

# **The Law Of Georgia**

## **On The Property Of Agricultural Lands**

### **(Unofficial Version)**

#### **Chapter 1**

#### **General Regulations**

##### **Article 1. The aim of the law**

1. The aim of the law is:

a) To ensure with legal foundation economy, organized on the basis of rational usage of the land and to improve agrarian structure.

b) To prevent crushing and irrational usage of land plots.

2. The law determines:

a) The rule of acquisition and alienation of agricultural land plots and land farms.

b) Participation of state in regulating of the relations connected with agricultural land plots.

##### **Article 2. The sphere of acting of the law**

1. Acting of this law is extended over the agricultural lands.

2. Acting of this law is also extended over:

a) Land plots and parts of land plots, if they are located in populated areas and are belonged to the land farm.

b) Land plots located in the building zone, the purpose of which (land plot) is not changed.

c) Those lands of forest fund which were added to the land plots of rural population.

##### **Article 3. Definition of agricultural land plot**

1. Agricultural land plot is the land registered in the land book (public register) as agricultural land plot and used (with auxiliary buildings or without them) for producing of stockbreeding and plant-growing products.

2. Agricultural land plot is also:

a) part of household (family) property on the territories of forests, pastures, meadow-lands belonging to the village, community or juridical persons.

b) That part of agricultural land, which may be the subject of separate right.

#### **Article 4. Definition of land farm**

1. Land farm is the whole complex of agricultural land plots, dwelling and economic buildings constructed on them, relevant units and equipment for processing industry. This complex is the basis of agricultural production.

2. Land farm is the plot for gardening and truck-farming used by agricultural associations, also the land plot for summer cottage, if the profit got from these lands totals more than half of the family profit.

3. Land farm may exist as household or peasant farm or as agricultural juridical person.

4. Household farm is land farm determined by paragraph 1 of this article. It may be a property of one physical person, or a joint property of conjoints or other members of the family.

5. Household farm must be registered in the land book (public register). If this farm is the joint property of conjoints or other members of the family, each one of them must be registered in the land book (public register) as part owner.

In the relationship with the third persons one of the part owners, authorized by other proprietors, acts on behalf of household farm. This person is registered in the land book (public register) as the head of household farm.

6. Juridical person who performs mixed activity is considered as land farm if it gets more than half of its income through agricultural activity.

#### **Article 5. Definition of worker of agriculture (farmer)**

1. Worker of agriculture (farmer) is the physical or juridical person, which is engaged in agriculture, leads the land farm independently and gets more than half of its profit throughout agricultural activity, despite he is the owner of agricultural land or took it by agreement.

2. Agricultural land is given in ownership only to the citizen of Georgia. Individual not having citizenship of Georgia or citizen of foreign country can take the land only on lease.

3. The status of the worker of agriculture (farmer) is conferred on physical or juridical person by Ministry of Agriculture and Food-stuff by registering in land book (public register).

4. The status of the worker of agriculture (farmer) is annulled if the record in the land book (public register) of the Ministry of Agriculture and Food-stuff is not renewed.

5. Conferment, renewal and abolition of the status of the worker of agriculture are performed under the rules established by law.

## **Chapter 2**

### **Restriction of private-legal (civil-legal) relations connected with agricultural lands**

#### **Article 6. The right of alienation of agricultural land**

1. Alienation of agricultural lands is permitted in Georgia by general rule, also by general restrictions on the basis of special permission.

2. The permission of alienation is not necessary with the arrangement of deals between the physical and juridical persons having the status of the worker of agriculture.

#### **Article 7. Inheritance**

1. Inheritance in the household farm is opened after the death of the last member of the family.

2. If the household farm is the property of one person, the proprietor is granted the right to descend the farm to another person, who must satisfy conditions envisaged for the owner of agricultural land and who is responsible to fulfill the duties of the proprietor of agricultural land established by this law.

3. After the death of one of the owners enumerated in the fourth paragraph of article 4 of this law, the hereditary property is transferred to the inheritor of the deceased.

