



**REPUBLIC OF ALBANIA
THE ASSEMBLY**

**LAW
No. 9235, dated 29.07.2004¹**

ON RESTITUTION AND COMPENSATION OF PROPERTY

As amended with Law. No. 9388, dated 4.5.2005² and Law No. 9583, dated 17.7.2006³

In reliance on articles 41, 78, 83 point 1 and 181 of the Constitution, upon the proposal of a group of deputies,

THE ASSEMBLY OF THE REPUBLIC OF ALBANIA

DECIDED:

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Object of the Law**

The object of this law is:

- a. the just regulation, according to the criteria of article 41 of the Constitution, of the issues of property rights that have arisen from expropriation, nationalisation or confiscation;
- b. restitution, and when according to this law restitution of property is not possible, compensation;
- c. the procedures for accomplishing restitution and compensation of property and the administrative bodies charged with its completion.

**Article 2⁴
Right to Property**

Every expropriated subject enjoys the right to request the right of ownership, in compliance with this law, if the property was taken by the state according to legal acts, sub-legal acts,

¹ Published in Official Journal 61, dated 31.8.2004.

² As amended with Law. No. 9388, dated 4.5.2005, "On some amendments to Law No. 9235, "On restitution and compensation of property', dated 29.07.2004" (Law 9388), published in Official Journal No. 44, dated 14.6.2005.

³ Law. No. 9583, dated 17.7.2006, "On some amendments to Law No. 9235, "On restitution and compensation of property', dated 29.07.2004" as amended (Law No. 9583), published in Official Journal No. 81, dated 2.8.2006.

⁴ Amended with Law No. 9583.

criminal court decisions or in any other unjust form since 29.11.1944, and the restitution or compensation of the property.

The field of application of this law extends its effects on the immovable properties of Albanian citizens, created after 7 April 1939 and sequestrated based on article 14 of Law no. 37, dated 13.1.1945 "Law on extraordinary tax for war profits".

Article 3⁵ **Definitions**

For the implementation of this law, the following terms have these meanings:

1. "Compensation" – means just remuneration, according to the market value of the property at the moment this remuneration is recognised, which is done in accordance with this law;
2. "Property" - means an immovable item as defined in the Civil Code;
3. "Expropriated subject" - means natural or juridical persons or their heirs whose property is nationalized, expropriated, confiscated or taken in any other unjust manner by the state;
4. "Alienation" - means the transfer of ownership or other real rights from one natural or juridical person to another as provided in the Civil Code;
5. "Building site" - means land that is located inside the border line of cities and inhabited zones at the moment this law enters into force. When the inhabited zone does not have a border line, the building site will be considered the surface area occupied by the construction built on it and the functional yard. The surface of this yard is calculated as three times the surface of the construction, but not more than 500 square meters.
6. "Industrial building site" is the land surface area which is located out of the bordering lines of the cities and inhabited areas on which permanent buildings have been constructed for economic purposes or serving for such function.

Article 4 **Exclusions to this Law**

Provisions of this law are not applicable:

- a. for property gained as result of implementation of Law no.108, dated 29.08.1945 "On Agrarian Reform", with subsequent changes;
- b. for expropriations made against a just compensation and used for a public interest;
- c. for property donated to the state for which official documents exist.

Article 5 **Movable Property**

The restitution and compensation of movable property will be done with a separate law.

CHAPTER II **RECOGNITION OF THE RIGHT TO OWNERSHIP AND RESTITUTION** **OF PROPERTY**

⁵ Amended with Law No. 9583.

