

Republic of Estonia Principles of Ownership Reform Act

Passed 13 June 1991

(RT¹ 1991, 21, 257; consolidated text RT I 1997, 27, 391),

entered into force 20 June 1991,

amended by the following Acts:

05.06.2002 entered into force 01.07.2002 - RT I 2002, 53, 336;

14.11.2001 entered into force 01.02.2002 - RT I 2001, 93, 565;

02.05.2001 entered into force 01.11.2001 - RT I 2001, 48, 265;

14.06.2000 entered into force 10.07.2000 - RT I 2000, 51, 324;

31.05.2000 entered into force 26.06.2000 - RT I 2000, 47, 288;

15.12.1999 entered into force 01.01.2000 - RT I 1999, 96, 847;

14.10.99 entered into force 14.11.99 - RT I 1999, 82, 751;

17.02.99 entered into force 19.03.99 - RT I 1999, 23, 354;

16.11.98 entered into force 10.12.98 - RT I 1998, 103, 1697;

19.05.98 entered into force 19.06.98 - RT I 1998, 51, 758;

14.01.98 entered into force 16.02.98 - RT I 1998, 12, 153;

08.10.97 entered into force 06.11.97 - RT I 1997, 74, 1230.

I. General Provisions

§ 1. Purposes of Act

The Principles of Ownership Reform Act determines the purpose, content, object and subjects of and the procedure for ownership reform, and is the basis for other legislation necessary for ownership reform.

§ 2. Purpose of ownership reform

(1) The purpose of ownership reform is to restructure ownership relations in order to ensure the inviolability of property and free enterprise, to undo the injustices caused by violation of the right of ownership and to create the preconditions for the transfer to a market economy.

(2) Return of property to or compensation of former owners or their legal successors for property in the course of ownership reform shall not prejudice the interests protected by law of other persons or cause new injustices.

§ 3. Content and object of ownership reform

(1) In the course of ownership reform, the following unlawfully expropriated property shall be returned or compensated for:

1) property which was nationalised pursuant to legislation which has been declared unlawful by the Republic of Estonia Supreme Council Resolution of 19 December 1990 “Concerning Restoration of Continuity of Right of Ownership” (RT 1990, 22, 280) (denationalisation);

2) property which was communised during collectivisation (decollectivisation);

3) property which was expropriated through unlawful repression or by any other method which violated the rights of the owner.

(2) In the course of ownership reform, the following changes shall be made in the form of ownership of property:

1) property in state ownership shall be transferred without charge into municipal ownership (municipalisation of property);

2) property in state ownership or property transferred into municipal ownership shall be transferred for or without charge into private ownership (privatisation of property);

3) property which was formerly transferred by the state without charge to co-operative, state co-operative or non-profit organisations shall be returned to the Republic of Estonia (re-nationalisation of property).

(3) Property is returned, compensated for or transferred under the conditions and pursuant to the procedures provided for in this Act and other legislation of the Republic of Estonia.

§ 4. Entitled subjects of ownership reform

Entitled subjects of ownership reform are persons, including the state, who by law are entitled to claim return of or compensation for property or who are entitled to claim or apply for transfer of property for a charge or without charge.

§ 5. Obligated subjects of ownership reform

(1) Obligated subjects of ownership reform are the state and other persons who by law are obligated to return or compensate for property or to transfer property for a charge or without charge to entitled subjects of ownership reform.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Ownership reform is ensured by the Government of the Republic, which shall appoint ministers responsible for different areas of ownership reform. In carrying out ownership reform, local governments perform acts prescribed by law and by the Government of the Republic pursuant to law.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

II. Return of and Compensation for Unlawfully Expropriated Property

§ 6. Definition of unlawful expropriation of property

(1) Unlawful expropriation of property means the taking away of property from the owner against the owner's will or placement of the owner in a situation where, due to a real danger of repression, the person is forced to give up or abandon property if the legislation on the basis of which the property was expropriated is declared unlawful or if the property was expropriated on the basis of an unlawful decision or due to the arbitrary action of officials.

(2) In this Act, nationalisation, collectivisation and expropriation of property in the course of unlawful repression, including mass repression, and by other methods as set out in subsection (1) of this section during the period between 16 June 1940 and 1 June 1981 are deemed to be unlawful expropriation of property.

(3) In this Act, unlawful repression means either judicial or extra-judicial repression (death penalty, imprisonment, exilement or deportation) pursuant to unlawful decisions or decisions which were later declared unlawful.

(4) In this Act, a real danger of repression means a danger of either judicial or extra-judicial repression (death penalty, imprisonment, exilement or deportation).

(5) Unlawfully expropriated property is returned or compensated for on equal bases regardless of the method of unlawful expropriation provided for in subsection (2) of this section, except in the cases provided for in subsection 13 (3) and § 14 of this Act.

§ 7. Former owners of unlawfully expropriated property as entitled subjects of ownership reform

(1) The following persons are entitled to claim return of or compensation for unlawfully expropriated property:

1) natural persons whose property was nationalised or communised in the course of collectivisation and persons whose property was unlawfully expropriated in the course of unlawful repression and who have been rehabilitated if, on the date of entry into force of this Act, such natural persons reside permanently in the territory of the Republic of Estonia which at present is under the jurisdiction of the Republic of Estonia, or if they were citizens of the Republic of Estonia on 16 June 1940;

2) natural persons whose property was unlawfully expropriated pursuant to an unlawful decision or due to the arbitrary action of officials or who, due to a real danger of repression, were forced to give up or abandon their property if, on the date of entry into force of this Act, such natural persons reside permanently in the territory of the Republic of Estonia which at present is under the jurisdiction of the Republic of Estonia, or if they were citizens of the Republic of Estonia on 16 June 1940 and the existence of the unlawful decision or arbitrary action of officials or real danger of repression has been proved in court;

3) natural persons who within the meaning and under the conditions provided for in § 8 of this Act are successors of the persons specified in clauses 1) and 2) of this subsection;

