

Pursuant to Article 88, item 3 of the Constitution of Montenegro, I hereby pass the

DECREE PROMULGATING THE LAW ON STATE PROPERTY

I hereby promulgate the Law on State Property adopted by the Parliament of Montenegro at the sitting of the second extraordinary session in 2009 on 26 February 2009.

No: 01-1000/2

Podgorica, 16 March 2009

President of Montenegro

Filip Vujanović, m.p.

LAW ON STATE PROPERTY

I BASIC PROVISIONS

Contents of the Law

Article 1

This Law shall regulate the use, management, and disposing with things and other goods belonging to Montenegro or a local self-government (hereinafter referred to as: the State Property).

Concept of the State Property

Article 2

The state property, within the meaning of this Law, shall consist of the State ownership right on movable and immovable things, monetary funds, securities, and other property rights belonging to Montenegro or a local self-government.

A law or decision of a competent authority, in accordance with law, shall determine intended use of things and other goods being state property.

Exercising Property Rights

Article 3

Property rights on things and other goods being state property shall be exercised in accordance with this Law and in the manner that provides for transparency.

Competent authorities shall be obliged to handle things and other goods being state property as a conscientious custodian and shall be accountable for that.

State Property Title Holders

Article 4

Montenegro shall be the owner of things being state property.

Municipalities shall exercise certain ownership authorizations on things being state property in the manner prescribed by this Law.

Other entities shall also exercise ownership authorizations against things being State Property: state authorities, authorities of local self-government and public services established by Montenegro or a local self-government, and other authorities and organisations using budget funds or managing the state property, in accordance with law and other regulation adopted under law.

Dominium and Imperium

Article 5

In civil procedures, the State shall be the owner of things as well as other legal entities or natural persons (dominium).

The state, through competent authorities and organisations, shall manage and dispose in public interest with natural wealth and goods in general use, in accordance with law (imperium).

Competent Authority for Disposing with State Property of Montenegro

Article 6

The Government of Montenegro (hereinafter referred to as the Government) shall exercise property rights and authorisations with regard to the State Property, or an authority of the local self-government unit as designated by law and statute of a municipality, or the Parliament of Montenegro above certain value, in accordance with requirements and in a manner set forth under this Law, unless otherwise provided by a special law.

Competent authorities of public services shall exercise property rights and authorisations with regard to the State Property transferred to them in accordance with requirements and in a manner set forth under this Law, unless otherwise provided by a special law

Application of General Rules

Article 7

General rules shall apply for acquisition and cessation of ownership rights and other property rights pertaining to the State Property, unless otherwise prescribed by this Law.

Intended Use of Things and Other Goods being State Property

Article 8

The things and other goods being State Property shall be used for performing the functions of Montenegro, local self-government, state authorities, and authorities of local self-government, and for performing the activities of public services established by the Montenegro or local self-government.

The things and other goods referred to in paragraph 1 of this Article may also be used for performing the activities to generate revenues, or gain, in accordance with law.

Transactions of Rights related to State Property

Article 9

Property rights on things and other goods being State Property shall be subject to transactions, unless otherwise provided by law.

Natural wealth and goods in general use cannot be privately owned.

Property rights on things and other goods being State Property may be transferred to private ownership by means of a decision of a competent authority, legal transaction or otherwise, in accordance with law.

Meaning of Specific Terms

Article 10

As used in this Law, the following terms shall have the following meanings:

- 1) State authorities shall mean: the Parliament of Montenegro, President of Montenegro, Government, Constitutional Court of Montenegro, the Ombudsman, State Prosecutor's Office, ministries and other administration authorities, courts, the Central Bank of Montenegro, State Audit Institution, and other services established by Montenegro;
- 2) Local self-government shall mean municipality, Capital and Historical Capital (hereinafter referred to as: the Municipality);
- 3) Authorities of municipality shall mean: Municipal Assembly, Assembly of the Capital and Historical Capital, President of municipality, Mayor of Capital and Historical Capital, authorities of local administration and other authorities and services established by the municipality;
- 4) Public services shall mean: the University of Montenegro, public services companies, public institutions, State funds, and other authorities and organizations performing public authorizations whose founder is Montenegro or municipality;
- 5) Property of former socio-political organisations shall mean the property in disposition of former socio-political organisations: League of Communists, Socialist Alliance of Working People, and League of Socialist Youth;
- 6) Budget users shall mean users of funds of the Budget of Montenegro, budget of municipality, and other users that use public revenue funds on any ground;