Article 6⁶
Recognition of the Right to Ownership and Restitution of Property

1. Ownership to property is recognized and immovable property is restituted without limitation to the expropriated subjects, except for agricultural land, which is restituted or compensated up to 100 ha, in case the expropriated subject (his heirs) did not profit from the implementation of Law. 7501, dated 19.7.1991 "On land".
 - 1/a. When the expropriated subject (his heirs) profited land from the implementation of Law. 7501, dated 19.7.1991 "On land" the amount restituted or compensated according to this law is calculated as a difference between the part that would belong to them in cases they did not profit from the implementation of Law. 7501, dated 19.7.1991 "On land" and the amount each of them profited from the implementation of this law.
 - 1/b. The expropriated subjects shall in accordance with the criteria of this law be recognized the right to ownership and shall be restituted also the immovable properties, lands located within the tourist territories, according to Law No.7665, dated 21.1.1993, "On Development of Zones with Tourism as Priority," amended.
 - 1/c. The expropriated subjects shall be restituted all those immovable properties under the ownership or use of the Ministry of Defense, which are not included in the armed force structure approved by the President of the Republic, as well as the agricultural land involved in the experimental-scientific activities of scientific research institutes, as well as in any other activity of various state institutions, but which are not within the destination of their activity.
 - 1/ç. In the case where in the rented property has been altered the destination of the constructed buildings on which agreement has been made to use for stimulated activities, the land shall be considered as unoccupied and shall be restituted to the expropriated subject.

When the investment has been made on a land which is of public property, the contracting subject shall pay to the state within 6 months the value of the building site with the market price. The revenues ensured from the sale shall be included in the property compensation fund.
2. The expropriated subjects, whose property was flooded as a result of the construction of the hydro-power stations, are treated according to the provisions of this law, except for cases when they have benefited by the law "On expropriations in the public interest". The land would be valued as industrial building site."
3. Expropriated subjects who have been compensated in accordance with the laws in force have the right to benefit from this law only for the part of property that has not been restituted or compensated.

Article 6/1⁷

Orchards and vineyards which are property of those expropriated subjects, whose lands have not been registered as agricultural lands, shall be considered as such for compensation purposes, according to this law.

Following the verification of their ownership, they shall be converted into agricultural lands based on the coefficient to be approved by the Council of Ministers.

⁶ Amended with Law No. 9583.

⁷ Added with Law No. 9583.

Article 7⁸
Property not Subject to Restitution

1. Immovable property is not restituted that serves a public interest and that:
 - a. serve to fulfill obligations of the Albanian state that are a result of treaties and conventions to which our state is a party;
 - b. is occupied according to the legal acts set forth in Annex 1 of this law.
2. In cases when it is proposed that immovable properties included in point 1 of this article be alienated, they pass to the expropriated subjects when the latter is not compensated.
3. The properties defined in point 1 of this article are compensated according to the specifications set forth in this law.

Article 7/1⁹
Restituted Properties Which Serve to Public Interest

1. In all those cases where the international agreements, general urban development plans, or plans of economic development or tourism foresee for the properties restituted according to this law the start and development by the state or third parties of investment projects in economy or infrastructure, tourism infrastructure, water and energy objects, etc., which are to the public service or interest, the expropriated subjects and the interested investment developer may enter contractual relations, depending on the legal form the project development is based on, with the aim to realize the investment.
2. In those cases where the expropriated subjects and the investment developers do not achieve within a normal timeline of negotiations the successful signatory of the respective agreements on the transfer or legitimate possession of the property, the Council of Ministers shall decide, in accordance with the effective legislation, the compensation of the expropriated subject at the market price for the surface areas where the investment shall be developed.
The expropriated subject and investment developer shall conduct negotiations under the market conditions, as provided for by the first paragraph of this section

Article 8¹⁰
Building Sites

1. When a building site has been alienated to third parties and there are no permanent legal buildings on it, it is restituted to the expropriated subjects, whereas the state will return to the third parties the value of the purchase multiplied by the price increase index.
2. When on the building site of an expropriated subject, the state or third parties have made buildings or investments in conformity with legislation in force, they are valued according to the market value at the moment the right of ownership is recognized to the expropriated subject, and the following takes place when:
 - a. the value of the investment is up to 150% of the value of the building site, the property is restituted to the expropriated subject, after the latter pays for the investment made.

