

[Acts No. 4054, February 27, 1933]

AN ACT TO PROMOTE THE WELL-BEING OF TENANTS (*APARCEROS*) IN AGRICULTURAL LANDS DEVOTED TO THE PRODUCTION OF RICE AND TO REGULATE THE RELATIONS BETWEEN THEM AND THE LANDLORDS OF SAID LANDS, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

PART I.—Share tenancy contract in general

SECTION 1. *Title of Act.*—This Act shall be known as "The Philippine Rice Share Tenancy Act."

SEC. 2. *Share tenancy contracts defined.*—A contract of share of tenancy is one whereby a partnership between a landlord and a tenant is entered into, for a joint pursuit of rice agricultural work with common interest in which both parties divide between them the resulting profits as well as the losses.

SEC. 3. *Landlord and tenant interpreted.*—For the purposes of this Act, the word "landlord" shall mean and includes either a natural or juridical person who is the real owner of the land which is the subject-matter of the contract, as well as a lessee, a usufructuary or any other legitimate possessor of agricultural land cultivated by another; and the word "tenant" shall mean a farmer or farm laborer who undertakes to work and cultivate land for another or a person who furnishes the labor.

SEC. 4. *Form of contract.*—The contract on share tenancy, in order to be valid and binding, shall be drawn in triplicate in the language or dialect known to all the parties thereto, to be signed or thumb-marked both by the landlord or his authorized representative and by the tenant, before two witnesses, one to be chosen by each party. The party who does not know how to read and write may request one of the witnesses to read the contents of the document. Each of the contracting parties shall retain a copy of the contract and the third copy shall be filed with, and registered in the office of the municipal treasurer of the municipality, where the land, which is the subject-matter of the contract, is located: *Provided, however,* That in order that a contract may be considered registered, both the copy of the landlord and that of the tenant shall contain an annotation made by the municipal treasurer to the effect that same is registered in his office.

SEC. 5. *Registry of tenancy contract.*—For the purposes of this Act, the municipal treasurer of the municipality by contract wherein the land, which is the subject-matter of a contract, is situated, shall keep a record of all contracts made within his jurisdiction, to be known as Registry of Tenancy Contracts. He shall keep this registry together with a copy of each contract entered therein, and make annotations on said registry in connection with the outcome of a particular contract, such as the way same is extinguished: *Provided, however,* That the municipal treasurer shall not charge fees for the registration of said contract which shall be exempt from the documentary stamp tax.

SEC. 6. *Duration of contract.*—Any contract on rice tenancy entered into between landlord and tenant or farm laborer according to this Act shall last in accordance with the stipulation of the parties: *Provided, however,* That in the absence of stipulation, same shall be understood to last only during one agricultural year: *Provided, further,* That unless the contract is renewed in writing and registered as provided in section four hereof within thirty days after the expiration of the original period, the same shall be presumed to be extinguished: *Provided, finally,* That in case of renewing the contract without changing the stipulations therein it is sufficient that the municipal treasurer shall annotate the word "renewed" in the three copies of the contract and in the Registry of Tenancy Contracts.

For the purposes of this section, one agricultural year shall mean the length of time necessary for the preparation of the land, sowing, planting and harvesting a crop, although it may be shorter or longer than a calendar year.

SEC. 7. *Rules governing tenancy contracts.*—In any contract of tenancy mentioned in this Act, the contracting parties shall be free to enter into any or all kinds of agreement or stipulations so long as they are not contrary to existing laws, customs, morals and public policy: *Provided,* That such contract shall be conclusive evidence of what has been agreed upon between the contracting parties, if their stipulations are not denounced or impugned within thirty days from its registration in the office of the municipal treasurer, as provided in section five of this Act.

