

# **Resolution on Application of Law on Ownership, Utilization of Farmland**

April 27, 1991

[Council of Ministers Resolution No. 74 of 25 April 1991: "Regulation for the Application of the Law on Ownership and the Utilization of Farmland"]

## Chapter 1

### General Stipulations

Article 1. (1) In the sense of the Law on the Ownership and Utilization of Farmland (ZSPZZ), farmland is land to be used for agricultural production and that:

1. Is not located within the construction limits of settlements and industrial resort, and tourist complexes and other settlement formations established on the basis of general and detailed urban construction plans and circumferential areas;
2. Is not included in the forest fund as per Article 3, paragraph 2, of the Law on Forests;
3. Does not include buildings of industrial or other economic enterprises, rest or health establishments, religious communities, or other public organizations, or constitute yards or warehousing premises of such buildings;
4. Is not covered by strip mines and quarries, and power, irrigation, transportation, and other public-use systems or is a part of such installations or else of natural water currents and aquatic areas;

(2) Farmsteads of labor cooperative farms (TKZS's) and state farms (DZS's) or parts of them, located outside the construction limits of settlements, shall be considered farmland unless they are built up and suitable for agricultural production.

Article 2. (1) The state, the municipalities, citizens, and juridical persons may acquire and have ownership rights over farmland.

(2) The following have no right to own farmland:

1. Political parties, organizations, movements, and coalitions pursuing political objectives;
2. Foreign countries, foreign juridical persons, and juridical persons with foreign participation.

(3) Foreign citizens and Bulgarian citizens who are permanent residents abroad and who acquire farmland by inheritance must by law, transfer it to the state to municipalities, to private citizens, or to juridical persons of their choice within three years after probate. Should they fail to transfer such land within the stipulated time, the land will be bought out within a period of three months by the municipal people's council at prices set by the Council of Ministers. Should the municipal people's council refuse to purchase the land or the term have expired, the land shall be purchased by the state.

(4) Foreign juridical persons, foreign citizens, and Bulgarian citizens who are permanent residents abroad may acquire the right to use as well as other limited material rights on farmland by permission of the National Land Council.

Article 3. The owner must use the farmland exclusively for the production of vegetable and animal goods. Farmland under forests shall be used for the production of vegetal, vegetal-timber, and animal husbandry goods.

Article 4. (1) Owners and users of farmland must observe the fire-prevention rules and sanitation-hygiene and ecological standards while engaging in agricultural activities, and the instructions issued by the specialized authorities.

(2) Owners and users must:

1. Protect the farmland from erosion, swamping, salinization, pollution, and other harm; restore affected soils; and upgrade soil fertility;
2. Use exclusively the types of chemical fertilizers and preparations approved by the competent state authorities;
3. Use for irrigation purposes waters that do not contain harmful admixtures or refuse above admissible standards.

(3) Owners and users must ensure the implementation of measures financed by the state for the building of installations for the protection of the land from erosion and other processes that harm the physical integrity and productivity of the soil.

Article 5. Owners and users of farmland on whose lots equipment or installations for general use and geodesic and boundary markers are located or that cross them must protect them and not damage them while using the land and secure access to them for use by other individuals for purposes of preventive examinations or damage repairs.

Article 6. (1) Equipment and installations that have been written off or for which the need no longer exists shall be removed by the owners after harvesting the crop. They shall be removed immediately if they create an immediate threat to livestock or to the health and property of the owner or user. In such cases, the owner of the installation or the equipment will pay damages for any harm that was caused, or for lost opportunities.

(2) If equipment and installations have not been removed within the period stipulated in paragraph 1, they may be removed by the owner or user of the land at the expense of the owners.

(3) Following the removal of the equipment and installations, the owner of the lot may be given priority in acquiring the right of ownership of the thus-released farmland at prices set by the Council of Ministers. If the thus-released land borders different lots, the right of ownership on this land will be auctioned off to the owners of such lots.

Article 7. (1) The owner shall pay the tax as per Article 5 of the ZSPZZ unless he uses the farmland in accordance with the stipulations of Article 3 for three consecutive calendar years. Once the right to use has been established, the tax shall be owed by the user.

(2) The nonutilization of farmland for its purpose shall be determined on the basis of a protocol drawn up by an official of the municipal land commission, which will investigate no less than once annually. The protocol shall be drawn up in the presence of the owner or user or their representative and at least one witness. If, after being summoned, the owner or user fails to

appear or send a representative, the protocol shall be drawn up in the presence of at least two witnesses.

