Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

House Bill No. 251

Introduced by **RODRIGUEZ D. DADIVAS**

Explanatory Note

The Public Land Act of 1936 was created purposely to distribute land to the people for their economic well-being. The country's population then was a way too low compared to the vast land resources that we have.

Through time, our country's population continues to grow and we are now hitting the 82 million mark this year according to statistics. As population grows, land resources also diminish and the need to create a new land use law to respond to the demands of a growing population is imperative.

This bill seeks the revision of the Public Land Act of 1936. It provides for an efficient management and disposition of public lands by intensifying the survey of lands, hastening the disposition and titling of alienable and disposable lands, among others.

The bill also provides for the integration of land surveying activities in order to avoid inconsistent land survey data. The Bureau of Land Management created under this bill is the sole government agency to regulate and conduct all land surveys including political boundaries and the delineation between alienable and disposable lands/areas, forestlands, national parks such as watershed areas, reservations and other protected areas and foreshore lands.

This bill was filed in the Senate and the House of Representatives during the last Congress but due to time constraint, its approval was not realized.

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

RODRIGUEZ D. DADIVAS
Representative
1st District, Capiz

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REVISED PUBLIC LAND ACT OF THE PHILIPPINES

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

CHAPTER I
PRELIMINARY MATTERS

SECTION 1. *Short Title.* – This Act shall be known as "The Revised Public Land Act of the Philippines."

SEC. 2. *Declaration of Policy.* – The State shall promote the general welfare through the efficient management and disposition of public lands to ensure their sustainable development and conservation and support a rational land resource management program by intensifying the survey of lands, hastening the disposition of alienable and disposable lands, and accelerating their disposition and titling under the provisions of this Act.

SEC. 3. *Coverage.* – The provisions of this Act shall cover public agricultural lands as defined hereunder.

SEC. 4. *Definition of Terms.* – For purposes of this Act:

a) *Agricultural Lands* shall refer to lands of the public domain, which are either forest/timber, mineral or national park.

b) *Alienation, disposition or concession* shall refer to any of the modes authorized by this Act for the acquisition, lease, use or benefit of the lands of the public domain other than forest, mineral or national park.

c) *Alienable and disposable lands* refer to those lands of the public domain, which have been the subject of the present system of classification and declared as not needed for forest, mineral purposes or national parks.

d) *Bureau* shall refer to the Bureau of Land Management created under this Act.

e) *Commercial Lands* refers to portions of alienable and disposable lands of the public domain classified as suitable and intended for trading of goods and services.

f) *Department* shall refer to the Department of Environment and Natural Resources.

g) *Foreshore land* shall refer to a string of land that margins a body of water or the shore between the lowest low waterline of a low tide terrace and the upper limit of wave wash at the highest high tide, usually marked by a beach scarp or berm;

h) *Forestlands* shall refer to lands of the public domain, which have been classified as such by existing forestry laws, and all unclassified lands of the public domain.

i) *Free Patent* shall refer to a mode of acquiring a parcel of alienable and disposable public land, which is suitable for agricultural and residential purposes, through the administrative confirmation of imperfect or incomplete title.

j) *Final Proof* or proof of compliance shall refer to a document in writing submitted to the Director of the Bureau of Land Management by the applicant informing that all the requirements prescribed under Section 16 of this Act have been satisfactorily completed and complied with.

k) *Government Lands* shall refer not only to public lands but also to other kinds of lands of the government either reserved for or devoted to public use or subject to private rights.

l) *Homestead* shall refer to a mode of acquiring alienable and disposable lands of the public domain for agricultural purposes conditioned upon actual cultivation and residence.

m) *Industrial Lands* shall refer to public lands within the zone established by local governments for the manufacture and production of large quantities of goods and commodities.

n) *Lease* shall refer to a form of concession of a public land under which for a consideration, it is rented for a fixed term of a qualified person or entity subject to the conditions prescribed in this Act.

o) *Lands of the Public Domain* shall refer to lands of the State, which may either be agricultural, forest or timber, mineral or national park.

p) *Reservation* shall refer to any tract of land of the government proclaimed as such by the President or by law for the use of the Government, any of its branches, subdivisions, instrumentalities, or inhabitants thereof, for public, quasi-public, settlement or resettlement purposes.

q) *Residential Lands* shall refer to public lands intended for or devoted to the construction and establishment of dwellings.

r) *Sale* shall refer to a mode of disposition of public lands whereby a sales patent is issued to a qualified applicant upon full payment of the purchase price to the government determined in a public bidding, except as herein provided and upon compliance with other conditions prescribed in this Act.

s) *Special Patent* shall refer to gratuitous title over public lands awarded for a particular purpose in favor of government units or instrumentalities for their use, subject to the terms and conditions provided therein.

t) *Vested Right* shall refer 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 the period prescribed by law.

u) *Visitorial Authority* shall refer to the power of the Director of the Bureau of Land Management to conduct investigations and to have access to pertinent records of lands covered by this Act for the purpose of determining compliance with the terms and conditions of the Public Land Application.

CHAPTER II
JURISDICTION

SEC. 5. *Jurisdiction.* – The Department through the Bureau shall have the exclusive jurisdiction to regulate, verify and approve original and subdivision surveys

as well as manage and dispose all lands within the covers of this Act. Likewise, it shall have the primary and exclusive original jurisdiction over all actions affecting original titles to lands emanating from patents, deeds, and other original conveyances under this Act. Decisions of the Department, through the Bureau, shall be immediately executory even pending appeal.

CHAPTER III
CLASSIFICATION, DELIMITATION AND SURVEY OF LANDS OF THE PULBIC DOMAIN

SEC. 6. *Classification of Lands of the Public Domains.* Lands of the Public Domain are classified into:

a) Agricultural lands;
b) Forest or timber;
c) Mineral; or
d) National Parks.

