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- 27 April 1993 [shall come into force from 20 May 1993];
- 16 December 1993 [shall come into force from 29 December 1993];
- 8 December 1994 [shall come into force from 3 January 1995];
- 5 October 1995 [shall come into force from 4 November 1995];
- 5 December 1996 [shall come into force from 12 January 1996];
- 18 October 2001 [shall come into force from 9 November 2001];
- 3 April 2003 [shall come into force from 15 April 2003];
- 17 November 2005 [shall come into force from 14 December 2005];
- 14 June 2007 [shall come into force from 1 August 2008];
- 21 June 2007 [shall come into force from 1 August 2007];
- 16 December 2010 [shall come into force from 1 January 2011];
- 14 April 2011 [shall come into force from 28 April 2011];
- 12 September 2013 [shall come into force from 1 January 2014];
- 16 January 2014 [shall come into force from 1 February 2014];
- 3 July 2014 [shall come into force from 1 August 2014];
- 13 November 2014 [shall come into force from 16 November 2014].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted and
the President has proclaimed the following Law:

On Land Privatisation in Rural Areas

Chapter I GENERAL PROVISIONS

Section 1. Tasks of Land Privatisation

The main tasks of land privatisation are as follows:

- 1) to create the basis and guarantees for agricultural development;
 - 2) to restore the land ownership rights to the former owners of land, which belonged to them on 21 July 1940 or to the heirs thereof;
 - 3) to transfer land into ownership with remuneration to the citizens of the Republic of Latvia;
 - 4) [5 December 1996].
- [8 December 1994; 5 December 1996]

Section 2. Basic Principles of Land Privatisation

Land privatisation in rural areas shall be carried out, conforming to the following basic principles:

- 1) land privatisation shall take place, in conformity with the Law On Land Reform in Rural Areas of the Republic of Latvia (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1990, No. 49);
- 2) land ownership rights shall be renewed to the former owners of land, which belonged to them on 21 July 1940 or to the heirs thereof;

¹ The Parliament of the Republic of Latvia

- 3) upon privatisation of land, the lawful interests of the present owners of buildings and structures, users of land, as well as of the State and local governments shall be observed;
- 4) forests, perennial plants growing on it and surface waters, except the public waters, shall be privatised together with land;
- 5) land shall be transferred into ownership to the citizens of the Republic of Latvia and to legal persons registered in Latvia;
- 6) land privatisation shall take place on the basis of a request of the citizens of the Republic of Latvia or legal persons registered in Latvia, on a voluntary basis.

[8 December 1994]

Section 3. Land to be Privatised

Land, which on 21 July 1940 was in the ownership of natural persons, the State, local governments and in the ownership of other legal persons, shall be subject to privatisation in rural areas if such land until 1 November 1996 has been allocated for permanent use to a natural person, has been reserved on the basis of a term request or has been allocated for permanent use as land of an equivalent value in the place of the former land property.

[5 December 1996]

The transfer of land occupied by protected nature objects into ownership shall be regulated by legislative enactments.

The ownership rights to the territories of mineral resource deposits and mine deposits of the former owners of land or the heirs thereof after the request thereof shall be restored, determining that use of subterranean depths shall be regulated by a separate law.

[16 December 1993, 8 December 1994; 5 October 1995; 5 December 1996]

Section 4. Types of Land Privatisation

Types of land privatisation are as follows:

- 1) the restoration of land ownership rights to the former owners of land or to the heirs thereof;

- 2) the transfer of land ownership rights in return for payment to the citizens of the Republic of Latvia.

The ownership rights to land shall be restored to the former owners of land or to the heirs thereof by returning in actual fact the former land property thereof or a part thereof or by transferring into ownership land of an equivalent value within the borders of the relevant parish or district or in other parishes of the Republic with the decision of a parish land commission from the non-requested land or the State or local government land.

The former owners of land or the heirs thereof have the right to receive a compensation for the former land property or a part thereof in accordance with the procedures laid down in Chapter III of this Law.

[8 December 1994; 5 December 1996]

Chapter II

RESTORATION OF LAND OWNERSHIP RIGHTS

Section 5. Persons to whom Land Ownership Rights are to be Restored

Land ownership rights shall be restored on the basis of a personal request to the former owners of land in the ownership of whom the land in the Republic of Latvia was on 21 July 1940 or to the heirs thereof in accordance with the Civil Law of the Republic of Latvia of 1937.

In cases when ownership rights have not been restored to the persons referred to in this Section due to the restrictions provided for in this Law, the referred to rights shall be restored as soon as the aforementioned obstacles for restoration of ownership rights have ceased to exist, unless compensation or land of an equivalent value in another place has been received.

If land ownership rights according to the situation on 21 July 1940 are not confirmed by statements of the State archives, court adjudications or other documents confirming land ownership rights, also by deeds of Land Registers drawn up until 21 July 1940 or notarially certified contracts regarding the purchase of land, a court shall recognise the ownership rights on the basis of a contract entered into regarding alienation of land, a lease repurchase or a redemption contract if legality of such transactions has been determined and if in the case of redemption of land the purchase payment has been partially or completely settled.

For persons who up to 21 July 1940 commenced the repurchase (bought back) of immovable property left in Latvia by German emigrants from the “*Vispārējās Lauksaimniecības banka*” [General Agricultural Bank] or the “*Valsts zemes banka*” [State Land Bank], as well as the heirs of such persons, documents confirming land ownership rights may be deemed to be a statement from the State archives in which the redeemers of the immovable property (purchasers), data regarding the immovable property and the money amounts paid into the bank are indicated.

The former owners of land and the heirs thereof shall be exempted from the State fee, if the ownership rights thereof have been recognised with a court adjudication.