4) organisations within the meaning and under the conditions provided for in § 9 of this Act;

5) a local government with regard to unlawfully expropriated municipal property which was in the ownership of the local government on 16 June 1940 and is located in the current administrative territory of the local government applying for return thereof; if the unlawfully expropriated property which was in the ownership of the local government is located in the administrative territory of another local government, the property shall be returned to the local government with the consent of the local government council of the location of the property;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

6) the Republic of Estonia with regard to property which was in the ownership of the Republic of Estonia on 16 June 1940;

7) successors provided for in § 8 of persons who are citizens of Estonia or who reside permanently in the territory under the jurisdiction of the Republic of Estonia at the time of entry into force of this Act with regard to unlawfully expropriated property which was in the ownership of citizens of foreign states and stateless persons;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

8) persons to whom the right of claim has been assigned or who have succeeded thereto pursuant to § 16¹ of this Act.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Applications for return of or compensation for unlawfully expropriated property which was in the ownership of foreign states, legal persons and citizens of foreign states and stateless persons, except for persons specified in clauses (1) 1)–4) and 7) of this section, and which was located in the Republic of Estonia are resolved by an agreement between the Republic of Estonia and the corresponding state.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) Applications for return of or compensation for unlawfully expropriated property which was in the ownership of persons who left Estonia on the basis of agreements entered into with the German state and which was located in the Republic of Estonia are resolved by an international agreement.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) A person who entered into a contract with an owner of property before 16 June 1940 to acquire the property and performed the obligations assumed by him or her under the contract for acquisition of the property and whose right of ownership was not formalised for reasons independent of the parties is entitled to claim return of the unlawfully expropriated property. Successors within the meaning and under the conditions provided for in § 8 of this Act of such persons have the same right. The burden of proof of his or her rights rests with the person or his or her successors. If another person applies for return of or compensation for the same property, the dispute is resolved by a court.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 8. Successors as entitled subjects of ownership reform

(1) If a former owner of unlawfully expropriated property is deceased and has made a will, testate successors are entitled subjects of ownership reform to the extent specified in the will.

(2) The will of a former owner must comply with the requirements of law at the time the will was made and must have been made before the unlawful expropriation of the property specified in the will or after the entry into force of this Act.

(3) If a former owner of unlawfully expropriated property is deceased and there is no will or it fails to comply with the requirements of subsection (2) of this section, or if the will does not include all

of the unlawfully expropriated property, or if the testate successor (successors) is (are) deceased, the following persons are entitled subjects of ownership reform with regard to the unlawfully expropriated property in whole or to the extent of the property which is not specified in the will:

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

- 1) parents, spouse and children of the former owner in equal shares;
- 2) grandchildren and other descendants of the former owner if their parent is dead (regardless of the date of death) in equal shares; however, they are only entitled to claim return of or compensation for the property to which their parent would have been entitled.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) Adoptive parents and adopted children have equal rights with persons specified in subsections (1) and (3) of this section upon return of or compensation for unlawfully expropriated property.

(5) Only persons specified in this section are deemed to be successors of unlawfully expropriated property. If a successor of a former owner is deceased, the right to claim his or her share of the estate shall not transfer to his or her successors except for the persons specified in clause (3) 2) of this section.

(6) If the filiation of a parent or grandparent of a person who applies for declaration as an entitled subject of the ownership reform on the basis of subsection (3) or (4) of this section from the father who was the former owner of unlawfully expropriated property has not been ascertained earlier, such person may apply for the court to establish the filiation on the bases provided for in the Family Law Act (RT I 1994, 75, 1326; 1996, 40, 773; 49, 953; 1997, 28, 422; 35, 538; 2000, 50, 317; 2001, 16, 69; 53, 307; 2002, 53, 336).

(08.10.97 entered into force 06.11.97 - RT I 1997, 74, 1230)

§ 9. Organisations as entitled subjects of ownership reform

(1) Non-profit organisations and religious societies which operated in the Republic of Estonia until 16 June 1940 are entitled subjects of ownership reform if the activities specified in their articles of association did not discontinue.

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 546)

(2) The right of an organisation specified in subsection (1) of this section to be an entitled subject of ownership reform shall be established by a court, and disputes between several organisations are resolved by a court.

(3) For the purposes of this Act, a non-profit organisation means an organisation whose activities were not aimed at distribution of revenue between members.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) Legal persons in public law may be declared entitled subjects only by an Act. Property is returned to such persons on the bases provided by this Act and pursuant to the procedure established by the Government of the Republic. They are not compensated for the property which is not returned.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 10. Procedure for declaration of organisation as entitled subject of ownership reform

(1) After receipt of the application of an organisation specified in subsection 9 (1) of this Act for declaration of the organisation as an entitled subject of ownership reform, a court shall publish a corresponding announcement in a national newspaper within ten days.

(2) All persons who have objections to a filed application shall notify the court thereof within three months after the date of publication of the announcement.

(3) The court shall summon all persons specified in subsections (1) and (2) of this section to the hearing of the matter.

(4) An application specified in subsection (1) of this section shall be filed with a court according to the location of the organisation on 16 June 1940.

§ 11. Unlawfully expropriated property as object of ownership reform

(1) Objects of ownership reform are unlawfully expropriated land with inseparably attached natural objects, structures, ships entered in the register of ships, agricultural inventory, machinery in production buildings, stocks and share certificates, without considering incumbent loans.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

The bases for determination of the value of property which is an object of ownership reform shall be established by law.

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(3) Stocks and share certificates are objects of ownership reform if such stocks and share certificates were registered pursuant to §§ 6 and 7 of the Securities Circulation Regulation Act of 18 July 1940 (RT 1940, 69, 678) or were filed and entered in an appropriate list pursuant to § 12 of the Organisation of Nationalisation Act of 1 August 1940 (RT 1940, 89, 870).