The Congress, by law, and upon the recommendation of the Department, shall complete the classification of the remaining unclassified lands of the public domain: *Provided*, That Congress, by law and upon the recommendation of the Secretary of the Department, may from time to time, reclassify the lands of the public domain for purposes of their administration and disposition.

SEC. 7. *Publication and Posting of Lists of Agricultural Lands.* – After the reclassification of agricultural lands, pursuant to the Constitution, the Director of the Bureau shall cause to be posted the list of public lands declared open to disposition in the bulletin board of the barangay, municipal or city hall, of the provincial capitol and of the Registry of Deeds where the land is located which shall be there to stay for not less than sixty (60) days and to be published once in a newspaper of general circulation with the same period.

No disposition shall be valid unless the required posting and publication shall have been complied with.

SEC. 8. *Integration of Land Surveying Activities.* – In order to avoid inconsistent land survey data, the Bureau shall regulate the conduct of all land surveys. Other government agencies exercising this function at the time of the enactment of this Act shall turn over their respective technical data to the Bureau for evaluation and verification and thereafter shall form part of the official land survey data.

The National Mapping and Resource Information Authority (NAMRIA) shall be responsible in the establishment of the National Geodetic Network of the First and Second Order accuracy. However, the densification thereof in the Third and Fourth Order accuracy shall be the function and responsibility of the Bureau.

The survey of political boundaries and the delineation between alienable and disposable lands/areas, and forestlands, national parks such as watershed areas, reservations and other protected areas and foreshore lands shall be the sole responsibility of the Bureau in close coordination with all concerned government agencies.

SEC. 9. *Who may Execute Surveys.* – Only duly licensed geodetic engineers shall make Land surveys for registration and other purposes. Geodetic engineers may undertake surveys of public and government lands only upon receipt of the

order or survey authority issued by the Director of the Bureau. Moreover, survey of lands under the jurisdiction of other government agencies by virtue of existing laws shall be executed only upon the conformity of the head of the said agencies.

Duly licensed geodetic engineers in private practice may be authorized to undertake Cadastral and public land surveys subject to existing laws and regulations and under the technical direction and supervision of the Director of the Bureau.

SEC. 10. *Verification and Approval of Surveys.* – In consonance with the preceding section, the Bureau shall be the sole agency to verify and approve all surveys executed covering both public and private lands, simple and complex subdivision and mineral claims. Their corresponding data shall be computed and their plans prepared in the forms prescribed by the Bureau.

SEC. 11. *Survey Records.* – The Bureau shall be the sole repository of all survey records including maps and plans mentioned in the preceding Section.

SEC. 12. *Conduct of Surveys.* – In all conduct of original and isolated surveys for registration, the provision of SEC. 397 of the Revised Manual of Land Surveying Regulations of the Philippines must be strictly complied with.

SEC. 13. *Lands Open to Disposition.* – Lands declared open to disposition or concession are those public agricultural lands which have been delimited and classified by law as such and, when practicable, surveyed, and not reserved for public or quasi-public uses. However, the Congress, by law and upon the recommendation of the Secretary of the Department, may, for reasons of public interest, declare lands of the public domain open to disposition before the same have had their boundaries established or been surveyed, or the President may, for the same reason, suspend their concession or disposition until they are again declared open to concession or disposition by proclamation.

CHAPTER IV
MODES OF DISPOSITION OF PUBLIC AGRICULTURAL LANDS

SEC. 14. *Modes of Disposition of Public Agricultural Lands.* – Public lands classified as agricultural shall be disposed of under any of the following modes:

a) by homestead;
b) by special grant;
c) by sale;
d) by lease; and
e) by confirmation of imperfect or incomplete title by judicial legalization or administrative confirmation (Free Patent).

A. HOMESTEAD

SEC. 15. *Who May Apply.* – Any citizen of the Philippines of legal age or head of a family, who does not own more than five (5) hectares of land in the Philippines or has not had the benefit of any gratuitous allotment of more than five (5) hectares of land, may apply for a homestead.

SEC. 16. *Cultivation and Resident Requirements.* – No patent shall be issued unless the entire area of the land applied for has actually and personally been improved and made agriculturally productive by the applicant or with the assistance of the immediate members of the his household within one (1) year from the approval of the application and the applicant has established his resident in the said land within the same period: *Provided*, That in the event that the applicant is unable to cultivate the whole area within one (1) year then only the portion he has so cultivated will be the subject of application. Within thirty (30) days after compliance with the aforementioned requirements, the applicant shall notify in writing the Director of the Bureau of his intention to make final proof.

SEC. 17. *Number of Homestead Allowed.* – Only one homestead entry shall be allowed to any one person, and no person to whom a homestead patent has been issued by virtue of the provisions of this Act and previous laws regardless of the area of his original homestead, may again acquire a homestead: *Provided, however*, That any previous homesteader who has been issued a patent for less than five (5) hectares and otherwise qualified to make a homestead entry, may be allowed another homestead within the province, which together with his previous homestead shall not exceed an area of five (5) hectares.

SEC. 18. *Transfer of Homestead Rights.* – After the approval of the application but before the patent is issued, the applicant, who has complied with all the requirements of the law for the issuance of a patent but cannot continue with the homestead through no fault of his own, may, with the previous approval of the Director of the Bureau or his duly authorized representative, transfer his rights to the land to any person legally qualified to apply for a homestead. The transferee shall file a homestead application in his name for the land so acquired, and shall succeed the original homesteader in his rights and obligations. The person who has validly transferred his homestead rights may for the last time be allowed to apply for a new homestead.

Transfer made without the required approval shall be null and void and shall *ipso jure* cancel the entry. Such cancellation shall constitute a bar to apply for another homestead for another land.

