

REPUBLIC OF BULGARIA  
COUNCIL OF MINISTERS

**DECREE No. 74  
of 25 April 1991**

**Rules for the Application  
of the Ownership and Use of Farm Land Act**

*Promulgated State Gazette No. 34/30.04.1991  
Amended SG Nos. 60 & 80/1991; 34/1992; 8, 72 & 87/1993; 2 & 100/1994; 5, 48 & 95/1995*

**Chapter one  
GENERAL PROVISIONS**

**Article 1**

(Amended, SG, No. 72 of 1993)

- (1) Farm land under the Ownership and Use of Farm Land Act (OUFLA) is land set aside for farming, that:
  1. is not within the building development boundaries of settlements, industrial, recreation and tourist complexes and other settlement formations, set by the general and the detailed city development plans and the auxiliary grounds.
  2. is not included as part of the forest reserve, as specified in Article 3, paragraph 2 of the Forestry Act;
  3. is not built up by industrial or other economic enterprises, recreation or health establishments, religious denominations or other public organizations, nor is within warehouses, nor under courtyards auxiliary to such buildings as the above up to the statutory size;
  4. is not occupied by open mines and quarries, energy, irrigation, transportation facilities or other public utilities, nor is adjacent to such facilities and utilities up to the statutory size.
- (2) Courtyards belonging to Cooperative Farms (TKZS) or State Farms (DZS) or parts thereof located outside building development boundaries of settlements, shall be considered farm land if no buildings are built on them and if they are suitable for farming.
- (3) Land occupied by equipment or installations which have been written off or built up with inferior structures shall be considered farm land if they are suitable for farming.

**Article 2**

- (1) (Amended State Gazette [SG], No. 34/1992) Citizens, the state, the municipalities, and legal persons may acquire and are free to own farm land.
- (2) Ownership rights over farm land may not be acquired by:
  1. Political parties and organizations, movements and coalitions for political purposes;
  2. (Amended SG No. 34/1992; No. 48/1995) Foreign governments, foreign legal persons and legal persons with foreign participation.
- (3) (Amended SG No. 34/1992; No. 48/1995) Foreign nationals who inherit the ownership of farm land by law shall be obliged to transfer the said property within three years of the date on which the inheritance was announced. When such property is not transferred within the said period, it shall be purchased by the state at prices fixed by the Council of Ministers in case the land is located in areas determined under the procedure of Article 9, paragraph 1 of the OUFLA, in case the land is located outside such areas it shall be purchased by the municipality. Should the municipality refuse to do so or upon expiry of the period specified, the land shall be purchased by the state.
- (4) (Amended SG No. 34/1992) Foreign legal persons and foreign nationals may acquire usufruct in farm land or other limited real rights in land by terms and procedures as provided by law.

**Article 2a**

(New - SG No. 48/1995)

- (1) Where farm land is sold under the terms and procedures provided under Article 9 of the OUFLA, the draft of the title deed shall be prepared by the district agricultural service.
- (2) The seller or the district agricultural service shall remove any mistakes or omissions detected by the notary public in the presented documents.
- (3) Should any of the parties, their legitimate representatives or proxies fail to attend the sale of farm land, the notary public shall return the documents to the district agricultural service.

## **Article 2b**

(New - SG No. 48/1995)

- (1) In the case of sale of farm land the seller shall issue notification if the persons under Article 9a, paragraph 1, item 1 of the OUFLA have not accepted his proposal.
- (2) The notification shall be prepared upon request of the seller by the mayor of the settlement where the estate is located. The notification shall comprise description of the estate and its price.
- (3) A copy of the notification, certified with date of receipt by the mayor of the settlement where the estate is located, shall be returned to the seller.
- (4) (Amended - SG, No. 95/1996) The seller may sell farm land to the persons specified under Article 9a, paragraph 1, item 5 of the OUFLA, after expiry of the one-month period as from registration of the notification under paragraph 3, provided no proposal has been submitted by the persons under Article 9a, paragraph 1, item 2 of the OUFLA.
- (5) In the case of sale to a person under Article 9a, paragraph 1, item 2 of the OUFLA, the qualification "agricultural producer" shall be proved by certificate issued by the municipality at the location of the estate.

## **Article 3**

(Amended SG No. 34/1992)

- (1) Proprietors shall be free to determine a manner of using farm land according to its purposes.
- (2) (New paragraph, SG No. 34/1992) Land reinstated under Article 10, paragraph (5) of the Ownership and Use of Farm Land Act, considered as forests under the Forestry Act shall be managed and used under the provisions of the Forestry Act and the Hunting Estates Act.
- (3) (New paragraph, SG No. 34/1992) Land reinstated under Article 10, paragraph (7) of the Ownership and Use of Farm Land Act, shall be managed and used under the Territorial and Urban Development Act (TUDA).
- (4) (New paragraph, SG No. 34/1992) Proprietors of farm land may erect buildings and facilities in service thereof under the conditions and regulations of the TUDA and by observing the provisions of the Protection of Arable and Pasture Land Act and the Forestry Act.

## **Article 4**

- (1) Proprietors and users of farm land shall observe all requirements of fire regulations, sanitary, hygiene and environmental norms in conducting agricultural activities and shall follow any instructions that may be issued by competent authorities.
- (2) Proprietors and users shall:
  1. protect farm land from erosion, swamping, salination, pollution and other deterioration, shall rehabilitate affected soils and shall improve soil fertility;
  2. use only chemical fertilizers and substances approved by competent state bodies;
  3. not use for irrigation purposes water containing harmful substances and wastes exceeding applicable standards.
- (3) Proprietors and users shall support the conduct of any activities undertaken and financed by the state for the erection of facilities for the protection of the soil from erosion and other processes detrimental to the physical integrity and fertility of the soil.

## **Article 5**

(Amended SG No. 34/1992) Proprietors and users shall protect archaeological sites, cultural monuments, irrigation, power generation and other facilities and installations, geodetic and frontier signs such as exist on their land, and shall not prevent other proprietors, users and officials from using and maintaining such facilities and installations. Proprietors and users shall permit access of officials to archaeological sites for the purposes of observation and preliminary study.

## **Article 6**

- (1) All equipment and installations that have become unusable or redundant shall be removed by their proprietors after harvesting. They shall be removed immediately should they constitute a direct hazard to the life, health and property of the owner or user. In such cases the proprietor of the said equipment or installation shall pay compensation for damage incurred or for unrealized profits.
- (2) If the above equipment or installations are not removed by their owners within the period of time specified in paragraph (1), they may be removed by the proprietor or user of the land at the expense of their owner.
- (3) (Amended SG No. 34/1992) Following the removal of such equipment or installations the proprietor of the estate may acquire ownership rights over the farm land thus liberated by purchasing it at a price

determined by the Council of Ministers in conformity with current market prices for the respective area.

#### **Article 7**

(Repealed SG No. 34/1992)

### **Chapter Two LAND OF INDIVIDUAL PROPRIETORS**

#### **Article 8**

(Repealed SG No. 34/1992)

#### **Article 9**

(Repealed SG No. 34/1992)

#### **Article 10**

In the event of disposal of co-owned farm land estates, real shares may not be smaller than 3 decares for fields, 2 decares for meadows and 1 decare for vineyards and orchards.

#### **Article 11**

(Repealed SG No. 34/1992)

(New - SG No. 48/1995)

The Municipal Land Board shall issue a ruling for reinstatement of ownership rights on estates within the building development boundaries of settlements, inclusive of within courtyards of Cooperative Farms and State Farms or parts thereof that are not built-up with buildings, nor are considered courtyards or storage facilities of such buildings, on the grounds of certificate and scheme as per Article 13, paragraphs 4, 5 and 6.

#### **Article 12**

(Amended SG No. 34/1992)

- (1) For persons under Article 10, Paragraph 3 of the Ownership and Use of Farm Land Act the three-year period for transfer of above property shall commence on the day on which their property right has been restored by a decision of the Municipal Land Board or a court of law.
- (2) In the event that transfer is not executed in the term specified, the farm land shall be purchased under Article 2, paragraph 3.

#### **Article 13**

(Amended SG No. 34/1992)

- (1) In order to reinstate their ownership rights persons shall be required to submit petitions in two copies indicating:
  1. the Land Board;
  2. full name, address (headquarters), and Civil Registration Number of the petitioner and his representative, if there is such;
  3. full name of the proprietor whose land is inherited;
  4. description of property - locality, area, size, type of estate (fields, meadows, orchards), past neighbors, existing actual boundaries, data on the possibility of restoring the said boundaries, estates located within building development boundaries of settlements, in areas under Article 4 of the Concluding and Transitional Provisions of the Ownership and Use of Farm Land Act, farm land included in the state forest reserve without compensation, nationalized forests transformed into farm land, courtyards in extinct or deleted settlements (villages, hamlets), including those removed from the building development boundaries of settlements, etc;
  5. explanation of petition;
  6. reference to enclosed evidence;
  7. signature of petitioner or representative thereof.
- (2) The following shall be enclosed with the petition:
  1. evidence in writing of ownership rights under Article 12 (2) of the Ownership and Use of Farm Land Act;
  2. statement with notarized signature under Article 12, Paragraph 3 of the Ownership and Use of Farm Land Act;
  3. certificate of inheritance, if reinstatement is sought by a heir (or heirs) of a deceased proprietor.
- (3) (Amended SG No. 60/1991) The statement under Paragraph 2, item 2 shall contain:

1. Full name, address and Civil Registration Number of claimant;
  2. Full name of proprietor;
  3. Description of estate: locality, area, size and other information under paragraph 1, item 4;
  4. text stating that the claimant is aware of the penalties for providing incorrect information under Article 313 of the Penal Code.
- (4) (New item SG No. 34/1992; Amended, SG No. 48/1995) In the event that reinstatement of ownership rights on an estate is sought which is located within the building development boundaries of settlements, enclosed with the petition shall be a certificate and a scheme issued by the technical department of the municipality.
- (5) (New - SG No. 48/1995) The certificate issued by the technical department of the municipality, in the event that reinstatement of ownership rights is sought on estates within the building development boundaries of a settlement, shall comprise:
1. Verification of whether the estate is registered or not in the cadastre of the settlement;
  2. The size of the estate;
  3. The size of unoccupied areas that are not built-up or where no activities have been carried out such as do not allow reinstatement, as well as any areas needed for operation of the buildings;
  4. Granted building rights;
  5. Restrictions on ownership and indication of the reasons thereof.
- (6) (New - SG No. 48/1995) The scheme issued by the technical department of the municipality, in the event where reinstatement is sought within the building development boundaries of settlements, shall comprise:
1. Boundaries of the estate as per the cadastre map;
  2. Provisions of the development plan related to the area of the estate;
  3. Boundaries and areas for reinstatement of ownership rights, inclusive of such with restrictions.
- (7) (New - SG No. 48/1995) In the event of established mistake or incompleteness of the cadastre map, it may be completed by the technical department of the municipality in the course of entering data under paragraph 6.

#### **Article 14**

- (1) The petition filed by one of the heirs shall benefit all the other heirs.
- (2) (Repealed SG No. 34/1992)

#### **Article 15**

(Amended, SG, No. 72 of 1993)

- (1) The petition under Article 13 shall be submitted to the Municipal Land Board for the area in which the reinstatable farm land is located. In the event that a petition is submitted to a land board different from the above or a mayor's office which does not have a land board, it shall be forwarded ex officio to the respective land board of which the petitioner shall be duly informed. The specified period of time shall commence on the day on which the petition has been submitted.
- (2) (Amended, SG No. 48/1995) In the event that the submitted documents do not meet the requirements of Article 13, the petitioner shall be invited to correct any irregularities thereof. Until any such correction is made, no further action shall be taken in respect to the said petition.
- (3) In the event that the irregularities are not corrected within the specified term, the Municipal Land Board shall issue a decision on the basis of the evidence collected.

