

Unofficial translation.

Law No.1308-XIII

Date: July 25,1997

Chisinau

LAW ON NORMATIVE PRICE AND PROCEDURE OF SALE AND PURCHASE OF LAND

The Parliament adopts this law.

CHAPTER I GENERAL PROVISIONS

Article 1. Sphere of Law Application

This shall be applied in the following cases of:

- a) sale and purchase of land, including land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as of land associated with unfinished constructions;

[Let.a) completed by Law No.1566-XIII from 26.02.98]

- b) exclusion of land from agricultural and forestry category, as well as from the agricultural cycle and allocation of such land to other categories;
- c) forced alienation of land ;
- d) lease relations.

[Art.1 modified by Law Nr.237-XIV from 23.12.98]

Article 2. Notion of Normative Price of Land

(1) The normative price of land is an estimating measure of its value and equals to the natural and economic potential of such land, expressed in national currency. Such price is established by this law and shall be applied when accomplishing land relations, irrespective of the type of ownership of the land.

(2) Tariffs for calculating the normative price of land shall be established per conventional unit (point-hectare) based on cadastral indices (quantitative and qualitative) according to the annex which is an integral part of this Law, and shall be indexed annually depending on the inflation rate by the Parliament upon Government's proposal, simultaneously with state budget approval.

(3) To the normative price of land within settlements (except residential land), of land under industrial, transport and other non-agricultural objects there shall be added costs of engineering improvement of such territory.

CHAPTER II LAND SALE AND PURCHASE

Article 3. Land Sale

(1) The owner has the right to sell privately owned land, and in case of publicly owned land — the local administration authorities will have the right of sale, which simultaneously shall settle all issues connected with structures, engineering infrastructure, perennial plantings and other real estate located on the subject land.

(2) The sale and purchase of land is operated through the sale and purchase agreement at normative or free price, including prices obtained at auctions. The documents necessary for the conclusion of the sale and purchase transaction are accompanied by the information about the qualitative and quantitative parameters of the land, as well as about the landholder's right upon the land. The information is offered correspondingly:

by the territorial cadastral organ in whose circumscription is situated the land — in case of sale and purchase of privately owned land;

by the municipal, city, village (commune) mayoralty on whose territory is situated the land — in case of sale and purchase of publicly owned land.

[Art.3 par.2 as formulated by Law Nr.237-XIV from 23.12.98]

(3) Land parcels under constructions, engineering installations, perennial plantings and other real estate shall be sold simultaneously with such real estate alienation. The sales price of the real estate shall consist of the land price plus the price of the real estate thereon.

(4) For the purpose of land taxation, the new landholder and the local public authorities shall immediately inform the local fiscal authorities about the change of the landholder.

(5) The funds resulted from sale of public land shall be distributed as follows: on municipal, city, village (commune) budget account — 50%; state budget — 30%; special Government Banking account to be used according to Article 14 — 20%.

[Art. 3 par. 5 as formulated by Law Nr. 237-XIV from 23.12.98]

(6) All sale and purchase agreements shall be legalized before notary.

[Par. 7 art. 3 excluded by Law No. 1566-XIII from 26.02.98]

Article 4. Sale of Public Property Land

(1) Public property land is divided into state owned land and land owned by territorial administrative units, the demarcation of which is established by law.

(2) The sale and purchase of public property land (except the land of dacha and small garden plot associations and reserve land for settlements' social needs) shall be made, in each case separately, by the local public administration authorities with RM Government authorization or other authority entitled by the Government.

[Art. 4 par. 2 completed by Law No. 1566-XIII from 26.02.98]

(3) Public property land may be sold both to individuals and legal entities of the Republic of Moldova, as well as to foreign investors, except for the agricultural and forestry fund land which shall be sold only to the individuals and legal entities of the Republic of Moldova.

