



HOUSE OF REPRESENTATIVES

H. No. 6336

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BY REPRESENTATIVES SALCEDA, CHUNGALAO, BARBA, RECTO, ESCUDERO, ESTRELLA, PANALIGAN, FRESNEDI, LEE, DELOS SANTOS, BROSAS, CASTRO (F.), MANUEL, SUAN, VILLAFUERTE (L.R.), GOMEZ, TAMBUNTING, SINGSON-MEEHAN, PRIMICIAS-AGABAS, VILLARICA, YULO, SACDALAN, CELESTE, ESPARES, ORTEGA, BONGALON, MANGAOANG, GARCIA (D.), SUANSING (M.A.), DIONISIO, HARESCO, LAGON (S.), BRIONES, REYES, SALIMBANGON, ORDANES, GO (M.), VERGARA, DAGOOC, CAGAS, GATO, DEFENSOR, BERNOS, CALDERON, GUTIERREZ, BASCUG, PALMA, TARRIELA, CUA, SUANSING (H.), RODRIGUEZ (R.), VERZOSA, NOEL, GORRICETA, CRUZ (A.), KHO (R.), LOYOLA, TY, NOLASCO, YAP (ERIC), DUTERTE, YAP (EDVIC), SORIANO, MARIÑO, ANG, MATUGAS, HATAMAN, MARAÑON, OAMINAL, ONGCHUAN, ZAMORA (M.C.), RIVERA, TAN-TAMBU, SAKALURAN, MERCADO-REVILLA, ATAYDE, CARI, TANJUATCO, TAN (S.), DAYANGHIRANG, SUAREZ, REVILLA (R.J.), MASTURA, LAZATIN, AMANTE, YU (D.G.), ROMUALDO, ABUNDA, MORDEN, PLEYTO, MARIANO-HERNANDEZ, HERNANDEZ, REVILLA (B.), GALEOS, ROMUALDEZ (F.M.) AND DALIPE, PER COMMITTEE REPORT NO. 179

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AN ACT

EMANCIPATING AGRARIAN REFORM BENEFICIARIES FROM FINANCIAL BURDEN BY CONDONING 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:*

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

3  
4 SEC. 2. *Condonation of the Agrarian Reform Debt.* – The unpaid amortization amounts,  
5 interest payments, surcharges, and penalties of existing loans of agrarian reform  
6 beneficiaries (ARBs) secured under the Comprehensive Agrarian Reform Program  
7 (CARP) or from other agrarian reform programs or laws shall be condoned and written  
8 off, relieving all ARBs from the payment thereof, thereby repealing Section 26 of  
9 Republic Act No. 6657, as amended, Section 6 of Executive Order No. 228, series of  
10 1987, as well as the pertinent provisions of other agrarian reform laws: *Provided*, That  
11 the Department of Agrarian Reform (DAR) shall thereafter issue, whenever necessary,  
12 a Certificate of Condonation which shall be annotated on the Emancipation Patent (EP),  
13 Certificate of Land Ownership Award (CLOA), or on any other title based on the  
14 applicable agrarian reform law: *Provided, further*, That condonation as provided herein  
15 shall lift all mortgage liens in favor of the National Government, as represented by the  
16 Land Bank of the Philippines (LBP), attached to the land acquired: *Provided, finally*, That  
17 such condonation shall be in accordance with the applicable banking laws and  
18 regulations of the Bangko Sentral ng Pilipinas.

19  
20 For purposes of this Act, the term agrarian reform beneficiaries or ARBs shall refer to  
21 farmers or farmworkers who were granted lands under Presidential Decree No. 27,  
22 Republic Act No. 6657 and Republic Act No. 9700, and who have outstanding loan  
23 balances payable to the Land Bank of the Philippines.

24  
25 SEC. 3. *Transferability and Non-Conversion of Awarded Lands.* – The awarded land  
26 subject of this Act shall not be sold, transferred, or conveyed except through hereditary  
27 succession, or to the government or to the LBP, or to other qualified beneficiaries through  
28 the DAR, for a period of ten (10) years from the issuance of the Certificate of  
29 Condonation or the CLOA.