#### **Article 16**

- (1) On the last working day of every week the Municipal Land Board shall announce in the townhall or other suitable permanent location all petitions for reinstatement of ownership rights over farm land that have been received during the past week.
- (2) (Repealed SG No. 34/1992)
- (3) (Repealed SG No. 34/1992)
- (4) (Repealed SG No. 34/1992)

#### **Article 17**

(Repealed SG No. 34/1992)

#### **Article 18**

(Amended SG No. 34/1992)

- (1) Within six months of the coming into force of the Ownership and Use of Farm Land Act the Municipal Council shall submit to the Municipal Land Board all available data of changes in the farm land by areas that shall include:
  1. boundaries of the area, forests or settlement at the time of the establishment of the TKZS or DZS and at the time of the coming into force of the Ownership and Use of Farm Land Act;
  2. size of farm land during the year of the establishment of the TKZS or DZS by types of estate;
  3. amount by which farm land has been reduced after the establishment of TKZS and DZS as a result of:
    - a) land expropriated for state or public use, including for entry in the building development boundaries of settlements;
    - b) building of reservoirs, canals, pumping stations, roads, forest belts, industrial buildings, facilities, installations and other projects of TKZS, DZS, agricultural firms and co-operative enterprises;
    - c) land under Article 24, paras 3 and 4 of the Ownership and Use of Farm Land Act. Archaeological sites and monuments of culture shall be defined in lists prepared by the regional museums of history and approved by the Archaeological Institute and Museum with the Bulgarian Academy of Sciences and the National Institute on Monuments of Culture;
    - d) land intended to individuals under Article 4 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act;
    - e) land of research, development and educational institutions, of detention centres, of seed-producing and breeding farms, of forest nurseries and hunting estates as defined by the Ministry of Agriculture;
    - f) land acknowledged to constitute single courtyards of houses of TKZS members;
    - g) land intended to non-agricultural uses of the state or municipality of which confirmation procedure had been started prior to the adoption of the Ownership and Use of Farm Land Act but is as yet incomplete;
    - h) land included in the state forest reserve, excluding land under Article 10, paragraph 5 of the Ownership and Use of Farm Land Act.
  4. Increase in the size of farm land after the establishment of TKZS and DZS as a result of:
    - a) development of new farm land;
    - b) regulation of deteriorated terrains;
    - c) exclusion from the state forest reserve;
    - d) exclusion from the building development boundaries of settlements.
  5. The size of available farm land shall be reinstated by categories.
- (2) In the event that the Municipal Council disagrees with the lists submitted to it under Article 1, item 3, sub-item "c", it shall submit a motivated proposal to the Ministry of Culture which shall make a pronouncement on the case within two weeks.
- (3) The boundaries of the settlement, the state forest reserve, the building development boundaries and the boundaries of the farm land shall be determined by the cadastre and shall be entered on a topographic map of a scale not smaller than 1:10,000.
- (4) (New paragraph, SG No. 34/1992; Amended, SG No. 48/1995) Any disputes over boundaries between lands of settlements shall be resolved under Article 3, paragraph 1 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.

#### **Article 18a**

(New article, SG No. 34/1992) Considered as actual old boundaries preserved on the terrain shall be considered such topographic elements as roads, fences, growths of trees or shrub, waterfronts of water flows or reservoirs, ravines, dry river beds, etc, if their location had not been changed after their inclusion in the lands of the TKZS or DZS.

#### **Article 18b**

(New article, SG No. 34/1992; Amended, SG No. 48/1995; 95/1995) Considered as restorable old real boundaries of estates shall be those that may be determined from the cadastral maps, land re-allocation or partial land development plans prior to the formation of TKZS and DZS.

#### **Article 18c**

(New article, SG No. 34/1992) The Municipal Land Board shall choose by bidding the contractor for all technical works related to the restitution of property over farm land. In the event that there is one bidder only, a contract shall be concluded with that one bidder.

### **Article 18d**

(New article, SG No. 34/1992)

- (1) The Municipal Land Board shall, alone or together with the contractor determine the territories in which landed property will be restored within:
  1. the boundaries within which property shall be restored under Article 4 of Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act;
  2. existing old real boundaries under Article 10, paras 5, 6, 7 and 9 of the Ownership and Use of Farm Land Act;
  3. restorable old real boundaries under Article 10, paras 5, 6, 7 and 9 of the Ownership and Use of Farm Land Act;
  4. (Amended; SG No. 48/1995) New real boundaries with land distribution plan.
- (2) The boundaries under the preceding paragraph shall be approved by decision and shall be entered on a final map as per Article 18, paragraph 3.

### **Article 18e**

(New article, SG No. 34/1992)

- (1) The Municipal Land Board shall examine the petitions submitted under Article 13 and shall distribute the estates described therein by areas, territories as set by Article 18d, paragraph 1, for which a list of names shall be compiled. The list together with a copy of the plan under Article 18d, paragraph 2 shall be displayed at an accessible place in the settlement whose lands are reflected therein.
- (2) At the time of distribution under paragraph 1 in areas defined in Article 18d, paragraph 1, items 2 and 3, estates and parts thereof shall be determined on which ownership rights cannot be reinstated within existing or restorable old boundaries because of circumstances defined in Article 10b, paragraph 1, Article 24, paras 2, 3 and 4, and Article 29, paragraph 1 of the Ownership and Use of Farm Land Act. The Board shall notify the parties concerned of its findings in the manner established by the Civil Procedure Code (CPC).
- (3) Persons under paragraph 2 may submit written petitions to the Municipal Land Board within two weeks of the above notification in which they may choose the manner of compensation under Article 10b, paragraph 1 of the Ownership and Use of Farm Land Act.
- (4) (New paragraph, SG No. 2 of 1994) The Municipal Land Board shall set deadlines for establishing together with the applicants of the boundaries of the farm land in the territories under Art. 18d, para 1, items 2 and 3. The announcement of the term shall be promulgated in the State Gazette, displayed prominently at the municipality head office and announced in the media.
- (5) (New paragraph, SG No. 2 of 1994) The joint establishing of boundaries shall not be conducted earlier than 30 days after an announcement is promulgated in the State Gazette of the dates set for the individual territories. The Municipal Land Board shall prepare a map of the established boundaries and a protocol to be signed by the individuals in attendance. The Municipal Land Board shall turn over for management to the municipalities lands the borders of which have not been determined due to failure of applicants or of persons authorized by them to appear before the Board.
- (6) The Municipal Land Board shall map the existing old real boundaries and shall mark on site the restorable ones.

### **Article 18f**

(New article, SG No. 34/1992)

- (1) The category of the farm land due to each proprietor shall be determined on the basis of data of the location of his estate, the petition, and maps of the categories of farm land.
- (2) Lands of proprietors the exact location of which cannot be determined in a given locality or area shall be equal in terms of location and category.
- (3) The categories of land under the preceding paragraph shall be determined proportionally to the distribution of categories in the locality or area.
- (4) When farm land has been built up or otherwise developed and rendered unsuitable for the reinstatement of ownership rights and when data is unavailable of the quality of that land, its category shall be determined in the manner described in the preceding paragraphs.

### **Article 18g**

(New article, SG No. 34/1992; Amended, SG, No. 72/1993, No. 48/1995)

- (1) The Municipal Land Board shall issue a decision on reinstating ownership rights, on existing or restorable real old boundaries, describing the size and category of the estate, its location, borders, neighbours thereof, as well as any restrictions on the property and the reasons thereof. A scheme of the estate shall be attached to the decision, certified by the Municipal Land Board, and for estates within

the construction development boundaries of settlements - also certified by the technical department of the municipality.

- (2) When ownership rights are reinstated within new real boundaries under a land distribution plan, the Municipal Land Board shall issue a decision defining the size, category and, where knowledge of such exists, the place where was located the farm land to which the petitioner is entitled.
- (3) (New - SG, No. 48/1995) Should there be established any variance between the area of the estate in the course of plotting its old real boundaries and the area proved by documents of the proprietor, the Municipal Land Board shall acknowledge right of ownership as follows:
  1. Where the area measured is smaller than the area proved - the size of the area measured;
  2. Where the area measured is larger than the area proved, and where the variance is up to 3 dca for fields, up to 2 dca for meadows and up to 1 dca for perennial plants - the size of the area measured;
  3. Where the area measured is larger than the area proved, and the variance exceeds the sizes specified under item 2 - the variance shall be separated as individual estate to be included in the state land reserve.
- (4) (Amended, SG No. 48/1995) Decisions under the preceding paragraphs shall be communicated to the applicants pursuant to the provisions of the CCP and they shall be subject to appeal before the regional court within 14 days after the communication.
- (5) (New - SG No. 48/1995) Upon entry into force of the land distribution plan each estate shall be assigned a number, unique on the territory of this country, formed under a procedure determined by the Minister of Agriculture and Food Industry and the Minister of Territorial Development and Construction.
- (6) (New - SG No. 48/1995) Changes in the boundaries of settlement lands on the grounds of court rulings and where a land distribution plan has entered into force, may not bring about changes in ownership, except for cases under Article 26.

#### **Article 18h**

(New article, SG No. 34/1992)

- (1) In cases under Article 10, para 5, 6, 7 and 9 of the Ownership and Use of Farm Land Act, the Municipal Land Board shall issue a decision under Article 18g, paragraph 1.
- (2) (Amended, SG No. 48/1995) On the grounds of the decision under in the preceding paragraph by which ownership rights are reinstated within building development boundaries of settlements, the estate shall be deleted from the registers of state property in the manner specified by Article 88, paragraph 4 of the State Property Regulations.
- (3) (New - SG No. 48/1995) No ownership shall be reinstated on forest territories for special purposes. Proprietors shall be compensated under the procedure of Article 10b, paragraph 1 of the OUFLLA. Forests for special purposes shall be declared pursuant to the Forests Act and shall be entered and mapped in implemented projects.
- (4) (New - SG No. 48/1995) On territories of forests for special purposes right of ownership shall be reinstated on arable lands and pastures.

#### **Article 18i**

(New article, SG No. 34/1992; Amended, SG, No. 72/1993, No. 48/1995)

- (1) Proprietors of farm land whose rights have not been reinstated under Article 14, paragraph 1, item 1 of the Ownership and Use of Farm Land Act may file a petition with the Municipal Land Board requesting usufruct of farm land.
- (2) The Municipal Land Board shall grant to proprietors usufruct of farm land and shall put them in possession of farm land the size of which shall be determined on the grounds of decisions entered into force pursuant to Article 18g, paragraph 2 and the available information on the reduction of farm land in the area within one month after the filing of the petition. Upon request from members of cooperatives, companies or groups of proprietors the Municipal Land Board shall grant them usufruct and shall put them in possession in total of farm land equal to the total amount of their lands in the respective places in the area, whereas the existing plant areas shall not be divided, if possible. Users may not engage in alienatory transactions and may not conclude preliminary contracts under Article 19, paragraph 1 of the Obligations and Contracts Act involving farm land until reinstatement of ownership by decision under Article 27.

#### **Article 19**

(Amended SG No. 34/1992)

- (1) In the event that within the boundaries of the territory of the land distribution plan the Municipal Land Board establishes that the size of farm land has decreased, it shall on its own or together with the contractor determine the co-efficient by which calculations shall be made of the land due for restitution to each proprietor. This co-efficient shall be calculated by dividing the amount of the available farm

land within the boundaries set by the land distribution plan by the size determined by decisions pursuant to Article 18g, paragraph 2.

