

Publisher: Parliament  
Type of act: the law  
Type of text: full text  
Entry into force of the revision: 01.02.2024  
Expiry of revision: Currently valid  
Disclosure notice: RT I, 06.07.2023, 17

## The Act on Acquisition of Real Estate in the Public Interest

Adopted 06.06.2018  
RT I, 29.06.2018, 1  
entry into force 01.07.2018

### Amended by the following acts

Reception	Publication	Enforcement
25.11.2020	RT I, 10.12.2020, 1	01.01.2021
24.11.2021	RT I, 08.12.2021, 2	01.01.2022
14.12.2022	RT I, 23.12.2022, 36	02.01.2023
22.02.2023	RT I, 17.03.2023, 4	27.03.2023, partially 01.02.2024
06.06.2023	RT I, 07.06.2023, 14	06.06.2023 - The decision of the Constitutional Review Board of the Supreme Court declares § 17 of the Act on Acquisition of Immovable Property in the Public Interest to be unconstitutional in the version valid before January 2, 2023, in which it did not provide for reimbursement of the costs associated with ordering a comparative evaluation report of the immovable property.
15.06.2023	RT I, 06.07.2023, 2	16.07.2023

## Chapter 1 General settings

### § 1. Scope and application of the Act

- (1) This Act stipulates the grounds and procedure for acquisition of immovable property in the public interest, including expropriation.
- (2) This Act applies to all cases of acquisition of immovable property in the public interest, unless otherwise stipulated in the Act.
- (3) This Act does not preclude the state or local government from acquiring the immovable property free of charge.
- (4) Limited property rights and buildings as movable property are acquired in accordance with the provisions of this Act.
- (5) The provisions regarding the owner of immovable property shall apply to the owner of development right, apartment ownership and apartment development right.
- (6) In this Act, a part of an immovable property is also considered an immovable property.
- (7) The provisions of the Administrative Procedure Act apply to the administrative procedure prescribed in this Act, taking into account the specifics of this Act.

### § 2. Acquisition and forced possession of immovable property in the public interest

- (1) Acquisition of immovable property in the public interest, including expropriation (hereinafter, *acquisition of immovable property*), is acquisition of immovable property in the public interest for fair and immediate compensation. Immovable property is acquired by agreement with the owner (hereinafter *the agreement procedure*) or expropriated if no agreement is reached with the owner.
- (2) The establishment of forced possession consists in encumbering the immovable property with such restriction of immovable property, which in its content corresponds to the personal right of use.
- (3) All costs related to the acquisition of the immovable property shall be borne by the acquirer of the immovable property.
- (4) The acquisition of immovable property is not precluded by the provisions of the law, which prohibit or restrict the transfer or division of immovable property, as well as the rights of a third party entered in the land register.

### § 3. Decision-making competence

- (1) The minister responsible for the field decides, in the case of the state's interest:
  - 1) in the agreement procedure for the acquisition of immovable property, if the value of the immovable property is greater than 50 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia;
  - 2) exchange of immovable property;
  - 3) expropriation of immovable property.
- (2) The acquisition and exchange of immovable property and the land management specified in subsection 25 (3) of this Act shall be decided by the local government unit in case of local interest.  
[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]
- (3) The person conducting the procedure specified in subsection 6 (3) of § 6 of this Act decides on the acquisition of immovable property by means of an expedited procedure and a settlement procedure, if the value of the immovable property is less than or equal to 50 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia, and the land

management specified in subsection 3 of § 25.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(4) In the absence of the consent of the owner of the right, the decision maker of the acquisition, including expropriation, specified in subsections 1-3 of this section, decides on the compulsory erasure of the property right or signs restricted from the immovable.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

#### **§ 4. Permissibility of acquiring real estate**

(1) Real estate is allowed to be acquired for the following purposes:

- 1) for the construction of a police, customs, detention or rescue facility building;
- 2) for the construction of a building necessary for energy production and energy supply;
- 3) for the construction of a public harbor and airport and the building serving them;
- 4) for the extraction of mineral resources;
- 5) for the construction of a utility network and facility;
- 6) to establish or expand a public education, treatment and welfare institution;

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

1

6 ) to perform a public task related to archival, educational, scientific, language or youth work;

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

7) for the construction of a state road, local road, public railway infrastructure and service facility, and a public square;

8) private road for public use;

9) to change or remove a building that significantly damages the surroundings or the landscape or is dangerous, if the owner has not done so by the given deadline;

10) when reorganizing the housing economy to acquire apartment ownership, if the use of more than half of the apartments in an apartment building with 18 apartments or more and in other cases more than three quarters of the apartments has been abandoned and it is not practical to reconstruct the apartment building;

11) to create access to a body of water and a cultural monument or to ensure the preservation of said objects;

12) for the construction or expansion of a cultural and sports field, a public bathing beach and a recreation park;

13) to establish or expand a cemetery;

14) for the construction of a public waste storage facility and a building necessary for waste management;

15) for the construction of a building necessary for water supply, sewerage and water purification of a public water catchment and water reservoir;

16) to establish an environmental monitoring station;

17) to acquire land adjacent to the state border as a border strip or to fulfill international obligations of the Republic of Estonia;

18) for the construction of infrastructure and service facilities necessary for guarding the state border;

19) for national defense needs;

20) to implement the comprehensive solution of the established detailed plan or the special plan of the state or local government in the public interest, if the goal cannot be achieved without acquiring the immovable property;

1

20 ) to acquire a building or object used for the purpose specified in this paragraph;

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

21) in other cases provided by law.

