DRAFT

SPECIAL REGIME FOR THE DETERMINATION OF OWNERSHIP OF IMMOVABLE PROPERTY ("LAND LAW")

VERSION FOR PUBLIC CONSULTATION

(Unofficial English translation)

LAW No. /2009 [Preamble]

SPECIAL REGIME FOR THE DETERMINATION OF OWNERSHIP OF IMMOVABLE PROPERTY

CHAPTER I OBJECT AND DEFINITIONS

Article 1 (Objective)

The present law establishes the special system for the determination of ownership of immovable property by means of recognition and of the attribution of first property ownership titles in the Democratic Republic of East Timor.

Article 2 (Contents of the right of ownership)

- 1. The owner fully and exclusively enjoys the rights of use and disposition of things that belong to him/her, within the limits of the law and in accordance with the restrictions imposed by law.
- 2. The ownership of immovable property includes the airspace corresponding to its surface, as well as the subsoil, and everything contained therein that is not separated from the domain by law or by legal business transactions.

Article 3 (Previous rights)

- 1. For purposes of the present law, previous rights are those that pertain to immovable property granted by the Portuguese and Indonesian administrations of East Timor, namely with regard to propriedade perfeita, aforamento, hak milik, hak guna bangunan and hak guna usaha.
- 2. Propriedade perfeita and hak milik are previous rights with the characteristics of rights of ownership.
- 3. Aforamento, hak guna bangunan and hak guna usaha are previous rights the exercise of which depends upon possession.
- 4. For purposes of the present law, *propriedade perfeita* and *hak milik* are defined as primary previous rights, while *aforamento*, *hak guna bangunan* and *hak guna usaha* are defined as secondary previous rights.

Article 4 (Definitions)

For purposes of the present law, the following definitions apply:

- a) Claim of ownership: This is the act by means of which one or several persons, individually or as a legal entity, declare before the National Directorate of Land, Property and Cadastral Services that they are holders of ownership rights to a given property, within the cadastral survey process;
- b) Claimant: This is the individual or group of people who, having made a valid and timely claim of ownership, individually or as a group, appears in the National Property Cadastre as a claimant of ownership;
- c) Claimant in possession: This is the claimant in possession of the declared property;
- d) Uncontested claimant: This is the individual who appears in the National Property Cadastre as the only claimant of ownership of a property or as a group of claimants in agreement.

Article 5 (Competent entity)

The National Directorate of Land, Property and Cadastral Services (DNTPSC) of the Ministry of Justice shall be responsible for the implementation of the mechanisms and administrative procedures set out in the present law.

CHAPTER II GENERAL PROVISIONS

Article 6 (Equality of rights)

The right of ownership is assured equally to men and women, and any form of discrimination is prohibited.

Article 7 (Properties located within the public domain of the State)

- 1. The ownership right shall not be granted to an ownership claimant of a property located within the State's areas of public domain.
- 2. The State's areas of public domain are those classified as such by law, namely:
 - a) The coastline and the beds of inland bodies of water.
 - b) Properties occupied by public ways, namely, streets, roads, bridges and viaducts, and their respective zones of exclusion.

- c) Properties occupied by overhead, surface, underground and underwater installations for electricity, telecommunications, oil, gas and water.
- 3. The State's areas of public domain shall be defined by decree-law, and are identified in the National Property Cadastre.
- 4. The use of properties located within the public domain shall be regulated by decree-law.

Article 8 (Property in the State's private domain)

- 1. The State has ownership rights of properties in its current possession, to the exclusion of other claimants, with the exception of properties of undetermined ownership that are under State administration.
- 2. Properties with regard to which no valid claim of ownership has been submitted revert to the State.

Article 9 (False claims)

False claims shall be punishable under the terms of the Penal Code.

Article 10 (Legal entities)

- 1. National legal entities may be holders of property ownership rights.
- 2. National legal entities are those which main office is registered within the national territory.
- 3. If the holder of a previous title was a legal entity that has been extinguished, the ownership of such properties reverts to the State unless there is special adverse possession.

Article 11 (Foreigners)

- 1. Properties whose previous right holder is a foreign claimants revert to the State, unless there is special adverse possession.
- 2. The State shall grant usufruct to foreign holders of previous rights who maintain the current possession of a property that has reverted to the State's private domain.
- 3. The usufruct referred to in the above number is automatically re-granted in favor of the heirs and legatees of the usufruct holder (upon the death of the grantee).

Article 12 (Transition)

Until ownership rights are defined, properties of indeterminate ownership remain under the State's administration.

