

REPUBLIC OF ALBANIA

THE PARLIAMENT

LAW 8318, 01.04.98

THE LAW

ON

LEASING THE AGRICULTURAL LAND, FOREST LAND

MEADOWS AND PASTURES, WHICH ARE STATE PROPERTY

Based on the Article 16, Law No.7491, dated 29.04.1991 "For the Main Constitutional Provisions" with a proposal from the Council of Ministers,

PARLIAMENT OF THE REPUBLIC OF ALBANIA

DECIDED

CHAPTER I - GENERAL PROVISIONS

ARTICLE 1

This Law entitles state to lease the land under its ownership, to physical or juridical persons who may be both nationals or foreigners.

ARTICLE 2

The definitions of this Law are as follows:

"Land" implies the state property land, classified in the fund of agricultural land, forest land, forest vegetation, meadow and pasture land.

"Lessor" implies the state represented by any state institution that has by law the authority to make a leasing contract for the land he administers.

"Lessee" implies any physical and juridical person, national or foreigner that leases state owned land according to the requirements of this law.

CHAPTER II- CONTRACTUAL TERMS OF LEASING

ARTICLE 3

The terms for leasing the land are regulated between contracting parties, with a special contract in accordance with the requirements of the Civil Code and the legal acts as well as by-laws concerning agricultural land, meadows, pastures, forests, hunting, waters, fishing and environment.

The terms not specified in the leasing contract between parties, but can later show up, are worked out through an agreement between parties. In case of disagreement, the parties involved solve that in the competent court.

ARTICLE 4

Violation of the land leasing contract terms by the parties makes compulsory the payments according to the respective provisions of the Civil Code, for the damages caused by each party.

Any claim of either party should be presented to the other, at least 90 days before the contract expires.

ARTICLE 5

When the lessee wants to terminate the land leasing contract before the term foreseen in the original contract expires, he is obliged to notify the lessor in writing at least 180 days before the term required to terminate the leasing contract expires.

ARTICLE 6

In the leasing contract between parties, the lessor notifies the lessee that, for the land under state's ownership that he has leased, the lessor is entitled to re-take it before the contract expires when, according to the urban plan, an investment is foreseen to be made for public purposes in this area of land.

The lessor is obliged to notify the lessee in a written form, at least 1 year prior to the date of re-getting in ownership the leased land.

The lessor is obliged to compensate the lessee, for the expenses he has made, according to the appropriate provisions of both Civil Code and type of investment.

CHAPTER III- THE TIME TERMS OF LAND LEASING

ARTICLE 7

The time terms of a leasing contract are determined according to the use of the land as well as the scale of investments made in land.

The time terms of a contract for forests, land with forest vegetation, pastures and meadows will be determined according to the respective provisions of the laws "On forests and forest police" and "On pastures and meadows".

ARTICLE 8

The time terms of leasing land, which is state property, would be as follows:

1. Up to 10 years for the short-term leasing contracts, where are included activities that concern field crops and edible oils.
2. Up to 30 years for the mid-term leasing contracts, where are included activities that are related to animal products, production of saplings, protected environments and low forests (stubs lot).
3. Up to 99 years for the long-term leasing contracts, where the included activities concern tourism, recreation, high forest and fruit-trees.

When the activity according to points 1 and 2 is accompanied with investments for their processing, they will be handled as long-term leasing contracts.

ARTICLE 9

The criteria for the annual value of the state owned land are defined by a Decision from the Council of Ministers.

ARTICLE 10

The criteria and form of payment of the lease value by the lessee is defined by a decision of the Council of Ministers.

CHAPTER IV- THE MINIMUM SIZE OF LAND

ARTICLE 11

The surface of forest land, meadows and pastures that are leased, should not be smaller than the minimum boundary of a sub-parcel.

With respect to the forest land, the forest sub-parcel cannot be divided.

ARTICLE 12

The criteria for the minimum size, according to article 12, are not applied when an area of land made up of different types of land is requested to be leased, for purposes of tourism development, agrotourism or for the preservation of the biodiversity of the area.

CHAPTER V- THE APPROVAL OF REQUEST

ARTICLE 13

The state agency that is going to lease land, establishes a board of agricultural, forest, urban, environment and specialists and lawyers who resolve the technical requirements foreseen by this law for leasing land.

The board defines the area of land to lease according to the criteria below:

1. The area of land that is going to be leased must not be subject to a claim according to the laws for the restitution of properties to the ex-owners.
2. The area must not be subject to public investments within a time period of 10 years.

The state agency presents the requests for leasing land parcels to the board to review them and then submits them to the Ministry of Agriculture and Food for approval.

ARTICLE 14

For the land in the touristic areas, national parks as well as the areas strictly protected, the appropriate approval is made by the Council of Territory Adjustment of the Republic of Albania.

ARTICLE 15

Leasing of state-owned land by the respective organs is made through auction.

Auction rules as well as the land leasing standard contract are determined by the Council of Ministers.

ARTICLE 16

Every physical or juridical person, either native or foreigner, that requests to lease land must present a written request that includes the following:

- a) Description of the activity he is going to conduct as well as his attitude towards the environment.
- b) A certification that he has no financial or legal obligations to pay off to the state.

ARTICLE 17

Registration of the land leasing contract in the Immovable Property Registration Office, according to this law, is excluded from payment of the fee in this Office.

ARTICLE 18

This law becomes effective 15 days after being published in the Gazette.

This law was promulgated with decree no.2045, dated April 15, 1998 of President of Republic of Albania, Rexhep Mejdani