

## ACT I OF 1987 / THE ACT OF LAND

**INTRODUCTION:** in uniform pattern with Decree 26/1987 (VII.30) MT by the Council of Ministers and Decree 8/1987 (IX.1.) MEM by the Minister of Agriculture [complemented with all amendments from the said time up to February 14, 1990].

(The text printed in bold-faced type is the text of Act I of 1987 (Tv, Act), the text in standard type is the text of Decree 26/1987 (VII.30.) MT by the Council of Ministers (R=Decree), *while the italicized print is the text of Decree 8/1987 (IX.1.) MEM by the Minister of Agriculture (Vhr. = Enacting Clauses).*

In order to accentuate the social traits of the economic and social conditions with respect to land, that the identical socialist trait of State and Cooperative land ownership should assert itself along with the uniform character of the land ownership and use of land by farmers' agricultural cooperatives, to enhance the safety of production by land owners and users of land, together with their economic independence, as well as in order to simplify the activities of authorities concerning land, furthermore, in order to improve the protection of arable land, the utilization and protection of productivity of arable land, the National Assembly passes the following Act:

### PART I

#### PREAMBLE RULES

##### Para 1 of the Act

The scope of the Act covers all lands within the area of the country - except for forests - as well as all buildings and other constructions on the land (hereinunder and jointly: real estate).

-----Footnotes-----

n1/ Date of promulgation: November 16, 1986

-----End Footnotes-----

##### Para 2 of the Act

(1) This Act provides the following rules for the proprietorship, use and utilization as well as for the purchase and sale of real assets as well as for the protection of land.n2/

(2) As regards erecting, purpose, use and utilization of buildings and other structures (hereinunder and jointly: structures) the rules of separate legislative rules shall also apply.

(3) As for water management, mining and the protection of nature, the provision of separate legislative rules shall govern.n3/

##### Para 3 of the Act

Land is a national treasure: The protection of land, its proper use and utilization is the interest of the entire society.

##### Para 4 of the Act

(1) As for its objective, the land may be:

- a) arable land or
- b) a plot for allocating a structure
- c) a land serving special objectives or
- d) land unsuitable for utilization.

(2) By the situation of the land, it is either interior/district land or land on the outskirts - and within this frame it may be land of enclosed character.

#### Para 5 of the Act

(1) Should a plot of arable land belong to a detached farm building or structure, the rules concerning arable land shall apply to the detached farm unless a legislative rule provides otherwise.

-----Footnotes-----

n2/ Separate legislative rules, particularly Act III of 1964 on building and construction, Decree 2/1986 (II.27.)EVM on the promulgation of the National Building Rules, Decree 12/1986 (XII.30.) EVM on the process of building and transfer for utilization, Decree 1/1971 (II.8)'on the distribution of flats and on renting flats, Decree 19/1984 (IV.15.)MT by the Council of Ministers on leasing rooms for purposes other than flats and Decree 8/1984 (IV.15.)EVM on the carrying into force of the former Decree.

n3/ As regards water conservancy and management, see Act IV of 1964, furthermore Act III of 1960 on mining, Act IV of 1982 on the protection of nature.

-----End Footnotes-----

(2) if no arable land belongs to the building or structure of the detached farm, the rules corresponding to the character of use shall govern as regards the detached farm.

#### Para 1 of the Decree

Concerning the application of Act I of 1987 of Land (hereinafter Act) and the present Decree:

- a) A State organ shall be understood as to be a State company, trust, other State management organization, or an organ of the State budget;
- b) The social organization shall be understood to be as follows: The constitutionally recognized political organization, trade union, women's and youth organization of citizens, an organization representing the interests of certain groups of the population as well as other social duties which a legislative rule has certified as a social organization;
- c) Farmers' agricultural cooperative: The farmers' agricultural cooperative, fishermen's cooperative and specialized farmers' agricultural cooperative;

d) Housing cooperative; House/home building and maintaining cooperative, furthermore cooperatives engaging in activities for building and maintaining holiday resort buildings and car garages as well as workshop or shop buildings/rooms.

e) Large-scale agricultural farm: A legal entity engaging specifically in agricultural production, resp. forest management; From the aspect of regulations concerning exchange of land and estate re-allocation, a large-scale agricultural farm shall also be the legal entity which uses arable land;

f)n4/ Foreign legal entity: A legal entity having a seat or headquarters abroad, an organization with a seat abroad having no legal entity as well as an organization in the exclusive ownership of foreign citizens having a seat or headquarters in Hungary.

g) A foreign private citizen: A citizen of other than Hungarian nationality and a Hungarian citizen whose permanent seat or dwelling place is abroad;

-----Footnotes-----

n4/ Text modified in compliance with the contents of para 1 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes-----

h)n5/

i) Arable land or cropland: The land figuring in the land register<sup>n6/</sup> (cadaster register) as ploughland, vineyard, orchard, garden, grassland (turf), reed bank or land and forest registered for such cultivation or as a fishpond, and which does not qualify as land for erecting a building or serving special purposes;

j) Land for accommodating a building or structure: The land which serves for settlement, non-agricultural production, traffic, communication, telecommunication and water management;

k) Land serving special purposes: The land which serves for use by the national defence, policing purposes or for certain enhanced protection of nature (land of primary protection);

l) Land unsuitable for exploitation: Any land which does not belong to the lands which indents i) through k) define;

m)n5/

n)n5/

o)n5/

p) Building plot: Plots for building houses and holiday resorts as well as other building plots not qualifying as such ones;

r) Plot or dwelling: All building plots which can be built-up as dwelling or tenement houses from private funds, in compliance with the rules for building and construction and the resettlement plan including even such plots which only accommodate groups of rooms for use as emergency

dwellings or homes, resp. rooms which do not even correspond to the requirements of an emergency home;

s) Plot for resort houses: All building plots which, in compliance with the rules for buildings and constructions and the resettlement plan can be built-up with resort houses built from private funds;

t) Building plot which can be built up from private funds:

The plot where a private person is building the structure which can be located there (i.e. if the cost of building is borne by a private person) or if the building is erected for sale to private citizens and furthermore,

- from the aspect of making over building plots to State ownership or cooperative ownership or cooperative

-----Footnotes-----

n5/ Ident (2) of para 16 of Decree 73/1989 (VII.7.) MT by the Council of Ministers nullified it on July 1 of 1989.

n6/ See Act 31 of 1972 on the registration of land and Decree 27/1972 (XII.31.)MEM for enacting the said act.

-----End Footnotes----- ownership, also the plot which can be used for construction work by a legal entity not qualifying as a State organ, a social organization, cooperative society, resp. a business association having no legal entity;

u)n5/

v) Preferred settlement: The town, the large village enjoying township rights, furthermore the village having a resort area of national significance;

x)n5/

y) Enclosed plot or garden: The part of the outskirts of a settlement which is unsuitable for large-scale farming cultivation, the purpose of which is that the arable land ownership of private citizens and their utilization of such land should steadily continue.

## PART TWO

### THE OWNERSHIP

#### Chapter I

### GENERAL RULES

#### Para 6 of the Act

(1) The real asset is owned by the State, a cooperative society or by an other legal entity or private person.

(2) The ownership of the real asset may not be abandoned.

#### Para 7 of the Act

The owner shall be entitled to

a) use the real asset and collect the profits of the real asset, shall have to bear the burdens which the ownership to the real asset imposes on him and any damage occurring in the real asset for which indemnification cannot be requested by anybody.

b) Process the real asset and to the protection of his possession.

c) To make over the ownership, the use or the correction of its profits to other bodies and may transfer his ownership of title.

#### Para 8 of the Act

The owner shall be bound to use the land corresponding to its purpose and objective or to care for its utilization.

#### Para 9 of the Act

(1) The ownership of the title of the real asset can be acquired by the methods provided by in Civil Code and the methods defined by the present Act.

(2)n7/ If making over arable land, detached farm buildings and the pertinent arable land, furthermore a building plot which can be built up from private funds, the leaseholder, the tenant shall have the right of preemption whenever the owner wishes to make over the real asset.

### Chapter II

## STATE OWNERSHIP

### General rules

#### Para 10 of the Act

(1) The State manages the real assets it owns as the owner. Within this frame, the State may, in compliance with the rules of the pertinent regulations,

a) make over the real asset to administration (cultivation),

b) may reclaim and revoke the right of administration (cultivation).

(2)n8/

#### Para 11 of the Act

(1) The owner's management will be exercised by the body or organization which is entitled to found the State organization in charge of administering the real asset. The Executive Committee

of the Local Council shall exercise this sphere of rights concerning the real asset in State ownership which is not administered by any State organization or social organization,

-----Footnotes-----

n7/ The text of indent (2) of para 9 of the Act was defined by para 1 of Act XIX of 1989 and the original text changed into indent (1).

n8/ The text of indent (2) of para 10 of the Act was nullified by indent (2) of para 4 of Act IX of 1990 on February 14 of 1990.

-----End Footnotes----- resp. which is not administered by a farmers' agricultural cooperative free of charge and without any term.

2) The body or organ exercising the management/administration as the owner is entitled to transfer this right - based on an agreement - to another body or organ entitled to found a State organ, furthermore the Executive Committee of the Local Council to the specialized administrative organization, resp. to the town office of a town of county town status.

The administrator<sup>n9/</sup>

Para 12 of the Act<sup>n10/</sup>

(1) The real asset owned by the State may be managed, resp. administered by a State body/organization or a social organization.

(2) The right of management/administration can be acquired by the decision of an organ performing the management/administration of the owner, resp. by a decision by the authority, by an agreement signed with the administrator or by acquiring the right of property by the State.

(3) Also an entry in the real estate register (cadastral register) is necessary for acquiring the right of management/administration - except in the case of the acquisition of this right being based on a decision of the organ exercising management as the owner or a decision by an authority.

Para 2 of the Decree

(1)<sup>n11/</sup> Unless a legislative rule does not provide otherwise, the manager/administrator is entitled to all rights of the owner and shall bear the liabilities as an owner.

(2) The State shall be entered in the real assets register (cadastral register) as owner of the land, building and other structures (hereinafter, jointly: real estate) while the manager/administrator of the real asset shall be entered as a State or social organization.

-----Footnotes-----

n9/ See Joint Decree 6/1987. (IX.1.) EVM-MEM-IM-PM.

n10/ Text modified corresponding to the contents of para 1 of Act XXI of 1989.

n11/ This text was defined by para 2 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes-----

Para 13 of the Act

- (1)<sup>n12/</sup> Alienation of the ownership of an arable or cropland owned by the State, entering any such arable land in a business society as a non-financial property contribution leasing the said land shall be subject to the Act on safeguarding the State property entrusted to companies providing the value of the contract surpasses Ft 1 million.
- (2) The social organization may not make over the title of ownership of a State-owned real asset it manages, respectively administers. The rights of administration or utilization may be made over to other entitled bodies or the authority in charge of settling/resettling within the frames of the rules concerning the management of settlements. The social organization may not encumber, i.e. mortgage the real asset. Otherwise, the social organization shall be entitled to the rights of ownership and shall bear the respective liabilities.

Para 14 of the Act

- 1) A real asset owned by the State may have even several administrators, in the case as the legislative rules provide; in such a case, the rules concerning the joint property<sup>n13/</sup> shall apply, according to the meaning.
- 2) The administration/management of the land (plot) owned by the State and the building on it may be split up.

Para 3 of the Decree

A real asset owned by the State may have several administrators/managers if

- a) the ownership right of the said real asset has been acquired in favour of the State by several State organs, resp. if several State organs have jointly availed themselves of the ownership right  
or
- b) if the said several State organs are using certain defined parts of the real asset in State ownership irrespectively and separately from each other and are not leasers of the said parts,  
and if they care for the joint maintenance of the said real asset by a joint representative.

-----Footnotes-----

<sup>n12/</sup> Text modified corresponding to the contents of para 1 of Act IX of 1990. Indent (1) was enacted by indent (1) of para 4 of Act IX of 1990 on March 1 of 1990. The original rule changes into indent (2).

<sup>n13/</sup> See paras 139 through 148 of the Civil Code (Act IV of 1959).

-----End Footnotes-----

Para 4 of the Decree

- (1) The administration/management of the building, other structures (hereinunder jointly:

structure) and of the land can be split up without dividing the real asset in the said parts of the real asset can be properly used separately resp. can be separately exploited.

(2) If the management/administration of the land and the building on it is split up, the manager/administrator of the building/structure shall be entitled to use the land solely subject to conditions which an allocation by an authority provides, resp. subject to the conditions of an agreement concluded with the administrator of the land.

#### Para 5 of the Decree

If a self-consistent structure servicing the entire real asset is on the land, the manager/administrator of the said structure shall be defined by agreement of the parties. In lack of such an agreement, administration/management shall be by the legal entity utilizing the preponderant majority of the real asset.

#### Para 15 of the Act<sup>n14/</sup>

The right of administration/management of the land for special purposes can be made over solely from State organs to State organs. The purpose, objective of land serving special purposes may be changed by the body/organ in charge of management/organization of the land on behalf of the owner.

#### Para 6 of the Decree<sup>n15/</sup>

A building plot for building up from private funds can be made over in compliance with the provisions of paras 7 through 20.

#### Para 7 of the Decree

(1) If the land in State ownership is administered by a council organ - including also the Council's Housing-Estate Management - the Executive Committee of the Local Council shall have to appoint the lands which may be sold. In the Capital it may be provided that the Executive Committee of one of the District Councils shall be in charge of marking out such land with a competency

-----Footnotes-----

n14/ Text modified in compliance with the contents of para 4 of Act XIX of 1989.

n15/ Text modified in compliance with the contents of para 3 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- covering the entire area of the Capital or of several districts. The Executive Committee of the Local Council may transfer this scope of activity to the competent specialized management organ, resp. to the town office of a town of county rights (hereinunder and jointly: The council organ in charge of management/administration of the owner). The organ in charge of management/administration is entitled to sell the land.

