined in paragraph (c) of this section for two (2) years or more  
15 and identified by the local government unit as qualified to own a homelot in  
16 accordance with the eligibility criteria in Section 6 of this Act and the rules and  
17 regulations formulated in accordance with this Act.

18 (f) "Forestlands" refer to lands of the public domain, which have been  
19 classified or declared as such by existing forestry laws and all unclassified lands  
20 of the public domain.

21 (g) "Homelot" refers to a parcel of residential land occupied for two (2)  
22 years or more by qualified beneficiaries prescribed in this Act situated in public  
23 lands mostly in the poblacion area or center of municipalities and/or cities.

24 (h) "Idle land" refers to non-agricultural lands in urban and urbanizable  
25 areas on which no improvements, as herein defined, have been made by the  
26 owner, as certified by the city, municipal or provincial assessor.

27 (i) "Improvements" refer to all types of buildings and residential units,  
28 walls, fences, structures or construction of all kinds of a fixed character or which  
29 are adhered to the soil but shall not include trees, plants and growing fruits, and

1 other fixtures that are mere superimpositions on the land, and the value of  
2 improvements shall not be less than fifty percent (50%) of the assessed value of  
3 the property.

4 (j) "Lands of public domain" refer to lands that belong to the State, which  
5 may be any of the following: agricultural, forest or timber, mineral, or national  
6 park as provided for in the Constitution.

7 (k) "Land use" refers to the manner of utilization of land, including its  
8 allocation, development and management.

9 (l) "Mineral lands" refer to lands where mineral including energy resources  
10 are found.

11 (m) "Professional squatters" refer to individuals or groups who occupy lands  
12 without the express consent of the landowner and who have sufficient income for  
13 legitimate housing. The term shall apply to persons who have previously been  
14 awarded homelot or housing units by the government but who sold, leased or  
15 transferred the same settle illegally in the same place or in another urban area,  
16 and non-bona fide occupants and intruders of lands reserved for socialized  
17 housing. The term shall not apply to individuals or groups who simply rent land  
18 and housing from professional squatters or squatting syndicates.

19 (n) "Public lands" refer to lands which have not been subject to private  
20 property rights or subject to sale or other modes of acquisition or concession  
21 under the general laws and are devoted to public use.

22 (o) "Residential lands" refer to lands intended for or devoted to the  
23 construction and establishment of dwellings.

24 (p) "Socialized housing" refers to housing programs and projects covering  
25 houses and lots or homelots only, undertaken by the government or the private  
26 sector for the underprivileged and homeless citizens which shall include sites and  
27 services development, long-term financing liberalized terms on interest  
28 payments, and such other benefits in accordance with Republic Act No. 7279 or  
29 the Urban Development and Housing Act."

1 (q) "Squatting syndicates" refer to groups of persons engaged in the  
2 business of squatter housing for profit or gain.

3 (r) "Underprivileged and homeless citizens" refer to individuals or families  
4 residing in urban and urbanizable areas whose income or combined household  
5 income falls within the poverty threshold as defined by the national Economic  
6 and Development Authority (NEDA) and who do not own housing facilities. This  
7 shall include those who live in makeshift dwelling units and do not enjoy security  
8 of tenure.

9 (s) "Urban areas" refer to all cities regardless of their population density  
10 and to municipalities with population density of at least five hundred (500)  
11 persons per square kilometer.

12 (t) "Urbanizable areas" refer to sites and lands which, considering present  
13 characteristics and prevailing conditions, display marked and great potential of  
14 becoming urban areas within a period of five (5) years.

15 (u) "Vested right" refers to such right to, or interest in, property that has  
16 become fixed and established and no longer open to question by reason of  
17 actual, exclusive and continuous possession in good faith of a public land within  
18 a period prescribed by law.

