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Text consolidated by Tulkošanas un terminoloģijas centrs (Translation and Terminology Centre) with amending laws of:

20 October 2005.

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 the Rights of Landowners to Compensation for Restrictions on Economic Activities in Specially Protected Nature Territories and Microreserves

Chapter I General Provisions

Section 1. Terms Used in this Law

The following terms are used in this Law:

1) **reimbursement** — a payment from the State or local government budget that covers the financial benefit not obtained by a land owner, which the land owner may not obtain due to the restrictions on economic activities prescribed by the regulatory enactments that regulate protection and use of specially protected nature territories and microreserves (hereinafter — protected territories); and

2) **equivalent land parcels** — land parcels the purpose and type of use of which is identical and the value of which, determined in accordance with the Latvian Property Evaluation Standard approved in conformity with the procedures provided for by the Standardisation Law, shall not differ by more than 20 per cent.

Section 2. Scope of Application of this Law

This Law provides conditions by which compensation for restrictions on economic activities in protected territories established by the State or local governments shall be granted and the procedures for granting such compensation.

Section 3. Types of Compensation

(1) Compensation granted for restrictions on economic activities in protected territories shall be divided as follows:

- 1) reimbursement; and
- 2) exchange of a land parcel situated in a protected territory to an equivalent land parcel owned by the State or local government (hereinafter — land exchange).

¹ The Parliament of the Republic of Latvia

(2) Support payments from the resources of the relevant funds of the European Community may be granted in accordance with the procedures prescribed by regulatory enactments for the losses, which have emerged due to restrictions on agricultural activities in specially protected nature territories of European significance (*Natura 2000*).

Section 4. Right of Landowners to Compensation

A landowner in the cases specified in this Law shall have the rights to compensation from:

- 1) the State — for restrictions on economic activities in the protected territories established by the State; or
- 2) local government — for restrictions on economic activities in the protected territories established by the relevant local government.

Chapter II Conditions for the Granting of Compensation

Section 5. General Conditions for the Granting of Compensation

- (1) The landowner, whose property rights to the parcels of land have been registered in the Land Register, shall have the rights to request compensation.
- (2) If a land property is owned by several owners, compensation shall be requested only by all joint landowners upon their mutual agreement.
- (3) Only one type of compensation specified in this Law may be granted to a landowner in respect of a specific land parcel, for which restrictions on economic activities have been determined — reimbursement or land exchange.
- (4) Compensation shall not be granted to direct or indirect administration authorities and the State or local government capital companies.
- (5) A request of a landowner for compensation shall be examined after the payment of the real estate tax. If a fine has been imposed on a land owner regarding the violations in the field of environment, or losses have been caused to the environment and forests as a result of the actions of the land owner, the request of such land owner for compensation shall be examined only after the payments of such fines and reimbursement of losses caused to the environment and forests are made by the land owner in accordance with the procedures prescribed by regulatory enactments.
- (6) Land owners may receive compensation only in such amount as has not been covered by other State, local government or European Union payments that are already granted to them and that are directly or indirectly provided for the same restrictions on economic activities, for which reimbursement is provided for by this Law.

Section 6. Right to Request Reimbursement for Restrictions on Forestry Activities

- (1) Land owners shall have the rights to request reimbursement for the following restrictions on forestry activities prescribed by the regulatory enactments that regulate protection and use of protected territories:
 - 1) prohibition of any forestry activities during the whole calendar year;
 - 2) prohibition of final felling (except for clear felling) during the whole calendar year;and
 - 3) prohibition of thinning during the whole calendar year.

(2) Land owners shall have the rights to request reimbursement for restrictions on forestry activities if the restrictions referred to in Paragraph one of this Section have been determined after acquiring the ownership rights to the land.

