

ASSESSMENT OF CONSEQUENCES RESULTING FROM ABOLISHING THE OBSTACLES ON LAND TRANSACTIONS¹

SUMMARY

I. Foreign practice in regulation of land market and the EU legal provisions

Having analysed the existing information about legal provisions on regulation of the land use, land reparcelling and land market in Sweden, Spain, Germany and Poland, the following was established:

I.1. Land regulation system in West European countries is related to the territory planning, land (real property) cadastre and state interests as to ensure the formation of agricultural holdings for particular purposes.

I.2. When selling land by the landowner, some specific conditions should be respected with the aim to enable the state to pursue its economic policy and protect lands with fertile soil, as well as forests and objects preserved by the state.

I.3. Regulation of the trade in agricultural land aims at:

- improving farmers' qualification: only persons complying with relevant professional requirements may acquire land;
- avoiding "distance" farming - living far away from own land: only persons living close to the owned land can acquire it;
- enlarging land holdings of farmers as to ensure higher economic effect: farmers living in neighbourhood shall have an pre-emption right to buy land parcels offered for sale; the state establishes favourable economic conditions for the purchase of land; the division of a farm or reparcelling is restricted;
- ensuring more stable land use because it stabilises the farm production, allows investing in the construction of long-term farming buildings: the conclusion of long-term land lease agreements is promoted, favourable conditions are made when land is bought by its leaseholders or the farmers who have submitted a conception for long-term farm development.

I.4. Terms of the European Union Treaty require removing the provisions, which discriminate investors from the EU countries, hinder to settle in and infringe free capital movement. Considering this aspect, the legal acts regulating land relations must be amended.

II. Research of the legal acts regulating the sale of state-owned and private land:

Having analysed the laws of the Republic of Lithuania and the Government resolution on regulation of the land reform, land relations and issues pertaining to legal registration of land, the following legal requirements are specified:

II.1. Only a land parcel that is formed as a real property object may be sold. In a course of the land reform process, the land parcels are formed by restoring ownership right on land and buying land from the state. The Real Property Cadastre and Register mostly contains the registration of private land parcels. By 1 January 2002, only 2,54 million ha were legally registered out of the land that may be privatised (about 4,6 Million ha).

II.2. State-owned land in rural areas subject to sale amounts to about 700.000 ha. Actually only the land of personal farms is being sold because the remaining land in the Unoccupied Land Stock may be only claimed by the persons having the right of priority to whom ownership rights to the land owned somewhere else have not been restored and equal land parcel from the Unoccupied Land Stock are granted to them. In all cases the state-owned land in rural areas is sold only to the persons under whose request land parcels are formed in land management plans for land reform (in specified priority) and is approved with a buyer. After the plan is approved and these land parcels are registered in the Real Property Register, agreements of purchase-sale are concluded.

II.3. State-owned land parcels in urban areas are sold to the users of those land parcels, i.e. land parcels nearby buildings or small garden parcels of gardeners' association members in a non-auction procedure or new parcels formed on the basis of detail plans – in an auction procedure. After 01 01 2002, about 50.000 - 60.000 ha of the land for other purpose of use and garden parcels has remained for sale. Annually 1.000-2.000 ha is sold. The requirements to have legal registration of the buildings owned by a

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buyer and situated on that land parcel and organisational problems slowed down the sale of land parcels that are in use. The formation and sale of new land parcels is burdened by the fact that in major cases the land parcels for individual construction must be not sold but granted (transferred) to the citizens to whom ownership right is being restored to the land previously owned in cities.