[8 December 1994; 5 October 1995; 5 December 1996; 14 June 2007]

Section 6. Transfer of Land into the Ownership of the Former Owners or the Heirs thereof

The ownership rights to land to the former owners of land or the heirs thereof shall be renewed if the request of land has been submitted until 20 June 1991, except the cases when in the first round of land reform such land has been allocated for permanent use to other natural persons for the maintenance of farms, household farms, individual orchards, residential houses and summer cottages, for the completion of the construction objects commenced until 21 November 1990, for the maintenance of buildings belonging to the State and local governments, structures and sharing objects of a non-producing character.

If in the first round of land reform the land has been transferred to another natural person, who is not a citizen of the Republic of Latvia, the land shall remain in the property of the State but the right of use of land shall be retained to the natural person in the exceptional cases referred to in Paragraph one of this Section.

To the former owners of land or the heirs thereof, who have submitted the land request after 20 June 1991, the former land thereof shall be returned in the ownership, except the cases when such land until the moment of the submission of the request has been allocated for permanent use to another natural person, as well as for the maintenance of buildings, structures and sharing objects of a non-producing character belonging to the State and local governments. The ownership rights of the former owners of land or the heirs thereof to land that has been allocated for use to the legal persons for other needs shall be renewed but they shall receive such land for use not later than within five years, politically repressed persons – not later than within one year after submission of the land request.

The rights to lease land in the territories approved by the Ministry of Agriculture until the repurchase of such lands and corroboration of ownership rights in the Land Registers in the name of the State on behalf of the Ministry of Agriculture shall be guaranteed to the State selection farms, State experimental farms, State scientific research farms and agricultural educational institution farms. The land shall be redeemed until 1 July 1998. Such farms have the obligation to pay the lease payment for the current year to the owners of land – up to 5% from the cadastral value of the land – until the repurchase of the land.

If buildings and structures belonging to legal persons, as well as buildings and structures of natural persons, which have been acquired in accordance with the procedures laid down in the Law On Privatisation of Agricultural Undertakings and Collective Fisheries, are located on the land requested by the former owners of the land or the heirs thereof, the rights to lease the land, which is occupied by the buildings, structures and courtyard, and land of an area up to 0.5 hectares for the maintenance of such buildings and structures, shall be guaranteed to such legal and natural persons. The borders and area of the aforementioned land shall be determined by the relevant local government land committee.

If legal or natural persons have acquired buildings and structures in accordance with the procedures laid down in the Law On Privatisation of Agricultural Undertakings and Collective Fisheries, the lease payment thereof for the land that is occupied by the buildings, structures and courtyard and the land necessary for the maintenance of such buildings and structures of the area up to 0.5 hectares may not exceed 5% from the cadastral value of the land.

If the land or a part thereof may not be returned in actual fact to the former owners of land or the heirs thereof, they have the right to receive in ownership land of an equivalent value in another place or a compensation.

If the former owner of land has not received land for use in accordance with the Law On Land Reform in Rural Areas of the Republic of Latvia but he or she has agreed with one of his or her relatives (the possible heir) that such relative shall put into effect the land use rights, then the current user of land, on the basis of the agreement entered into in any manner, shall acquire also the rights to the restoration of land ownership rights in place of the former owner. The former owner of land may personally submit his or her written consent to the relevant Community Deputy Council or may send a notification thereto, on which the authenticity of his or her signature shall be notarially certified.

If the former owner of land has not received land for use in accordance with the Law On Land Reform in Rural Areas of the Republic of Latvia but he or she has agreed with one of the relatives thereof (the possible heir) that such relative shall put into effect the land utilisation rights then the aforementioned relative, on the basis of the agreement entered into in any manner, shall acquire also the rights to the restoration of land ownership rights in place of the former owner. The former owner of land may personally submit his or her written consent to the relevant parish council (county, city council) or may send a notification thereto, on which the authenticity of the signature thereof shall be notarially certified. If the former owner of land has requested compensation, the land may be transferred into ownership to the present user only in return for payment. The aforementioned procedures shall relate also to occasions when in the process of land reform the heir of the owner, who has requested or has received land for use, refuses it in favour of one of the relatives thereof (the possible heir).

If a descending heir of the nearer degree of kinship of the owner of land (a son, daughter) has not submitted a request for restoration of land ownership rights or a request for the receipt of compensation within the specified time period, the land property shall be transferred to any other heir if such land has been allocated for use to him or her or has been requested according to the procedures specified in this Law.

If both the user of land and other descending heirs of the nearer degree of kinship of the former owner have applied to the land to be inherited, then all shall have equal rights to the inheritance and the user of land shall acquire free of charge only his or her part of land to be inherited.

The inheritance fee need not be paid in all cases of restoration of the land ownership rights.

[16 December 1993, 8 December 1994, 5 October 1995, 5 December 1996, 18 October 2001]

Section 7. Rights of Land Use for Legal Persons

Legal persons, to whom land has been allocated for use in accordance with the Law On Land Reform in Rural Areas of the Republic of Latvia, shall retain land use rights up to five years in conformity with the objective for which such land was allocated for use, if ownership rights to this land have been restored to the former owners or the heirs thereof in accordance with Section 6 of this Law. Legal persons shall retain land use rights in the cases of the request for restoration of land ownership rights of politically repressed persons up to one year after submission of the request for restoration of land ownership rights of politically repressed persons, except land allocated to lease up to 0.5 hectares for each individual subsidiary farm.

The obligation of a legal person is to pay the lease payment to the owner of land, the maximum amount of which and the procedures for the payment shall be determined by the Cabinet, except for the cases referred to in Section 6, Paragraphs four and six, as well as Section 9, Paragraph two of this Law.

Legal persons may use the land also in the case if the owner of land has engaged in entrepreneurship, by investing the land use rights.

[16 December 1993, 8 December 1994; 5 October 1995; 5 December 1996]

Section 8. Documents Confirming Land Ownership Rights

Ownership rights to land shall be confirmed by the statement from the State archive, by an extract from the last record in the Land Register or by another document confirming land ownership rights or by the judgment of a court.