⁸ Amended with Law No. 9583.

⁹ Added with Law No. 9583.

¹⁰ Amended with Law No. 9583.

- b. the value of the investment is more than 150% of the value of the building site, the state or third parties retain ownership and the expropriated subject receives compensation according to this law.

2. *Repealed.*

3. In cases when constructions have been erected on building sites before 10.8.1991, for which there is no registration of ownership of the site, the person who owns the building is obliged to pay the initial value of the site in accordance with art. 10 of law no. 7652, dated 23.12.1992 "On privatization of state housing" multiplied by the price increase index.

4. *Repealed.*

Article 8/1¹¹

Building site occupied by State-owned

1. Differently from the wording of Article 7, the expropriated subjects shall be restituted or compensated the private building site where have been raised permanent and legal buildings which are under ownership of the State owner, in the following cases:
 - a. In the case where the buildings under the ownership of the State owner are no longer used for public interest, the building site shall be restituted the expropriated subject, recognizing him the right of pre-acquisition of the object under privatization. Until the privatization of the object, according to this law, the state has the obligation to pay to the expropriated subject the price of the lease of the building site under its possession, according to the applicable tariffs of leasing state-owned building sites to third parties.
 - b. In the case where the buildings which are under the ownership of the State owner are in use by third parties, based on a contract of lease, concession or emphyteosis on the building site where the building is raised or on the building itself, the following actions shall be undertaken:
 - i. when the investment made is over 150% of the building site value, the contracting subject shall pay the state within 6 months the value of the building site at the market price. The State shall immediately pay the building site value to the land owner. In the case where the contracting subject fails to pay the building site value within the above-mentioned timeline, the building site shall be restituted to the expropriated subject, who until the expiration of the contract receives from the state also the leasing tariff stipulated in the contract. With the expiration of the contract, the building site owner shall have the right of pre-acquisition.
 - ii. when the investment made is under 150% of the building site value, the building site shall be restituted to the expropriated subject, who shall be paid by the state until the end of the contract also the value of the building site lease the subject pays according to the contract. With the expiration of the contract, the building site owner shall have the right of pre-acquisition.
2. Upon entry of this law into force, the state institutions shall not be allowed to give on lease, emphyteosis, and concession or in use the state-owned objects build on private building sites, except for those cases where the contracts are in function of the realization of public interests, as provided for by Article 7/1 of this law.

¹¹ Added with Law No. 9583.

In case the state-owned objects which are raised on private building sites are transferred under the ownership or administration of another state institution, the pre-acquisition right shall not cease.