II.2. Private land parcels may be sold observing the following procedure:

II.4.1. when the area (boundaries) of a land parcel for sale remains unchanged the sale of private land parcel consists of: preparation of the documents necessary for documentation of a transaction and its certification at the notary office, the change of records in the Real Property Register by registering ownership rights of a new owner;

II.4.2. when preparing the document for sale of a land parcel its owner must get a certificate necessary for transaction from the Registrar and a copy of land parcel plan. When the quality of the land parcel plan prepared by registering land parcel for the first time does not comply with the requirements set by the Administrator of the Real Property Register, a new land parcel plan must be drawn by making cadastral (geodetic) surveying;

II.4.3. when a land parcel for sale contains the constructions and facilities belonging to the land owner they must be entered into the Real Property Cadastre database by registering owner's ownership rights in the Real Property Register;

II.4.4. when a part of land parcel is sold a plan for the land re-parcelling or (in urban areas) a detail plan must be drafted, which specify the boundaries of subdivided parcels, their areas and main objective purpose of land use. After such a territory planning document is approved, the cadastral surveying is carried out and the entries in the Real Property Register are changed by registering every subdivided land parcel as a separate parcel.

II.5. The Law on Land and the Constitutional Law specify the cases when landowner is prohibited to transfer the land into ownership to other persons. These land areas are specified having analysed the applications submitted by national and foreign entities in order to receive a permit of the County Manager to acquire the land into ownership. These entities, however, are not allowed acquire land parcels in such locations where the laws prohibit the citizens of the Republic of Lithuania to acquire them. It is the land designed for public needs, for state parks and reserves, natural framework land and etc.

II.6. Laws set the conditions to the owner (seller) of a land parcel which state that before selling the land with a price agreed with a buyer it is necessary to offer it to the co-owner (when land parcel is possessed by common ownership right) or to the state (County Manager). The state must be offered if the following land is for sale:

- land of personal farm or peasant's farm bought from the state for a lump sum. Such a requirement is not based on public needs. The land must be offered in all cases even if there is no detail plan containing land parcels formed for public needs;
- land in the national and regional parks. The laws, however, do not state that the whole land should be taken and used for public needs, furthermore the agricultural and forestry areas where economic activity is carried out. Therefore, these law provisions should be revised.

II.7. The Draft Interim Law on State Support in Acquiring Agricultural Land (5 July 2002) states that when designing and acquiring land parcel into ownership the pre-emption right is granted to the persons using this land for at least 2 years in turn and, in the absence of such persons, for the users of neighbouring (adjacent) land parcels. According to this law discussed at the Seimas the priority right to acquire agricultural land for sale will have:

- 1) the state – when land is necessary for public needs;
- 2) co-owner of a land parcel being sold;
- 3) owner of a neighbouring land parcel if he is engaged in agricultural activity;
- 4) farmer – if the land parcel for sale is within the perspective boundaries of a rational farm holding formed in the land management plan;
- 5) user of the land parcel for sale who used the land for agricultural activity no less than for two years in turn;
- 6) institution authorised by laws or by the Government to make decisions regarding the land re-parcelling on the basis of land management plans;

The aim of these requirements is:

- facilitate the land reparation process when such reparation involves the planning of land use for public needs. When the state institutions are allowed to buy the land, it will be possible to avoid complicated procedures for taking the land for public needs;
- establish the conditions to acquire agricultural land to the farmers but not to the persons engaged in reselling of land;
- enlarge land parcels (after the land reclamation the area of arable land parcel was about 15-20 ha in average, while after restitution to owners the average privately owned land parcel - 6 ha);
- promote the formation of larger, more compact farm holding as to achieve a long-term economic effect on the national scale.

Implementation of these Interim Law provisions will slow down the land sale-purchase procedures, because those having the pre-emption right will have 1-month period to decide upon buying the land parcel. Furthermore, it limits the rights of landowners to dispose their real property. Therefore, it is advised to exclude the points 3, 4 and 6 and to include into this law the provision that the state supports the economic entities acquiring land if the acquired private land parcels will allow the consolidation of farming lands of farms and enlarge the fields of cultivated land.