(2) The body or organ in charge of management/administration shall mark out and alienate the lands which may be sold of the State-owned lands not mentioned under indent (1). The



preliminary permit of the competent building authority would be necessary for marking out plots allocating buildings or structures; the specifications concerning the building-up of the plot shall have to be determined in the said permit.

- (3) The seller may entrust a banking institution or an organ entitled to act as a real estate agent (hereinunder, jointly: trustee) with selling the State-owned land.

#### Para 8 of the Decree

In the course of marking out the lands, the following shall have to be defined:

- a) The purchase price and
- b) the specifications for building-up concerning building plots as well as the quantity of roads, walkways and public utilities which have been considered on calculating the purchase price.

#### Para 9 of the Decree

- (1) The purchase price shall have to be defined in compliance with the sales price which has locally developed.
- (2) In the case of a plot for a resort house, the purchase price may not be less than the joint sum of the indemnification or purchase price paid for acquiring the ownership rights of the plot and the plot development cost unconsidered on acquiring the plot.

#### Para 10 of the Decree

- (1) The building plot shall be sold by stipulating the obligation of building-up the plot. A term of not less than 3 years may be specified for complying with the obligation of building-up the plot.

Up to compliance with the obligation of building-up, the building plot shall be subject to a prohibition of sale. In justified cases, the seller may extend the term of fulfilment, resp. can grant exemption from the prohibition of alienating.

- (2) The sales/purchase contract on the building plot terminates upon non-compliance with the obligation of building-up (terminating condition). Should such a condition ensue, the sum of the purchase price reduced by 2 per cent per annum shall have to be repaid to the former proprietor but the sum to be repaid may not surpass the purchase price to be paid for a similar building plot upon terminating the contract in question.

- (3) The sum payable according to indent (2) shall have to be reduced by the debt covered by the mortgage yet existing.

- (4) Upon terminating the contract, the former owner can remove any properties of his own but may not separate the plants from the land. Objects of properties not taken off by the former proprietor shall be owned by the new proprietor of the land upon refunding the value that corresponds to their actual value. Also the countervalue of works increasing the value of land shall have to be refunded to the former proprietor.n16/

#### Para 11 of the Decree

- (1) The seller shall have to advertise the lands for sale, the State-owned land

managed/administered by the Council organ -also including the housing-estate management of the council - either in the press or by some other informative media, resp. by the locally usual method and shall have to take notice of those applying for purchasing the lands.

(2) The seller shall have to select the buyer from the persons who would undertake:

a) to comply with the specifications concerning building-up of the building plot, resp. the cultivation of the arable land and furthermore

b) to pay the purchase price.

(3) The interested parties shall have to be notified on having selected the buyer.

#### Para 12 of the Decree

If the manager/administrator of the State-owned land - or based on an agreement concluded with the Executive Committee of the Local Council, resp. the Council of the Capital - the legal entity entitled to do so decides to appoint

-----Footnotes-----

n16/ Text corresponding to the correction published in No. 38 of the Hungarian Official Gazette, Vol. 1987.

-----End Footnotes----- and to prepare by its own enterprise the building plot, it may define the purchase price and may select the buyer.

#### Para 13 of the Decree<sup>17/</sup>

#### Para 14 of the Decree

The purchase/sales contract can be concluded solely with the selected buyer and subject to the conditions which para 10 specifies and the conditions stipulated on appointing the buyer.

#### Para 15 of the Decree

(1) Should the buyer fail to conclude the contract within 60 days after receipt of the notification on his election without due reasons, his selection and appointment shall have to be revoked.

(2) The seller, resp. his representative shall have to provide for entering the right of proprietorship into the register of real assets (cadastral register); also the buyer may request the entry.

#### Para 16 of the Decree

(1) The council organ exercising the management as a proprietor may decide even so that only that legal person or legal entity can be selected as a buyer for certain predetermined lands - which have to be prepared - who would pay an advance. In such a case, the seller shall have to engage himself in a preliminary contract that he (it) will sell the building plot covered by the agreement to the legal person or entity who (which) has paid the advance for the predefined purchase price and within a predetermined time - but at the most within 3 years - and will make

over the building plot according to the contract to his ownership.

(2)n17/

(3) Should the seller fail to comply with the liability he has undertaken in the preliminary contract, he shall have to refund the advance and to pay a penalty of a value equal to the sum of the advance as well.

(4) If arrangement of the building plot has taken place but the seller refrains from concluding the purchase/sales contract, the person or legal entity which

-----Footnotes-----

n17/ Indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers nullified indent (2) of para 16 as well as para 13 of the Decree, furthermore para 17 and 18 on July 1 of 1989.

-----End Footnotes----- has paid the advance may request, according to his (its) option to execute the contract with him instead of paying the advance and the penalty.

Paras 17 and 18 of the Decreen17/

Para 19 of the Decree

The building plot built up with structures/buildings for sale on behalf of the seller and the structure on the plot can be sold by the same contract.

The purchase price includes both the purchase prices of the building plot and the structure.n18/

Para 20 of the Decree

(1)n19/

(2) If the building plot for building-up is made available for sale by the council organ exercising management/administration on behalf of the owner, the extent of the purchase price shall simultaneously have to be determined as well. The share of the purchase price covering certain building parts (flats, resorts etc.) shall have to be stipulated in the purchase/sales contract by the legal entity. The purchase/sales contract concerning the building plot shall have to be executed similarly by the seller, as a legal entity.n20/

(3) The user, leaser and leaseholder shall have the right of preemption in the cases which points c) and e) of indent (2) define.

Para 21 of the Decree

If the building plot to be built up from private funds is sold for erecting a building consisting of several flats, resp. of several resort units, the user, leaser, leaseholder of the real asset may exercise his preemption right concerning a proportion of property that corresponds to one flat, resp. one resort unit.

Para 16 of the Act<sup>n21/</sup>

-----Footnotes-----

n18/ Text corresponding to the correction published in No. 38 of 1987 of the Hungarian Official Gazette.

n19/ Indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers has nullified indent (1) of para 20 of the Decree.

n20/ Text corresponding to the correction published in No. 38 of 1987 of the Hungarian Official Gazette.

n21/ Indent (2) of para 20 of Act XIX of 1989 nullified para 16 of the Act on July 1, 1989.

-----End Footnotes-----

Para 17 of the Act

- (1) The manager/administrator is entitled to transfer his right of management/administration for the countervalue or free of any charge to an organization entitled to administer/manage the real asset, based on a written agreement.
- (2) The manager/administrator may lease, leasehold or transfer for use the real asset for use he manages/administers within the frames of the relevant legislative rules.
- (3) Unless a legislative rule provides otherwise, the manager/administrator may not encumber or mortgage the real asset he manages/administers.

Para 22 of the Decree

- (1) The manager/administrator shall have to lease the State-owned real estate or a part of it which is subject to State allocation to the person or legal entity to whom the competent authority has allocated it based on a separate legislative rule either without any fixed term or temporarily.
- (2) The manager/administrator may transfer the arable land as well as other State-owned real assets falling under the scope of indent (1), furthermore sporting establishments in compliance with the provisions of the pertinent separate legislative rules to others for use, resp. may transfer it for lease or for leaseholding.
- (3) In the case of a temporary lease as well as in the case of State-owned real assets used by several State organs or social organizations on a joint basis, the parties may agree that instead of paying the fee which the pertinent legislative rule defines, the leaser (user) should pay a proportion of the cost to be borne by the manager/administrator that corresponds to the part of the real asset the leaser uses.

Para 23 of the Decree

- (1) The manager/administrator may not agree with any legal entity or private person which/who does not qualify as a State organ, resp. as a social organization

- a) concerning the erection of a new structure of permanent character on the land so far not built up,
  - b) concerning erection of a further structure on the built-up land or the expansion of any already existing such structure but subject to conditions which a separate legislative rule provides.
- (2) The manager/administrator may agree with the leaser/tenant or some other person concerning reconstruction of any already existing structure, concerning the conversion, resp. modernization of such structures, furthermore for erecting a new building of temporary character on the land solely subject to conditions which the separate legislative rule provides.

#### Para 24 of the Decree

If the new manager/administrator of the State-owned real estate has already paid a countervalue for acquiring the right of use, the former manager/administrator within the frame of a procedure of the authority, the sum of his payment shall be calculated when determining the countervalue payable for transferring the right of management/administration.

#### Para 25 of the Decree

- (1) If the State-owned real estate is managed/administered by some other entity than the entitled State organ or social organization and it cannot agree with the entity entitled to management/administration concerning the transfer of the right of management/administration or the respective conditions, the organ/body exercising management/administration as the owner shall have to decide concerning appointment of the manager/administrator and the liabilities of the parties concerning this appointment, unless a legislative rule does not provide otherwise.
- (2) If the transfer of the right of management/administration is ruled by the decision of an authority, resp. by the organ exercising the control as the owner and the parties cannot agree on the countervalue, the organ deciding on the transfer of the right of management/administration shall have to rule also on the countervalue.

#### Para 26 of the Decree

The manager/administrator will be entitled to demolish any State-owned structures, buildings which are unnecessary for purposeful functioning and which cannot be used in any other way and for selling the materials forming the product of demolition or breaking-up, provided that such structures cannot be economically renovated solely in compliance with the rules of the separate legislative rules and by complying with the specifications of the authority.

#### Para 27 of the Decree

The manager/administrator shall have to keep the real asset he managed/administered as evidence.

#### Para 18 of the Act

- (1) The right of management/administration terminates if
- a) the manager/administrator has transferred the ownership right or the right of management/administration of the real asset,

b) if the above mentioned rights are withdrawn by the decision of an authority, in cases defined by a legislative rule,

c) if upon winding up or reorganizing the legal entity of the manager/administrator (when organizational units are transferred to some other legal entity), the management/administration under ownership rights are withdrawn by the controlling body.

(2) If the right of management/administration is withdrawn by the decision of an authority - unless a legislative rule does not provide otherwise<sup>n22/</sup> - the manager/administrator shall be due to indemnification for the right of management/administration.

(3) The indemnification shall have to be defined in the decision on withdrawing the right of management/administration. No appeal by way of public administration would be possible against the ruling of the decision as regards the sum of indemnification.

(4) The party which considers the sum of indemnification as unjust may demand from the court amendment the sum of indemnification by launching a lawsuit against the party of opposite interests within 30 days from the date when the decision comes into force.

#### Para 28 of the Decree

(1) No indemnification shall be due to the manager/administrator in change of the right of management/administration if the said right has been withdrawn by the decision of an authority in the following cases:

a) If the right of management/administration takes its origin after April 1 of 1969 and free of any charge or

b) if the right of management/administration ceases because the decision by an authority has withdrawn without any

-----Footnotes-----

n22/ See Decree 19/1984 (IV.15.) MT by the Council of Ministers on the management of rooms and Decree 8/1984 (IV.15.) EVM on enacting the former Decree.

-----End Footnotes----- indemnification the right of management/administration - based on a separate legislative rule.

(2) The manager/administrator shall obtain an indemnification for the countervalue of works which have increased the value of the real asset, even in the case of indent (1).

(3) The sum of indemnification for the right of management/administration shall be defined by applying, according to the meaning, the rules concerning indemnification due to expropriation.<sup>n23/</sup> If the manager/administrator has obtained an indemnification for the withdrawal of his right of use in compliance with rules of separate legislative rules, the sum of such indemnification shall have to be calculated to the debit of the indemnification for the right of management/administration.

(4) The new manager/administrator of the real asset shall have to be compelled to pay the

indemnification by a decision of the authority.

### Chapter III

#### COOPERATIVE OWNERSHIP

##### Para 19 of the Act

(1)n24/ The rights of ownership concerning the real assets the cooperative owns shall be exercised by the general assembly of members, by the way the articles of the cooperative provide. For making over, i.e. alienating the ownership of the real asset, for making over the same to a business society as a contribution in kind would require the agreement of two third parts of members entitled to vote and make an appearance at the general assembly.

(2)n25/ The cooperative may not make over, alienate any real asset it has obtained free of charge or which has been owned by its legal predecessor for carrying out industrial, trading and servicing activities in favour of the population. Should the said cooperative discontinue the said activity, the right

-----Footnotes-----

n23/ See Act 24 of 1976 on expropriation and Decree 33/1976 (IX.3.)MT by the Council of Ministers on enacting the said Act.

n24/ The text of indent (1) of para 19 of the Act was defined by para 2 of Act IX of 1990.

n25/ The text of indent (2) of para 19 of the Act was determined by para 3 of Act XXI of 1989. This text corresponds to the correction published in No. 68 of 1989 of the Hungarian Official Gazette. of proprietorship lapses to the State, resp. to the local council competent for the location of the real asset and the said local council shall have to provide for the service in question in favour of the population.

-----End Footnotes-----

##### Para 20 of the Act

(1) The cooperative may lease, hand over for leaseholding the real asset it owns within the frame of the legislative rules.

(2) Unless a legislative rule does not provide otherwise, the cooperative may not encumber, i.e. mortgage the real asset it owns.

(3) The cooperative is entitled of the beds of the boundary rivers along the lands in its possession for operational purposes and for operationally utilizing them, as well as to collect any benefits.

##### Para 29 of the Decreen26/

The terminating and re-establishing of the ownership (proprietary rights) of the controlled activity mentioned in para 19 indent (2) of the Law is determined by the Executive Committee of the Local Council.

Para 21 of the Act<sup>n27/</sup>

Para 30 of the Decree

The arable land or cropland the cooperative possesses upon winding up a farmers' agricultural cooperative if the sale or utilization of the said land is impossible, shall be transferred to the property of the State in exchange for 100-times the cadastral net income, in terms of forint and the executive committee of the local council shall have to manage/administer it. The above mentioned sum shall have to be paid to the debt of the Land Protecting Fund.

