

FIRST DIVISION

[G.R. No. 178312, January 30, 2013]

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. HEIRS OF SPOUSES JORJA RIGOR-SORIANO AND MAGIN SORIANO, NAMELY: MARIVEL S. CARANDANG AND JOSEPH SORIANO, RESPONDENTS.

DECISION

BERSAMIN, J.:

In this appeal *via* petition for review on *certiorari*, Land Bank of the Philippines (Land Bank) seeks the review and reversal of the decision^[1] of the Court of Appeals (CA) promulgated on January 18, 2007 in CA-G.R. SP No. 91192, affirming the judgment rendered on January 31, 2005 by the Regional Trial Court (RTC), Branch 23, in Cabanatuan City, Nueva Ecija, sitting as a Special Agrarian Court (SAC), ordering Land Bank to pay to the respondents as the landowners just compensation amounting to P1,227,571.10 for the properties covered by TCT No. NT-146092(2839) situated in Poblacion/Talabutab, Gen. Natividad, Nueva Ecija with an area of 10.9635 hectares, and by TCT No. NT-61608 situated in Macabucod, Aliaga, Nueva Ecija with an area of 4.1224 hectares, plus 6% *per annum* legal interest from date of taking (which the RTC determined to be October 25, 1999) until fully paid.

Antecedents

The respondents are the children of the late Spouses Jorja Rigor-Soriano and Magin Soriano, the owners of the two parcels of land covered by TCT No. NT 146092 (2839) and TCT NO. NT-61608, both of the Registry of Deeds of Nueva Ecija, containing an area of 10.9635 hectares located in Poblacion/Talabutab, Gen. Natividad, Nueva Ecija and 4.1224 hectares located in Macabucod, Aliaga, Nueva Ecija, respectively.

The properties became subject to Operation Land Transfer (OLT) and were valued by the Land Bank and the Department of Agrarian Reform (DAR) at P10,000.00/hectare. Contending, however, that such valuation was too low compared to existing valuations of agricultural lands, the respondents commenced this action for just compensation, claiming that the properties were irrigated lands that usually yielded 150 cavans per hectare per season at a minimum of two seasons per year. They asked that a final valuation of the properties be pegged at P1,800,000.00, based on Administrative Order No. 61, Series of 1992 and Republic Act No. 6657.^[2]

Land Bank disagreed, insisting that Presidential Decree No. 27 and Executive Order No. 228 governed the fixing of just compensation for the properties; that the Government, through the DAR as the lead agency in the implementation of all agrarian laws, had taken the properties in 1972 pursuant to Presidential Decree No.

27, and had since then redistributed the properties to farmer-beneficiaries; and that in all cases under Presidential Decree No. 27 and Executive Order No. 228, its participation was only to pay the landowners accepting the valuations fixed by the DAR, upon the latter's direction and in the amounts the DAR determined. It prayed that the valuation by the DAR be retained or that a valuation be made judicially.^[3]

Ruling of the RTC as SAC

After trial, on January 31, 2005, the RTC rendered its decision, decreeing:

WHEREFORE, all premises considered, judgment is hereby rendered ordering the defendant Land Bank of the Philippines to pay petitioner Manolo Goduco the total amount of One Million Two Hundred Twenty Seven Thousand Five Hundred Seventy One & 10/100 (P1,227,571.10), Philippine Currency, representing the just compensation of the properties covered by TCT No. NT-146092 (2839), situated at Poblacion/Talabutab, Gen. Natividad, Nueva Ecija x x x with an area of 10.9635 hectares, and TCT No. NT-61608, situated at Macabucod, Aliaga, Nueva Ecija, with an area of 4.1224 hectares, with 6% legal interest per annum from date of taking (which the Court determines to be October 25, 1999) until fully paid.