Section 7. Right to Request a Land Exchange

(1) Land owners may request a land exchange, if:

1) their ownership rights are restored to the land that has been included in a strict nature reserve, nature reserve, or in a strict nature reserve, strict regime, nature reserve or regulated regime zone of other specially protected nature territories; or

2) after acquisition of the land ownership rights the land in question is included in a nature reserve, nature restricted area or in a nature reserve, strict regime, nature restricted area or regulated regime zone of other specially protected nature territories.

(2) If land or a part thereof has been included in a nature restricted area that is divided into functional zones, the land owner may request the land exchange only if such land or a part thereof is situated in the strict regime nature restricted area, nature restricted area or regulated regime zone.

(3) Land owners may request the exchange only of such part of a specific land parcel situated in a protected territory, for which the restrictions on economic activities have been determined and which conforms to the provisions of Paragraphs one and two of this Section.

(4) Land owners may request the land exchange if the land parcel to be exchanged is not pledged or encumbered with a right of pre-emption.

Chapter III

Evaluation of the Amount of Reimbursement and Procedures for the Granting of Reimbursement

Section 8. Institutions Responsible for the Granting of Reimbursement

The following responsible institutions shall organise the granting of reimbursement in accordance with the competence thereof:

1) The Nature Protection Board, if in accordance with this Law the rights to reimbursement are granted by the State; and

2) local government or the responsible institution determined thereby, if in accordance with this Law the rights to reimbursement are granted by the local government.

Section 9. Submission for the Receipt of Reimbursement

(1) In order to receive reimbursement, land owners shall submit to the responsible institution a submission, in which the location of the land parcel and the cadastre number of the land shall be indicated and to which a document certifying the land ownership rights shall be attached — a copy of the Land Register certificate; if such copy is not notarially certified — the original shall be provided.

(2) If the submission for the receipt of reimbursement is justified, the responsible institution shall take a decision regarding the support thereof.

Section 10. Evaluation of the Amount of Reimbursement to be Granted for Restrictions on Forestry Activities

- (1) When the responsible institution has taken a decision regarding the support of the request for reimbursement, such institution shall invite experts, who shall evaluate the amount of reimbursement (hereinafter — an expert). Expenses related to the evaluation of the amount of reimbursement shall be covered by the institution responsible for the granting of reimbursement.
- (2) An expert may be any natural or legal person, which in accordance with the procedures prescribed by regulatory enactments has been registered as a person that performs forest inventory.
- (3) The amount of reimbursement shall be evaluated by experts. Procedures and methodology for the evaluation of the amount of reimbursement shall be determined by the Cabinet.

Section 11. Granting and Payment of Reimbursement

- (1) A decision regarding the granting of reimbursement to a landowner shall be taken by the responsible institution.
- (2) Reimbursement for the restrictions on forestry activities specified in Section 6, Paragraph one of this Law in the relevant forest stand shall be calculated and granted only once.
- (3) The responsible institution shall pay the reimbursement to land owners from the resources provided for such purposes in the State budget, in the State Property Privatisation Fund or in the local government budget, and the payment shall be registered in accordance with the procedures and in the time period determined by the Cabinet.

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Chapter IV Land exchange

Section 12. Institutions Responsible for a Land Exchange

The land exchange shall be organised by the following institutions within the scope of the competence thereof:

- 1) The State Land Service, if in accordance with this Law the rights to the land exchange are granted by the State; and
- 2) local government or the responsible institution determined thereby, if in accordance with this Law the rights to the land exchange are granted by the local government.

Section 13. Submission for a Land Exchange

- (1) The grounds for the commencement of the land exchange procedure shall be a submission of a landowner to the responsible institution, in which the landowner shall indicate the location of the land parcel and the cadastre number of the land. The land owner shall attach to the submission a document certifying the ownership rights to the land parcel to be exchanged — a copy of the Land Register certificate; if such copy is not notarially certified — the original shall be provided. The landowner may specify in the submission the preferable land exchange options.
- (2) If the submission for the land exchange is justified, the responsible institution shall take a decision regarding the gathering of information in respect of the land exchange options and

regarding the evaluation of the exchange options specified by the landowner, if such options have been specified.

