

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

10 June 7 11 43

SENATE

Senate Bill No. 740

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The Philippines has a total population of around 86 million and with a population growth rate of 2.36 percent, it is expected to grow to unmanageable heights in the near future. We are also currently facing a backlog in housing units of around three to five million units. 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. This bill seeks to lay the foundation for a land reform program with regards to residential units, a Residential Land Reform so to speak. This 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.


JINGGOY EJERCITO ESTRADA
Senator

SENATE

Senate Bill No. 740

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
PROVIDING FOR A NATIONAL HOMELOTS DISTRIBUTION PROGRAM

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

SECTION 1. Short Title. - This Act shall be known as the "***Comprehensive National Homelots Distribution Act.***"

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to pursue a continuing program of urban land reform and housing. Toward this end, the State shall pursue a comprehensive national homelots distribution program which shall fast track titling of home lots to qualified beneficiaries from the marginalized sectors of society at affordable cost and provide financing schemes to acquire the same.

Sec. 3. Definition of Terms. - For the purpose of this Act, the following are hereby defined:

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

(b) "Agricultural lands" refer to lands devoted to or suitable for the cultivation of the soil, planting crops, growing of fruit trees, raising of livestock, poultry, fish or aquaculture production, including the harvesting of such farm products, and other farm activities and practices performed in conjunction with such farming operations done by persons whether natural or juridical and not classified by law as mineral land, residential land, commercial land or industrial land.

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

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

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

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

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

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

(i) "Improvements" refers to all types of buildings and residential units, walls, fences, structures or construction of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits, and other fixtures that are mere superimpositions on the land, and the value of improvements shall not be less than fifty percent (50%) of the assessed value of the property.

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

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

(l) "Mineral lands" refer to lands where minerals including energy resources are found.

(m) "Professional squatters" refer to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or squatting syndicates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The maximum residential area allowed for sale in this Act shall not exceed seven hundred (700) square meters within cities and capital towns, and one thousand (1,000) square meters in all other places: *Provided, however,* That the limitations fixed herein on the maximum area on landholdings shall not be applicable to persons, who, upon the effectivity of this Act, by previous occupation of not less than ten (10) years over a residential lot, have established their dwelling places thereat where their families have been living, in good faith, free from claims and conflicts have paid the real estate taxes thereon, and have

acquired a vested right. Residential lots exceeding in area than those provided for cities and capital towns and those for other places but not exceeding one thousand two hundred (1,200) square meters may be granted to qualified persons herein provided.

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

Using the local land use plans as reference, the local government units (LGUs) shall assist the DENR in identifying lands qualified for distribution to homeowners. The LGUs shall also identify qualified beneficiaries and consider the infrastructure and service requirements of areas covered by the program when updating the local development and comprehensive land use plans.

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

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

To qualify, the following criteria shall also be fulfilled:

- (a) Must be a Filipino citizen;
- (b) Must not own any real property whether in the urban or rural areas;
- (c) Must not be a professional squatter or a member of squatting syndicates as defined in the Urban Development Housing Act, and
- (d) Must have made improvements and used the land for productive purposes.

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

- (a) For 4th and 5th class municipalities - not more than Twenty-five pesos (P25.00) per square meter;
- (b) For 2nd and 3rd class municipalities - not more than Forty-pesos (P40.00) per square meter;
- (c) For 1st class municipalities -not more than Fifty-pesos (P50.00) per square meter;

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

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

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

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

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

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

SEC. 11. *Fraudulent Claims.* - The District Land Office under the LMBIDENR, in coordination with the LGU, shall review existing claims which have been fraudulently acquired by any person or community. Any claim found to be fraudulently acquired by and issued to any person or community may be cancelled by the LMB after due notice and hearing of all parties concerned.

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

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

SEC. 14. *Implementing Rules and Regulations.* - The DENR, through the LMB, in consultation with the Department of the Interior and Local Government, HUDCC, Land Registration Authority, DA, DAR, DOF and NCIP and other concerned government agencies, shall promulgate the rules and

regulations for the effective implementation of this Act within three (3) months from its effectivity.

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

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

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

Approved,