Para 1 of the Enacting Clauses

*The concepts defined in the Act and the Decree 26/1987 (VII 30). MT by the Council of Ministers (hereinunder: Decree) shall have to be applied also in course of executing the present Decree.*

-----Footnotes-----

n26/ The text of para 29 of the Decree was determined by para 4 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

n27/ Para 21 of the Act was nullified by indent (2) of para 20 of Act XIX of 1989 on July 1, 1989.

-----End Footnotes-----

Para 2 of the Enacting Clauses

*The sum in forints payable for the arable land/cropland passing from the ownership of a farmers' agricultural cooperative into that of the State in the course of winding up the farmers' agricultural cooperative which will be managed/administered by the executive committee of the local council shall have to be defined by taking as a basis the average value in Gold Crowns defined for the farmers' agricultural cooperative in the settlement and with respect to the situation of the land.*

Para 22 of the Decree

The real asset and other properties which the terminating pasturing committee has used shall be made over free of any charge to the large-scale agricultural farm taking over the pasture in the duties as possession of the latter large-scale agricultural farm, resp. it will be administered by the said farm.

Para 31 of the Decree

If the grazing tasks are taken over by several large-scale agricultural farms, their agreement shall decide on the distribution of the asset. In lack of any such agreement - by duly considering the regional trade union organ's opinion - the specialized management organ in charge of agricultural and food supply tasks of the executive committee of the County Council shall decide on the distribution of the asset.

Chapter IV



## OWNERSHIPS OF PRIVATE PERSONS

### General rules

Para 23 of the Act<sup>n28/</sup>

A private individual or person may acquire the ownership of real assets without any limitation.  
Any limitation of acquiring possession of properties can be provided solely by a law.

Paras 32 and 33 of the Decree<sup>n29/</sup>

Para 24 of the Act<sup>n30/</sup>

Paras 34 and 36 of the Decree<sup>n29/</sup>

Para 25 of the Act<sup>n30/</sup>

Paras 37 through 39 of the Decree<sup>n29/</sup>

Para 26 of the Act<sup>n30/</sup>

Paras 40 through 45 of the Decree<sup>n29/</sup>

Para 27 of the Act<sup>n31/</sup>

As for the sale and purchase of detached farms and of land between private individuals (persons) the large-scale agricultural farm on the land of which the detached farm and the land is situated shall have the right of preemption. The said large-scale farm may not appoint any other person for exercising his rights.

-----Footnotes-----

n28/ The text of para 23 of the Act was determined by para 6 of Act XIX of 1989.

n29/ Paras 32 through 47 of the decree were nullified by indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers on July 1, 1989.

n30/ Paras 24; 26 of the Act were nullified by indent (2) of para 20 of Act 19 of 1989 on July 1, 1989.

n31/ The text of para 27 of the Act was determined by para 7 of Act XIX of 1989.

-----End Footnotes-----

Ownership of land entered in a farmers' agricultural cooperative

Para 28 of the Act<sup>n32/</sup>

(1) The member of a farmers' agricultural cooperative is obliged to enter a land according to a separate legislative rule.<sup>n33/</sup> The land the farmer member has entered becomes the joint usage of

the farmers' agricultural cooperative, the right of property of the member shall, however, persist, in the form of a proportion that corresponds to the extent and situation of the land. This possession of land can be inherited and can freely be transferred among the members of the farmers' agricultural cooperative. In the case of a sale/purchase, however, the farmers' agricultural cooperative shall have the right of preemption.

(2) The owner of the land which he has entered into the Cooperative, (resp. the proportional share in land) may exchange - to the extent as the Articles of the Cooperative define - with a land the Cooperative has appointed for this purpose.

Paras 46 and 47 of the Decree<sup>29/</sup>

Para 3 of the Enacting Clauses<sup>n34/</sup>

Para 29 of the Act<sup>n35/</sup>

While his membership relations persist, the owner may transfer the land of the member-farm belonging to the sphere of interest of a specialized farmers' agricultural cooperative make over to a member of the specialized cooperative, resp. to anybody, depending on the provisions of the Articles of the cooperative.

-----Footnotes-----

n33/ See Act III of 1967 on farmers' agricultural cooperatives.

n34/ Para 3 of the Enacting Clauses was nullified by indent (2) of para 5 of Decree 10/1989 (VII.7.) MEM on July 1, 1989.

n35/ The text of para 29 of the Act was defined by para 9 of Act XIX of 1989.

-----End Footnotes-----

## Chapter V

### SPECIAL RULES CONCERNING ACQUIRING THE RIGHT OF PROPERTY OF LAND

#### Paying off the land

Para 30 of the Act<sup>n36/</sup>

Paras 31 through 33 of the Act<sup>n36/</sup>

Para 48 of the Decree<sup>n37/</sup>

If in the course of the membership relation the land entered in the farmers' agricultural cooperative is exchanged against a land of the cooperative allocated for exchange or if the membership relation ceases and land is allocated to members, the rules concerning the deed serving as a basis for registering the ownership right in the land register shall govern the contents of the respective statement of the farmers' agricultural cooperative. As for bearing the cost of preparing the necessary diagrammatical plan and the cost arising by establishing the identical

value of the land to be exchanged or to be allocated to the member, the farmers' agricultural cooperative shall agree with the owner.

Paras 49 through 51 of the Decree<sup>38/</sup>

Paras 4 through 6 of the Enacting Clauses<sup>38/</sup>

Proffering

Para 34 of the Act

(1) A private individual may proffer the real asset it owns either free of charge or against remuneration to the State or a farmers' agricultural cooperative.

-----Footnotes-----

n36/ Paras 30 through 33 of the Act were nullified by indent (3) of para 4 of Act IX of 1990 by March 1 of 1990.

n37/ The text of para 48 of the Decree was defined by para 1 of Decree 32/1990 (II.18.)MT by the Council of Ministers.

n38/ Para 2 of Decree 32/1990 (II.18.)MT by the Council of Ministers has nullified paras 49 through 51 of decree and paras 4 through 6 of the Enacting Clauses.

-----End Footnotes-----

(2) The land (proportion of the land) in the collective use of the farmers' agricultural cooperative can be proffered solely to the farmers' agricultural cooperative that uses it.

(3) The State organ in favour of which the asset has been proffered shall decide on accepting the proffering in favour of the State. If the real asset has not been proffered to a predetermined organ, the executive committee of the local council shall decide on accepting the proffered asset.

Para 52 of the Decree

A member of a specialized farmers' agricultural cooperative may proffer his land belonging to the interest of the collective farm to

a) the farmers' agricultural cooperative to which he is a member,

b) the farmers' agricultural cooperative to the land beside which his land connects,

c) to the State in the said order.

Para 35 of the Act

Proffering the land in favour of the State, resp. the farmers' agricultural cooperative may not be accepted in the following cases:

a) If proffering the land would require the agreement of a legal representative or the public

guardianship authority which refuses his agreement;

b) If the land (cadastral) register contains a clause prohibiting alienation and encumbering (mortgaging) right of use, right of leaseholding, right of preemption, rebuying right, purchase right, the liability of supporting somebody, the right of paying a life-annuity, a mortgage or the right of execution has been entered and the beneficiary does not waive his right entered in the land register;

c) If a legal redress, institution of a legal action, submission of a protest on legal grounds, a blocking has been entered concerning the proffered real asset in the land register, up to the validity of the entry in question.

#### Para 36 of the Act

Proffering the arable land or cropland in favour of the State free of charge shall have to be accepted unless a legislative rule has otherwise provided.

#### Para 53 of the Decree

If arable land, cropland, has been proffered free of charge in favour of the State, acceptance of the share of property shall not be mandatory in the following cases:

- a) If the area corresponding to the proffered part cannot be formed into an independent real asset  
or
- b) if the State does not become the sole proprietor, owner, by accepting the proffered real asset.

#### Para 37 of the Act

In the case of proffering a piece of land, the parties shall have to agree - within the frames of the legal provisions - on the sum of refunding, the mode of paying the refund and on the other conditions.

#### Para 54 of the Decree

- (1) If accepting the proffered land, the sum of the refund may not surpass the extent of indemnification to be paid upon expropriation.

(2)n39/

#### Para 54/A of the Decree<sup>40/</sup>

A foreign legal entity or private person may establish a leasehold on the real asset upon the preliminary agreement by the Minister of Finance and the ministry interested in the land corresponding to the purpose or objective of the said land.

Rules concerning the acquisition of property by foreigners

#### Para 38 of the Act

- (1) Unless a legal provision or an international agreement does not provide otherwise, a foreign

legal entity or private individual may acquire the property of real asset by purchase/sale, exchange, or from the nation, subject to the preliminary permit of the Minister of Finance.

- (2) The Ministry of Finance will issue the preliminary permit in agreement with the interested ministries (organs of a national scope of sphere of authority).

-----Footnotes-----

n39/ Indent (2) of para 54 of the Decree was nullified by para 2 of Decree 32/1990 (II.18.)MT by the Council of Ministers.

n40/ The text of para 54/A of the Decree was defined by para 6 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes-----

## Chapter VI

Para 39 of the Act<sup>n41/</sup>

Paras 55 through 58 of the Decree<sup>n42/</sup>

## PART THREE

### THE USE OF LAND

#### Chapter VII

Joint use with a farmers' agricultural cooperative

Para 40 of the Act

- (1) The real asset (land) owned by the farmers' agricultural cooperative, the land obtained for joint use based on the liability of entering land into the cooperative, as well as the land transferred by the State to the farmers' agricultural cooperative, free of any charge and without any fixed term, shall be in joint use on behalf of the farmers' agricultural cooperative (cooperative joint or cooperative use).
- (2) The rules and regulations concerning cooperative ownership shall apply to the land in joint (collective) use by the farmers' agricultural cooperative, however, with the difference that
- a) the farmers' agricultural cooperative can alienate (sell) the land in collective use only up to the extent of the land (proportion of land) the cooperative owns:
- b) The farmers' agricultural cooperative can encumber (mortgage) the land, in its collective use, it owns and up to the extent of the land, (proportion of land) it has obtained from the State for use free of charge and without any term and according to the provisions of the separate legislative rule.
- (3) The land in the collective use of the farmers' agricultural cooperative cannot be subjected to proceedings of

-----Footnotes-----

n41/ Para 39 of the Act was nullified by indent (3) of para 20 of Act XIX of 1989 by September 1 of 1989.

n42/ Paras 55 through 58 of the Decree were nullified by indent (4) of para 16 of Decree 73/1989 (VII.7.) MT by the Council of Ministers by September 1, 1989.

-----End Footnotes----- distraint due to any debts which occurred before the land came in to collective use.

#### Para 59 of the Decree

Cropland subject to the liability of entry into the farmers' agricultural cooperative enters into the common usage of the said cooperative from the date of arising the liability.

#### Para 41 of the Actn43/

(1) Should the farmers' agricultural cooperative wind up, it shall have to return the land the cooperative has obtained for collective use based on the liability of entering land into the cooperative, or some other land of equal value, to the initial owner, unless the cooperative, resp. the owner establishes membership relationships with another farmers' agricultural cooperative. If the owner does not demand the return of the land, the said land shall have to be transferred, corresponding to its sales value, to another farmers' agricultural cooperative, State farm, business society or the local council, in that order.

(2) If a former member of the farmers' agricultural cooperative winding up enters another farmers' agricultural cooperative, taking delivery of the land, the ownership of the land so entered persists as a proportional share.

(3)n44/

#### Para 60 of the Decreen45/

#### Para 7 of the Enacting Clausesn46/

*(1) The legal entity or individual winding up the farmers' agricultural cooperative shall have to draw the attention of the owner of the land, that has been in the collective use of the farmers' agricultural cooperative winding up, to the possibility of presenting the request for transference of the land, by indicating a just term.*

-----Footnotes-----

n43/ The text of indent (1) of para 41 of the Act is a text modified in compliance with para 12 of Act XIX of 1989.

n44/ Indent (3) of para 41 of the Act was nullified by indent (2) of para 20 of Act XIX of 1989 by July 1 of 1989.

n45/ Paras 60 through 62 of the Decree were nullified by indent (2) of para 20 of Decree 73/1989

(VII.7.)MT by the Council of Ministers by July 1 of 1989.

n46/ The text of para 7 of the Enacting Clauses has been modified in compliance with the contents of para 1 of Decree 10/1989 (VII.7.) MEM.

-----End Footnotes-----

*(2) Based on the request or transferring the land, the legal entity or individual winding up the cooperative shall have to agree with the owner on transferring the land and shall have to prepare the necessary diagrammatical plan.*

*(3) If the owner of the land in the collective use of the farmers' agricultural cooperative winding up, which the cooperative has obtained based on the liability of handing over the land for collective use, does not demand the transfer of the land in question, and a State farm, a business society or the local council takes over the land, the owner, the body taking delivery of the land and the legal entity or individual winding up the cooperative, shall agree on the ownership right transference and the transfer of use of the land.*

*The same procedure shall be applicable if another farmers' agricultural cooperative takes over the land but the owner does not establish a membership relationship with the farmers' agricultural cooperative taking over the land.*

*(4) If the owner of the land in the collective use of the wound-up farmers' agricultural cooperative enters the farmers' agricultural cooperative taking over the land, the legal entity or individual winding up the first cooperative and the farmers' agricultural cooperative taking over the land shall have to agree on the joint or collective use by the farmers' agricultural cooperative taking over the land.*

*(5) The rules concerning the deed serving as a basis for the entry into the land registry shall govern the contents of the agreement concerning transference of the land, resp. returning the land to the initial owner in compliance with indents (2) through (4). The owner shall have to bear the cost of preparing the diagrammatical plan necessary for returning the land, whereas the cost of preparing the diagrammatical plan necessary for transferring the land shall be borne by the body taking over the land.*

Para 42 of the Actn47/

*(1) The employer may allocate cropland for use without any charge to the employee he engages on full-time working (emolument-land use).*

*(2) The extent and conditions of use of the emolument-land shall be defined by the organizational and operating rules of the State organ, resp. in the*

-----Footnotes-----

n47/ The text of para 42 of the Act was determined by para 13 of Act XIX of 1989.