SO ORDERED.^[4]

Land Bank and the respondents filed separate motions for reconsideration, but the RTC denied their motions on August 4, 2005. It should be mentioned that the clerical error appearing in the dispositive portion of the decision as to the name of the landowner was corrected from "Manolo Goduco" to "Marivel S. Carandang" and "Joseph Soriano."^[5]

Ruling of the CA

Land Bank appealed the decision dated January 31, 2005 to the CA, which sustained the RTC through the decision promulgated on January 18, 2007,^[6] pertinently holding and disposing as follows:

The petition is unimpressed with merit.

x x x x

Under the factual circumstances of this case, the agrarian reform process is still incomplete as the just compensation to be paid has yet to be settled. As mentioned earlier, the court *a quo* set the date of taking on 25 October 1999. During this time, Republic Act No. 6657 which took effect on 15 June 1988 was already operational. Thus, the ruling of the Supreme Court in *Land Bank of the Philippines v. Natividad, supra*, is highly relevant thus:

Considering the passage of Republic Act No. 6657 (RA 6657) before the completion of this process, the just compensation should be determined and the process concluded under the said law. Indeed, RA 6657 is the applicable law, with PD 27 and EO 228 having only suppletory effect, conformably without our ruling in Paris v. Alfeche.

x x x x

A perusal of the records, however, disclosed that in the valuation of the subject properties, the court *a quo* utilized the formula:

LV = Average Gross Production (AGP) x 2.5 x the Government Support Price (GSP)

x x x x

Under Section 17 of RA No. 6657, *infra*, the Congress enumerated certain factors to be considered in ascertaining just compensation of properties covered under the CARP. x x x.

Significantly, the court *a quo*'s valuation of the properties in question finds support under Section 17 of RA 6657, thus:

SECTION 17. Determination of Just Compensation. – In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the government to the property as well as the non-payment of taxes or loans secured from any government financing institution shall be considered additional factors to determine its valuation.

In the case at bar, as can be gleaned from the recorded evidence, hearings were had and there were presentation of the parties' evidence. Hence, it can be safely assumed that the court *a quo* has aptly considered the factors provided under Section 17, *supra*, in its determination of just compensation.

x x x x

In sum, We find that the just compensation which the court *a quo* fixed is within the bounds of what the law considers as full and fair equivalent of the properties taken.

x x x x

WHEREFORE, premises considered, instant Petition is **DENIED**. The

assailed Decision of the court *a quo* dated 31 January 2005 is **AFFIRMED.**^[7]

On June 8, 2007, the CA denied Land Bank's motion for reconsideration.^[8]

Issues

Hence, Land Bank appeals *via* petition for review on *certiorari*, assailing the decision of the CA upon the following issues:

I.

WHETHER OR NOT THE CA COMMITTED SERIOUS ERRORS OF LAW IN THE FOLLOWING INSTANCES: (A) THE QUESTIONED DECISION DISREGARDS [SIC] THE SUPREME COURT RULING ON THE DATE OF TAKING OF LANDS UNDER P.D. NO. 27/ E.O. NO. 228 WHICH WAS ENUNCIATED IN G.R. NO. 148223 TITLED "FERNANDO GABATIN, ET AL., VS. LAND BANK OF THE PHILIPPINES" (25 NOVEMBER 2005); (B) THE QUESTIONED DECISION DISREGARDED THE GOVERNMENT SUPPORT PRICE (GSP) FOR PALAY PRESCRIBED IN P.D. NO. 27/E.O. NO. 228 AMOUNTING TO THIRTY FIVE PESOS (PHP35.00), WHICH AMOUNT IS SUBJECT TO MANDATORY JUDICIAL NOTICE;

II

WHETHER OR NOT UNDER PD NO. 27, THE LANDS WERE DEEMED TAKEN BY OPERATION OF LAW ON 21 OCTOBER 1972, THE DATE OF EFFECTIVITY OF SAID PRESIDENTIAL DIRECTIVE;

III.

WHETHER OR NOT THE GOVERNMENT SUPPORT PRICE (GSP) FOR PALAY PRESCRIBED IN P.D. NO. 27/E.O. NO. 228 AMOUNTING TO PHP35 IS SUBJECT TO MANDATORY JUDICIAL NOTICE.^[9]

Ruling

On February 29, 2012, Land Bank submitted to the Court a so-called *Joint Manifestation and Motion (Re: Unconditional Acceptance of Revaluation)* dated February 9, 2012, stating that the approval by Land Bank's responsible officers of the revaluation of the properties pursuant to DAR Administrative Order No. 1 dated February 18, 2010, Series of 2010, as follows:

- (a) P229,799.42, for the acquired area consisting of 2.3539 hectares located in Macabucod, Aliaga, Nueva Ecija and covered by TCT No. NT – 61608; and
- (b) P2,260,725.87 for the acquired area consisting of 10.4795 hectares located in Talubatab, Gen. Natividad, Nueva Ecija and covered by TCT No. NT-146092,