(2) The acquisition of immovable property is not permitted if the public purpose can be achieved without the acquisition of immovable property owned by another person or it is more expedient to establish compulsory possession in order to achieve the public purpose.

(3) The owner of an immovable property may apply for the acquisition of the immovable property belonging to him by the state or a local government unit for a fair and immediate fee, if the established public law restrictions do not allow the immovable property to be used in accordance with the intended purpose so far. The application for the acquisition of immovable property is submitted to the person competent to decide on the acquisition of immovable property.

(4) Only by agreement with the owner of the immovable property may the immovable property be acquired for exchange land or for carrying out land management, if the immovable property is necessary for the purpose specified in subsection 1 of this section to reach an agreement. In the case of acquisition of immovable property on the basis of the first sentence of this paragraph, the additional compensation specified in § 15 of this Act shall not be paid.

#### **§ 5. Differences in the case of the obligation to prepare a plan and provide design conditions**

(1) If it is necessary to draw up a plan or provide design conditions based on a special law or a valid general or county plan, the basis for expropriation of immovable property and the establishment of forced possession are:

- 1) a detailed plan established in the case of an obligation to draw up a detailed plan;
- 2) in the absence of an obligation to prepare a detailed plan, design conditions;
- 3) in the case of an established state or local government special plan, the corresponding special plan.

(2) In case of the obligation to prepare a plan or provide design conditions, the plan does not have to be established and the design conditions need not be issued if the immovable property is acquired by agreement or if forced possession is established with the consent of the owner of the immovable property.

#### **§ 6. Parties to the proceedings**

(1) The parties to the proceedings are the owner (1) of the immovable property to be acquired, the owner of a limited property right related to the immovable property to be acquired, the lessee and the lessee.

(2) The acquirer of the immovable property is the state or local government unit.

(3) In the case of national interest, the relevant ministry, the Transport Board, the National Defense Investment Center or the Land Board, and in the case of local interest, the municipal or city government, are the ones conducting the procedure.

## **Chapter 2**

### **Initiation of the real estate acquisition procedure**

#### **§ 7. Notification of the procedure for acquisition of immovable property**

(1) The person conducting the procedure informs the owner of the immovable property about the procedure for acquiring the immovable property.

(2) The notification must contain:

- 1) data of the owner of the immovable property and the person conducting the procedure;
- 2) the location-address of the immovable property, the number and cadastral code of the real estate register;
- 3) the basis for initiating the acquisition of the immovable property;
- 4) information on whether the object of acquisition is the immovable property as a whole or its part;
- 5) information about the document that is the basis of the procedure and the possibilities of viewing it, if the document exists;
- 6) the term during which the owner of the immovable property is obliged to inform the person conducting the procedure about the right of a third party related to the immovable property, which is not entered or has not been entered in the land register, including the spouse's right to joint property, and the right of use arising from a valid rental or lease agreement, as well as to submit the details of the current account to which it is requested payment of remuneration and compensation.

(3) The notice shall be delivered to the owner of the immovable property electronically, by registered letter with delivery notice or by a notice against signature, on which the time of document handover is indicated. The owner of the immovable property has the right to present his opinion in writing to the person conducting the procedure within the time limit given in the notice.

(4) If the person conducting the procedure fails to deliver the notice to the owner of the immovable within three months in the manner provided in subsection 3 of this section, or if there are no address details of the owner, or if he does not live at a known address and his actual place of stay is not known, and it is not possible to receive the notice in any other way to deliver or the party to the proceedings is not known, the notice is published in a newspaper with nationwide circulation and in Official Notices, and the notice is deemed to have been delivered to the owner.

#### **§ 8. Restrictions on the use of immovable property**

(1) After the notification of the procedure for the acquisition of immovable property has been delivered, important parts and belongings of the immovable property to be acquired may be removed from the immovable property only with the permission of the person conducting the procedure.

(2) Obligations assumed after delivery of the notice of the procedure for the acquisition of immovable property, income lost from them, or improvements made to the immovable property shall not be compensated.