(3) The protocol shall include the following:

1. The full name and position of the person who draws up the protocol;
2. The date and place of the drawing up of the protocol;
3. A description of the facts;
4. The full name (the appellation) and the address (seat) of the owner or user;
5. The names and addresses of the witnesses;
6. Explanations or objections on the part of the owner or user or their representative;
7. The signatures of the official, the owner, or user or his representative, and of the witnesses.

(4) The protocol shall be kept by the municipal land commission. A copy of the protocol shall be issued to the owner or user in accordance with the Civil Procedure Code. Should they disagree with the facts listed in a protocol, interested individuals may plead their claims in court.

(5) After three consecutive years, the copies of the protocols shall be sent to the financial service of the respective municipal people's council.

(6) The amount of the taxes per paragraph 1 shall be determined from an evaluation based on market prices for the average yield per decare for the area of the municipality or for the respective category land, obtained over the three previous years from the most frequently planted crops.

(7) The tax will be determined by the financial service of the municipal people's council on the basis of the protocols as per paragraph 2, and collected by 31 March of the fourth year.

## Chapter 2

### Citizens' Land

Article 8. (1) If, after the restoration of the right of ownership of farmland it is determined that a household owns land the size of which exceeds the limits stipulated in Article 6 of the ZSPZZ, the owners must dispose of the amount of land exceeding the upper limits within two years from the restoration of the rights of all members of the household.

(2) The time as per paragraph 1 begins to run on the day on which the resolution of the municipal land commission or the court, as per Article 27 or, respectively, Article 28, is enacted.

(3) The procedure as per paragraph 1 shall apply also when the limits as per Article 6 of the ZSPZZ are exceeded, for land owned by a single household or inherited or acquired by any other means.

(4) In the case of failure to observe the deadline as per paragraph 1, the amount of land exceeding the stipulated amount shall be purchased by the municipality, at prices set by the Council of Ministers, within three months or, in the case of refusal or after the expiration of the deadline, by the state.

Article 9. Should a household own farmland in intensive and nonintensive areas, the maximally admissible amounts as per Article 6 of the ZSPZZ shall be determined as per the following ratios:

1. One decare of farmland in an intensive area equals 1.5 decares in a nonintensive area;
2. One decare of farmland in a nonintensive area is the equivalent of 0.67 decares in an intensive area.

Article 10. In disposing part of the farm property or in its division, the actual portions may not be under three decares for fields, two decares for meadows, and one decare for vineyards or orchards.

Article 11. Owners of land exceeding 100 decares or respectively, 30 or 50 decares, that was condemned as per Article 8, paragraphs 2 and 3, of the Law on Labor Land Ownership of 9 April 1946, and who were not compensated in accordance with the stipulations of Article 14 and following of the same law, shall be compensated on their request as follows:

1. With land from the state or the municipal land fund of the land of the settlement in which the land was located;
2. With land from the state land fund in the land areas of other settlements, with their agreement;
3. With cash.

Article 12. (1) In the case of individuals as per Article 10, paragraph 8, of the ZSPZZ, the three-year term for transferring ownership begins on the day on which the resolution of the municipal land commission or the court, as per Articles 27, respectively 28, is enacted.

(2) In the case of violation of the deadline as per paragraph 1, the farmland shall be purchased in accordance with the stipulations of Article 8, paragraph 4.

Article 13. (1) A petition in two copies must be submitted for the restoration of the right of ownership of farmland, to include the following:

1. Name of the land commission;
2. The full name (the appellation), address (seat), and EGN [uniform civil number] of the petitioner and his representative, if such exists;
3. A description of the property -- size, location, former neighbors, and so forth;
4. The nature of the petition: obtaining land or its monetary equivalent;
5. A list of the appended proofs;

6. The signature of the petitioner or his representative.

(2) The following must be attached to the petition:

1. Written proof of the right of ownership in the sense of Article 12, paragraph 3, of the ZSPZZ;
2. Statement concerning land obtained as per point 4 of the Provisional and Concluding Stipulations of the ZSPZZ;
3. Certificate of inheritance, when the restoration is requested by an heir (heirs) of a deceased owner;
4. Transcript of the petition if restoration of the right of ownership in another area, as well, is requested.

(3) Petitioners who submit incorrect data are held liable as per Article 313 of the Penal Code.

Article 14. (1) A petition submitted by one heir applies to all other heirs.

(2) In the case of several heirs, the petition as per Article 13, paragraph 2, point 2, shall be submitted by each of them. If any one of the heirs refuses to submit a petition and if the data in the petition may not be acquired through official channels, the legal relations shall be settled in accordance with the procedure stipulated by the National Land Council, as per item 4, paragraph 4, of the Provisional and Concluding Stipulations of the ZSPZZ.