II.8. Laws specify the following conditions for a buyer of land parcel:

II.8.1. when a land parcel of other purpose of land use is bought – to provide the documents proving the ability of a buyer to carry out the planned economic activity in this parcel (see Constitutional Law and the Government Resolution of the Republic of Lithuania No 1423 as of 10 December 1998). These requirements only apply to legal entities of Lithuania (enterprises) and foreign entities;

II.8.2. when an agricultural land parcel is bought, no requirements apply to a buyer at present, however the Interim Draft Law on Acquisition of Agricultural Land being discussed at the Seimas provides for:

1) physical persons – to register farm in the manner provided for in the Law on Farmers' Farms of the Republic of Lithuania or to have a qualification certificate proving the readiness for farming issued by the institution authorised by the Government. This requirement does not apply to persons whose privately owned parcel after acquisition makes not more than 3 ha of agricultural lands. Purpose of these provisions is to ensure that only the persons who directly will farm in it or will enlarge or establish a farmer's farm should acquire the land, and assure that they possess enough professional knowledge for successful farming and proper land use;

- within 1 year after the acquisition of land to move for living to the county where the land used for farming is located and to acquire a permit to construct farming buildings necessary for farming activity. Exception applies in such cases when according to this law less than 10 ha of land is acquired. The period for moving to live to the county may be extended by the Municipal Board if the construction of farming buildings or residential house has started, but not more than for 1 year. The provisions also aim at creating more favourable conditions to organise the production in those areas of agricultural activity that require constant, daily work;

2) legal persons- to be engaged in actual farming, i.e. during the recent 2 years to get at least 50% of income from agricultural activity. Exception applies only for those legal entities, which are not engaged in agricultural activity, when the state land is used by gardeners' associations and is bought by them or when a bank and other credit institution, in the manner established by laws, takes over into their ownership the land that is not sold and is mortgaged to them. Aim of the provision is to ensure that legal entities acquiring agricultural land into ownership will have at least 2 years of experience in agricultural activity and will guarantee long-term land use according to the purpose;

II.8.3. when acquiring land do not exceed the maximum area of agricultural land allowed to be possessed by the right of ownership: for natural person – 300 ha, agricultural company – 2.000 ha, cooperative company or other legal entity engaged in agricultural activity – 1000 ha. Purpose of the provision – create the conditions to acquire agricultural land up to economically based size of a farm for as many persons as possible wishing to be engaged in agricultural activity.

II. 8.4. if the land acquired into ownership is being transferred earlier than after 5 years of its acquisition a tax of a certain amount must be paid to the state. This requirement is introduced as to prevent the speculation of land acquired from the state with a low price.

II. 9. Restrictions and conditions pertaining to the acquisition of land and regulated by the state are oriented towards the activities of the final stage of the land reform – for a period of 7-8 years. They

will support the formation of economic holdings, i.e. to solve the tasks that were impossible to implement during the land restitution. Later, some of these restrictions will have to be annulled and the principle of self-regulation will apply. It is expected that at the end of the period the annual economic effect to agricultural subject because of the state regulation on acquisition of agricultural land and privatisation of state-owned land will make about 300 million LTL. Furthermore, the price of land will increase as well as used land areas.

III. Time and money consumption for sale and purchase of land.

III.1. State-owned land parcels are sold for non-agricultural and forestry purpose following the land management plans for land reform, which are annually developed or supplemented. In average, 770-900 Litas is spent for the formation, registration and sale of one land parcel of 5 ha and the buyer may cover about 530 Litas out of this sum. After the Law on Land Reform is amended and the Interim Law on State Support for Acquisition of Agricultural Land is adopted, the possibilities to promote the agricultural entities to buy state-owned agricultural land would be established: to buy by instalments with the period of 15 years by the price not higher than a market price for private land. Seeking to increase the sale of such land from 8-10 thousand ha per year to 100-150 thousand ha per year it is necessary to adopt or amend the Government resolutions regulating the organisation of land reform activities also to set lower fees paid for the services provided by the Administrator of the Real Property Register and notary offices.