#### **§ 9. Acquisition note in the land register**

The person in charge of the procedure can submit an application to the keeper of the land register for the entry of a note about the preliminary signs of acquisition or the procedure for establishing compulsory possession in the third section of the land register of the immovable property. The consent of the owner of the immovable property or other affected persons appearing in the land register is not required to enter the marks in the land register.

[ RT I, 17.03.2023, 4 - enters into force. 27.03.2023]

#### **§ 10. Acquisition of a part of an immovable property**

(1) If only a part of an immovable property is acquired and the immovable property is therefore divided or loses value in such a way that one or more of its parts can no longer be used expediently, the owner of the immovable property has the right to demand the acquisition of the entire immovable property or part of it or the carrying out of land management, if this is possible.

(2) If the purpose of acquiring an immovable property can be achieved by acquiring a part of the immovable property, the owner of the immovable property has the right to demand that the remaining part of the immovable property not be acquired.

(3) If only a part of the immovable property is acquired, the person conducting the procedure does not have to take into account the valid detailed plan or the obligation to prepare it when dividing the immovable property and changing its boundaries.

[ RT I, 17.03.2023, 4 - enters into force. 27.03.2023]

(4) If only a part of the immovable property is acquired, the person conducting the procedure has the right to submit applications on behalf of the owner of the immovable property and perform all other actions related to the division of the immovable property and changing the border, if the border change does not involve the exchange of parts of the immovable property.

[ RT I, 17.03.2023, 4 - enters into force. 27.03.2023]

## **Chapter 3**

### **Remuneration and benefits**

#### **§ 11. Fee and additional compensation**

(1) The acquirer of immovable property must pay a fee to the owner of the immovable property upon acquisition of the immovable property.

(2) The fee consists of the value of the immovable property and compensation for property damage and lost income directly related to the acquisition of the immovable property, if they occur.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

1

(2) Immovable property belonging to a local self-government unit is acquired for a fee without the additional benefits specified in §§ 15–17 of this Act.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

2

(2) On the basis of the Land Reform Act or the State Assets Act, no fee is paid for immovable property given to a local government unit free of charge, and the state reimburses the useful expenses incurred on this immovable property if the immovable property has been significantly improved with them.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(3) The fee is paid in cash, unless the parties agree otherwise.

1

(3) The fee is not paid in the part in which the acquirer of the immovable property undertakes, in agreement with the owner of the immovable property, to build a functionally equivalent facility in a new location instead of the facility located on the acquired immovable property. The acquirer of the immovable property can also enter into an agreement with the owner of a limited property right.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(4) Additional compensation shall be paid to the owner of the immovable property in accordance with the procedure provided for in §§ 15–17 of this Act, unless otherwise provided by this Act.

(5) The fee is determined as of the date when the value of the immovable property was determined for the first time in the procedure by a professional appraiser or the person conducting the procedure. The operator of the procedure may, in justified cases, update the value determination date.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(6) The fee is determined with an accuracy of one euro from a value of 1 euro and with an accuracy of ten euros from a value of 100 euros. Additional benefits are rounded to the nearest euro.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

## **§ 12. Valuation of immovable property and limited property rights and property damage**

(1) The person in charge of the procedure arranges the assessment of the value of the immovable property and the limited property right to be acquired, as well as other property damage related to the acquisition, with a deadline that cannot be shorter than two weeks or longer than two months.

(2) In order to determine the value, if necessary, an appraisal is ordered from an appraiser with a professional certificate, who has a valid 7th-level property appraiser qualification in accordance with the Professional Act, or the Land Board determines the value on the

1

basis of transaction data and market analysis contained in the transaction database kept under § 9 (2) of the Land Cadastre Act. The person conducting the procedure can determine the value based on the methodology approved under the Land Valuation Act, Nature Conservation Act, State Property Act or other relevant law.

(3) When acquiring real estate, the assessment is carried out for the purpose of compensation. Compensation for damages is an activity whose purpose is to place the person suffering the damage in a situation that is as close as possible to the situation in which he would have been if the acquisition had not occurred.

(4) If the cut-off from the immovable property to be acquired is independently usable, the cut-off is evaluated as a possible object of sale. If the cut-off is not usable independently, the assessment is based on the decrease in the market value of the real estate as a whole, which is caused by the cut-off from the real estate and the change in the surrounding environment.

(5) Valuation of the value of a built-up immovable is based on the market value of the immovable or the sum of the market value of the land and the building cost with depreciation, whichever is higher. If the real estate is acquired from the natural person owner of the real estate, where the building used for his residence is located, then the value of the real estate is assessed based on the sum of the market value of the land and the construction cost of the building

[ RT I, 06.07.2023, 2 - effective. 16.07.2023]

(6) When exchanging immovable property and transferring immovable property belonging to the state, the market value of the immovable property is based on the market value, which is determined in accordance with the provisions of subsection 2 of this section.