- 7) Public revenues shall mean revenues of the Budget of Montenegro, revenues of the budget of municipality, and revenues of public services generated on the basis of contributions, revenues from activities and other revenues determined by law;
- 8) Goods of general interest shall mean natural wealth, goods in general use, and other goods of general interest (cultural goods, buildable land, agricultural land, forests and forestland, coastal commons, specially protected reserves and habitats of endangered or protected animal and plant species, and other goods in compliance with law);
- 9) Public goods shall mean natural wealth and goods in general use;
- 10) Goods in general use shall mean goods accessible to everybody under equal conditions and their use shall be done without special permit or approvals of competent authorities (roads, squares, watercourses, ports, airports, city parks, and other);
- 11) Natural wealth shall mean goods created in natural manner that are, due to their features having special economic importance, proclaimed as natural wealth by law (ore, water, game animals, sand, gravel, stone and other goods created in natural manner);
- 12) Disposing shall mean transfer of all or some of the ownership authorisations to third parties: alienation (sale, exchange, gift), assigning for management, giving to use, lease, easement rights, pledge of movable and immovable things (pledge, mortgage, and fiduciary transfer, concession and like);
- 13) Managing property shall mean decision-making with regard to the keeping, maintenance, renewal, profit generation, insurance and improvement, as well as other matters important to achieve intended use of things;
- 14) Use of things in State ownership shall mean the use of things and collection of revenues in accordance with the nature and intended use of things, as defined by law or act of competent state authority;
- 15) Things and other goods of greater value shall mean movable and immovable things whose individual value exceeds 3,000 euro;
- 16) Official buildings and business premises shall mean immovables used by state authorities, authorities of municipality and public service to perform their functions in the country and abroad;
- 17) Special purpose immovables shall mean: land, buildings, underground and aboveground structures with supporting infrastructure, and other immovables used by the ministries competent for defence and internal affairs and authorities competent for police and security affairs, for defence and national security needs of Montenegro, as well as land, buildings and other immovables used for accommodation of foreign citizens and persons without citizenship;
- 18) Equipment shall comprise of: computer systems, system and application software, means of communications, office furniture, office equipment and other things used by a state authority, authority of municipality or public service to perform their functions, whose useful life under normal usage conditions is longer than one year, unless otherwise prescribed by law;
- 19) Means of transport shall mean: motor vehicles, watercrafts, aircrafts, and other means of transport used to meet the needs of state authorities or municipal authorities;
- 20) Special purpose movables shall mean: means of transport, armament, supplies and equipment of combat having intended-use for defence and security of Montenegro, as well as other movables for the defence and security needs;
- 21) Monetary funds shall mean funds acquired from public revenues provided in the Budget of Montenegro, municipal budget, State funds and balance sheets of other authorities and organisations using public revenue funds, as well as monetary funds

- and means of payment acquired by the state authorities, Montenegro, municipality and public service on other basis;
- 22) Securities shall mean securities issued or acquired by Montenegro, municipality and public service (bonds, treasury bills, bills of exchange, shares, and other);
- 23) Objects of historical-documentary, artistic and cultural value shall mean: paintings, icons, sculptures, objects made of precious metals, tapestries, charters, and other fine art and applied art objects, as well as other objects and works having historical, artistic and cultural importance, acquired by Montenegro or municipality, or other authorities and organisations using public revenues funds;
- 24) Apartment for official needs shall mean an apartment intended for accommodation of elected and appointed persons during the performance of their functions and duties;
- 25) Other property-based rights shall mean: property, intellectual rights (right to patent, right to license, model, sample and trademark, right to use technical documentation) and obligations rights.

II THINGS AND OTHER GOODS BEING DISPOSED WITH BY MONTENEGRO

Goods of General Interest

Natural Wealth

Article 11

Natural wealth being disposed with by Montenegro shall be:

- Ore, oil, gas, and other natural wealth as stipulated by law;
- Sources of mineral and thermal waters;
- Frequencies and numeration;
- Natural lakes and other water reservoirs and living and non-living resources within that are not in private ownership in accordance with regulations;
- Internal seawaters and territorial sea, see floor, off-shore, and subsoil, living and non-living resources within;
- Shoals, river sandbars, slipways, levees, swimming areas, cliffs, limans, reefs, submarine springs, sources and springs;
- Shores and channels in state ownership;
- Watercourses and groundwater having importance for Montenegro, in accordance with law;
- Other natural wealth having importance for Montenegro as stipulated by law.

Goods in General Use

Article 12

Goods in general use being disposed with by Montenegro shall be:

- Air space;
- Roads (highways, arterial and regional roads) and associated structures;
- Airports with appurtenant infrastructure;

- Railways infrastructure in accordance with law;
- Sea ports, breakwaters, and dams;
- Objects extracted during archaeological excavations;
- Corridors and satellite orbits.

Other Goods of General Interest

Article 13

Other goods of general interest being disposed with by Montenegro shall be:

- