

SECOND DIVISION

[G.R. No. 229983, July 29, 2019]

**FARMER-BENEFICIARIES BELONGING TO THE SAMAHANG
MAGBUBUKID NG BAGUMBONG, JALAJALA,^[*] RIZAL,^[**]
REPRESENTED BY THEIR PRESIDENT, TORIBIO M. MALABANAN,
PETITIONERS, V. HEIRS OF JULIANA MARONILLA, REPRESENTED
BY ATTY. RAMON M. MARONILLA, RESPONDENTS.**

DECISION

PERLAS-BERNABE, J.:

Before the Court is a petition for review on *certiorari*^[1] assailing the Decision^[2] dated February 20, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 108543, which affirmed DARCO Order No. EX-0808-372, Series of 2008^[3] dated August 29, 2008 issued by the Department of Agrarian Reform (DAR) Secretary, exempting a 447.4025-hectare (ha.) portion of the subject lands from the coverage of the Comprehensive Agrarian Reform Program (CARP),^[4] conditioned on the payment of disturbance compensation to the affected tenants.

The Facts

Juliana Maronilla (Juliana) is the registered owner of a vast tract of land with a total area of 723.9428 has.^[5] situated in Brgy. Bagumbong, Jalajala, Rizal and Brgy. Casinsin, Pakil, Laguna, covered by Transfer Certificates of Title (TCT) Nos. 164410 to 164420^[6] (inclusive) and 164430^[7] to 164432^[8] (inclusive,^[9] collectively, subject lands). Following the implementation of Presidential Decree No. (PD) 27,^[10] portions of the lands covered by TCT Nos. 164416 to 164420 (inclusive), 164430, and 164432 were placed under the government's Operation Land Transfer (OLT) program, and thus, certificates of land transfer (CLTs) were issued in favor of petitioners Farmer-Beneficiaries belonging to the *Samahang Magbubukid ng Bagumbong, Jalajala, Rizal* (petitioners)^[11] and other farmer-beneficiaries (FBs).

On January 14, 1986, the President of the Philippines issued a memorandum directing the issuance of emancipation patents (EPs) to FBs of the OLT program.^[12] Accordingly, EPs over the subject lands were issued by the DAR in favor of the FBs, which were thereafter registered (EP titles) with the Register of Deeds of Rizal (RD-Rizal) between October 24, 1988 and February 22, 1994 that partially cancelled Juliana's titles.^[13]

On March 13, 1989, Juliana voluntarily offered the subject lands (VOS) for sale to the DAR pursuant to the CARP.^[14] The DAR acquired the remaining portions undistributed under PD 27, and issued certificates of land ownership award (CLOAs) in favor of the FBs.^[15] The corresponding titles (CLOA titles) were issued in the

latter's favor between December 15, 1993 and October 27, 1995, which partially cancelled Juliana's titles.^[16]

Sometime in March 1996, Juliana passed away.^[17] On November 26, 1996, her heirs, herein respondents, represented by Atty. Ramon M. Maronilla (respondents), filed an application for retention^[18] of a 60-ha. portion of the subject lands covered by TCT Nos. 164419 and 164420 located in Brgy. Casinsin, Pakil, Laguna.^[19] The application was granted in an Order^[20] dated December 12, 1997. Petitioners sought the recall/revocation of the said Order insofar as the parcels of land already apportioned to them, but the same was denied in an Order^[21] dated August 15, 2008 which, however, reduced the retention area from 60 to 52 has. Petitioners' appeal to the Office of the President (O.P.), docketed as O.P. Case No. 08-K-440, was still pending when the instant petition was filed.^[22]

Meanwhile, respondents filed an Application for Exemption Clearance from CARP Coverage (exemption case) of a 476.5006-ha.^[23] portion of the subject lands on the basis of Department of Justice (DOJ) Opinion No. 44, Series of 1990,^[24] as implemented by DAR Administrative Order (AO) No. 6, Series of 1994.^[25] They claimed that the lands had been classified as mineral, forest, residential, institutional, commercial or agro-industrial as early as July 11, 1981 in the Land Use Plan (LUP) of the Municipality of Jalajala, and in accordance with Zoning Ordinance No. 17,^[26] approved on December 2, 1981 by the Human Settlements Regulatory Commission (HSRC), precursor of the Housing and Land Use Regulatory Board (HLURB), and as such, cannot be considered as agricultural lands within the contemplation of Republic Act No. (RA) 6657^[27] or PD 27.^[28] In support of the application, respondents submitted, among others, an HLURB Certification dated May 24, 1996, stating that per the approved LUP of Jalajala, the subject lands are zoned as follows:

TCT No.	Lot No.	PSD No.	Area [(Ha.)]	Zoning/Land Use
164410	1-A	56828	66.6220	Forest Conservation
164411	1-B	56828	59.1061	Forest Conservation/ Tree/ Diversified Crops
164412	1-C	56828	56.4944	Forest Conservation/ Tree/ Diversified Crops
164413	1-D	56828	66.8885	Forest Conservation/ Diversified Crops
164414	1-E	56828	53.0896	Forest Conservation/ Agro-industrial/ Riceland
164415	1-F	56828	50.2014	Forest Conservation/ Agro-industrial/ Tree/ Diversified Crops
164416	1-G	56828	52.2799	Riceland/ Agro-industrial/ Residential/ Institutional
164417	1-H	56828	43.0780	Riceland/ Agro-industrial/ Forest Conservation/ Residential/ Institutional