SEC. 8. *Share basis.*—In the absence of any written agreement to the contrary and when the necessary implements and the work animals are furnished by the tenant; and the expenses for planting, harvesting, threshing, irrigation and fertilizer, if any, as well as other expenses incident to the proper cultivation of the land, are borne equally by both the landlord and tenant, the crop shall be divided equally. The division shall be made in the same place where the crop has been threshed and each party shall transport his share to his warehouse, unless the contrary is stipulated by the parties: *Provided, however,* That when the landlord furnishes the work animal gratuitously it shall be deemed as a special consideration, and the tenant shall be obliged to transport the share of the landlord to his warehouse if it is within the municipality where the land cultivated is situated.

SEC. 9. *Auxiliary industry.*—In the absence of any written agreement to the contrary, the profits of any other industry carried on the holding for the common benefit shall belong in equal shares to both landlord and tenant, after making the necessary deduction for expenses which shall be returned to the party who advanced it.

Auxiliary industry shall not, however, be construed to include the crops or products raised from a garden, poultry, and such other industries carried on a lot specially provided for the residence of the tenant.

PART II.—*Accounts and their liquidation*

SEC. 10. *Loans.*—All advances obtained by the tenant from the landlord in connection with the cultivation, planting, harvesting, and such other incidental expenses for the improvement of the crop planted, shall bear interest not exceeding ten per centum per agricultural year and shall be evidenced by a written contract to this effect, otherwise they shall not bear any interest: *Provided, however,* That on

all loans other than money, such as grain or other agricultural products made to the tenant by the landlord, no interest in excess of ten per centum shall be added to the invoice price of the article thus loaned, and any inflation of the original price of said article shall be considered as usurious and penalized according to the provisions of the Usury Law.

SEC. 11. *Limit of loans.*—The limit of the loan that can be requested by a tenant shall be fifty per centum of the average yearly tenant's share on the particular piece of land allotted to said tenant for cultivation during the last three years: *Provided*, That in the case of land to be cultivated for the first time, the limit of the loan shall depend upon the agreement of the parties until the third year.

SEC. 12. *Memorandum of advances.*—Any obligation referring to any amount, either in money or in kind, which the tenant may have received in advance from time to time from the landlord, shall be unenforceable by action unless the same, or some note or memorandum thereof, be in writing, in a language or dialect known to the party charged, and subscribed by the said party, or by his agent. Said memorandum or note shall be signed by both parties and made in duplicate, one copy to remain with the landlord and the other with the tenant.

SEC. 13. *Form of final accounting.*—The final accounting between landlord and tenant at the end of each agricultural year, shall be effected within fifteen days after the threshing of the harvested crop and the same shall be made to appear on a note or memorandum written in a language known to the tenant and signed by both parties in the presence of two witnesses, who shall be selected by each party. Each of the contracting parties shall be furnished with a copy of said note or memorandum, and such final accounting, once duly signed by both parties and two witnesses, shall be deemed conclusive evidence of its contents, except in case of fraud.

SEC. 14. *Settlement of debts.*—Once the accounting is made, any amount of money which the landlord may have advanced to the tenant as expenses of cultivation or for his own private use, as well as any amount of grain or agricultural products advanced for his support and that of his family, shall be paid by the tenant out of his share, except fifteen per centum of same which is hereby declared exempt from the landlord's lien: *Provided*, That such grain or agricultural products shall be appraised in money according to their current market value at the place where the land is located at the time of their delivery to the tenant: *Provided, further*, That in case his share is not sufficient, his outstanding debt shall be reduced in money and shall bear an interest of not more than twelve per centum per annum: *And provided, finally*, That the remaining debt of the tenant once converted into money shall not again be converted into kind. Said outstanding debt may, however, be paid in money or in agricultural products appraised at the current market price at the time of payment.

SEC. 15. *Use of official measurement.*—In all transactions entered into between landlords and tenants on agricultural products, whether contracting a debt or making payment thereof, the official measure of the Government shall be used.

PART III.—*Rights and obligations of landlord*

SEC. 16. *Landlord as manager.*—For the purpose of this Act, the management of the