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) For the purpose of this Act, agricultural inventory means machines, equipment, tools and animals used for agricultural purposes.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(5) For the purposes of this Act, machinery in production buildings means machines, equipment and tools used for production.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 12. Return of unlawfully expropriated property

(1) Persons who own unlawfully expropriated property which is an object of ownership reform are required to return it to the entitled subjects unless otherwise provided by this Act. Legal persons in private law, except for state commercial undertakings, public limited companies all the stocks of which are held by a local government, private limited companies the only share of which is held by a local government, and obligated subjects of agricultural reform and re-nationalisation, who by law

acquired property subject to return on the basis of a contract of purchase and sale shall be compensated by the state for the sum paid to purchase the property. The compensation procedure shall be established by the Government of the Republic. Based on the provisions provided for in subsection (10) of this section, legal persons in private law who are compensated by the state for the sum paid to purchase property are entitled, pursuant to §§ 27 and 28 of the Law of Property Act (RT I 1993, 39, 590; 1999, 44, 509; 2001, 34, 185; 52, 303; 93, 565; 2002, 47, 297; 53, 336), to claim compensation for expenses made on the property from entitled subjects to whom the property was returned.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) If several persons are entitled to claim property subject to return, the property shall be returned in whole if it is claimed by at least one person, in which case the person to whom the property is returned shall compensate other persons for their share pursuant to the procedure provided by law. If several entitled subjects claim return of property, the property shall be returned into their common ownership according to their shares. If property to be returned was in common ownership, the property corresponding to shares in common ownership is returned into common ownership of the entitled subjects according to their shares. Upon partial return of property, it is returned as a legal share.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) Unlawfully expropriated property as an object of ownership reform is not subject to return if:

1) entitled subjects of ownership reform do not claim return of the property but wish to be compensated therefor;

2) the property is not preserved in its former distinct condition as provided for in subsection (8) of this section;

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

3) the property is in the ownership of a natural person in good faith; above all, an acquirer in good faith shall not be a person who participated in extra-judicial repression of the owner of the property or unlawful expropriation of the property of the person;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

4) the property is a structure in the ownership of the state, legal persons or municipalities which is in the possession of natural persons or legal persons pursuant to a commercial lease contract or residential lease contract, and the entitled subject does not agree to take over the rights and obligations arising from the contract;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

5) on the proposal of a government agency or a local government council, the Government of the Republic decides to refuse to return military objects, law enforcement sites, cultural objects, social assets or objects under state protection, and administrative buildings in the possession of the state or local government;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

6) (Repealed - 28.60.94 entered into force 25.07.94 - RT I 1994, 51, 859)

7) on the proposal of a local government, the county governor decides that separation of the unlawfully expropriated property renders the purposeful use of the remaining property technologically impossible or that in the case of return of an economically affiliated outbuilding, the normal use of the building would be impeded;

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

8) the property is located on land which is not returned pursuant to clause 31 (1) 2) of the Republic of Estonia Land Reform Act (RT 1991, 34, 426; RT I 2001, 52, 304; 93, 565; 2002, 11, 59; 47, 297; 298).

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) (Repealed - 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(5) Return of property shall be decided and organised by rural municipality governments or city governments unless otherwise provided by law.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(6) Prior to the return of property, the Government of the Republic or a local government council may, by a resolution, require that the entitled subject enter into a contract for the use of the property for the current designated purpose with a term of five years as a prerequisite for return of the property. The person to whom property is returned is required to perform the protection regime established for the property. Unless the protection regime arises from law or a protection obligation notice, the performance of such obligation is ensured by a contract entered into by the competent state agency or local government agency and the entitled subject. Property shall not be returned if an entitled subject refuses to enter into a contract for designated use or a contract to ensure performance of the protection regime.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(7) During a proceeding for the return of property, the person who has been declared an entitled subject is required to perform acts necessary for the proceeding within the term and pursuant to the procedure established by the Government of the Republic. If, without good reason, an entitled subject fails to perform the necessary acts within the term notified to the entitled subject in writing, the person is deemed to have renounced the claim and the return proceeding is terminated. If after a decision on return of property is made, the entitled subject fails, without good reason, to accept the property within the term notified to the entitled subject in writing, the return proceeding is terminated and the return decision is annulled. In such cases, property compensation proceedings are not commenced.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(8) Property is deemed to have retained its former distinct condition if the form, value and size of the property has not changed significantly taking into account that:

1) a structure is deemed to have retained its former distinct condition if, due to major repairs, alterations or additions, the value of the structure has not increased by more than one quarter of the total value of the structure;

(31.05.2000 entered into force 26.06.2000 - RT I 2000, 47, 288)

2) a structure is deemed not to have retained its former distinct condition if, due to major repairs, alterations or additions, the value of the structure has increased by at least three-quarters of its total value;

(31.05.2000 entered into force 26.06.2000 - RT I 2000, 47, 288)

3) a ship is deemed to have retained its former distinct condition even if, during major repairs or alterations, the purpose of the ship has been changed and power installations, navigation equipment, electrical equipment and communications equipment have been exchanged or new ones have been installed;

4) agricultural inventory and machinery in production buildings are deemed to have retained their former distinct condition even if they are not in good technical condition or are used for other purposes;

5) a residential building is deemed not to have retained its former distinct condition if the executive body of a local government establishes that the residential building became restricted in habitability or came into danger of collapse after unlawful expropriation and that it was lawfully made habitable again by a natural person at his or her own expense who themselves or whose spouse, ascendants or descendants live in it on the basis of a residential lease contract at the time a decision on the return of the property is made and who have filed an application for privatisation of the residential building.