-----End Footnotes----- collective contract, the articles of the cooperative, resp. the internal articles of the business society.

*(3) The farmers' agricultural cooperative may provide the use of land free of any charge for*

household plot agricultural work, in compliance with the rules of a separate legislative act (use of land as a household plot).

Para 61 and 62 of the Decree<sup>45/</sup>

Para 63 of the Decree

The use of emolument land ceases if

- a) the individual entitled to use the said land waives his right,
- b) if the employer withdraws the right of using the land, and furthermore
- c) if the working relations of the entitled person cease.

Para 64 of the Decree

(1) Should the entitled person fail to comply with his cultivation liability in spite of the concerned request or if he transfers his land to some other person, the employer can withdraw the right of using the land immediately, without any term of notice.

(2) The employer may withdraw the use of land he has transferred to his employee as an emolument or may reduce the size of the said land as a disciplinary punishment as point c) of indent (1) of para 55 of the Labour Code provides.

Para 65 of the Decree

Upon terminating the labour relationship of the employee entitled to use land as an emolument, the use of the said land may be permitted at the employee's demand to the end of the agricultural year.

Para 66 of the Decree

If the use of the land transferred as an emolument ceases, the actual cost and the certified cost (cost of cultivation, price of sowing seed etc.) must be refunded to the entitled person, resp. his inheritor.

Para 43 of the Act

The provisions of the Civil Code<sup>48/</sup> as regards leasehold of the cropland shall apply as a subject to the deviations the Council of Ministers have provided.

-----Footnotes-----

n48/ See paras 452 through 461 of the Civil Code (Act IV of 1959).

-----End Footnotes-----

Para 67 of the Decree

In the case of a leasehold contract concluded for a definitive term, the leaseholder can pay the fee



of the leaseholder in a single sum, subject to agreement with the leaser of the land, in a single sum, simultaneously when signing the contract on the leasehold.

#### Para 68 of the Decree

In addition to the provisions of indent (2) of para 457 of the Civil Code, the leaser transferring the land for leaseholding may immediately give notice of the contract for leaseholding if the leaseholder:

- a) has transferred the use of cropland to some other person,
- b) if the leaseholder has made any construction (structure) on the cropland without his agreement or contrary to any agreement, resp. by infringing the building regulations,
- c) if the leaseholder has changed the purpose of the cropland or the branch of cultivation without his agreement or by infringing the regulations of a legislative rule.

#### Para 69 of the Decree

- (1) If the leaseholder is a private individual, he may immediately give notice of the leaseholding contract if his health condition worsens to such an ill extent or a durable change occurs in his family or living conditions which prevent him from complying with his liabilities originating from the leaseholding.
- (2) In the case which the former indent describes, the leaseholder - instead of giving immediate notice - may also appoint a private person, to replace him within the frame of the contract for leaseholding, who continues the leaseholding relationship under unchanged conditions.

#### Para 70 of the Decree

When the contract for leaseholding terminates, the leaseholder may

- a) reclaim and carry off any equipment or objects of machinery he has brought in,
- b) may demand refunding the value which can be established upon terminating the contract of all equipment he cannot take away and of the expenditure on improving the quality of land, as well as of the plants he has planted,
- c) unless otherwise agreed with the leaser, the leaseholder shall have to demolish, resp. remove at his own expense, without the right of demanding any indemnification, any structures of temporary character he has erected. Unless he complies with this rule, the lessee may carry out the demolishing, resp. removal of such structures at the expense of the leaseholder who has failed to comply with this requirement.

#### Para 71 of the Decree

The leaseholder is entitled to a preliminary leaseholding right and prepurchasing right concerning the cropland he has in his leasehold.

#### Para 72 of the Decree

The rules concerning the leaseholding of cropland shall apply also to leaseholding of arable land serving other purposes.

## CHAPTER IX

### INDEMNIFICATION IN CASE OF CERTAIN RIGHTS OF USE OF PUBLIC INTEREST

#### Para 44 of the Act

(1) If in connection with a separate legislative rule, conduits, items of equipment or other structures are accommodated, erected on the real asset for electric power or gas transmission, resp. piping, or for telecommunication, post, water management and mining, resp. any other plant is laid out, the damages occurring due to the building, accommodation, laying out, operation and maintenance shall have to be paid for in compliance with the general rules of the Civil Code, resp. any damages due to mining activities shall have to be compensated for in compliance with the rules concerning damages incurred by mines.

(2) The owner (manager/administrator), in the case of collective use by a farmers' agricultural cooperative, the cooperative, may demand indemnification due to laying out, building conduits, equipment and other structures on account of limiting the purposeful use of the real asset

a) due to loss of value of the sales value in the case of a building plot and land built up with a building, resp. in the case of other land a private person owns,

b) in the case of land owned by the State, resp. in the collective use of a farmers' agricultural cooperative or owned by any other legal entity, not regarded to be a building plot and land built up with a building, the owner shall be due to an indemnification on account of the excess production cost due to the limitation and due to a loss in value, on account of changing the branch of cultivation and mode of cultivation.

(3) In the case which point b) of indent (2) provides, the indemnification due to excess production costs shall have to be paid annually. The indemnification shall be equal to the sum of the production surplus costs of 16 years. The individual or legal entity which has to pay the indemnification may agree with the person or legal entity entitled to the indemnification to define annually the production surplus costs and to pay the indemnification annually.<sup>n53/</sup>

#### Para 8 of the Enacting Clauses

*Laying out of establishments, structures, as indent (1) of para 44 of the Act provides, shall be designed in such a manner that laying out should prevent, to the least possible extent, the normal use of the cropland according to its purpose.*

## PART FOUR

### EXCHANGE OF LAND, LAND/ESTATE RE-ALLOCATION

#### Chapter X

### EXCHANGE OF LAND

#### Para 45 of the Act

- (1) The large-scale agricultural farm may exchange the cropland it owns or administers, resp. the farmers' agricultural cooperative may exchange the cropland it collectively uses.
- (2) Land suitable for large-scale agricultural farming shall have to be formed primarily by the exchange of land (voluntary exchange of land).
- (3) When exchanging lands of different values, the difference in value as well as the value of any structures, all other investment projects, plants on the land as well as the value of the agricultural work effected in the current agricultural year, shall have to be refunded.

Para 73 of the Decree

The voluntary exchange of land is free of any transfer/conveyance duty.

Chapter XI

LAND/ESTATE RE-ALLOCATION

Para 46 of the Act

- (1) Should the proposal on the voluntary exchange of land prove to be unsuccessful, the cropland suitable for large-scale farming cultivation by a large-scale farm can be organized by the re-allocation of land. The land re-allocation will be ordered by the Decree upon the request of the interested large-scale agricultural farm, by the competent metropolitan or county Land Office corresponding to the position to the land in question (hereinunder Land Office).
- (2) In order to warrant the proper utilization of croplands of a large-scale agricultural farm subjected to winding-up, the County Land Office may decree - at the request of the body winding-up the said large-scale farm - land-reallocation covering the croplands of the large-scale agricultural farm.

Para 9 of the Enacting Clauses<sup>n49/</sup>

*The interested large-scale agricultural farm may request a decree for cropland re-allocation if it has already attempted to make arrangement for the voluntary exchange of land for all croplands necessary for the cropland to be provided, and suitable for large-scale cultivation.*

Para 47 of the Act

- (1) The re-allocation of land does not cover any internal (village or town) land.
- (2) The enclosed garden cannot be encompassed by the re-allocation of and if more than 50% of the land is owned by private individuals.

-----Footnotes-----

n49/ Para 9 of the Enacting Clauses is a modified text corresponding to the contents of indent (2) of para 5 of Decree 10/1989 (VII.7.) MEM.

-----End Footnotes-----

Para 10 of the Enacting Clauses

- (1) The land re-allocation shall not apply to land which water management structures occupy (like embankments, channels and ducts, or forests for protection from inundation etc.).*
- (2) Should the land re-allocation affect a region which is subject to the protection of nature, the competent authority in charge of protection of nature shall similarly participate in the procedure.*

Para 48 of the Act

Croplands to which the land re-allocation has been applied may not be involved in any further land re-allocation within 5 years.

Para 49 of the Act

A Decree concerning land re-allocation can be decreed if the proposal on the voluntary exchange of land has been rejected without any justified reason and furthermore if in the course of land re-allocation a field suitable for large-scale cultivation can be formed, resp. if unification of different proprietorship conditions within the field, can be attained (administrator's ownership, collective use by a farmers' agricultural cooperative) and if the coverage for refunding the presumable difference in value and countervalue is available.

Para 11 of the Enacting Clauses

*In the demand for the decree in favour of land re-allocation, the interested large-scale farm shall have to indicate the following:*

- a) The precise data of croplands proposed to be involved in the procedure (situation, topographical lot number of the site, area, branch of cultivation) and the ownership data of the land (administrator's ownership, collective use by a cooperative);*
- b) The large-scale farm shall have to indicate the necessity of land re-allocation;*
- c) It shall have to make reference to the enclosed simple diagrammatical plot containing the situations before and after the land re-allocation;*
- d) It shall have to review in detail the proposal concerning the voluntary exchange of land and the reasons for rejecting the refusal;*
- e) It shall have to state whether the sum necessary for refunding the difference in value cropping up in the course of land re-allocation, for paying the countervalue and the cost of land rearrangement is available.*

Para 12 of the Enacting Clauses

*Rejection of the proposal for voluntary exchange of land may be considered as justified by the County Land Office if the exchange of land might infringe well acceptable interests to such an extent that cannot be compensated for by paying the difference in value or countervalue.*

Para 13 of the Enacting Clauses

*(1) The time of beginning, resp. terminating the procedure of land re-allocation should be determined in such a manner that its practical implementation should not disturb the continuous agricultural works.*

*(2) The decision ordering the land re-allocation should be mailed to all affected large-scale agricultural farms and Land Offices. The decision should be sent to the executive committed to the affected local council with the provision that the said executive committee should inform all affected private individuals on the decision in favour of land re-allocation by the locally customary method.*

Para 50 of the Act

(1)n50/ In the course of land re-allocation, the large-scale farm croplands should be designed in such a manner that the land owner should not get into an economically less advantageous situation. Any homes (buildings) and economic structures owned by individual persons must not be built in the large-scalefield, together with the cropland necessary for using the private plot.

(2) The crop of a private individual within the large-scale farm land formed shall have to be exchanged for a cropland of possibly equal quality, of the same branch of cultivation and area.

Para 14 of the Enacting Clauses

*In the course of land re-allocation, the Land Office shall hold a negotiation on the exchange jointly with the interested large-scale farm and the affected owner (administrator, farmers' agricultural*

-----Footnotes-----

n50/ The text of indent (1) of para 50 of the Act was defined by para 14 of Act XIX of 1989.

-----End Footnotes----- common user cooperative) using the land on a collective basis. The agreement concluded in the course of the negotiation shall qualify as a voluntary land exchange agreement.

Para 51 of the Act

The large-scale farming field formed by land re-allocation and the land given in exchange for the re-allocated land to the private person shall be transferred into their respective ownerships.

Para 15 of the Enacting Clauses

*(1) The interested parties shall be notified in person of the place and time of transferring the ownership. The representative of the affected large-scale farm, resp. of the executive committee of the local council shall have to participate at the event of transferring the ownership.*

*(2) The fact of transferring the ownership shall have to be certified by the signature of the interested parties in the minutes drawn up on the agreement made on the negotiations of the exchange, resp. the transfer of ownership. Should the interested party or his delegate fail to appear at term on the event or should he refuse to take over the ownership of land, the transfer*

*of the ownership shall have to be repeated. In the last mentioned case, the local marking out of the cropland proposed in exchange for the original property shall have to be certified in the minutes and the interested party shall have to be notified in writing.*

#### Para 52 of the Act

(1)n51/ The difference in value of lands exchanged in the course of land re-allocation shall have to be paid to the owner of the cropland and the value of any structure, building, other investment project, plants and of the agricultural work completed in the current agricultural year shall have to be refunded to the large-scale farm which is in the less favourable situation.

(2) A countervalue shall have to be paid for the real asset transferred without allocating any cropland in exchange for it.

(3) The parties shall agree on the difference in values, resp. on the countervalue; in lack of such an agreement, the Land Office shall

-----Footnotes-----

n51/ The text of para 52 of the Act is the text modified according to the contents of para 15 of Act XIX of 1989.

-----End Footnotes----- define the sum to be paid, in compliance with the rules of indemnification in the course of expropriation. No appeal by way of public administration is possible against the rule of the decision concerning the difference in value, resp. the sum of the countervalue. The party which considers the sum as unjustified may turn to the court by proceeding against the party of opposing interest within 30 days of the date of taking receipt of the decision.

#### Para 16 of the Enacting Clauses

(1) the Land Office shall make a decision (decision on land re-allocation) on changes which have taken place due to land re-allocation in the property conditions of croplands (administrator's cooperative's collective use etc.) within 30 days of terminating the transfer of ownership. The decision on land re-allocation shall contain the proper provisions on the method of paying the differences in value, countervalue and the extent of cost and on entering the changes in the land registry.

(2) The affected private individual shall be notified by sending him an excerpt of the decision for land re-allocation.

