



ADMINISTRATIVE ORDER NO. 15
Series of 1988

SUBJECT: RULES AND PROCEDURES GOVERNING CONVERSION
OF PRIVATE AGRICULTURAL LANDS TO NON-
AGRICULTURAL USES

I. POLICIES

It is the policy of the government:

- A. To promote Social Justice, Sound Rural Development, Industrialization and Full Employment.
- B. To promote the optimum use of land as a national resource for public welfare rather than as a commodity of trade subject to speculations, hoarding and indiscriminate use.
- C. To ensure timely, just and adequate compensation to landowners, tenant-farmers and farmworkers affected by conversion.
- D. To prevent the conversion of agricultural lands as a means to evade or circumvent agrarian reform laws and/or to eject tenant-farmers and farmworkers from the lands they are tilling.

II. LEGAL MANDATE

- A. The Department of Agrarian Reform (DAR) is authorized to approve or disapprove the conversion, restructuring or readjustment of agricultural lands into non-agricultural uses.
- B. The authority to approve or disapprove conversion of agricultural lands for residential, commercial, industrial, and other land uses as may be provided for by law is exclusively vested in DAR.
- C. Except where allowed and provided for in this order, the following acts are prohibited: (1) the conversion by any landowner of his agricultural lands into

2 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

non-agricultural use with intent to evade the application of R.A. 6657 to his landholdings; (2) the change of the nature of lands outside of urban centers and city limits either in whole or in part after the effectivity of R.A. 6657.

III. COVERAGE

These rules shall cover all private agricultural lands, whether tenanted or not, and regardless of crops or commodity produced.

IV. GOVERNING PRINCIPLES

- A. Conversion of lands from agricultural into non-agricultural uses may be allowed when the proposed use conforms with the land use plan or town development plan of the Municipality or City and approved by the Housing and Land Use Regulatory Board (HLURB).
- B. In case the proposed use does not conform with the existing land use plan of the Municipality/City concerned, the conversion may be allowed, under the following conditions:
- (1) When the land is intended as a housing or industrial project of the government or any of its agencies and instrumentalities or is intended as a joint venture private-government low-cost housing or industrial project; Provided, That a locational clearance shall first be obtained from the HLURB when the intended use is for industrial purposes;
 - (2) When the land ceases to be economically viable and sound for agricultural purposes. This finding must be properly supported by a written report and recommendation from the Department of Agriculture (DA);
 - (3) When the locality has become urbanized and the land will have a greater economic value for residential, commercial, industrial or memorial park purposes.
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3 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

- C. In case the municipality/city does not have a land use plan and zoning ordinance, the dominant use of the area surrounding the land subject of conversion shall be considered. If the proposed use is similar to, or compatible with, the dominant use of the surrounding area, the petition for conversion may be given due course.

In all the foregoing cases B - (1), (2) and (3) and C - the approval, through an ordinance, of the municipal or city council concerned shall be obtained, said ordinance to be approved by the HLURB and supported by the consent of the inhabitants/communities directly affected through a referendum.

- D. Land awarded to a farmer-beneficiary under the Agrarian Reform Program may be the subject of conversion only under the following conditions:

- (1) That the land has ceased to be economically viable and agriculturally productive; Provided, That at least five (5) years have elapsed since the award of the land to the beneficiary;
- (2) That the locality has become urbanized and the land will have a greater economic value for residential, commercial, or industrial purposes.

In both cases (1) and (2), the beneficiary must have fully paid his obligation.

- E. In all cases of conversion that will involve the displacement of tenant-lessees, such lessees shall be entitled to a disturbance compensation, equivalent to five (5) times the average of the gross harvests on their landholding during the last five (5) preceding calendar years, pursuant to Section 36 of R.A. 3844 as amended by Section 7 of R.A. 6389. In case of farmworkers, they shall be compensated in a manner similar to lessees' disturbance compensation.
- F. After the DAR has decided on the acquisition of an agricultural land under the program, no petition for conversion from the landowner
- 8
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4 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

or person acting on his behalf shall be given due course. Acquisition shall be deemed to commence when the MARO notifies the BARC in writing, requesting for assistance in identifying the land to be covered, the landowner, and the farmworkers.

- G. Prime agricultural land needed for food production shall not be converted into non-agricultural use.
- H. To prevent speculation, DAR shall require the petitioner to show clear and convincing proof of financial and organizational capability to undertake and complete the development of the area within one (1) year from date of issuance of development permit by HLURB, if the area is five (5) hectares or less. If the area is in excess of five (5) hectares, the period of development shall not extend beyond one (1) year for every five (5) hectares of land authorized for conversion.
- I. The MARO shall participate in the preparation of town plans and in the work of the review committee to be organized in every municipality/city and chaired by the Department of Local Government (DLG), under the auspices of the Regional Development Council (RDC), for the purpose of reviewing all existing land use plans and town plans for updating and conformity with more recent laws, rules and regulations and the Regional/Provincial framework plans of the Regional Development Council (RDC).