Article 15. (1) The petition as per Article 13 shall be submitted to the municipal land commission at the location of the farmland subject to restoration. Should the petition be submitted to another land commission or mayoralty that does not have a land commission, it will be sent through official channels to the respective land commission, and the petitioner shall be informed of this fact. The deadline shall be based on the date of submission of the petition.

(2) If the submitted documents do not meet the requirements of Article 13, the petitioner shall be informed so that he may correct the irregularities. Until such irregularities have been eliminated, the petition shall not be considered. The deadline as per Article 14, paragraph 1, of the ZSPZZ shall apply as of the day of the elimination of the irregularities in the petition and the attached documents.

Article 16. (1) The municipal land commission shall make public on each subsequent work day of the week, in the mayoralty or at any other suitable permanent place, petitions submitted for the restoration of the right of ownership of farmland received during the week.

(2) Within three months from the day of the announcement as per paragraph 1, any interested individual may submit in writing his objections to the facts listed in the petition, with a copy to the petitioner, to the municipal land commission.

(3) The municipal land commission shall inform the petitioner of the objection, in accordance with the Civil Procedure Code.

(4) In the cases stipulated in paragraph 2, the municipal land commission shall stop the processing of the petition for the restoration of right of ownership until the argument has been

resolved through the courts or the objection has been withdrawn personally or with a notarized statement.

Article 17. (1) Within six months of receipt of the petition, the municipal land commission must issue a ruling determining the size and category of farmland to which the petitioner has a right.

(2) If the petitioner has requested the monetary equivalent of the land, by decision as per paragraph 1, the amount shall be determined as well.

(3) The ruling may be appealed in accordance with Article 14, paragraph 3, of the ZSPZZ.

(4) The complaint shall be submitted to the rayon court via the municipal land commission. Within three days of receipt, the municipal land commission must submit the complaint, along with the entire correspondence, to the court. Should this deadline be violated, the petitioner may send a transcript of the complaint directly to the court, which will request the correspondence through official channels.

Article 18. (1) Within six months of the enactment of the ZSPZZ, the municipal people's council shall submit to the municipal land commission data on changes that have occurred in the farmland by area and category of land on the basis of:

1. The boundaries of the land area, the forest fund, and the settlement at the time of the establishment of the TKZS and the DZS and the enactment of the ZSPZZ. Arguments concerning boundaries shall be resolved in accordance with the procedure stipulated in the law;

2. The size of farmland in the year of establishment of the TKZS and the DZS, by type of ownership;

3. The size of the reduction of farmland after the founding of the TKZS and the DZS, as a result of:

a. Land condemned for state and public needs, including land within the construction limits of settlements;

b. Dams, canals, pumping stations, roads, industrial buildings, equipment, installations, and other built-up facilities of the TKZS, the DZS, agricultural firms, and cooperative enterprises;

c. Land as per Article 24, paragraph 3, of the ZSPZZ;

d. Land unsuitable for farm use, excluded from the farmland by the National Land Council, on the suggestion of the municipal land commission;

e. Land granted for use as per item 4 of the Provisional and Concluding Stipulations of the ZSPZZ;

f. Land used by scientific, scientific-production, and educational establishments, by seed producers and livestock breeding farms, by prisons, and by forest farms, in amounts stipulated by the National Land Council;

g. Land recognized as a single farmstead and residence of members of the TKZS;

h. Land, the use of which is contemplated for meeting state requirements, in which case the procedure for the approval of such purposes was initiated prior to the enactment of the law and has not been completed;

i. Land that is part of the state forest fund;

4. The increased amount of farmland after the establishment of the TKZS and the DZS through:

a. Development of new farmland;

b. Recultivation of spoiled land;

c. Exclusion from the state forest fund;

d. Exclusion of land from the construction limits of settlements as per item 2 of the Additional Stipulations of the ZSPZZ;

5. The amount of available farmland for restoration, based on categories in accordance with the cadastre, with data consistent with the preceding items.

(2) The municipal people's councils shall provide data required as per the preceding paragraph from the cadastre and other sources.

(3) The municipal land commission shall draw up a protocol for equating the categories of land by owners in the forming of the TKZS and the DZS with the categories of the land according to the cadastre or other data.

Article 19. (1) Should it be established that the amount of the farmland has been reduced, the municipal land commission shall establish a coefficient with the help of which the amount of the land to be restored to each owner can be determined. The coefficient shall be established by dividing the amount of the available farmland by the size of the land in the year of establishment of the TKZS and the DZS.

(2) The municipal land commission shall determine, on the basis of a protocol, the amount of the farmland to be restored by category for each owner by multiplying the coefficient as per paragraph 1 times the amount of the land determined in the resolutions as per Article 17. In the case of land belonging to the state land fund, the amount and the category shall be coordinated with the minister of agriculture and food industry.