Land ownership rights may be restored to the heirs if they submit documents confirming kinship. Documents confirming the death of the owner of land shall not be required if the owner of land has not submitted a request for the restoration of land ownership rights.

[5 December 1996]

Section 9. Restoration of Land Ownership Rights in the Cases of Land Term Request

If land has not been allocated to the former owners of land or the heirs thereof according to the procedures specified in this Law but only reserved, the land ownership rights thereof shall be restored, retaining land use rights to the users of the land, but not longer than for the time period of the term request. The users of land shall pay the lease payment to the owner of land in accordance with Section 7 of this Law.

If the former owners or the heirs thereof wish to receive the land reserved for them for use prior to the term requested, the land use (lease) rights of the land users (lessees) referred to in Paragraph one of this Section shall remain until the moment of termination of the time period for land use (lease). If land has been leased to individual subsidiary farms, the land lease contract may be prolonged until the expiry date of the land term request. The provisions of Section 7, Paragraph one of this Law shall be applied in such cases when politically repressed persons have requested to restore land ownership rights. The lease payment for the land leased for individual subsidiary farms shall not exceed 5% from the cadastral value of land.

[16 December 1993, 5 December 1996]

Section 10. Right of Pre-emption to Land, Buildings, Structures and an Orchard (Trees)

The former owners of land or the heirs thereof (unless they have received a plot of land of an equivalent value instead of their land or a compensation), as well as persons

registered in a separate register of unsatisfied requests for land, have the right of pre-emption to acquire in their ownership buildings, structures and an orchard (trees), which are located on such land. Owners of buildings, structures and an orchard (trees) have the same right of pre-emption if a plot of land is being sold. If the referred to persons have not been able to use the right of pre-emption due to the fault of the vendor, they have the right of repurchase.

If the owner of buildings, structures and an orchard (trees) does not use the right of pre-emption, the local government has such right.

[5 December 1996]

Section 11. Total Area of Land to which Land Ownership Rights may be Restored

The land ownership rights may be restored by returning the land in actual fact that has been in the ownership or land allocated in the place thereof, the maximum total area of which is not limited.

[8 December 1994, 5 October 1995]

Chapter III PAYMENT OF COMPENSATION TO THE FORMER OWNERS OF LAND OR TO THE HEIRS THEREOF

Section 12. Rights for the Receipt of Compensation

The former owners of land or the heirs thereof have the right to receive a compensation for the land that has been in the ownership or a part thereof if they wish it and unless they have received land on site or land of an equivalent value in another place.

The following persons have the right to delete the land ownership compensation certificates, receiving a payment – EUR 39.84 for a certificate, in accordance with the procedures stipulated by the Cabinet:

1) the former owners of land, who until 31 December 1992 have requested a compensation or land and have not been able to receive such land due to the restrictions specified in the Law;

2) the heirs of the first class of the former owners of land, who until 20 June 1991 have requested land and have not been able to receive it due to the restrictions specified in the Law (have been entered into the register of unsatisfied requesters for land);

3) the surviving spouses of the politically repressed and the heirs of the first class of politically repressed of the former owners of land if they have requested a compensation or land until 31 December 1992 and have not been able to receive such land due to the restrictions specified in the Law.

[16 December 1993, 5 October 1995, 5 December 1996, 3 April 2003; 12 September 2013]

Section 13. Examination of the Request for Compensation

The land committee shall examine the request for compensation of the former owner of land or the heirs thereof and documents confirming the right of inheritance, as well as the compensation calculated by the State Land Service, shall take a decision to grant compensation and the amount thereof and shall notify the requester of compensation thereof.

If the requester of compensation is not satisfied with such decision, he or she may appeal it to the rural territory or *pagasts* council (municipality, city council), but the decision of the rural territory or *pagasts* (municipality, city council) council – to a court.

[5 October 1995, 18 October 2001]

Section 14. Amount of Compensation and Procedures for the Payment

The amount of compensation shall be determined on the basis of the total area of land and the evaluation thereof at the moment of nationalisation. The compensation shall be calculated in units of rye by equating one land evaluation mark (point) to the value of 70 kilograms of rye in conformity with the price of rye stipulated by the Cabinet at the moment of the receipt of compensation.

If the former owner of land or the heir thereof submits particular materials regarding the division of his or her land in types of the use of land and the cadastral evaluation, the amount of compensation shall be calculated on the basis of the submitted materials.

The compensation shall be paid in money or securities within the period of time and in the amount stipulated by the Cabinet.

[8 December 1994]

[16 December 1993; 8 December 1994]

Chapter IV

TRANSFER OF LAND INTO OWNERSHIP IN RETURN FOR PAYMENT

Section 15. Citizens to whom Land may be Transferred into Ownership in Return for Payment

Land may be transferred into ownership in return for payment to the citizens of the Republic of Latvia to whom it has been allocated for permanent use if they fulfil the obligations of land users specified in the Law and land ownership rights to such land of the former owners of land or the heirs thereof are not restored in accordance with Section 6 of this Law.

Section 16. Maximum Amount of the Area of Land to be Transferred into Ownership in Return for Payment

The total area of land transferred into ownership shall not exceed 150 hectares, but forest area – 50 hectares.

The matter regarding the transfer of a greater area of land or forest into ownership shall be decided by the Central Land Commission of the Republic of Latvia, on the basis of the recommendation of the relevant parish land commission.

[5 December 1996]

Section 17. Transfer into Ownership of Local Level Amelioration Systems and Other Structures Related to Land

The elements of the local level amelioration system and other structures together with the transfer of land into ownership in return for payment shall be transferred into ownership of the citizens without remuneration in accordance with the procedures stipulated by the Cabinet.