- (2) (New - SG No. 48/1995) The existing farm land shall not include territories specified under Article 18d, paragraph 1, item 1, in the course of determining the co-efficient under paragraph 1.
- (3) (New - SG No. 48/1995) Should the size of land for reinstatement of ownership by land distribution plan, determined by decision of the Municipal Land Board, exceed the available farm land without proof of activities resulting in reduction of that size, the Municipal Land Board shall report to the Minister of Agriculture and Food Industry. The Minister of Agriculture and Food Industry may, pursuant to Article 12, paragraph 6 of the OUFLA, stop by order the distribution of land in the area until final establishment of the size of land for all applicants.
- (4) (New - SG No. 48/1995) Should the land claimed exceed the land available, due to untrue petitions and declarations, the Municipal Land Board shall examine the documents submitted and the decisions issued for reinstatement of ownership pursuant to Article 14, paragraph 7 of the OUFLA.
- (5) (New - SG No. 48/1995) Upon completion of examination of the petitions and the documents attached thereto and the decisions for reinstatement of ownership, the Municipal Land Board shall report to the Minister of Agriculture and Food Industry on the results of its activities, and shall propose to institute court proceedings for liability and damages caused by the persons who have submitted untrue petitions and declarations. The Minister of Agriculture and Food Industry shall issue an order concerning the further distribution of land in the area.
- (6) (Amended SG No. 60/1991, No. 34/1992, No. 48/1995) By a decision recorded in its minutes the Municipal Land Board shall determine the amount of farm land subject to restitution by categories for each proprietor by multiplying the co-efficient pursuant to paragraph 2 by the amount of land determined by decisions under Article 18g, paragraph 2.
- (7) (Amended SG No. 60/1991, No. 34/1992, No. 48/1995) In distributing land by categories among proprietors insufficiencies of land in one category shall be compensated for with land belonging to the adjacent category. Distribution shall be conducted in a descending or ascending order of categories.
- (4) (Repealed - SG No. 48/1995)
- (8) (New - SG No. 48/1995) The Municipal Land Board shall prepare list per areas of available free state and municipal land for compensation of proprietors pursuant to paragraph 1.
- (9) (New - SG No. 48/1995) The Municipal Land Board shall submit a motivated proposal to the Minister of Agriculture and Food Industry and to the Municipal Council, for compensation of proprietors pro rata from the available land in the state and municipal land reserve.
- (10) (New - SG No. 48/1995) The decision under paragraph 6 shall be notified to the applicants pursuant to the Civil Procedure Code. The notification shall indicate the possibilities for compensation. Within 14 days as from the date of notification applicants shall file request in writing with the Board, indicating their choice of compensation pursuant to Article 15, paragraph 2 of the OUFLA. Compensation with land shall be effected provided the compensation due exceeds 2 dca. The decision of the Municipal Land Board for compensation with land shall be reflected in the draft land distribution plan.

### **Article 19a**

(New - SG No. 48/1995)

- (1) Bulgarian citizens entitled to compensation pursuant to Article 10c, paragraph 1 of the OUFLA, may file petitions within one year following the coming into force of the Amendments Act on the OUFLA (SG, No. 45/1995), with the Ministry of Agriculture and Food Industry. The petition should indicate the mode of compensation.
- (2) Petitions should be accompanied by documents specified by the Minister of Agriculture and Food Industry pursuant to § 2 of the Transitional and Concluding Provisions to the Ordinance adopted by Decree No. 198 of the Council of Ministers of 1994.
- (3) The Ministry of Agriculture and Food Industry shall, within one month following the expiry of the term under § 32 of the Transitional and Concluding Provisions to the Amendments Act on the OUFLA, issue a decision on the amount of the compensation due.
- (4) The equivalent in Leva of the compensation due, in investment vouchers, shall be determined at prices specified in an Ordinance of the Council of Ministers.
- (5) Where the documents submitted indicate only the value of the farm estate, its transformation in current Leva equivalent shall be done under procedure determined by the Minister of Finance.
- (6) The decision shall be notified to the interested parties pursuant to the Administrative Procedures Act.
- (7) Persons willing to be compensated with farm land from the state land reserve shall be compensated with equivalent land pursuant to Article 19a of the OUFLA, within the area of residence of the entitled persons.
- (8) Should the available free state land reserve be insufficient to compensate all persons entitled, they shall be compensated pro rata with land, and the variance shall be compensated with investment vouchers.

(9) (Repealed - SG, No. 95/1995).

#### **Article 19b**

(New - SG No. 48/1995)

- (1) Compensation with land from the state or municipal land reserve shall be carried out by the Municipal Land Board upon request in writing by the proprietors.
- (2) Priority in compensation shall be given to the following:
  1. Agricultural specialists and persons under 35 years of age, who shall undertake to carry out agricultural activities in the course of 10 years;
  2. Persons engaged in agricultural activities at the settlement with land from which they are being compensated;
  3. Persons who participate in cooperatives or companies that carry out agricultural activities at the settlement with land from which they are being compensated;
  4. Other persons entitled to compensation.

#### **Article 20**

(Amended SG No. 34/1992)

- (1) (Amended, SG No. 48/1995) Land distribution as an activity of reinstating ownership of farm land shall include the preparation of a land distribution plan, announcement, approval, tracing and coordinating boundaries, and restitution of ownership.
- (2) (New - SG No. 48/1995) Activities related to registration of estates in the cadastre shall be carried out in compliance with the Uniform Cadastre Act under terms and procedures specified by Ordinance of the Minister of Territorial Development and Construction and the Minister of Agriculture and Food Industry.
- (3) (Amended, SG No. 80/1991, No. 48/1995) Activities under paragraph 1 shall be executed pursuant to a technical specification prepared by the Municipal Land Board by taking into account the specific conditions prevailing in the area.
- (4) (New paragraph SG No. 34/1992) In the technical specification on the elaboration of a land distribution plan the Municipal Land Board shall indicate:
  1. the location of the municipal and state land within the area;
  2. the width of field roads and paths;
  3. at what number of locations within the land distribution plan the estates of proprietors shall be planned;
  4. which existing development projects shall be maintained and what new projects shall be planned.

#### **Article 21**

(Repealed SG No. 34/1992)

(New - SG No. 48/1995)

- (1) The Municipal Land Board shall issue decision on reinstatement of ownership right on the grounds of and in compliance with the court ruling and the order of the Minister of Agriculture and Food Industry under Article 24, paragraph 2 of the OUFLA.
- (2) The decisions of the Municipal Land Board based on received thereby court rulings prior to the promulgation of the draft land distribution plan in the State Gazette shall be reflected therein, or it shall be corrected prior to its approval.
- (3) Where a court ruling has entered into force after the promulgation of the draft land distribution plan in the State Gazette, the Municipal Land Board shall issue decision for compensation of the proprietor pursuant to Article 10b, paragraph 1 of the OUFLA.

#### **Article 22**

(Amended SG No. 34/1992) Land distribution plans shall be elaborated on maps of a scale not smaller than 1:10,000. They shall contain text and graphics.

#### **Article 23**

(Amended SG No. 34/1992; No. 48/1995)

- (1) The Municipal Land Board shall determine the names of the areas and their boundaries, subject to the land distribution plan.
- (2) The elaboration of a land distribution plan shall encompass:
  1. reference to boundaries of farm land subject to distribution under Article 18d, paragraph 1, item 4;

2. tracing the location of the necessary field roads and paths. Proposals of the structure of the area on the grounds of information available of development elements, anti-erosion, meliorative and other nature conservation projects;
  3. calculation and adoption of the farm land reduction co-efficient;
  4. (New - SG No. 48/1995; Amended - SG, No. 95/1995) upon request in writing by groups of proprietors their lands may be grouped per separate areas and located next to one another in the land distribution plan. The grouping shall be as to the predominant part of estates in the areas according to list submitted to the Municipal Land Board, including names of proprietors, size of estates per areas and signatures. The list shall be certified by an authorized representative of the proprietors.
  5. drafting of the boundaries of estates pursuant to decisions taken by the Municipal Land Board under Article 18g, paragraph 2, and Article 19, paragraph 6, and inquiry on site, whereas the areas determined shall not be divided, if possible;
  6. determination of any limitations to property and explanation of reasons for such limitations.
- (3) For territories occupied by perennial plants, rice plantations and watering systems, separate land distribution plans shall be prepared, which shall constitute integral parts of the general land distribution plan.
  - (4) The location of estates granted under Article 18i shall be preserved if possible and if the requirements contained in the preceding paragraph, of Article 18f and under Article 23a have been observed. In such cases only the boundaries thereof shall be corrected, if necessary.
  - (4) Repealed, SG No. 34/1992)
  - (5) Repealed, SG No. 34/1992)

#### **Article 23a**

(New Article, SG No. 34/1992; Amended SG No. 48/1995) The land distribution plan should meet the following requirements:

1. the owner shall receive land equivalent in quality and quantity if possible in areas where his estates had been located. Where an individual proprietor has land in one and the same area, they shall be provided in one place;
2. estates shall be designed in such a form as to be suitable for cultivating the land and with provided transportation access;
3. smaller estates shall, if possible, be designed close to settlements.

#### **Article 24**

(Amended SG No. 34/1992)

- (1) The Municipal Land Board shall control the implementation of the technical specification during the elaboration of the land distribution plan. Its findings and any differences found shall be reflected in decisions entered in its minutes and these shall be included in the plan by the contractor.
- (2) (Repealed SG No. 34/1992)

#### **Article 25**

- (1) (Amended SG No. 60/1991, No. 8/1993) The Municipal Land Board shall publish in the State Gazette an announcement that the land distribution plan is ready. The draft plan shall be displayed at a prominent location in the townhall and shall also be announced in the media.
- (2) Interested persons may present objections to the land distribution plan in writing before the Municipal Land Board within 14 days of the date of publication of the announcement in the State Gazette.
- (3) (New - SG No. 48/1995) Proprietors with court rulings for reinstatement of ownership rights on farm land that have entered into force after the promulgation in the State Gazette of notification for prepared draft of land distribution plan, shall be compensated with land pursuant to Article 19 of the OUFLA, and where no such land is available - with land from the state or municipal land reserve or pursuant to the Transformation and Privatization of State and Municipal Enterprises Act.
- (4) The Municipal Land Board shall examine within 14 days all objections received and shall make a pronouncement on them. Objections found justified shall be reflected in the draft land distribution plan.
- (5) (Amended SG No. 2/1994) The draft land distribution plan thus corrected shall be approved by a corresponding decision of the Municipal Land Board. The approved land distribution plan shall be displayed prominently at the municipality head office and the announcement of its approval shall be made known through the media.
- (6) (Amended SG No. 8/1993) Objections against the approved land distribution plan may be submitted within fourteen days of the announcement in the State Gazette through the Municipal Land Board to the District Court. The objections shall have attached outline blueprints for the changes prepared by a

person included in the list of licenced persons under Art. 59, item 11. All decisions of the court shall be final.

- (7) (Amended, SG, No. 72/1993) The approved land distribution plan shall enter into force if it is not appealed within the period of time specified in paragraph 5 after publication in the State Gazette or of the date of the court ruling. The appeal against the land distribution plan shall stop its enforcement only with respect to the property concerned.

#### **Article 26**

(Amended SG No. 48/1995)

- (1) The land distribution plan that has entered into force may only be amended under the following conditions:
1. decisions of the Municipal Land Board that have entered into force pursuant to Article 14, paragraphs 6 and 7 of the OUFLA;
  2. in the case of obvious factual mistake or violation of the law, unless there is a court ruling that has entered into force - by order of the Minister of Agriculture and Food Industry.
- (2) All amendments to the land distribution plan or parts thereof shall be made in the manner in which it had been elaborated, announced and approved.

#### **Article 26a**

- (1) The borders and location of farm lands subject to transactions with corporeal right shall be established on the grounds of a scheme certified by the Land Commission.
- (2) Transfer of really determined part of a farm estate or cant of such estate shall not be permitted in case that lots and shares can not form individual estates as per the scheme certified by the Land Commission.
- (3) (Amended SG No. 48/1995) The Municipal Land Board shall maintain and update the land distribution plans, issue schemes for implementation of disposal transactions, partitions, vesting in property and other cases of disposal with real rights on farm land, under a procedure determined by an Ordinance of the Minister of Agriculture and Food Industry and the Minister of Territorial Development and Construction.

#### **Article 26b**

(New - SG No. 48/1995)

- (1) The persons nominated by the General Meeting under § 29, paragraph 1 of the Transitional and Concluding Provisions to the OUFLA, shall be obliged within one month to submit to the Municipal Land Board data about the end of the depreciation period of each area with perennial plants, rice field or water irrigation system.
- (2) Should any of the perennial plants, rice fields and water irrigation systems be subject to rejection prior to the expiry of their depreciation period, the proprietors shall file petition to the district agricultural departments. The files of projects that, by dcretion of the district agricultural departments, are subject to rejection, shall be sent with motivated proposal to the Minister of Agriculture and Food Industry. Rejection shall be effected by permission of the Minister of Agriculture and Food Industry.
- (3) All agro-technical and agro-chemical activities in areas with perennial plants and in rice plantations shall be carried out concurrently and jointly by the proprietors or by natural or legal persons hired by them.
- (4) The district agricultural departments and the regional departments for plant protection, quarantine and agro-chemistry, shall control the use of land with areas of perennial plants and rice plantations, and shall impose sanctions on persons in default for violations in carrying out agro-technical and agro-chemical activities.