(4) The sale and purchase of public property land can occur in one lump sum or in installments. When concluding the contract of sale and purchase in installments at least 25% of the land price shall be paid, the rest can be paid in installments within up to 10 years, paid quarterly in equal shares and indexed according to the inflation rate if the inflation rate has been established as indicated at art. 2 par. 2. Failure to make the payment within

one month after the deadline shall serve as basis to suspend the contract as provided.

[Art.4 par.4 modified by Law Nr.237-XIV from 23.12.98]

- (5) The sale and purchase of public property land shall occur as follows:
- (a) the Buyer (individual or legal entity) shall submit an application on land acquisition to the municipal, city or village (commune) mayoralty, or, if needed to the agency authorized by the Government;
 - (b) to the municipal, city or village (commune) mayoralty or, if needed, the authorized agency shall review within one month the Buyer's application, determine the price of the land (tract), close the sale and purchase agreement and determine the time period for the payment to be made;

[Let.(b) modified by Law Nr.237-XIV from 23.12.98]

- (c) the Buyer shall pay, within one month the amount equal to the normative price of land for that zoning. Where the land is sold at a free price, including at an auction, the price cannot be lower than the normative price of land;

[Let.(c) modified by Law Nr.237-XIV from 23.12.98]

- (d) the sale and purchase agreement shall be legalized before a notary.
- (e) within three months from the legalization of the agreement, the new landholder shall present the respective agreement to the territorial cadastral organ in whose circumscription the land is situated, so as to register the right of ownership upon the land.

[Let.(e) modified by Law Nr.237-XIV from 23.12.98]

- (6) In case of failure to abide the conditions provided in par.5 let. (d) and (e) the sale and purchase agreement shall be deemed null.

[Par.6 art.4 as formulated by Law Nr.237-XIV from 23.12.98]

- (7) The local public administration authorities shall, within ten days, enter the new holder into the cadastral registry of landholders, shall issue the Title

Certificate of Landholder's Right and notify the appropriate fiscal authority about it.

(8) When concluding sale and purchase agreements, the local public administration authorities may establish certain restrictions (servitudes) the owners are required to abide.

(9) Sale and purchase of public land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as of land associated with unfinished constructions shall be made at the normative price of land. Other land for construction purposes shall be sold by tender or auction.

[Par.9 art.4 modified by Law No.1566-XIII from 26.02.98]

Article 5. Sale of Privately Owned Land

(1) The category of privately owned land shall include all plots of owners, which have been included in the cadastral registry of landholders or in the real estate registry as with a right of ownership upon them.

[Par.1 art.5 modified by Law No.1566-XIII from 26.02.98]

(2) The owners have the right to sell his/her land at free price.

(3) The sale and purchase of privately owned land by agreement between the Buyer and the Seller shall include the following actions:

- a) Seller prepares the documents confirming hi/her ownership of land;
- b) Seller and Buyer close the sale and purchase agreement;
- c) the sale and purchase agreement is legalized before a notary;
- d) within three months from the legalization of the agreement, the new landholder shall present the respective agreement to the territorial cadastral organ in whose circumscription the land is situated, so as to register the right of ownership upon the land.

(4) In case of failure to abide the conditions provided by par.3 let.c) and d) the sale and purchase agreement shall be deemed null.

[Art.5 as formulated by Law Nr.237-XIV from 23.12.98]

Article 6. Sale and Purchase of Privately Owned Land with Agricultural Zoning

(1) It is allowed to sell and purchase privately owned agricultural land. Land zoning shall be established according to the information offered by the municipal, city or village (commune) mayoralty on whose territory the land is situated.

[Par.1 art.6 as modified by Law Nr.237-XIV from 23.12.98]

(2) The right to sell and purchase agricultural land belongs to the state, as well as to local individuals and legal entities.

[Par.2 art.6 as modified by Law Nr.360-XIV from 16.04.99]

(3) Whenever a foreign citizen or a stateless person becomes owner of land with agricultural or forestry zoning through legal or testamentary inheritance, he/she shall have the right to alienate such land through juridical acts *vivis causa* only to RM citizens.