(3) In the division of land according to category among the owners, a scarcity of land in one category shall be compensated with land of a related category. The allocation shall be based on a descending or ascending ranking of categories. The differential between the size of the land indicated in the resolutions as per Article 17 and the size as per paragraph 2 by category shall be paid according to prices set by the Council of Ministers.

Article 20. (1) The distribution of the land shall include the study, engineering, publication, approval, tracking, and coordination of boundaries and documentation of farmland by owner.

(2) The municipal land commission shall organize the technical activities listed in paragraph 1.

Article 21. The study shall include:

1. The search and systematization of the existing cadastral plans, charts, and documentation; the systematization of the submitted petitions for the restoration of the right of ownership; and the adopted resolutions on such petitions;
2. Familiarization with the instructions and resolutions of the National Land Council, the municipal land council, and other competent authorities, and the plans for the territorial structure;
3. Study of the terrain.

Article 22. The land distribution plan shall be drafted on the basis of an actual map and on a scale not smaller than 1:10,000, in two phases. It shall contain text and graphic materials.

Article 23. (1) The first phase in drafting the plan for land distribution shall include:

1. Enumerating the land defined as per Article 18, paragraph 1;
2. Determining blocks of farmland within which the land is classified according to permanent use, reflecting the size and category of the land;
3. Designing the necessary field roads, easements, and other improvement elements and antierosion, reclamation, and other environmental protection measures.

(2) The plan as per paragraph 1 shall be displayed publicly at a suitable place in the mayoralty. Within 14 days of its publication, written objections may be submitted, as well as proposals to the municipal land council.

(3) The draft for the first phase of the plan for land distribution and the received objections and suggestions shall be considered by an expert council. The council shall be appointed by order of the chairman of the municipal land council and shall consist of no fewer than three members. The council shall include an engineer-geologist or a land regulation engineer, an agronomist, and other specialists.

(4) The draft of the first phase of the plan for the division of the land must be approved by resolution of the land commission.

(5) As assessed by the performer of the work, the first phase of the plan for the distribution of the land shall be mapped and coordinated.

Article 24. (1) The implementation of the second phase of the plan shall begin if resolutions have been passed as per Article 19, paragraph 2, on at least one-half of the submitted petitions.

(2) The boundaries shall be defined on the basis of the resolutions of the municipal land council as per Article 19, paragraph 2, in accordance with the specific technical requirements. Whenever possible, in mountainous and semimountainous areas, where the boundaries of the property of one or several owners have been preserved, the land may be restored in its old actual boundaries.

Article 25. (1) The municipal land council shall publish in DURZHAVEN VESTNIK an announcement on the drafting of a plan for land distribution. The draft plan shall be displayed publicly in a suitable area in the mayoralty and publicized through the information media.

(2) Interested individuals have the right to submit written objections to the municipal land council on the draft plan for land distribution within 14 days of the date of its publication in DURZHAVEN VESTNIK.

(3) Within a 14-day period, the municipal land council shall consider all objections that have been received and shall pass on them. The accepted objections shall be reflected in the draft land distribution plan.

(4) The corrected draft plan for land distribution shall be approved by the municipal land council by resolution. The commission shall announce in DURZHAVEN VESTNIK the approval of the land distribution plan. The announcement shall be suitably displayed in the mayoralty and publicized through the information media.

(5) Objections to the approved land distribution plan may be filed with the okrug court within one month of the date of publication in DURZHAVEN VESTNIK, via the municipal land council. The court's decisions are final.

(6) The approved land distribution plan shall become effective unless appealed within the period stipulated in paragraph 5 as of its day of publication in DURZHAVEN VESTNIK or the day of the court's ruling.

Article 26. (1) The enacted land distribution plan may be amended only in the case of an obvious factual error or a violation of the law.

(2) Changes in the land distribution plan shall follow the sequence of its formulation, publication, and approval.

Article 27. (1) On the basis of the enacted land distribution plan, the municipal land council shall pass a resolution in which it shall describe the size, land category, and lots for which the right of ownership is restored, and shall determine the amount of the compensation.

(2) The resolution as per the preceding paragraph shall be reported to the individuals in accordance with the Civil Procedure Code. Within 14 days of the announcement, the resolution may be appealed through the courts, but only concerning the amount of the owed compensation.

Article 28. (1) In the case of owners about whom no enacted resolutions have been passed as per Article 17, prior to the initiation of the second phase of the land distribution plan, lots shall be allocated in the order in which the resolutions have been passed. This will take place following the enactment of the land distribution plan.