Article 9¹²¹³ **Housing**

1. Those houses, property of the expropriated subjects, which were leased to leasees by the state before the entry into force of the Law No.7652, dated 23.12.1992, “On Privatization of State-owned Houses”, and which are used for sheltering needs, shall be transferred under possession of the expropriated subjects, when one of the following cases is confirmed, where:
 - a. The leasees have met their housing needs in any other legal way;
 - b. The expropriated subjects provide the leasees with housing of a surface area which is no smaller than and in approximate conditions with the house they have already in use within the same local government unit, until the leasees meet their housing needs in one of the other ways provided for by this article.
 - c. The leasees sign the loan contract with the financial institution, according to the first and second paragraph of Article 25 of Law No.9232, dated 13.5.2004, “On Social Programs of Housing for Inhabitants of Urban Zones”;
 - ç. The leasees benefit housing or building site, as provided for by paragraph 3 of Article 25 of the Law No.9232, dated 13.5.2004, “On Social Programs of Housing for Inhabitants of Urban Zones”.
2. For the implementation of the requests of letter “c” of section 1 of this article, the contract referred to in paragraph 1 of Law No.9232, dated 13.5.2004, “On Social Programs of Housing for Inhabitants of Urban Zones,” should be made between the Ministry of Finance, the Minister who covers the housing area and the institution which provides and manages the loan, by 31 December 2006. Regarding those leasees who are eligible for loans, according to paragraph 2 of Article 25 of Law No.9232, dated 13.5.2004, the contract should include also the limit fund of the financing. The limit fund shall be established in accordance with the legal and sub-legal acts into force which determine the average cost of housing construction by the National Housing Enterprise and of the “K” coefficient on basis of which operates the National Housing Enterprise.
3. The list of homeless leasees of houses which are under ownership of the expropriated subjects shall be addressed according to letters “c”, and “ç”, and the limit fund referred to in section 2 of this article shall be established by the National Housing Enterprise on basis of the documents of the local government units and the Property Restitution and Compensation Agency, upon field ascertainment of the data, and shall be approved by the Council of Ministers no later than 31 October 2006.
4. Those homeless leasees of houses which are under ownership of the expropriated subjects who within 31 December 2008 fail to make a contract as referred to in letter “c” of section 1 of this article, or who until that date have failed to meet their housing needs, according to any of the cases defined by letters “a” ,“c” e “ç”, of section 1 of this article, shall lose the right of legal possession of the house and shall be treated under the social housing

¹² This article previously has been repealed as unconstitutional with Decision no. 26, dated 02.11.2005 of the Constitutional Court.

¹³ Added with Law No. 9583.

programs, according to Article 4 of the Law No.9232, dated 13.5.2004, "On Social Programs of Housing for Inhabitants of Urban Zones". The expropriated subject shall be granted the right of legal possession of the house in his/her ownership.

5. The lease of the houses occupied by the homeless persons referred to in section 1 of this article shall be indexed on basis of the INSTAT data on the annual rise of prices and salaries, and aims at covering the expenses related to the owner's cost of house maintenance and administration. In any case, the indexed annual lease may not exceed 10% of the minimum fiscal cost that is calculated by the tax administration in function of the VAT.

The lease indexing as defined in this section shall be made by the Council of Ministers for every calendar year. With regard to the first year of entry into force of this article, the indexed price shall be applicable starting from 1 July.

Article 10 **Property No Longer Used for a Public Purpose**

When an expropriation was done in the public interest and the Property Restitution and Compensation Agency verifies that the immovable property is no longer used for this purpose, it is restituted to the expropriated subject while the expropriated subject, in case s/he received remuneration, returns to the state the remuneration received.

CHAPTER III **COMPENSATION OF PROPERTY**

Article 11¹⁴ **Forms of Compensation**

1. For property defined in this law, for which physical restitution is impossible, the state compensates the expropriated subjects with one or more of the following forms:
 - a. With other immovable property of the same type of equal value in state ownership;
 - a/1. With public immovable property located in the zones with tourism development as priority.
 - b. With other immovable property of any type of equal value in state ownership;
 - c. With shares in companies with state capital or where the state is co-owner with a value equal to the immovable property;
 - ç. With the value of objects that are subject to the process of privatisation;.
 - d. With money.
2. *Repealed.*
3. The remuneration given for compensation purposes is not subject to any fees, taxes or other financial obligations.

Article 12¹⁵

¹⁴ Amended with Law No. 9583.

¹⁵ Amended with Law No. 9583.

Location of Physical Compensation

Physical compensation, according to letters 'a', 'a/1' and 'b' of article 11 of this law, is done even outside the administrative-territorial borders of the region where immovable property is located. Council of Ministers approves the criteria and procedures to determine the properties to be used as an immovable property fund for physical compensation. For purposes of physical compensation priority is given to public property in zones that have tourism as their priority, as defined in Law. No. 7665, dated 21.1.1993 "For the development of the zones where tourism is priority".

Building sites in tourist zones given as a compensation must be used only in compliance with the master plan for the development of tourism and respective regulatory plans of the territory, approved for its implementation.