CHAPTER III POSSESSION

Article 13 (Concept)

- 1. For purposes of special adverse possession, possession means the use of a property for purposes of habitation, cultivation, business, construction or any other activity that requires the physical use of the soil.
- 2. Possession can be exercised either personally or through another party.
- 3. A landlord exercises possession through the lessee.
- 4. Construction, planting, fences and enclosures are evidence of possession.

Article 14 (Mere occupant)

- 1. The following are considered to be the mere occupants of immovable property:
- a) Those who use the property without the intention of acting as beneficiaries of the right to ownership, such as lessees;
- b) Those who simply take advantage of the tolerance of the legitimate possessor;
- c) Representatives and agents of the possessor, as well as anyone who exercises possession on behalf of another person
- 2. Mere occupants may not, through adverse possession, acquire for themselves the right of ownership of immovable property.

Article 15 (Intention of ownership)

Possession with the intention of ownership is held by any individual who exercises ownership as if he/she were the holder of the ownership right.

Article 16 (Public and notorious possession)

Public and notorious possession is that which is exercised in such a way that it is made known to interested parties.

Article 17 (Long term possession)

For purposes of this law, long term possession is that which continues on an uninterrupted basis for at least twenty years.

Article 18 (Peaceful possession)

- 1. Peaceful possession is that which is obtained without violence or threat.
- 2. Possession is deemed to be violent if, in order to obtain possession, the owner uses physical or moral coercion, under the terms defined in the Civil Code.

CHAPTER IV SPECIAL ADVERSE POSSESSION

Article 19 (Definition)

Special adverse possession is the acquisition of the right of ownership of property, within the special regime for the determination of property ownership, through possession that is maintained for a certain period of time, and in accordance with the requirements defined in this chapter.

Article 20 (Properties not susceptible to acquisition through special adverse possession)

Properties located within the areas of public domain of the State shall not be the object of special adverse possession.

Article 21 (Requirements)

- 1. The right of ownership through special adverse possession shall be awarded to any present claimant in possession who cumulatively meets the following requirements:
- a. Holds Timorese citizenship, and is in possession of the property with the intention of ownership continuously, in a public and notorious fashion;
- b) Has started possession peacefully by 31 December 1998, without the use of physical violence or moral coercion.
- 2. The claimant in possession may, for purposes of determining the date at which the possession was started, add to his/her possession that of his antecedent, so long as both are continuous and peaceful.

Article 22 (Legal capacity for acquisition)

- 1. The mechanism of special adverse possession is available to anyone who is capable of acquisition.
- 2. Those who are legally incompetent may acquire on the basis of special adverse possession both on their own or through the intermediation of individuals who legally represent them.

CHAPTER V COMMUNITY LAND

Article 23 (Definition)

- Community land is considered to be land in areas where a local community organizes the use of the land and other natural resources by means of norms of a social and cultural nature.
- 2. The National Property Cadastre shall identify areas that are considered as community land.

Article 24 (Local community)

Local community means a grouping of families and individuals living within a territory at the level of a village or smaller, which aims at safeguarding common interests through the protection of housing areas, agricultural areas, whether under cultivation or not, forests, sites of cultural importance, pasture land, sources of water and areas where there are natural resources, the use of which is shared.

Article 25 (Customary norms and practices)

- 1. On community land, local communities participate in:
 - a) The management of natural resources:
 - b) The resolution of conflicts relating to the use of natural resources;
 - c) The identification and definition of the boundaries of the lands they occupy.
- 2. In the exercise of the activities referred to in items a) and b) of No. 1 of the present article, the local communities utilize customary norms and practices.

Article 26 (Protection)

- 1. The State shall protect community land, preventing undue appropriations, the indiscriminate and unsustainable use of natural resources and real estate speculation.
- 2. The Government shall consult with the local community before authorizing third parties to use land in the community land areas.

CHAPTER VI DETERMINATION OF OWNERSHIP OF PROPERTY

SECTION I Right of ownership and undisputed cases

Article 27 (Primary previous right holder)

The right of ownership shall be awarded to a Timorese claimant who is a holder of propriedade perfeita, or *hak milik*, to the exclusion of a claimant in possession, even if the latter meets the requirements for special adverse possession.

Article 28 (Uncontested possession)

- 1. The right of ownership shall be granted to an uncontested claimant in an undisputed claim, except where the immovable property in question is situated within the State's area of public domain.
- 2. The claimant acquires the right of ownership only of that part of the property that he/she possesses.