SEC. 19. *Grounds for the Cancellation of Application.* – The Director of the Bureau, after notice and hearing, may cancel the homestead entry if it shall have been prove to his satisfaction that:

a) The land is not subject to homestead entry

b) The homesteader has actually changed his residence or voluntarily abandoned the land for more than six (6) consecutive months during the prescribed period of resident and occupation required, except when prevented by critical peace and order situation or *force majeure* duly reported by him in writing to the Director of the Bureau not later than thirty (30) days upon abandonment; or

c) The applicant has failed to comply with other requirements of this Act;

d) The applicant employed share tenants for purposes of complying with the requirements of the law.

B. SPECIAL GRANT

SEC. 20. *Who May Apply.* – Whenever any government unit or instrumentality, shall need any portion of the public agricultural lands open to

concession, the Congress, by law, or the President, by proclamation, upon recommendation of the Secretary of the Department, through special patents, may issue land grants for educational, charitable institutions, socialized housing, and similar purposes. The application or proposal shall be accompanied by a project feasibility study and site development plan.

SEC. 21. *Condition of Special Grant.* – It shall be an essential condition of the special grant that the applicant shall have developed the whole area consistent with the purposes of the special patent within reasonable time but not to exceed five (5) years from the approval of the application of the effectivity of the law.

SEC. 22. *Issuance of Special Patent.* – If after thorough investigation, it is found that the applicant has complied with all the prescribed requirements, a special patent shall be issued to the applicant.

SEC. 23. *Reservations for Public or Quasi-Public Purposes.* – The President may reserve, by proclamation, public agricultural lands as reservations for the use of the Republic of the Philippines, any of its branches or instrumentalities or any of the inhabitants for public or quasi-public use or purpose when the public interest so requires, including reservations for agricultural settlements, highways, rights of way for railroads, hydraulic power sites, irrigation systems, communal pastures or leguas communales, public parks quarries, public fishponds, working men's village and other improvements for the public benefit.

C. SALE

SEC. 24. *Who May Apply.* – Any citizen of the Philippines of legal age or head of a family may purchase public agricultural lands not exceeding five (5) hectares.

SEC. 25. *Auction Sale.* – The auction sale of land under this Chapter shall be by means of sealed bidding. The successful bidder shall be determined by the following procedures:

a) If upon opening of the bids, it shall be disclosed that the highest bid shall be that of the applicant, the land shall be awarded to him;

b) If there shall be only one bid higher than that of the applicant, the latter shall be allowed to equal the same, and should he elect to do so, he shall be declared the successful bidder;

c) If there shall be two or more bids which shall be higher than the others, and one of such higher and equal bids is that of the applicant's, his bid shall be accepted. If, however, the bid of the applicant shall not be one of such equal and highest bids, the land shall be submitted to oral bidding in which the applicant need not participate. As soon as the highest bidder is determined, the applicant shall be asked whether he be willing to equal the highest bid; should he elect to do so, he shall be declared the successful bidder: *Provided* That every time a bid is raised, there shall be a corresponding increase in deposit.

SEC. 26. *Payment of Purchase Price.* – The purchase price shall be paid in cash or incase of installment the purchase price may be paid, after deducting the amount paid as deposit during the bidding, upon the award; or in not more than five (5) annual equal installments from the date of the award.

SEC. 27. *Obligation of an Awardee.* – The awardee shall fully cultivate the land within three (3) years after the date of the award and shall not employ or use share tenants or agricultural lessees in complying with such requirements. Before patent shall be issued, the awardee must show to the satisfaction of the Director of the Bureau actual occupancy, cultivation and improvement of the entire areas as herein required, and full payment of the purchase of price thereof.

SEC. 28. *Transfer of Rights.* – After the award and full cultivation of the land, the purchaser, with the prior written approval of the Director of the Bureau, may convey or encumber his rights to any person legally qualified under this Act to purchase agricultural lands: *Provided*, That the transferor is not delinquent in the payment of any installment due and payable and the transfer is not for speculation purposes. Sale and encumbrance made without the approval of the Director of the Bureau shall be null and void and shall cause its annulment/cancellation of the award, and the forfeiture of all payments of the purchase price made by the applicant in favor of the government. Any person who has transferred his rights is disqualified to apply again for the purchase of public agricultural land.

SEC. 29. *Abandonment and/or Failure to Comply with the Requirements of Law.* – If at any time after award and before the issuance of patent, the purchaser has voluntarily abandoned the land for more than six (6) consecutive months at any one time except when prevented by the critical peace and order situation, *force majeure*, or has otherwise failed to comply with the requirements of the law, then the application shall, upon prior notice and hearing, be canceled and all payments and improvements made by the applicant shall be forfeited: *Provided, however*, That the purchaser shall, in case of abandonment by reason of critical peace and order condition or *force majeure*, make a written report under oath to the Director of the Bureau within thirty (30) days from the date of abandonment, specifying the reasons therefore, and his inability to continue his occupation by reason thereof: *Provided, further*, That failure to comply with this requirement shall remove the justification arising from abandonment.

SEC. 30. *Limitation of Area to be Acquired.*

1) Upon the approval of this Act, no person may acquire by purchase any public land if such land, added to other lands already belonging to such person shall constitute a total area greater than the maximum area, which by purchase is authorized under this Act. Any excess in area over the allowable limit shall be considered as having never been acquired which shall be deemed held in trust for the state, subject to judicial reversion without prejudice to voluntary reconveyance.

2) The person owning the land in excess of the limit established by this Act shall have the exclusive authority to determine the portion of the land to be segregated.

3) In case the corresponding title is issued on the basis of the patent, the Solicitor General may at the instance of the Director of the Bureau, institute the necessary proceeding to revert the excess portion to the State.

4) Only pone purchase of public agricultural land shall be allowed to any qualified person.