(7) The result of the evaluation is formalized as an evaluation report. The evaluation report is prepared taking into account good evaluation practice and, if necessary, an expert from another specialty is involved in the evaluation.

## **§ 13. Compensation for directly related property damage**

(1) Compensation shall include clearly identified and proven property damage directly related to the decrease in the market value of the immovable due to cut-off. Directly related property damage is compensated once.

(2) The following damage related to the immovable property remaining to the owner of the immovable property shall be considered as directly related property damage:

- 1) liquidation of the building or its becoming useless, as well as other improvements becoming useless;
- 2) loss of the possibility of implementing the detailed plan or reduction or loss of the possibility of construction;
- 3) destruction of forest, other vegetation and plantation;
- 4) elimination or extension of access to a publicly used road from an immovable property.

## **§ 14. Compensation for lost income**

(1) Profits that the person would probably have received, primarily due to the preparations made by him, if the acquisition of the immovable property had not taken place, are considered as the lost income of the owner of the immovable property.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(2) Unearned income resulting from a limited property right or lease and rental agreement shall be compensated until the end of the agreement, if less than a year has passed until the end of the agreement. In case of early termination of the contract, the lost income will be compensated for one year.

#### **§ 15. Additional compensation for reaching an agreement in the real estate acquisition procedure**

(1) The owner of the immovable property shall be paid additional compensation for reaching an agreement on the acquisition of the immovable property in the procedure for the acquisition of the immovable property (hereinafter *motivation fee* ).

(2) The incentive fee is paid for each immovable property to be acquired only for a part that is necessary in the public interest. If the immovable property is acquired to a greater extent than the public interest, the incentive fee is not paid for this part.

(3) The incentive fee is 20 percent of the fee specified in subsection 11 (2) of this Act, but not less than 0.8 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia and not more than 50 times the average gross monthly salary.

(4) No incentive fee is paid for the new immovable property created during the division of the immovable property, if the owner of the immovable property divided the immovable property after learning the location of the object causing the acquisition of the immovable property.

#### **§ 16. Additional compensation for the loss of a building or dwelling used for living**

The owner of the immovable property shall be paid a one-time additional compensation of ten percent of the fee specified in § 11 subsection 2 of this Act for the loss of a dwelling, building or part of a building used for permanent or periodic living.

#### **§ 17. Additional compensation for costs associated with administration and ordering a comparative assessment report**

(1) The owner of the immovable property shall be paid a one-time additional compensation for the costs of administration and ordering a comparative assessment report, which corresponds to the average gross hourly wage for 16 hours of the year preceding the transaction published by Statistics Estonia.

(2) Documentally proven justified expenses incurred for administration and ordering a comparative evaluation report, which exceed the amount specified in subsection 1 of this section, will be reimbursed to the owner of the immovable property on the basis of expense documents, but not more than the rate of 0.5 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia.

[ RT I, 23.12.2022, 36 - enters into force. 02.01.2023]

#### **§ 18. Compensation in case of deletion of servitude, encumbrance and right of pre-emption**

(1) If an easement, real encumbrance or right of pre-emption encumbering the acquired immovable property is deleted, the acquirer of the immovable property must compensate for the loss arising from the deletion of these property rights.

(2) If the real estate to be acquired is encumbered with a real easement, the owner of the prevailing real estate has the right, if possible, to demand the establishment of a new real easement instead of compensation.

(3) If the immovable property to be acquired is encumbered with usufruct, the usufructuary may, upon exchange of immovable property, request from the state or local government unit to establish usufruct for the acquired immovable property under the same conditions.

#### **§ 19. Position of mortgage in case of replacement of immovable property**

If the real estate to be acquired, which has several mortgages, is replaced by another real estate, the mutual ranking of the mortgages is preserved.

#### **§ 20. Compensation to the lessee and lessee in case of termination of the contract**

(1) If the lease or rental agreement is canceled due to the acquisition of immovable property, the lessee has the right to demand compensation for clearly identified and proven property damage.

(2) In case of early termination of the contract, the directly related property damage and lost income will be compensated until the end of the contract, but not for more than one year, and the related losses and lost income will be compensated once.

#### **§ 21. Deciding to pay compensation to the entitled person**

The payment of compensation to the lessee, lessee and owner of limited real property rights for directly related property damage and lost income is decided by the person who is competent to decide on the acquisition of real estate.

## **Chapter 4 Real estate acquisition procedure**

#### **§ 22. Starting negotiations for the acquisition of real estate**

(1  
) .

- 2) acquisition of immovable property by means of an expedited procedure;
- 3) exchange of immovable property or
- 4) carrying out land management.

(2) A person authorized by him may participate in negotiations instead of the person conducting the procedure.

#### **§ 23. Acquisition of immovable property by means of an expedited procedure**

(1) An immovable property may be acquired under an expedited procedure if the estimated value of the immovable property is less than 0.3 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia.