#### **Article 27**

(Amended SG No. 34/1992, No. 48/1995)

- (1) On the grounds of the land distribution plan which has entered into force, the Municipal Land Board shall issue a decision on reinstating ownership rights describing the size, category and location of the estate, its boundaries, neighbours, as well as any limitations of that estate and the reasons for any such limitations. The decision shall specify the depreciation period of perennial plants, rice fields and water irrigation systems. A scheme of the estate, certified by the Municipal Land Board, shall be attached to the decision.
- (2) (Amended SG No. 60/1991) Decisions pursuant to paragraph 1 shall be announced to the interested parties in the manner specified in the CPC.

#### **Article 27a**

(New Article, SG No. 34/1992)

- (1) (Repealed - SG No. 48/1995)
- (1) The Municipal Land Board shall issue a decision on compensating with land from the state and municipal land reserve of the respective municipality. Interested parties shall be notified of the said decisions in the manner specified by the CPC.
- (2) When the neighbouring area belongs to a different municipality, the Municipal Land Board with which the petition has been lodged shall determine officially whether it would be possible to provide compensation with state or municipal land and shall notify the interested parties of its decision in the manner specified by the CPC.
- (3) Proprietors of farm land who have not received compensation under the preceding paragraphs shall receive such compensation from state or municipal land located in other areas in a manner determined by the Minister of Agriculture.
- (4) (New - SG No. 48/1995) Compensation of proprietors of farm land under the Transformation and Privatization of State and Municipal Enterprises Act shall be carried out under conditions and procedure determined by the Council of Ministers.

#### **Article 28**

(Amended SG No. 34/1992, No. 72/1993)

- (1) (Amended SG No. 48/1995) The reinstatement of ownership rights over farm land that have been granted as usufruct under the acts in paragraph 4 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be done in the manner and under the procedure specified in the Regulations with a decision pursuant to Article 18g, paragraph 1.
- (2) A separate plan based on topographic, geodetic and cadastral data of a scale not smaller than 1:2,000 shall be elaborated for territories covered by paragraph 1. This plan shall be approved by decision of the Municipal Land Board and shall be displayed at a prominent place in the municipality.
- (3) (Repealed SG No. 34/1992)

#### **Article 29**

(Amended SG No. 48/1995) When ownership rights over farm land are reinstated to a deceased proprietor, a single decision shall be issued for all heirs, except in cases under Article 17, paragraph 2 of the OUFLA..

#### **Article 30**

- (1) (Amended SG No. 48/1995) The border points of all approved plots of land shall be traced, coordinated and documented. The tracing and coordination of boundaries of estates within the building development boundaries of settlements shall be carried out by the technical department of the municipality.
- (2) The border points shall be assigned coordinates within a general grid
- (3) (New paragraph, SG No. 34/1992; Amended SG No. 48/1995) In cases under Article 23, paragraph 4 joint boundary of estates of such proprietors shall be traced, without tracing the boundaries of individual estates under the land distribution plan.
- (4) (Repealed - SG, No. 48/1995).

#### **Article 31**

(Amended SG No. 34/1992, No. 72 of 1993)

- (1) For technical reasons or due to the compensations for adjacent categories pursuant to Article 19, paragraph 3, a five per cent difference between the land subject to restitution and the one actually restituted shall be permitted, except for land restituted through the cadastral plan of a settlement under Article 18b. For the differences thereof, the Municipal Land Board shall approve a table for determining the value of the compensation between proprietors at prices determined by the Council of Ministers according to the market prices in the respective area.
- (2) Differences in the size of land under paragraph 1 shall be reflected officially by the Municipal Land Board in its decisions under Article 18g, paragraph 1 and Article 27.

#### **Article 32**

- (1) The putting in possession of restituted farm land shall be done by an official of the Municipal Land Board in the presence of the proprietor or a person empowered by him. This shall be done on the basis of a decision on restitution of property that has entered into legal force and a legalized map. A protocol shall be drawn up on the restitution. The proprietor shall place lasting marks on the boundary points of the property.
- (2) (Amended SG No. 2/1994) The Municipal Land Board, pursuant to the requirements of Art. 33, shall establish the period of time within which restitution shall be effected for each individual locality and set dates for restitution in every area. The announcement shall be made not earlier than 30 days of the announcement of the approval of the land distribution plan under Art. 25, para 4. This shall be

promulgated in the State Gazette, displayed prominently at the municipality and made known through the media. The deadline for restitution shall not be earlier than 30 days after the promulgation of the announcement in the State Gazette.

- (3) (Amended SG No. 34/1992) Members of co-operatives or associations for joint cultivation of farm land may be put in possession of their restituted land summarily in the presence of an empowered representative of the co-operative or association.
- (4) (New paragraph, SG No. 2/1994) A fee shall be collected for restitution after the expiry of the term under para 2 above the amount of which shall be established by the Tariff of Local Fees of the Local Taxes and Fees Act.
- (5) (New paragraph, SG No. 2/1994) After expiry of the term under para 2, the municipality shall manage the lands the owners of which or persons authorized by such owners have failed to appear in person for restitution of the property. Such lands may only be rented out for a period of time not exceeding one year.

### **Article 33**

- (1) Proprietors shall be put in possession after harvesting.
- (2) A proprietor may be put in possession prior to harvesting if he pays compensation to the organization or person that planted the crops at a rate mutually agreed.
- (3) (Amended SG No. 34/1992) The Municipal Land Board may appoint an appropriate term within which the crops shall be harvested, after which proprietors shall be put in possession. If harvesting is not completed within the appointed term the proprietor may be put in possession and shall be required to cover only the actual production costs.
- (4) (New paragraph, SG, No. 72 of 1993) The putting in possession of lands located on the territories under § 4 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be effected after the expiration of the term under § 4a, paragraph 1 and § 4b, paragraph 2 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act, while observing the requirements as set forth in § 4c of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.

### **Article 34**

(Repealed SG. 34/1992)

### **Article 35**

(Repealed SG. 34/1992)

### **Article 36**

- (1) Any exchanges of state or municipally-owned farm land with such owned by individuals or legal persons shall only be permitted if it is of equal quantity and quality.
- (2) Exchanges under paragraph 1 of land from the municipal land reserve shall be conducted by decision of the Municipal Council on the grounds of a motivated proposal of the Municipal Land Board.
- (3) (Amended SG No. 80/1991) Exchanges under paragraph 1 of land from the national land reserve shall be conducted only by decision of the Minister of Agriculture.
- (4) A contract in writing shall be prepared for exchanges under the preceding paragraphs. These may not be notarized.
- (5) (New paragraph, SG No. 34/1992) Exchanges of farm land under the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be conducted in the manner specified in paras 2, 3 and 4.

### **Article 37**

- (1) (Amended SG No. 48/1995) Landless persons and small proprietors shall be vested with property rights in land from the national or municipal land reserves.
- (2) (Amended SG No. 48/1995) Vesting in property with land from the state land reserve shall be carried out by the Municipal Land Board. The size of land per areas and the mode of vesting in property shall be determined by the Minister of Agriculture and Food Industry after completion of compensation of proprietors with land. The terms and procedure for vesting in property shall be determined by an Ordinance of the Council of Ministers.
- (3) (Amended SG No. 60 & 80/1991; Amended SG No. 48/1995) Vesting in property with land from the municipal land reserve shall be carried out by the mayor of the municipality under terms and procedures determined by the Municipal council. Farm land included in the municipal land reserve under Article 19 of the OUFLA may only be rented for a period of time not exceeding one year.
- (4) (Repealed - SG No. 48/1995).

### **Article 37a**

(New - SG No. 48/1995)

- (1) Vesting in property shall be effected by transfer of right of ownership or lease.
- (2) Land from the state land reserve shall be given under lease for a minimum period of 5 years and maximum period of 10 years.
- (3) Citizens vested in property by lease may apply for obtaining right of ownership on the land after expiry of the lease contract.

### **Article 38**

- (1) (Amended SG No. 48/1995) The Municipal Land Board shall organize the elaboration of a land vesting plan with land from the state and the municipal land reserves. The implementation of the technical activities shall be assigned by the Minister of Agriculture and Food Industry.
- (2) The minimum size of plots by the manner of their lasting use shall be subject to the specific soil and climatic conditions for the development of efficient farming but may not be smaller than those specified in Article 10.

### **Article 39**

- (1) (Amended SG No. 48/1995) The Municipal Land Board shall notify at an appropriate place in the municipality the lands subject to vesting in property from the state land reserve by the manner of their lasting use with references to their total size and location, as well as the mode of vesting in property. The notification may be announced also through the mass media.
- (2) (New - SG No. 48/1995) The lands from the municipal land reserve intended for vesting into property shall be announced by the mayor of the municipality pursuant to paragraph 1.

### **Article 40**

- (1) (Amended SG No. 48/1995) Persons desirous of being vested in property with land from the state reserve shall submit petitions to the Municipal Land Board, indicating the land by size and manner of lasting use, as well as the mode of vesting in property.
- (2) (New - SG No. 48/1995) Persons desirous of being vested in property with land from the municipal land reserve shall submit petition to the mayor of the municipality.
- (3) Enclosed with such petitions shall be documents (declarations, certificates, etc.) serving as evidence that the requirements of Article 20, paragraph 1 of the Ownership and Use of Farm Land Act and right to precedence under Article 21, para 1 and 2 of the Ownership and Use of Farm Land Act have been met.

### **Article 41**

- (1) The Municipal Land Board shall rule on petitions within one year of the above announcement. The date of its meeting shall be announced pursuant to Article 39.
- (2) The Municipal Land Board shall vest in property persons in the order of precedence under Article 21, paras 1 and 2 of the Ownership and Use of Farm Land Act.
- (3) (Amended SG No. 48/1995) In the event of several applicants for vesting into property by transfer of ownership of the same order, and provided all other conditions are equal, lots shall be drawn.
- (4) (Amended SG No. 34/1992, No. 48/1995) In the event of multiple applicants for vesting into property by lease, tender shall be held at initial prices determined by the Minister of Agriculture and Food Industry.
- (5) (New - SG No. 48/1995) In the event of transfer of right of ownership the prices of land from the state land reserve for vesting into property shall be determined by the Council of Ministers, and for the municipal land reserve - by the Municipal Council.

### **Article 42**

- (1) (Amended SG No. 48/1995) The Municipal Land Board shall issue rulings on petitions for land from the state land reserves, and the mayor of the municipality - for land from the municipal land reserve.
- (2) (Amended SG No. 34/1992) The Municipal Land Board's rulings on petitions shall be communicated to persons concerned in the manner specified by the CPC.
- (3) (Repealed SG No. 34/1992)

### **Article 43**

- (1) Persons outside categories under Article 21, paragraph 1 of the Ownership and Use of Farm Land Act shall be vested in landed property by ruling of the Municipal Land Board on results of auction.
- (2) Auctions shall be conducted by the Municipal Land Board pursuant to the provisions of the Regulations for Auctions (SG, No. 50 of 1992; Amended, SG, Nos. 9 and 30 of 1993)) inasmuch as these Regulations do not contain any other provisions for such cases.

#### **Article 44**

Tracing of plots for green areas and those under tenancy shall be done under Articles 30, 31, 32, and 33.

