

SIXTEENTH CONGRESS OF THE REPUBLIC)  
OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

13 SEP -5 P1 59

SENATE

Senate Bill No. 1544

RE:

DATE: *[Signature]*

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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### EXPLANATORY NOTE

This bill seeks to allow the unprivileged and homeless citizens in urban and resettlement areas who are actual occupants of government-owned lands dedicated to socialized housing to have the primary right in acquiring the said land.

Presidential Decree No. 1517, the Urban Land Reform Act, was issued by then President Marcos in 1978. The decree adopted as a State policy the liberation of human communities from blight, congestion and hazard, the promotion of their development and modernization, and the optimum use of land as a national resource for public welfare.

In 1992, Congress passed Republic Act No. 7279 or the "Urban Development and Housing Act of 1992." The law lays down as a policy that the State shall undertake a comprehensive and continuing urban development and housing program to uplift the conditions of the underprivileged and homeless citizens in urban areas and resettlement areas by making available to them decent housing at affordable cost. Pursuant to this, all city and municipal governments were mandated to conduct an inventory of all lands and improvements within their respective localities and, in coordination with the National Housing Authority, the Housing and Land Use Regulatory Board, the National Mapping Resource Information Authority, and the Land Management Bureau, identify and acquire lands for socialized housing and resettlement areas. Said lands shall be disposed of to qualified beneficiaries of the program.

Under Republic Act no. 7279, lands for socialized housing are to be acquired through several modes. These modes include the following: (1) community mortgage; (2) land swapping; (3) land assembly or consolidation; (4) land banking; (5) expropriation. Government-owned and foreclosed properties shall be acquired through negotiated purchase. Under the law's implementing rules and regulations, negotiated purchase allows the transmission of property from one person to another by agreement among the parties. In the case of government-owned and foreclosed land, the parties include the actual occupants and the National Housing Authority or the local government units, as the case may be.

While the law gives qualified beneficiaries who are actual occupants of government owned and foreclosed land the right of first refusal. However, nothing precludes the government from bidding out the land and offering it to other qualified beneficiaries. Thus, there have been instances where the homeless and underprivileged were not given priority in owning government-owned lands they

actually occupied because these lands were sold to other qualified beneficiaries who could afford to pay more. While it is the intent of the law to uphold transparency and accountability in the disposition of government-owned properties through public bidding, there is a need to balance this with the mandate of the State to make decent housing affordable to the underprivileged and the homeless, especially to the land's actual occupants.

This bill addresses that situation by providing for a mode of acquisition where government-owned land is acquired without public bidding in cases where the actual occupants of the land who are qualified beneficiaries signify their intentions to acquire the land for their own. Only when the actual occupants refuse to exercise such right and cannot afford to pay the valuation set for the land shall it be subjected to public bidding.

In view of the foregoing, the urgent approval of this bill is earnestly sought.



**JINGGOY EJERCITO ESTRADA**  
Senator

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RECEIVED BY: *J. T.*

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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AN ACT

UPHOLDING THE RIGHT OF ACQUISITION BY QUALIFIED BENEFICIARIES OF GOVERNMENT-OWNED LANDS THEY ACTUALLY OCCUPY, AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AND FOR OTHER PURPOSES

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

**SECTION 1.** Section 10 of Republic Act no. 7279, otherwise known as the "Urban Development and housing Act of 1992" is hereby amended to read as follows:

"SECTION 10. *Modes of Land Acquisition.* The modes of acquiring lands for purposes of this Act shall include, among others, community mortgage, land swapping, land assembly or consolidation, land banking, donation to the Government, joint-venture agreement, negotiated purchase, and expropriation: *Provided, however,* That expropriation shall be resorted to only when other modes of acquisition have been exhausted *Provided, further,* That where expropriation is resorted to, parcels of this Act: *Provided, finally,* That abandoned property, as herein defined, shall be reverted and escheated to the State in a proceeding analogous to the procedure laid down in Rule 91 of the Rules of Court.

"For the purpose of socialized housing, government-owned and foreclosed properties shall be acquired by the local government units, or by the National Housing Authority primarily through negotiated purchase: *Provided,* That qualified beneficiaries who are actual occupants of the land shall be given the right of first refusal, FOR THIS PURPOSE, NEGOTIATED PURCHASE SHALL MEAN THE TRANSFER OF PROPERTY FROM ONE PERSON TO ANOTHER AGREEMENT AMONG THE PARTIES.

"WHERE THE ACTUAL OCCUPANTS OF GOVERNMENT-OWNED PROPERTY FOR SOCIALIZED HOUSING SIGNIFY THAT THEY INTEND TO EXERCISE THEIR RIGHT OF FIRST REFUSAL, THEY MAY ACQUIRE SAID PROPERTY THROUGH NEGOTIATED PURCHASE, SUBJECT TO THE FOLLOWING CONDITIONS:

- A. THE SUBJECT PROPERTY HAS BEEN CERTIFIED FOR SOCIALIZED HOUSING PURPOSE;
- B. THE OCCUPANT IS QUALIFIED BENEFICIARY, IN ACCORDANCE WITH SECTIONS 16 AND 17 OF THIS ACT;
- C. THE OCCUPANT HAS RESIDED ON THE SUBJECT PROPERTY FOR AT LEAST TEN (10) YEARS, AS CERTIFIED BY THE LOCAL GOVERNMENT UNIT CONCERNED; AND,
- D. ANY SUBSEQUENT DISPOSITION OF THE PROPERTY SHALL BE SUBJECT TO THE LIMITATIONS PROVIDED IN SECTION 14 HEREOF. THE COST OF LAND ACQUISITION SHALL BE MADE AFFORDABLE TAKING INTO CONSIDERATION THE LAND VALUATION REQUIRED IN SECTION 13 OF THIS ACT.

"EXCEPT IN THE AFOREMENTIONED INSTANCE, ALL OTHER SALE OF GOVERNMENT-OWNED PROPERTY UNDER THIS ACT SHALL BE SUBJECT TO PUBLIC BIDDING, AS PROVIDED FOR BY LAW."

**SEC. 2. *Separability Clause.*** - Any portion or provisions of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portion or provision can still subsist and be given effect in their entirety.

**SEC. 3. *Repealing Clause.*** - All laws, decrees, executive orders, proclamations and administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

**SEC. 4. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in at least two (2) national papers of general circulation or in the *Official Gazette*.

*Approved,*