(2) The fee for the acquisition of real estate in the expedited procedure is equal to 0.3 times the average gross monthly salary of the year preceding the transaction published by Statistics Estonia.

(3) The additional compensation specified in § 17 of this Act shall not be paid in the expedited procedure.

(4) The evaluation procedure is not carried out in the expedited procedure.

(5) If an agreement is not reached within 30 days in the expedited procedure, the person conducting the procedure may start negotiations to acquire the immovable property by agreement or carry out land management, or the person specified in § 3 subsection 1 of this Act may decide to expropriate the immovable property.

#### **§ 24. Exchange of immovable property**

(1) An immovable property may be exchanged for another immovable property owned by the acquirer.

(2) No incentive fee is paid when exchanging real estate.

(3) When exchanging immovable property, the following criteria are used:

1) cadastral units with the same intended purpose are exchanged, but as an exception, cadastral units with a different intended purpose may be exchanged if the prospective land use management purpose planned in the general plan of the land area to be exchanged corresponds to the intended purpose of the exchanged cadastral unit;

2) the real estate to be exchanged must be located in a similar market area.

(4) The owner of the immovable property shall be compensated in money for the difference in the value of the immovable property to be exchanged, if the immovable property is acquired through exchange. The normal value of the real estate to be exchanged may not differ by more than 30 percent, if the owner of the real estate who acquires the state-owned real estate through the exchange becomes liable for compensation.

#### **§ 25. Land management**

(1) The boundaries of an immovable property may be changed during a land management operation. Land management is carried out according to the procedure provided for in the Land Management Act.

(2) In case of exchange of parts of the immovable property and re-plotting, no additional benefits provided for in this Act shall be paid to the party to the land management.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(3) If the change of the boundary of the immovable property does not involve the exchange of parts, the party to the land arrangement shall be paid a fee for the sectioning off of the immovable property and the additional compensation specified in § 15 of this Act. The incentive fee is paid on the basis of the deduction fee.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(4) If, in the case specified in subsection 3 of this section, the expected deduction fee is less than 0.3 times the average gross monthly salary of the previous year published by Statistics Estonia, the fee for the expedited procedure specified in § 23 subsection 2 of this Act and the additional compensation specified in § 15 shall be paid for the deduction.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

#### **§ 26. Conducting negotiations**

(1) In the procedure for the acquisition of immovable property, the desire of the owner of the immovable property and the possibilities of the person conducting the procedure to offer alternatives for the acquisition of the immovable property shall be determined.

(2) The person conducting the procedure makes a written offer to the owner of the immovable property, setting a deadline for him to accept the offer or raise objections.

(3) If an offer is made for the acquisition of immovable property, the basis for making the offer is the fee determined and the additional compensation or compensations provided for in this Act.

(4) If an offer is made for the acquisition of immovable property under an expedited procedure, the owner of the immovable property shall be offered the fee specified in § 23 subsection 2 of this Act.

(5) If the offer is made for the exchange of immovable property, the provisions of § 24 of this Act shall be applied.

(6) If the owner of the immovable property wants land management to be carried out and it is possible, the person conducting the procedure shall organize the initiation of land management.

(7) If the owner of the immovable property accepts the offer of the person conducting the procedure, but does not agree with the fee or the result of the evaluation of the immovable property offered for exchange, he may make his own proposal based on the comparative evaluation report. The parties to the proceedings then begin to negotiate.

#### **§ 27. Conclusion of an agreement and acquisition of immovable property**

(1) If the owner of the immovable property accepts the offer of the person conducting the procedure, he submits the consent, on the basis of which the decision-maker for the acquisition of the immovable property decides to acquire the immovable property for money or to exchange it for another immovable property.

(2) Upon agreement with the owner of the immovable property, the immovable property may be acquired to a greater extent than is necessary based on the public interest, with the aim of subsequently carrying out a land management operation or transferring the immovable property to another owner of the immovable property from whom the immovable property is acquired in the public interest. If only part of the immovable property acquired as a whole is used for public purposes, the remaining part of the immovable property can be included in the state land reserve or merged with state forest land.

(3) The person making the decision to acquire the immovable property may alienate the immovable property acquired in the manner specified in subsection 2 of this section in the decision-making process, if this is necessary to ensure the integrity and appropriate use of the other immovable property.

(4) In the procedure for the acquisition of immovable property, an agreement on the acquisition of the immovable property must be reached with the owner of the immovable property within the time limit set by the person conducting the procedure, which takes into account the complexity of the procedural actions.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(5) If the owner of the immovable property does not provide consent to the offer by the deadline set on the basis of subsection 26 (2) of this Act, the acquirer of the immovable property shall decide on expropriation.

(6) The decision-maker for the acquisition of immovable property sets a deadline for concluding a contract for the acquisition of immovable property. The deadline can be up to two months from the receipt of the decision to acquire the real estate. In a justified case, the decision-maker of the real estate acquisition can extend the mentioned deadline.