### **Chapter Three**

## **LAND OF THE STATE, MUNICIPALITIES, COOPERATIVES AND OTHER LEGAL PERSONS**

#### **Article 45**

- (1) (Amended SG No. 34/1992) Farm land belonging to the national and municipal land reserves shall be determined officially by the Municipal Land Boards.
- (2) (Amended SG No. 34/1992) In the cases under paragraph 1 the Municipal Land Board shall rule under Article 18g, paragraph 1 or Article 27.
- (3) (New paragraph, SG, No. 72 of 1993) The statutory areas adjacent to the buildings and equipment set forth in Article 1, paragraph 1, items 3 and 4 owned by TKZS and other organisations terminated pursuant to § 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act beyond the construction borders of settlements shall be established at the request of Liquidation Councils of *ex officio* by the Land and Land Use Regional Service with a protocol and certified map copies of which shall be sent to the Land Board and the Ministry of Agriculture. In the event that plots have been duly granted on a free-of-charge basis under the established terms and procedures or they have not been duly granted under the requisite terms and procedures but have been built up with the resources of the organisations set forth in § 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act, these circumstances shall be recorded in the protocols. In such cases, the State Property Service shall undertake the notarization only of the adjacent plots as set forth in the Regulations for State Property. The value of the adjacent plots within or without the construction borders of settlements shall be determined after the auction in the same proportion as in the initial price of the land and the buildings and structures thereon and it shall be payable to the state budget.
- (4) (Old paragraph 3) Restitution of land under Article 25, paragraph 2 of the Ownership and Use of Farm Land Act shall be done in the manner specified in these Regulations.

#### **Article 46**

(Amended SG No. 34/1992)

- (1) Usufruct of land of the national land reserve under Article 26 of the Ownership and Use of Farm Land Act shall be granted by the Ministry of Agriculture, and of those of the municipal land reserve, by municipal Land Boards upon their determination by municipal councils under Article 38.
- (2) (Amended, SG, No. 72 of 1993) By ruling of the Municipal Council for land from the municipal land reserve and by an order of the Minister of Agriculture for land from the national land reserve, property rights over land under paragraph 1 may be acquired free of charge by persons who have cultivated the land for over 10 years. Property rights over land belonging to the national land reserve shall be acquired free of charge subject to approval by the Ministry of Finance.

#### **Article 47**

(Amended SG No. 48/1995)

- (1) The Minister of Agriculture shall exercise the rights of proprietor of the land belonging to the national land reserve inasmuch as no other provisions are contained in the Ownership and Use of Farm Land Act and these Regulations.
- (2) (New - SG No. 48/1995) Users of farm land, entitled pursuant to Article 24, paragraph 2 of the OUFLA, shall submit petition and motivation to the Minister of Agriculture and Food Industry for the size of the land needed to carry out their major activities.
- (3) (New - SG No. 48/1995) The petition under paragraph 2 shall be accompanied by scheme of scale not less than 1:10,000, certified by the Municipal Land Board, and a balance sheet for mode of lasting use of the territory.
- (4) (New - SG No. 48/1995) The Minister of Agriculture and Food Industry shall issue an order specifying the location, boundaries, size and restrictions on use of provided farm land, as well as the manner of compensation of affected proprietors. The order and the certified scheme shall be sent to the use and to the Municipal Land Boards.
- (5) (New - SG No. 48/1995) The location and the boundaries of land provided for use by decision of the Council of Ministers pursuant to Article 24, paragraph 3 of the OUFLA, shall be determined by committee assigned by joint order of the Minister of Agriculture and Food Industry, the Minister of Defence, the Minister of the Interior, respectively, or the Head of the department.
- (6) (New - SG No. 48/1995) For lands where the right of ownership is retained pursuant to Article 24, paragraphs 2, 3 and 4 of the OUFLA, the Municipal Land Boards shall issue rulings pursuant to Article

18g, paragraph 1, for state property, based on Article 24, paragraph 5 of the OUFLA, and shall send them for registration under the established procedure.

- (7) (New - SG No. 48/1995) The Minister of Agriculture and Food Industry may amend and repeal orders issued pursuant to Article 24, paragraph 2 of the OUFLA, and may make proposals for amendment or repeal of decisions of the Council of Ministers for land provided pursuant to Article 24, paragraph 3 of the OUFLA, where the needs cease to exist or in case of established violations in the use of farm land from the state land reserve.

#### **Article 47a**

(New item, No. 34/1992) The Bulgarian Orthodox Church and the other religious denominations, cooperatives and other organizations, shall, at their request be reinstated in ownership of farm land as dispossessed, unless such land has since been lawfully built up for purposes other than farming, or granted to individuals. In such cases the above organizations shall be compensated with land of equal quality from the state or municipal land reserves. In the absence of such appropriate land compensation shall be given by terms and procedures as provided by law.

### **Chapter Four**

**(New chapter, SG No. 34/1992)**

## **DISTRIBUTION OF PROPERTY OF FARMING COOPERATIVES (TKZS) AND OTHER ORGANIZATIONS ESTABLISHED ON THAT BASIS**

### **Article 48**

(Amended SG No. 34/1992, No. 72 of 1993)

- (1) Property of TKZS and other organizations established on its basis consists of ownership and other real rights over long-term and short-term assets, trade marks, products of research and development, software, patents, know-how, bonds, shares in other companies, as well as other rights and obligations.
- (2) All balance-sheet assets by the date of distribution shall be subject to distribution in shares subsequent to the deduction of all liabilities to the state, banks and other natural and physical persons.
- (3) Prior to distribution the following deductions shall be made from the balance-sheet for:
  1. moneys received by TKZS and other organizations based thereon for lands sold and as compensation for compulsory purchase of land. These moneys shall be contributed to the state budget;
  2. property of the state granted through the Machine and Tractor Stations (MTS), DZS and other state organizations;
  3. (Amended SG No. 48/1995) in the event that they had been granted free of charge, any equipment and facilities built with state budget funds and listed in the balance-sheet Following the deduction of property under items 2 and 3, the persons specified under § 29, paragraph 1 of the Transitional and Concluding Provisions of the Amendments Act on the OUFLA shall notify in writing the Minister of Agriculture and Food Industry about the type and value of state property, and shall submit expert appraisal. Until a decision is taken by the Minister of Agriculture and Food Industry on further keeping of such property, the persons nominated by the General Meeting of the persons entitled shall safeguard the state property with the care of good husband.
- (4) Liquidation Councils may decide to deduct the value of real estate intended for servicing settlements or farm land (roads, bridges, cultural centres, etc.) from the assets prior to their division into individual shares. These may be transferred to the municipalities or the state at a price or free of charge. In the event that such transfer amounts to a sale the receipts shall be added to property under paragraph 2.
- (5) Following the reinstatement of ownership rights over property confiscated by TKZS or other organizations established on their basis, this shall be added to property under paragraph 2. Property reinstated after the division into shares has already been effected shall be distributed separately under the conditions and in the manner of the initial distribution.
- (6) (New paragraph, SG No. 34/1992) The shares of TKZS and those of the organizations succeeding them in the cases listed in Article 28, paragraph 3 of the Ownership and Use of Farm Land Act shall be equal to the updated remaining value of property at the time of its transfer to DZS, MTS and other organizations.
- (7) (New paragraph, SG No. 34/1992) Property rights over agricultural machinery and equipment that had been transferred free of charge to MTS and other organizations and had since been announced inoperative, shall be reinstated by granting to proprietors machines and equipment of similar type and operational condition. In such cases the value of the agricultural machines and equipment transferred to MTS shall be calculated in conformity with prevailing market prices by taking into consideration its remaining value at the time of transfer.
- (8) (New paragraph, SG No. 34/1992, Amended SG No. 8 of 1993) Long-term assets of TKZS and other organizations established on their basis may only be sold at auction by decision of the Liquidation

Council, except such assets for which other provisions exist. Auctions shall be carried out by Liquidation Councils under Article 43, paragraph 2. The sale through auction shall be admitted only if the persons having a share in the property of these organizations do not wish to receive long-term assets against the share due them.

- (9) (New paragraph, SG No. 8/1993) Before adopting a decision for holding an auction the Liquidation Council shall announce in an appropriate place and in one central and one local newspaper a list of the facilities, their initial price and the time period for submitting the applications by the persons having a share, which cannot be shorter than one month.
- (10) (New paragraph, SG No. 8/1993) Should candidates having the right to a share show up the auction shall be held only among them. Should only one of the candidates have the right to a share Art. 6, paras 2, 3 and 4 of the Regulation on Auctions (SG No. 50 of 1992) shall apply *mutatis mutandis*. In such cases a deduction of the due shares shall be made.
- (11) (New paragraph, SG No. 34/1992, former paragraph 9) The value of property subject to distribution shall reflect any differences in prices of facilities sold by auction. When such sales are effected after the distribution of property, the said difference shall be added to the shares of the proprietors.
- (12) (New paragraph, SG No. 34/1992, former paragraph 10, amended SG No. 8/1993) The sale of livestock and their assigning as a share may only be done subsequent to consultation with the Ministry of Agriculture.
- (13) (New paragraph, SG No. 5/1995) Sales and providing shares of tribal animals, determined by the National Agency for Selection and Reproduction in Stock-breeding at the Ministry of Agriculture shall be carried out without holding auctions after clearance with the Ministry of Agriculture upon the presentation of:
  1. evaluation of animals, which shall be conducted by the relevant regional agency for selection and reproduction in stock-breeding, correlated to the current market prices;
  2. contract with the relevant regional agency for selection and reproduction in stock-breeding on continuation of the tribal selection;
  3. document issued by the relevant regional agency for selection and reproduction in stock-breeding, certifying that the buyer has the conditions for breeding the animals.

#### **Article 48a**

(New article, SG, No. 72 of 1993)

- (1) In the event of sale of real estate at an auction, the Liquidation Council shall transfer property rights, land ownership rights included, up to the extent as set forth in Article 45, paragraph 3. In such cases, the auction documentation shall be supplemented with a map of the territory of the site certified by the respective Land and Land Use Service for plots outside construction borders of settlements or by the Technical Service at the Municipal Administration for plots within settlements.
- (2) The buyer shall pay the auction price as follows: the value of structures - to the account of the Liquidation Council, and the value of land property rights to the state budget.

#### **Article 49**

(Amended SG No. 34/1992)

- (1) Prior to distribution of property in shares an appraisal shall be made of long-term and short-term assets, including receivables and liabilities.
- (2) (New paragraph, SG No. 80/1991) Such appraisals shall be preceded by determination of actual existence of assets in kind or equity through an inventory verification to be conducted under the Accountancy Act. The results of any such verification shall be entered into the accounting books prior to the appraisal. Data contained in inventory lists shall be used in conducting the appraisal.
- (3) (Previous paragraph 2, SG No. 80/1991; Amended, SG, No. 72 of 1993) Appraisal of property subject to distribution as well as of the state property under Article 48, paragraph 3, items 2 and 3 shall be conducted by an independent expert auditor commission or company authorized by the Ministry of Agriculture after consultations with the Ministry of Finance and hired by the Liquidation Council.
- (4) (Previous paragraph 3, SG No. 80/1991) Expert commissions shall consist of no less than three members possessing the required education and qualifications for appraising property, of whom at least one shall be an accountant meeting the requirements of Ordinance No. 146 of the Ministry of Finance of March 23, 1991 (SG No. 81 of 1991). Persons having rights to shares of TKZS property cannot serve as experts. The Liquidation Council shall determine the composition of the expert commission.
- (5) (Previous paragraph 4, SG No. 80/1991) At the discretion of the Liquidation Council, opinion on appraisal protocols may be requested from Expert Boards appointed by the Minister of Agriculture in consultation with the Minister of Finance. The appraisal shall be approved by decision of the Liquidation Council and shall be subject to subsequent financial control.

