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LAW

No 8318, dated 01/04/1998

ON LEASING OUT ARABLE LAND, FORESTS, MEADOWS AND PASTURES BEING STATE OWNED

(Amended by Law no 8406) dated 17/09/1998.

(Updated)

In reliance on Article 16 of the Law no 7491, dated 29/04/1991, 'On the main constitutional provisions', upon the proposal of the Council of Ministers,

**PEOPLE'S ASSEMBLY
OF THE REPUBLIC OF ALBANIA**

D E C I D E D:

**CHAPTER I
GENERAL PROVISIONS**

Article 1

This law sets out the state authority to lease out the land in its ownership to the natural and legal, local and foreign persons.

Article 2

(Amended by Law no 8406) dated 17/09/1998.

The definitions of this law are:

'Land' means the land being state owned property, classified in the category of the arable land, forests, with forest vegetation, meadow and pastures.

'Lessor' means the state, being represented by the Ministry of Agriculture and Food and the bodies under its authority, having the authority to enter into leasing contracts over the arable land, forests, meadows and pastures being state owned property, upon the approval of the Minister of Agriculture'.

'Leaser' means any natural or legal, local or foreign entity, leasing state owned land in compliance with the requirements of this law.

CHAPTER II LEASING CONTRACT CONDITIONS

Article 3

The conditions for leasing out land shall be regulated in a separate contract between the parties in compliance with the requirements of the Civil Code and legal and by-law acts for the arable land, meadows, pastures, forests, hunting, waters, fishing and environment.

The conditions not being specified in the leasing contract between the parties, however, eventually emerging subsequently, shall be settled upon the agreement between the parties. The parties shall, in the event of dispute, approach the competent court.

Article 4

Failure of the parties to abide by the conditions of the contract leasing out land shall incur the obligation of payments under the respective provisions of the Civil Code regarding the damages caused by each party.

Any claim of each party shall be brought to the other party at least 90 days prior to the conclusion of the contract.

Article 5

Upon the leaser seeking to terminate the contract leasing the land prior to the expiry of the time period foreseen in the concluded contract, he shall be obliged to approach the lessor by a written request at least 180 days prior to the expiry of the time period required for the termination of the concluded lease contract.

Article 6

The lessor shall, in the lease contract entered into between the parties, make known to the leaser that regarding the state owned land he has leased out he shall be entitled to re-possess

it prior to the completion of the contract where, for this plot of land and based on an urban plan, an investment has been foreseen to be accomplished in the public interest.

The lessor is obliged to notify the leaser in writing at least 1 year prior to the date of re-possessing the leased-out land.

The lessor is obliged to compensate the leaser regarding the expenses incurred, in compliance with the respective provisions of the Civil Code and of the type of investment.

CHAPTER III DURATION OF LAND LEASE

Article 7

The duration of the land lease contract shall depend on the use of land and level of investments to be made therein.

The duration of the lease over forests, land with forest vegetation, pastures and meadows shall be in accordance with the respective provisions of the laws 'On forests and forests police' and 'On pastures and meadows'.

Article 8

The time periods for leasing out the land being a state-owned property shall be:

1. Up to 10 years regarding the short-term lease contracts, wherein falling the activities for the production of crops and ethereal oil plants.
2. Up to 30 years for the medium-term lease contracts, wherein falling the activities of livestock activity, production of scions, protected environmental areas and low forests (trimmed forest).
3. Up to 99 years regarding the long-term lease contracts, wherein falling the activities for tourism, recreation, high forest and fruit trees.

Where the activity under paragraphs 1 and 2 is associated with investments of their processing, they shall be dealt with as a long-term lease contract.

Article 9

The criteria for the calculation of the annual value of the state-owned lands shall be determined upon the decision of the Council of Ministers.

Article 10

The criteria and way of payment of the lease value by the leaser shall be determined upon the decision of the Council of Ministers.

CHAPTER IV MINIMUM LAND SURFACE

Article 11

The surface of the forest land, meadows and pastures being leased out shall not be smaller than the minimum limit of a sub-parcel.

The forest land sub-parcel may not be divided.

Article 12

The criteria of minimum surface under Article II shall not be applied, where, due to the development of tourism, agro-tourism or preservation of bio-diversity of the zone, a land plot composed of various types of land is requested.

CHAPTER V APPROVAL OF REQUEST

Article 13

The state body being about to lease out land shall create a board of agricultural, forests, town-planning, environment specialists and lawyers, the latter resolving the technical requirements of the land being leased out provided for in this law.

The board shall determine the land parcel to be leased out under these criteria:

1. The land plot to be leased out shall not fall under the scope of claims in accordance with the laws for the restitution of properties to the former owners.
2. The zone shall not fall under the scope of public investments for a time period of 10 years.

The state body shall have the requests examined before the board for leasing out land parcels and submit them for approval to the Minister of Agriculture and Food.

Article 14

Regarding the lands situated in tourism zones, national parks and strictly protected areas, the respective approval shall be made by the Council of the Territory Regulation of the Republic of Albania.

Article 15

Leasing out the state-owned land by the respective bodies shall occur through auction. The auction rules and the model contracts for leasing out land shall be determined by the Council of Ministers.

Article 16

Any natural and legal, local or foreign person seeking to lease land shall submit a written request associated with:

- a) description of the activity to be carried out and the approach to the environment;
- b) the certificate that is bound to no unperformed financial or legal obligations to the state.

Article 17

The registration of the contract leasing out the land with the Immovable Property Registration Office under this law is exempted from the payment of the fee with this office.

Article 2

(Added by Law no 8406) dated 17/09/1998.

Any other provisions running counter to this law shall be repealed.

Article 18

This law shall enter into effect 15 days following its publication in the Official Journal.

Promulgated upon the Decree no 2045, dated 15/04/1998 of the President of the Republic of Albania, Rexhep Meidani.