#### Para 53 of the Act

A land of at least 5 hectares size in the outskirts unsuitable for the agricultural cultivation of a large-scale farm can be qualified as an enclosed garden area either by

a) the executive committee of the local council or

b) the interested large-scale farm or

c) the Land Office upon the request of the interested private individual owners. In the cases

referred to under points b) and c), the agreement of the executive committee of the local council is necessary for qualifying the said land as an enclosed garden area.

#### Para 54 of the Act

The cost of implementing in practice the voluntary exchange of land and of land re-allocation shall be borne by the interested large-scale farm, and the cost of marking out and arranging a new enclosed garden by the interested legal entities, resp. private individuals.

#### Para 74 of the Decree

The demand concerning passing a decree on land re-allocation shall have to be submitted to the Land Office. Should the land re-allocation affect the sphere of authority of several Land Offices, resp. several counties, the document shall have to be submitted to the Land Office competent for the largest land area, together with sufficient copies for the affected Land Offices.

#### Para 75 of the Decree

(1) Land re-allocation is not hindered by

a) any prohibition of sale or encumbering, maintenance or annuity rights, mortgage, leaseholders (widow's rights), leaseholding rights of private individuals based on contracts;

b) Other limitations (e.g. easement rights on the land or plot, mining easements).

(2) Any rights and facts listed under point a) of indent (1) shall devolve to the land transferred in exchange.

#### Para 76 of the Decree

Preparation, organization and practical implementation of the land re-allocation shall be duties of the Land Office.

#### Para 77 of the Decree

The land re-allocation is free of any transfer duties.

### PART FIVE

## USE AND PROTECTION OF LAND

### Chapter XII

## UTILIZATION OF LAND

#### Para 55 of the Act

The user of land shall be bound to utilize the land corresponding to its branch of cultivation to maintain the cropland, productivity of the land, resp. to enhance the land productivity.

#### Para 56 of the Act

(1) If withdrawal of the cropland from agricultural production for some other purpose has been permitted, agricultural cultivation shall be continued until using the said land in compliance with its purpose (temporary utilization).

(2) The user shall be bound to continue agricultural cultivation also on lands (plots) for accommodating buildings or structures for special purposes provided that this activity does not prevent, resp. limit the utilization of land corresponding to the purpose of the said land (secondary utilization).

(3) After termination of the use of other purposes, the user shall have to make the land suitable again for utilization and shall have to care of the utilization of the land, resp. shall have to transfer the land to a legal entity or individual undertaking the utilization (re-utilization).

(4)n52/ If the cropland is kept in productive state without continuing production, this shall not be understood as omitting the duty of utilization.

#### Para 78 of the Decree

If based on an agreement made with the user on the former user or large-scale farm temporary utilization, the former user or large scale farm undertakes the temporary utilization of the land, it shall not be bound to pay any countervalue for the use.

#### Para 79 of the Decree

(1) The user of land shall have to notify the Land Office of terminating the use for other purposes of a land previously withdrawn from agricultural production. If making the land suitable for reutilization has not been planned in the investment scheme, the following documents shall have to be enclosed to the notification: The extent of ground correction, flow regulation, soil protection and in the case of agricultural reutilization the soil improving, fertilizer replenishing and soil biological measures as well as the plan defining the order of these procedures necessary for reutilization of the land.

(2) The plan for the reutilization of the land on the outskirts shall have to be approved by the Land Office which in the corresponding decision shall

-----Footnotes-----

n52/ The text of indent (4) of para 56 of the Act was determined by para 16 of Act XIX of 1989.

-----End Footnotes-----

a) define the objective of reutilization as well as

b) specify the duties of the user of the land in the interest of reutilization.

(3) The plan referred to shall have to be approved of by the County Land Office if the land is suitable for reutilization

a) covers the sphere of authority of more than one Land Office,



b) if the said land is in one county, the approving authority shall be the municipal or county Land Office affected by the largest part of land (hereinafter, jointly: the County Land Office).

(4) If the land made suitable for reutilization is subjected to cropland cultivation, the sum calculated based on the quality class of the cropland and the value in Gold Crowns can be incorporated within 10 years in the land protection fee.

(5) If upon terminating the use for some other purpose, and if utilization of the land owned by the State and made suitable for re-utilization does not belong to the sphere of activity of the user and the user is not willing to undertake its utilization, the executive committee of the local council shall have to compulsorily take over the management/administration free of charge of the land in question. This provision shall apply, according to the meaning, also to land not owned by the State if the owner of the land waives his ownership rights free of charge in favour of the State, resp. if he proffers his land free of charge in favour of the State.

#### Para 80 of the Decree

The large-scale farm using the land can be compelled to make any earlier abandoned areas within the field of the large-scale farm suitable for recultivation, provided the original user cannot be compelled to do so. In such a case, a support shall have to be given to the recultivation work to be carried out from the Land Protection Fund, upon recommendation of the County Land Office.

#### Para 17 of the Enacting Clauses

(1) The duration of the temporary utilization of land shall have to be determined by considering the presumable term of utilizing the land for other purpose.

*(2) In the case of interior lands, the temporary and secondary utilization obligation may be complied with even by cultivating a green area if other agricultural utilization cannot be conducted on account of environmental damage or other conditions.*

#### Para 57 of the Act

(1)<sup>53/</sup>

(2) A permit defined by a separate legislative rule is necessary for laying out and cutting up a vineyard or orchard for commercial production and for changing the branch of cultivation of a cropland subject to the protection of nature.

(3) Changing the branch of cultivation of the cropland shall have to be reported to the Land Office within 30 days.

#### Para 81 of the Decree

It is prohibited to change the branch of cultivation within 10 years which has been made suitable for agricultural cultivation with a support by the Land Protection Fund.<sup>54/</sup>

#### Para 82 of the Decree<sup>55/</sup>

#### Para 83 of the Decree

If in the branches of cultivation of vineyards, orchards, turf and forest and the land registered as a fishpond is cultivated for rejuvenation purposes as a ploughland for not more than 3 years, this shall not qualify as changing the branch of cultivation. However, if the cropland is under the protection of nature, the permit of the Nature Protection Authority shall be necessary for changing the branch of cultivation. The initiation of rejuvenation shall have to be reported to the Land Office. If the original branch of cultivation is not reinstated after 3 years, the land shall have to be registered corresponding to the actual condition, in the branch of ploughland cultivation.

-----Footnotes-----

n53/ Indent (1) of para 57 of the Act was nullified by indent (2) of para 20 of Act XIX of 1989 by July 1 of 1989.

n54/ The text of para 81 of the Decree was defined by para 17 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

n55/ Para 82 of the Decree was nullified by indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers by July 1, 1989.

-----End Footnotes-----

#### Para 84 of the Decree

In the decision permitting to change the branch of cultivation of cropland, the term of practical implementation shall have to be indicated; This term may not be longer than 3 years.

#### Para 85 of the Decree

(1) If changing the branch of cultivation of cropland without the specified permit or if changing it otherwise than the permit has specified, the user of land shall be compelled to reinstate the land corresponding to the branch of cultivation the land register keeps in evidence.

(2)n56/

(3) The cost of reinstating or of making the land suitable for ploughland cultivation should be accounted as production cost.

(4)n56/

#### Para 18 of the Enacting Clausesn57/

In cases of changing the branch of cultivation, subject to permits para 57 of the Act defines, the Land Office will proceed, at the demand of the authority entitled, to issue the permit subject to a separate legislative rule and otherwise to a report or investigation.

#### Para 19 of the Enacting Clauses --

#### Para 21 of the Enacting Clausesn58/

Para 22 of the Enacting Clauses

Omission of the utilization of cropland does not qualify as changing the branch of cultivation.

Para 58 of the Act

The authority shall have to regularly supervise the compliance with the obligation of utilization.

-----Footnotes-----

n56/ Indents (2) and (4) of para 85 of the Decree were nullified by indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers by July 1, 1989.

n57/ The text of para 18 of the Enacting Clauses was defined by para 2 of Decree 10/1989 (VII.7.)MEM.

n58/ Paras 19 through 21 of the Enacting Clauses were nullified by indent (2) of para 5 of Decree 10/1989 (VII.7.)MEM by July 1, 1989.

-----End Footnotes-----

Para 86 of the Decree

(1)n59/ Utilization of the cropland corresponding to the branch of cultivation shall have to be supervised at a time when all users of land could already perform the necessary works to warrant production in the current agricultural year.

(2) The large-scale farm shall have to ensure that the farm land registry and the registry of fields shall contain the up-to-date data and state of land suitable for supervising the utilization and should be in coordination with the National Land Surveying Basic Map and the Land Registry (registry of real assets).

(3) The compliance with the land utilization liability shall be supervised

a) by the Land Office in the case of croplands the large-scale farms use, resp. the management/administration of which is conducted by the executive committee of the local council,

b) by the specialized management/administrative organ in charge of agricultural and food supply duties of the executive committee of the local council, resp. the County Land Office in all other cases.

c)n60/ The special management institution in charge of plant hygiene and soil protection duties shall have to check whether the cropland is kept in fertile condition.

Para 23 of the Enacting Clausesn61/

*Keeping the cropland in [TEXT ILLEGIBLE] condition means the maintaining [TEXT ILLEGIBLE] actual fertility/productivity of soil by some simple process without any conduction of growth (keeping the soil free of weeds, protection from damages by the forces of nature).*

-----Footnotes-----

n59/ Indent (1) of para 86 of the Decree comprises the text modified in compliance with the contents of indent (2) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

n60/ The text of indent (3) of para 86 of the Decree was defined by para 8 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

n61/ The text of para 23 of the Enacting Clauses was determined by para 3 of Decree 10/1989 (VII.7.)MEM.

-----End Footnotes-----

### Chapter XIII

#### PROTECTION OF THE SOIL

##### Para 59 of the Act

- (1) In order to preserve the fertility/productivity of the cropland, the user shall have to
- a) conduct soil protection cultivation corresponding to natural conditions,
  - b) grow plants providing the appropriate coverage of soil to protect the soil from the deleterious effects of the forces of nature (deterioration, degradation of soil), and to protect the land in justified cases by soil protecting structures,
  - c) conduct feed/fertilizer/manure management corresponding to the conditions of the soil and production.
- (2) In the course of implementing in practice buildings, structures and other establishments, while operating such, the owner or the administrator of the land shall have to take adequate measures so that the environmental effects of any such structures, buildings, establishments may not result in degrading the fertility/productivity of soil.
- (3) When disposing of chemicals, wastes on the land intended for this purpose, any activity in the establishment may be conducted only in such a manner that the said activity should not cause any contamination or pollution (physical, chemical etc.) in the surrounding lands.
- (4) Any damages caused in the quality of cropland by the use of land for allocating structures or buildings or serving special purposes, as well as by the operation of the establishment on such land, shall have to be paid for.

##### Para 87 of the Decree

In order to coordinate the duties in connection with river regulation and soil amelioration concerning ground correction, soil protection and agriculture, as well as for implementing these tasks in a planned, systematic manner, the specialized organ in charge of agricultural and food supply duties of the executive committee of the County Council shall have to elaborate a long-term amelioration development programme for each county, in cooperation with the water management directorate competent for the given area.

Para 88 of the Decree

(1) When elaborating development plans encompassing large areas, the effects of structures, buildings and other establishments to be implemented in practice, of the productivity/fertility of soil, shall be investigated. For moderating any unfavourable effects or in order to eliminate such effects, the investment project shall have to foresee any necessary additional establishment, resp. works. The development plan and the investment project can be approved subject to agreement by the minister of agriculture and food supplies, and the competent branch minister.

(2) In the course of planning and implementing in practice the buildings, structures and other establishment, which indent (1) has mentioned, measures shall have to be taken simultaneously for the planning and implementation of establishments, resp. works envisaged for protection from any unfavourable effects, as well.n62/

Para 89 of the Decreen63/

The organ in charge of plant hygiene and soil protection duties shall decide by a decree on terminating any activity that may degrade the quality of cropland.

Para 60 of the Act

(1) The objective of cropland can be changed and the cropland can be withdrawn temporarily from agricultural production, solely subject to a preliminary permit by the authority. For using normally any interior/district land serving for allocation of a structure or building but actually in large-scale farm cultivation and for allocating defence forest would require a permit for withdrawing from agricultural production.

(2) The incorporation of any exterior land into interior/district land similarly requires a preliminary permit by the authority.

(3) Investment projects on cropland can be implemented in practice solely exceptionally. In such a case

a) primarily, cropland of some new grade shall have to be used,

b) ploughland, vineyard, orchard, irrigated and meliorated land in

-----Footnotes-----

n62/ Text corresponding to the correction published in No. 38 of 1987 of the Hungarian Official Gazette.

n63/ The text of para 89 of the Decree was defined by para 9 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- large-scale farm cultivation and arable land of a quality better than the average may be used only in specially justified cases and generally for stationary investment.

(4) The use of land for accommodating an investment project shall have to be limited to the

smallest possible area that corresponds to the justified need.

(5) Corresponding to the general resettlement plan of a settlement, the land envisaged for interior utilization can be incorporated in the interior land continuously, depending on the practical implementation of the resettlement plan, generally by the five-year plan periods.

(6) Temporary withdrawal from production is permissible only for a predetermined time which, however, may not exceed 5 years. After the said period elapses, the user of the land shall have to restore the quality of soil that existed before utilization of the cropland periodically withdrawn from production, and shall have to return the land for agricultural production.

#### Para 90 of the Decree<sup>n64/</sup>

(1) It shall qualify as the temporary withdrawal from production of the cropland if due to some activity the plants of the affected land become annihilated or if the land cannot be utilized for at least one agricultural year for the purpose of agricultural or forestry production.