(2) The municipal land council shall pass a resolution determining the size and the category of the land for which the right of ownership is restored, the amount of the owed compensation, and the specific lots.

(3) The resolution shall be reported to the interested individuals in accordance with the Civil Procedure Code. It may be appealed within 14 days with the okrug court. The court's decision shall be final.

Article 29. In the case of restoring the right of ownership of farmland to a deceased owner, the resolution shall be applicable to all the heirs.

Article 30. (1) The boundary lines of the approved lots shall be marked, coordinated, and documented.

(2) Boundary lines shall be given coordinates within a unified system.

(3) Materials and data on the restored property shall be entered in the cadastre.

Article 31. (1) For technical reasons, a difference of up to 1 percent in the amount of the land subject to restoration and the land actually obtained may be tolerated. The difference shall be paid for in accordance with a price set by the Council of Ministers.

(2) The difference in the amount of the land as per paragraph 1 shall be reflected officially by the municipal land council in the resolutions as per paragraphs 27 and 28.

Article 32. (1) Taking possession of the restored land shall be officiated by a member of the municipal land council in the presence of the owner or his representative. It will be based on the enacted resolution on restoring the ownership and a certified sketch. A protocol shall be drawn up about the restoration. The permanent markers at the boundary points shall be placed by the owner.

(2) The municipal land council shall inform, in accordance with the Civil Procedure Code, the owner or his representative, as well as the holder of the land, of the date of transfer.

(3) The taking of possession of land granted for use by the TKZS's by their owners may take place jointly in the presence of representatives of the TKZS's.

Article 33. (1) The possession shall take place after the crop has been harvested.

(2) The owner may assume possession even before the harvesting of the crop after paying a compensation as agreed upon with the organization or the individual who sowed the land.

(3) The municipal land council may establish a suitable time for harvesting the crop of the land included in the land distribution plan. If the crop is not harvested within a stipulated time, the owner may assume possession by paying for only the procedural expenditures.

Article 34. The owner may demand an expert evaluation through the municipal land council to determine the extent and the nature of soil pollution. If so determined by the municipal land council, an expert evaluation shall be made and the cost of it paid by whoever caused the pollution or, should he be unknown, by the municipal people's council. Refusal to have an expert evaluation must have justification.

Article 35. (1) Prior to assuming possession, land polluted with refuse of a residential or industrial nature and other solid refuse shall be cleaned by the polluter at his expense or, should he be unknown, at the expense of the municipal people's council. The owner may clean the land himself at the expense of the polluter or respectively the municipal people's council.

(2) Damages caused as a result of restrictions in the use of land contaminated with heavy metals, radionuclides, and other harmful substances in excess of the admissible concentration shall be paid for by the polluter.

(3) For a period of up to five years after the technical recultivation of the farmland, the respective investor shall provide the owners with funds for biological recultivation.

Article 36. (1) Substitution of farmland owned by the state or the municipalities with farmland owned by citizens and juridical persons shall be allowed only on the basis of equivalence in terms of quantity and quality.

(2) Substitution as per paragraph 1 with land from the municipal land fund shall be based on a resolution by the municipal people's council on the basis of a motivated proposal submitted by the municipal land commission.

(3) Land as per paragraph 1 may be substituted with land from the state land fund by decision of the minister of agriculture and food industry on the basis of a motivated proposal submitted by the National Land Council.

(4) A written contract must be signed for any substitution as per the preceding paragraphs. No notarization is necessary.

Article 37. (1) Land to citizens who are landless or who have little land shall be granted by the municipal land council out of land belonging to the state and to the municipal land fund.

(2) Land from the state land fund to be granted for such purposes shall be determined by the minister of agriculture and food industry.

(3) The municipal land council shall determine the land from the municipal land fund to be granted to such individuals after coordination with the respective municipal people's council. Land scheduled for restoration, for which no requests have been filed as per Article 14, paragraph 1, may be leased for only a period of up to one year.

(4) Land may be granted by granting the right of ownership.

Article 38. (1) The municipal land commission shall determine the land to be granted for permanent use (fields, natural meadows, artificial meadows, and perennials) and the minimal sizes of the lots, and shall organize the formulation of a land-granting plan.

(2) The minimal sizes of the lots for permanent use shall be based on the specific soil and climatic conditions required for the development of efficient farming but may not be smaller than those defined in Article 10.

Article 39. The municipal land council shall display in a suitable place in the mayoralty the land to be granted for permanent use, including its total amount and location. This announcement may be made also via the information media.

Article 40. (1) Individuals who wish to be given land shall submit a petition in which they shall indicate the land in terms of dimensions and the ways of permanent use.