## Article 49a

(New article, SG No. 34/1992)

- (1) Appraisal of various types of property shall be carried out pursuant to the following rules:
  1. long-term assets shall be appraised only when they constitute property, including those located abroad or rented (leased) to legal or natural persons;
  2. the appraisal of long-term physical assets shall be conducted from the point of view of technological level, condition, expected operational life remaining, selling price or price at which these may be purchased at the time of appraisal. Experts shall determine the type of price. The value of imported long-term assets shall be determined on the basis of current foreign trade prices and the exchange rates of the Bulgarian National Bank. For long-term assets which are no longer manufactured and a selling price can no longer be determined, appraisal shall be made by comparison with domestically manufactured products, or, if no such exist, with similar products abroad. The value of long-term assets determined by the appraisal shall be entered as initial price of the respective assets. Amortization calculated prior to the appraisal shall be deleted. Appraisal of individual long-term assets shall be conducted as follows:
    - a) Appraisal of buildings, courtyards, forage tanks, irrigation systems, enclosed power lines and water supply lines, etc, shall be conducted by assessing all types of works in constructing the above facilities. Material, labour and services shall be appraised at market prices, rates and projected costs at the time of the appraisal. Amortization of buildings shall be calculated and deducted in accordance with the type of structure (temporary, semi-temporary, permanent), age and manner of use, as well as current depreciation rates. The price of buildings for administrative, utility and cultural purposes may not be lower than the base price established under the Regulations for Base Market Prices of Real Estate (promulgated in SG No. 65 off 1991, amended, SG, Nos.77 and 93 of 1991), and for newly constructed buildings, not lower than their total construction cost;
    - b) machinery, vehicles and farm equipment shall be appraised on the basis of prevailing selling prices at the time of appraisal, taking into account their technological level, operating condition and anticipated remaining life;
    - c) land, whether built-up or not, located within building development boundaries of settlements and land located outside the building development boundaries of settlements that had been taken away for non-agricultural uses shall be appraised under the Regulations for Base Market Prices of Real Estate.
    - d) newly planted and fruit-bearing perennial plantations shall be appraised under the Regulations for Base Market Prices of Perennial Crops (promulgated, SG No. 65 of 1991), to be considered as minimum prices. Selling prices of perennial crops shall be determined following an expert assessment of the costs of their planting, their potential yield, price of production and production costs for their remaining life as from the date of appraisal. Selling prices may not be lower than the minimum described above;
    - e) productive, draught and young breeding animals shall be appraised by expert assessment of their condition and potential productivity (productivity, anticipated period of fitness, price of production less costs at market prices at the date of appraisal). Their price may not be lower than market price of animals kept for reproductive purposes, and for others - than the market price for kilogram of live weight in the respective area at the date of appraisal;
    - f) incomplete production in crop-raising shall be appraised on the basis of actual costs. The inventory commissions shall determine the condition and possibility of utilization of such production. In the event that changes have occurred in the prices of materials, fertilizers, chemicals and fuel and in wage tariffs and rates, actual costs shall be corrected accordingly;
    - g) incomplete long-term physical assets shall be appraised separately of building works by taking into account their actual condition and price by the date of appraisal. Machines and equipment duly delivered and included in the appraisal of long-term incomplete assets shall be appraised on the basis of selling prices by the date of appraisal, taking into consideration their actual condition, degree of operability and fitness for future use;
    - h) long-term assets affixed to farm land in the nature of improvements (watering and meliorative facilities, stationary and semi-stationary irrigation systems, etc.) shall be appraised depending on their technological level, condition, remaining life and the price at which they may be acquired at the time of appraisal.
  3. long-term non-physical assets shall be appraised by taking into account their condition and possibility for profitable use in future. Only long-term non-physical assets the value of which is included in the balance sheet are subject to re-appraisal;
  4. long-term financial assets (shares in company capital in domestic or foreign currency, stocks and bonds) shall be appraised on the basis of the market value of the respective currency at the time of appraisal, and for stocks and bonds, on the basis of their nominal or market value;

5. short-term assets shall be appraised pursuant to the principles and prices adopted for long-term assets, by observing the following requirements:
    - a) material reserves shall be appraised in accordance with their actual condition, usability, degree of applicability and price at which they had been purchased, or the selling price at the time of appraisal. The type of price shall be chosen by experts depending on market conditions for the various types of material reserves.
    - b) funds and expected receipts in foreign currency available on the data of appraisal shall be calculated on the basis of the market rate of the Bulgarian National Bank if this value is lower than the value at which these are accounted at the time of appraisal.
    - c) liabilities in foreign currency shall be calculated on the basis of the market rate of the Bulgarian National Bank when this value is higher than the value at which these are accounted at the time of appraisal.
  6. assets received free of charge shall be appraised at selling prices or at buying prices at the time of appraisal at the discretion of the appraising experts
- (2) At auctions the starting price of facilities shall be determined by independent experts by taking into consideration the value of the property, size of profits and return of investment and by observing the following rules:
1. individual pieces of agricultural property (e.g. vineyards, orchards, livestock farms, mills, dairies, reservoirs, dams, etc. that may be subject to independent economic activity) and animals shall be appraised by taking into consideration their potential profitability. Potential profitability shall be determined by:
    - a) technological level, operating condition of facility, possible income from sales of produce, production costs, financial and extraordinary costs, taxes due, tax payments and size of profits;
    - b) value of produce assessed at market prices at the time of appraisal;
    - c) necessary material costs calculated in kind on the basis of their average amount for the past three years and assessed at market prices at the time of appraisal. Labour, financial and extraordinary costs shall be determined on the grounds of quotas, rates and tariffs in force at the time of appraisal;
  2. tax payments and deductions from the profits shall be calculated on the grounds of the tariffs in force at the time of appraisal;
  3. profits shall be determined on the grounds of statements of receipts and expenditures.

#### **Article 49b**

(New item, SG No. 34/1992)

- (1) Increase or reduction in the value of property upon approval of the appraisal shall be entered in the accounting books as increase or reduction of fixed assets.
- (2) Appraisal results shall not be included in the statement of receipts and expenditures and shall not constitute financial results with the exception of results of the appraisal resulting from economic activity during the current year and from negative balances of bonds or of changes in currency exchange rates.
- (3) Shares shall be determined on the basis of the value of ownership capital less the value of outside funds.

#### **Article 50**

(Amended SG No. 34/1992) The size of shares of property of TKZS and organizations based thereon shall be determined on the basis of a person's contribution to the acquisition thereof: land contributions, years of service and unreimbursed contributions in farm machinery and equipment. The distribution shall be at equal proportion of contributed land and years of service, upon deduction of unreimbursed contributions in farm machinery and equipment.

#### **Article 50a**

(New article, SG No. 34/1992)

The size of farm land of each proprietor included in TKZS and DZS shall be determined by the Municipal Land Board. The size shall be calculated by relative decares by means of a bonus evaluation. The relative decares shall be multiplied by the number of years from the inclusion of the lands in TKZS or DZS until the liquidation of such organizations under paragraph 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act. The index thus obtained shall serve as the basis on which persons shall participate in the distribution of property in accordance with the size of land. Until decisions of the Municipal Land Board are made under Article 18g calculations shall be made on the basis of preliminary data.

### **Article 50b**

(New article, SG No. 34/1992)

- (1) The work contribution of members of co-operatives as a basis for distributing property shall be determined for the entire period of time from the establishment of the co-operative to the moment of the distribution of the property into shares. Work contribution shall be determined in man/days through the duration of employment in co-operatives, including time spent on sick leave and maternity leave. If the work contribution has been registered in work days units, its conversion into man/days shall be done on the basis of individual coefficients for each TKZS or DZS by years. The summary index for calculating the work contribution upon distributing property into shares shall be the sum of man/days for the time during which each member of co-operatives has been employed.
- (2) The work contribution shall not be taken into consideration if it is less than 5 years in the event that the person has not contributed land or equipment. Employees who have not contributed land or equipment but have worked for no less than 5 years in more than one TKZS or organizations, based thereon shall be entitled to a share of the respective farms proportional to the time served in them.

### **Article 50c**

(New article, SG No. 34/1992)

- (1) The size of the contribution of machinery of each member of co-operatives shall be determined from archive documents.
- (2) In the event that written evidence is lacking the obligatory contribution in machinery shall be calculated by multiplying the size of land by an index in levs per decare adopted for each settlement. The contribution index at the time of establishment of co-operatives shall be determined by a study the findings of which shall be approved by the Liquidation Council. In the event that written evidence is lacking of additional contribution in equipment, individual claims shall be examined in court.
- (3) The value of the contribution in equipment shall be re-calculated at prices prevailing at the time of the appraisal. If evidence is lacking of the actual items contributed the total value of the contribution shall be increased by the inflation index as announced by the National Statistical Institute for the period of time from the transfer of the said contribution to the moment of the new appraisal. The up-dated value of the unreimbursed contributions in equipment shall be deducted from the property and shall be reinstated as share to its proprietors without being used as a basis for participation in the distribution of property.

### **Article 51**

(Amended SG No. 34/1992)

- (1) Persons eligible to receive shares from the property are those who have:
  1. contributed land and equipment and have made a work contribution;
  2. contributed land and equipment but have made no work contribution;
  3. granted usufruct of land to TKZS;
  4. a work contribution of over 5 years without having made a contribution in land and equipment. The number of years shall be determined on the basis of required minimum of work/days and man/days.
- (2) Those not entitled to shares of the property are:
  1. persons who have not contributed with land and equipment and have been employed in TKZS and Agro-Industrial Complexes (APK) for less than 5 years;
  2. specialists and workers employed in industrial and other non-agricultural activities of TKZS who have worked under employment contracts but have not been members of the said organizations;
  3. persons who have been employed on temporary contracts;
  4. persons who have received payment from TKZS and APK for the period of time during which they have held public or political office.
- (3) Workers and other employees of APK and divisions thereof shall be entitled to shares for work contribution to TKZS:
  1. from the cooperative whose member the worker or employee is at the time of the distribution of the property into shares;
  2. from the cooperative from which the worker or employee has retired prior to receiving a share for work contribution;
  3. from the place where the headquarters of APK (its divisions) was at the time of termination of employment relations prior to or at the time of liquidation of APK.
- (4) Members of amalgamated agricultural co-operatives shall be entitled to work contribution shares under paragraph 3.

- (5) (Amended SG No. 80/1991) Heirs of co-operative members entitled to work contribution shares shall be eligible to receive such shares.
- (6) (Amended SG No. 80/1991) Duration of employment with DZS established on state-owned land and with MTS shall not be considered eligibility for receiving shares except for equipment operators and when it is the result of reorganization of TKZS and APK.

#### **Article 52**

(Amended SG No. 34/1992)

- (1) Shares of proprietors shall be determined as part of the total value of the property irrespective of its content in kind. The portion of the property received by each individual shall be expressed in a number of shares the value of each having been determined beforehand. The total value of shares of each individual shall constitute his share.
- (2) (New paragraph, SG No. 34/1992; Amended, SG, No. 72/1993; SG No. 48/1995) Persons referred to in Article 27, paragraph 1 of the Ownership and Use of Farm Land Act shall be entitled to receive their shares in property or co-property. Restitution shall be made in kind or money by decision of the General Meeting of the persons entitled.
- (3) (New paragraph, SG, No. 72/1993; Amended SG No. 48/1995) The decision of the General Meeting of the persons under Article 27, paragraph 1 of the OUFLA on the final distribution of property in kind or money shall be subject to appeal before the district court.
- (4) (New paragraph, SG No. 34/1992; Amended SG No. 48/1995) Prior to the final distribution of property in kind or money the persons entitled to shares may contribute the amount specified for them pursuant to paragraph 1 as share participation in cooperatives or companies.
- (5) (New paragraph, SG No. 34/1992; Amended SG No. 48/1995) Contribution of amounts under paragraph 4 shall be effected by contract in writing with certification of signatures by the notary public. Parties to the contract shall be the persons contributing the amounts as share participation, and a person with representative powers in compliance with the Statutes of the Cooperative or the company.
- (6) (New - SG No. 48/1995) Where pursuant to Article 27, paragraph 5 of the OUFLA to one or several persons property has been given, which exceeds the amount of their respective shares, they shall balance the shares of the other persons with money or articles.
- (7) (New - SG No. 48/1995) The vesting into property of proprietors of lands occupied with perennial plants, rice plantations and water irrigation systems shall be effected only after they balance the shares of the other persons with money or articles.
- (8) (New - SG No. 48/1995) Acquisition of ownership or other real rights on built-up and non-built-up land around them within the norms determined by legislation pursuant to Article 27, paragraph 6 of the OUFLA, shall be effected on the grounds of contract concluded between the Minister of Agriculture and Food Industry or a person authorized by him, and the person who has acquired rights on the building. This contract shall be concluded in compliance with Article 18 of the Ownership Act and it shall specify the mode and terms for payment for the land.
- (9) (New - SG No. 48/1995) The built-up land and the adjacent plots under paragraph 8 shall be state property and its value shall be paid to the Budget of the Republic.
- (10) (New - SG No. 48/1995) Where persons who have acquired ownership of building from the property of organizations under § 12 of the OUFLA, have become proprietors of land from the state forest reserve pursuant to Article 27, paragraph 6 of the OUFLA, such land shall be excluded from the lands of the state forest reserve by the Council of Ministers. The Chairman of the Committee on Forests and the Minister of Agriculture and Food Industry shall make proposal in writing to the Council of Ministers to exclude such lands from the state forest reserve.

