565 Phil. 598

SECOND DIVISION

[G.R. No. 139285, December 21, 2007]

ROMAN CATHOLIC ARCHBISHOP OF CACERES, PETITIONER, VS. SECRETARY OF AGRARIAN REFORM AND DAR REGIONAL DIRECTOR (REGION V), RESPONDENTS.

D E C I S I O N

VELASCO JR., J.:

The Comprehensive Agrarian Reform Law (CARL) has truly noble goals, and these noble goals should not be stymied by the creation of exemptions or exceptions not contemplated by the law.

The Case

In this Petition for Review on Certiorari under Rule 45, petitioner Roman Catholic Archbishop of Caceres (Archbishop) questions the February 4, 1999 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 48282, which upheld the December 8, 1997 and June 10, 1998 Orders of the Department of Agrarian Reform (DAR).

The Facts

Archbishop is the registered owner of several properties in Camarines Sur, with a total area of 268.5668 hectares. Of that land, 249.0236 hectares are planted with rice and corn, while the remaining 19.5432 hectares are planted with coconut trees.

In 1985, Archbishop filed with the Municipal Agrarian Reform District Office No. 19, Naga City, Camarines Sur several petitions for exemption of certain properties located in various towns of Camarines Sur from the coverage of Operation Land Transfer (OLT) under Presidential Decree No. (PD) 27.[2] Two of these petitions were denied in an Order dated November 6, 1986, issued by the Regional Director of DAR, Region V, Juanito L. Lorena.[3]

Archbishop appealed from the order of the Regional Director, and sought exemption from OLT coverage of all lands planted with rice and corn which were registered in the name of the Roman Catholic Archdiocese of Caceres. In his appeal, Archbishop cited the following grounds:

a) That said properties are all covered by conditional donations subject to the prohibitions of the donors to SELL, EXCHANGE, LEASE, TRANSFER, ENCUMBER OR MORTGAGE the properties;
b) That they are used for charitable and religious purposes;
c) That the parishes located in depressed areas badly need them for the furtherance of their mission work, propagation of the faith, maintenance and support of their chapels, churches and

educational religious institutions like the Holy Rosary Major and Minor Seminaries for the promotion of the priesthood vocation;

d) For the preservation of good relationship between church and state thru non-infringement of the right to exercise religious profession and worship;
e) For the maintenance of the Cathedral and Peñafrancia Shrine, which now include the Basilica Minore Housing our venerable image of Our Lady of Peñafrancia and the venerable portrait of Divine Rostro;
f) That the petitioner (church) is amenable to continue the leasehold system with the present cultivators or tenants.[4]

This appeal was denied by then DAR Secretary Ernesto D. Garilao in an Order dated December 8, 1997.[5] A subsequent motion for reconsideration was denied in an Order dated June 10, 1998.[6]

The matter was then raised to the CA via Petition for Review on Certiorari. Archbishop argued that even if the lands in question are registered in his name, he holds the lands in trust for the benefit of his followers as *cestui que trust*. Archbishop further argued that the deeds of donation by which the lands were transferred to him imposed numerous fiduciary obligations, such that he cannot sell, exchange, lease, transfer, encumber, or mortgage the subject lands. By this reasoning, Archbishop concluded that he is not the "landowner" contemplated by PD 27 and Republic Act No. (RA) 6657, the CARL of 1988. He then prayed that the assailed orders of the DAR be reversed, or in the alternative, that the alleged beneficiaries of the trust be each allowed to exercise rights of retention over the landholdings.[7]

The petition was dismissed by the CA in its February 4, 1999 Decision.[8] Archbishop filed a motion for reconsideration, but was denied in the June 18, 1999 CA Resolution.[9]

Archbishop now brings the matter before us through this petition.

The Issues

Archbishop raises issues he had raised previously, which, he contends, the CA failed to properly address. He claims that the CA erred in holding that he is only entitled to assert one right of retention as the subject properties are registered in his name. He further claims that an express trust had been created wherein he only held naked title to the subject properties on behalf of the beneficiaries. He argues that it is not the "landowner" contemplated by the law, but merely a trustee, and as such is entitled to as many rights of retention on behalf of the beneficiaries of each particular property. He then raises the question of the applicability of the ruling in *The Roman Catholic Apostolic Administrator of Davao, Inc. v. The Land Registration Commission and the Register of Deeds of Davao City*,[10] which, he cites, ruled that properties held by the Church are held by it as a mere administrator for the benefit of the members of that particular religion. As Archbishop claims to be merely an administrator of the subject properties, he argues that these subject properties

should have been exempt from the OLT.

The Court's Ruling

The petition has no merit.

Archbishop's arguments, while novel, must fail in the face of the law and the dictates of the 1987 Constitution.