(22.03.94 entered into force 16.04.94 - RT I 1994, 24, 395; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(9) If the value of a structure has increased significantly due to major repairs, alterations or additions and the basis provided for in clauses (8) 1) and 2) of this section for return or refusal to return the structure as a whole does not exist, the legal share corresponding to the retained value of the structure shall be returned. If dwellings have been added to the structure, a share corresponding to the retained value of the structure is returned in the case provided for in clause (8) 1) of this section. Such restriction does not apply to dwellings which were converted from non-residential premises.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(10) In assessments of objects specified in subsection (8) of this section, repairs and renovations made after the entry into force of the Republic of Estonia Principles of Ownership Reform Act are not taken into account. Assessment of the value of a structure is based on the value at the time of the assessment, taking into account wear and tear. In the assessment of the value of a structure, new parts which are subject to demolition due to non-compliance with the building code and the requirements of § 43 of the Planning and Building Act (RT I 1995, 59, 1006; 1996, 36, 738; 49, 953; 1999, 27, 380; 29, 398; 399; 95, 843; 2000, 54, 348; 2001, 42, 234; 50, 283; 65, 377; 2002, 47, 297; 53, 336) are not assessed. If, upon refusal to return a structure on the bases provided for in subsection (8) of this section, outbuildings are not returned as well, the assessment of the preservation of the former distinct condition of the structure shall be based on the condition of the structure and its outbuildings in the aggregate.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(11) The procedure and methods for assessment of the preservation of the former distinct condition of structures shall be established by the Government of the Republic.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 12¹. Validity of residential lease contract in respect of returned residential building

(1) A residential lease contract in force at the time of return of a residential building is deemed to be valid for three years after the transfer of the right of ownership in the residential building to the entitled subject unless the tenant and the owner agree otherwise upon return of the residential building. If a residential lease contract with the tenant has not been entered into in writing, the obligated subject of ownership reform shall enter into such contract with the tenant before the transfer of the residential building to be returned.

(2) (Repealed - 05.06.2002 entered into force 01.07.2002 - RT I 2002, 53, 336)

(3) Upon expiry of the term of a residential lease contract specified in subsection (1) of this section, the contract is extended for five years. A lessor may contest the extension of a residential lease contract only in the cases provided for in this section. In the case of a dispute, such extension is decided by a court. If a tenant is granted another dwelling pursuant to § 45 of the Republic of Estonia Dwelling Act, the residential lease contract extends to the dwelling.

(4) A lessor may contest the extension of a residential lease contract only if:

1) the tenant has repeatedly failed to perform his or her contractual obligations or has repeatedly violated other terms and conditions of the contract and the lessor has performed the lessor's principal obligations;

2) the leased dwelling is needed for the lessor or his or her family members to live in on the condition that the lessor or his or her family members have not been granted the use of an equivalent dwelling in the territory of the local government or they have not transferred it after return of the residential building or they have not exchanged the right of use of the dwelling with the tenant after return of the residential building;

3) the leased dwelling came into danger of collapse before the return or for reasons independent of the lessor;

4) the leased dwelling is excluded from the category of dwellings because of natural wear and tear.

(5) Upon eviction of a tenant on the bases provided for in clause (4) 2), 3) or 4) of this section, the local government shall grant the tenant the use of a dwelling which is located in the same district, is in a state of repair equal to the dwelling used earlier and the size and number of rooms of the which are in accordance with socially justified standards. In such case, local governments use the options provided for in the Privatisation of Dwellings Act (RT I 1993, 23, 411; 2000, 99, 638; 2001, 93, 565; 2002, 47, 297; 53, 336) and the Use of Privatisation Proceeds Act (RT I 1996, 26, 529; 1997, 13, 210; 28, 424; 1998, 97, 1521; 1999, 23, 352; 356; 54, 583; 95, 841; 2000, 92, 600).

(6) (Repealed - 05.06.2002 entered into force 01.07.2002 - RT I 2002, 53, 336)

(7) Tenants and persons living with tenants are required to vacate a dwelling which is in their use upon receipt of a new dwelling pursuant to subsection (5) of this section.

(05.06.2002 entered into force 01.07.2002 - RT I 2002, 53, 336)

(8) If a tenant has lawfully done major repairs or made alterations to the dwelling, the owner of the dwelling shall compensate the tenant upon refusal to extend the residential lease contract for

necessary expenses as defined in the Law of Property Act made during major repairs or alterations. Tenants may remove improvements without causing damage if the lessor of the dwelling does not agree to compensate for the improvements.

(9) Tenants living in a returned residential building are entitled to receive a new dwelling pursuant to the procedure provided by the Privatisation of Dwellings Act or are entitled to apply for a loan or grant from the state or local government for resettlement or for purchase of a dwelling pursuant to the Use of Privatisation Proceeds Act.

(10) Tenants have a joint right of pre-emption in the transfer of a returned residential building and of a corresponding registered immovable or a part thereof. Upon transfer of a physical share which is not subject to commercial restrictions, a tenant of the physical share has the right of pre-emption. The right of pre-emption does not apply upon transfer to a spouse, descendants, parents, sisters and brothers and their descendants. Otherwise, the provisions of the Law of Property Act apply to the right of pre-emption.

(31.05.2000 entered into force 26.06.2000 - RT I 2000, 47, 288)

(11) The provisions of this section extend to lease relations concerning a dwelling in which a tenant who is party to such relations resides on the date on which the residential building is returned. Upon expiry of the term of a residential lease contract which was extended pursuant to this section, the residential lease contract may be extended pursuant to § 32 or 33 of the Republic of Estonia Dwelling Act. In the case specified in this section, provisions of the Law of Obligations Act concerning residential lease contracts do not apply to the extension of the residential lease contract.

(05.06.2002 entered into force 01.07.2002 - RT I 2002, 53, 336)

(12) Local governments are required to notify tenants of decisions to return property to entitled subjects prior to the return of residential buildings.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 13. Compensation for unlawfully expropriated property

(1) If unlawfully expropriated property as an object of ownership reform has been destroyed, is not returned pursuant to § 12 of this Act or if such property comprises shares or share certificates, the state shall compensate for the property to the extent and pursuant to the procedure provided by law. Natural persons, legal persons and local governments who own unlawfully expropriated property which is not returned in the cases provided for in § 12 of this Act or in whose ownership the property was destroyed or from whose ownership the property was removed by any other method are not required to pay compensation except for the cases provided for in § 14 of this Act.