Article 29 (Current possession of the holder of previous rights)

- 1. The right of ownership shall be awarded to the Timorese claimant who holds the secondary previous right, and who is the current and peaceful possessor of the property in question.
- 2. If the possession was based upon violence, the right of ownership shall not be awarded, and the State retains ownership.
- 3. The claimant shall acquire the right of ownership only of that part of the property he/she possesses.

SECTION II Disputed cases

Article 30 (Definition)

- A case is regarded as disputed if there is more than one valid claim of ownership, based on possession or on secondary rights to the same immovable property.
- 2. Disputed cases shall be resolved based upon the system set out in this law.

Article 31

(Special adverse possession and holder of previous secondary rights)

- 1. In cases disputed by a Timorese claimant in possession and a claimant who holds a previous secondary right, the right of ownership of the immovable property is awarded to the claimant who meets the requirements for special adverse possession.
- 2. If the current possessor does not meet the requirements for special adverse possession, the right is awarded to the holder of the previous secondary right.
- 3. The claimant in possession shall acquire the right of ownership only of that part of the property he/she possesses.

Article 32 (Private property under the State's administration)

- 1. The right of ownership is awarded to a Timorese claimant who is the holder of the previous right to the immovable property under the State's administration.
- 2. If the claimant who is the holder of the previous right is a foreigner, the property reverts to the State.

Article 33 (Contested possession of property without formal title)

- 1. In cases disputed by claimants whose claim is based only on the exercise of possession, the right of ownership is awarded to the claimant in possession who meets the requirements for special adverse possession.
- 2. Claimants who have exercised a previous peaceful and long term possession and having proven their dispossession based upon violence or threat, have the right to compensation borne by the State.

Article 34 (Cases lacking a claimant in possession)

In cases disputed by claimants with secondary previous rights, and where there is no claimant who has possession of the property, the right of ownership is awarded to the claimant who is the holder of the most recent right.

Article 35 (Disputed cases involving property boundaries)

- Demarcation shall be made in accordance with the titles of each party, and, in the absence of adequate certificates, in accordance with the possession of the abutting possessors, or in accordance to other means of proof.
- 2. If the certificates do not determine the limits of the properties or of the area belonging to each owner, and the issue cannot be resolved by possession or other means of proof, the demarcation will be made by distributing the property in dispute in equal parts.
- 3. If the certificates indicate an area that is larger or smaller than that of the entire property, the missing or additional part will be awarded proportionally to each party.

CHAPTER VII COMPENSATION AND REIMBURSEMENT

Section I Compensation

Article 36 (Admissibility)

- The right to compensation financed by the Property Fund goes, in a disputed case, to the claimant who holds the secondary previous right or to the previous possessor with a peaceful and long term possession who does not have a right of ownership awarded under the special regime for the determination of property ownership.
- 2. If there is more than one claimant that is the holder of a previous right, or a claimant in previous, long term peaceful possession, the compensation is owed to the holder of the most recent title or to the most recent previous possessor.

Article 37 (Historical value)

The compensation shall correspond to the updated fair value of the property at the time that the claimant was dispossessed.

Article 38 (Compensation mechanism)

The mechanism for compensation shall be regulated by decree-law.

Article 39

(Property Fund)

- 1. The Property Fund is established as a source of resources for the payment of financial compensation to claimants who have not obtained the right of ownership under the special regime for the determination of property ownership.
- 2. The functioning of the Property Fund shall be regulated by decree-law.

Article 40 (Granting of State properties)

- 1. The government may grant property in the private domain of the State to a claimant who is entitled to compensation under the special regime for the determination of immovable property ownership, under the terms of this law.
- 2. The inventory of immovable properties in the private domain of the State that are destined for compensation shall indicate the value of the property in accordance with an official table of market values.
- 3. A special lease of immovable properties in the State's private domain may be issued to occupants protected against eviction in the cases covered by this law.
- 4. The granting of immovable properties in the State's private domain shall be regulated by decree-law.

SECTION II Reimbursement

Article 41 (Obligation for compensation)

- 1. In disputed cases where the claimant in possession is awarded the right of ownership under special adverse possession, he/she must provide compensation to the claimant who is the holder of the secondary previous right.
- 2. The compensation referred to above is proportional to the limits of the stated property for which the right of ownership was awarded, and it should correspond to the historical value.

Article 42 (Obligation for reimbursement)

The obligation for the payment of compensation is primarily assumed by the State, through the Property Fund, and the claimant must reimburse the State in the amount of the compensation paid under the terms of the previous article.