(4) The co-owners shall enjoy the preemptive right to purchase the commonly owned land (parts of it).

[Par.6 art.6 modified by Law No.1566-XIII from 26.02.98]

[Art.6 as formulated by Law Nr.237-XIV from 23.12.98]

Article 7. Sale and Purchase of Dacha and Small Garden Plots

(1) All members of dacha and small garden plot associations are the holders of land recorded in the cadastral registry of landholders, bearing personal liability before the land law.

(2) Non privatized dacha and small garden plots shall be allocated for use to members of dacha and small garden plot associations, preserving these in public ownership.

(3) Land of dacha and small garden plot associations under roads, buildings and service facilities for its members shall fall under the category of public use land.

(4) Members of dacha and small garden plot associations who wish to purchase the plots used by them shall submit an application on acquisition to the local public administration authority attaching the documents which confirm the membership in the respective association.

[Par.4 art.7 modified by Law No.1566-XIII from 26.02.98]

(5) The municipal, city or village (commune) mayoralty under the jurisdiction of which the dacha and small garden plot association is located, shall examine the application on acquisition filed by members of dacha and small garden plot associations, citizens of Republic of Moldova, as well as the notice of the dacha and small garden plot association management and shall adopt a Decision on Sale and Purchase of the Dacha and Small Garden Plot. Where the application on acquisition is rejected, the Decision of the local public administration authority may be appealed in court, according to the established procedures.

(6) The calculation spreadsheet for defining the plot sale price reviewed and approved by the local public authority shall serve as a legal basis for the preparation of the sale and purchase agreement.

(7) The sale and purchase agreement shall be prepared in three copies, by the representative of the local public authority and shall be returned to the Buyer, Seller and Notary.

(8) The sale and purchase agreement may provide for the installments under art.4.

(9) In case where after the sale and purchase agreement is prepared, the dacha plot is larger than the surface area indicated by the dacha and small garden plot association management, the Buyer shall make the corresponding additional payment, and if the surface area turns to be smaller the mayoralty shall compensate the additional paid amount. The difference in price shall be paid, by both parties, within one month.

(10) The owner shall have the right to sell his/her dacha plot at a free price, including by auction, to another citizen of the Republic of Moldova or to the state.

[Par.10 art.7 modified by Law No.1566-XIII from 26.02.98]

Article 8. Sale and Purchase of Residential Land

(1) Residential land shall comprise land underneath the house, household annexes and gardens allocated according to the law, including to art.82 of the Land Code of Moldovan S.S.R. with all subsequent amendments and completions.

(2) The owner of the residential land plot shall be the individual who received it under the existing legislation and legalized it by a Title Certificate of the Landholder's Right.

(3) The owner of the residential land shall have the right to sell the entire plot or a part of it at a free price including by auction to individuals and legal entities of the Republic of Moldova, as well as to the State.

(4) Residential land in temporary use of citizens, as well as land the surface area of which exceeds the standard provided by law shall not be subject to sale and purchase. The mentioned land can only be sold under Art.4.

(5) The normative price of the residential land shall be calculated based on its surface area, soil fertility in points and the tariffs for the calculation of the normative price of land. In case there is no data on the soil fertility of the land plot subject to sale and purchase the price of land shall be calculated based upon the point-hectares for the corresponding territorial administrative unit.

Article 9. Sale and Purchase of Land for Construction Purposes within Settlements

(1) In municipalities, cities and villages (communes), land for construction purposes shall be deemed the land with constructions and facilities thereon, provided by the settlement development plan, and land which is to be used for such purposes, including land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as with unfinished structures.

[Par.1 art.9 completed by Law No.1566-XIII from 26.02.98]

(2) The right to purchase from the state and, respectively, to sell the land for construction purposes in municipalities, cities and villages (communes) shall belong to the individuals and the legal entities of the Republic of Moldova and to foreign investors.