[16 December 1993]

Section 18. Amount of Payment for the Land Transferred into Ownership

The amount of payment for the land transferred into ownership shall be determined on the basis of the total area of land, the area of the types of use of land, location of the land section and valuation. In addition, the payment for a forest stand, which is located on the forest land, shall be evaluated and determined, observing the species and age of the forest stand. The payment for the land transferred into ownership shall be calculated in units of rye

by equating one land evaluation mark (point) to the value of 70 kilograms of rye in conformity with the price of rye at the moment of the transfer of land.

The amount of payment for the agricultural and forest lands that are transferred for the industrial, transport and other needs shall be calculated in accordance with the norms regarding agricultural and forestry production losses determined by the Cabinet that have occurred due to the alienation of land.

The payment for the land transferred into ownership may be reduced, depending on the objective for which the land is transferred, the period of time of the use thereof until the request into ownership, the marital status and experience in agriculture and forestry of the requester. The total deduction shall not exceed 75% from the calculated amount of payment.

The procedures for calculating and settling payment shall be determined by the Cabinet.

[16 December 1993]

Chapter V PROCEDURES FOR THE PRIVATISATION AND ALIENATION OF LAND

[14 June 2007]

Section 19. Institutions for the Privatisation and Alienation of Land

The land privatisation shall be accomplished by:

1) the Central Land Commission of the Republic of Latvia by co-ordinating and legally ensuring the process of land privatisation in the Republic;

2) the Cabinet and institutions thereof by materially and technically ensuring the process of land privatisation in the Republic;

3) the State Land Service by carrying out the preparation (formation) of land properties for the registration thereof, development, implementation and management of the State cadastre of other immovable properties;

4) local governments and institutions thereof by compiling and examining the requests for land privatisation and the suggestions for land alienation and by taking decisions in accordance with the procedures laid down in this Law;

5) the institution stipulated by the Cabinet by performing the settlement of accounts and credit operations related to privatisation;

6) the State stock company “*Privatizācijas aģentūra*” [Privatisation Agency] (hereinafter – Privatisation Agency) by carrying out the privatisation of such land for which until 31 August 2006 proposals for privatisation have been submitted in cases and in accordance with the procedures provided for in the Law On Privatisation of State and Local Government Property.

In other cases, which are not referred to in Paragraph one of this Section, the land alienation shall be accomplished by the State stock company “*Valsts nekustamie īpašumi*” [State Immovable Property] by carrying out the land alienation in the cases and in accordance with the procedures provided for in the Law On Alienation of State and Local Government Property.

[27 April 1993, 16 December 1993, 5 December 1996, 17 November 2005; 14 June 2007; 16 January 2014]

Section 20. Submission of the Requests for Land Property

The former owners of land or the heirs thereof, as well as citizens to whom land has been allocated for permanent use, shall submit the requests for land property together with the documents specified in Paragraph two of this Section to the parish council (county, city council), in the territory of which the land to be privatised is located.

The area of land allocated for permanent use, the area of land requested in the ownership and the purpose of use shall be indicated in the request for land property.

The following shall be attached to the request:

- 1) documents that confirm the land ownership rights or rights of inheritance unless such documents have been submitted when requesting land for use;
- 2) the plan of the section of land to be requested in the ownership.

Documents that confirm the land ownership or inheritance rights shall be submitted to the relevant rural territory or *pagasts* council (county, city council) not later than until 1 June 1996. In the case of exceeding such term the land ownership rights may be restored only by the court.

The State archives until 1 June 1996 shall issue the necessary information to persons, who until 1 April 1996 have submitted a request for information.

[8 December 1994; 5 October 1995; 12 June 1996; 18 October 2001]

Section 21. Examination of the Requests for Land Property

A rural territory or *pagasts* land committee shall examine the request for land property and shall take the decision to restore the ownership rights of the former owner of land or to transfer land into ownership in return for payment or regarding the refusal.

The decision of a rural territory or *pagasts* land committee to refuse to restore land ownership rights to the former owner of land, as well as to refuse to transfer land into ownership of the requester thereof may be appealed to the rural territory or *pagasts* council, but the decision of the rural territory or *pagasts* council – to a court.

If a rural territory or *pagasts* land committee, within six months from the day of receipt of all the necessary documents, has not examined the request of the former owner of land or the heirs thereof to restore land ownership rights, the applicants have the right to request the restoration of ownership rights by judicial process.

The Central Land Commission is entitled to examine the requests of the former owners of land and the heirs thereof and take decisions to:

- 1) modify the boundaries of land that has been allocated for use to farms established prior to the land reform (before 20 June 1990) in the following cases:

- if on the land properties requested by the former owner of land or the heirs thereof that have been allocated for use to a farm prior to the land reform are located buildings and structures belonging to them, but buildings and structures of the present users of land are not located there;

- if in the use of a farm, established prior to the land reform, there is a forest requested by the politically repressed or the heirs of first class thereof;

- 2) to establish household farms for the politically repressed or the heirs of the first class thereof, who after 20 June 1991 have recovered ownership rights to buildings.

[16 December 1993; 8 December 1994; 5 October 1995]

Section 22. Decisions on Land Privatisation

The following shall be indicated in the decision to restore land ownership rights:

- 1) to what land and in which amount land ownership rights are being restored;
- 2) to what area of land and to which period of time the land use restrictions are being determined;
- 3) to what area of land a compensation is due and what is the amount thereof.

To whom, to what area and for what objective the land is being transferred, as well as the amount of payment, shall be indicated in the decision to transfer land into ownership in return for payment.