(7) If the owner of the immovable property refrains from concluding the contract for the acquisition of the immovable property, the acquirer of the immovable property shall decide on expropriation.

## 1

### **§ 27 . Deletion of the limited property right encumbering the immovable property to be acquired**

(1) A limited property right or notice encumbering the acquired immovable property shall be deleted with the consent of the owner of the immovable property and the owner of the limited property right or notice.

(2) If the person in whose favor a limited property right or a note has been entered in the registry of the immovable property to be acquired does not consent to the deletion of the limited property right or the notes, the acquisition decision-maker may, in justified cases, decide on the compulsory deletion of the limited property right or the notes.

(3) In the event of forced cancellation of the mortgage, the mortgagee has the right to demand from the owner of the immovable property partial satisfaction of the claim secured by the mortgage to the extent of the compensation paid to the owner.

(4) If the place of residence or location of the owner of the restricted property right or marks is not known, the person conducting the procedure shall inform the owner of the restricted property right or marks of the intention of compulsory deletion and publish the decision on compulsory deletion of the restricted property right or marks in accordance with the procedure provided for in subsection 7 (4) of this Act.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

### **§ 28. Entry of prohibition signs in the land register**

If an agreement on the acquisition of the immovable property is not reached with the owner of the immovable property, the person conducting the procedure may submit an application to the keeper of the real estate register to enter prohibition signs in the third section of the real estate register of the immovable property. The consent of the owner of the immovable property or other affected persons appearing in the land register is not required to enter prohibition signs in the land register.

## **Chapter 5 Deciding on expropriation**

### **§ 29. Expropriation decision**

(1) The expropriation decision must contain all important circumstances, including the justification for the expropriation, the amount of the fee and additional benefits, and the deadline for the voluntary transfer of possession.

(2) The decision on expropriation shall be delivered to the party to the proceedings in the manner provided for in subsection 3 or 4 of § 7 of this Act. When the resolute part of the decision is published in a nationally distributed newspaper and Official Notices, information is also provided where the person must go to pay the fee or compensation assigned to him.

(3) If for the reason specified in § 7 subsection 4 of this Act it is not possible to contact the owner of the immovable property or the party to the proceedings is not known, a decision to expropriate his immovable property may be made and the fee and compensation shall be deposited and paid out in accordance with the procedure provided for in § 30 subsections 2-5 of this Act .

### **§ 30. Payment of remuneration and additional compensation**

(1) The fee and additional compensation or compensations shall be paid to the owner of the immovable property and the owner of the limited property right to the current account provided by him immediately after the decision on expropriation has been made.

(2) The fee and the compensation specified in § 16 of this Act shall be transferred to a deposit account managed by the Ministry of Finance or a local government unit if it is to be paid to a person whose location or current account number is unknown, or if the party to the proceedings is unknown.

(3) Fees and additional compensation transferred to a deposit account managed by the Ministry of Finance or a local government unit are paid to the entitled person or his heir upon submission of a corresponding request.

(4) Fees and additional compensation transferred to a deposit account managed by the Ministry of Finance or a local government unit are stored in the deposit account for ten years, and after that the money is transferred to the state, municipality or city budget.

(5) No interest is paid for the storage of fees and additional compensation in the deposit account of the state or local government unit.

## **Chapter 6 Transfer of real estate possession and ownership**

### **§ 31. Taking over possession of immovable property subject to expropriation**

(1) Possession of the immovable property to be expropriated is taken over after payment of the fee and compensation within the term set for voluntary transfer of possession in the expropriation decision.

(2) If possession is not voluntarily transferred, the bailiff takes possession of the immovable property to be expropriated from the owner of the immovable property and hands it over to the acquirer in accordance with the procedure provided for in the Code of Enforcement Procedure. The buyer of the immovable property shall pay the execution costs.

(3) The bailiff shall set a deadline of 30 days for the transfer of possession to the owner of the immovable property.

### **§ 32. Act of taking over the possession of immovable property to be expropriated**

(1) Regarding the taking over and handing over of the possession of the immovable property to be expropriated, the bailiff prepares a deed, which is signed by the parties to the proceedings, the bailiff and the two manukas who were present at the taking over and handing over. If the party to the proceedings refuses to sign the act, a note of this is made in the act. The act is sent to the participants in the proceedings and to the person conducting the proceedings.

(2) The form of the act of taking over and handing over possession of the immovable property to be expropriated shall be established by a regulation of the minister responsible for the field .

### **§ 33. Reduction of fee and additional compensation**

(1) The person making the decision to acquire real estate has the right to reduce the fee and additional compensation determined by the decision to acquire or expropriate the real estate, if before the acquisition of the real estate there are damages in the name of the acquirer that reduce the value of the real estate or make it difficult to achieve the purpose of the acquisition, such as environmental pollution, extensive drilling, digging or logging.