(3) Any public land with state objects thereon shall be sold after privatization of such objects, to individuals and legal entities who acquired ownership of the objects located on such land.

[Par.3 Art.9 as modified by Law Nr.237-XIV from 23.12.98]

(4) The price of land for construction purposes located within settlements shall be calculated based upon average cadastre indexes, location, surface area of the plot, access to communication lines, land arrangement degree.

[Par.4 Art.9 as modified by Law Nr.237-XIV from 23.12.98]

(5) Land located in protection and sanitary areas of enterprises may be sold exclusively to these enterprises with no right to locate on this land objects that shall alter the indexes of such protection areas.

(6) Land of water protection zones and that designated for the development of engineering networks, as well as public use land shall not be subject to sale and purchase.

(7) All individuals and legal entities who were allocated land from the reserve fund, after compensation of losses resulted from the exclusion from the agricultural cycle, according to the law, shall be acknowledged as land owners. In case of allocating naturally deteriorated land, the losses resulted from the exclusion of such land from the agricultural cycle shall not be compensated.

(8) Sale and purchase of public land for construction purposes shall occur in compliance with Article 4.

(9) Privately owned land within settlements with structures thereon may be sold and purchased at a free price, including by auction.

[Art.9 modified by Law No.1566-XIII from 26.02.98]

CHAPTER III

NORMATIVE PRICE OF LAND

Article 10. Normative Price of Land Upon Sale-Purchase and Lease of Land

(1) The normative price of land shall be established upon sale and purchase of land, upon land lease and in other cases related to economic activity.

[Par.1 Art.10 as modified by Law Nr.237-XIV from 23.12.98]

(2) In order to calculate the normative price of land it is necessary to obtain the cadastral characteristics of such land, as follows:

- a) from the territorial cadastral organ in whose circumscription the land is situate — for the sale and purchase of privately owned land;
- b) from the municipal, city or village (commune) mayoralty on the territory of which the land is situated - for the sale and purchase of publicly owned land.

[Par.2 Art.10 as modified by Law Nr.237-XIV from 23.12.98]

(3) The tariffs for estimating the normative price of land are listed in the Annex.

(4) The normative price of agricultural land, of residential land and of small garden plots shall be estimated starting with the tariffs listed in column 1 of the Annex.

(5) Where no additional soil fertility researches have been conducted, the soil fertility of residential land (dacha plot) proposed for sale shall be the average soil fertility for the territorial administrative unit (dacha association).

(6) Normative price for land subject to construction, including for the land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as with unfinished structures shall be set according to tariffs specified in column 4 of the Annex.

[Par.6 Art.10 modified by Law No.1566-XIII from 26.02.98]

(7) Annual lease payment for public land shall depend on the zoning of the leased land. It shall not be less than 2% and greater than 10% of the normative land price calculated for the corresponding zoning, except in the cases under par.(8) and (9) hereto.

(8) The reserve fund land used for agricultural purposes until its use according to its zoning shall be priority leased to social sphere employees and pensioners, as well as to socially disadvantaged families. For these individuals, the lease payment for the aforementioned land shall equal to the land tax for residential land set for the corresponding year.

(9) Where the land is leased at auction, the annual lease payment shall be determined at auction, provided that such payment shall be not less than 2% of the normative price of land.

CHAPTER IV NORMATIVE PRICE OF LAND FOR ITS EXCLUSION FROM AGRICULTURAL CATEGORY AND FORESTRY FUND, AS WELL AS FROM AGRICULTURAL USE AND TRANSFER OF SUCH LAND TO OTHER LAND CATEGORIES

Article 11. Land Exclusion

Exclusion of land from agricultural category, forestry fund, as well as from agricultural use and its transfer to other land categories shall be made for both state and landholders' interests.

