

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



Senate
Office of the Secretary

16 MAR 26 AM 10:40

BY: 

SENATE

SENATE BILL NO. 887

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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

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

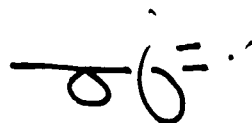
Authority, and the Land Management Bureau, identify and acquire lands for socialized housing and resettlement areas. Said lands shall be disposed of to qualified beneficiaries of the program.

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.



JOSEPH VICTOR G. EJERCITO



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OF 1992, AND FOR OTHER PURPOSES

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

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

3
4 "**SECTION 10. Modes of Land Acquisition.** The modes of acquiring lands for
5 purposes of this Act shall include, among others, community mortgage, land
6 swapping, land assembly or consolidation, land banking, donation to the
7 Government ,joint-venture agreement, negotiated purchase, and
8 expropriation: *Provided, however,* That expropriation shall be resorted to only
9 when other modes of acquisition have been exhausted *Provided, further,* That
10 where expropriation is resorted to, parcels of this Act: *Provided, finally,* That
11 abandoned property, as herein defined, shall be reverted and escheated to the
12 State in a proceeding analogous to the procedure laid down in Rule 91 of the
13 Rules of Court.

14
15 For the purpose of socialized housing, government-owned and foreclosed
16 properties shall be acquired by the local government units, or by the National
17 Housing Authority primarily through negotiated purchase: *Provided,* That
18 qualified beneficiaries who are actual occupants of the land shall be given the
19 right of first refusal, **FOR THIS PURPOSE, NEGOTIATED PURCHASE**
20 **SHALL MEAN THE TRANSFER OF PROPERTY FROM ONE PERSON TO**
21 **ANOTHER AGREEMENT AMONG THE PARTIES.**

1 WHERE THE ACTUAL OCCUPANTS OF GOVERNMENT-OWNED
2 PROPERTY FOR SOCIALIZED HOUSING SIGNIFY THAT THEY
3 INTEND TO EXERCISE THEIR RIGHT OF FIRST REFUSAL, THEY MAY
4 ACQUIRE SAID PROPERTY THROUGH NEGOTIATED PURCHASE,
5 SUBJECT TO THE FOLLOWING CONDITIONS:
6

7 **A. THE SUBJECT PROPERTY HAS BEEN CERTIFIED FOR SOCIALIZED
8 HOUSING PURPOSE;**
9

10 **B. THE OCCUPANT IS QUALIFIED BENEFICIARY, IN ACCORDANCE
11 WITH SECTIONS 16 AND 17 OF THIS ACT;**
12

13 **C. THE OCCUPANT HAS RESIDED ON THE SUBJECT PROPERTY FOR
14 AT LEAST TEN (10) YEARS, AS CERTIFIED BY THE LOCAL
15 GOVERNMENT UNIT CONCERNED; AND**
16

17 **D. ANY SUBSEQUENT DISPOSITION OF THE PROPERTY SHALL BE
18 SUBJECT TO THE LIMITATIONS PROVIDED IN SECTION 14 HEREOF.
19 THE COST OF LAND ACQUISITION SHALL BE MADE AFFORDABLE
20 TAKING INTO CONSIDERATION THE LAND VALUATION
21 REQUIRED IN SECTION 13 OF THIS ACT.**
22

23 **EXCEPT IN THE AFOREMENTIONED INSTANCE, ALL OTHER SALE
24 OF GOVERNMENT-OWNED PROPERTY UNDER THIS ACT SHALL BE
25 SUBJECT TO PUBLIC BIDDING, AS PROVIDED FOR BY LAW.**
26

27 **SECTION 2. *Separability Clause.*** - If, for any reason, any section or provision
28 of this Act shall be held unconstitutional or invalid, the other section or provision
29 not otherwise affected shall remain in full force and effect.
30

31 **SECTION 3. *Repealing Clause.*** - All laws, presidential decrees, executive
32 orders, proclamations, rules and regulations, which are inconsistent with the
33 provisions of this Act are hereby repealed or modified accordingly.
34

35 **SECTION 4. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days
36 after its publication in the *Official Gazette* or in at least two (2) newspapers of general
37 circulation.
38

39 *Approved,*