

**Law of Georgia**  
**on Rules of Expropriation of Property for Pressing Public Needs**  
**Chapter I**  
**General Provisions**

**Article 1. Definition of terms used in the Law**

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

- (a) “Evaluation” shall mean the determination by a person specially authorized to do so of the value of a property subject to expropriation and any compensation to be awarded in lieu of the property subject to expropriation; (29.12.2006; #4204)
- (b) “Expropriator” shall mean a person to whom a court has granted the Right to Expropriation;
- (c) “Costs” shall mean expenses borne in the course of expropriation and legal proceedings, including costs related to land valuation and other expenses;
- (d) “Right to Expropriation” shall mean a one-time right to expropriate property for pressing public needs under Article 21 of the Georgian Constitution with proper compensation awardable in exchange; (29.12.2006; #4204)
- (e) “Expropriation” shall mean a deprivation of property under Article 21 of the Georgian Constitution and this Law, with proper compensation for the expropriated property;
- (f) “Compensation” shall mean payment of proper compensatory money to the proprietor in lieu of the expropriated property or the transfer of other property to the proprietor having the market value of the expropriated property. (29.12.2006; #4204)

**Article 2. Purpose of the Law**

1. The aim of this Law is to determine rules of granting the Right to Expropriation for pressing public needs and rules of implementing Expropriation. Expropriation for pressing public needs may be effected on the basis of an Order issued by the Georgian Minister of Economy and Sustainable Development (hereinafter, “the Minister) and a court decision, in favor of a State body, a local self-governance body, a public law entity or a private law entity, which has been granted the Right to Expropriation under this Law. (15.10.2010; #3717)
2. Expropriation for pressing public needs may be implemented for the purpose of carrying out the following works:
  - (a) Construction and laying of roads and highways;
  - (b) Laying of railway lines;

- (c) Laying of gas, natural gas and oil products' pipelines;
- (d) Construction of electricity transmission and distribution wires;
- (e) Laying of manifold lines for water supply, sewerage and atmospheric precipitation;
- (f) Laying telephone cables;
- (g) Laying television cables;
- (h) Construction of buildings and objects that are necessary for public needs;
- (i) Works required for national defense;
- (j) Mining of minerals. (22.04.2005; #1417)

## **Chapter II**

### **Implementing Expropriation**

#### **Article 3. Basis for obtaining the Right to Expropriation**

1. It is allowed to take away property for pressing public needs in accordance with Article 21 of the Georgian Constitution. The Right to Expropriation may be granted through an Order issued by the Minister and by a decision of a court. A ministerial order shall determine the inevitability of expropriation for pressing public needs and the subject who may be granted the Right to Expropriation. (15.10.2010; #3717)
2. Only a court may decide on expropriation. A court decision must indicate the State body, the local self-governance body, the public law entity or the private law entity, which has been granted the Right to Expropriation. A court decision shall also include a detailed description of the property subject to expropriation and a reference to the obligation to provide the proprietor with proper compensation. (29.12.2006; #4204)

#### **Article 4. Public announcement**

1. After the relevant ministerial order has been promulgated, the person seeking the Right to Expropriation shall provide every proprietor whose property is subject to Expropriation with information, which shall be published in the central and the relevant local press. The information shall include a brief description of the project, the scope and the territorial area of its implementation, and the property that may be subject to expropriation. (15.10.2010; #3717)
2. Every proprietor indicated in the first paragraph shall also be informed about the date when the application has been lodged with the court and the scheduled date of hearing the application by the court.

**Article 5. Decision of a district (town) court granting the right to expropriation (29.12.2006; #4204)**

1. District (town) courts are empowered to decide on granting the Right to Expropriation. (29.12.2006; #4204)
2. A person seeking the Right to Expropriation shall apply to a district (town) court with an application for granting the Right to Expropriation. The application shall include: (29.12.2006; #4204)
  - (a) The name of the district (town) court;
  - (b) The name and the legal address of the applicant;
  - (c) The first name, the last name and the address of the representative, if the application is being lodged by a representative;
  - (d) The applicant's request;
  - (e) Circumstances on which the applicant bases his/her request;
  - (f) Evidence corroborating these circumstances;
  - (g) A list of documents attached to the application.
3. An application shall also be accompanied with:
  - (a) A detailed description of a project for which the Right to Expropriation is being sought;
  - (b) A relevant ministerial order (15.10.2010; #3717)
  - (c) A detailed description of the property subject to expropriation;
  - (d) A document confirming that the information indicated in Article 4 of this Law has been published.
4. A district (town) court will hear the application according to this Law and in accordance with terms and rules prescribed by the Georgian Civil Procedure Code. A decision of a district (town) court will be enforced pursuant to rules applicable to decisions subject to immediate enforcement. (29.12.2006; #4204)