30  
31 The children or the spouse and in their absence, the immediate successor in interest, of  
32 the transferor shall have a right to redeem the land from the Government or the LBP  
33 within the period of two (2) years. Due notice to the availability of the land shall be given  
34 by the LBP to the Barangay Agrarian Reform Committee (BARC) where the land is  
35 situated. The Provincial Agrarian Reform Coordinating Committee, shall, in turn, be given  
36 due notice thereof by the BARC.

37  
38 The awarded agricultural lands under this Act shall not be subject to conversion and any  
39 form of mortgage and encumbrance for a period of twenty (20) years from the issuance  
40 of the Certificate of Condonation or CLOA.

41  
42 SEC. 4. *Termination of Payment of Compensation by ARBs Under Voluntary Land*  
43 *Transfer and Direct Payment Schemes.* – The financial obligation of ARBs to pay the  
44 value of the awarded land under Section 21 of RA 6657, as amended involving voluntary  
45 land transfer and direct payment schemes to the respective landowners, if any, shall be  
46 subrogated unto the Government. The payment to the landowners shall be made through  
47 the LBP and charged against the Agrarian Reform Fund.

48  
49 SEC. 5. *Free Land Distribution to ARBs.* – ARBs who are still to receive their awarded  
50 lands under the CARP or any other agrarian reform program or laws shall not be obliged  
51 to pay any amortization. All private agricultural lands covered under the CARP or any  
52 other agrarian reform program or laws that have not been distributed at the time of the  
53 effectivity of this Act shall be distributed at no cost to the qualified beneficiaries.

54  
55 SEC. 6. *Broadened Scope of Support Services to Agrarian Reform Beneficiaries under*

1 *the CARP.* – In addition to the support services available to the ARBs under Section 37  
2 of R.A. No. 6657, as amended, the DAR, together with the Presidential Agrarian Reform  
3 Council (PARC), shall ensure that support services and assistance necessary in the  
4 attainment of agricultural productivity and resiliency, enterprise development, and  
5 financial literacy of the ARBs, as well as the need for sustenance, dwelling, clothing,  
6 medical assistance, education, transportation, among others, of such beneficiaries and  
7 their families, shall be provided. Any form of support services rendered by any banking  
8 or financial institution for the benefit of the beneficiaries and their families shall be  
9 deemed a form of support under the Agrarian Reform Program thereby amending  
10 Section 37 of Republic Act No. 6657, as amended.

11  
12 The benefits and services mandated under this Section shall be extended without  
13 prejudice to the support services available to ARBs from other National Government  
14 Agencies, and shall not be construed as alternative compliance to Republic Act No.  
15 10000 otherwise known as the Agri-Agra Reform Credit Act of 2009, as amended.

16  
17 *SEC. 7. Preference to Credit Facilities and Support Services for Beneficiaries with Paid*  
18 *Amortizations.* – ARBs who have completed the payment of the amortization schedule  
19 and the payment of interest charges under Section 26 of Republic Act No. 6657, as  
20 amended, Section 6 of Executive Order No. 228 of 1987, and other agrarian reform laws  
21 shall be given preference in the provision of credit facilities and support services as  
22 mandated herein and in Section 37 of RA 6657, as amended.

23  
24 *SEC. 8. Estate Tax Exemption.* – The agrarian reform lands of ARBs, as estates, shall  
25 be exempt from the payment of estate tax: *Provided, That* estate tax returns already filed  
26 with the Bureau of Internal Revenue shall not be subject to estate tax and penalties  
27 arising therefrom: *Provided further,* That the estate tax exemption granted herein shall  
28 only apply to transfers from ARBs to their heirs.

29  
30 The Department of Interior and Local Government shall also encourage local  
31 government units to enact local tax amnesty on real property taxes and other transfer  
32 taxes of qualified ARBs under this Section.

33  
34 *SEC. 9. Issuance of Agrarian Reform Title.* – The appropriate Registry of Deeds shall  
35 register the Emancipation Patent, Certificate of Land Ownership Award, or any other title  
36 issued pursuant to the applicable agrarian reform law within sixty (60) days from the  
37 issuance thereof in the name of the Republic of the Philippines. It shall likewise annotate  
38 the Notice of Condonation on all the affected EPs, CLOAs, or any other title issued  
39 pursuant to the applicable agrarian reform law within sixty (60) days from issuance by  
40 the DAR.