#### **Article 53**

(Amended SG No. 34/1992)

- (1) Property of intercooperative enterprises such as poultry farms, beef farms and pig farms, etc, established by contributions from TKZS shall be distributed by mutual agreement between interested parties after all liabilities have been paid to the state, banks, legal and natural persons. The share of the individual TKZS or their succeeding organizations shall be determined from the share price updated to market prices and half the accretion of the property of the intercooperative enterprise. The remainder of the property shall be re-distributed on the basis of the record of service under Article 50b.
- (2) (New paragraph, SG No. 34/1992; Amended SG No. 48/1995) In the event that the state has participated in establishing the intercooperative enterprise, the share of the state and the respective part of the accretion of property shall be deducted and the remainder of the said property shall be distributed in the manner described in the above paragraph in case the property is divisible. Should the property be indivisible, where production activities are carried out, the organizations shall be transformed into EOOD by order of the Minister of Agriculture and Food Industry, to the amount of state participation established on the grounds of appraisal by certified public accountant, and the

remainder shall be kept by the newly established company with the care of good husband. In the case of indivisible property, where no production activities are carried out, liquidation shall be carried out pursuant to Article 268, paragraph 1 of the Commerce Act. The persons who shall carry out the liquidation, shall be assigned by the Minister of Agriculture and Food Industry.

- (3) (New paragraph, SG No. 34/1992) The Minister of Agriculture in consultation with the Minister of Finance shall appoint experts to appraise the size of the participation of the state.

#### **Article 54**

- (1) (Amended SG No. 34/1992; SG No. 48/1995) The property of specialized enterprises engaged in industrial and supporting activities, construction, maintenance of agricultural equipment, supply of materials, transportation, etc., and established by APK shall be restituted to TKZS and its succeeding organizations upon deduction of the share of the state pursuant to Article 53, paragraph 2 and upon payment of all liabilities to the state, banks, legal and natural persons. The size of the share shall be determined by mutual agreement between the interested parties in accordance with their contribution to it. If no such agreement is reached, the matter shall be resolved by a court of law. In the event that the property of the specialized enterprises cannot be divided, property shall be restituted as shares. The restituted part of property shall be included in the property of TKZS subject to distribution into shares.
- (2) (New - SG No. 48/1995) The provisions of Article 53, paragraph 2, shall also apply to paragraph 1.

#### **Article 54a**

(New article, SG No. 34/1992)

- (1) Property of agricultural organizations established by merging of TKZS and DZS shall be distributed among participants after its value is corrected at market prices prevailing at the time of distribution.
- (2) Property of former DZS and of the state respectively, at the time of the merger shall be deducted and its value shall be corrected at market prices at the time of distribution.
- (3) Property created during the period of joint functioning of TKZS and DZS shall be distributed equally in proportion to contribution in land and in labour.
- (4) The part of property for the land used shall be distributed between TKZS and the state according to the quantity, quality and length of use of land. The part of the property for the used state-owned land shall not be subject to distribution among persons under Article 27, paragraph 1 of the Ownership and Use of Farm Land Act.

#### **Article 55**

(Amended SG No. 34/1992)

- (1) Distribution of property by shares shall be adopted by decision of the Liquidation Council and shall be subject to subsequent financial control until the body is dissolved.
- (2) When share of property is determined, one decision shall be issued for all heirs.
- (3) (Repealed SG No. 34/1992)
- (4) (Repealed SG No. 34/1992)
- (5) (Repealed SG No. 34/1992)

#### **Article 56**

(Repealed SG No. 34/1992)

(New - SG No. 48/1995)

- (1) The persons nominated by the General Meeting pursuant to § 29 of the Amendments Act on the OUFLA, by the persons entitled under Article 27, paragraph 1 of the OUFLA shall:
  1. distribute the property of deleted organizations pursuant to § 12 of the Transitional and Concluding Provisions of the OUFLA, in compliance with Article 52, paragraphs 1 and 2;
  2. participate in General Meetings, in inter-cooperative and specialized enterprises under Articles 53 and 54;
  3. dispose jointly with the monetary funds of organizations deleted pursuant to § 12 of the Transitional and Concluding Provisions to the OUFLA;
  4. collect receivables of deleted organizations, instituting court proceedings for that purpose, appear as claimants at pending civil cases in court, and as preemptors at execution cases;
  5. settle employment relations with employees and specialists of the deleted organizations in compliance with Article 328, paragraph 1, item 1 of the Labour Code, if such relations have not been settled by the liquidation committee at the time of entry into force of the Amendments Act on the OUFLA;
  6. notify in writing the Minister of Agriculture and Food Industry about the existence of state property, and render assistance to certified public accountants assigned by him;

7. report to and be subject to control by the General Meeting of the persons under § 28 of the Amendments Act on the OUFLA;
  8. ensure the protection and safeguarding of preparations for plant protection with expired application period and unestablished origin, to the time of their destruction.
- (2) Employment relations with liable persons and guards shall not be terminated till decision is taken by the General Meeting to that effect. The maintenance of liable persons and guards shall be provided for from the property of the organization deleted pursuant to § 12 of the Transitional and Concluding Provisions to the OUFLA.

**Chapter Five (Previous Four)**  
**LANDED PROPERTY AUTHORITIES**

**Article 57**

(Amended SG No. 34/1992) The Landed Property authorities shall be the Ministry of Agriculture and the municipal land boards.

**Article 58**

(Repealed SG No. 34/1992)

**Article 59**

(Amended SG No. 34/1992, No. 72/1993; No. 48/1995)

- (1) The Ministry of Agriculture and Food Industry shall:
  1. co-ordinate the implementation of the Ownership and Use of Farm Land Act and the Regulations for its application;
  2. administer the operation of the municipal land boards, by issue of an order for their operation;
  3. determine the size of land provided pursuant to Article 24, paragraph 2 of the OUFLA;
  4. approve categories of farm land and determine annually the rent for use of land from the state land reserve;
  5. determine the land from the state land reserve to be provided for compensation and vesting in property;
  6. provide usufruct pursuant to Article 26 of the OUFLA on land from the state land reserve;
  7. determine the manner and conditions of deducting from the restitutable land of land subject to reinstatement of ownership rights under § 4 of the Concluding and Transitional Provisions of the Ownership and Use of Farm Land Act;
  8. approve mandatory methodological instructions within his competence;
  9. approve lists of persons eligible to participate in land distribution activities and appraisal of farm land;
  10. assign certified public accountants for establishment of state participation in deleted organizations;
  11. perform other functions vested into him by the OUFLA, or authorize other persons for that purpose;
- (2) (Repealed SG No. 34/1992)  
(New - SG No. 48/1995) The Minister of Agriculture and Food Industry shall repeal acts of the liquidation boards, inclusive of after termination of their activities.
- (3) (New - SG No. 48/1995) The order under paragraph 2 shall be notified to the claimants in compliance with the Civil Procedure Code.

**Article 60**

(Amended SG No. 34/1992)

- (1) (Amended SG No. 48/1995) Land Boards shall be bodies of the Ministry of Agriculture and Food Industry and shall be established with Municipalities.
- (2) Upon the request of the Municipal Council, Land Boards, enjoying the same competence, may be established at settlements belonging to the same municipality.
- (3) Members of Land Boards shall be appointed and dismissed by the Minister of Agriculture;
- (4) Land Boards shall consist of Chairman, Secretary and an odd number of Members. The Chairman, Secretary and Members appointed by the Ministry of Agriculture shall be full time employees. The other Members of the Land Board shall be paid as per current wage rates.
- (5) (Amended SG No. 48/1995) Where possible the Land Boards shall include a lawyer, an agronomist, a certified geodesist or land surveyor, and representative of the private agricultural proprietors;

### **Article 61**

- (1) All state bodies shall be obliged to render any necessary assistance to Land Boards in the discharge of their duties.
- (2) (Amended SG No. 80/1991 & 34/1992) Liquidation Councils and legal persons under Article 15 of the Ownership and Use of Farm Land Act shall be required to submit to competent state authorities, Municipal Councils and Municipal Land Boards all information requested by them as well as copies of all documents available within 10 days of the date at which the request was made. Information shall be provided free of charge except for actual expenses for copy-making.
- (3) (New paragraph, SG No. 80/1991) The funds necessary for the provision of information under Article 18, paragraph 1, shall be provided by the Minister of Agriculture.

### **Article 62**

Members of Land Boards and the technical staff conducting land distribution shall have unlimited access at any time to farm land and estates on the territory of settlements and shall be free to place measuring signs.

## **Chapter Six (Previous Five)**

### **FINANCING**

### **Article 63**

(Amended SG No. 34/1992) Landed property authorities shall be maintained at the expense of the state budget.

### **Article 64**

(Amended SG No. 34/1992)

- (1) The Ministry of Agriculture shall be approved a budgetary account for maintaining such authorities, including for temporary employees thereof and for financing their activities under the law.
- (2) The Minister of Agriculture in consultation with the Minister of Finance shall determine the number of personnel of Municipal Land Boards, including temporary employees. Funds for supporting the staff and activities of the Municipal Land Boards shall be provided annually from the budgets of the respective Councils upon proposals from the Ministry of Agriculture.

### **Article 65**

(Amended SG No. 34/1992)

- (1) All income derived from the implementation of the law shall be remitted to the national budget with the exception of income under paras 4a and 4b of the Concluding and Transitional Provisions of the Ownership and Use of Farm Land Act;
- (2) Funds under paras 4a and 4b of the Concluding and Transitional Provisions of the Ownership and Use of Farm Land Act shall be collected and spent under an extra-budgetary fixed-term deposit account with the Municipal Council and shall be used exclusively for payments between previous proprietors and users.

### **Article 66**

(Amended SG No. 34/1992)

Upon completion of activities in implementation of para 4a and 4b of the Concluding and Transitional Provisions of the Ownership and Use of Farm Land Act any left-over funds shall be remitted to the national budget.

### **Article 67**

(New article, SG No. 80/1991)

- (1) A Land Fund shall be set up with the Minister of Agriculture to raise funds for the implementation of the Ownership and Use of Farm Land Act.
- (2) Money for the Land Fund shall be raised from the state budget, from donations by Bulgarian and foreign individuals, foreign aid and other sources and shall be spent for financing the agrarian reform under the Ownership and Use of Farm Land Act.
- (3) The money raised under paragraph 1 shall be kept in a separate extra-budgetary receipts and expenditures account and shall be spent pursuant to regulations issued by the Minister of Agriculture after consultations with the Ministry of Finance.

### **Article 68**

(New article, SG No. 48/1995)

- (1) A Fund for purchase of farm land by the state shall be set up with the Minister of Agriculture and Food Industry pursuant to Articles 9 and 9a of the Ownership and Use of Farm Land Act.

- (2) The Minister of Finance and the Minister of Agriculture and Food Industry shall issue an Ordinance for raising and spending monies of the Fund.

### ADDITIONAL PROVISIONS

- § 1. Small proprietors under these Regulations shall be persons whose main occupation is agriculture and who own farm land:
- (1) in mountainous and semi-mountainous regions - up to 10 decares, or up to 15 decares for a household if it consists of more than one member;
  - (2) (Amended SG No. 34/1992) in plains - up to 8 decares, or up to 10 decares for a household if it consists of more than one member;
  - (3) (Repealed SG No. 34/1992)
- § 1a. (New item, SG No. 34/1992) Under these Regulations a household shall denote the spouses, the unmarried children and the parents of one or both spouses residing with them.
- § 1b. (New item, SG No. 34/1992; Amended SG No. 48/1995)
- (1) "Area with perennial plants" shall mean farm land exceeding 50 dca occupied by fruit-bearing trees, vineyards, hops and perennial essential-oil plants, which has not been distributed by farm cooperatives, state farms and other agricultural organizations based on them.
  - (2) "Territories with rice plantations and water irrigation systems" shall mean farm land occupied by built-up rice cells, network of channels and facilities providing irrigation.
- § 1c. (Repealed - SG No. 48/1995).