(2) If exercising the right of use providing accommodation of electric equipment, the water management and mine concession result in the temporary withdrawal of cropland from production, this fact should be reported within 8 days to the Land Office. If omitting to give notice, in addition to the land protection fee, three times the sum of the said fee shall have to be paid as a land protection penalty.

(3) If a private individual uses a land of not more than 400 square meters for

-----Footnotes-----

<sup>n64/</sup> Indent (1) of para 90 of the Decree is the text modified corresponding to the contents of para 10 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- accommodating a building or structure and for the normal, purposeful use of the said building/structure from the cropland he owns, this shall not qualify as a withdrawal from production.

#### Para 91 of the Decree

(1)<sup>n65/</sup> Changing the objective, purpose of cropland and the temporary or final withdrawal of cropland from production (hereinafter and jointly: withdrawal from production) as well as the incorporation of exterior land into the interior/district land will be permitted by the Land Office.

(2) If the suit for changing the objective of cropland, resp. for the temporary or final withdrawal from production of the land covers land extending over the areas of several Land Offices, the suit shall have to be considered by the County Land Office. And if the land in question extends over the territory of several counties, the suit shall have to be considered by the Minister of Agriculture and Food Supplies.

(3) If withdrawal from production would necessitate an official procedure regulated by a separate legislative rule, the agreement of the specialized authority mentioned under indent (1) shall have to be obtained.

(4) The provisions of a separate legislative rule shall govern the withdrawal of croplands from

production for purposes of the national defence and the police.

#### Para 92 of the Decree

- (1) The decision permitting the withdrawal from production shall compel the utilizer to perform the works necessary for protecting the cropland and arable soil.
- (2) If the utilization for another purpose endangers the productive/fertile soil, the utilizer shall have to be compelled to remove the fertile soil and to store the said soil on the site or near the site, resp. to cart it off to another land and to level it.
- (3) Temporary withdrawal from production can be permitted solely if the plan for restoring the land into its original state is attached to the demand

-----Footnotes-----

n65/ The text of indents (1) and (2) of para 91 of the Decree was defined by para 11 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- and the organ envisages the performance of all works which is necessary for restoration.

#### Para 61 of the Act

- (1) Any cropland withdrawn without the necessary permit from agricultural production shall have to be restored into its original state.
- (2) In justified cases, the Ministry of Agriculture and Food Supplies may be exempt on demand from the liability of restoring into the original state.

#### Para 93 of the Decree

It qualifies as a withdrawal of cropland from production without permit if

- a) upon beginning of the withdrawal from production, the permit has not yet been given or if five years have elapsed from issuing the permit,
- b) if the user of the cropland temporarily withdrawn from production for some other purpose is not terminating up to the term defined in the permit.

#### Para 94 of the Decree

- (1) In the case of withdrawal of cropland without any permit, provided that restoration into the original state has been required or if the user of the cropland has been exempted from restoration, the land protection penalty and the land protection fee for the temporary or final withdrawal shall have to be paid.
- (2) In the case of the former indent, the penalty, the fee and the expenditure on restoration can be accounted for as investment cost.

#### Para 95 of the Decree

If restoration of a cropland withdrawn from production without any permit into the original state has been ordered, the user of the land shall have to notify the Land Office of having completed the restoration.

Para 62 of the Act

(1) In the cases defined by indent (1) of 60§ and when damages have been caused in the quality of the cropland, in addition to indemnifying the owner, a single land protection fee shall also have to be paid.

(2) No land protection fee shall have to be paid if the cropland is used based on a permit and in a satisfactory manner by

a) an establishment operating for the purpose of soil protection,

b) a defence force in service of soil protection,

c) an irrigating channel or

d) a public area in the case of interior land,

e) n66/ By the council for a settlement area for the population, resp. by the employer for dwelling purposes of his own workers.

(3) No land protection fee shall be payable by the individual person or legal entity who takes a land, withdrawn from production and unused for more than 5 years up to the initiation of the investment project for ploughland cultivation, and takes the necessary measures for the utilization of the said ploughland to a value equal with the fee payable for the cropland temporarily or finally withdrawn from production.

(4) If the land protection fee calculated after the land used for ploughland cultivation does not reach the sum of the fee otherwise payable, the difference must be paid.

Para 96 of the Decree

Para 96 of the Decree

(1) If the cropland or an interior land in cultivation by a large-scale farm is withdrawn from production and belongs to the quality class 8, a foreign sum corresponding to 8-times the value in Gold Crowns shall have to be paid as a land protection fee (hereinunder: fee).

(2) If the land is of a quality better than that of quality 8, on defining the sum of the fee, the multiplier shall have to be increased by 3000 by each quality class in the case of ploughland, vineyard, orchard, garden cultivation up to quality class 5, from quality class 5 to class 1 by 5000, resp. in the case of turf, reed, fishpond up to class 5 by 2000, from class 5 to class 1 by 3000. In the case of a land registered as a fishpond, the multiplier shall have to be defined by taking as a basis the quality class of the connecting land.

(3) In the case of damage caused to the quality of land/soil, the fee to be paid shall be the difference between the fee payable for the new and old quality, as



-----Footnotes-----

n66/ The text of point e) of indent (2) of para 62 of the Act was defined by para 17 of Act XIX of 1989.

-----End Footnotes----- well as the fee according to the value in gold crowns.

(4) If the gold crown value of the land is not figuring in the land registry, the sum of the fee, resp. penalty shall be defined based on the average of ploughlands within the settlement, by applying the multiplier for class 4.

(5) For the temporary withdrawal of cropland from production, the fee shall be defined for the first year by using the multiplier of 1000, irrespective of the quality. The multiplier shall be increased by 500 annually, until the land restored into its original state is restored into agricultural production.

(6) When defining the extent of the fee, every started year shall be considered as a full year in which the land cannot anymore be utilized by agricultural production.

#### Para 97 of the Decree

Establishment for soil protection shall be considered as works, establishment, defence forest envisaged in the melioration plans of the territory, and the plant as well as the building of a channel for discharging harmful interior waters and the building of water flows.

#### Para 98 of the Decree

(1) Provisions on defining the sum of the fee shall be made in the Decree permitting the final withdrawal from production, resp. in the case of permitting the temporary withdrawal of cropland from production as well as when withdrawing land from production without any permit, in the decree on the compulsion of restoration into the initial state, resp. in the Decree ordering the termination of activities resulting in degrading the quality of arable land.

(2) The total sum of the fee shall have to be paid

a)n67/ In the case of investment projects, on the starting day with the practical implementation and in the case of dwelling areas not regulated by point

-----Footnotes-----

n67/ The text of point a) of indent (2) of para 98 of the Decree was defined by para 12 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- e) of indent (2) of para 62 of the Act on the day of sale.

b) Upon the final withdrawal from production for some other purpose, on the day when the decree on permitting the withdrawal comes into force,

c) when temporarily withdrawing the cropland from production for some other production elapses,

d) in the case of withdrawal without any permit, when the term defined for restoring into the initial state elapses or when the decision on giving exemption from the liability of restoring to the initial state, resp. on terminating the activity resulting in the quality degradation of the cropland comes into force.

(3) If withdrawal from production takes place on an area smaller than the one permitted, the decision on permitting the withdrawal and the sum of the fee shall have to be amended within 5 years of the day of coming into force of the liability of paying the fee. The fee paid for the land not withdrawn from production shall have to be repaid within 30 days of the coming into force of the decision.

(4) The utilizer of the cropland, resp. the one who has caused damage to the quality of the soil shall be compelled to pay the fee.

#### Para 63 of the Act

(1) One half of the land protection fee shall have to be paid if the cropland has been withdrawn from production, based on a permit and corresponding to the said permit

a)n68/ for developing a dwelling area not regulated by point e) of indent (2) of para 62,

b) when implementing an investment project related to the activity, by a large-scale farm on the cropland it uses,

c) for building a water reservoir also suitable for fish breeding and

d) if the cropland has been withdrawn from production for building or reconstructing a bank or dam for flood protection that also serves agricultural interests.

(2) The sum increased by 50% of the land protection fee shall have to be paid if a vineyard, orchard, cropland suitable for irrigation, cultivated by

-----Footnotes-----

n68/ The text of point a) of indent (1) of para 63 of the Act was defined by para 18 of Act XIX of 1989.

-----End Footnotes----- large-scale farming is withdrawn from agricultural production.

#### Para 64 of the Act

(1)n69/ A land protection penalty shall be paid by those:

a) who fail to utilize the cropland, omit to keep it in productive/fertile state and the temporary, secondary, resp. reutilization, and who fail to perform in time the plant care and plant protection works which correspond to the branch of cultivation with no negligence attributable to them.

b) Who fail to comply with the specifications for soil protection or who pollute the fertile soil with harmful substances as a consequence of which the quality of soil degrades, resp. the soil which was temporarily taken out of cultivation is returned in a poorer quality than in its original state.

c) the soil which was taken out of cultivation isn't returned to cultivation by the fixed term determined by the rule

d) the soil is taken out of cultivation without any permit or contrary to the regulations, respectively who change the branch of cultivation without any permit - if the change would have called for a permit - or who change the branch of cultivation not in compliance with the permit.

(2) The private individual who has proffered his real asset (cropland) free of charge to the State or a farmers' agricultural cooperative and his offer has been accepted, shall be exempt from paying the penalty which point a) of indent (1) stipulates.

(3) The land protection penalty can be imposed repeatedly but at the most once a year except in the case of point d) of indent (1).

#### Para 65 of the Act

No exemption can be made from paying the land protection fee and the land protection penalty, nor can any allowance/or exception/be afforded.

#### Para 99 of the Decree

(1)n70/ The land protection penalty

-----Footnotes-----

n69/ The text of indent (1) of para 64 of the Act was defined by para 19 of Act XIX of 1989.

n70/ Points a) and b) of indent (1) of para 99 of the Decree contain texts modified corresponding to the contents of indent (2) of para 16 of Decree 73/1989 (VII.7.) MT by the Council of Ministers. shall be a sum in forints corresponding to

-----End Footnotes-----

a) one thousand times the value in gold crowns of the cropland in the cases of points a) of indent (1) of para 64 of the Act,

b) three times the land protection fee corresponding to the degradation of the quality of soil in terms of gold crowns, in the cases of point b) of indent (1) of para 64 of the Act,

c) thrice the land protection fee payable for temporarily withdrawing the cropland from production, in the case of point c) of indent (1) of para 64 of the Act.

(2)n71/ In the case of point b) of indent (1) of para 65 of the Act, if the quality of soil degrades by at least two classes and furthermore in the case of point d) of indent (1) of para 64 of the Act, the sum of the penalty shall be thrice the land protection fee to be paid upon withdrawing the cropland from production.

(3) Any exemption of the liability of restoring the branch of cultivation does not exempt the user of land from paying the land protection penalty.

(4) The land protection penalty shall have to be paid within 30 days taken from the date of coming into force of the decision.

#### Para 100 of the Decree

(1)n72/ The decision on setting the land protection penalty shall be sent to the user of the cropland and additionally,

a) in the case of the land ownership of a private individual - if he is with identical of the user of the land - to the owner and the leaseholder,

b) in the case of a household plot and emolument land, to the chairman of the farmers' agricultural cooperative, resp. to the head of the employing organization.

(2)n54/ The land protection penalty for infringing the soil protection requirements, for polluting or contaminating the fertile/productive soil with deleterious substances, for omitting the preservation of the cropland in a fertile state and omitting the plant protection works the land-protection penalty shall be set by the specialized management institution in charge of plant hygiene and soil protection duties.

-----Footnotes-----

n71/ The text of indent (2) of para 99 of the Decree was defined by para 13 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

n72/ Para 100 of the Decree is the text modified in compliance with the contents of para 14 of Decree 73/1989 (VII.7.) MT by the Council of Ministers

-----End Footnotes-----

#### Para 101 of the Decree

(1) The land protection fee, the land protection penalty and the refunds payable for State-owned land entering into the possession of a farmers' agricultural cooperative by payment, shall be paid to the Land Protection Fund. The Land Protection Fund may also be increased from other sources.

(2) A grant or support from the Land Protection Fund can be afforded subject to competition unless a legislative rule provides otherwise.

(3) The Minister of Agriculture and Food Supplies shall care for the administration and the utilization of the Land Protection Fund.

#### Para 66 of the Act

(1) The Land Office will nationalize, without paying any damages, the cropland; resp. returns the right of management/administration of the cropland, the utilization, reutilization has been

omitted by the user due to his own failure and on whom a land protection penalty was imposed twice within five years.

- (2) The rule of the former indent shall be also applicable to any interior land which is not built up and is larger than 1500 sq.m., on which agricultural cultivation should be carried out.

#### Para 102 of the Decree

If cropland belongs to a detached farm building, the land covered by the building and necessary for its normal use shall have to be converted at the expense of the State before nationalizing it, so as to form a detached real asset, and this real asset may not be subjected to nationalization; This provision shall not apply in order to abandon the detached farm buildings.