The evaluation of land, servitudes that are related to the land property, as well as the evaluation of another immovable property and the legend of the types of the use of land shall be indicated in the decision to restore land ownership rights or to transfer land into ownership in return for payment after the request by the owner of land. If necessary, special provisions for land management shall also be indicated in the decision to transfer land into ownership. The boundary plan of the section of land shall be attached to the decision in all cases.
[27 April 1993; 8 December 1994; 5 October 1995]

Section 23. Documents Confirming Land Ownership Rights

A document confirming land ownership rights shall be a Land Register deed, which is issued by the Land Register office, on the basis of the adjudication of a rural territory or *pagasts* land committee or taken by the appeal procedures by the rural territory or *pagasts* council (municipality, city council), district land committee, Central Land Commission or court, the Cadastre Register of the regional department of the State Land Service and the contract of the institution stipulated by the Cabinet with the owner of land regarding repurchase of land.
[5 October 1995, 18 October 2001; 16 January 2014]

Section 24. Special Conditions for Land Privatisation

In the process of land privatisation, land shall be transferred into ownership of the citizen of the Republic of Latvia only to one farm and household farm in return for payment in certificates. The extension of farms and household farms during the land reform shall not be considered as establishment of a new farm or household farm and land allocated for permanent use until 1 November 1996 shall be privatised in accordance with the provisions of this Law.

The documenting of land ownership rights in relation to land belonging to and under the jurisdiction of the State and local governments, as well as the procedures for the distribution and documenting of land ownership rights belonging to and under the jurisdiction of the State and local governments shall be regulated by the Law On State and Local Government Land Property Rights and Entry thereof in the Land Register.

The procedures by which transactions with land properties recorded in the Land Register are carried out shall be regulated by Chapter VI of this Law.
[5 December 1996]

Section 25. Financial Provision of Works Related to Land Privatisation

[21 June 2007]

Section 26. State Fee in the Process of Land Privatisation

Persons, who enter into contracts in the process of land privatisation and carry out other lawful transactions that are related to the restoration of former land ownership rights or the acquisition of land in ownership in return for payment, shall be exempted from the payment of a State fee.
[16 December 1993]

Chapter VI
TRANSACTIONS INVOLVING LAND PROPERTIES
[5 December 1996]

Section 27. Transaction Object

Transactions may be performed only involving land, the ownership rights to which have been recorded in the Land Register.

Within the meaning of this Chapter transactions involving land properties shall be considered to be any transactions, as a result of which the owner of land changes.

[3 July 2014]

Section 28. Subjects of Transactions

Land may be acquired into ownership by the following subjects:

1) citizens of the Republic of Latvia and citizens of other Member States of the European Union, as well as citizens of the states of the European Economic Area and the Swiss Confederation;

2) the Republic of Latvia as the initial legal person governed by public law, and derived public persons;

3) a capital company registered in the Republic of Latvia, as well as a capital company registered in another European Union Member State or state of the European Economic Area, or the Swiss Confederation, which has registered as a taxable person in the Republic of Latvia and:

a) all shareholders of which are the subjects referred to in Clause 1 or 2 of this Paragraph each individually or all together,

b) all shareholders of which are natural or legal persons from states, with which the Republic of Latvia has entered into international agreements regarding the promotion and protection of investments, ratified by the *Saeima* by 31 December 1996. The abovementioned shall also be applicable to natural or legal persons from states, with which international agreements have been entered into after 31 December 1996, if such agreements provide for the rights of natural and legal persons registered in the Republic of Latvia to purchase land in the relevant state,

c) all participants of which are several subjects referred to in Sub-clauses "a" and "b" of this Clause together;

d) [3 July 2014];

4) religious organisations registered in Latvia, the term of activity of which, counting from the day when they were registered without the obligation to re-register, or from the day when they provided a notice to the register institution in the Republic of Latvia, is not less than three years;

5) a legal subject registered in the Republic of Latvia, another European Union Member State or state of the European Economic Area, or the Swiss Confederation, which has registered as a taxable person or performer of economic activity in the Republic of Latvia and is:

a) an individual undertaking, the owner of which is the person referred to in Clause 1 of this Paragraph,

b) an individual merchant, which has been registered by the person referred to in Clause 1 of this Paragraph,

c) a co-operative society, all members of which are the subjects referred to in Clauses 1, 2 and 3 of this Paragraph, as well as in Sub-clauses "a", "b" and "c" of this Clause each individually or all together,

d) another legal subject registered in a European Union Member State or a state of the European Economic Area, considered as equivalent to the subjects referred to in this Paragraph;

6) [3 July 2014];

7) associations and foundations registered in the Register of Associations and Foundations of the Republic of Latvia, the term of activity of which, counting from the moment of registration in the Republic of Latvia, is not less than three years, the purpose of operation of which is related to nature protection, production of agricultural crops or produce or organisation and maintenance of a hunting farm, and which purchase land for implementation of such purposes.

[3 July 2014]

[3 July 2014]

The subjects of transactions, which are not referred to in Paragraph one of this Section, may acquire land into ownership in conformity with the restrictions laid down in Section 29 of this Law and in accordance with the procedures laid down in Section 30.

[3 April 2003; 17 November 2005; 14 April 2011; 3 July 2014 / Amendments in relation to the right of associations and foundations to acquire land into ownership shall come into force from 1 November 2014. See Paragraph 5 of Transitional Provisions]

Section 28.¹ Subjects of Transactions with Agricultural Land

The transaction subjects referred to in Section 28, Paragraph one of this Law may acquire agricultural land and land, in the composition of which the dominant category of use of land is agricultural land, comparing the area occupied thereby with the sum of areas of the transaction object corresponding to other categories of use of land or the area of individual unit of land in the composition of a transaction object, as well as the undivided share of such land properties (hereinafter – agricultural land), into ownership, if they are:

1) natural persons who conform to all of the following conditions:

a) are registered as performers of economic activity in the Republic of Latvia,

b) within the time period of at least the preceding three years have received the single area payments in accordance with Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (hereinafter – Regulation No 73/2009), or receive direct payments in accordance with Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (hereinafter – Regulation No 1307/2013), or their revenue from agricultural production for not less than three preceding years in succession form at least one third of their total revenue from economic activity, or have acquired agricultural education or education equivalent thereto in a vocational educational programme, vocational secondary educational programme or vocational improvement educational programme, mastering plant production, stock farming or other corresponding subjects in the amount of not less than 160 hours,

c) certify in writing that use of such land in agricultural activity will be commenced within a year after its purchase and will be ensured henceforth, if land in the previous or current year has been applied for single area payments or direct payments, or will commence within three years and ensure henceforth, if land in the previous or current year has not been applied for single area payments or direct payments,

d) on the day of submitting the application referred to in Section 30.¹, Paragraph one of this Law it does not have tax debts in Latvia or in the state, in which its permanent place of residence is located;