III.2. The purchase of used state-owned land for other purpose is carried out having formed those parcels according to the territory planning documents and having conducted cadastral surveying. It takes 5-6,5 months starting with the submission of an application with all necessary documents for one land parcel till the signing of its acceptance-sale act. Better organisation of work procedures at the Land Surveying Offices will shorten this period. Remuneration for the cadastral surveying, services rendered by the Real Property Register Administrator and notary offices depends on the size and value of a land parcel: buying land parcels for household in urban areas it makes about 4% of a parcel price;

III.3. New state-owned land parcels can be bought for other purpose of use only having formed those land parcels according to the detail plans and in an auction procedure. Including the time for development of a detail plan and organisation of an auction, the sale of land parcels takes from 9,5 up to 13 months. This period may be shortened by better organisation of works at the municipal executive institutions and the County Manager Administrations. Costs for the development of detail plan, cadastral surveying of land parcels and organisation of an auction are included in the price of a land parcel being sold.

III.4. Purchase of private land parcels when the size (boundaries) of a parcel is not changed takes up to 4-7 months, out of it 2,5 – 4 months are required for cadastral surveying of a land parcel and for specification of data in the Real Property Cadastre. This period may be shortened by organising the cadastral surveying or providing the services of the Real Property Register Administrator in an urgent procedure. If land parcels are registered in the Real Property Register and formed land parcels are qualitative, no cadastral surveying is required. Costs for sale-purchase of privately owned land make 6,6-8,5 % of a land parcel price if it is for agricultural or forestry purpose and 1,6-4,0 % - for other purpose of land use (excluding the payment for the real estate agency mediating in selling procedure, what additionally costs 3% of a land parcel price).

III.5. The purchase of a private land parcel if its subdivision is made according to the detail plan or land management plan takes 8,5 – 12 months, out of it 5-7 months for development of a detail plan. This period may be shortened by developing the detail plan in a more effective way or by making cadastral surveys in an urgent procedure. The preparation of detail plan increases the costs, indicated in paragraphs 3, 4 by 1,5 – 6,9 % of land parcel price.

IV. Macroeconomic impact of the restrictions on trade in land.

IV.1. Restrictions specified to legal entities of the Republic of Lithuania and foreign entities to acquire agricultural land also the land parcels in specific areas that are used or intended to be used not for agricultural activity create unfavourable conditions for the investors and for free capital movement.

IV.2. Restrictions related to the land reform works provide a priority to acquire unoccupied state-owned land not to the persons wishing to buy but to the persons who wish to get it instead of the land owned in another place by restoring ownership rights. It makes unfavourable conditions to form the farms of compact farming lands and it does not make the possibilities to acquire land from the state to the

users of this land. It slows down the process for formation of stable and competitive farms and has a negative impact on strengthening of the agricultural economy.

IV.3. Provisions requiring the registration of state-owned land parcels being sold in rural areas and formed for a specific buyer in the Real Property Register before sale procedure. While the same state-owned land parcels granted or transferred into ownership *in gratis* are legally registered only together with a registration of ownership rights of a new landowner. Such different understanding of analogous works performed in the course of the land reform requires extra state budget funds or buyer's funds as well as it is time consuming and slows down the land privatisation process.

IV.4. Descriptions requiring to observe the land use conditions specified in the territory planning documents are compulsory to every land user and help to realise the state right to ensure the regulation of use of the land stock in a favour of society.

IV.5. The Law on Real Property Cadastre specifies the requirement to prepare a land parcel plan complying with relevant standards. Because of these restrictions some land parcels may be sold only after cadastral surveying is performed, the new land parcel plans are prepared and the data in the Real Property Register is checked. That makes the land parcel sale procedures more expensive and longer.

IV.6. Descriptions prohibiting the sale of state-owned or private land in certain areas what reduces the land privatisation and economic activity possibilities.