19 **SEC. 4. Scope.-** The comprehensive National Homelots Distribution  
20 Program (NHDP) shall cover, regardless of tenurial arrangement, all alienable  
21 and disposable public lands as defined in this Act, and are not within the scope of  
22 the following:

23 (a) Comprehensive Agrarian Reform Law or Republic Act No. 6657;

24 (b) National Integrated Protected Areas as provided in Republic Act No.  
25 7586;

26 (c) Areas declared as forested land or forest reserves and ancestral  
27 domain lands under Republic Act No. 8371;

28 (d) Agricultural Lands as defined in Republic Act No. 8435 or the  
29 "Agriculture and Fisheries Modernization Act," and

1 (e) Other areas reserved for specific purposes, as provided by specific  
2 laws.

3 SEC. 5. **National Homelots Distribution Program (NHDP).**- The  
4 Department of Environment and Natural Resources (DENR) through the Land  
5 Management Bureau (LBM), shall formulate, implement and complete a viable  
6 program to distribute with titles alienable and disposable land through sale to  
7 qualified beneficiaries covered by this Act. It shall also undertake cadastral  
8 survey for all other areas which have not been surveyed the cost of which shall  
9 not exceed Two pesos (P2.00) per square meter. The distribution of the  
10 residential lands shall be implemented immediately and completed within two (2)  
11 years from the effectivity of this Act.

12 The maximum residential area allowed for sale in this Act shall not exceed  
13 seven hundred (700) square meters within cities and capital towns, and one  
14 thousand (1,000) square meters in all other places: Provided, however, That the  
15 limitations fixed herein on the maximum area on landholdings shall not be  
16 applicable to persons, who, upon the effectivity of this Act, by previous,  
17 occupation of not less than (10) years over a residential lot, has established his  
18 dwelling house thereat where he and his family have been living, in good faith,  
19 free from claims and conflicts has paid the real estate taxes thereon, and has  
20 acquired a vested right. Residential lots exceeding in area than those provided  
21 for cities and capital towns and those for other places but not exceeding one  
22 thousand two hundred (1,200) square meters may be granted to qualified  
23 persons as herein provided.

24 The DENR shall coordinate with the Department of Agrarian Reform  
25 (DAR), the Department of Agriculture (DA) and the National Commission on  
26 Indigenous Peoples (NCIP) to ensure that lands exempted under Section 4 will  
27 not be covered by the program.

28 Using the local land use plans as reference, the local government units  
29 (LGUs) shall assist the DENR in identifying lands qualified for distribution to

1 homeowners. The LGUs shall also identify qualified beneficiaries and consider  
2 the infrastructure and service requirements of areas covered by the program  
3 when updating their local development and comprehensive land use plans.

4 The Housing and Urban Development Coordinating Council (HUDCC) shall  
5 formulate the Socialized Housing Program, including the financing component, to  
6 assist the beneficiaries in acquiring affordable homelots and houses.

7 **SEC. 6. Qualified Beneficiaries.**- The lands within the scope of this Act  
8 shall be distributed to qualified residents of the barangay where such homelot is  
9 located. The LGUs shall lead in coordination with the HUDCC, in identifying  
10 qualified beneficiaries for the NHDP. Priority shall be extended to landless and  
11 underprivileged residents who are already occupying said homelots for two (2) or  
12 more years. Qualified beneficiaries must secure barangay certification stating  
13 proof that they are the rightful occupant of such homelot for the period prescribed  
14 in this Act.

15 To qualify, the following criteria shall also be fulfilled:

16 (a) Must be Filipino citizen;

17 (b) Must now own any real property whether in the urban or rural areas;

18 (c) Must not be a professional squatter or a member of squatting  
19 syndicates, as defined in the Urban Development Housing Act, and

20 (d) Must have made improvements and used the land for productive  
21 purposes

22 **SEC. 7. Land Valuation.** - The DENR, in close coordination with LGUs  
23 through the municipal or city assessors, shall formulate a land valuation scheme  
24 for the NHDP calibrated according to the municipality's or city's classification, in  
25 accordance with the following scheme:

26 (a) For 4<sup>th</sup> and 5<sup>th</sup> class municipalities- not more than Twenty-five pesos  
27 (P25.00) per square meter;

28 (b) For 2<sup>nd</sup> and 3<sup>rd</sup> class municipalities- not more than Forty- pesos  
29 (P40.00) per square meter;

1 (c) For 1<sup>st</sup> class municipalities- not more than Fifty-pesos (P50.00) per  
2 square meter;

3 (d) For component cities- not more than Seventy-five pesos (P75.00) per  
4 square meter; and

5 (e) For highly urbanized cities- not more than Five hundred pesos  
6 (P500.00) per square meter.