2) legal persons who conform to all of the following conditions:

a) within at least the last three years have received single area payments in accordance with Regulation No 73/2009 or receive direct payments in accordance with Regulation No 1307/2013, or their revenue from agricultural production for not less than three years in succession form at least one third of their total revenue from economic activity,

b) certify in writing that use of such land in agricultural activity will be commenced within a year after its purchase and will be ensured henceforth, if land in the previous or current year has been applied for single area payments or direct payments, or will commence within three years and ensure henceforth, if land in the previous or current year has not been applied for single area payments or direct payments,

c) at least one owner or permanent employee has corresponding vocational education in the relevant field of operation of the legal person, which has been acquired in not less than vocational educational programme or vocational secondary education programme, or the revenue of at least one owner from agricultural production for not less than last three years in succession form at least one third of its total revenue from economic activity,

d) the beneficial owners may be indicated and it may be certified that all beneficial owners are the persons referred to in Section 28, Paragraph one, Clause 1 of this Law,

e) on the day of submitting the application referred to in Section 30.¹, Paragraph one of this Law it does not have tax debts in Latvia or in the state, in which they are registered.

Within the meaning of this Section agricultural activity is growing and production of plant produce (also growing of tree plants, mushrooms, wild berries), stock farming produce (also rabbit-breeding, poultry farming, apiculture and fur-farming), internal water fish farming produce (pisciculture in private bodies of water) and horticulture produce (also floriculture, greenhouse farming), including pre-processing and post-processing, if it is performed in the farm itself, as well as the provision of rural tourism services and maintenance of agricultural land for pasture or crop farming in an adequate state.

Within the meaning of this Section rural tourism services are guest accommodation services, which are provided in rural areas and rural populated areas in specially equipped premises for accommodating guests or other adjusted premises, as well as additional services related to rural tourism, which are based on the local cultural and natural resources.

[3 July 2014 / Section shall come into force from 1 November 2014. See Paragraphs 4 and 5 of Transitional Provisions]

Section 29. Restrictions to Transactions Involving Land Properties

[3 July 2014]

The persons referred to in Section 28, Paragraph four of this Law may not acquire in ownership:

- 1) land in the border zone of the State;
- 2) land in nature reserves and other protected nature areas in zones of nature reserves;
- 3) land in the protection zone of coastal dunes of the Baltic Sea and the Gulf of Riga;
- 4) land in the protection zones of public bodies of water and water courses;
- 5) agricultural and forest land;
- 6) land in the mineral deposits of national significance.

The restrictions referred to in this Section relating to transactions involving land properties shall not be applicable to the acquisition of land in ownership by means of inheriting.

One natural or legal person may acquire up to 2000 hectares of agricultural land into ownership. This condition shall not apply to the subjects referred to in Section 28, Paragraph one, Clause 2 of this Law, the manager of the Land Fund of Latvia referred to in Section 38, Paragraph one of this Law and State capital companies, which acquire agricultural land into ownership for implementation of the functions delegated by law, as well as to agricultural land to be acquired in insolvency proceedings.

Agricultural land, which is leased by the person or for which it receives single area payments at the time of entering into effect of the restriction on the maximum area of agricultural land in the ownership of one person specified in this Law, shall not be included in the area of agricultural land referred to in Section four of this Section.

On the basis of long-term development vision and priorities, strategic objectives and spatial development perspective of a local government, the municipality local government may determine, in the binding regulations, the maximum area of agricultural land in the ownership of one natural or legal person in its administrative territory, without exceeding the area of agricultural land referred to in Paragraph four of this Section.

The persons referred to in Section 28, Paragraph one, Clause 7 of this Law may acquire agricultural land into ownership, the area of which at the time of entering into a transaction and after transaction in total does not exceed five hectares. If the operation of the person referred to in Section 28, Paragraph one, Clause 7 of this Law is terminated, after covering the liquidation expenses and satisfying the claims of creditors the agricultural land in the ownership of an association or foundation shall be within jurisdiction of the manager of the land fund of Latvia referred to in Section 38, Paragraph one of this Law.

[3 April 2003; 3 July 2014 / Amendments in relation to the rights of associations and foundations to acquire land into ownership and to the maximum area of agricultural land to be acquired into ownership shall come into force from 1 November 2014. See Paragraph 5 of Transitional Provisions]

Section 30. Procedures for Examination of Transactions

The persons referred to in Section 28, Paragraph four of this Law, who wish to acquire land into ownership or the Privatisation Agency if it carries out privatisation, or the State stock company “*Valsts nekustamie īpašumi*” [State Immovable Property] if it carries out alienation of State land, shall submit an application to the municipality council, in the territory of which the relevant land is located. The objective of further use of such land shall be indicated in the application. A true copy of a deed of transaction shall be attached to the application, except the cases when land privatisation is carried out by the Privatisation Agency or the State land alienation – by the State stock company “*Valsts nekustamie īpašumi*” [State Immovable Property].

The municipality council shall examine the application. If the objective of further use of land, which is indicated in the application, is not in contradiction with the spatial plan or detailed plan of the municipality local government and the restrictions referred to in Section 29 of this Law are conformed to, the municipality council shall give a consent to the acquisition of land into ownership within 20 days. The consent shall be drawn up as a statement, and it shall be signed by the chairperson of the municipality council. The objective of use of the land to be acquired into ownership as the result of a transaction shall also be indicated in the statement. A deed of transaction shall be valid for entering into the Land Register only if the abovementioned statement is attached thereto. Parties to the transaction have the right to appeal the refusal of consent to a court.