D. LEASE

SEC. 31. *Who May Apply.* –

1) Any citizen of the Philippines of lawful age, or any corporation, partnership or association organized under the laws of the Philippines at least sixty per centum

(60%) of the capital stock of which is owned by citizens of the Philippines, may lease public agricultural lands not to exceed two hundred fifty (250) hectares of an individual and five hundred (500) hectares for a corporation, partnership or association, but said area may be reduced depending upon the applicant's needs, the financing requirements of the specific project and the available agricultural lands as determined by the Director of the Bureau.

No lease application shall be given due course unless accompanied with project feasibility study and the certificate of financial capability of the applicant to undertake the project.

2) No member, stockholder, officer, representative, attorney, agent, employee or bondholder of any corporation or association holding or controlling agricultural land shall directly or indirectly apply for lease of public agricultural land.

SEC. 32. *Duration of the Lease.* – The lease shall be for a period of not more than twenty-five (25) years which may be renewed for another period of not exceeding twenty-five (25) years, in case the lessee shall have made valuable improvements on the land and shall have satisfactorily complied with all the conditions of the lease as determined by the Director of the Bureau and confirmed by the Secretary of the Department. Upon the final expiration of the lease, all buildings, trees and other permanent improvements on the land made by the lessee, his heirs, executors, administrators, successors or assigns shall, by right of accession, belong to the government. The land together with the improvements shall be disposed of through shale or lease as prescribed in this Act.

SEC. 33. *Condition of the Lease.* – It shall be an essential condition of the lease that the lessee shall have fully cultivated at least three-fourths (3/4) of the land applied for within three (3) years after the effectivity of the lease contract. Failure to have complied herewith shall result in the rescission of the lease contract and forfeiture of all payments made on account of the application and the improvements introduced on the land.

SEC. 34. *Limitation on the Lease.* – The lease of any land under this Chapter shall not confer any right to remove, use, utilize or dispose of any valuable timber thereon, except as provided in the regulations promulgated by the Department nor shall such lease confer any right to remove use, utilize or dispose of precious stones, oil, coal, salts, energy sources, medicinal mineral waters or other minerals exiting therein.

The lease may be amended by the Director of the Bureau, subject to the approval of the Secretary with notice to the lessee, to exclude such portion found to be more valuable for energy or mineral use, rather than agricultural purposes upon sufficient proof therefore.

SEC. 35. *Additional Lease.* – After having paid rent for at least two (2) years, and having fully cultivated and improved the land, the lessee of an area less than the maximum allowed by law may lease an additional area adjacent to or near the original leased area until the total area of both leases shall have reached the maximum established by this Chapter.

E. FREE PATENT

SEC. 36. *Who May Apply.* – Any natural-born citizen of the Philippines who is not the owner of more than twelve (12) hectares of agricultural lands, and who, for at least ten (10) years preceding the filing of application has, by himself or through his predecessors-in-interest continuously occupied and cultivated a tract of agricultural land subject to disposition, and shall have fully paid the real estate taxes due and payable thereon, shall be entitled to a free patent issued to him for such tract of land not to exceed twelve (12) hectares.

CHAPTER V
CLASSIFICATION AND CONCESSION OF PUBLIC LANDS SUITABLE FOR RESIDENT, COMMERCE AND INDUSTRY

SEC. 37. *Rule on Disposition.* – Any tract of public agricultural land which is intended for residential, commercial, industrial or other similar purposes shall be disposed of under the provisions of this Chapter.

SEC. 38. *Classification of Lands Disposable Under this Chapter.* – The lands disposable under this Chapter shall be classified as follows:

a) Lands reclaimed by the National Government of dredging, filling, and other means, including those filled-up or reclaimed lands in which jurisdiction has been vested by law to other government agencies;

b) Foreshore lands;

c) Marshy lands or lands covered with water bordering the shores or banks of navigable lakes or rivers; and

d) Lands not included in any of the foregoing classes.

SEC. 39. *Who May Apply.* – Any tract of land under this Chapter may be leased or sold to Philippine citizens of lawful age, or leased only to corporations, partnerships or associations authorized to lease public agricultural lands. If the land were to be used for residential purposes, the maximum area allowed by sale or lease shall not exceed seven hundred (700) square meters within cities and capital towns, and one thousand (1,000) square meters in all other places. If the land is to be used by an individual, corporation, partnership or association for commercial, industrial or other productive purposes, the area shall be that which may be reasonably necessary for the purpose for which the lease is applied, but in no case to exceed twelve (12) hectares: *Provided, however,* That the limitations fixed herein on the maximum area of 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, has established his dwelling house thereat where he and his family have been living, in good faith, free from claims and conflicts, has paid the real estate taxes thereon, and has 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 as herein provided.

SEC. 40. *Disposition of Different Classes of Lands.* –

1) Except as otherwise provided by law, the lands under paragraphs (b) and (c) of Section 38 of this Act may be disposed by lease only, as soon as the President

shall have declared that the same shall not be needed for public services. The lands under paragraph (a) and (d) may be disposed of by sale or lease.

2) Whenever a provincial/city or municipality shall need any of the lands covered by this Chapter, the President may lease the same in such form and upon such terms and conditions mentioned in Section 41 of this Act: *Provided, however,* That any application of a provincial, city or municipal government to serve its needs as authorized under this Act for any of the lots under this Chapter shall operate to exclude any other application filed previously or simultaneously by any private person, corporation, partnership or association over the same land: *Provided, further,* That any lease existing upon the filing of such application shall be subject to the condition that it shall be amended, modified or canceled in favor of the local government concerned upon payment of the reasonable value of any permanent improvement thereon as determined by the Director of the Bureau.