164418	1-I	56828	45.3631	Riceland/ Residential/ Institutional
164419	1-J	56828	49.7049	Riceland/ Residential/ Institutional
164420	1-K	56828	56.1463	Riceland/ Residential
(164430) 422059	3-J	56828	61.7208	Agro-industrial/ Forest Conservation/ Riceland
(164431) 422059	3-K	56828	51.7113	Riceland/ Agro-industrial
(164432) M-13551	3-L	56828	63.2478	Riceland/ Residential ^[29]

Respondents likewise submitted a Certification dated June 17, 1996 from the National Irrigation Administration (NIA) that the lands covered by TCT Nos. 164410 to 164413 (inclusive) are not: (a) irrigated by any national irrigation system; (b) covered by communal irrigation system within the Province of Rizal; and (c) part of any NIA rehabilitation/expansion of irrigation project, or any proposed NIA irrigation development/project with firm financing.^[30] The DAR Center for Land Use, Policy, Planning and Implementation conducted an ocular inspection of the area,^[31] accompanied by the Municipal Agrarian Reform Officer and the representatives of the parties,^[32] where the following were noted:

	TCT No.	Lot No.	Area Per Title (Ha.)	Remarks
1	164410	1-A	66.6220	Forest Conservation. Covered under VOS. Planted with trees, root crops, etc.
2	164411	1-B	59.1061	Forest Conservation. Covered under VOS. Planted with root crops, banana.
3	164412	1-C	56.4944	Forest Conservation. Diversified Crops.
4	164413	1-D	66.8885	Forest Conservation. Diversified Crops.
5	164414	1-E	53.0896	Forest Conservation with Agro-industrial. Some portion is riceland. Covered under VOS and OLT.
6	164415	1-F	50.2014	Combination of Forest Conservation, Agro-industrial, Tree and Diversified Crops. Covered under VOS and OLT.
7	164416	1-G	52.2799	Majority of the lot is riceland with a little portion of [Agro-industrial] and Residential. Covered under VOS and OLT.
8	164417	1-H	43.0780	Riceland and Agro-industrial. A little portion of Residential.

				Covered under OLT.
9	164418	1-I	45.3631	Riceland with irrigation canal. Covered under OLT. Planted with banana, mango, root crops like <i>camote</i> , okra. With shrubs and grasses. Some portion is Residential.
10	164419	1-J	49.7049	Riceland, mango trees. Covered under OLT.
11	164420	1-K	56.1463	Riceland and Residential. Covered under OLT. Planted with banana, mango, root crops like <i>patola</i> .
12	(164430) 422059	3-J	61.7208	Agro-industrial with a little portion of riceland. Covered under OLT.
13	(164431) 422059	3-K	[51.7113]	Riceland. Covered under OLT. Sold to Alta Tierra Resources, Inc.
14	(164432) M-13551	3-L	63.2478	Riceland and Residential. Covered under VOS. With mango trees.
	723.9428^[33]			

Petitioners intervened,^[34] essentially averring that the zoning ordinance did not actually divest the subject lands of their original classification as agricultural, both in actual use and their nature; hence, they are not excluded or exempt from the operation of PD 27 or the CARP.^[35] They further averred that assuming that the zoning had the effect of reclassifying the subject lands to non-agricultural lands, the same will not affect the coverage of the properties under the OLT program, considering that they had been devoted to rice and corn since October 21, 1972.^[36]

Subsequently, the Exemption Committee recommended the exemption of a 447.4025-ha. portion of the subject lands from CARP coverage on the basis of HSRC Resolution No. 36, Series of 1981, which provided the classification of the subject lands as tabularized above.^[37] It further recommended the cancellation of EPs^[38] over the lands covered by TCT Nos. 164410, 164414, and 164415, as the same were found to be: (a) classified as Forest/Forest Conservation; (b) fully covered by forest trees with no traces of agricultural activities; and (c) within the slopes of the mountain; hence, outside the coverage of PD 27 pursuant to which the EPs were issued.^[39] However, it recommended the denial of the application for exemption of a 29.0981^[40] hectare portion of the lands covered by TCT Nos. 164417, (164430) M-10897, and (164432) M-13551 that were found to be ricelands already covered by EPs.^[41] Its findings are hereunder tabularized:

TCT No.	Lot No.	Area Per Title (Ha.)	Area Applied (Ha.)	Recommended for Exemption (Ha.)	Bases/Reasons
164410	1-	66.6220	66.6220	66.6220	HSRC

	A				Resolution No. 36, Series of 1981.
164411	1-B	59.1061	59.1061	59.1061	HSRC Resolution No. 36, Series of 1981.
164412	1-C	56.4944	56.4944	56.4944	HSRC Resolution No. 36, Series of 1981.
164413	1-D	66.8885	66.8885	66.8885	HSRC Resolution No. 36, Series of 1981.
164414	1-E	53.0896	44.8596	44.8596	HSRC Resolution No. 36, Series of 1981.
164415	1-F	50.2014	41.6364	41.6364	HSRC Resolution No. 36, Series of 1981.
164416	1-G	52.2799	3.7399	3.7399	HSRC Resolution No. 36, Series of 1981.
164417	1-H	43.0780	17.2879	15.6938	1.5941 hectare riceland issued with EPs, not exempted. HSRC Resolution No. 36, Series of 1981.
164418	1-I	45.3631	12.8800	12.8800	HSRC Resolution No. 36, Series of 1981.
164419	1-J	49.7049	11.4575	11.4575	HSRC Resolution No. 36, Series of 1981.
164420	1-K	56.1463	28.0450	28.0450	HSRC Resolution No. 36, Series of 1981.
(164430) 422059	3-J	61.7208	49.7508	32.9549	16.7959 hectare riceland issued