The former owners of land and the heirs thereof, who have requested land until 20 June 1991 and who have been registered in a separate register of unsatisfied requests for land, have the right of pre-emption to such land, to which ownership rights were not restored for them.

[18 October 2001; 3 April 2003; 17 November 2005; 16 December 2010; 3 July 2014]

Section 30.¹ Procedures for Examining Transactions with Agricultural Land

The persons referred to in Section 28, Paragraph one, Clause 7 and Section 28.¹, Paragraph one of this Law, as well as the persons who wish to acquire agricultural land into ownership for use of subterranean depths, shall submit an application to the local government of such municipality, in the territory of which the relevant land is located. The purpose of further use of such land shall be indicated in the application and a deed of transaction and the documents, which certify the right of the person to acquire agricultural land into ownership, shall be appended thereto. The lawfulness of transactions performed with agricultural land shall be supervised by the committee of the municipality local government (hereinafter – local government committee).

The local government committee shall, in accordance with the procedures laid down in the Administrative Procedure Law:

1) take a decision on consent to the acquisition of agricultural land into ownership, if the conditions of Section 28.¹, Paragraph one, Section 29, Paragraphs four, five and six of this Law are conformed to and the persons referred to in Section 30.², Paragraphs two and three of this Law do not exercise the pre-emptive rights or a purchase agreement has been entered into with the abovementioned persons. The local government committee shall take a decision to refuse to acquire agricultural land into ownership, if the abovementioned conditions are not conformed to;

2) take a decision on consent for acquisition of agricultural land into ownership, if the conditions of Section 28, Paragraph one, Clause 7 of this Law and the conditions of Section 29, Paragraph seven in relation to the maximum area of agricultural land to be acquired into ownership are conformed to. The local government committee shall take a decision to refuse to acquire agricultural land into ownership, if the abovementioned conditions are not conformed to;

3) take a decision on consent to acquisition of agricultural land into ownership, if the person who wishes to acquire agricultural land into ownership for the use of subterranean depths, has certified in the application referred to in Paragraph one of this Section that the relevant land will be henceforth used for the use of subterranean depths, and if according to the spatial plan or detailed plan of the municipality local government extraction of mineral resources is permissible, the quality assessment of land is below 60 points and the conditions of Section 29, Paragraph four, five and six of this Law are conformed to. The local government commission shall take a decision to refuse to acquire agricultural land into ownership, if the abovementioned conditions are not conformed to.

The local government commission shall draw up the decision on consent to acquisition of agricultural land into ownership in the form of a statement, and the deed of transaction shall be valid for entering in the Land Register only after the abovementioned statement has been appended thereto. Both parties to the transaction have the right to appeal the decision to refuse to acquire agricultural land into ownership in accordance with the procedures laid down in the Administrative Procedure Law.

The Cabinet shall determine:

1) the criteria for determining the dominant land use category in transactions with agricultural land;

2) the information to be included in the application and the documents to be appended thereto;

3) the procedures, by which the persons referred to in Section 30.², Paragraphs two and three of this Law shall implement the pre-emptive rights;

4) the procedures by which a local government committee shall be funded and established, its composition, as well as the rights and obligations of the local government committee shall be determined;

5) the procedures by which a local government committee shall examine applications for transactions with agricultural land and take a decision on consent to the acquisition of agricultural land into ownership or to refuse to acquire agricultural land into ownership;

6) the procedures, by which revenue from agricultural production shall be calculated;

7) the procedures, by which the data necessary for taking of a decision shall be obtained from other State information systems;

8) the time periods and procedures, by which a person in accordance with Section 29, Paragraph five and Section 36, Paragraph two of this Law shall provide information regarding agricultural land leased thereby.

[3 July 2014; 13 November 2014]

Section 30.² Pre-emptive Rights to Agricultural Land

If the joint owner of agricultural land sells part of the land belonging thereto, the pre-emptive rights to the agricultural land to be alienated shall pertain to the joint owners of land. In such case the pre-emptive rights shall be implemented in accordance with the procedures laid down in the Civil Law.

The person referred to in Section 28.¹, Paragraph one of this Law, which is a lessee of the agricultural land, shall have the pre-emptive rights to the land to be alienated, if the land lease contract has been registered with the relevant local government. In such case the lessee of agricultural land has the pre-emptive rights also to such agricultural land, the pre-emptive rights to which are not exercised by the joint owner of land.

The manager of the Land Fund of Latvia referred to in Section 38, Paragraph one of this Law has the pre-emptive rights to agricultural land, if the pre-emptive rights are not exercised by the persons referred to in Paragraphs one and two of this Section.

[3 July 2014 / Section shall come into force from 1 November 2014. See Paragraph 5 of Transitional Provisions]

Section 30.³ Exceptions in Transactions with Agricultural Land

The requirements of Sections 28.¹, 30.¹, and 30.² of this Law do not apply to:

1) acquirers of agricultural land, the area of agricultural land in the ownership or legal possession of which at the time of entering into a transaction and after transaction in total does not exceed ten hectares for natural persons and five hectares for legal persons;

2) agricultural land to be acquired as a result of insolvency proceedings;

3) agricultural land to be acquired as a result of inheritance;

4) the agricultural land necessary for ensuring the State or local government functions, as well as the agricultural land, which is acquired into ownership by State capital companies for implementation of the functions delegated by law;

5) the agricultural land, which is acquired into ownership by a person in accordance with Section 4, Paragraph four, Clauses 3, 4, 7, and 8 of the Law On Alienating the Property of Public Persons;

6) transactions with agricultural land between spouses, relatives of first and second degree;

7) the agricultural land, which is alienated in land consolidation proceedings in accordance with the laws and regulations governing land management.

