

**[ REPUBLIC ACT NO. 2694, June 18, 1960 ]**

**AN ACT TO AMEND CERTAIN PROVISIONS OF SECTIONS THIRTY-SEVEN AND SIXTY-FOUR OF COMMONWEALTH ACT NUMBERED ONE HUNDRED FORTY-ONE.**

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

SECTION 1. The first paragraph of Section thirty-seven and subparagraph (a) of Section sixty-four of Commonwealth Act Numbered One hundred forty-one are hereby amended to read as follows:

"SEC. 37. The annual rental of the land leased shall not be less than three *per centum* of the value of the land, according to the appraisal and reappraisal made in accordance with section one hundred sixteen of this Act; except for lands reclaimed by the Government, which shall not be less than four *per centum* of the appraised and reappraised value of the land: *Provided*, That one-fourth of the annual rental of these lands reclaimed prior to the approval of this Act shall accrue to the construction and improvement portion of the Portworks Fund: *And provided, further*, That the annual rental of not less than four *per centum* of the appraised and reappraised value of the lands reclaimed using the Portworks Fund after the approval of this Act shall all accrue to the construction and improvement portion of the Portworks Fund. But if the land leased is adapted to and be devoted for grazing purposes, the annual rental shall be not less than two *per centum* of the appraised and reappraised value thereof. Every contract of lease under the provisions of this chapter shall contain a clause to the effect that a reappraisal of the leased shall be made every ten years from the date of the approval of the lease, if the term of the same shall be in excess of ten years. In case the lessee is not agreeable to the reappraisal and prefers to give up his contract of lease, he shall notify the Director of Lands of his desire within the six months next preceding the date on which the reappraisal takes effect, and in case his request is approved, the Director of Lands may, if the lessee should so desire, proceed in accordance with section one hundred of this Act."

"SEC. 64. (a) The rental shall not be less than three per centum of the appraised or reappraised value of the land plus one *per centum*, of the appraised or reappraised value of the improvements, except for lands reclaimed by the Government which shall not be less than four *per centum* of the appraised or reappraised value of the land plus two *per centum* of the appraised or reappraised value of the improvements thereon: *Provided*, That twenty-five *per centum* of the total annual rental