(02.06.93 entered into force 21.06.93 - RT I 1999, 545, 577; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210; 17.02.99 entered into force 19.03.99 - RT I 2000, 23, 354)

(2) Persons specified in clauses 7 (1) 1)–4) of this Act are compensated for the value of property unless otherwise provided by this Act.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) Unlawfully repressed and rehabilitated persons are compensated to the extent determined by law for unlawfully expropriated property which is not an object of ownership reform pursuant to subsection 11 (1) of this Act. (02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(4) Unreceived revenue shall not be compensated for. The state shall not compensate for unlawfully expropriated property which is destroyed unless otherwise provided by law.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(5) (Repealed - 02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(6) (Repealed - 02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(7) During a property compensation proceeding, a person who has been declared an entitled subject is required to perform acts necessary for the proceeding within the terms and pursuant to the procedure established by the Government of the Republic. If, without good reason, an entitled subject fails to perform the necessary acts within the term notified to the entitled subject in writing, the person is deemed to have renounced the claim and the compensation proceeding shall be terminated. If within six months after a compensation decision is made the entitled subject fails, without good reason, to submit an application for transfer of the compensation to a privatisation voucher account, the compensation proceeding shall be terminated and the compensation decision shall be annulled.

(29.01.97 entered into force 02.03.97 - RT I 13, 210, 12; 14.01.98 entered into force 16.02.98 - RT I 1997, 1998, 1314)

§ 14. Return of or compensation for communised property

(1) Property which was communised in the establishment of collective farms is returned or compensated for on equal bases with other unlawfully expropriated property unless otherwise provided by this Act or other laws of the Republic of Estonia.

(2) (Repealed - 02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(3) If communised property is not returned pursuant to this Act or is destroyed, it shall be compensated for pursuant to the procedure provided by law:

1) by the collective farm during the foundation of which the property was communised; in the case of reorganisation of a collective farm, by the collective farm into whose ownership the communised property was transferred;

2) by another legal person which was founded upon reorganisation or liquidation of a collective farm if the legal person is the legal successor of the collective farm or has been transferred all or part of the property of the collective farm;

3) by the state if the collective farm founded upon communisation of property has been reorganised into an enterprise based on state ownership; if a legal successor to the collective farm does not exist or cannot be determined, or if the collective farm or its legal successor does not have necessary assets for the compensation.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) Communised property which has been returned or compensated for by a collective farm by the time of entry into force of this Act shall be set off against compensation specified in subsection (3) of this section.

(5) If an entitled subject is a farmer, he or she has the preferential right with respect to other persons to receive compensation in kind.

(6) Pursuant to a corresponding Act of the Republic of Estonia, communised property may be returned earlier than provided for in subsection 17 (2) of this Act.

§ 15. Exceptions for return of and compensation for nationalised land

This Act applies upon return of and compensation for nationalised land and natural objects inseparably attached thereto, unless otherwise provided by the Republic of Estonia Land Reform Act (RT 1991, 34, 426; RT I 2001, 52, 304; 93, 565; 2002, 11, 59; 47, 297; 298).

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 16. Filing and registration of applications for return of or compensation for unlawfully expropriated property

(1) Entitled subjects of ownership reform are entitled to file applications for return of or compensation for unlawfully expropriated property until 17 January 1992. Documents that the applicants have concerning the ownership, form and value of property shall be appended to such applications.

(18.12.91 - RT 1991, 45, 565)

(2) The procedure for filing and review of applications and the procedure for filing and assessment of evidence shall be established by the Government of the Republic. County or city committees for return of and compensation for unlawfully expropriated property (hereinafter local committees) established by county governors or the city governments of Tallinn, Tartu, Pärnu, Narva, Kohtla-Järve, Sillamäe or Narva-Jõesuu decide on declaring applicants entitled subjects.

(29.01.97 entered into force 02.03.97 - RT I 13, 210, 96; 15.12.99 entered into force 01.01.2000 - RT I 1997, 1999, 1314)

(3) A register of entitled subjects and property to be returned or compensated for is prepared on the basis of filed applications and decisions on return of or compensation for property. The procedure for preparation of the register shall be established by the Government of the Republic.

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(4) Entitled subjects have the right to change the claim indicated in their application within one month after receipt of the decision to declare the person an entitled subject. If the property subject to return is a residential building and the land adjacent thereto or the land used by the owner of a structure, which upon privatisation of land with the right of pre-emption is not deemed to be included in the land necessary for servicing the structure, the entitled subject has the right to change an application for return into an application for compensation until a decision concerning the return is made.

(09.02.94 entered into force 05.03.94 - RT I 1994, 2000, 210; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 47)

(5) If by 31 December 1997 applicants have not filed evidence concerning the circumstances which they are required to prove pursuant to the procedure established by the Government of the Republic, they shall file evidence within the term and pursuant to the procedure established by the Government of the Republic. If an applicant fails to file evidence without good reason within the term notified to the entitled person in writing, the local committee shall terminate the processing of the application.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(6) Received documents are assessed in the aggregate. If circumstances which are subject to proof cannot be substantiated by evidence filed and collected, and the local committee finds that it is not possible to obtain additional evidence, the local committee shall deny the application.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(7) Until the entry into force of a court order in a matter regarding a decision to declare a person an entitled subject, the processing of the application shall not be terminated and the application shall not be denied.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 16¹. Succession of right of claim and assignment of right of claim for return of property

(1) The right of claim is inheritable pursuant to the procedure provided by civil law. The provisions of Estonian law apply to succession of the right of claim regardless of the place of the opening of succession. If no decision has been made on return of or compensation for property, a decision to declare a person an entitled person is the basis for issue of a certificate of succession of the right of claim. In such case, the property is returned to the successor or the successor is compensated therefor.

(2) Until a decision on return of property is made, an entitled subject may assign the right of claim for return of the property to his or her spouse, descendants, sisters and brothers and their descendants or to other entitled subjects with regard to the same property or land under the structure. The provisions of civil law apply to assignment of the right of claim unless otherwise provided by this Act. Assignment of the right of claim is binding on the organiser of the return of property if the agreement concerning assignment of the right of claim or a notarised copy thereof is filed with the organiser.

