

LEASEHOLD; TENANCY RELATIONSHIP NOT EXTINGUISHED BY TRANSFER OF OWNERSHIP

- Under Section 7 of Republic Act No. 3844 (**Agricultural Land Reform Code**), a tenant is entitled to a security of tenure on his landholding until such leasehold relations is extinguished. Such tenant continues to enjoy it despite the transfer of the property to another because tenancy relationship is not extinguished by the transfer of ownership of the land. Where there is transfer of ownership, the transferee shall be subrogated to the rights of the transferor. The rights and obligations arising from the tenancy relationship shall continue to subsist until modified by the parties (the new owner and the tenant).

DAR Opinion No. 30, S. 2008
November 25, 2008

LEASEHOLD; TENANTS ENTITLED TO SECURITY OF TENURE

- Tenants are by law entitled to security of tenure, which means that they can only be ejected from their tillage for just cause and after payment of disturbance compensation. However, please note that we speak of disturbance compensation only in cases of legal conversion approved by the DAR upon the application of the landowner pursuant to Section 36(1) of R.A. No. 3844. In cases if expropriation undertaken at the instance of the government in the exercise of its power of eminent domain, the provision of Section 18 of Executive Order No. 1035 shall be the applicable law.

DAR Opinion No. 02, S. 2008
January 11, 2008

LEASE RENTAL; BASIS

- What is required by law as consideration for the lease of the land is only up to twenty-five percent (25%) or the equivalent of 1/4 of the average normal harvest during the three (3) agricultural years immediately preceding the date the leasehold was established after deducting the amount used for seeds and the cost of harvesting, threshing, loading, hauling and processing whichever is applicable. The only instance, however, that a landowner-lessor can demand for an increase in the fixed or agreed lease rental as provided under said Section 34 of R. A. No. 3844 is that when he introduced capital improvements on the farm. In such a case, the rental shall be increased proportionately to the resulting increase in production due to said improvements.

DAR Opinion No. 19, S. 2008
July 17, 2008

LEASE RENTAL; LBP OR ANY BANKING INSTITUTIONS AUTHORIZED TO RECEIVE PROVISIONAL LEASE RENTALS

- The provision of Republic Act No. 3844 as implemented by DAR Administrative Order No. 2, Series of 2006, clearly state that the LBP or any duly authorized banking institution in the locality are authorized banking institutions to receive provisional lease rentals of the lessees in the event the landowner refuses to receive the same. Since the LBP of Tarlac City refused to receive the said provisional lease rentals due to the existence of their internal banking policy