7 **SEC. 8 *Financing Program***- The HUDCC, in coordination with the  
8 Department of Finance (FoF), shall formulate a financing program to assist the  
9 beneficiaries under this Act to acquire their homelots and build affordable  
10 houses. It shall also consider existing program such as the Community Mortgage  
11 Program, and develop other financing schemes in coordination with Home  
12 Guarantee Corporation and other government financial institutions to fast track  
13 the distribution of homelots and acquisition of affordable housing for  
14 beneficiaries.

15 A beneficiary whose homelot, as provided herein, has been foreclosed  
16 shall thereafter be permanently disqualified from becoming a beneficiary under  
17 this Act.

18 **SEC. 9. *Local Government Unit's Share***. The local government units,  
19 prior to the withholding of the appropriate taxes, shall have a share equivalent to  
20 ten percent (10%) of the gross sales of the homelots.

21 **SEC. 10. *Transferability of Awarded Lots***.- Lots acquired by  
22 beneficiaries under this Act cannot be sold, transferred or conveyed except  
23 through hereditary succession, or sold back to the government or the Land Bank  
24 of the Philippines for a period of ten (10) years as provided for in Section 29 of  
25 Commonwealth Act No. 141.

26 **SEC. 11. *Fraudulent Claims***- The District Land Office under the  
27 LBM/DENR, in coordination with the LGU, shall review existing claims which  
28 have been fraudulently acquired by any person or community. Any claim found



1 to be fraudulently acquired by, and issued to, any person or community may be  
2 cancelled by the LBM after due notice and hearing of all parties concerned.

3       SEC. 12. **Resolution of conflicts.**- In cases of conflicting interest, where  
4 there are adverse claims as delineated in the survey plan and which cannot be  
5 resolved, the LBM shall hear and decide after notice to the proper parties, the  
6 disputes arising from the delineation of such homelots: Provided, That any  
7 decision, order, award or ruling of the LBM on any homelot dispute or on any  
8 matter pertaining to the application, implementation, enforcement and  
9 interpretation of this Act may be brought for petition for review to the Court of  
10 Appeals within fifteen (15) days from receipt of the copy thereof.

11       SEC. 13. **Penalty Clause.**- Any person who violates any provision of this  
12 Act shall be imposed the penalty of not more than six (6) years of imprisonment  
13 or a fine of not less than Five thousand pesos (P5,000.00) but not more than One  
14 hundred pesos (P100,000.00), or both, at the discretion of the court: Provided,  
15 That if the offender is a corporation, partnership, association or other juridical  
16 entity, the penalty shall be imposed on the officer or officers of said corporation,  
17 partnership, association or juridical entity who caused the violation.

18       SEC. 14. **Implementing Rules and Regulations.**- The DENR, through the  
19 LMB, in consultation with the Department of the Interior and Local government,  
20 HUDCC, Land Registration Authority, DA, DAR, DoF and NCIP and other  
21 concerned government agencies, shall promulgate the rules and regulations for  
22 the effective implementation of this Act within three (3) months from its effectivity.

23       SEC. 15. **Repealing Clause.**- All other laws, decrees, executive orders,  
24 rules and regulations, issuances or parts thereof inconsistent with this Act are  
25 hereby repealed or amended accordingly.

26       SEC. 16. **Separability Clause.**- If any provision of this Act is subsequently  
27 declared unconstitutional, the validity of the remaining provisions hereof shall  
28 remain in full force and effect.

1            SEC. 17. **Effectivity Clause-** This Act shall take effect immediately after  
2 publication in at least two (2) national newspapers of general circulation.

3            Approved,