

MEMORANDUM CIRCULAR NO. 54

**PRESCRIBING THE GUIDELINES GOVERNING SECTION 20 OF RA 7160
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF
1991 AUTHORIZING CITIES AND MUNICIPALITIES TO
RECLASSIFY AGRICULTURAL LANDS INTO NON-
AGRICULTURAL USES**

WHEREAS, RA 7160, otherwise known as the Local Government Code of 1991 (LGC), provides that cities and municipalities may reclassify agricultural lands into non-agricultural uses within their respective jurisdictions, subject to the limitations and other conditions prescribed under Section 20 of the LGC;

WHEREAS, the implementing Rules and Regulations (IRR) of the LGC provides that cities and municipalities shall continue to prepare their respective comprehensive land use plans, enacted through zoning ordinances, subject to applicable laws and rules and regulations;

WHEREAS, the IRR also prescribes that such plans shall serve as the primary and dominant bases for future use of land resources and reclassification of agricultural lands;

WHEREAS, the IRR further provides that the requirements for food production, human settlements, ecological balance, and industrial expansion shall be considered in the preparation of comprehensive land use plans;

WHEREAS, EO 129-A, s. of 1987, mandates the Department of Agrarian Reform (DAR) to approve or disapprove the conversion, restructuring or readjustment of agricultural lands into non-agricultural uses;

WHEREAS, the said EO has also vested in DAR exclusive authority to approve or disapprove conversion of agricultural lands for residential, commercial, industrial, and other land uses;

WHEREAS, Section 65 of RA 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 (CARL), likewise empowers DAR to authorize, under certain conditions, the reclassification or conversion of lands awarded to agrarian reform beneficiaries;

WHEREAS, pursuant to the pertinent provisions of EO 129-A (1987), EO 229 (1987), and RA 6657, DAR issued various rules and regulations governing the conversion or reclassification of agricultural lands into non-agricultural uses;

WHEREAS, there is a need to harmonize the provisions of Section 20 of the LGC with those of EO 129-A (1987), EO 229 (1987), RA 6657, and other national policy issuances and other pertinent laws to ensure a more rational and holistic approach to land use, taking into account the objectives of the CARL and the decentralized framework of local governance;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, upon the recommendation of the Oversight Committee created under Sec. 533 of the LGC, do hereby order and direct:

SECTION 1. Scope and limitations. - (a) Cities and municipalities with comprehensive land use plans reviewed and approved in accordance with EO 72 (1993), may authorize the reclassification of agricultural lands into non-agricultural uses and provide for the manner of their utilization or disposition, subject to the limitations and other conditions prescribed in this Order.

- (b) Agricultural lands may be reclassified in the following cases:
- (1) when the land ceases to be economically feasible and sound for agricultural purposes as determined by the Department of Agriculture (DA), in accordance with the standards and guidelines prescribed for the purpose; or
 - (2) where the land shall have substantially greater economic value for residential, commercial, or industrial purposes as determined by the sanggunian concerned, the city/municipality concerned should notify the DA, HLRB, DTI, DOT and other concerned agencies on the proposed reclassification of agricultural lands furnishing them copies of the report of the local development council including the draft ordinance on the matter for their comments, proposals and recommendations within seven (7) days upon receipt.
- (c) However, such reclassification shall be limited to a maximum of the percentage of the total agricultural land of a city or municipality at the time of the passage of the ordinance as follows:
- (1) For highly urbanized and independent component cities, fifteen percent (15%);
For component cities and first to third class municipalities, ten percent (10%); and
For fourth to sixth class municipalities, five percent (5%).
- /s/

(d) In addition, the following types of agricultural lands shall not be covered by the said reclassification:

- (1) Agricultural lands distributed to agrarian reform beneficiaries subject to Section 65 of RA 6657;
- (2) Agricultural lands already issued a notice of coverage or voluntarily offered for coverage under CARP.
- (3) Agricultural lands identified under AO 20, s. of 1992, as non-negotiable for conversion as follows:

(i) All irrigated lands where water is available to support rice and other crop production;

All irrigated lands where water is not available for rice and other crop production but within areas programmed for irrigation facility rehabilitation by DA and National Irrigation Administration (NIA); and

All irrigable lands already covered by irrigation projects with firm funding commitments at the time of the application for land conversion or reclassification.

(e) The President may, when public interest so requires and upon recommendation of the National Economic Development Authority (NEDA), authorize a city or municipality to reclassify lands in excess of the limits set in paragraph (d) hereof. For this purpose, NEDA is hereby directed to issue the implementing guidelines governing the authority of cities and municipalities to reclassify lands in excess of the limits prescribed herein.

SEC. 2. Requirements and procedures for reclassification. - (a) The city or municipal development council (CDC/MDC) shall recommend to the sangguniang panlungsod or sangguniang bayan, as the case may be, the reclassification of agricultural lands within its jurisdiction based on the requirements of local development.