Article 43

(Forgiveness of debt)

- 1. The State may concede, in whole or in part, exemption from the payment referred to in the above article if there is verification of grave financial need.
- 2. The process for the granting of exemption shall be the object of separate regulation.

Article 44 (Encumbrance)

The obligation for reimbursement shall constitute an encumbrance on the immovable property acquired through special adverse possession.

CHAPTER VII PROCESS OF ADMINISTRATIVE EVICTION

SECTION I Scope of application

Article 45 (Competence)

The process of administrative eviction from immovable properties of the State and from private properties falls to the National Directorate of Land, Property and Cadastral Services, under the terms of, and in accordance with, what is provided for in the present chapter.

Article 46 (Arbitrary occupant of a State property)

- 1. The National Directorate of Land, Property and Cadastral Services is responsible for carrying out the administrative eviction of an arbitrary occupant of a State property.
- 2. An arbitrary occupant is any individual whose occupancy is not authorized by a competent authority, under a valid leasing contract or any by other administrative act that permits the use of the property by the occupant.

Article 47 (Arbitrary occupant of a restituted private property)

1. The National Directorate of Land, Property and Cadastral Services is responsible for carrying out the administrative eviction of an arbitrary occupant of a private property of which ownership rights has been

- recognized judicially or under the special regime for the determination of property ownership.
- 2. An arbitrary occupant is any individual whose occupancy is not authorized by the owner.

SECTION II Special protection against eviction

Article 48 (Definition)

- A resident in a family home, occupying a property the ownership of which is recognized or awarded to a third party, can be evicted only after an alternative residence has been provided to him/her, or after a period of eighteen months has elapsed following the recognition or award of the right of ownership, whichever occurs first.
- 2. No special protection against eviction is provided for anyone who has occupied a property after the recognition or award of the right of ownership of the property to another party.

Article 49 (Obligations of the government)

It is the government's obligation to provide an alternative residence for someone residing in a family home.

Article 50 (Family home)

For purposes of the special protection against eviction, a family home is considered to be a property used for the housing of the occupant's family unit, if the occupant has no other adequate alternative residence, or the means to obtain one.

Article 51 (Determination)

- 1. The status of resident in a family home shall be determined by the Ministry of Social Solidarity.
- 2. The Ministry of Social Solidarity may demand information from other administrative entities regarding the financial situation of the petitioner.

Section III Procedure

Article 52

(Notice)

- 1. The DNTPSC shall inform the occupant regarding the definitive administrative decision that recognizes or awards the right of ownership to another party.
- 2. The occupant has 30 days to vacate the property, counting from the date of reception of the notice.

Article 53

(Obtaining of declaration of "resident in the family home" status)

- 1. For purposes of special protection against eviction, an occupant may request from the Ministry of Social Solidarity the issuance of the statement attesting to his/her status as a resident in the family home.
- 2. The submission of the request referred to above interrupts the time period referred to in the previous article.
- 3. The Ministry of Social Solidarity has 30 days to issue the statement attesting to the occupant's status as a resident in the family home.
- 4. When the time period referred to above has elapsed without a response from the Ministry of Social Solidarity, it is considered that the petitioner is not a resident in the family home, and the time period in No. 2 of the above article is reinitiated.

Article 54 (Administrative eviction)

- 1. Upon the cessation of the occupant's status as a resident in the family home, or following a time period of 18 months, whichever happens first, the National Directorate of Land, Property and Cadastral Services shall notify the arbitrary occupant of a State property or a restituted private property, requiring that he/she vacates the property within 30 days following the date of notification.
- 2. A hierarchical appeal process is available for appealing such eviction, under the terms of decree-law 32/2008, which regulates the administrative proceedings.

CHAPTER IX PROCESS OF THE RECOGNITION AND AWARD OF TITLE

SECTION I
Administrative decision

Article 55 (Competent institution)

The National Directorate of Land, Property and Cadastral Services shall issue an administrative decision within the scope of the special regime for the determination of the right to ownership of property, under the terms of, and in agreement with, the present Law.

Article 56 (Contents)

The administrative decision referred to in the above article shall contain:

- a) The identification of the title holders.
- b) The existence or nonexistence of the obligation to pay compensation.
- c) The existence or nonexistence of the obligation to reimburse the State.
- d) The amounts to be compensated or reimbursed.

Article 57 (Initiation of the process)

The process for the recognition of or award of the right of ownership of property starts from the end of the period for the publication of the cadastral map, within the scope of the systematic cadastral survey.