#### Para 24 of the Enacting Clauses

*The elements defining the morphological and local climatic features of the region, thus particularly the relief, features of the ground and the characteristic surface formations, natural water surfaces and wet places of living (lakes, ponds, water courses, dead river beds, river beds without any constant river flow, springs), the natural plant stock of lands with unfavourable conditions of production or growing, valuable regions, which are significant from the aspect of culture or history (tumuli, earthwork, fields with ancient ruins etc.) shall have to be safeguarded in the course of utilization of cropland, working out and implementing in practice melioration projects and performing other activities; The regions declared as protected from the aspect of the protection of nature shall have to be maintained while in regions not subject to protection, efforts shall be made to safeguard them and to enrich the region with the values and attributes of nature.*

#### Para 25 of the Enacting Clauses

*In the case of melioration and in connection with utilizing a cropland for other purpose and changing the branches of cultivation, the preliminary expert opinion of the Land Office shall have to be already requested in the course of preparing the plan. The preliminary expert opinion of the Land Office does not qualify as a permit necessary for withdrawing cropland from production or for changing the branch of cultivation.*

#### Para 26 of the Enacting Clauses<sup>73/</sup>

*The activity resulting in degrading the quality of cropland shall have to be terminated and whenever possible, the quality of cropland shall have to be reinstated so as to obtain its initial state. If the initial (original) quality of the cropland cannot be reinstated, the extent of quality degradation shall have to be defined by the special management institution in charge of plant hygiene and soil protection duties.*

#### Para 27 of the Enacting Clauses

- (1) *The demand for withdrawing cropland from production shall be submitted to the Land Office. The request shall contain the full demand for the area. The list of area and map (drawing), the decree on working out the plan of expropriation and its supervision, shall have to be enclosed with the request.*

- (2) *If the party wishing to withdraw cropland from production intends to avail himself of the*

*possibility indent (3) of para 62 of the Act provides, he shall have to indicate his intention concerning §99 withdrawal from production §99 the case of withdrawing land from agricultural production without any*

-----Footnotes-----

n73/ The text of para 26 of the Enacting Clauses is the text modified according to the contents of para 4 Decree 10/1989 (VII.7.)MEM. *permit - his application for granting exemption in his demand.*

-----End Footnotes-----

*(3) If the withdrawal of cropland from production is necessary for accommodating an investment project subject to a permit of land utilization, the enclosures a special legislative rule defines shall have to be enclosed to the application submitted to the Land Office, for granting the relevant agreement by the specialized authority. In the application to the Land Office, more places (variants) shall have to be shown for locating the investment project, with the exception of investment projects of stationary character, and intended to be established on a specified land and the slow-shielding forest strip.*

*(4) A stationary investment project of specified site shall be considered the expansion of any existing establishment, the building of traffic and public services connection, the mine and any establishment necessary for the exploitation of other natural resources.*

#### Para 28 of the Enacting Clauses

*(1) The Land Office shall decide, based on an in-situ investigation on the withdrawal of land from production, resp. shall submit its proposal to the authority entitled to grant the permit.*

*(2) When granting the permit for withdrawing land from production, the following principles shall have to be implemented in practice:*

*a) the stock of raw materials shall have to be exploited down to the economically justified quantity from the land appointed for the strip mining of gravel, sand, clay, rock, peat etc. and the reutilization of the land shall have to be planned in the investment project;*

*b) Any refilling with infectuous or other harmful materials of pits remaining after terminating the stripmining shall be prohibited;*

*c) Sole land suitable for agricultural cultivation or of soil with low-grade quality may be appointed for the purpose of waste and garbage dumps.*

*(3) The liabilities specified in the decision shall have to be implemented in practice when working out the investment projects.*

#### Para 29 of the Enacting Clauses

*(1) The Land Office shall have to order restoration of any land withdrawn from agricultural production without any permit by indicating the relevant term.*

*(2) The user shall have to report the carrying out of the restoration or reclaiming work to the*

*Land Office within 30 days. Based on the said report, the carrying out of the restoration shall have to be supervised by an official examination and the extent of the land protection fee and penalty shall have to be defined.*

**Para 30 of the Enacting Clauses**

*When issuing a permit for withdrawing cropland from production, the Land Office shall proceed as a specialized authority and the Land Office shall issue a separate decision on defining the land protection fee.*

**Para 31 of the Enacting Clauses**

*Records shall have to be kept of the land protection penalty imposed on account of neglecting the liability of cultivation.*

**Para 32 of the Enacting Clauses**

*(1) The fee, the land protection penalty and price of expropriation as per indent (2) of para 6 shall have to be paid in favour of the "Impounded receipts account of land surveying contributions" of the County Land Office.*

*(2) The County Land Offices shall have to remit the sums paid in favour of the above said account twice annually not later than January 31 and July 31 of every year, in the form of an integrated sum, to the account "Land Protecting Fund" No. 232-90174-3351 MEM of the Ministry of Agriculture and Food Supplies (hereinunder: "Ministry").*

**Para 33 of the Enacting Clauses**

*(1) A non-refundable support can be given from the Land Protection Fund for the reutilization of:*

- a) fallow taken over from the council,*
- b) land withdrawn from agricultural cultivation,*
- c) unused enclosure area,*
- d) turf land,*
- e) forest land on flatland as well as for carrying out tasks and operations in favour of*
- f) protecting cropland.*

*(2) A support to be refunded can be granted from the Land Protection Fund for:*

- a) the voluntary exchange of land, for covering the countervalue or difference in value occurring in the course of a State/land re-allocation.*
- b) The planning and implementation cost of works necessary in favour of developing large-scale farming fields,*

*c) the preparation of utilization of lands owned by the State or by farmers' agricultural cooperatives unsuitable for large-scale farming.*

#### Para 34 of the Enacting Clauses

- (1) No support can be granted for the recultivation or reclaiming of such land for agricultural cultivation for which a support has already been given from the Land Protection Fund.*
- (2) The support to be refunded shall have to be repaid within 5 years, in equal installments, free of any interest.*

#### Para 35 of the Enacting Clauses

*The manager/administrator of cropland in State ownership and the farmers' agricultural cooperative can submit demands for support (hereinunder jointly: Applicable). The demand can be submitted to the County Land Office not later than January 31 of each year.*

#### Para 36 of the Enacting Clauses

- (1) The demand of the applicant for non-refundable support shall contain the following data:*
  - a) Size of the land intended to be re-utilized,*
  - b) definition of the planned works, term of beginning with and terminating the said works,*
  - c) the expected cost of implementation (by hectare and all together),*
  - d) the sum of the requested support,*
  - e) the planned quality of the land,*
  - f) the expected time of refunding the expenditure, by considering the standard of management on behalf of the applicant and furthermore,*
  - g) if the applicant, in case of his application is approved, would demand any advance and of which amount.*
- (2) The applicant shall have to enclose with his demand for a non-refundable support a list containing the land registry data of the land in question and an economic calculation of the refund of expenditure.*
- (3) In the case of a refundable support, only the cost calculus shall have to be enclosed to the application.*

#### Para 37 of the Enacting Clauses

- (1) The County Land Office will refuse acceptance of any unjustified applications; The County Land Office will assign to the applications certain grades to the justified applications and will form its proposal concerning the extent of support.*
- (2) The County Land Office shall have to prepare a list of applications for non-refundable*



*support. The list shall contain the data of indents (1) and (2) of para 36.*

*(3) Only the objective of use and the sums applied for shall have to be shown in the list made of the applications for refundable support.*

*(4) The County Land Office shall have to send the lists and its recommendation/proposal according to indent (1) up to April 30th of every year to the Ministry, together with the expert opinion of the special management organ in charge of agricultural and food supply duties of the executive committee of the county, resp. metropolitan council. In the case of farmers' agricultural cooperatives, also the opinion of the regional association shall have to be enclosed to the proposal.*

#### **Para 38 of the Enacting Clauses**

*(1) The Ministry will define the size of sum for use by each county by taking into consideration the sum available from the Land Protection Fund and the economic factors of re-utilization and shall supply the county land offices of such sums up to June 30 of every year. The Ministry shall simultaneously transfer the advances defined based on grantable applications and the sum necessary for paying out the non-refundable supports to the budget accounts the county land offices are keeping.*

*(2) The Ministry shall transfer the sum of the non-refundable supports up to March 1 of the following year in favour of the county land offices.*

*(3) An advance can be afforded if the support surpasses 50% of the planned cost of reutilization or if the sum of the support surpasses Ft 500,000.*

#### **Para 39 of the Enacting Clauses**

*(1) The applications will be considered and the corresponding decisions will be passed by the County Land Office based on the sum made available by the Ministry.*

*(2) In the decision approving the application in full or part, the term for terminating the works shall have to be indicated and provisions shall have to be taken on also making payable the advance, if any.*

*(3) As for a support to be refunded, the decision shall have to indicate the term of starting and terminating the payment of installments.*

*(4) As soon as the decision comes into force, the County Land Office shall have to transfer the sum of the support to be refunded to the banking institute keeping the applicant's account and take a notice of the term of repayment according to the decision.*

#### **Para 40 of the Enacting Clauses**

*Not more than 50% of the total cost of reutilization can be given as a non-refundable support. Any support surpassing 50% of the cost can be granted solely in exceptionally justified cases.*

#### **Para 41 of the Enacting Clauses**

*(1) The County Land Office may liquidate the non-refundable support the decree has defined*

*after reutilization of the branch of land of the cultivation of ploughland.*

*(2) The County Land Office shall have to supervise the practical implementation of ploughland cultivation of the land as well as its further utilization in the ploughland branch of cultivation. If experts have to be sent out, the cost arising shall have to be paid by the applicant.*

*(3) Should the applicant carry out the reutilization in a quality considerably lower than he has foreseen in his application (quality lower by at least 2 quality classes), the County Land Office shall have to refuse the payment of the support by a new decision or decree, and shall have to compel the applicant to repay the advance.*

*(4) If changing, within 10 years, the branch of cultivation of a ploughland that has been reutilized based on a support from the Land Protection Fund, the said support shall have to be repaid to the Land Protection Fund.*

## PART SIX

### CLOSING PROVISIONS

#### Chapter XIV

#### ORGANS ACTING IN THE MATTERS OF LAND

##### Para 67 of the Act

The following authorities shall have to act in connection with matters relating to land, unless the present act and other legislative rules do not provide otherwise:

- a) The District/Regional Land Office competent with respect to the situation of the real asset, with a possibility of appeal;
- b) The County Land Office in the case of an appeal (second instance).

##### Para 68 of the Act

In the course of the proceedings of the Land Office, the term of proceeding shall be:

- In matters requiring approval by the authority and supervision on the site: - 60 days,

##### Para 69<sup>n74/</sup> of the Act

-----Footnotes-----

n74/ Para 69 of the Act was nullified by indent (2) of para 20 of Act XIX of 1989. by July 1 of 1989.

-----End Footnotes-----

#### Chapter XV

#### ENFORCING, TRANSITORY RULES

Para 70 of the Act

(1) The present Act shall be enforced by September 1 of 1987; Any formerly initiated proceedings in progress should, however, be terminated with the former legal provisions.

(2)<sup>n75/</sup>

(3) Due to the present Act, any real asset owned by the State which has been transferred to management/administration of a farmers' agricultural cooperative, a cooperative society, an association operating with the participation of a cooperative and possessing a legal entity or a social organization by way of expropriation before the Act has been enforced

- shall become to be owned by the manager/administrator for having paid the indemnification for expropriation.

(4) The Council of Ministers shall enforce the present Act. The Council of Ministers shall define the rules concerning lands transferred for the permanent use of land; In this context, the Council of Ministers shall have to rule concerning transfer of such lands into the ownership of the permanent user of land and for taking into consideration this fact also as regards acquiring property on behalf of private individuals.<sup>n76/</sup>

(5) The Minister of Transport, Telecommunications and Building, the Minister of Justice, the Minister of Agriculture and Food Supplies, as well as the Minister of Finance shall be authorized to determine the detailed rules necessary for practically implementing the present Act in their respective spheres of activities.<sup>n77/</sup>

Para 103 of the Decree

(1) This Decree was enforced on September 1, 1987; Any already initiated procedures in progress should, however, be terminated in compliance with the former legislative rules.

-----Footnotes-----

<sup>n75/</sup> Indent (2) of para 70 of the Act was nullified by indent (3) of para 20 of Act XIX of 1989 by Sept. 1 of 1989.

<sup>n76/</sup> For the Enacting Clauses, see Decree 145/1989 (XII.27.)MT by the Council of Ministers on the acquisition of real assets by foreigners.

<sup>n77/</sup> Text modified corresponding to the organizational changes of indent (1) of para 2 of Act XVI of 1988.

-----End Footnotes-----

(2) The rules concerning the obligation of alienation of excess property shall apply to properties existing on September 1, 1987 if the obligation of alienation has been existing according to the former legislative rules and also to the present Decree.

(3) If an obligation for alienating the property of cropland possessed on September 1, 1987 based on the former paragraph, this obligation shall have to be complied with corresponding to the

former legislative rules.

(4) The present Decree does not affect the right of using land which any other former legislative rule has provided, nor shall be affected by it the use of land which Decree 45/1968 (XII.6.) Korm. by the government on certain questions in connection with the individual use of land has provided which entitles the beneficiary in person. Should the personal use of land terminate, the land shall have to be transferred by use of the owner (manager/administrator).<sup>n78/</sup>

Para 20<sup>n79/</sup>

(1) This Act came into force on July 1, 1989.

The provisions of the said Act shall apply to all matters in progress.

(2) Simultaneously with coming into force of the present Act, para 16, para 21, paras 24 through 26, indent (3) of para 41 and indent (1) of para 57 as well as para 69 of the Act become invalid.

(3) Para 39 as well as indent (2) of para 70 of the Act lost their validity on September 1, 1989.

Para 4<sup>n80/</sup>

This Act is came into force on July 1, 1989.

Para 4<sup>n81/</sup>

(1) This Act will come into force on the day of its enactment, except for the contents of indent (2).

(2) Para 1 of the Act came into force on March 1, 1990.

(3) Indent (2) of para 10 of the Act of Land as well as its paragraphs 30 through 33 and indent (3) of para 13 of

-----Footnotes-----

<sup>n78/</sup> The text of indent (4) of para 103 of the Decree was defined by para 15 of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

<sup>n79/</sup> Text providing the enacting of Act XIX of 1989.

<sup>n80/</sup> Text providing the enacting of Act XXI of 1989.

<sup>n81/</sup> Text providing the enacting of Act IX of 1990.