Article 12. Losses Compensation

(1) Compensation of losses incurred by exclusion of land from agricultural category, forestry fund, as well as from agricultural use and its transfer to another land category, shall be made as to obtain funds for financing new land use programs and programs on improving the soil quality and on conduct of other work aimed at soil improvement and general cadastre maintenance.

(2) The program on use of new land plots and improvement of soil fertility shall be drafted and approved by the Government and shall be implemented through local public administration authorities and State Service for Regulation of Land Ownership Regime and General Land Cadastre.

(3) Compensation of losses incurred from exclusion of land from agricultural category and forestry fund shall be done in all cases by individuals and legal entities interested, irrespective of the purpose of the exclusion and the property type to it.

(4) Losses incurred from exclusion from agricultural use of reserve fund land and of other land categories, except the one designated for public use or land which is to be transferred to forestry fund, shall also be compensated.

Article 13. Tariffs For Losses Compensation

Losses incurred when excluding land from agricultural category and forestry fund, as well as from agricultural use shall be compensated starting with tariffs in column 3 of the Annex.

Article 14. Collection and Use of Funds Resulted from Losses Compensation

(1) Funds for compensation of losses incurred from exclusion of land from agricultural category, forestry fund, as well as from agricultural use and its transfer to other land categories shall be collected on a special Government account and shall be used exclusively for implementation of the program on new land use and improvement of soil fertility, pursuant to a Regulation approved by the Government. Such funds shall be transferred to the aforementioned account based on a Government permission on changing the land zoning.

(2) The Government shall adopt the decision on allocation of agricultural and forestry fund land, and other land category included in the agricultural cycle for these to be used for other than agricultural purpose, within one month after the individuals or legal entities have transferred to the aforementioned account funds equivalent to losses incurred when excluding these from agricultural use.

(3) Change of land zoning and legalization of landholders' right shall be done by local public administration authorities only after losses compensation.

CHAPTER V

NORMATIVE PRICE OF LAND DURING FORCED ALIENATION OF LAND

Article 15. Purpose and Forced Alienation Cases

- (1) The forced alienation of land shall be made by the Government upon common agreement with the competent local public administration authorities for the purpose of satisfying the state land needs.
- (2) Temporary forced alienation of land for agricultural purposes shall occur based on the need to create certain state agricultural entities (scientific or experimental).
- (3) Forced alienation of landholders for other than agricultural purposes shall be allowed only for public needs: construction of industrial enterprise, roads, telecommunication ways, construction of other special purpose objects, hydro-technical installations and other improvements to water services; extraction of underground resources, settlement development, construction of culture, educational, health protection institutions, sport and recreational complexes, natural and history monuments creation.
- (4) The procedure on forced alienation of land shall be established according to the law.

Article 16. Rights of Individuals and Legal Entities Whose Land Was Forcefully Alienated for State Land Needs

- (1) The state shall propose to the owner of the land another land plot into ownership in exchange for the expropriated one.
- (2) Where the quality of the proposed land is lower than of the expropriated one, the owner shall get a compensation of losses incurred from such exchange.
- (3) Where the owner of the land refuses to take another land, or where the state has no other land to change it, then the losses shall be compensated in cash.
- (4) Land disputes, occurred during forced alienation of land, shall be settled pursuant to the current law.

[Art.16 as modified by Law Nr.237-XIV from 23.12.98]

Article 17 Compensation of Losses Incurred from the Forced Alienation of Land

(1) The compensation of losses incurred from the forced alienation of land is done according to its market price, but not less than the normative price, calculated according to the second column from the Annex.

(2) Where the public administration authority and the landowner do not reach an agreement as to the market price of the land subject to forced alienation, the price shall be established by the judicial organ, based on an expertise report concluded by independent experts.

[Art.17 as modified by Law Nr.237-XIV from 23.12.98]

[Chapter VI excluded according to Law Nr.237-XIV from 23.12.98]

**CHAPTER VII
FINAL AND TRANSITIONAL PROVISIONS**

Article 23

(1) This law shall be effective in a month after its publication date.