Article 58 (Preparation of the cases)

- 1. When the time period for the submission of claims has ended, the National Directorate of Land, Property and Cadastral Services shall evaluate the cases and analyse the validity of the claims.
- 2. Claims that are inconsistent, without foundation or uncorroborated by credible witnesses or documents are considered to be invalid.

Article 59 (Decisions in undisputed cases)

In undisputed cases, the right of ownership shall be recognized or awarded to Timorese claimants, under the terms of this law.

Article 60 (Decisions in disputed cases)

In disputed cases, the National Directorate of Land, Property and Cadastral Services:

 a) Shall recognize or award the right of ownership to Timorese claimants, in accordance with the criteria established in the present law. b) Shall determine the existence of obligations for compensation and reimbursement, under the terms of this law, and determine their respective amounts in accordance with the official table of updated historical values.

Article 61 (Deferred application)

- 1. The administrative decision in the disputed cases referred to in the above article takes effect only after the end of the time period for the submission of appeals by the Cadastral Commission.
- 2. At the end of the time period mentioned in the above item, and in the absence of an appeal to the Cadastral Commission, the administrative decision takes immediate effect.

SECTION II Appeal

Subsection I Procedure

Article 62 (Time period)

The claimant in a disputed case may make an appeal to the Cadastral Commission within 15 days of having been informed of the administrative decision.

Article 63 (Object)

The appeal may have as its object the award or recognition of the right to ownership, the existence of obligations for compensation and reimbursement or the amounts to be compensated or reimbursed.

Article 64 (Legitimacy)

In a disputed case, both a claimant and the State may appeal the administrative decision.

Article 65 (Submission of the appeal)

1. The appeal is submitted by application in which the applicant should present the entire foundation for his/her appeal, and he/she may attach any documents he/she regards as being appropriate. The appeal is addressed to the President of the Cadastral Commission, and it must be filed with the National Directorate of Land, Property and Cadastral Services, which then sends it to the Cadastral Commission.

Article 66 (Effects)

The submission of an appeal suspends the effects of all decisions made in the appealed decision.

Article 67 (Rejection of the appeal)

The appeal shall be rejected in the following cases:

- a) If the appealed decision cannot be sustained under the terms of Article 63;
- b) If the petitioner lacks legal standing to make the appeal;
- c) If the appeal has been brought out of time;
- d) If there is any other cause that impedes the understanding of the appeal.

Article 68 (Appeal decision)

The Cadastral Commission may confirm, revoke, modify or replace the appealed decision.

Article 69 (Time period for the decision)

An appeal must be determined within 30 days counting from the date of reception of the process by the Cadastral Commission.

Article 70 (Object of the appeal decision)

The decision of the Cadastral Commission is restricted to reviewing matters of law, and has as its base information regarding each case remitted by the National Directorate of Land, Property and Cadastral Services, as well as the documents relating to the appeal application.

Subsection II
Cadastral Commission

Article 71 (Creation)

The Cadastral Commission is established for the purpose of evaluating appeals brought against administrative decisions, under the terms of this chapter.

Article 72 (Composition)

- 1. The participants on the Cadastral Commission shall be:
- a) A jurist of recognized moral and ethical integrity, appointed by Prime Minister.
- b) A jurist of recognized moral and ethical integrity, appointed by the Minister of Justice; this jurist presides.
- c) A land and property technician of recognized moral and ethical integrity, appointed by the Director of the National Directorate of Land, Property and to Cadastral Services.
- 2. Each of the authorities mentioned in the above item shall appoint a substitute, who will perform in the place of the effective member during his/her absence or incapacity.

Article 73 (Functioning)

- 1. The Cadastral Commission shall be governed by the present law and by internal rules approved by its members, within the scope of its functions and areas of competence.
- 2. Its deliberations are subject to a majority vote of the members present.
- 3. The Cadastral Commission shall meet on a weekly basis or at the request of the President, so long as the volume of cases so justifies.

Subsection III Judicial review

Article 74 (Time period for review)

A decision of the Cadastral Commission is subject to judicial review to be submitted within thirty days, counting from the date of notification of the Cadastral Commission's decision. The submission of the review suspends the effects of the appealed decision.

Article 75 (Competence for recognizing the review)

District courts shall be competent to hear reviews from decisions of the Cadastral Commission, with the review taking the form of an ordinary legal review process.

Article 76 (Legitimacy)

Claimants who consider that their rights or legally protected interests have been violated may request a review of a decision made by the Cadastral Commission.