IV.7. Conditions specified for sellers requiring offer the parcel, agreed being sold, to the state or other persons having the pre-emption right, also the conditions on buyers' qualification, on size of a land parcel being acquired and etc. These requirements help the state to solve the issues regarding the formation of agricultural holdings of farms, which were not solved during the land reform by regulating the restoration of ownership rights to land and the privatisation of state land. The state has a right to establish conditions for sale of state-owned land by ensuring its best use. However, the law provisions, which restrict the landowners' right to dispose land, are subject to revision.

IV.8. Restrictions requiring to perform compulsory procedures at the enterprise registering real property, at the County Manager Administration or notary office. These restrictions require extra funds for the services rendered and extra working time. Therefore seeking to make the land market more active it is necessary to improve the organisation of works, to simplify the procedures by using computer possibilities and to make the fees for services lower.

IV.9. Condition to the buyer to pay a set tax to the state if the land parcel, which was acquired, was transferred to other persons within a 5-year period of its acquisition. This requirement promotes the stable land use and prevents the speculation with land.

IV. 10. Proposed alternatives cover the amendments to legal acts and arrangements for their realisation. Reduced obstacles on trade in land will make possibilities for free capital movement and more intensive business development and will result in positive consequences if these changes comply with the national strategic programs.

The right of acquisition of agricultural land by legal entities as well as regulatory framework in favour of seeking to promote the acquisition of agricultural land by the farming population, would have a positive macro-economic impact. This impact would be based on more rapid modernisation and increase of efficiency of agricultural production sector, improved competitiveness of agricultural products, improved export-import balance, increased income and living standard of rural population employed in agriculture, increased GDP.

The abolishment of restrictions on purchase of non-agricultural land would promote the development of industries and alternative businesses in rural areas, improve environment for investment (including foreign capital investments), reduce unemployment, improve income and living standards in rural areas, and would have a positive impact on the structure and increase of GDP.

Basic provisions on improvement of legal acts:

- 1) Legal entities of the Republic of Lithuania must have the same possibility to buy land for non-agricultural activity as natural persons;
- 2) Simplification of the conditions imposed on foreign entities for acquisition of land of other purpose and forestry land during the transitional period would attract more foreign investors and would make business processes more active;
- 3) After the conditions providing for offering the state to buy privatised personal land are abolished, the trade in these parcels would be more active especially close to settlements and those areas that are good for building-up or consolidation;

- 4) Sale of state-owned land without waiting the completion of restoration of ownership rights in land would speed up the formation of land holdings of farms and receive budget allocations necessary for the land reform works and compensation in cash for non-restituted (land bought out by the state) land;
- 5) It is necessary to reduce the restrictions for private land owners provided for in the draft interim law on acquisition of state-owned land – the requirement to offer neighbouring farmers to acquire this land or to the institutions implementing the land consolidation;
- 6) The conditions specified in legal acts allowing the buyers of the land parcels used by them or formed in a land management plans for the land reform for a specific buyer to register these land parcels in the Real Property Register only at the same time as making the registration of rights of a new land owner would speed up the land purchase procedures and would save 40 million Lit.

Correspondingly, the reduction of fees for the services provided by the notary offices up to 20-30 Lt when the state-owned land parcel is sold (when a purchase-sale draft agreement is prepared by the land management office taking part in the land reform course) would allow saving in addition about 40 million Lit. These estimations are made with a precondition that there will be a need to sell about 1 million state-owned land parcels including 20.000 garden parcels of gardeners' associations, 250.000 household land parcels and land parcels nearby buildings, 580.000 land parcels of personal farm and 150.000 other land parcels of the unoccupied land stock in rural areas.

V. Survey of the opinion of farmers and other stratum of the society.

V.1. 117 persons expressed their opinion on the sale of agricultural land to foreign entities out which 30% agrees to start selling now, 33% – start selling only after Lithuania enters the EU or after the 7-year transitional period, 37% - disagree with sale.