(14.11.2001 entered into force 01.02.2002 - RT I 2001, 93, 565)

(3) A person may assign the right of claim for an object in full only. If the right of claim belongs to several entitled subjects, each person may assign their share of the right of claim in full. An agreement concerning assignment of the right of claim shall be notarised.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 17. Procedure for return of and compensation for unlawfully expropriated property

(1) In order to compensate for unlawfully expropriated property, compensation vouchers are issued to entitled subjects of ownership reform. After the end of issue of compensation vouchers, property

shall be compensated for in other manners provided by law. Such vouchers shall not be issued upon compensation for communised property by collective farms or other legal persons in the cases provided for in clauses 14 (3) 1) and 2) of this Act.

(02.06.93 entered into force 21.06.93 - RT I 1993, 545, 577; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210; 14.06.2000 entered into force 10.07.2000 - RT I 2000, 51, 324)

(2) Unlawfully expropriated property is returned pursuant to the procedure established by the Government of the Republic. The value of property is not determined upon return of property unless otherwise provided by law.

(09.02.94 entered into force 05.03.94 - RT I 1994, 13, 231; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) Unlawfully expropriated property is compensated for by exchange of the vouchers specified in subsection (1) of this section for stocks or other property subject to privatisation, or by other methods.

(4) (Repealed - 02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(5) A person who is an entitled subject of ownership reform is not entitled to claim return of unlawfully expropriated property or claim compensation for the portion of property which has already been returned or compensated for, except if it is established that the property has been returned to an unauthorised person or unauthorised person has been compensated for the property without legal basis.

(31.05.2000 entered into force 26.06.2000 - RT I 2000, 47, 288)

(6) Unlawfully expropriated property which is an object of ownership reform is returned to persons whose property was expropriated due to repression or who were forced to give up or abandon property due to a real danger of repression, arbitrary action or pursuant to the unlawful decisions of officials or such persons are compensated therefor after filing a rehabilitation certificate or a court order certifying the unlawfulness of the expropriation. In order to receive a court order or a rehabilitation certificate, such persons shall take recourse to a court or the corresponding state authority within one month after the executive body of the local government has presented the person with a requirement arising from law to prove the method of expropriation of property specified in this section.

(18.12.91 - RT 1991, 45, 565)

(7) A simplified procedure for rehabilitation and for proving the unlawfulness of expropriation of property may be established by law.

(02.06.93 entered into force 21.06.93 - RT I 1993, 35, 545)

(8) Entitled subjects and associations representing entitled subjects are entitled to receive information from the organiser of the return of property concerning the return process, to file additional documents and records, and to demand application of measures to ensure preservation of the property.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(9) Supervision over return of property shall be exercised pursuant to the procedure provided by the Government of the Republic by county governors, who have the right to apply the measures provided for in the Government of the Republic Act (RT I 1995, 94, 1628; 1996, 49, 953; 88, 1560; 1997, 29, 447; 40, 622; 52, 833; 73, 1200; 81, 1361; 1362; 87, 1468; 1998, 28, 356; 36/37, 552; 40, 614; 71, 1201; 107, 1762; 111, 1833; 1999, 10, 155; 16, 271; 274; 27, 391; 29, 398; 401; 58, 608; 95, 843; 845; 2000, 49, 302; 51, 319; 320; 54, 352; 58, 378; 95, 613; 102, 677; 2001, 7, 16; 24, 133; 52, 303; 53, 305; 59, 358; 94, 578; 100, 646; 102, 677; 2002, 13, 79). The Minister of Finance has the right to request that county governors commence supervision proceedings.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 18. Transactions with unlawfully expropriated property and liability for ensuring preservation thereof

(1) Until a decision is made on return of unlawfully expropriated property which is an object of ownership reform (including resolution of an extra-judicial dispute or dispute in court), state agencies, local government agencies, other legal persons and natural persons who own or possess the property are prohibited from transferring such property or encumbering it with a real right unless otherwise provided by this Act. Transactions in violation of this prohibition are void. Such property may be transferred to the state or local governments, or to other persons with the notarised consent of the entitled subjects. Until a decision on return of unlawfully expropriated property is made, the current possessors of the property have the right to subject it to a commercial lease or grant possession of the property by any other method only without specifying the term, except if the entitled subject agrees to a relationship with a specified term. The provisions of § 12¹ of this Act do not apply to residential lease contracts without a term. Termination of contracts without a term is subject to three months' advance notice.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210; 14.11.2001 entered into force 01.02.2002 - RT I 2001, 93, 565)

(2) The owners and possessors of property specified in subsection (1) of this section are required to ensure preservation of the property. If this requirement is not complied with, they are required to compensate for damage.

(3) Until a decision is made on return of land, regeneration cutting on unlawfully expropriated land is prohibited. Entitled subjects for the return of land have the right to carry out improvement cutting and cut boundary lines without charge; entitled subjects for privatisation of land are entitled to cut boundary lines without charge and, after an order of the local government on privatisation of land with the right of pre-emption is issued, to carry out improvement cutting pursuant to the procedure established by the Government of the Republic. Upon waiving the return or privatisation of land, entitled subjects are required to pay for cutting pursuant to the usual value of standing crop. Compensation collected for damages caused by illegal cutting on unlawfully expropriated land and the money received from sale of illegally cut timber sold by a state agency, from which expenses related to the sale of the timber are deducted, shall be deposited and, after the land is entered in the land register, paid pursuant to the procedure established by the Government of the Republic to the person to whom the land is returned or to an heir thereof. If illegal cutting is carried out with the participation or consent of such persons, they do not have the right to the aforementioned amounts and such amounts shall not be deposited.