The areas defined for compensation are announced publicly in the Official Journal, stating their categories (type) as well as their value.

Article 13 Valuation of property

1. For the valuation of property that will be compensated, the PRCA Regional Office establishes an expert group. The commission appoints as experts experienced and specially qualified persons in the fields of law, economics and engineering that is related to the process of restitution and compensation of property.
2. The value of the property that is compensated according to this law is calculated based on the market value in accordance with the methodology proposed by the Property Restitution and Compensation Agency and approved by a decision of the Assembly.
3. In carrying out its activities, no member of the state bodies for the process of restitution and compensation of property or of the expert group shall be subject to any conflict of interest defined in the Code of Administrative Procedure.

Article 14¹⁶ Right of First Refusal (Right of First Purchase)

1. For immovable property occupied by state objects, expropriated subjects have the right of first refusal for these objects when they are privatised.
 - 1/a. Council of Ministers is charged with issuing sub legal acts for the right to first refusal in cases objects will be privatized.
2. The expropriated subjects shall have the right to waive their right of first refusal and receive compensation based on article 11 of this law.
3. The right to first refusal is registered in the Office for the Registration of Immovable Property.

¹⁶ Amended with Law No. 9583.

CHAPTER IV
STATE BODIES FOR THE PROCESS OF RESTITUTION AND COMPENSATION
OF PROPERTY

Article 15¹⁷
Property Restitution and Compensation Agency

1. For the implementation of this law shall be established the Property Restitution and Compensation Agency, which is a legal public person. The Property Restitution and Compensation Agency (hereinafter referred to as PRCA) shall be based in Tirana and shall have offices in every region. The Property Restitution and Compensation Agency shall have the following tasks and responsibilities:
 - a. it shall accept the requests for property restitution and compensation, according to this law;
 - b. it shall examine the requests and ascertain the truthfulness of the documents submitted by the expropriated subjects, and confronts them with the legal and sub-legal acts, or the court decisions, in accordance with Article 2 of this law, which have constituted the basis for the expropriation, state takeover, seizure or unjust deprivation of the property from the state;
 - c. it shall verify and calculate the financial obligations that emerge for the state, the expropriated subject or third parties, as provided for in this law;
 - ç. it shall confirm the ownership right to the expropriated subjects by issue of the respective document on recognition, extent and modality of the restitution or compensation of the property, according to the model defined by the Council of Ministers;
 - d. it shall keep record in the immovable property registers of the acts of recognition, restitution or compensation of property and the real rights related to them.
2. In function of exercising the responsibilities defined in section 1 of this article the PRCA shall collaborate with the institutions which have under administration the state-owned or public property. The Council of Ministers shall establish, no later than 1 (one) month from the entry of this law into force, the procedure and timelines of communication among institutions.
3. The modalities of the organization and functioning of the Property Restitution and Compensation Agency, as well as of the procedures of the collection, processing and management of the requests by the expropriated subjects shall be defined by the Council of Ministers.

Article 16¹⁸
Responsibilities of Central and Regional Offices

1. The PRCA Central office shall lead and supervise the work for the implementation of this law at the regional offices, shall perform the first examination of the request for compensation of the expropriated subject for those immovable properties recognized for compensation, according to the provisions of Article 11 of this law, as well as examine the appeals against the decisions of regional PRCA offices. For the implementation of his/her

¹⁷ Amended with Law No. 9583.

¹⁸ Amended with Law No. 9583.

responsibilities on the compensation and addressing of appeals, the PRCA Director General issues a decision.