(2) The petition must be accompanied by documents (statements, certificates, and so forth) determining the circumstances as per Article 20, paragraph 1, of the ZSPZZ and the right to priority as per Article 21, paragraphs 1 and 2, of the ZSPZZ.

Article 41. (1) The municipal land commission shall consider the received petitions within one month of the announcement. The date of its session shall be made public in accordance with Article 39.

(2) The municipal land commission shall give land to the candidates in accordance with the priority requirements stipulated in Article 21, paragraphs 1 and 2, of the ZSPZZ.

(3) In the case of several candidates enjoying the same priority and all other conditions being equal, lots shall be drawn.

(4) The prices for the land as per paragraph 1 shall be set by the Council of Ministers.

Article 42. (1) The municipal land commission shall pass a resolution on the petitions.

(2) The resolution as per paragraph 1 shall be reported to those interested, in accordance with the Civil Procedure Code, and may be appealed to the rayon court within one month of receipt of the announcement.

(3) The petition shall be submitted via the municipal land commission to the rayon court. The court shall rule on the matter, and its ruling may be appealed in accordance with the general procedure.

Article 43. (1) Individuals who do not have the advantages as per Article 21, paragraph 1, of the ZSPZZ shall be given land from the municipal land commission by resolution, after an auction.

(2) The auction will be organized by the municipal land commission in accordance with the procedure stipulated in the Regulation on Auctions for the Sale of State and Municipal Property (DURZHAVEN VESTNIKV, No. 23, 1991), inasmuch as no other stipulation is provided for in this regulation.

Article 44. Tracking the lots for the granting of such lands and the assumption of ownership shall be in accordance with the procedure of Articles 30, 31, 32, and 33.

### Chapter 3

#### Land Belonging to the State, the Municipalities, the Cooperatives, and Other Juridical Persons

Article 45. (1) Farmland that is part of the state and municipal land fund shall be so determined officially by the municipal land commissions under the stipulations of Article 19, paragraph 1.

(2) In the cases stipulated in paragraph 1, the municipal land commission shall pass a resolution as per Article 27.

(3) The restoration of land as per Article 25, paragraph 2, of the ZSPZZ shall take place in accordance with the procedure stipulated in this regulation.

Article 46. (1) Individuals who have acquired the right to use land as per Article 26 of the ZSPZZ and have cultivated the land for 10 years may acquire the right of ownership by decision of the municipal land commission. This applies equally to their legitimate heirs.

(2) Respectively, the stipulations of Articles 38 and 42 shall apply in determining the right to land use.

Article 47. The minister of agriculture and food industry shall exercise the right of ownership of the lands belonging to the state land fund unless otherwise stipulated in the ZSPZZ and the present regulation.

Article 48. (1) TKZS property consists of the right to ownership of capital and working assets and the right to use and other material rights, notes due, rights of trademarks, industrial prototypes, securities, licenses, share participation in firms, and other rights and obligations.

(2) Property included in the statutory fund, monetary assets, securities, share participation, and other assets as per the balance sheet on the date of distribution shall be subject to division into shares, after subtracting obligations to the state, the banks, and other creditors.

(3) Also subtracted from the property as per the preceding paragraph are the amounts obtained by the TKZS's for regulated land they have sold.

(4) Property subject to distribution shall be assessed by an independent expert commission appointed by the farm's administrative council.

(5) The property that is owned by the state and granted via the machine-tractor stations (MTS's), the DZS, and other state organizations is not subject to division into shares.

Article 49. (1) The General Assembly shall determine the nominal value of the shares and the entitled individuals and the means of distribution of the shares based on the labor participation, and the amount and quality of contributed land and inventory. Should it be impossible to determine the amount of the inventory contribution by decision of the General Assembly the shares may be allocated on the basis of the labor participation and the contributed land.

(2) By decision of the General Assembly, prior to the distribution of shares, it is allowed to exclude from the property the value of the real estate used to service the settlement (roads, bridges, cultural-consumer buildings, and so forth). Such property may be transferred free of charge or against payment to the state, the municipalities, and the cooperatives.

(3) TKZS fixed assets may be auctioned off by decision of the General Assembly. The initial price at the auction shall be determined in accordance with Article 43, paragraph 2.

(4) The sale of purebred livestock and herds shall take place after coordination with the Ministry of Agriculture and Food Industry.

Article 50. In terminating their membership, the members of the TKZS have the right to obtain their share in cash or in kind. Should this prove to be impossible, former cooperative members shall be given in exchange for their shares co-ownership of indivisible items in accordance with the procedure stipulated in the TKZS bylaws.

Article 51. (1) The labor participation of the cooperative farmers shall be determined for the entire period from the time they were accepted in the farm until the time of the distribution of the shares, based on the length of time worked at the farm.