V. WHO MAY PETITION FOR CONVERSION

- A. Owners of private agricultural lands or persons authorized by them, including land developers duly licensed by the HLURB or government agency concerned.
- B. Farmer-beneficiaries of the agrarian reform program who have fully paid for the lands awarded to them and are qualified under these rules or persons authorized by them.
- C. Government agencies, including government-owned or controlled corporations.

5 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

VI. VENUE FOR APPLICATION

Applications or petitions for conversion shall be filed in quadruplicate with the Municipal Agrarian Reform Office where the land is located. However, for purposes of expediency, an application filed with other DAR offices shall be endorsed to the Municipal Agrarian Reform office concerned. Copy of the petition shall immediately be furnished the Regional office concerned.

VII. PROCEDURE

A. Applicant files his petition or application for conversion with the MARO concerned describing the land as to title number, location, area, crop planted, whether irrigated or not, and names of tenants and farmworkers, if any. The petition must be accompanied by a photo copy of the title; a location plan/vicinity map of the land; a certification from the zoning administrator concerned that the land is within the zone for which the change in use is being requested; and a locational clearance from the HLURB if the proposed use is for industrial or memorial park purposes.

B. MARO

(1) Conducts field investigation and verification of the following:

(A) Veracity of the information contained in the application.

(B) Whether or not the subject land falls within the appropriate zone or land use plan or town plan as properly supported by zoning ordinance.

(C) In case the municipality does not have a land use plan, the field investigation report must include information on the dominant use of the area surrounding the land subject of conversion and compatibility with the proposed use, together with a certification from the Municipal Mayor or official concerned that the municipal council and the community affected have approved the proposed change in use.

6 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

- (2) Post notices (in the prescribed form) in the local dialect of intention to convert land in: (A) the vicinity, (B) the Barangay Hall, and (C) the Municipal Hall. The notices shall remain posted for at least three (3) weeks. Tenants and farmworkers on the land subject of conversion shall be notified in writing by the MARO.
 - (3) Prepares report and recommendation and submits to PARO.
- C. PARO evaluates report and forwards same to RARO with his recommendations.
 - D. RARO evaluates and forwards report to BLD with his recommendations.
 - E. BLD evaluates report and recommendations and prepares action or order of approval/disapproval for signature of DAR Secretary.
 - F. Undersecretaries for Operations and for Legal Affairs review the action prepared.
 - G. Secretary signs action or order of approval/disapproval.
 - H. BLD transmits copy of action or order of approval/disapproval to petitioner, to Regional Director, to PARO, and to MARO
 - I. MARO monitors implementation of the conversion, payment of the disturbance compensation to displaced tenant-lessees and farmworkers, if any, and their resettlement to other areas if available.
- VIII. Protests or opposition against application for conversion shall be investigated and resolved by the Department of Agrarian Reform Adjudication Board (DARAB).
- IX. All applications or petitions for conversion from agricultural into non-agricultural use shall be approved or disapproved by the Secretary of Agrarian Reform as the findings warrant. The Secretary

7 . . . RULES & PROCEDURES GOVERNING CONVERSION OF PRIVATE AGRICULTURAL LANDS TO NON-AGRICULTURAL USES

may also approve the conversion of only a portion of the area applied for if in his judgment the entire area is excessive for the purpose, and/or conversion of the whole area is not justifiable.

- X. The Secretary may cancel or withdraw authorization for conversion already issued, for any of the following causes/reasons:
- A. Serious violations of conditions governing the issuance;
 - B. Misrepresentation or concealment of material facts in the application;
 - C. Existence of proof/evidence that the conversion was resorted to as a means to evade or circumvent coverage of R.A. 6657; and
 - D. Failure to complete the development of the area within the time frame specified in Section IV-H above.
- XI. Lands disapproved for conversion or excluded from conversion under Section IX above, or subsequently disauthorized under Section X above, shall automatically be placed under the coverage of the Comprehensive Agrarian Reform Program and all bona-fide beneficiaries therein shall be reinstated and compensation previously given them shall not be refunded by them.
- XII. The provision on penalties under Section 74 of R.A. 6657 is hereby adopted in toto and declared as an integral part of this order.
- XIII. This Order takes effect ten (10) days after its publication in two (2) newspapers of general circulation pursuant to Section 49 of R.A. 6657.

Diliman, Quezon City, *December 5*, 1988.

Philip Elm Juico
PHILIP ELLM JUICO
Secretary