2. The PRCA offices in regions shall address the requests of expropriated subjects for recognition and restitution of the immovable property, for those properties located within the territory of the region. The director of the regional office shall sign the decision on the recognition of the right to ownership and restitution or compensation, and other real rights provided for by this law. For the implementation of own responsibilities with regard to the recognition of the right to ownership, restitution or compensation, as well as other real rights, the director of the regional PRCA office issues a decision.
3. The decisions referred to in section 1 and 2 of this article should be in a written form, supported by arguments and signed by the director and should meet the requirements for the administrative act provided for by the Code of Administrative Procedures. In the case where the decision referred to in section 1 and 2 of this article, is not appealed against by the addresser of the request, it shall constitute an executive title. Bailiff Offices shall be tasked with its execution, in accordance with the rules provided for by the Code of Civil Procedure.

Article 17¹⁹

Timeline

1. In order to be granted the rights provided for by this law, the expropriated subjects are entitled to submit new requests until 1 October 2007.
2. The PRCA Central Office shall examine the request for compensation no later than three months from the day of its registration. In case it is impossible for the PRCA Central Office to make a decision within this timeline, it shall notify the expropriated subject and, by a motivated decision, could put off the timeline for a period no longer than 30 days. The request of the expropriated subject shall be submitted to the institution in person or via mail and is registered with the protocol record book of the institution. The subject shall be provided with the request registration. The same timeline and procedure is applicable also for the examination of a request for ownership recognition at the regional PRCA office.
3. For the implementation of this law, the Property Restitution and Compensation shall come up with a decision on any case supporting the own claim, except for the case where a court decision proving the juridical fact of the property is issued, in the meaning of Article 388 of the Code of Civil Procedure. All the applications based on a decision proving the juridical fact shall be returned to the subjects within 30 days from their submission. The execution of the decision on financial compensation shall take place within the first semester of any financial year.

Article 18²⁰

Complaints

1. The expropriated subject has the right to file a complaint with the PRCA Central Office

¹⁹ Amended with Law No. 9583.

²⁰ Amended with Law No. 9583.

against the decision on the recognition of the right to ownership, restitution or compensation of property, as well as the other real rights made by the PRCA regional office, within 30 days upon notification of such decision, in accordance with section 1 of Article 16 of this Law. No later than 45 days from the registration of the complaint, the PRCA Director General shall issue a decision on the object of the complaint. The PRCA Director General decides:

- upholding of the decision; or
- the abrogation of the decision and settlement to its merit.

In case of disagreement with the decision of upholding the decision of the PRCA regional office, an appeal shall be filed with the District Court of the territory of the region of location of the PRCA office and the PRCA interests shall be defended by the regional office of the PRCA of the region. In the case where the decision settles the issue to its merit, the appeal shall be filed with Tirana First Instance Court and the PRCA shall be represented at court by the PRCA Central Office.

2. The expropriated subject has the right to file an appeal with Tirana against the decision of PRCA Central Office on property compensation with Tirana First Instance Court within 30 days from the notification of such decision. PRCA shall be represented at court by the PRCA Central Office.

Article 19²¹

Repealed

Article 20²²

Transfer of Archive, Logistics and Working Means

The activity of the Property Restitution and Compensation Agency, and that of the regional commissions shall terminate in the day of entry into force of this law. The archive, working means and logistics of the Property Restitution and Compensation Agency, and of the PRCA Regional Office, which was created and managed in accordance with the Law No. 9235, dated 29.07.2004, amended, shall be transferred under the PRCA administration within 45 days of entry into force of the law.

CHAPTER V FINAL DISPOSITIONS

Article 21²³

Transfer of Budget Funds of PRCA and PRCA Regional Office

Upon entry into force of the law, the budget funds projected for the State Committee for Property Restitution and Compensation and Local Commissions shall be transferred to the PRCA. Exception shall make only the salary fund for the employee in charge of the files handover.

²¹ Repealed with Law No. 9583.

²² Amended with Law No. 9583.

²³ Amended with Law No. 9583.