-----End Footnotes----- Law-Decree 4 of 1982 on the protection of nature shall become invalid. The provisions of the Act shall be applicable also in the course of buying off the lands owned by former farmers' agricultural cooperatives, resp. inheritors.

Para 104 of the Decree<sup>n82/</sup>

Para 105 of the Decree

(1) Simultaneously with the enforcement of the present Decree, the following legislative rules, decrees etc. shall lose their validities:

- Government Decree 36/1967 (X.11.) Korm. on carrying into effect of Act IV of 1967 on the further development of land ownership and the use of land, furthermore Decree 30/1972 (X.8.)MT by the Council of Ministers amending the former Decree, Decree 42/1977 (XI.3.)MT, 53/1979 (XII.30.)MT, 16/1981 (V.28.)MT and 72/1981 (XII.29.)MT;n83/
- Government Decree 45/1968 (XII.6.)Korm. Decree on certain questions related to the individual use of land,
- Government Decree 9/1969(II.9.)Korm. on the management/administration of real assets owned by the State as well as government Decree 25/1971 (VII.20.)Korm. and 29/1985 (VI.22.)MT amending the first mentioned Decree.
- Government Decree 31/1971 (X.5.)Korm. on certain questions of the ownership of citizens of household plots and Decrees 5/1978 (I.18.)MT and 48/1982 (X.7.)MT amending the former Decree,
- Government Decree 32/1971 (X.5.)Korm. on certain questions of the ownership of flats (condominiums) and resort houses (flats) of citizens as well as Decrees 33/1974. (VII.20.)MT, 6/1978 (I.18.)MT and 47/1982 (X.7.)MT amending the first mentioned Decree,
- points 4, 19, 23, 29 and 30 of Chapter I of the Annex as well as the second indent of Chapter II of Decree 29/1972(X.4.)MT by the Council of Ministers on amending certain spheres of activities of council bodies,
- points 8, 11 and 12 of Chapter I of the Annex to Decree 8/1973 (II.28.)MT by the Council of Ministers on the

-----Footnotes-----

n82/ Para 104 of the Decree was nullified by indent (4) of para 16 of Decree 73/1989 (VII.7.)MT by the Council of Ministers by September 1 of 1989.

n83/ Text modified corresponding to the correction published in No. 47 of 1987 of the Hungarian Official Gazette.

-----End Footnotes----- amendment of spheres of activities of certain council specialized management organs,

- Decree 11/1973 (IV.18.)MT by the Council of Ministers on certain questions of land ownership by individuals,
- Decree 28/1974 (VI.22.)MT by the Council of Ministers on the agricultural utilization of State-owned lands in management/administration by the council as well as Decree 35/1983 (IX.22.)MT by the Council of Ministers amending the former Decree,
- Decision 1025/1974 (V.18.)MT.h. on carrying into effect the law-Decree No. 6 of 1974 on

regulating the conditions of acquiring real assets by foreigners,

- point b) of indent (1) of para 8 of Decree 33/1976 (IX.5.)MT by the Council of Ministers on carrying into effect Law-Decree No. 24 of 1976 on expropriation and from indent (2) the text portion "and in the case of the business federation organ of a cooperative, the National Council", furthermore indent (1) of para 10 and indents (2) and (3) of para 62,
- 44/1976 (XII.30.)MT Decree by the Council of Ministers on carrying into effect the Law-Decree No. 34 of 1976,
- Decree 38/1977 (X.12.)MT by the Council of Ministers on carrying into effect Act VI of 1961 on the protection of lands serving agricultural purposes as well as Decree 54/1979 (XII.30.)MT by the Council of Ministers amending the former Decree,
- Decree 39/1977 (X.12.)MT by the Council of Ministers on the preemption right of the State and Decision 2027/1977 (X.12.)MT.h. amending the aforementioned Decree,
- of point 17 of indent (1) of para 1 of Decree 63/1981 (XII.5.)MT by the Council of Ministers on the decisions on State management subject to supervision by the Court, the text portion "a State re-allocation, furthermore" as well as point 23,
- para. 26 of Decree 8/1982 (III.15.)MT by the Council of Ministers on carrying into effect Law-Decree No. 3 of 1982 on the protection of nature,
- Decision 2027/1982 (X.7.)MT.h. on the application of legislative rules regulating the household plot, flat (home), and resort property of citizens,
- of point e) of indent (2) of part II of Decision 1041/1983 (X.16.)MT.h. on the rules of providing the population with building plots, the text portion "on transferring for permanent use of land and", furthermore point b) of indent (12), points 1 and 2 of part III and eventually, sentences 3 and 4 of point 3,
  - the Joint Decree 6/1977 (I.28.)MEM-EVM-PM-IM on transferring lands unsuitable for exploitation by large-scale farming to durable use and the Joint Decrees 27/1979 (XII.30.)MEM-EVM-PM-IM, 9/1981 (V.28.)MEM-EVM-PM-IM, 19/1983 (X.16.)MEM-EVM-PM-IM, 6/1985 (III.20.)MEM-EVM-PM-IM amending the first mentioned joint Decree,
  - Joint Decree 16/1983 (X.16.)EVM-PM-IM on transferring State-owned building plots for durable utilization and Joint Decree 17/1984 (XI.28.)EVM-PM-IM amending the first mentioned joint Decree,
  - Joint Decree 17/1983 (X.16.)EVM-PM on the purchase and sale of plots by the State shall be considered as null and void.

(2) Along with carrying into effect the present Decree,

- a) the following rule shall replace the second sentence of indent (2) of para 13 of Decree 33/1976 (IX.5.)MT by the Council of Ministers on carrying into effect the Law-Decree No. 24 of 1976 on expropriation:

"The family, the husband and wife and their children under age",

b) indent (1) of para 18 of Decree 8/1982 (III.15.)MT by the Council of Ministers on carrying into effect Law-Decree No. 4 of 1982 on the protection of nature shall be complemented by the following point g):

(In a region subject to protection of nature, the agreement of the authority in charge of protection of nature is necessary)

"g) for changing the branch of cultivation in cases defined by the legislative rule",

c) the following regulation shall replace point a) of para 20 of Decree 8/1982 (III.15.)MT by the Council of Ministers on carrying into effect Law-Decree No. 4 of 1982 on the protection of nature:

(The agreement of the authority in charge of protection of nature is necessary for every activity influencing the condition, resp. the state of a region subject to protection of nature, and thus particularly):

"a) for changing the branch of cultivation in cases defined by the legislative rule".

Para 16n84/

(1) The present decree came into force on July 1 of 1989. Its rules shall have to be applied also to matters in progress.

(2) Along with coming into force of the present Decree, points h), m), n), o), u), v), x) of para 1 of the Decree, its para 13 and indent (2) of its para 16, para 17

-----Footnotes-----

n84/ Text providing the enacting of Decree 73/1989 (VII.7.)MT by the Council of Ministers.

-----End Footnotes----- and 18, indent (1) of para 20, paras 32 through 47, paras 60 through 62, para 82, indents (2) and (4) of para 85, the word "annually" in indent (1) of para 86, "and F)" of point a) of indent (1) of para 99 and the text "and d)" of point b) shall have to be considered as null and void.

(3) Along with coming into force of the present Decree,

- indent (1) defined by indent (4) of para 16 of Government Decree 32/1971 (X.5.)Korm. of para 4 of Government Decree 32/1969 (IX.30.)Korm. on regulating the alienation of building real assets in State ownership,

- point 15/a of indent (1) of para 1 of Decree 63/1981 (XII.5.)MT by the Council of Ministers amended by Act IV of 1986 as well as Decrees 17/1983 (VI.1.)MT, 60/1984 (XII.13.)MT, 12/1986 (IV.22.)MT, 57/1986 (XII.10.)MT, 26/1987 (VII.30)MT, 36/1987 (IX.29.)MT, 114/1988 (VII.31.)MT and 41/1989 (V.7.)MT,

- Decree 51/1982 (X.7.)MT by the Council of Ministers on the size of resort homes which citizens may build,

- indent (2) of para 2 of Decree 27/1987 (VII.30.)MT by the Council of Ministers, the last sentence of indent (2) of para 6, para 14 and the reference made to para 39 of MT in indent (1) of para 15 of the said Decree,

- indent (2) defined by para 1 of Decree 3/1988 (V.26.)IM by the Minister of Justice of para 58 of Decree 6/1958 (VII.4.)IM by the Minister of Justice on the execution of a will,

- indent (2) defined by para 43 of Decree 6/1987 (IX.1.)EVM-MEM-IM-PM of para 13 of Decree 12/1986 (XII.30.)EVM on the procedure of permitting construction work and utilizing buildings and real assests, furthermore indent (4) of the said Decree and the sixth and seventh sentence of point 4/a) of Annex No. 3 of the said Decree,

- point b) of para 1 as well as paras 20 through 41 of Joint Decree 6/1987 (IX.1.)EVM-MEM-IM-PM on the management/administration of real assets owned by the State, as well as on the regulation of certain questions related to the ownership of flats (homes), resort homes, household building plots, holiday resort plots and croplands of private individuals, shall be considered as null and void.

(4) The portion of text "or indent (2) of para 11" of indent (2) of para 11 and 12 of Decree 27/1987 (VII.30.)MT by the Council of Ministrs on the rules concerning lands transferred for permanent utilization, i.e. paras 55 through 58 and para 104 of the Decree, furthermore the last sentence of indent (4) of para 12 shall be considered as null and void; furthermore, Decree 7/1987 (IX.1.)IM by the Minister of Justice on the procedure related to the transference of real asset ownership of private individuals illegally dwelling abroad shall equally be considered as null and void and any procedures and processes in progress shall have to be stopped.

#### Para 17n84/

(1) The liability of alienation specified for the excess ownership of real assets existing when the present Decree comes into force shall be nullified when this Decree comes into force.

(2) Any procedures and processes initiated before coming into force of the present Decree as regards acquiring ownership by private individuals (releasing the limitation individuals (releasing the limitation of acquiring possession, sale of excess properties by the council, etc.) shall have to be stopped along with the coming into force of the present Decree. When entering the right of property of private individuals into the land registry, in connection with the relevant procedure, the rules of the present Decree shall be taken into consideration.

(3) If the circumstance /indent (1) of Act 30/serving for a basis of buying off, resp. redemption has taken its origin at a time before the present Decree has come into force but the competent Land Office has not yet been notified of it before the present Decree has come into force, the chairman of the farmers' agricultural cooperative shall make the respective report with the contents as per indent (1) of para 48 along with the amendment of the articles of the cooperative within 30 days of March 31, 1990.

(4) If in connection with the circumstance reported before coming into force of the present Decree serving as a basis for redemption, the entry in the land registry of the right of ownership of the farmers' agricultural cooperative has not taken place before coming into force of the present Decree, the Land Office shall request the chairman of the farmers' agricultural cooperative to repeat his report and to amend the articles of the cooperative at latest within 30 days after March 31, 1990 but with the contents corresponding to indent (1) of para 48.



(5) The procedure based on an agreement submitted to the competent Land Office concluded before coming into force of the present Decree, for transferring the managing/administration rights of a State-owned real asset shall have to be completed in compliance with the earlier legislative rules.

Para 2n85/

The present Decree comes into force on the day of its programmation/publication. Indent (2) of para 54, paras 49 through 51 of the Decree, as well as paras 4 through 6 of Decree 8/1987 (IX.1.) MEM and indent (3) of para 14 of Decree 7/1977 (III.12.)MT by the Council of Ministers on the carrying into effect of Act III of 1967 on farmers' agricultural cooperatives shall be considered null and void.

Para 42 of the Enacting Clauses

*(1)n86/ This decree came into force on September 1, 1987; Any already initiated procedures in progress shall have to be completed, however, according to the earlier legislative rules.*

*(2) The following legislative rules shall be considered as null and void simultaneously with coming into force of the present Decree:*

*- Act VI of 1961 on the protection of lands for agricultural cultivation and Decree 33/1977 (X.12.)MT by the Minister of Agriculture on carrying into effect Decree 38/1977 (X.12.)MT by the Council of Ministers as well as Decrees 26/1979 (XII.30.)MEM and 26/1981 (XII.29)MEM by the Minister of Agriculture amending the former MEM Decree.*

*- Decree 29/1976(IX.2.)MEM by the Minister of Agriculture on carrying into effect law-decree No. 23 of 1976 on land-reallocation.*

*- Decree 14/1974 (VII.4.)MEM by the Minister of Agriculture on carrying into effect Decree 28/1974 (VI.22.)MT by the Council of Ministers on the agricultural utilization of State-owned lands managed/administered by councils, as well as the following Decrees of the Minister of Agriculture: 3/1977 (I.10.)MEM, 36/1977 (XI.3.)MEM, 15/1983 (IX.22.)MEM and 29/1983 (XII.30.)MEM amending the former Decree.*

*- Decree 44/1968 (XII.11.)MEM on carrying into effect Government Decree 45/1968 (XII.6.)Korm. on questions related to the use of land by private individuals,*

*- Decree 12/1968 (III.16.)MEM by the Minister of Agriculture on the use of emolument land and*

*- Decree 17/1985 (XII.31.)MEM by the Minister of Agriculture on the Land Protection Fund.*

-----Footnotes-----

n85/ Text providing the enacting of Decree 32/1990 (II.18.) MT by the Council of Ministers.

n86/ Text providing the enacting of Decree 8/1987 (IX.1.)MEM.

-----End Footnotes-----

Para 5n87/

- (1) This Decree came into force on July 1 of 1989. The provisions of this Decree shall apply also to matters in progress.
- (2) Simultaneously with the coming into force of this Decree, the text portion "suitable for large-scale farming/cultivation" in para 9 of the Enacting Clauses as well as the paragraph 4 to 6 of the Enacting Clauses, and furthermore paras 19, 20 and 21 of the Enacting Clauses shall be considered as null and void.