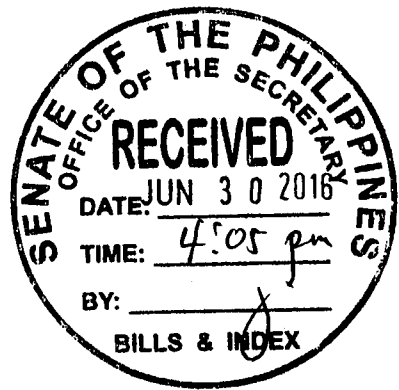


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

SENATE  
S. No. 101



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Introduced by Senator Richard "Dick" J. Gordon

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### EXPLANATORY NOTE

The majority of the poor in rural areas depend on agriculture for their primary livelihood and source of income. Agriculture can play a key role in reducing poverty. Yet in 2015, agriculture barely grew at 0.2%. To create more jobs in rural areas and enhance agricultural productivity, reforms need to be put in place, such as improving the security of property rights in a constricted rural land market.

An estimate of 2,000,000 agricultural free patents have been issued in the last 25 years. Agricultural free patents are land grants to Filipino farmers who are in possession or cultivation of such land and have paid taxes thereon for at least 30 years under Commonwealth Act No. 141, as amended, or the Public Land Act.

Those who hold agricultural free patents are farmer entrepreneurs and they are restricted from mortgaging or selling their land within five years from the issuance of the patent. Another restriction on agricultural free patents is that upon conveyance, the original owner is allowed to repurchase the land within five years. Due to the restrictions on agricultural free patents under the Public Land Act, these agricultural land titles become non-tradeable and non-bankable.

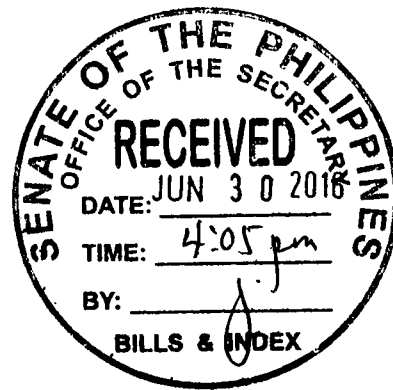
This bill thus proposes to remove the restrictions on agricultural free patents under the Public Land Act to make these agricultural land titles immediately tradeable and bankable, provide farmer entrepreneurs much-needed access to credit, and create capital to make investments, create jobs, increase productivity, and reduce poverty in rural areas.



RICHARD "DICK" J. GORDON  
Senator

SEVENTEENTH CONGRESS OF THE )  
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**AN ACT REMOVING THE RESTRICTIONS UNDER SECTIONS 118, 119, 121, 122,  
AND 123 OF COMMONWEALTH ACT NO. 141, AS AMENDED, ON FREE PATENTS  
ISSUED UNDER SECTION 44 THEREOF**

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

1 SECTION 1. *Short Title.* – This Act shall be known as the Agricultural Free  
2 Patent Reform Act.

3 Sec. 2. *Removal of Restrictions.* – Subject to the Constitutional restrictions on  
4 foreign ownership of lands, agricultural public lands alienated or disposed in favor of  
5 qualified public land applicants under Section 44 of Commonwealth Act No. 141, as  
6 amended, shall not be subject to restrictions regarding encumbrances, conveyances,  
7 transfers, or dispositions imposed under Sections 118, 119, 121, 122, and 123 of  
8 Commonwealth Act No. 141, as amended.

9 Sec. 3. *Retroactive Effect.* – This Act shall have retroactive effect and restrictions  
10 regarding encumbrances, conveyances, transfers, or dispositions imposed under  
11 Sections 118, 119, 121, 122, and 123 of Commonwealth Act No. 141, as amended, on  
12 free patents issued under Section 44 thereof before the effectivity of this Act shall  
13 likewise be removed and are hereby immediately lifted.

14 Sec. 4. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or  
15 other issuances or parts thereof inconsistent with the provisions of this Act are hereby  
16 repealed or modified accordingly.

17 Sec. 5. *Separability Clause.* – If any portion or provision of this Act is declared  
18 unconstitutional, the remainder of this Act or any provision not affected thereby shall  
19 remain in force and effect.

20 Sec. 6. *Effectivity.* – This Act shall take effect after fifteen (15) days following the  
21 completion of its publication either in the Official Gazette or in a newspaper of general  
22 circulation in the Philippines.

23 Approved,