V.2. Out of 117 respondents regarding the selling of agricultural land to Lithuanian agricultural companies and co-operatives 79% agree to allow selling even now, 11 disagree while the remaining 10% agree with certain conditions or have not expressed their opinion.

V.3. Out of 117 respondents 89% agree that in a case of state-owned agricultural land sale the user of the land parcel should acquire it into ownership but not by a person who moved the land from another place and who, being an owner of a land parcel, can dictate a farmer the lease conditions.

V.4. Out of 33 respondents regarding the trade in private land applying the provisions on pre-emption right, that it is necessary to offer an adjacent farmer to buy a land parcel with a price agreed with a buyer - 55%, to a land parcel leaseholder – 48%, to a previous owner – 21%, to the state – 21%. Only 36 respondents agree that within 5 years it is not allowed to resale a land parcel acquired from the state.

V.5. Out of 117 respondents 52% said that cadastral surveying of land parcels before selling is unnecessary unless required by a buyer.

V.6. Out of 33 respondents expressed the opinion that cadastral surveying is unnecessary when subdividing a land parcel: when subdividing an agricultural land parcel – 36%, forestry land parcel – 15%, other purpose of land use parcel – 10-15%.

V.7. Out of 117 respondents, 88% stated that the current land purchasing and registration procedure is a complicated one. According to the opinion of 33 respondents (91%), the services provided by the Real Property Register Administrator and the notaries are not adequate to the fees presently set. Realistic fees for the services for every of these mentioned institutions should be reduced twice.

VI. Conclusions and recommendations

VI.1. Conclusions:

1. Laws of the Western European countries also provide for the restrictions and conditions applied for trade in land. Main restrictions are related to the state's need to regulate agricultural holdings and urban development, also seeking for better use of natural resources and creating better conditions for citizens in rural areas.

2. Legal provisions of the European Union allow applying the restrictions only in such cases if they are not of a discriminating nature towards foreign investors and will be justified by common public interests. Foreign investors must have the same freedom for investing in every country as the investors of that country.

3. Basic requirements of the Lithuanian laws having impact on the volume and intensity of trade in land:

3.1. requirement to transfer land parcel after it has been formed as a real property object. Since land parcels are formed during the course of land reform, the fact that the land reform is not completed yet hinders the land market processes. Wishing to sell a part of a land parcel it is necessary to subdivide (by preparing a territory planning document and making cadastral surveys) and then to register every part as a separate land parcel. These procedures are very time consuming;

3.2. requirement to form state-owned land parcels in rural areas according to the land management plans for land reform in a priority specified by the Law on Land Reform. Since the person filing the applications to buy land from the unoccupied land stock are in 11-12 line of priority, the formation and sale of these parcels has not started yet;

3.3. requirement to upgrade land parcel plan (having made cadastral surveys) prior to concluding a transaction at the notary office and receive a certificate for transaction issued by the Real Property Register;

3.4. restriction to transfer into ownership certain areas of land. Part of these land areas is not used for public needs. Natural persons (Lithuanian citizens) can reconstitute them or acquire them into ownership in any other way. However neither the Lithuanian legal entities using the land nor foreign entities are allowed acquire it;

3.5. requirement to offer the private land agreed to be sold to other persons under the same conditions. This requirement aims at solving the land use for public needs by purchasing it but not applying the complicated procedures of expropriation also creating the conditions to form large and compact farm holdings.

3.6. requirements to the entity acquiring land (professional training, proof to carry out economic activity according to business plan and etc.). They aim at preventing the land being acquired for speculation purposes and ensure that a buyer becomes a long-term land user investing funds into relevant activity and assuring effective farming in agricultural land.

VI.2. Recommendations:

1. To improve legal acts, which will simplify and speed up the procedure for land acquisition, will make the works related to land transfer cheaper. When drafting the alternatives for the existing legal acts it is necessary to ensure that the basic laws regulating real rights, registration thereof are not violated and are in line with the provisions of Territory Planning Law and the state regulation of land relations seeking for common benefit on a national scale, the environment protection, assurance of public interests, rural development and optimisation of agricultural holdings.

