



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **3409**



Introduced by Representative Arnan C. Panaligan

EXPLANATORY NOTE

This bill seeks to emancipate agrarian reform beneficiaries by condoning all unpaid amortizations and interests on the lands awarded to them under the comprehensive agrarian reform program.

Article XIII Section 4 of the 1987 Philippine Constitution states that *"The State shall, by law, undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof. To this end, the State shall encourage and undertake the just distribution of all agricultural lands, subject to such priorities and reasonable retention limits as the Congress may prescribe, taking into account ecological, developmental, or equity considerations, and subject to the payment of just compensation. In determining retention limits, the State shall respect the right of small landowners. The State shall further provide incentives for voluntary land-sharing."*

The imbalance of power between landowners and tenant farmers has given rise to social tensions and economic losses. To even the playing field and accelerate rural development, different agrarian reform programs were introduced that directed the redistribution of private lands to reduce social inequity, and the distribution of alienable lands of public domain to promote the increase of agricultural production.

Consistent with the basic principle of *"land to the tiller,"* Republic Act No. 6657, otherwise knowns as the *"Comprehensive Agrarian Reform Law of 1998,"* as amended by Republic Act No. 9700, directed the distribution and redistribution

of certain public and private agricultural lands to tenant farmers, subject to payment of just compensation for the landowners. To help the beneficiaries to pay the lands awarded to them, they were allowed to pay the same in thirty annual amortizations.

More than thirty years after the enactment of the Comprehensive Agrarian Reform Law, the social justice and agricultural development objectives of the law have not been fully realized. Some of the beneficiaries are still unable to pay the annual amortizations and there is still risk of losing the lands awarded to them.

One of the priorities of the present administration is to emancipate the agrarian reform beneficiaries from agrarian debt burden by condoning unpaid amortizations and interest. This was expressly stated by President Ferdinand Romualdez Marcos Jr. during his first State of the Nation Address on July 25, 2022. He highlighted that the condonation of the existing agrarian reform loans in the amount of 58.125 billion pesos will benefit around 654,000 agrarian reform beneficiaries, involving a total of 1.18 million hectares of awarded lands. Further, the President also mentioned that agrarian reform beneficiaries who are still to receive their awarded land under the Comprehensive Agrarian Reform Program shall receive it without any obligation to pay any amortization.

This proposed condonation policy is not only a social measure but also a strategic investment to the country's food security and agricultural production. By emancipating the farmers from the burdens of paying amortizations, they will be able to focus their resources to improve their farm productivity that will yield positive multiplier effects such as increased market supply and overall national production.

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


REP. ARNAN C. PANALIGAN

Republic of the Philippines
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HOUSE BILL NO. 3409

Introduced by Representative Arnan C. Panaligan

AN ACT
EMANCIPATING AGRARIAN REFORM BENEFICIARIES BY
CONDONING ALL UNPAID AMORTIZATIONS AND INTERESTS ON
THE LANDS AWARDED TO THEM UNDER THE AGRARIAN
REFORM PROGRAM

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

SECTION 1. All unpaid amortizations and interests, including penalties or surcharges, if any, of agrarian reform beneficiaries payable to the Land Bank of the Philippines under Section 26 of Republic Act (RA) No. 6657, otherwise known as the “*Comprehensive Agrarian Reform Law of 1988*,” as amended by Republic Act No. 9700 are hereby condoned.

For purposes of this Act, agrarian reform beneficiaries refer to farmers or farmworkers who were granted lands under RA 6657, as amended and Presidential Decree (PD) No. 27, Series of 1972, and who have outstanding balance payable to the Land Bank of the Philippines.

1 SEC 2. Upon the effectivity of this Act, all remaining agricultural lands
2 for distribution under RA 6657, as amended, shall be awarded for free to
3 qualified agrarian reform beneficiaries.

4 SEC. 3. Within thirty (30) days from the effectivity of this Act, the
5 Secretary of Agrarian Reform shall, in coordination with the Philippine
6 Agrarian Reform Council, promulgate the necessary rules and regulations for
7 the effective implementation of this Act.

8 SEC. 4. Section 26 of RA 6657, as amended, is hereby repealed. All
9 laws, decrees, orders, rules and regulations or parts thereof inconsistent with or
10 contrary to the provisions of this Act are repealed, amended or modified
11 accordingly.

12 SEC. 5. This Act shall take effect fifteen (15) days after its publication in
13 the *Official Gazette* or in a newspaper of general circulation.

14 Approved,