41  
42 *SEC. 10. Restitution of the Agrarian Reform Award Forfeited Solely due to Non-Payment*  
43 *of Annual Amortization and Interest.* – Any pending administrative or judicial case  
44 involving the forfeiture by the DAR of the agrarian reform award solely due to the failure  
45 of an ARB to pay the thirty (30)-year amortization plus six percent (6%) annual interest  
46 shall immediately be dismissed *motu proprio*, by the DAR or the court. The execution of  
47 a final and executory administrative or judicial case decision due to the failure of an ARB  
48 to pay the 30-year amortization plus 6% annual interest resulting in the disqualification  
49 of the ARB, the cancellation of the agrarian reform title, the extinguishment of the rights  
50 of possession and ownership of the awarded land, as well as the removal of the person  
51 from the awarded land or the dismantling of any improvements found therein, shall be  
52 immediately terminated, the agrarian reform award immediately restored, and the  
53 forfeiture of decision accordingly reversed. Any agrarian reform title cancelled as a result

1 of the final and executory administrative or judicial case decision shall immediately be  
2 reconstituted. In the event that the agricultural land has already been awarded to another  
3 beneficiary, the DAR shall, as far as equitable, award another land to the disqualified  
4 ARB.

5  
6 **SEC. 11. *Disqualification of Agrarian Reform Beneficiaries due to Acts and Omissions***  
7 ***Constituting Violations of Agrarian Reform Laws.*** – Any person convicted by final  
8 judgment of any of the prohibited acts and omissions under Sec. 73 and meted any  
9 of the penalties under Sec. 74 of RA. No. 6657, as amended, is disqualified to avail of  
10 the benefits under this Act. Disqualification shall likewise result as an outcome of a  
11 determination by final judgment that the ARB, in violation of Sec. 22 of R.A. No. 6657,  
12 as amended, willfully refused to make the awarded land as productive as possible or  
13 deliberately neglected or abandoned the awarded land continuously for a period of two  
14 (2) calendar years: *Provided*, That non-cultivation of the land due to non-installation of  
15 the ARBs, threats by other stakeholders or entities, lack of facilities and support services,  
16 or situations or conditions beyond the control of the ARBs not due to their fault or  
17 actuations shall not be considered as either neglect, abandonment, or grounds for  
18 disqualification.

19  
20 Pursuant thereto, the DAR shall thoroughly investigate and revalidate allegations that will  
21 constitute disqualification under this Section, in a manner that will be construed liberally in  
22 the favor of the ARBs.

23  
24 **SEC. 12. *Right of the Landowner to Just Compensation.*** – Nothing in this Act shall  
25 diminish the right of landowners to just compensation for their agricultural lands acquired  
26 under the agrarian reform program.

27  
28 **SEC. 13. *Implementing Rules and Regulations.*** – Within sixty (60) days from the  
29 effectivity of this Act, the Department of Agrarian Reform in coordination with the  
30 Executive Committee of the PARC, with the technical assistance of the LBP, shall  
31 issue rules and regulations for the effective implementation of this Act.

32  
33 **SEC. 14. *Agency Support.*** – All other government offices and agencies are directed to  
34 render such prompt and necessary assistance, subject to applicable laws, rules, and  
35 regulations, to fully implement the provisions of this Act.

36  
37 **SEC. 15. *Funding.*** – The amount necessary for the implementation of this Act shall be  
38 charged against the Agrarian Reform Fund, as certified by the Bureau of Treasury, and  
39 the inclusion thereof in the annual General Appropriations Act shall be subject to the  
40 existing budgeting process, rules and regulations, and to such other funds as may  
41 subsequently be authorized by Congress.

42  
43 **SEC. 16. *Separability Clause.*** – If any provision of this Act is declared unconstitutional, the  
44 remainder of this Act or any provisions not affected thereby shall remain in full force and  
45 effect.

46  
47 **SEC. 17. *Repealing Clause.*** – Section 26 of RA 6657, as amended is hereby repealed.  
48 Sections 21, 27 and 37 of the same Act are hereby modified. All laws, executive orders,  
49 issuances or parts thereof inconsistent with the provisions of this Act are hereby  
50 amended, repealed, or modified accordingly.

1 SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the  
2 *Official Gazette* or in a newspaper of general circulation.

Approved,