SEC. 41. *Conditions of Lease.* – The leases awarded under this Chapter shall, among other conditions, contain the following:

a) The annual rental shall not be less than six per centum (6%) of the appraised or reappraised value of the lands plus one per centum (1%) of the appraised or reappraised value of the improvements, except for lands reclaimed by the government which shall not be less than eight per centum (8%) of the appraised or reappraised value of the land plus four per centum (4%) of the appraised or reappraised value of the improvements thereon;

b) The land rented and the improvements introduced thereon shall be reappraised every five (5) years from the date of the award of the right to lease;

c) The term of the lease shall be prescribed by Section 32 of this Act;

d) The lessee shall construct permanent improvements appropriate for the purpose for which the lease is granted, commence the construction thereof within six (6) months from the date of receipt of a copy of the order of award of the right to lease the land, and complete the construction within eighteen (18) months from the date of the order of award.

e) At the expiration of the lease or any extension of the same or upon its termination with or without cause, during the term of the lease, all improvements made by the lessee, his heirs, executors, administrators, successors or assigns, shall become the property of the government by accession; and

f) The Lessee shall not assign, encumber or sublet his rights without the prior consent of the Director of the Bureau, confirmed by the Secretary of the Department: *Provided, however,* That any violation of the lease contract at the time of assignment, encumbrance, or subletting shall constitute a bar to the same, and if the transaction had been entered, the same shall be null and void, resulting to the nullity of the lease and forfeiture of all improvements thereon.

Any violation of the conditions specified in the contract shall give rise to its rescission.

SEC. 42. *Conditions of the Sale.* –

1) The sale of the lands under paragraph (d) of Section 38 shall, among others, contain the following conditions:

a) The purchaser shall make the improvement of permanent character appropriate for the purpose for which the land is purchased, commence the work thereon within six (6) months from the date of receipt of the order of award and complete the construction of said improvements within eighteen (18) months from the date of such award; otherwise, the Director of the Bureau shall, after notice and hearing cancel the award; and
b) The purchase price shall be paid in full after the issuance of the order of award, or in five (5) equal annual installments from the date of the award.

2) The order of the award may prescribe additional conditions consistent with the provisions of this Act.

SEC. 43. *Approval of the Kind of Improvements to be Introduced.* – The kind of improvements to be made by the lessee or purchaser, and the plans thereof, shall be subject to the prior approval of the appropriate government agency. Non-compliance with any of the conditions imposed shall be a ground for the rescission of the lease of purchase or cancellation of the award.

SEC. 44. *Disposition Through Bidding.* – The lease or sale under this Chapter shall be made through sealed public bidding and adjudication shall be made to the highest bidder: *Provided,* That if the highest bidder shall be other than the applicant who is a permittee, the latter may equal the bid under the rules established in auction sales under Section 25 hereof. If all parts of the land remained unleased or unsold, the Secretary of the Department shall, from time to time, announce the lease or sale thereof in a newspaper of general circulation.

SEC. 45. *When Direct Sale is Allowed.* – Notwithstanding the provisions of Sections 40 and 44 of this Act, any citizen of the Philippines of lawful age who is not a registered owner of a residential lot in the same municipality or city and who has in good faith established his residence on a parcel of public land for at least ten (10) years and who has fully paid the real estate taxes thereon, shall be given preference to purchase at a negotiated sale not more than seven hundred (700) square meters within cities and capital towns and one thousand (1,000) square meters in all other places at a price to be fixed by the Director of the Bureau or his duly authorized representative. It shall be an essential condition of the sale that the occupant has lawfully constructed his house on the land, is, and has been actually and continuously residing thereon in good standing for the last ten (10) years prior to the filing of the application free from claims and conflicts. Ten *per centum* (10%) of the purchase price shall be paid upon award of the land and the balance shall be paid in full or in installments within a period of ten (10) years from the date of the award.

SEC. 46. *When Grant of Free Patent is Allowed over residential lands.* –

1) Any natural-born citizen of the Philippines who, for at least twenty (20) years immediately preceding the filing of the application, either by himself or through his predecessors-in-interest, has actually been residing or has continuously possessed and occupied in good faith a parcel of residential land of the public domain located within fifth class municipality or below, subject to disposition free from claims and conflicts and who shall have fully paid the real estate taxes due and payable for the last twenty (20) years immediately preceding the filing of application,

be entitled to a free patent: *Provided*, That the area shall not exceed 1,000 square meters.

CHAPTER VI
RESERVATIONS
TOWNSITE RESERVATION

SEC. 47. *Survey of Townsite.* – Whenever it shall be for public interest to create a new town, the Director of the Bureau shall cause the conduct of surveying the boundaries of the site on which such town is to be established. The result of the survey shall be sent to the Secretary of the Department with corresponding recommendations for approval.

SEC. 48. *Townsite Proclamation.* – The Secretary of the Department shall submit its recommendation, in coordination with the local government units, to the President a proclamation reserving the land surveyed or such part thereof as townsite. Authentic copies of the proclamation shall immediately be furnished the Director of the Bureau and the Register of Deeds of the province where the land is situated.

SEC. 49. *Expropriation of Private Lands.* – If, in order to carry out the provisions of this Chapter, it shall be necessary to acquire private lands within the limits of the new town, the President shall direct the Solicitor General to institute the proper expropriation proceedings.

SEC. 50. *Limitation of Acquisition.* – Only one residential and one commercial lot in any one townsite shall be sold to a person. A person who is already an owner of a residential or commercial lot acquired from the government shall be disqualified to acquire lots within the same townsite. This limitation does not apply when landholdings were acquired directly from the government.

SEC. 51. *Non-alienability.* – Except those acquired by sale, exchange or transfer without cost, lands reserved under the provision of Section 23 of this Act, other than agricultural settlements, shall be non-alienable.

