

# LAW OF GEORGIA

## ON COMPENSATING FOR SUBSTITUTE LAND DEVELOPMENT VALUE AND SUSTAINED DAMAGE WHEN ALLOCATING AGRICULTURAL LAND FOR NON-AGRICULTURAL PURPOSES

### Chapter I - General Provisions

#### Article 1 - Purpose of the Law

The purpose of this Law is to determine the compensation amounts for agricultural land when allocating, using, or disposing agricultural land for non-agricultural purposes according to the municipalities and recreation areas of Georgia, the terms and conditions for their payment and for changing the designated purpose of agricultural land, as well as to determine the compensation issues regarding the damage caused to landowners or land users by temporary use of land plot, restriction of his/her rights, or deterioration of land quality.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### Article 2 - Definition of terms

The terms used in this Law shall have the following meaning:

- a) agricultural land – the land registered at the public register as a plot of agricultural land that is (and/or may be) used for producing plant and animal products, with or without residential, household, and ancillary buildings existing on it;
- b) non-agricultural land – the land registered at the public register as a plot of non-agricultural land;
- c) change of the designated purpose - transfer of agricultural land to the category of non-agricultural land;
- d) recreation area - an area which is granted the status of a recreation area in accordance with the legislation of Georgia;
- e) compensation amount to be paid in lieu of agricultural land – the amount of substitute land development value in the case of allocation of agricultural land for a non-agricultural purpose.

*Law of Georgia No 1411 of 22 April 2005 - LHG I, No 22, 18.5.2005, Art. 155*

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### Article 3 - Scope of the Law

1. In accordance with this Law, the following land shall be subject to a change in its designated purpose:

- a) agricultural lands within the boundaries of recreational areas
- b) agricultural lands within the administrative boundaries of the city of Tbilisi and the city of Batumi
- c) other agricultural lands.

2. Agricultural plots of land privately owned by citizens (households, families) of Georgia and located outside the boundaries of recreation areas are not subject to a change in their designated purpose in the case of constructing personal residential, household, and ancillary buildings of the landowner.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### Article 4 – The authority entitled to change the designated purpose of land

Legal entity under public law– the National Agency of Public Register (the Agency) within the Ministry of Justice of Georgia shall make a change in the designated purpose of land.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 4417 of 11 March 2011 -website, 17. 3.2011*

#### Article 5 - (Deleted)

*Law of Georgia No 2638 of 28 December 2005 - LHG I, No 5, 20.1.2006, Art. 46*



*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 1977 of 3 November 2009 - LHG I, No 35, 19.11.2009, Art. 265*

*Law of Georgia No 4417 of 11 March 2011 - website, 17.3.2011*

#### **Article 6 - (Deleted)**

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 4417 of 11 March 2011 - website, 17.3.2011*

#### **Article 7- Payment of the compensation amount in lieu of agricultural land in the case of using or disposing a plot of agricultural land for non-agricultural purposes**

1. In the cases provided for by paragraph 1(a)(b) of Article 3 of this Law a natural person or a legal person shall pay the compensation amount in lieu of agricultural land for the change in the designated purpose of agricultural land except for the cases provided for by paragraph 2(c) of this Article.

2. The following shall not be subject to payment of the compensation amount in lieu of agricultural land:

- a) a change in the designated purpose of plots of land provided for by paragraph 1(c) of Article 3(1) of this Law;
- b) allocation of plots of agricultural land for non-agricultural purposes to budgetary organizations for the national and/or public needs;
- c) a change in the designated purpose of agricultural land owned by the State or by a local self-governing unit.