(2) After the occurrence of circumstances that reduce the value of the immovable property, the person conducting the procedure informs the owner of the immovable property of the need to reduce the fee and additional compensation.

(3) The person conducting the procedure will find out the decrease in value, involving, if necessary, an appraiser with a corresponding professional certificate. Then the parties start to negotiate.

(4) The decision-maker for the acquisition of real estate makes a decision to reduce the fee and additional compensation on the basis of the ascertained value.

(5) In the event of a reduction of the fee and additional compensation, the acquirer of the immovable property has the right to reclaim the overpaid amount from the person to whom the fee or additional compensation has been paid.

### **§ 34. Risk of accidental destruction and payment of taxes**

(1) The risk of accidental destruction of the thing is transferred to the acquirer of the immovable upon taking possession of the immovable.

(2) The acquirer of the immovable property is obliged to pay the taxes due on the immovable property from the time of taking possession.

### **§ 35. Consolidation of immovable property in the name of the acquirer and deletion of entries from the real estate register**

[ RT I, 08.12.2021, 2 - entered into force. 01.01.2022]

(1) [Repealed - RT I, 08.12.2021, 2 - entry into force. 01.01.2022]

(2) The person in charge of the procedure submits a confirmation application for the transfer of ownership of the immovable property, to which is attached the decision to expropriate the immovable property and a certificate of payment of the fee and additional compensation to a person or a deposit account managed by a state or local government unit. An attachment application may be submitted after the expropriation decision has entered into force.

1

(2 ) The real estate department makes an entry on the transfer of ownership on the basis of the decision on the expropriation of the immovable property and the application of the person conducting the procedure, and deletes the restricted property rights and notes subject to deletion from the real estate register of the immovable property to be acquired.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(3) [Repealed - RT I, 08.12.2021, 2 - entry into force. 01.01.2022]

## **Chapter 7 Property return**

### **§ 36. Return of immovable property**

(1) The former owner of the immovable property has the right to demand the return of the immovable property that belonged to him, if the acquirer of the immovable property or his legal successor does not use the acquired immovable property in accordance with the purpose of acquisition.

(2) An application for the return of an immovable property may be submitted to the person who decided to acquire the immovable property within one year from the day the former owner of the immovable property became aware or should have become aware of the use of the acquired immovable property that does not correspond to the purpose of acquisition.

(3) In case of return of the immovable property, the former owner of the immovable property is obliged to return the fee received for the immovable property. The additional benefits specified in §§ 15–17 of this Act received for the transfer of immovable property will not be returned.

(4) The immovable property shall not be returned if the state or local government unit transfers the acquired immovable property to a third party in order to achieve the purpose of the acquisition.

### § 37. Refusal to return immovable property

The return of the immovable property may be refused if:

- 1) the immovable property has changed significantly compared to the moment of acquisition;
- 2) the owner of the acquired immovable property received another immovable property during the exchange of immovable property or the transfer of the immovable property belonging to the acquirer of the immovable property;
- 3) the acquired immovable property is not used in accordance with the original purpose of acquisition, but the acquired immovable property is used in the public interest at the time of application for return.

### § 38. Restoration of rights in case of return of immovable property

The owner of the rights that encumbered the immovable property and was deleted from the land register during the procedure has the right to demand from the acquirer of the immovable property the restoration of the rights that belonged to him within one year after the return of the acquired immovable property.

## Chapter 8 Establishing compulsory possession

### § 39. Forced possession

(1) The person who, according to the Building Code, has the authority to issue a building permit or to decide on the designation of a private road for public use, decides to set up forced possession. In the absence of a building permit obligation, the local government unit decides to establish compulsory possession.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(2) The provisions on the forced expropriation of immovable property shall apply to the establishment of forced possession, unless otherwise determined by this chapter.

(3) The person setting up forced possession notifies the owner of the immovable property about the procedure for establishing forced possession. The owner of the apartment property may be notified of the procedure for establishing forced possession through the apartment association. If the notification has been delivered to the apartment association, the notification is considered to have been delivered to the owner of the apartment property.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(4) The owner of the immovable property has the right to present his opinion to the enforcement officer within four weeks from the receipt of the notice specified in subsection 3 of this section.

(5) The owner of the immovable property shall be paid a fee for compulsory possession in the event of compulsory possession, unless otherwise agreed. In the event of compulsory possession, the additional benefits specified in §§ 15–17 of this Act shall not be paid. The fee for forced possession is determined in accordance with the procedure provided for in subsection 2 of § 12 of this Act.

1

(5 ) If forced possession is established on real estate for the management of which an apartment association has been established, the person imposing the forced possession may decide to pay the fee through the apartment association.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(6) The owner of the immovable property must be compensated for property damage that occurs due to the imposition of forced possession.