The laws simply speak of the "landowner" without qualification as to under what title the land is held or what rights to the land the landowner may exercise. There is no distinction made whether the landowner holds "naked title" only or can exercise all the rights of ownership. Archbishop would have us read deeper into the law, to create exceptions that are not stated in PD 27 and RA 6657, and to do so would be to frustrate the revolutionary intent of the law, which is the redistribution of agricultural land for the benefit of landless farmers and farmworkers.

Archbishop was found to be the registered owner of the lands in question, and does not contest that fact. For the purposes of the law, this makes him the landowner, without the necessity of going beyond the registered titles. He cannot demand a deeper examination of the registered titles and demand further that the intent of the original owners be ascertained and followed. To adopt his reasoning would create means of sidestepping the law, wherein the mere act of donation places lands beyond the reach of agrarian reform.

There can be no claim of more than one right of retention per landowner. Neither PD 27 nor RA 6657 has a provision for a landowner to exercise more than one right of retention. The law is simple and clear as to the retention limits per landowner. PD 27 states, "In all cases, the landowner may retain an area of not more than seven (7) hectares if such landowner is cultivating such area or will now cultivate it"; while RA 6657 states:

> SEC. 6. *Retention Limits.*—Except as otherwise provided in this Act, no person may own or retain, directly, any public or private agricultural land, the size of which shall vary according to factors governing a viable family-sized farm, such as commodity produced, terrain, infrastructure, and soil fertility as determined by the Presidential Agrarian Reform Council (PARC) created hereunder, but in no case shall the retention by the landowner exceed five (5) hectares. Three (3) hectares may be awarded to each child of the landowner, subject to the following qualifications: (1) that he is at least fifteen (15) years of age; and (2) that he is actually tilling the land or directly managing the farm: *Provided,* That landowners whose lands have been covered by Presidential Decree No. 27 shall be allowed to keep the area originally retained by them thereunder; *Provided, further,* That original homestead grantees or direct compulsory heirs who still own the original homestead at the time of the approval of this Act shall retain the same areas as long as they continue to cultivate said homestead.

Nothing in either law supports Archbishop's claim to more than one right of retention on behalf of each *cestui que trust*. The provisions of PD 27 and RA 6657 are plain and require no further interpretation--there is only one right of retention

per landowner, and no multiple rights of retention can be held by a single party. Furthermore, the scheme proposed by Archbishop would create as many rights of retention as there are beneficiaries, which could in effect protect the entire available land area from agrarian reform. Under Archbishop's reasoning, there is not even a definite landowner to claim separate rights of retention, and no specific number of rights of retention to be claimed by the landowners. There is simply no basis in the law or jurisprudence for his argument that it is the "beneficial ownership" that should be used to determine which party would have the right of retention.

Archbishop makes much of the conditional donation, that he does not have the power to sell, exchange, lease, transfer, encumber or mortgage the transferred properties. He claims that these conditions do not make him the landowner as contemplated by the law. This matter has already been answered in *Hospicio de San Jose de Barili, Cebu City (Hospicio) v. Department of Agrarian Reform.*[11] In that case, wherein Act No. 3239 prohibited the sale under any consideration of lands donated to the Hospicio, a charitable organization, the Court found that the lands of the Hospicio were not exempt from the coverage of agrarian reform. In characterizing the sale of land under agrarian reform, we stated:

> Generally, sale arises out of contractual obligation. Thus, it must meet the first essential requisite of every contract that is the presence of consent. Consent implies an act of volition in entering into the agreement. The absence or vitiation of consent renders the sale either void or voidable.
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> In this case, the deprivation of the Hospicio's property did not arise as a consequence of the Hospicio's consent to the transfer. There was no meeting of minds between the Hospicio, on one hand, and the DAR or the tenants, on the other, on the properties and the cause which are to constitute the contract that is to serve ultimately as the basis for the transfer of ownership of the subject lands. Instead, the obligation to transfer arises by compulsion of law, particularly P.D. No. 27.[12]

We discussed further:

> The twin process of expropriation under agrarian reform and the payment of just compensation is akin to a forced sale, which has been aptly described in common law jurisdictions as "sale made under the process of the court and in the mode prescribed by law," and "which is not the voluntary act of the owner, such as to satisfy a debt, whether of a mortgage, judgment, tax lien, etc." The term has not been precisely defined in this jurisdiction, but reference to the phrase itself is made in Articles 223, 242, 237 and 243 of the Civil Code, which uniformly exempt the family home "from execution, forced sale, or attachment." Yet a forced sale is clearly different from the sales described under Book V of the Civil Code which are conventional sales, as it does not arise from the consensual agreement of the vendor and vendee, but by compulsion of law. Still, since law is recognized as one of the sources of obligation, there can be no dispute on the efficacy of a forced sale, so long as it is authorized by law.[13]