Section 14. Principles of a Land Exchange

- (1) Land owners shall choose the options for the land exchange from a special publicly available Exchange Land Register, if the rights to the land exchange in accordance with this Law are granted by the State.
- (2) Land owners shall choose the options for the land exchange from the land that is owned by or is under the jurisdiction of local government, which land is situated in the territory of the relevant local government, if the rights to the land exchange in accordance with this Law are granted by the local government.
- (3) Priority rights for allocation of exchange land parcels shall be determined by the Cabinet.

Section 15. Exchange Land Register

- (1) Procedures for the establishment of the Exchange Land Register, criteria for the selection of land parcels to be included in the register and the procedures for their inclusion therein, as well as the procedures for the management of the land parcels included in the register shall be determined by the Cabinet.
- (2) The holder of the Exchange Land Register shall be the State Land Service.
- (3) State-owned land parcels that are included in the Exchange Land Register shall be registered in the Land Register.
- (4) Land parcels shall not be included in the Exchange Land Register if they are situated in:
 - 1) specially protected nature territories, except for the neutral zones thereof;
 - 2) microreserves;
 - 3) specially protected forest areas;
 - 4) forest biotopes, for which in accordance with regulatory enactments microreserves are to be established;
 - 5) the coastal protective zone of dunes of the Baltic Sea and the Gulf of Riga; and
 - 6) the territories of immovable cultural monuments and the protective zones thereof.

Section 16. Co-ordination of Land Exchange Options with Landowners

- (1) The responsible institution within a period of two months shall gather information regarding the possible land exchange options as well as evaluate the preferable land exchange options specified by a landowner, if such options have been specified, and shall inform the landowner regarding the possible land exchange options. If it is not possible to support any of the land exchange options specified by a landowner, the responsible institution shall offer other equivalent land exchange options. The criteria for the selection of equivalent land parcels shall be determined by the Cabinet.
- (2) A land owner within a period of one month shall inform the responsible institution in writing, whether he or she agrees to one of the land exchange options offered or whether he or she is not satisfied with any of the land exchange options offered.
- (3) If a land owner is not satisfied with any of the land exchange options offered, he or she may request to substitute the land exchange with reimbursement if such is provided for in the cases referred to in Section 6 of this Law.
- (4) If a land owner is not satisfied with any of the land exchange options offered, the State Land Service shall inform the Nature Protection Board regarding such decision of the land owner.

Section 17. Determination of the Value of a Land Parcel to be Exchanged and the Selected Land Parcel

(1) Determination of the value of the land parcel to be exchanged and the selected land parcel shall be organised by the responsible institution. Expenses related to the determination of the value referred to shall be covered from the State or the relevant local government budget.

(2) The value of the land parcel to be exchanged and the value of the selected land parcel shall be determined in conformity with the Latvian Property Evaluation Standard approved in accordance with the procedures provided for by the Standardisation Law, taking into account the information provided by the State and local government institutions regarding the land parcel to be exchanged and the selected land parcel, which influences the value thereof. When determining the value of the land parcel to be exchanged, reduction of the value thereof, which is related to the restrictions on economic activities prescribed by the regulatory enactments that regulate the protection and utilisation of the protected territories, shall not be taken into account.

(3) If a land owner does not agree to the value of the land parcel owned by him or her and to be exchanged that has been determined by the responsible institution, the value of the relevant land parcel shall be determined by the court on the basis of an application of the land owner.

Section 18. Boundary Survey and Registration of the Land Parcels to be Exchanged

(1) If a land owner chooses only a part of the land parcel offered for exchange, the responsible institution shall organise the boundary survey of the land parcel selected by the land owner (hereinafter — the survey). Expenses related to the survey shall be covered from the State or the relevant local government budget.

(2) The land parcels surveyed shall be registered in the State Cadastre of Real Properties.

Section 19. Land Exchange Contract

(1) When the survey has been performed, the responsible institution shall prepare a land exchange contract. The obligations of civil liability in respect of the specific land parcel, which have been determined before the conclusion of the contract and which must be observed by the landowner, shall be included in the land exchange contract.