**Article 6. Mandatory preconditions for expropriation**

1. An Expropriator who has been granted the Right to Expropriation must, pursuant to Article 3 of this Law, agree in advance with the proprietor on rules of compensation for the property subject to Expropriation. An Expropriator shall take all of the appropriate measures to receive the property on the basis of an agreement with the proprietor. Before starting negotiations for the purchase of the property, an Expropriator must, at its own expense, use an independent expert to

evaluate the property and determine a potential compensation amount to be paid to the proprietor or other property to be transferred to the proprietor, according to the market value of the property subject to Expropriation. A proprietor is authorized to use another independent expert at his/her own expense. (29.12.2006; #4204)

2. Before starting negotiations for the purchase of the property, an Expropriator must offer the proprietor rules of purchase of and compensation for the property. A market value of another property offered as compensation or a compensation amount must not be less than the amount determined by the Expropriator as a result of its evaluation. Only with the consent of the proprietor it is allowed to transfer other property as compensation in lieu of the property subject to Expropriation to the proprietor. An Expropriator shall submit the evaluation results to the proprietor in writing indicating the basis used to determine the compensation. (29.12.2006; #4204)
3. In concluding an agreement on compensation for the property subject to Expropriation, an Expropriator shall be prohibited from hindering the negotiations or the transfer of the compensation amount or other property in lieu of the property subject to Expropriation as well as from implementing any coercive actions against the proprietor. (29.12.2006; #4204)
4. An offer for the purchase of property shall also include a proposal about compensation for a piece of property, which is insignificant due to its size, form or condition or is of a low value due to its economic infeasibility but is linked with the property subject to purchase in a way that it is unusable without that property.

#### **Article 7. Measures to be taken before Expropriation is implemented**

1. For the purpose of evaluating the property, at the consent of the proprietor, an Expropriator or an independent expert invited by an Expropriator shall have the right to inspect the property, carry out an examination, take samples and perform other activities.
2. Before Expropriation is implemented, an Expropriator shall handover to the proprietor of the property a document in writing, which shall include:
  - (a) substantiation of the existence of a pressing public need for the expropriation of the property, including a relevant ministerial order and a court decision granting the Expropriator the Right to Expropriation; (15.10.2010; #3717)
  - (b) substantiation of the use of the property for pressing public needs;
  - (c) a detailed description of the location and size of the property subject to expropriation; amount of the compensation sum or a detailed description of other property to be transferred

in lieu of the proprietor's property as compensation and its market value according to Article 6(2) of this Law. (29.12.2006; #4204)

**Article 8. Dispute about a market value of the property and compensation** (29.12.2006; #4204)

1. If an Expropriator and a proprietor cannot agree about a market value of the property or a compensation sum or another property to be transferred to the proprietor as compensation, each party shall have the right to file a lawsuit with a court having jurisdiction over the subject matter. (29.12.2006; #4204)
2. An Expropriator's lawsuit must be accompanied with:
  - (a) A detailed description of the property subject to Expropriation;
  - (b) Documents confirming the existence of a pressing public need for expropriating the property;
  - (c) Documents about the project to be implemented for pressing public needs;
  - (d) A district (town) court decision granting the Right to Expropriation. (29.12.2006; #4204)
3. A court is authorized to determine the type of compensation of the property subject to Expropriation on its own, based on a reasoned motion of a party. (29.12.2006; #4204)

**Article 9. Evaluation of the property by a court** (29.12.2006; #4204)

A court is authorized to appoint an independent expert to have the property evaluated, according to rules prescribed by the Georgian Civil Procedure Code. An independent expert shall, within a term indicated, furnish the court with a report about market values of the property subject to Expropriation and other property offered to the proprietor as compensation in lieu of his/her property. Based on the expert's report and evidence submitted by the parties, a court will make a final determination about the value of compensation to be awarded to the proprietor in exchange for the property subject to Expropriation.

**Article 10. Obligations of an Expropriator**

An Expropriator shall pay all of the costs incurred by the parties, including litigation expenses and costs related to evaluation and transfer of property subject to Expropriation.

**Article 11. Evaluation of an agricultural land** (29.12.2006; #4204)

Evaluation of an agricultural land shall also take into account the value of any crops seeded in the land, which should be calculated by taking into account the revenues the proprietor would receive during the

current economic year. The value of any crops seeded in an agricultural land after the property evaluation has been carried out will not be taken into account in determining the compensation value.

### **Chapter III**

#### **Concluding Provision**

##### **Article 12. Entry into force of the Law**

This Law shall enter into force on the 15<sup>th</sup> day following its publication.

President of Georgia

Eduard Shevardnadze

23 July 1999

Tbilisi

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