### TRANSITIONAL AND CONCLUDING PROVISIONS

- § 2. (Repealed SG No. 34/1992)
- § 3. (Repealed SG No. 34/1992)
- § 4. (Repealed SG No. 60/1991)
- § 5. (Amended, SG No. 95/1995)
- (1) The distance from farm land to towns with population over 300,000 shall be measured along a line through the air with the settlement as the starting point, to the outside border of the zone for farm use.
  - (2) The distance from farm land to the sea coast line shall be the shortest distance measured along a line through the air from the Black Sea coast line, augmented by the width of the existing beach strips, to the outside border of the zone for farm use.
- § 5a. (Amended, SG No. 95/1995) In cases under Article 18h, paragraph (1), the construction shall be considered started where prior to the coming into force of the Amendment Act to the OUFLA (SG, No. 28/1992) construction-assembly works up to construction of zero level cycle have been legitimately implemented on the specific plot (terrain).
- § 5b (New, SG No. 34/1992; Amended, SG No. 48/1995; Repealed, SG No. 95/1995)
- § 6. Paragraph 5b of the Transitional and Concluding Provisions shall be repealed.
- § 5b (New, SG No. 34/1992; Amended SG No. 48/1995)
- (1) Persons who have been granted usufruct of two or more estates, shall file petition with the technical department with the municipal administration at the location of the estate or estates, for which he does not desire to be vested into property under the provisions of § 4, paragraphs 1 and 3 of the Transitional and Concluding Provisions to the OUFLA.
  - (2) (New - SG No. 48/1995) The technical department of the municipal administration shall notify in writing the Municipal Land Board of the waiver, indicating the location of the estates per area, size and neighbours, with enclosed scheme thereof.
- § 6. (Amended SG No. 34/1992)
- (1) Persons who have earned income from the production of plant and animal produce shall be exempted from payment of income tax for a period of five years as of the date on which they were put in possession.
  - (2) No tax shall be levied for 8 years on the income of young families from the production of plant and animal produce, if at the time of putting in possession the husband is not older than 35 and the wife not older than 30 and if they have been married for less than 10 years.
- § 6a (New item, SG No. 34/1992; Amended, SG, No. 72/1993)
- (1) Liquidation Councils of organizations liquidated under Article 2 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall:

1. enter the liquidation in the register of the respective district court. As of the day of promulgation of the decision to liquidate in the State Gazette the words "in the process of liquidation" shall be added to the name of the organization;
  2. direct and manage the activities of the organization until its deletion by assuming the rights and obligations of the managing board, while the chairman of the Liquidation Council shall acquire the rights and obligations of head of the organization;
  3. determine shares and distribute the property in kind or money among the persons entitled to shares according to the shares they own pursuant to Article 27, paragraph 1 of the Ownership and Use of Farm Land Act;
  4. complete current activities of the organization;
  5. collect receivables and fulfil obligations;
  6. may terminate contracts concluded by the organization prior to the announcement of its liquidation, but shall be required to compensate any damages incurred;
  7. invite creditors to claim their receivables. The invitation shall be extended in writing to known creditors and shall be published;
  8. terminate the employment contracts of workers and office employees under the conditions for complete liquidation, but no later than the deletion of the organization;
  9. carry out activities under Chapter 17 "Liquidation" of the Trade Act, inasmuch as no other provisions are contained in these Regulations;
  10. present a report to the Minister of Agriculture of officials authorized by him and file a claim for the deletion of the organization in the respective district court register immediately after the termination of liquidation activities.
- (2) (New paragraph, SG, No. 72/1993) Members of Liquidation Councils shall be jointly liable for damages and injuries caused to the organizations under § 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act, including the state property they run and manage as well as the persons entitled to property shares.
- (3) As of the appointment of Liquidation Councils Regional Governors shall terminate the employment contracts pursuant to Article 328, Paragraph 1, item 1 of the Labour Code of the heads of organizations under Article 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.
- § 6b (New paragraph, SG, No. 72/1993) The state shall assume the rights of the organisations under § 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act up to the amount of their liabilities converted into government debt pursuant to the provisions of § 14, paragraph 1 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.
- § 6c (New paragraph, SG, No. 100/1994) The real and movable property of the terminated TX which they need for their activity shall not be directed to compulsory performance, except for collecting state receivables.
- § 6d (New paragraph, SG No. 48/1995) The nullity of transactions under Article 11, paragraph 1 and 2 of the Transitional and Concluding Provisions to the OUFLA shall be declared by the District Governor in his order for seizure of property - subject of the transactions declared null and void, pursuant to Article 16 of the Ownership Act. The order of the district Governor may be appealed under the procedure of the Administrative Procedure Act.
- § 7. These Regulations are issued on the grounds of Article 10 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.

**TRANSITIONAL AND CONCLUDING PROVISIONS  
TO DECREE No. 65 of 21 April 1992  
amending the Rules for the Application of the Ownership  
and Use of Farm Land Act**

*(Promulgated SG No. 34/1991, Amended SG No. 60 & 80/1991)*

- § 64 (1) Petitions submitted prior to the entry into force of this Decree may be amended on the grounds of the Amendment Act on the Ownership and Use of Farm Land Act (SG No. 28 of 1992) by the petitioner by an additional request within the period of time under Article 11 of the Ownership and Use of Farm Land Act.
- (2) When, in order to exercise their rights under the Amendment Act on the Ownership and Use of Farm Land Act (SG, No 28 of 1992 ), petitioners have to submit new petitions to other Municipal Land Boards, within the period of time under Article 11 of the Ownership and Use of Farm Land Act they shall be required to:
1. submit the new petitions to the competent Municipal Land Board;
  2. withdraw their petitions from the first Municipal Land Board.
- § 65. Decisions under the repealed Article 17, paragraph 1 of the Regulations on the Implementation of the Ownership and Use of Farm Land Act that have entered into force shall be considered decisions under Article 18g, paragraph 2 until the entry into force of these Regulations if property is not reinstated to the proprietor within existing or restorable old actual boundaries.
- § 66. The Land Fund under Article 67 of the Ownership and Use of Farm Land Act shall be transferred to the Ministry of Agriculture.
- § 67. Rights of users acquired under the repealed Article 2 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be settled in the manner hitherto applied.
- § 68. Organizations wound up under Article 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act until their deletion shall not be exempted from the payment of taxes on profits earned from the production of plant and animal produce.
- § 69. Appraisals of the property of TKZS and organizations based thereon conducted prior to the entry into force of these Regulations shall be approved by decision of Liquidation Councils pursuant to Article 49, paragraph 5 of the Amendment Act on the Ownership and Use of Farm Land Act.
- § 70. Maintenance of Liquidation Councils until the deletion of organizations under Article 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be at the expense of the liquidated organizations.
- § 71. On the grounds of Article 161 of the Labour Code persons serving in Liquidation Councils of organizations under Article 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act shall be entitled to unpaid official leave upon presentation of the ordinance of the regional governor.
- § 72. In the event of pending settlements Liquidation Councils shall assume the rights of the organizations wound up under Article 12 of the Transitional and Concluding Provisions of the Ownership and Use of Farm Land Act.

Cairman of the Council of Ministers: **Filip Dimitrov**  
Chief Secretary of the Council of Ministers: **Konstantin Mouhovski**

**TRANSITIONAL AND CONCLUDING PROVISIONS  
TO DECREE No. 6 of 22 January 1993  
Amending the Rules for the Application of the Ownership  
and Use of Farm Land Act**

*(Promulgated SG No. 8/1993)*

- § 4. Auctions which have been announced but have not been held prior to the entry into force of this Decree shall not be held, and the paid earnest money shall be returned.
- § 5. This decree shall enter into force from the date of promulgation in the *State Gazette*.

Cairman of the Council of Ministers: **Lyuben Berov**  
Chief Secretary of the Council of Ministers: **Stoyan Denchev**

**ADDITIONAL, TRANSITIONAL AND CONCLUDING PROVISIONS  
TO DECREE No. 161 of 12 August 1993**

**Amending the Rules for the Application of the Ownership  
and Use of Farm Land Act  
(Promulgated SG No. 72/1993)**

**ADDITIONAL PROVISION**

§ 21 Repealed (SG No. 87/1993)

**TRANSITIONAL AND CONCLUDING PROVISIONS**

§ 22 Liquidation Councils shall transfer the property rights of land to the persons who have won real estate sale tenders without the adjacent land in the amount set forth in Article 45, paragraph 3 of the Rules for the Application of the Ownership and Use of Farm Land Act.

§ 23 In § 71 of the Transitional and Concluding Provisions of Decree No. 65 of the Council of Ministers of 1992 Amending the Rules for the Application of the Ownership and Use of Farm Land Act (SG, No. 34 of 1992) the words "of the regional governor" shall be replaced by the words "for the appointment".

For the Chairman of the Council of Ministers: **Evgeni Matinchev**  
For the Chief Secretary of the Council of Ministers: **Andrey Delchev**

**TRANSITIONAL AND CONCLUDING PROVISIONS  
to DECREE No. 250 of 27 December 1993**

**Amending the Rules for the Application of the Ownership  
and Use of Farm Land Act  
(Promulgated SG No. 2/1994)**

§ 4. Pursuant to the decisions of the Municipal Land Board under Art. 18g, para 1 and Art. 27 owners shall obtain title to the properties under Art. 483, para 1 of the Civil Code of Procedure.

Chairman of the Council of Ministers: **Lyuben Berov**  
For the Chief Secretary of the Council of Ministers: **Stoyan Denchev**

**TRANSITIONAL AND CONCLUDING PROVISIONS  
to DECREE No. 103 of 23 May 1995**

**Amending the Rules for the Application of the Ownership  
and Use of Farm Land Act  
(Promulgated SG No. 48/1995)**

§ 49. Throughout the text the words "Ministry of Agriculture" and "Minister of Agriculture" shall be replaced by "Ministry of Agriculture and Food Industry" and "Minister of Agriculture and Food Industry", respectively.

§ 50. The land distribution plans that have not entered into force as of the date of entry into force of the Amendments Act on the OUFLA (SG, No. 45/1995), shall be remade in compliance with its requirements. The plans remade shall be announced and approved pursuant to Article 25.

§ 51. Petitions filed in compliance with the Ordinance on the procedure for filing of petitions for compensation with investment vouchers by persons under § 6, paragraph 3 of the Transitional and Concluding Provisions of the Transformation and Privatization of State and Municipal Enterprises Act, may be supplemented for the mode of compensation by persons under Article 10c, paragraph 2 of the OUFLA, pursuant to § 30 of the Transitional and Concluding Provisions to the Amendments Act to the OUFLA within one year after its coming into force.

§ 52. (1) The deadline for filing of petitions by persons under § 6, paragraph 3 of the Transitional and Concluding Provisions of the Transformation and Privatization of State and Municipal Enterprises Act shall be extended to 31 December 1996.

(2) Persons entitled to compensation with investment vouchers under Article 10b, Article 15, paragraph 2, and Article 24, paragraph 5 of the OUFLA, shall file petitions to the Municipal Land Boards, and those under Article 10c, paragraph 2 - to the Ministry of Agriculture and Food Industry.

(3) Petitions filed to the Ministry of Agriculture and Food Industry under § 6, paragraph 4 of the Transitional and Concluding Provisions of the Transformation and Privatization of State and Municipal Enterprises Act by persons entitled to compensation under Article 10b, Article 15, paragraph 2 and Article 24, paragraph 5 of the OUFLA, shall be forwarded ex officio to the Municipal Land Boards.

§ 53. The Ordinance for vesting into property of landless persons and small proprietors (promulgated, SG No. 5/1993; Amended No. 83/1994) shall be hereby repealed.

§ 54. This Decree shall enter into force as from the date of its promulgation in the State Gazette.

Prime Minister: **Jean Videnov**

Chief Secretary of the Council of Ministers: **Valentin Korkinov**