CHAPTER VII
ORGANIZATIONAL SET UP OF THE BUREAU OF LAND MANAGEMENT

SEC. 52. *Organizational Set-up.* – The Land Management Bureau created under Executive Order No. 192 shall herein be known as the Bureau of Land Management. It shall be comprised of a central office, regional land offices, district land offices and other necessary field offices to carry out its mandate.

The Secretary of the Department, upon the recommendation of the said Bureau shall issue the necessary implementing guidelines, rules and regulations to operationalize the reorganize agency as a line bureau within one year from the effectivity of this Act.

The present staff of the Land Management Bureau shall be transformed to become the central office of the said Bureau.

The Department Land Management Services created under E.O. No. 192 shall become the Regional Office of the said Bureau.

All plantilla personnel of the Land Management Services shall initially constitute the Regional and Field Offices with the same emolument/remuneration being received by the PENROs.

SEC. 53. *Interim Organization Measures.* – To maintain continuity in the delivery of basic services in the regions and provinces, the present Regional Technical Director of the Bureau of Land Management Services in the DENR Regional Office shall serve as Acting Bureau of Lands Regional Director until such time that a regular Regional Director shall have been qualified and appointed with the rank equivalent to a department wide assistant regional director.

SEC. 54. *Appointments.* – Subject to the approval of the secretary, the Director may appoint District Land Officers (DLO) and heads of operating divisions in the regional office upon recommendation of the Bureau of Land Management Director. The Regional Director shall appoint the other personnel below the Division Chiefs.

The Directors, Assistant Directors and Regional Directors shall be career Executive service officers and/or preferably lawyers or geodetic engineers.

SEC. 55. *Security of Tenure.* – This Act shall in no way prejudice the security of tenure of employees under civil service as well as their rights and benefits recognized by the Constitution and other laws.

SEC. 56. *Contempt Power.* – The Director of the Bureau or his duly authorized representative is empowered to cite any person in contempt subject to the provisions of the Rules of Court. The following shall be considered persons-in-authority: Director of the Bureau, the Regional Land Officers, District Land Officers (DLO) and other duly authorized representatives.

PROCEDURES ON APPEAL

SEC. 57. *Decisions or Orders of the Director of the Bureau of Land Management; Appeals; Perfection of.* – Any appeal from a decision or order of the Director of the Bureau shall be perfected by filing within fifteen (15) days from the date of receipt of a copy thereof, a notice of appeal with, and paying an appeal fee of Five Hundred Pesos (P500.00) to the Director of the Bureau rendering the decision or order and by filing an appeal memorandum to the Secretary of the Department, containing a detailed statement of the facts relied upon and an exhaustive description of the issues and grounds for the appeal accompanied by a certified copy of the decision or order appealed from and furnishing a copy of such notice of appeal and appeal memorandum to the appellee.

CHAPTER VIII
GENERAL PROVISIONS

SEC. 58. *Filing of Applications.* – As soon as any land of the public domain has been surveyed, delimited and classified, and declared open for disposition, all

applications, except leases and grants to government instrumentalities and entities, shall be filed before the District Land Offices. All public land applications filed under this Act shall be addressed to the Director of the Bureau or his authorized representative and shall state material information about the applicant, the land applied for and such other information vital to the application.

SEC. 59. *Conditions of Grant.* –

1) The statement made in the application shall be considered as essential conditions and parts of an concession, title of permit issued, and any false statement therein or omission of facts altering, changing, or modifying the consideration of the facts set forth in such statements, and any subsequent modification, alteration or change of material facts set forth in the application shall *ipso factor* cancel the permit, deed, grant or patent issued and the reversion of the land covered thereby to the State;

2) It shall be the duty of the Director of the Bureau to make the necessary investigations for the purpose of ascertaining whether the material facts set forth in the application are true and whether they continue to exist, maintained and preserved in good faith. In every investigation made in accordance with this section, any allegation of bad faith, fraud, or concealment shall be proven.

SEC. 60. *Rules in Determining Area to be Granted.* – The Director of the Bureau may, from time to time, determine the maximum area to be granted less than that allowed by this Act depending on the beneficial use of the land.

For purposes of this section, the Director of the Bureau shall deny, cancel or limit any application if convinced of the lack of means of the applicant to use the land for the purposes for which he has requested it.

SEC. 61. *Compliance with Legal Subdivision.* – All dispositions under this Act shall conform to the approved survey or legal subdivision, which has strictly observed the provisions of the Revised Manual of Land Survey Regulations of the Philippines.

SEC. 62. *Payment of Cadastral Survey Cost.* – In no case shall a patent, contract or a decree of registration be issued unless the proportionate cost of Cadastral survey has been fully paid by the applicant.

SEC. 63. *Actual Occupant Preferred.* – If an application is filed for a tract of public land which is found after proper investigation to be actually occupied in good faith by a person other than the applicant, who has not given consent or transferred his claim or interest, the application shall be rejected in an order issued by the Director of the Bureau and shall inform the occupant of his prior and preferred right to apply for the land and shall give him sixty (60) days from receipt of notice within which to file an application if qualified to acquire a concession under this Act.

SEC. 64. *Loss of Preferential Rights.* – In case of the immediately preceding section, the occupant who has not filed an application within the period of time fixed shall lose any prior right to the land, and the improvements thereon, if any, may be forfeited in favor of the government.

SEC. 65. *Effects of Cancellation or Rejection of Application.* – All rights to, interests in, and improvements on, the land for which an application has been denied or cancelled, or patent or grant refused, or a contract rescind or annulled, shall be forfeited in favor of the government.

SEC. 66. *Disposition of Land and Improvements Covered by Cancelled Applications.* – Lands with improvements belonging to an applicant whose application has been denied or cancelled, or a patent or grant refused, or a contract rescinded or annulled, shall be disposed of in accordance with this Act.