Article 77 (Notifications)

When a request for judicial review is received, the Cadastral Commission and other claimants shall be notified.

Article 78 (Lack of timely review)

When the time period for a judicial review has expired, the decision of the Cadastral Commission shall take immediate effect.

CHAPTER X CADASTRAL SURVEY

Article 79 (National Property Cadastre)

- 1. The National Property Cadastre is the database that contains official information regarding properties collected through a cadastral survey.
- 2. The National Directorate of Land, Property and Cadastral Services of the Ministry of Justice shall establish, administer and update the National Property Cadastre.

Article 80 (Systematic cadastral survey)

The systematic cadastral survey is the collection of data regarding properties; it is carried out by the National Directorate of Land, Property and Cadastral Services in contiguous and predetermined collection areas, in accordance with a specific procedural approach, to establish the National Property Cadastre.

Article 81 (Information collected)

- The information necessary to the composition of the National Property Cadastre is collected through the systematic cadastral survey in each area of collection, including:
- a) The administrative location of the property.

- b) The identification of the boundaries of the land parcel.
- c) The geographical coordinates of the extremes of the land parcels.
- d) A geometric drawing of the parcel, with geographical references.
- e) The geographically referenced location of the parcel.
- f) The type of parcel, in accordance with technical specifications.
- g) Updated information regarding ownership.
- 2. Each parcel of land shall be assigned a Unique Identification Number.
- 3. The National Directorate of Land, Properties and Cadastral Services shall identify and delimit the areas of collection.

Article 82 (Ownership claim)

- 1. The National Directorate of Land, Properties and Cadastral Services collects claims of ownership of individuals or legal entities, relating to immovable properties situated within the areas of collection.
- 2. The National Directorate of Land, Properties and Cadastral Services shall submit ownership claims to immovable properties in the private domain of the State which are not in the State's possession.

Article 83 (Publication)

- 1. The information collected in the area of collection shall be shown on a cadastral map, and published for a time period of no less than 30 days.
- In cases in which the physical characteristics of the area of collection so justify, the National Directorate of Land, Properties and Cadastral Services may extend the publication of the cadastral map for a time period of more than 30 days.
- 3. The publication period shall be determined and made known prior to its initiation, and there may not be an extension of the time period.
- 4. During the publication period, the National Directorate of Land, Properties and Cadastral Services shall collect statements of ownership of properties identified on the cadastral map.
- 5. Claims of ownership submitted before or after the time period shall not be accepted.

Article 84 (Sporadic cadastral surveys)

1. A sporadic cadastral survey is a collection of data on immovable properties carried out individually by the National Directorate of Land, Properties and Cadastral Services, at the request of an interested party, outside of the areas of collection, in conformity with a specific procedural approach, for the purpose of creating the National Property Cadastre.

- 2. The individual cadastral map of the property and the information collected shall be published at the local and national level for a time period of no less than 60 days.
- 3. The rules of Articles 81 to 83 shall otherwise apply to the sporadic cadastral survey.

Article 85 (Prior claims)

- 1. Claims submitted under Law No. 1/2003 shall be considered as ownership claims so long as they are technically viable.
- 2. Claims that unequivocally identify the claimant and the claimed property shall be regarded as technically viable.

Article 86 (Cadastral surveys in community land)

The cadastral survey of properties on community land shall be preceded by consultation with the local community.

CHAPTER XI FINAL PROVISIONS

Article 87 (Private properties that have reverted to the State)

- 1. In the cases referred to in Article 32 of this document, the occupant of the property that has reverted to the State shall be entitled to the opportunity to purchase the occupied property.
- 2. With regard to the purchase of the property, the amounts paid to the State by the occupant as part of a leasing contract shall be discounted from the purchase price.
- 3. Until the decree-law that regulates the acquisition process referred to in this article takes effect, the residential occupant of the property that has reverted to the State has the right of habitation, which shall be automatically renewed in the name of his/her heirs or legatees.
- 4. Any nonresidential use of immovable property that has reverted to the State shall be regularized through a leasing contract.

Article 88 (Progressive taxation)

The taxation on properties shall be progressive so as to discourage land concentration.

Article 89

(Repeal)

- 1. Law No. 1 of 2003 is repealed.
- 2. The Regulation of the UNTAET No. 2000/27, of 14 August, is repealed.
- 3. Also repealed are documents or norms the provisions of which are contrary to the provisions of this law.

Article 90 (Validity)

The present law shall take effect on the 60th day following its publication.