3. The Government of Georgia shall assess the national and/or public need for the land to be allocated to budgetary organizations.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 1919 of 3 November 2009 - LHG I, No 35, 19.11.2009, Art. 229*

*Law of Georgia No 3514 of 21 July 2010 - LHG I, No 48, 9.8.2010, Art. 315*

*Law of Georgia No 4417 of 11 March 2011 - website, 17.3.2011*

### **Chapter II - Calculation of the Compensation Amount to Be Paid in Lieu of Agricultural Land Allocated (Used, Disposed of) for Non-Agricultural Purposes and Sustained Damage and Change in the Designated Purpose**

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### **Article 8 - Calculation of the compensation amount in lieu of agricultural land in the case of using or disposing a plot of agricultural land for non-agricultural purposes**

In the case of use or disposal of a plot of agricultural land for a non-agricultural purpose the compensation amount in lieu of one hectare of agricultural land shall be:

- a) for agricultural land within the boundaries of recreation areas – GEL 100,000;
- b) for agricultural land within the boundaries of the city of Tbilisi and the city of Batumi – GEL 34,001.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### **Article 9 - (Deleted)**

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 3514 of 21 July 2010 - LHG I, No 48, 9.8.2010, Art. 315*

*Law of Georgia No 4417 of 11 March 2011 -website, 17.3.2011*

#### **Article 10 - Procedure of transferring of the compensation amounts in lieu of agricultural land to be used for non-agricultural purposes**

The compensation amounts to be paid in lieu of agricultural land shall be transferred to the budget of a respective local self-governing unit.



#### **Article 11 - Compensation of damages caused in the case of using agricultural land for non-agricultural purposes**

1. In the case of use of agricultural land for non-agricultural purposes, the damage caused to the landowner by deterioration of the land quality shall be compensated.

2. In the case of use of agricultural land for non-agricultural purposes the damage caused by deterioration of agricultural land quality shall be calculated in compliance with the amounts as provided for in Appendix No 1 to this Law, according to the methodology approved by the respective normative act of the Government of Georgia.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

*Law of Georgia No 4417 of 11 March 2011 -website, 17.3.2011*

#### **Article 12 - Transfer rules for compensation amounts to be compensated for the damages caused in the case of using agricultural land for non-agricultural purposes**

The amounts to be compensated for the damages caused by the use of agricultural land for non-agricultural purposes shall be transferred to the account of the owner of deteriorated land.

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### **Article 13 - (Deleted)**

*Law of Georgia No 893 of 29 December 2004 -LHG I, No 6, 19.1.2005, Art. 43*

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### **Article 14 - (Deleted)**

*Law of Georgia No 893 of 29 December 2004 - LHG I, No 6, 19.1.2005, Art. 43*

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

#### **Article 15 - Responsibility for violation of the Law**

The legislation of Georgia shall determine responsibility for the violation of this Law.

### **Chapter II<sup>1</sup> - Transitional Provisions**

*Law of Georgia No 1079 of 6 September 2013 – website, 20.9.2013*

#### **Article 15<sup>1</sup> - Transitional provision**

Before 1 July 2015, the change in a designated purpose of the plots of agricultural land shall be permitted if this is motivated by urgent public need. The Government of Georgia shall assess the urgent public need based on materials submitted by the Agency and shall make a respective decision.

*Law of Georgia No 1079 of 6 September 2013 – website, 20. 9.2013*

*Law of Georgia No 2982 of 25 December 2014 – website, 30.12.2014*

### **Chapter III - Final Provisions**

#### **Article 16 - Enactment of the Law**

This Law shall be enacted after the adoption and upon the enactment of the laws on disposing of of non-agricultural land and on disposing of state-owned land.



Tbilisi,

2 October 1997

N900-IS

ANNEX No 1

**COMPENSATION AMOUNTS in lieu OF Agricultural Land according to MUNICIPALITIES AND RECREATION AREAS FOR  
CALCULATING THE DAMAGES CAUSED IN the CASE OF using Agricultural Land for Non-agricultural Purposes**