(2) In the territorial-administrative unit where the territorial cadastral organ does not function, the sale and purchase agreement shall be presented, within three months from the date of the notary legalization, to the municipal, city, village (commune) mayoralty on whose territory the land is situated, in order to make the necessary modifications in the cadastral registry of landholders.

(3) Where the territorial cadastral organ does not function the cadastral information necessary for the conclusion of the sale and purchase agreement, for the calculation of the normative price of the land is presented by the municipal, city, village (commune) mayoralty on whose territory the land is situated.

- (4) All other laws and normative acts shall remain valid to the extent not violating this law.

[Art.23 as modified by Law Nr.237-XIV from 23.12.98]

Article 24

Within three months the Government shall:

- comply its normative acts with this Law;
- arrange for the ministries and departments to review and annul the normative acts which contradict this Law;
- ensure the drafting of normative acts to regulate the application of this Law.

Article 25

Law No.302-XIII dated December 2, 1994 on Normative Price of Land (Official Monitor of the Republic of Moldova 1995, no.6, Article 57) shall be abrogated.

Chairman of Parliament

Dumitru Motpan

Annex To the Law on Normative Price and Procedure on Sale and Purchase of Land

TARIFFS To Calculate the Normative Price of Land (for one point hectare) in Lei

I. The sale and purchase of agricultural land, residential land and small garden plots 289.53

II. Forced alienation of agricultural land, residential land and small garden plots 579.06

III Exclusion of land from agricultural category and forestry fund, as well as from the agricultural use 9264.96

IV. Sale and Purchase of land within settlements (except the residential land) 9264.96

Remarks:

1. The normative price of land with agricultural zoning shall be calculated depending on the average fertility of the soil established for the given city, village (commune), or at the request of the owner, depending on the soil fertility established for the respective plot.

[Pnt.1 as formulated by Law Nr.237-XIV from 23.12.98]

2. The normative price of land under industrial, transport objects, other constructions, as well as land with non-agricultural zoning shall be calculated depending on the average soil fertility established for the republic.

3. In case of state sale of land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as of land associated with unfinished constructions at the normative price calculated according to the tariffs specified at column 4 of the Annex, the following coefficients apply: 0,30 for the municipality of Chisinau, including the settlements which belong to the municipality; 0,15 - for Balti, Bender, Tiraspol municipalities; 0,10 - for Cahul, Comrat, Causeni, Dubasari, Edinet, Hincesti, Orhei, Ribnita, Soroca, Ungheni municipalities and the cities of Anenii Noi, Criuleni, Ialoveni, Straseni; 0,05 — for the remaining cities; 0,02 — for villages (communes).

4. Normative price of land with agricultural zoning, residential land and small garden plot associations shall be calculated by applying the coefficient 0,25 to the tariffs specified at column 1 of this annex.

5. The provisions of columns 3 and 4 of the remarks apply till January 1, 2001.

[Pnts.3;4;5 as formulated by Law Nr.360-XIV from 16.04.99]

6. Land associated with privatized objects or objects subject to privatization, land associated with private enterprises, as well as land associated with unfinished structures shall be sold by local public administration authorities with the consent of the Ministry of Privatization and State Property Administration.

[Pnt.6 as formulated by Law Nr.1566-XIII from 26.02.98]

7. In case certain land with zoning other than agricultural is transferred to agricultural or forestry land category, the normative price of land shall be calculated starting with the tariffs specified in the column I of the Annex without applying a coefficient.

8. In case of sale and purchase of publicly owned land, the municipal, city, village (commune) mayoralties will draw up, free of charge, all the documents, including the plot plans necessary for the conclusion of the sale and purchase transaction.

[Pnt.8 as formulated by Law Nr.237-XIV from 23.12.98]