(2) Workers and employees who worked in the agroindustrial complexes (APK) and their branches have the right to obtain shares for labor participation, as follows:

1. From the TKZS with which the worker or employee had legal membership relations at the time the ZSPZZ was enacted;

2. From the TKZS from which the worker or employee retired prior to the enactment of the ZSPZZ;

3. From the TKZS that was the seat of the APK at the time the labor-legal relations were terminated, prior to or during the liquidation of the APK.

(3) The members of the consolidated TKZS have the right to shares for labor participation as per paragraph 2.

(4) Also entitled to shares for labor participation are the heirs of cooperative farmers, for the labor participation of those from whom they inherit.

(5) Time spent at work in the DZS established on state land or in the MTS is not considered in determining the labor participation shares.

(6) Individuals who have worked fewer than five years in the respective TKZS or APK have no right to labor participation shares. Individuals hired for industrial and other auxiliary TKZS and APK activities have no right to labor participation shares, nor does the labor participation of individuals who received salaries from the TKZS and the APK for social and political activities entitled to labor participation shares.

Article 52. The participation of the land in the distribution of shares is based on reducing it to a certain quality and taking into consideration the length of its use as part of the farm.

Article 53. The distribution of shares for labor participation and for contributed land shall be based on a ratio adopted by the General Assembly but shall be no less than 40 percent for the land and inventory contributions and no less than 40 percent for labor participation.

Article 54. The value of perennial plants, forests, stationary and semistationary irrigation systems, and other improvements that are the property of the TKZS shall be paid by the owners of the land or deducted from their share. The assessment of the shares and improvements shall be based on a standard method.

Article 55. (1) The TKZS may demand the restoration of their right to ownership of land and fixed and working capital that were confiscated and transferred to other organizations. The restoration of the right to ownership is based on an agreement or, should no such agreement be reached, on the basis of the general claims procedure. In the case of land, with the exception of the land as per Article 24 of the ZSPZZ, the restoration shall be based on item 3, paragraph 3, of the provisional and concluding stipulations of the same law.

(2) In the case of improvements made on that property, the TKZS shall pay to the respective organization the amount of the increased value.

(3) If the property of the TKZS has become an indivisible part of the existing fixed capital and if its value does not exceed 50 percent of the total value of the project, no restoration shall be made

in terms of share participation to firms that own such fixed capital, based on an agreement between the parties.

(4) The share participation of the TKZS or, respectively, to its legal successors, in the sense of Article 28, paragraph 3, of the ZSPZZ, shall be determined by agreement but must not be less than the residual value of the property when transferred to the DZS, the MTS, or other organizations.

(5) If no agreement can be reached as per Article 28, paragraphs 4 and 5, of the ZSPZZ, arguments shall be settled on the basis of general claims procedures.

Article 56. Restoration of the right to ownership of farmland expropriated from the Bulgarian Orthodox Church or other religious communities, cooperatives, or other organizations shall be within the limits stipulated by the Law on Labor Land Ownership of 1946. If buildings for nonfarming purposes have been erected on such land, included within the settlement or the forest fund, the restoration shall be based on a resolution of the National Land Council in other parts of the country, with the agreement of the owners.

## Chapter 4

### Land Ownership Authorities

Article 57. The National Land Council and the municipal land commissions shall be the land ownership authorities.

Article 58. (1) The National Land Council is an agency of the Council of Ministers and consists of a chairman, a deputy chairman, a secretary, and members.

(2) The membership of the National Land Council shall be established by the Grand National Assembly on the basis of a proposal submitted by the Council of Ministers.

(3) The number and composition of the apparatus of the National Land Council shall be determined by its chairman, in accordance with its functions and its budget.

Article 59. The National Land Council shall:

1. Coordinate activities for the implementation of the Law on Ownership and Use of Farmland and the regulation on its application;
2. Guide the work of the municipal land commissions;
3. Issue conclusions on the condemnation of farmland for major state needs;
4. Determine which farmland may be classified as intensive area in the sense of Article 6 of the ZSPZZ;
5. Issue opinions on requests for restoration of the time for the submission of petitions as per Article 11 of the ZSPZZ;

6. Determine the size of farmland subject to restoration that has been given to scientific, scientific-production, and other establishments for the implementation of scientific, scientific-production, or other assignments;
7. Determine the land of the State Land Fund for which the municipal land commissions have the right to grant use and ownership;
8. Resolve arguments concerning:
  - a. Using the land of the State Land Fund, arising between state and other organizations, as well as among the TKZS's;
  - b. Restoring TKZS land that had been given to state and other organizations;
9. Determining the conditions and procedures for subtracting from farmland subject to restoration lots given to the citizens for the construction of summer homes and for the satisfaction of their needs;
10. Issuing methodical instructions within its jurisdiction;
11. Issuing a list of authorized individuals who will work in the area of land distribution;
12. Implementing any other function it may be assigned.