(GEL)

|  | Name of municipality | Compensation amount per 1 ha agricultural land |
|--|----------------------|--|
| <b>Autonomous Republic of Abkhazia</b> |                      |  |
| 1.                                     | Gagra                | 30715  |
| 2.                                     | Gali                 | 34001  |
| 3.                                     | Gudauta              | 30858  |
| 4.                                     | Gulripshi            | 30858  |
| 5.                                     | Sukhumi              | 33858  |
| 6.                                     | Ochamchire           | 33858  |
| <b>Autonomous Republic of Adjara</b>   |                      |  |
| 7.                                     | Keda                 | 28572  |
| 8.                                     | Kobuleti             | 34001  |
| 9.                                     | Khelvachauri         | 33429  |
| 10.                                    | Khulo                | 26429  |
| 11.                                    | Shuakhevi            | 26429  |
| <b>Municipalities</b>                  |                      |  |
| 1.                                     | Akhalgori            | 26286  |
| 2.                                     | Abasha               | 33001  |
| 3.                                     | Adigeni              | 19715  |



|     |                |       |
|-----|----------------|-------|
| 4.  | Ambrolauri     | 22000 |
| 5.  | Aspindza       | 19715 |
| 6.  | Akhalkalaki    | 28572 |
| 7.  | Akhalsikhe     | 26429 |
| 8.  | Akhmeta        | 26429 |
| 9.  | Baghdadi       | 28572 |
| 10. | Bolnisi        | 30715 |
| 11. | Borjomi        | 19857 |
| 12. | Gardabani      | 34001 |
| 13. | Gori           | 30715 |
| 14. | Gurjaani       | 30858 |
| 15. | Dmanisi        | 28572 |
| 16. | Dedoplistskaro | 30858 |
| 17. | Dusheti        | 19715 |
| 18. | Vani           | 28572 |
| 19. | Zestaponi      | 28572 |
| 20. | Zugdidi        | 31858 |
| 21. | Telavi         | 30858 |
| 22. | Terjola        | 29715 |
| 23. | Tetritskaro    | 27429 |
| 24. | Tianeti        | 23858 |
| 25. | Kaspi          | 28572 |
| 26. | Lagodekhi      | 29715 |
| 27. | Lanchkhuti     | 30858 |
| 28. | Lentekhi       | 16428 |
| 29. | Marneuli       | 34001 |



|     |             |       |
|-----|-------------|-------|
| 30. | Mestia      | 15429 |
| 31. | Martvili    | 28572 |
| 32. | Mtskheta    | 30715 |
| 33. | Ninotsminda | 28572 |
| 34. | Ozurgeti    | 30857 |
| 35. | Oni         | 17718 |
| 36. | Sagarejo    | 27429 |
| 37. | Samtredia   | 33429 |
| 38. | Sachkhere   | 24286 |
| 39. | Sighnaghi   | 28572 |
| 40. | Tkibuli     | 19715 |
| 41. | Kareli      | 28572 |
| 42. | Kvareli     | 28572 |
| 43. | Kazbegi     | 14286 |
| 44. | Tsageri     | 23143 |
| 45. | Chikhatauri | 22429 |
| 46. | Chkhorutsku | 26429 |
| 47. | Tsalenjikha | 28572 |
| 48. | Tsalka      | 25286 |
| 49. | Tskaltubo   | 33858 |
| 50. | Senaki      | 30858 |
| 51. | Chiatura    | 15429 |
| 52. | Khashuri    | 28572 |
| 53. | Kharagauli  | 18715 |
| 54. | Khobi       | 30858 |
| 55. | Khoni       | 30858 |
| 56. | Tskhinvali  | 30715 |



|     |                  |         |
|-----|------------------|---------|
| 57. | Java             | 30715   |
| 58. | Tbilisi          | 34001   |
| 59. | Kutaisi          | 33858   |
| 60. | Poti             | 31858   |
| 61. | Batumi           | 34001   |
| 62. | Rustavi          | 34001   |
| 63. | Recreation Areas | 100 000 |

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

**ANNEX No 2**

*(Deleted)*

*Law of Georgia No 5243 of 11 July 2007 - LHG I, No 29, 27.7.2007, Art. 302*