4. If the household farm is the property of one person and pre-conditions specified in the third paragraph of this article don't exist, after the death of proprietor his property is transferred to the inheritor through the following order of priority:

1. To the children of the deceased proprietor;

If several inheritors expressed wish to inherit household farm, priority is given to that one who:

a) Within the last five years together with the deceased proprietor have been leading land farm and continues his activity for the moment of opening of inheritance.

b) Within the life of the deceased proprietor didn't lead the land farm, but who has experience and ability to be the head of the farm. If such inheritors are several the property is passed to the that one, who lives in the farm at the moment of opening of inheritance.

2. To the conjugal of the deceased proprietor.

3. To the percents of the deceased proprietor, if he bought it through their means (money).

4. To the brother or sister of the deceased proprietor or their children according to the order of succession envisaged for the inheritors.
5. If the inheritor of the deceased proprietor is under age person, his guardians are responsible to lead the farm till his full age. After the inheritor reaches full age, he decides the question of farm management independently.
6. If the inheritor is foreign citizen or the person not having citizenship of Georgia, he must alienate inherited land plot under the rule established by this law.
7. If household farm or agricultural land plot is leased for the moment of opening of inheritance, the inheritor, who wants to lead the farm himself and has a such ability, is given the right to give a year's notice to the leaseholder and under his consent to annul the agreement on lease.
8. Individuals who could not inherit the land farm or agricultural land plot are granted the right to demand compensation. Kind and quantity of compensation is defined by the inheritors with mutual agreement. In the case of dispute the decision is taken by the court.

When the quantity of compensation is being defined, it is necessary to take into account that compensation must not threaten viability of the land farm.

#### **Article 8. General restriction of alienation**

1. Proprietor who leads the land farm together with the persons enumerated in paragraph 4 of article 4 of this law is granted the right to alienate agricultural land plot or land farm or the part of general property with these persons. The consent must be certified by the notarial rule. If the proprietor could not get the consent he has the right to go to the court.

#### **Article 9. The right of ransom by agreement**

Alienator is given the right to agree with the buyer on the right of ransom of the land plot for that case, when the buyer leaves cultivation of the land. If the buyer left cultivation of the land after the death of alienator, the inheritor of the alienator, who wants to cultivate land can independently enjoy the right of ransom.

#### **Article 10. Pre-emption right to leaseholder**

1. With the alienation of land farm leaseholder is granted the pre-emption right if he has been leading the farm for ten years.
2. With the alienation of agricultural land plot leaseholder is granted the pre-emption right if he already is the owner of another land farm or is the head of such farm and the land plot taken on lease by him is located on the adjacent territory of his farm.

#### **Article 11. Pre-emption right of the part of general property**

1. With alienation of the part of general property of the land farm any part owner who wants to lead the farm is granted the pre-emption right.

2. With alienation of the part of general property of agricultural land plot the pre-emption right is granted to any part owner, who also is the owner of land farm or the lead of such farm and the land plot (acquisition of which he wants) is located on the adjacent territory of his farm.

#### **Article 12. Pre-emption right to the state**

1. The state is granted the pre-emption right through the land fund.

2. The pre-emption right is not used by the state, when:

a) The son or daughter of proprietor wants to inherit land farm and to lead it independently.

b) The proprietor died and his successor wants to lead the land farm independently.

c) Land farm or agricultural land plot is alienated for state or public necessity by the proprietor or these lands are confiscated under compulsion.

3. If the inheritor of the owner is incapable it is not possible to use the right of ransom until the ability of successor is not established (whether he can or can not lead the farm independently).

#### **Article 13. The term of pre-emption right**

The pre-emption right is annulled after a month from the day, when authorized person realized or had to realize that proprietor leaves to lead the farm.

#### **Article 14. Cost of agricultural land with alienation**

The cost of agricultural land is determined under the market price, which is more or equal to the cost formed and officially fixed for the moment of ransom.