(14.10.99 entered into force 14.11.99 - RT I 1999, 82, 751)

(4) Until a decision is made on return of unlawfully expropriated property, structures to be returned may be demolished or altered only at the request of a county governor with the permission of the Government of the Republic, or with the notarised consent of the entitled subjects. Demolished buildings shall be compensated for.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210; 14.11.2001 entered into force 01.02.2002 - RT I 2001, 93, 565)

§ 19. Resolution of disputes concerning return of or compensation for unlawfully expropriated property

(1) Disputes arising from return of or compensation for unlawfully expropriated property are resolved extra-judicially or by a court proceeding. The term for recourse to an administrative court concerning a decision made in the course of return of or compensation for unlawfully expropriated property is two months as of the date on which the person became aware of a decision which violates his or her rights. Limitation periods established by other acts apply to civil disputes.

(16.11.98 entered into force 10.12.98 - RT I 1998, 103, 1697)

(2) Extra-judicially, county committees resolve appeals against decisions made in proceedings for return and compensation of property. A county committee may also act as a conciliation committee.

(29.01.97 entered into force 02.03.97 - RT I 13, 210, 96; 15.12.99 entered into force 01.01.2000 - RT I 1997, 1999, 1314)

(3) If a party files an appeal with a court and concurrently one of the parties takes recourse to the county committee for resolution thereof, the court shall refuse to accept the appeal or hear it. The period for recourse to the county committee is one month after the date on which the person became or should have become aware of the violation of his or her rights. Recourse to county committees is exempt from state fees. If an appeal is filed, county committees may discontinue the processing of the application for return of or compensation for property.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) Complaints filed in writing with county committees shall be heard within two months after receipt of such complaints. At the request of an applicant or a county committee, the complaint shall be heard in the presence of the persons concerned or their representatives. The members of county committees are subject to removal if there is reason to believe that they are personally interested in the ultimate determination of the matter or if other circumstances cast suspicion upon their impartiality. A county committee has the right to demand delivery of all documents relevant to a matter.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(5) In a meeting of a county committee, the explanations of the persons concerned shall be heard, and documents and other evidence shall be examined and assessed. Minutes shall be taken of meetings of county committees. A county committee shall make its decision on the day on which the matter is heard. Decisions of county committees are made by majority vote. Upon an equal division of votes, the vote of the chairman of the county committee governs. The decision shall be signed by the chairman and secretary of the county committee. Copies of a decision shall be personally delivered or delivered to the persons concerned by post within five working days after the decision is made.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(6) If the persons concerned do not agree with a decision of a county committee, the persons concerned may take recourse to a court within two months after the date of receipt of a copy of the decision of the county committee. A decision of a county committee enters into force after expiry of the period for recourse to a court if no person concerned files a claim with a court. A decision which has entered into force is binding on the persons concerned.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210; 16.11.98 entered into force 10.12.98 - RT I 1998, 103, 1697)

(6¹) (Repealed - 15.12.1999 entered into force 01.01.2000 - RT I 1999, 96, 847)

(7) A more specific procedure for extra-judicial resolution of appeals shall be established by the Government of the Republic.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

III. Municipalisation

§ 20. Definition of municipalisation

Municipalisation means transfer of property into the ownership of a rural municipality or a city or into the joint ownership of such local governments in the course of ownership reform with or without a privatisation obligation.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 21. Object of municipalisation

(1) An object of municipalisation is property owned by the state the transfer of which to a local government is necessary for performance of its functions and the retention of which in state ownership is not in the public interest or the privatisation of which through a local government is justified.

(29.01.97 entered into force 02.03.97 - RT I 13, 210, 103; 16.11.98 entered into force 10.12.98 - RT I 1997, 1998, 1314)

(2) Land is municipalised under the conditions and pursuant to the procedure provided for in the Republic of Estonia Land Reform Act. The property of collectives is municipalised under the conditions and pursuant to the procedure provided for in the Republic of Estonia Agricultural Reform Act (RT 1992, 10, 143; 36, 474; RT I 1994, 52, 880; 1996, 48, 945; 1997, 13, 210; 16, 264; 2002, 53, 336).

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) State property entered into the state assets register is transferred to local governments pursuant to the procedure provided for in the State Assets Act (RT I 1995, 22, 327; 1996, 36, 738; 40, 773; 48, 942; 81, 1446; 1997, 45, 724; 1998, 30, 409; 1999, 10, 155; 16, 271; 2000, 39, 239; 49, 306; 51, 319; 2001, 7, 17; 24, 133; 93, 565; 2002, 53, 336).

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 22. Subjects of municipalisation

(1) Entitled subjects of municipalisation are local governments which have the right to claim transfer into municipal ownership of property located in their administrative territory or property in their possession subject to municipalisation.

(04.05.92 - RT 1992, 19, 275; 13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Obligated subjects of municipalisation are state agencies and legal persons which are required to transfer property in their possession into municipal ownership under the conditions and pursuant to the procedure established by the Government of the Republic.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 23. Procedure for municipalisation

(1) Property which is an object of municipalisation is transferred without charge into municipal ownership at the request of a rural municipality council or city council or on the proposal of a government agency in agreement with the rural municipality council or city council pursuant to a decision of the government agency designated by law to organise municipalisation, pursuant to the procedure established by the Government of the Republic. If the rural municipality council or city council and the government agency organising municipalisation fail to reach an agreement, the issue shall be decided by the Government of the Republic.

(13.04.94 entered into force 15.05.94 - RT I 13, 1994, 33; 29.01.97 entered into force 02.03.97 - RT I 1999, 210, 366; 02.05.2001 entered into force 01.11.2001 - RT I 2001, 48, 265)

(2) The municipalisation of the assets specified in subsection 21 (1) of this Act is terminated on 1 November 1997. The reception of applications for municipalisation by county or city councils is terminated on 1 July 2001.