(b) Prior to the enactment of an ordinance reclassifying agricultural lands as provided under Sec. 1 hereof, the sanggunian concerned must first secure the following certificates from the concerned national government agencies (NGAs):

(1) A certification from DA indicating -

- (i) the total area of existing agricultural lands in the LGU concerned;
 - (ii) that such lands are not classified as non-negotiable for conversion or reclassification under AO 20 (1992); and
 - (iii) that the land ceases to be economically feasible and sound for agricultural purposes in the case of Sec. 1 (b-1).
- (2) A certification from DAR indicating that such lands are not distributed or not covered by a notice of coverage or not voluntarily offered for coverage under CARP.
- (c) The HLRB shall serve as the coordinating agency for the issuance of the certificates as required under the preceding paragraph. All applications for reclassification shall, therefore, be submitted by the concerned LGUs to the HLRB, upon receipt of such application, the HLRB shall conduct initial review to determine if:
- (1) the city or municipality concerned has an existing comprehensive land use plan reviewed and approved in accordance with EO 72 (1993); and
 - (2) the proposed reclassification complies with the limitations prescribed in SECTION 1 (d) hereof.

Upon determination that the above conditions have been satisfied, the HLRB shall then consult with the concerned agencies on the required certifications. The HLRB shall inform the concerned agencies, city or municipality of the result of their review and consultation. If the land being reclassified is in excess of the limit, the application shall be submitted to NEDA.

Failure of the HLRB and the NGAs to act on a proper and complete application within three months from receipt of the same shall be deemed as approved thereof.

- (d) Reclassification of agricultural lands may be authorized through an ordinance enacted by the sangguniang panlungsod or sangguniang bayan, as the case may be, after conducting public hearings for the purpose. Such ordinance shall be enacted and approved in accordance with Articles 107 and 108 of the IRR of the LGC.
- (e) Provisions of Sec. 1 (b-2) hereof to the contrary notwithstanding, the sanggunian concerned shall seek the advice of DA prior to the enactment of an ordinance reclassifying agricultural lands. If the

4

DA has failed to act on such request within thirty (30) days from receipt thereof, the same shall be deemed to have been complied with. Should the land subject to reclassification is found to be still economically feasible for agriculture, the DA shall recommend to the LGU concerned alternative areas for development purposes.

- (f) Upon issuance of the certifications enumerated in Section 2 (b) hereof, the sanggunian concerned may now enact an ordinance authorizing the reclassification of agricultural lands and providing for the manner of their utilization or disposition. Such ordinance shall likewise update the comprehensive land use plans of the LGU concerned.

SEC. 3. Review of ordinances reclassifying agricultural lands. - All ordinances authorizing the reclassification of agricultural lands shall be subject to the review and approval by the province in the case of a component city or municipality, or by HLRB in the case of a highly urbanized or independent component city in accordance with EO 72 (1993).

SEC. 4. Use of the comprehensive land use plans and ordinances as primary reference documents in land use conversions. - Pursuant to RA 6657 and EO 129-A, actions on applications for land use conversions on individual landholdings shall remain as the responsibility of DAR, which shall utilize as its primary reference documents the comprehensive land use plans and accompanying ordinance passed upon and approved by the LGUs concerned, together with the National Land Use Policy.

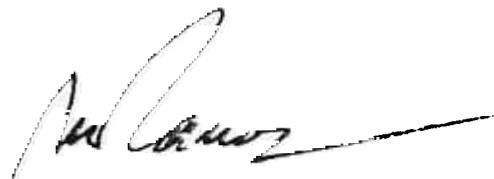
SEC. 5. Monitoring and evaluation of land reclassification by LGUs concerned. - Within six (6) months from the issuance of this Order, the HLRB shall design, in coordination with DA, DAR, Department of the Interior and Local Government (DILG), NEDA, League of Provinces, League of Cities and League of Municipalities, and install a monitoring and evaluation system for the reclassification of agricultural lands authorized by cities and municipalities.

The HLRB shall submit semestral reports to the Office of the President. A copy thereof shall be furnished the DA, DAR, DILG, NEDA, League of Provinces, League of Cities, and League of Municipalities.

SEC. 6. Transitory provision. - Provisions of Secs. 1 (a) and 2 (b) to the contrary notwithstanding, cities and municipalities with land use plans approved not earlier than 01 January 1989, may authorize the reclassification of agricultural lands in accordance with the limitations and conditions prescribed in this Order. However, when the LGU has not reclassified up to the said limitations, further reclassification may be exercised only within five years from the approval of the plan. Thereafter, all reclassifications shall require approval from the President pursuant to Sec. 1(e) of this Circular.

SEC. 7. Effectivity. - This Circular shall take effect immediately.

DONE in the City of Manila this 8th day of June, in the year of Our Lord, nineteen hundred and ninety-three. *12*



By the President:



EDELMIRO A. AMANTE, SR.
Executive Secretary

PMS LIBRARY,

Recd

JUN 22 1994 *fdm*

Date



PMS LIBRARY BCODE006620