SEC. 67. *When Reimbursement of Improvements is Allowed.* – In case the cancellation is due to delinquency on the part of the applicant, he shall be entitled to the reimbursement of the proceeds of the sale of the improvements and crops, after deducting the total amount of his indebtedness to the government and the expenses incurred by it in the sale of the improvements or crops and in the new concession of the land.

SEC. 68. *Protest and Contest.* – Any person, corporation or association with valid and sufficient cause may file a protest under oath to any application or concession under this Act based on any reason sufficient under this Act for the cancellation of the application or the denial of the patent or grant. If after the applicant or grantee has been given opportunity to be duly heard, and the objection is found to be well founded, the Director of the Bureau shall reject or cancel the application or deny the patent or grant. The person objecting shall, if qualified, be granted a preferential right to apply for the land within a period of sixty (60) days from the date of notice.

SEC. 69. *Officers Authorized to Administer Oaths.* – All proofs, affidavits, and oaths of any kind required or necessary under this Act shall be made before any notary public of the municipality or province in which the land lies, or before any officer of the Bureau authorized by law to administer oaths.

SEC. 70. *Succession to the Rights and Interests of Deceased Applicants.* – If at any time, the applicant shall die before the issuance of patent or during the life of the lease, or while the applicant still has obligations pending compliance with the government, he shall be succeeded in his rights and obligations under this Act by his heirs, who shall be entitled to the issuance of the patent or final concession: *Provided*, That they shall satisfactory show that they have complied with the requirements therefor.

SEC. 71. *Denial of Grant for Reasons of Public Interest.* – If, at any time after the approval of the application and before the issuance of patent or the final concession of the land, or during the subsistence of the lease, or at any time when the applicant or grantee still has obligations pending compliance with the government, it appears that the land applied for is necessary for the protection of any source of water or for any work for the public benefit that the government wishes to undertake during such time or in the future, the Director of the Bureau may order the cancellation of the application or the non-issuance of the patent or concession or the exclusion from the land applied for of such portion as may be required, upon payment of the value of the improvements if any.

SEC. 72. *Patents and Certificates: Issuing Officials.* – All patents and deeds for lands granted under this Act shall be prepared by the Bureau and shall be issued in the name of the government signed by the President: *Provided, however*, That the Secretary of the Department shall sign patents and deeds covering lands not less than ten (10) hectares and above: *Provided, further*, That the Director of the Bureau shall sign patents and deeds covering not less than five (5) hectares but not more than ten (10) hectares: *Provided, finally*, That head of field offices of the Bureau, when properly equipped to carry out the purposes of this Act, may be authorized to sign patents and deeds covering less than five (5) hectares.

SEC. 73. *Limitation of the Grant.* – Patents or deeds granted under the provisions of this Act shall not include nor convey title to any gold, silver, copper, iron, or other metals or minerals, or other substances containing minerals, guano, gums, precious stones, coal, oil, or other energy sources contained in lands granted thereunder.

SEC. 74. *Grant Subject to Same Servitudes as in Private Lands.* – Any person receiving title to lands under the provisions of this Act shall hold such lands subject to the provisions hereof and to the same servitudes upon private lands, including those with reference to the shores of the sea and banks of navigable rivers or rivers suitable for rafting.

SEC. 75. *Easement of Right of Way.* – Land grants shall further be subject to the easement of a right of way not exceeding sixty (60) meters in width for public highways, railroads, irrigation ditches, aqueducts, telegraph, electric and telephone lines and similar works as the Government may require upon payment of just compensation.

SEC. 76. *Lands Applied for Subject to Taxes.*—All lands granted by virtue of this Act shall be subject to ordinary taxes and such other taxes as may be imposed by law.

SEC. 77. *Appraisal and/or RE-appraisal.* – The appraisal and/or reappraisal of the lands or improvements subject to concession or disposition under this Act shall be made by the Director of the Bureau or his duly authorized representative. The appraisal and/or reappraisal shall be based on the assessed value declared by the claimant or the assessor whichever is higher and, on the prevailing market value in the area. The Director of the Bureau may request the assistance of the assessor of the province, city or municipality in which the land lies.

SEC. 78. *Interest on Arrears.* – All sums due and payable to the Government under this Act, except homestead fees, shall draw simple interest at the legal rate from and after the date in which the vendee/lessee shall have become delinquent.

SEC. 79. *Prohibition on Alienation.* –

1) Except in favor of the government or any of its branches, units or institutions, any land or tract of lands acquired under the free patent or homestead provisions shall not be subject to encumbrance or alienation within a period of two (2) years from and after the date of the order for issuance of the patent or grant, nor shall they become liable to the satisfaction of any debt voluntarily or involuntarily

contracted prior to the expiration of the said period: *Provided, however,* That the improvements or crops on the land may be mortgaged or pledged to qualified persons, partnerships, associations or corporations;

2) No alienation, transfer or conveyance of any homestead after two (2) years and before five (5) years after the issuance of titles shall be valid without the approval of the Secretary of the Department, which approval shall not be denied except on constitutional and legal grounds.

SEC. 80. *Right of Repurchase.* – 1) Every conveyance of lands acquired under the free patent or homestead provisions of this Act, when proper, shall be subject to repurchase by the applicant, his widow or legal heirs, within a period of two (2) years from the date of conveyance. The right to repurchase, being a matter of public policy and interest, cannot be waived, and any waiver thereof shall be null and void: *Provided,* That the right to repurchase shall not be used for speculation purposes.

SEC. 81. *Acquisition by Juridical Entities of Patented Land.* – Except with the consent of the grantee or successors in interest, with the approval of the Secretary of the Department and solely for commercial, industrial, education, or charitable purposes or for a right of way, no corporation, association, or partnership may acquire or have any right, title, interest, or property right whatsoever to any land granted under the free patent, homestead, or individual sale provisions of this Act or to any permanent improvements on such land.