Article 22

Previous Decisions

1. When the files submitted to the PRCA Regional Office, created according to Law no. 7698, dated 15.4.1993 “On restitution and compensation of property to the former owners”, contain the necessary documentation for verification of the property to be gained from this law, the expropriated subject submits only a written request for recognition, restitution or compensation of the remaining part of the immovable property. Decisions that were issued based on Law no. 7699, dated 21.04.1993 “On compensation in value or with sites to ex-owners of agricultural land, pastures, meadows, forestry land and forests” which have not been implemented, are considered valid as to the recognition of the right of ownership, and the PRCA Regional Office defines whether restitution of the immovable property is possible or else its compensation.
2. The process of restitution and compensation of property re-starts in the manner, form and conditions set forth in this law.

Article 22/1²⁴

Throughout the law, the terms “State Committee for Property Restitution and Compensation” and “Local Commission of Property Restitution and Compensation” shall be replaced with the terms “Property Restitution and Compensation Agency” and “PRCA Regional Office”.

Article 23

Fund of Compensation

1. The Property Compensation Fund is created for the implementation of financial compensation. This fund consists of budgetary incomes, incomes created by this law and incomes from different donors.
2. Starting from 2005 and for a subsequent period of ten years, the Assembly, at the proposal of the Council of Ministers, defines a Compensation Fund administered by the Property Restitution and Compensation Agency for monetary compensation to expropriated subjects. For the period from the recognition of the right of ownership to receiving compensation in cash, the expropriated subject is also entitled to receive the bank interest rate calculated according to the annual average rate issued by the Bank of Albania.
3. Based on the decision of the PRCA Regional Office or by a court decision, and by its own order, the Property Restitution and Compensation Agency divides the Compensation Fund proportionally.

Article 24²⁵

Termination of the Process

²⁴ Added with Law No. 9583.

²⁵ Amended with Art. 3 of Law 9388.

The process of recognition, restitution and compensation of immovable property ends on 31.06.2008, except for the completion of payments for compensation, which shall end within the term defined in article 23 of this law.

Article 25 **Use of state documents**

For the implementation of this law, within 30 days from the submission of a request, state institutions shall make available copies of all documentation in their possession to the expropriated subjects and to the state commissions, for a fee.

Article 26 **Keeping Documentation**

Documentation for the process of recognition, restitution and compensation of property is kept according to the legislation on archives. Upon the termination of the process, according to article 24, this documentation is submitted to the Central State Archive.

Article 27 **Auditing**

An economic and financial audit of the activity of the Property Restitution and Compensation Agency and of the PRCA Regional Office is conducted by the High State Auditor at least once every six months. Audit results are always made public.

Article 28²⁶ **Immovable Property Fund for Physical Compensation**

In addition to the financial fund for compensation, provided for by Article 23 of this law, the immovable property fund for physical compensation shall be created. Within 60 days from the entry into force of this law, the Council of Ministers shall approve the property fund, which are state-owned immovable properties made available for physical compensation, in accordance with the letters "a", "a/1" and "b" of Article 11, as well as the modalities of putting such fund at disposal of the Property Restitution and Compensation Agency.

Article 28/1²⁷ **Transitory Provisions**

1. With regard to those immovable properties on which third parties gave build unauthorized buildings, falling against the Law "On Urban Planning", the physical compensation shall not be applicable until termination of the legal timelines established for the legalization of buildings in informal areas and other informal objects located within formal territories. By termination of the legal timeline established for the legalization process, the physical

²⁶ Amended with Law No. 9583.

²⁷ Added with Law No. 9583.

restitution of the immovable property shall be made where it will be possible, while the rest shall be compensated in compliance with Article 11 of this law.

The expropriated subject or the subject who was arbitrarily deprived of ownership is entitled at any time before the termination of the timeline foreseen for the completion of the legalization process to waive the right of physical compensation of the occupied with these buildings against compensation, as provided by Article 11 of this law.