(02.05.2001 entered into force 01.07.2001 - RT I 2001, 48, 265)

(3) A government agency designated by the Government of the Republic shall complete the municipalisation proceedings which are not terminated by 1 November 2001 on the basis of this Act and legislation arising therefrom and on the basis of subsection 11 (1) of the Privatisation Act (RT I 1993, 45, 639; 1997, 9, 78; 1998, 12, 153; 30, 411; 2000, 51, 324; 2001, 26, 149; 48, 265; 89, 532; 93, 565; 2002, 28, 157).

(02.05.2001 entered into force 01.11.2001 - RT I 2001, 48, 265)

§ 24. Transfer of right of ownership in municipalisation of property

(1) Property is transferred into municipal ownership on the basis of an instrument of delivery and receipt signed by the rural municipal government or city government, the possessor of the property and the government agency organising municipalisation. The right of ownership in property being transferred shall transfer on the date of signature of the instrument unless otherwise provided by law.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) All rights and obligations arising from contracts concerning property to be municipalised shall transfer to the local government on the date of signature of the instrument specified in subsection (1) of this section.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

§ 25. (Repealed - 13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

§ 26. (Repealed - 13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

§ 27. Municipalisation of unlawfully expropriated property

If unlawfully expropriated property is transferred into municipal ownership, the obligation to return property transfers to the local government.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

§ 28. Municipalisation with privatisation obligation

(1) In a decision on transfer of property subject to municipalisation a government agency organising municipalisation may prescribe an obligation of the corresponding local government to privatise the property to be transferred into municipal ownership by a specified date. The local government is required to ensure preservation of the property. The property shall not be encumbered or transferred outside of the privatisation obligation. The government agency organising municipalisation has the right to claim compensation for damage caused by violation of such obligations.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Upon failure to perform a privatisation obligation, the government agency organising municipalisation has the right to claim transfer of property from the local government to the state. The procedure for return of property shall be established by the Government of the Republic. Local governments may apply for extension of a privatisation obligation or termination thereof on the condition that they pay the usual value of the property.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 29. (Repealed - 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 30. (Repealed - 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 31. Resolution of disputes concerning municipalisation

Upon disagreement with a decision concerning municipalisation of property, recourse may be taken to a court.

(13.04.94 entered into force 15.05.94 - RT I 1994, 33, 507)

IV. Privatisation

§ 32. Definition of privatisation

Privatisation means transfer of property in state or municipal ownership in the course of ownership reform for a charge or without charge into the ownership of other persons as a result of which the owner of the property changes.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

§ 33. Objects of privatisation

(1) An object of privatisation is property in the ownership of the state or a state commercial undertaking, property transferred into local government ownership with the privatisation obligation or other property subject to privatisation pursuant to law which need not be retained by the state or a local government in order to ensure social and economic development of the Republic of Estonia or a local government.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) (Repealed - 17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

(3) State property entered in the state assets register which is not entered in the privatisation list pursuant to subsection 42 (3) of the State Assets Act is transferred on the bases of and pursuant to the procedure provided by the State Assets Act.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(4) Property in municipal ownership which is not provided for in subsection (1) of this section is transferred under civil law pursuant to the procedure established by the local government council.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 34. Subjects of privatisation

(1) Entitled subjects of privatisation in the case of different classes of state and municipal property shall be provided by law.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

(2) (Repealed - 17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

(3) The group of entitled subjects in the case of different classes of property being privatised may be restricted or supplementary conditions may be imposed thereon by the law of the Republic of Estonia.

(4) Obligated subjects of privatisation are the state and local governments which are required to privatise property in state and municipal ownership under the conditions and pursuant to the procedure prescribed by law, and legal persons who are required to privatise property pursuant to law.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

§ 35. Organisation of privatisation

(1) The Government of the Republic of Estonia organises privatisation of property in state ownership and determines the objects to be privatised unless otherwise prescribed by the law of the Republic of Estonia.

(2) Privatisation of property in municipal ownership is organised by local governments unless otherwise provided by law.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(3) Property is privatised in stages under the conditions and pursuant to the procedure provided by law taking into account the specific characteristics of objects.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

§ 36. Methods of privatisation

(1) The primary method of privatisation is the sale of property for money, and for compensation vouchers and public capital bonds issued in compensation for unlawfully expropriated property.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639; 29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) (Repealed - 17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

(3) Privatisation methods other than sale may also be prescribed by the law of the Republic of Estonia.

§ 37. Public capital bonds

(1) Persons permanently residing in Estonia are issued public capital bonds; the conditions for issue and the bases for determination of the value of public capital bonds shall be provided by law.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

(2) Public capital bonds are registered and inheritable. The use of these bonds in the privatisation of state and municipal property and in other areas of ownership reform shall be provided by law.

(17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

§ 38. (Repealed - 17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

§ 39. (Repealed - 17.06.93 entered into force 24.07.93 - RT I 1993, 45, 639)

§ 40. Privatisation of property of co-operative and non-profit organisations

(1) On the basis of law, co-operative, state co-operative and non-profit organisations may be required to privatise property in their ownership pursuant to the procedure provided for in this Act or other Acts of the Republic of Estonia.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Property of collective farms is transferred into private ownership for a charge or without charge only pursuant to the procedure provided for in this Act and legislation issued on the basis thereof.

§ 41. Resolution of disputes concerning privatisation

(1) Disputes concerning privatisation of property in state or municipal ownership are resolved pursuant to the procedure specified by the Government of the Republic or the local government council respectively unless otherwise prescribed by the law of the Republic of Estonia.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

(2) Upon disagreement with a decision made according to subsection (1) of this section, recourse may be taken to a court.

V. Re-nationalisation

§ 42. Re-nationalisation of property

(1) For the purposes of this Act, re-nationalisation of property means return of state property into the ownership of the Republic of Estonia from the ownership of co-operative, state co-operative or non-profit organisations into which the property was transferred without charge.

(2) Property is re-nationalised pursuant to the procedure specified by law, and disputes concerning claims for return of property are subject to resolution by a court on the basis of an action brought by one party.

(29.01.97 entered into force 02.03.97 - RT I 1997, 13, 210)

¹ RT = *Riigi Teataja* = *State Gazette*