SEC. 82. *Non-Alienation to Disqualified Persons.* –

1) No land originally acquired in any manner under the provisions of this Act, nor any permanent improvement on such land shall be encumbered, alienated or transferred except to:

a) Persons, corporations, associations or partnerships qualified to acquire or hold lands under this Act;
b) Corporations organized in the Philippines authorized therefore by their charters; and Government-owned or controlled financing institutions, which are hereby authorized to grant loans and advances against security of such land and the improvements thereon to acquire the same.

2) Except in cases of hereditary succession, no land or any portion thereof originally acquired under the free patent, homestead, or individual sale provisions of this Act or any permanent improvement thereon, shall be transferred or assigned to any person, nor shall such land or any permanent improvements thereon be leased to such person when the area of such land, added to that of his own, shall exceed twelve (12) hectares. Any transfer, assignment or lease made in violation hereof shall be null and void: *Provided, however,* That in the event of the ownership of the lands and improvements mentioned in this section and in the last preceding section being transferred by judicial decree to persons, corporations or associations not legally capacitated to acquire the same under the provisions of this Act, such persons, corporations or associations shall be obliged to alienate said lands or improvements to others so capacitated within an unextendible period of two (2) years, otherwise such property shall revert to the Government.

SEC. 83. *Effect of Illegal Conveyances and Alienation.* – Any acquisition, conveyance, alienation, transfer, or other contract made or executed in violation of any of the provisions of Sections 81 and 82 of this Act shall be null and void, from its execution and shall produce the effect of annulling and canceling the grant, title, patent, or permit originally issued, recognized or confirmed, and cause the reversion of the property and forfeiture of its improvement to the State.

SEC. 84. *Registration of Patent; Effect of.* – Once a patent is registered, the land acquires the character of registered land under Section 122 of Act Number 496, as amended, and is deemed brought within the operation of the Land Registration Act.

CHAPTER IX
PENAL PROVISIONS

SEC. 85. *Applicability of the Revised Penal Code and other Special Laws.* – Any person who shall commit any act punishable under the Revised Penal Code and other special laws, with respect to public land applications, shall be charged and punished in accordance with the provisions of such laws.

SEC. 86. *Sale and Refusal to Furnish Administrative Forms.* – Any person who sells accountable forms issued and distributed gratuitously under this Act or who, being an officer charged with distributing them, refuses or fails, without sufficient reason, to furnish the same, shall be punished for each offense by a fine of not less than Three Thousand Pesos (P3,000.00) nor more than Ten Thousand Pesos (P10,000.00) or by imprisonment of not less than six (6) months nor more than six (6) years, or both such and imprisonment, at the discretion of the court.

SEC. 87. *Fraudulent Acquisition.* – Any person, corporation or association who, without the qualifications required by this Act, shall, by deceit or fraud acquire or attempt to acquire lands by filing a Public Land Application (PLA) for a tract of land/s of the public domain or other real property or any right, title or interest, or property right of any class over the same, and any person aiding and abetting him therein or serving as a means or tool thereof, shall, upon conviction, be punished by a fine of not less than Five Thousand Pesos (P5,000.00) nor more than Thirty Thousand Pesos (P30,000.00), or by imprisonment of not less than two (2) years, nor more than eight (8) years, or both such fine and imprisonment, at the discretion of the court.

SEC. 88. *Disobedience to the Decisions and Orders of the Director of the Bureau.* – Any person, corporation, association or partnership who interferes, resists or disobeys the implementation of any lawful order or decision of the Director of the Bureau shall upon conviction, be punished by a fine of not less than Ten Thousand Pesos (P10,000.00) nor more than One Hundred Thousand Pesos (P100,000.00) or by imprisonment of not less than one (1) year or more than six (6) years, or both such fine and imprisonment, at the discretion of the court. If the offender is a corporation, association or partnership, the maximum penalty shall be imposed upon the President, Managing, Director, General Manager or managing partners of the offending party.

SEC. 89. *Illegal Entry and Occupation.* –

1) Any person who, with the use of force, intimidation or threat, or taking advantage of the absence of the *bona fide* applicant or grantee, succeeds in occupying or possessing the land applied for, shall be punished by a fine of not less than Five Thousand Pesos (P5,000.00) nor more than Fifty Thousand Pesos (P50,000.00) or an imprisonment ranging from six (6) months to one (1) year or both, at the discretion of the court, with subsidiary imprisonment in case of insolvency.

2) If the offender is a corporation or association, the maximum penalty of a fine of Fifty Thousand Pesos (P50,000.00) and imprisonment of five (5) years shall be imposed upon the president, managing director, general manager, or, managing partners thereon.

CHAPTER X
TRANSITORY PROVISION

SEC. 90. *Subdivision Surveys.* – The conduct, verification and approval of all subdivision surveys by Land Registration Authority shall be transferred to the Bureau. For this purpose, such department and employees of the Land Registration Authority affected by this section shall be absorbed by the Bureau, in accordance with applicable civil service rules.

SEC. 91. *Implementing Rules and Regulations.* – The Department, in consultation with the Land Registration Authority, Department of Agrarian Reform, Department of Interior and Local Government and other concerned government agencies, non-government organizations and people's organizations shall promulgate the rules and regulations for the effective implementation of this Act within six months from effectivity.

CHAPTER XI
FINAL PROVISIONS

SEC. 92. *Repealing Clause.* – Commonwealth Act Numbered One Hundred Forty One, as amended, and all laws, decrees, orders, or parts thereof, contrary to or inconsistent with this Act are hereby repealed and modified accordingly.

SEC. 93. *Separability Clause.* – Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SEC. 94. *Effectivity Clause.* – This Act shall take effect thirty (30) days after its publication in the Official Gazette and in two (2) national newspapers of general circulation.

Approved,