Article 60. (1) Land commissions shall be set up under the municipal people's councils. Land commissions may be set up in the mayoralities by decision of the municipal people's councils.

(2) In the cities with municipal divisions, land commissions shall be set up under the municipalities as resolved by the city people's council.

(3) The land commissions shall consist of a chairman, a secretary, and an odd number of members. The chairman and the secretary of the commission must be full-time employees. The remaining members of the commission shall be paid in accordance with the existing laws.

(4) The number of members of the land commissions shall be set by the respective municipal people's council.

(5) The commissions must mandatorily include the following: an attorney, an agronomist, an engineer-geologist or a land-structure engineer, and representatives of the TKZS and the private farmers.

Article 61. (1) The state organs must assist the land commissions in the implementation of their activities.

(2) The TKZS, the agricultural firms, and other economic organizations must supply the municipal land commissions with the necessary information and copies of documents in their possession.

Article 62. The members of the land commission and the technical personnel in charge of land distribution have the right of access at all times to the farmland and property within the area of the settlement and the right to set up the necessary measurement markers.

## Chapter 5

### Financing

Article 63. The National Land Council and the municipal land commissions shall be supported by the budget.

Article 64. (1) An annual budget account shall be approved for the National Land Council, based on its size and costs of upkeep, including payments to nonpermanent council members and the cost of its activities, as stipulated in the law.

(2) The size of the personnel, including the nonpermanent members of municipal land commissions, shall be determined by the National Land Council in coordination with the Ministry of Finance. The funds for the upkeep and activities of the municipal land commissions shall be provided on an annual basis as part of the budgets of the respective people's councils.

Article 65. (1) All income from the application of the law shall be deposited in the central Republic budget, with the exception of the income as per Articles 5 and item 4, paragraph 2, of the ZSPZZ.

(2) The funds as per Article 5 and item 4, paragraph 2, of the ZSPZZ, shall be collected and expended out of a special nonbudget account approved by the executive committee of the municipal people's council.

Article 66. After the conclusion of activities, the positive and negative balances shall become part of the central Republic budget.

#### Additional Stipulations

1. In the sense of this regulation, citizens with little land are individuals who are engaged essentially in agricultural production and who have farmland as follows:

1. In mountainous and semimountainous areas, 10 decares or less or a total of up to 15 decares per household, should it consist of more than one member;

2. In nonintensive areas; up to 8 decares or a total of up to 10 decares per household, should it consist of more than one member;

3. In intensive areas, up to 3 decares or a total of 5 decares per household, should it consist of more than one member.

#### Provisional and Concluding Stipulations

2. (1) The municipal land commissions may grant for temporary use to households farmland under 10 decares in the intensive, under 15 decares in nonintensive, and under 20 decares in mountainous and semimountainous areas. The specific dimensions and location of such lands shall be based on a resolution of the municipal land commissions, in accordance with the available TKZS land, the possibilities of the area, and the wishes of the households. User rights shall be terminated, at the latest, when the owners whose rights have been restored over such land in accordance with the stipulations of Articles 32 and 33 assume possession.

(2) In accordance with the preceding paragraph, land for such use shall be either unoccupied or granted after the crop has been harvested.

3. (1) TKZS land granted to state and other organizations for agricultural activities shall be subject to restoration on demand unless it has been built up. If the land was paid for, the farm must refund the amount it received.

(2) If the land as per the preceding paragraph is built up, the organization shall pay for it to the TKZS at prices set by the Council of Ministers, if the land was provided free of charge.

4. Citizens to whom land was issued for personal use by the TKZS, the APK, agricultural brigades, and forest farms shall retain their rights as per item 4 of the Transitional and Concluding Stipulations of the ZSPZZ.

5. Owners whose land was granted for use as per item 4 of the Transitional and Concluding Stipulations of the ZSPZZ shall be compensated by the respective municipal people's council at prices set by the Council of Ministers or, if so requested, with farmland in accordance with the procedure of Article 14 and following.

6. (1) Juridical persons who are agricultural producers shall be exempt from tax on their profits from agricultural activities as per Article 3 for a period of five years from the enactment of the law.

(2) Members of cooperative farms shall be exempt from general income tax on earned dividends and rent, issued as income from agricultural activities.

7. The present regulation is issued in accordance with item 10 of the Provisional and Concluding Stipulations of the Law on the Ownership and the Utilization of Farmland. [signed] General Office Department Chief Nikolay Velikov