

ACT NO. 4054

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 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 farm rests with the landlord, to be exercised either directly or indirectly, through a representative.

SEC. 17. *Special lien on share of tenant.*—The landlord shall have a special and preferential lien over the share of the tenant in the product of the farm cultivated by him: *Provided, however*, That such lien over the product of the farm shall be enforceable only to as much as eighty-five per centum of the total share of the tenant

in case the latter has an outstanding debt after the accounting is made.

SEC. 18. *Land taxes, burden and contribution.*—The landlord shall be responsible for the payment of taxes imposed by the Government upon the land which is the subject matter of the contract and it shall be illegal to make the tenant bear a part of such tax, burden and contribution, either directly or indirectly.

SEC. 19. *Landlord cannot dismiss his tenant except for good causes.*—The landlord shall not dismiss his tenant without just and reasonable cause, otherwise the former shall be liable to the latter for losses and damages to the extent of his share in the product of the farm entrusted to the dismissed tenant.

Any one of the following shall be considered just and reasonable cause for dismissing a tenant by the landlord before the expiration of the period:

(1) Gross misconduct or willful disobedience on the part of the tenant to the orders of the landlord or of his representative in connection with his work.

(2) Negligence on the part of the tenant to do the necessary farm work expected of him so as to insure a good harvest.

(3) Non-compliance with any of the obligations imposed upon the tenant by this Act or by the contract.

(4) Fraud or breach of trust in connection with work entrusted to him.

(5) When the tenant leases it or lets to another the use of the land entrusted to him by the landlord, without the consent of the latter.

(6) Commission of a crime against the person of the landlord or his representative, or any member of the family of the same.

PART IV.—*Rights and obligations of a tenant*

SEC. 20. *Freedom of tenant at certain time.*—The tenant shall be free to work elsewhere during the intervals of the working season in the farm where he is a tenant: *Provided*, That if he is requested

by the landlord to perform other work not connected with his duties as tenant, he shall be paid accordingly by said landlord, unless otherwise stipulated in the contract.

SEC. 21. *Right of tenant in case of dismissal.*—In case of dismissal the tenant shall not be dispossessed of the land he cultivates until he is previously reimbursed of his advances if any, incurred in the cultivation, planting or harvesting, and such other incidental expenses for the improvement of the crop cultivated, even if such dismissal is for just cause.

SEC. 22. *Lot for dwelling.*—The tenant shall be entitled to construct a dwelling on the land cultivated by him, if he so chooses, and once a dwelling is constructed, he shall also be entitled to a fixed residential lot if there is any available, not exceeding ten per centum of the total area cultivated by him, but in no case shall it exceed five hundred square meters, wherein he can have a garden, poultry and such other minor industries necessary for his livelihood: *Provided, however,* That the tenant shall be given forty-five days within which to remove his house from the land of the landlord in case of cancellation of the contract of tenancy for any reason: *Provided, however,* That in case he fails to devote the lot allotted him for the purposes herein mentioned for a period of six months, it shall revert again to the cultivation of rice.

SEC. 23. *Standard of conduct to be observed by tenant.*—The tenant shall be under obligation to cultivate the farm as a good father of the family, by doing all the work necessary to obtain the greatest possible returns from the farm entrusted to him, such as the proper preparation of the soil, the cutting of shrubs and grasses that may be growing on the land as well as the repair of dikes.

The tenant shall also be obliged to take reasonable care of the work animals that may be delivered to him by the landlord, otherwise, he shall be liable for their death or physical incapacity by reason of his negligence.

The tenant shall likewise be liable for any damage caused by his animal for letting it loose, in case it feeds upon or destroys the crop of another.

SEC. 24. *Trespass by third person.*—The tenant shall inform the landlord at once of any trespass committed by a third person upon the farm entrusted to him, otherwise it may be considered as negligence on his part.

SEC. 25. *Tenant cannot leave landlord at any time except for good causes.*—The tenant cannot leave his landlord without just and reasonable cause, otherwise the former shall be liable to the latter for losses and damages to the extent of eighty-five per cent of his share in the product of the farm cultivated by him.

Any one of the following shall be considered just and reasonable cause on the part of the tenant for leaving the service before the expiration of the period:

(1) Cruel and inhuman treatment on the part of the landlord or his representative toward the tenant or his family.

(2) Non-compliance on the part of the landlord with any of the obligations imposed upon him by the provisions of this Act or by the contract.

(3) Compelling the tenant to do any work against his will, which is not in any way connected with his farm work nor stipulated in the contract.

(4) Commission of a crime by the landlord against the person of the tenant, or any member of the family of the latter.

PART V.—*Extinguishing of contract*

SEC. 26. *How extinguished.*—The contract of farm tenancy is extinguished:

(1) At the end of each agricultural year, unless otherwise stipulated by the parties.

(2) By the agreement of the parties.

(3) By the death or physical incapacity of the tenant or farmer, in which case his heirs if any, shall be given a proportional share in the products in accordance with the service rendered by the deceased.

(4) By the sale or alienation of the land which is the subject matter of the contract, in which case the purchaser shall assume the rights and obligations of the former landlord in relation with the tenant or farmer.

(5) When the estate is no longer fit for agriculture or becomes public property.

(6) By merger in the same person of the personality of landlord and tenant and tenant or landlord and farmer.

PART VI.—*Penal and final provisions*

SEC. 27. *Violations.*—All violations of the provisions of this Act involving deceit, malice, or fraud shall be punished in accordance with article three hundred and eighteen of the Revised Penal Code.

If the violation is committed by means of falsification or alteration of private documents, the provisions of article one hundred and seventy-two of the same Code shall be applied.

SEC. 28. *Repealing provisions.*—All laws or parts of laws inconsistent with the provisions of this Act are hereby repealed.

SEC. 29. *Final provisions.*—This Act shall be applicable to the relations between landlords and tenants of rice lands only, and shall take effect on May first, nineteen hundred and thirty-three: *Provided, however,* That this Act shall take effect only in the provinces where the majority of the municipal councils shall, by resolution, have petitioned for its application to the Governor-General, who thereupon shall, by proclamation, fix the date when this law shall, take effect in said provinces: *And provided, further,*

That this Act shall be translated into the dialects of the localities to which its provisions shall apply, and a sufficient number of copies shall be printed for free distribution by the municipal treasurer concerned to the persons asking for them.

Approved, February 27, 1933.

ACT 4054 (secs. 3, 4, 7, 8, 9, and 22) were amended by RA 34.
ACT 4054 (secs. 7, 15, 23, and 29) were amended by CA 178.
ACT 4054 was repealed by RA 1199.