The requirements of Sections 28.¹ and 30.¹ of this Law do not apply to:

- 1) the joint owner of land;
- 2) the manager of the land fund of Latvia referred to in Section 38, Paragraph one of this Law.

[3 July 2014 / Section shall come into force from 1 November 2014. See Paragraph 5 of Transitional Provisions]

Section 31. Publishing of Information Regarding Concluded Transactions

The Ministry of Justice shall publish information regarding transactions, as a result of which the persons referred to in Section 28, Paragraph one, Clause 3, Sub-clause “b” and Paragraph four of this Law have acquired an immovable property, in the official gazette *Latvijas Vēstnesis* at least twice a year specifying therein the size, cadastral value of such properties, proportion thereof in administrative territories of local governments and other indicators stipulated by the Cabinet.

[17 November 2005; 3 July 2014]

Section 32. Preservation or Termination of Land Ownership Rights to Natural Persons who have Acquired Land in Ownership by Means of Inheriting

[3 April 2003]

Section 33. Preservation or Termination of Land Ownership Rights of Natural Persons and Legal Persons

If changes have occurred in the fixed capital of the incorporated companies referred to in Section 28, Paragraph one, Clause 3 of this Law, as a result of which the incorporated company does not conform to the conditions of Section 28, Paragraph one, Clause 3 of this Law, for the purpose of further preservation of land property such incorporated company shall have to receive a consent from the municipality council in accordance with the procedures laid down in Section 30 of this Law. If the municipality council does not give a consent, the capital company has a duty to alienate the land property within two years.

If the natural or legal persons referred to in Section 28, Paragraph four of this Law do not use the land property acquired as the result of transactions for the indicated objectives, such property shall be alienated within two years.

The Cabinet shall determine the procedures for further use and alienation of a non-alienated land property.

[18 October 2001; 3 April 2003; 17 November 2005; 16 December 2010; 3 July 2014]

Section 34. Restrictions on the Size of Acquisition of Land

[14 June 2007]

Section 35. Termination of Land Reform

The decision to terminate land reform in the territory of the relevant local government shall be taken by the Cabinet by issuing an order on the basis of an application of the relevant local government.

Section 36. Lease of Agricultural Land

A contract on lease of agricultural land shall be entered into in writing for a time period not less than five years.

The lessee or lessor of land shall inform the local government regarding the contracts on lease of agricultural land in accordance with the procedures stipulated by the Cabinet.

The local government shall keep a register of contracts on lease of agricultural land.
[3 July 2014 / Section shall come into force from 1 November 2014. See Paragraph 5 of Transitional Provisions]

Chapter VII **Land Fund of Latvia** *[3 July 2014]*

Section 37. Purpose of the Land Fund of Latvia

The Land Fund of Latvia shall be formed by the agricultural land accumulated at national level.

The purpose of the Land Fund of Latvia is to promote, at national level, the protection of and access to agricultural land resources, their rational, efficient and sustainable use, as well as preservation of agricultural land areas.

Section 38. Management of the Land Fund of Latvia

The Land Fund of Latvia shall be established, maintained and managed by an institution stipulated by the Cabinet – capital company, in which all capital shares (stocks) belong to one or several public persons (hereinafter – manager of the Land Fund of Latvia).

In order to implement the purpose referred to in Section 37, Paragraph two of this Law, the manager of the Land Fund of Latvia as the subject governed by private law shall perform transactions with agricultural land, entering into immovable property lease, purchase or change transactions.

The procedures, by which the manager of the Land Fund of Latvia performs transactions with immovable properties, including lease, purchase, sell and change agricultural land, shall be determined by the Cabinet.

The manager of the Land Fund of Latvia is not entitled to invest the immovable property acquired as a result of a transaction in its fixed capital.

Transitional provisions *[17 November 2005]*

1. The norms of this Law shall be applicable if it has not been laid down otherwise in the Law On Completion of State and Local Government Property Privatisation and Utilisation of Privatisation Certificates.

2. Amendments to Section 19, Paragraph three of this Law in relation to land survey shall come into force on 1 January 2006.
[14 June 2007]

3. The Cabinet shall issue the regulations referred to in Section 30.¹, Paragraph four, Clauses 1, 2, 3, 4, 5, 7, and 8 of this Law by 30 October 2014 and the regulations referred to in Section 30.¹, Paragraph four, Clause 6 of this Law – by 30 June 2015.
[3 July 2014]

4. The requirements included in Section 28.¹, Paragraph one, Clause 1, Sub-clause “b” and Clause 2, Sub-clause “a” of this Law in relation to conformity with the requirements of Regulation No 1307/2013 and in relation to the revenue from agricultural production shall be applicable from 1 July 2015.
[3 July 2014]

5. Amendments to Sections 28 and 29 of this Law in relation to the rights of associations and foundations to acquire land into ownership, amendments to Section 29 of this Law in relation to the maximum area of agricultural land to be acquired into ownership, Section 28.¹ of this Law regarding a transaction with agricultural land subjects, Section 30.¹ regarding the procedures for examining transactions with agricultural land, Section 30.² regarding pre-emptive rights to agricultural land, Section 30.³ regarding exceptions in transactions with agricultural land and Section 36 regarding lease of agricultural land shall come into force from 1 November 2014.

[3 July 2014]

6. The Cabinet shall issue the regulations referred to in Section 38, Paragraph three of this Law by 1 March 2015.

[3 July 2014]

7. The Cabinet shall determine the manager of the Land Fund of Latvia by 30 December 2014, in conformity with Section 38, Paragraph one of this Law.

[3 July 2014]

8. The manager of the Land Fund of Latvia shall commence its operation not later than on 1 July 2015.

[3 July 2014]

Chairperson of the Supreme Council of the Republic of Latvia

A. Gorbunovs

Secretary of the Supreme Council of the Republic of Latvia

I. Daudišs

Rīga, 9 July 1992