2. Such restriction does not extend its effects on those immovable properties which have been put by the state at disposal of third parties by leasing, emphyteose or concession, etc., regardless of the improvements or buildings raised on them. For all these immovable properties is immediately applicable the legal arrangement provided for in section 1, letter b of Article 8/1 of this law.

Article 28/2²⁸

Verification of Legitimacy of Alienations

1. The Ministry of Agriculture is tasked with the verification of the process of transfer for use or into ownership without payment against of the land immovable property, according to the legal acts set out in Annex 1/1 of this Law, to the families or members if agricultural enterprises or cooperatives, persons who founded former agricultural enterprises, former employees of agricultural enterprises whose residence is in the city, or agriculture specialists.

The Ministry of Agriculture shall organize such process through the regional directorates of agriculture in 12 regions.

2. The process defined in section 1 of this Article shall be subject of verification of the legitimacy. Such verification shall be based on official documents which are administered by the Ministry itself, the Immovable Property Registration Office, the Social Insurance Institute, State Archive, General Directorate of Civil Status, as well as any other public or private entity and, if it is the case, on field verification.

The official documents issued by the public institutions with regard to this process shall be registered in a separate register and shall be exempted from the payments of stamp tax or service fee.

3. The Ministry of Agriculture shall complete the verification process throughout the territory of the country by 15 March 2007.

In accordance with the outcome of the verification, the Council of Ministers shall define the administrative measure to be undertaken for restoring legitimacy.

Article 29

Sub-legal acts

The Council of Ministers shall issue the necessary sub-legal acts for the implementation of this law within 90 days from the entry into force of this law.

Article 30

²⁸ Added with Law No. 9583.

Abrogation

Law no. 7698, dated 15. 04. 1993 “On restitution and compensation of property to the former owners”, with subsequent amendments, Law no. 7699, dated 21.04.1993 “On compensation in value of former owners of agricultural land, pastures, meadows, forestry land and forests”, Decree no. 1254, dated 19.10.1995 “On compensation of the former owners of agricultural land and non-agricultural land and occupied building sites, with sites in tourist lands and in the inhabited zones”, article 10 of Law no. 8030, dated 15. 11. 1995 “On the state contribution for unsheltered households”, and letter ç of article 7 and article 13 of the Law No. 7665, dated 21. 1 1993 “On devepoment of zones that have priority in the development of tourism” and any other provision which is in violation with this law, are abrogated.

Article 31 Entrance in Force

This law enters in force 15 days after being published in the Official Journal.

**Speaker
Servet Pëllumbi**

ANNEX 1

1. Law no. 7501, dated 19.07.1991 ‘On land’
2. Law no. 7512, dated 10.08.1991 “On sanctioning and protecting private property and free initiative, private independent activities and privatization”
3. Decree of the President of the Republic no. 378, dated 2.12.1992 “On giving working studios to painters and sculptors”
4. Law no. 7652, dated 23.12.1992 “On privatization of state housing”
5. Law no. 7665, dated 21.01.1993 “On devepoment of zones that have priority in the development of tourism”
6. Law no. 7698, dated 15.04.1993 “On restitution and compensation of property to former owners”
7. Law no. 7980, dated 27.07.1995 “On buying and selling building sites”
8. Law no. 8053, dated 21.12.1995 “On granting ownership of agricultural land without compensation”
9. Law no. 8312, dated 26.03.1998 “On undivided agricultural land”.

ANNEX 1/1

1. Law No. 7501, dated 19.7.1991, “On Land”, amended
2. Law No. 7983, dated 27.7.1995 “For purchasing agricultural land, pastures and meadows”
3. Law No. 8053, dated 21.12.1995, “On Transfer of Agricultural Land in Ownership without Payment”
4. Law no.8312, dated 26.3.1993 “For undivided agricultural land”
5. Law no.8337, dated 30.4.1998 “For transferring in ownership the agricultural land, pastures and meadows”
6. Decision No. 452, dated 17.10.1992, “On Restructuring of Agricultural Enterprises”.