2. To abolish the requirements of the draft interim law on acquisition of agricultural land that restrict the rights of private landowners to dispose the land if it not related to the public needs or interests of the state to regulate economic activity. These are the requirements to offer the land to the owner of a neighbouring parcel, to a nearby farmer (if land parcel is included into his perspective boundaries of a farm holding) or to the institution implementing the land reparcelling. These means aiming at the consolidation of farm holdings must be solved by the state supporting the economic entities acquiring land parcels necessary for rational development of a farm.

3. To specify favourable conditions for agricultural entities to buy land; to sell the state-owned land by instalments with a price not exceeding that as sold by private land owners.

3. To improve the organisation of works by developing detail plans necessary for subdivision of land parcels or changing the main objective purpose of land use. The period from making an order for these plans till their approval should last 2-3 months but not 6.

4. To shorten the procedure for correction, adjustment of land parcel plans made by cadastral surveying and their presentation to the Real Property Register Administrator; to reduce prices for the services provided by the Real Property Register for these purposes and for persons concluding land transactions.

5. To reduce the price for services rendered by the notary offices for certification of the agreements on transfer of a land parcel because all necessary information about those land parcels is provided by specialised state enterprise for cadastre and register activities, and the plans for purchase-sale of state-owned land parcels are developed by the Land Surveying Divisions of County Manager's Administrations.

6. To develop the land market information system. The purpose of such a system is - that a state institution responsible for the system administration on a national scale would collect the information about land parcels intended for sale in a database and potential land buyers would use this information.

VI.3. Proposals for amendment of legal acts:

1. Allow legal entities to acquire agricultural land (Amendment to Art. 47 of the Constitution of the Republic of Lithuania).

2. Renounce the bans for Lithuanian legal entities and foreign entities to acquire the land of other purpose of land use if these are the land parcels occupied by residential houses, garden houses and summer houses belonging to these persons under the right of ownership. Furthermore, to renounce the bans for those persons to acquire the land of other purpose of use in those areas where the citizens of the Republic of Lithuania are allowed acquiring it into ownership.

3. To supplement the Law on Land Reform with a provision providing for that when developing the land management plans for land reform in a specific cadastral area the applications to buy land must be satisfied if the applications received before the term specified by the County Manager to restitute from other places had been satisfied.

4. To specify the Regulations of the Real Property Register by indicating that the certificate from the Real Property Register is not necessary when a transaction with land is concluded but specify that the notary office must by using the existing subscription (computer line) use the data of the Real Property Central Register and check the data on a land parcel under transfer necessary for transaction.

5. To amend the Law on Land Reform: to include that “the land parcels which are formed for restitution, transfer into ownership *in gratis*, for sale and lease in the land management plans for the land reform shall be registered in the Real Property Register alongside with the registration of ownership rights of persons to those land parcels”.

6. To cross out the provision of Art. 21 of the Law on Restoration of Ownership Rights of Citizens to the Existing Real Property: “when citizens having acquired the land of a personal farm or a peasant’s farm for lump-sum state allocations, are offering for the State shall have the right of priority to buy out it”

7. The provision of Art. 18 of the Law on Land stating that in a case private land in the national and regional parks is being sold the state shall have the same priority to buy it under the same conditions and amend it as follows: „when selling the privately owned land located in the conservation, ecological protection and recreational priority zones of the state parks or which according to the territory planning documents is envisaged for public use, the state shall the priority to buy it under the same conditions”.

8. To continue the improvement of the Draft Interim Law on Acquisition of Agricultural Land – in paragraph 4 of Art. 6 to cross out the points 3, 4 and 6 and to supplement it with the following: “ the state in the manner established by the Government shall support the farmers acquiring the land and the legal entities engaged in agricultural activity if the land parcels acquired into their ownership allow enlarge the parcel of cultivated land or form a compact farming lands of a farm”.