### **Chapter 3**

#### **Regulation Of Legal-public (Administrative legal) Relations Connected With Agricultural Lands**

#### **Article 15. Deals for authenticity of which special license is necessary**

1. The special license is necessary for alienation of agricultural land plot and for transference of land plot to another person on the basis of agreement:

a) For usage of agricultural land plots not for agricultural purpose (to change its purpose).

b) For the transference of land plot to the building zone, when the land plot is not used for agricultural purposes.

2. It is equalized with alienation:

- a) Alienation or concession of the part of the land plot of general property to another person.
  - b) Usage of land plot through the right of usufruct. The rule of usufruct is determined by the civil code of Georgia.
3. The decisive condition for the determination of the moment of alienation is:
- a) To conclude the agreement under which the property have to be transferred to the buyer:
  - b) Beginning of withdrawal of land plot.
  - c) That deal with the change of the purpose of agricultural land, under which authorized person is granted the right to use the land not for agricultural purpose or that action of proprietor, which causes change of the purpose of land plot.
  - d) Beginning of transference of agricultural land plot to the building zone.

**Article 16. Organ authorized to issue license for alienation. Persons granted the right to make an allegation**

- 1. License for alienation is given by the relevant state land service, if the matter is not submitted to the court examination.
- 2. Right of allegation for the license is granted to the sides involved in the agreement and to that person in behalf of which the agreement is concluded.

**Article 17. Decision on licensing**

- 1. Decision on license must be taken within a month's time after the allegation is received.

If the body mentioned in paragraph 1 of article 16 of this law can not check the allegation and take decision in time, it must give explanation to the declarant and notify him, that the term of licensing is proceeded with a moth.

- 2. If decision on license is not taken after the supplementary term have also expired, the license is considered issued and the sides involved in agreement can perform the rights and obligations stipulated in the agreement.
- 3. The sides involved in the agreement and that person, in behalf of which this agreement is concluded are granted the right to make an appeal in the court in the case of rejection for license.
- 4. If the body higher than the body, which issued license considers this license in expedient, it is given the right within a month's term to go to the court with the demand to change or annul the license.
- 5. It the individuals mentioned in paragraph 3 and paragraph 4 of this article do not use the right of appeal during a month, the decision goes into force after the expiration of this term.

### **Article 18. Obligation of registration of alienation and license in land book (public register)**

As deal, which is the basis of alienation as license must be registered in land book (public register). The license is registered in land book (public register) only after the term of appeal is expired and the decision on license is gone into for ce.

### **Article 19. License restriction**

1. It is possible to reject giving the license if:

a) Land plot territorially connected with each other is reduced and is left less than five hectare after the alienation.

b) Land plot is not used for agricultural purpose.

2. It is prohibited to use agricultural land plots not for agricultural purpose, except the cases specified by the law.

3. Prohibition of licensing is not used:

a) With the establishment of the conditions for rational land-tenure, performed by the relevant state bodies.

b) With requisition.

c) With the forcible implementation.

### **Article 20. Sanctions for uncultivation of land**

1. Sanctions specified by the tax law is used against that proprietor who have not been cultivating the land, have not payed the tax for land-tenure, have not led economy and in a such case have not gave the land on lease for two years one after another.

2. Buyer of the land plot have the same obligations as the proprietor of the land farm or land plot by this law.

### **Article 21. Civil and administrative legal results of deals**

1. Deals not corresponding to the requirements of article 19 or to the conditions specified by this law (which are necessary for the deals on the alienation) are considered annulled.

2. The body, which issued the license is granted the right to annul this license, if it was given on the basis of false data presented by the buyer of land plot.

The body which gave the license have no right to annul this license if after the registration of the deal in land book (public register) ten years have passed.

3. The body, which issued the license is granted the right to demand amendment to the land book (public register) if the deal , which will be annulled in future, is registered in it. After the amendment the license is abolished.

4. Usage of land farm or agricultural land plots correspondingly as hypothec and mortgage is regulated by the rule established by the legislation of Georgia.

5. Rules not determined by this law are regulated by the civil code.

President of Georgia

Eduard Shevardnadze.

Tbilisi,  
March 22. 1996.