(2) The land exchange contract shall be concluded by the owner of the land parcel to be exchanged and the relevant State or local government institution in whose ownership or lawful possession the selected land parcel is. The land exchange contract comes into effect in accordance with the procedures specified in Section 20, Paragraph three of this Law.

(3) After the conclusion of the contract referred to in Paragraph two of this Section until the moment when the responsible institution referred to in Section 20, Paragraph one of this Law takes a decision regarding the alienation of the land parcel and the exchange of land, economic activities shall be prohibited in the land parcels to be exchanged, except for the restriction and extinguishing of fire, as well as activities related to the control of pests and diseases and preventing the spreading thereof, the elimination of consequences of windthrown, windfall and snowthrown.

Section 20. Decision regarding the Alienation of the Land Parcel Selected by a Landowner and the Land Exchange

(1) The decision regarding the alienation of the land parcel selected by a landowner and the land exchange shall be taken by:

- 1) the Cabinet, if the land parcel selected by a land owner is owned by the State; or
- 2) the relevant local government, if the land parcel selected by a landowner is owned by or is under the jurisdiction of the local government.

(2) The responsible institution shall prepare a draft of the decision referred to in Paragraph one of this Section and together with the documents required for the land exchange shall submit to the institution which in accordance with the procedures prescribed by regulatory enactments shall be responsible for the forwarding of such decision for examination in the institution referred to in Paragraph one of this Section. The Ministry of Justice shall be responsible for the forwarding of the decision for examination in the Cabinet.

(3) If in accordance with Paragraph one of this Section a decision has been taken regarding the alienation of the land parcel selected by a land owner and the land exchange, the land exchange contract comes into effect on the day when the decision referred to in Paragraph one of this Section comes into effect.

(4) The relevant institution shall send the decision regarding the alienation of the land parcel selected by a land owner and the land exchange to the owner of the land parcel to be exchanged, the State Land Service, the relevant regional environmental board and the administration of the protected territory, if such has been established.

(5) If in accordance with Paragraph one of this Section a decision has been taken not to alienate the land parcel selected by a land owner and not to approve the land exchange contract, the land exchange procedure shall be terminated and the land owner may request to substitute the land exchange with reimbursement, if such has been provided for in the cases referred to in Section 6 of this Law.

Section 21. Covering of Difference in the Value of the Land Parcel to be Exchanged and the Land Parcel Selected by a Landowner

If the value of the land parcel to be exchanged differs within a limit of 20 per cent from the value of the land parcel selected by a land owner, after coming into effect of the land exchange contract the difference in accordance with the procedures determined by the Cabinet shall be covered by the party who has obtained a more valuable land parcel.

Section 22. Registration of the Ownership Rights to the Land Parcels Obtained as a Result of a Land Exchange in the Land Register

(1) The parties involved in the land exchange shall be exempt from payment of the State fee for the registration of the ownership rights to the land parcel obtained as a result of the land exchange in the Land Register.

(2) A land owner, on the basis of the decision referred to in Section 20, Paragraph one of this Law regarding the alienation of a land parcel and the land exchange, shall register the land parcel owned by the State or that is owned by or is under the jurisdiction of local government and obtained as a result of the land exchange in the Land Register in his or her own name.

Transitional Provisions

1. The Cabinet shall issue the Regulations referred to in Section 10, Paragraph three; Section 11, Paragraph three; Section 14, Paragraph three; Section 15, Paragraph one; Section 16, Paragraph one and Section 21 of this Law by 1 January 2006.

2. Section 3, Paragraph one, Clause 2; Section 7 and Chapter IV of this Law in respect of exchange of the State land shall come into force on 1 January 2007.

[20 October 2005]

This Law comes into force on 1 January 2006.

This Law has been adopted by the *Saeima* on 30 June 2005.

President

V. Vīķe-Freiberga

Rīga, 12 July 2005