(7) The decision to establish compulsory possession must contain the following information:

- 1) information about the person in whose favor the compulsory possession has been established;
- 2) in what way is the executor of forced possession entitled to use the immovable property;
- 3) fee for forced possession, its payment procedure and
- 4) in justified cases, information on compensation for property damage;
- 5) spatial data identifier of forced possession of the land cadastre.

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

(8) [Repealed - RT I, 17.03.2023, 4 - entered into force. 01.02.2024]

1

(8 ) Spatial data of forced possession are determined and registered in the land cadastre as spatial data.

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

(9) The person setting up forced possession submits the decision to establish forced possession to the land cadastre within seven days from the date of adoption of the decision.

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

(10) The person in whose favor the compulsory possession is established may use the immovable property only for the purpose specified in the decision to establish compulsory possession.

### § 40. Distinctions in establishing forced possession to establish the obligation to maintain a utility network and facility

(1) In order to establish the obligation to maintain a utility network or facility provided for in § 158 Act, compulsory possession is established in favor of the person specified in § 158 1 subsection 1 of the Property Law Act under the conditions provided for in this Act .

(2) The person specified in § 158 subsection 1 of the Real Property Act , who wants to build a utility network or facility on an immovable property in the public interest, may submit an application to the enforcement officer for enforcement of the immovable

property. If the utility network or facility, for the construction of which the establishment of compulsory possession is requested, is located on several immovable properties, the application for the establishment of compulsory possession can be submitted for all said immovable properties separately or jointly.

(3) The application for the establishment of compulsory possession must contain:

1) the details of the applicant for the establishment of compulsory possession and confirmation that the person who applies for the

establishment of compulsory possession belongs to the persons specified in § 158<sup>1</sup> subsection 1<sup>1</sup> of the Property Law Act ;

2) the location address and cadastral code of the immovable property against which compulsory possession is requested;

3) the amount of the fee for forced possession, if the owner of the real estate and the owner of the utility network or facility have agreed on it;

4) a description of the purpose of establishing forced possession with a reference to the established state or local government special plan, general plan, detailed plan, project drawing or issued design conditions, on the basis of which the imposition of forced possession is requested;

5) spatial data identifier of forced possession of the land cadastre;

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

6) reference to the building permit or building notification application number in the building register, if required by law.

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

(4) [Repealed - RT I, 17.03.2023, 4 - entered into force. 01.02.2024]

(5) The compulsory possession fee payable to the owner of the immovable property for the obligation to maintain the utility network or

facility provided for in § 158<sup>1</sup> subsection 1 of the Property Law Act is determined on the basis of an agreement between the owner of the immovable property and the owner of the utility network or facility. If the mentioned agreement has not been reached, the person setting the forced possession determines the fee for the periodic forced possession, the amount of which does not exceed the fee paid for the direct statutory maintenance obligation of the utility network or facility under the same conditions. In addition, the person setting up the forced possession may, in justified cases, determine a one-time compensation on the basis specified in subsection 6 of § 39 of this Act.

(5<sup>1</sup>) If the owner of the immovable property and the owner of the utility network or facility have reached an agreement on the establishment of compulsory possession and its payment, the procedure for establishing compulsory possession is not necessary and the person setting up the compulsory possession makes a decision on compulsory possession based on the agreement of the parties.

[ RT I, 08.12.2021, 2 - enters into force. 01.01.2022]

(6) The obligation to pay the fee and, in justified cases, to compensate for property damage, is the responsibility of the owner of the

utility network or facility as provided for in § 158<sup>1</sup> subsection 1 of the Property Law Act.

(7) The person specified in § 158<sup>1</sup> subsection 1<sup>1</sup> of the Property Law Act is obliged to determine the spatial extent of forced possession in the land cadastre.

[ RT I, 17.03.2023, 4 - enters into force. 01.02.2024]

(8) In the presence of compulsory possession, the owner of a technical network or facility may, with a written agreement, sub-use it for the placement of a facility necessary for the provision of electronic communication services without the consent of the owner of the immovable property, provided that the protection zone of the additional facility does not exceed the protection zone of the existing facility.

(9) The provisions of this section also apply to the existing utility network or facility.

## **Chapter 9 Transitional and Implementing Provisions**

### **Section 1 Transitional Provisions**

#### **§ 41. Completion of proceedings initiated before the entry into force of this Act**

If the decision to expropriate the immovable property has been adopted before July 1, 2018, the procedure for the expropriation of the immovable property will be completed on the basis of the Immoveable Property Expropriation Act.

### **Section 2 Amendment and repeal of laws**

**§ 42. – § 70.** [Omitted from this text.]

### **Section 3 Entry into force of the Act**

#### **§ 71. Entry into force of the law**

(1) This Act enters into force on July 1, 2018.

(2) Clause 39 of § 54 of this Act enters into force on January 1, 2019.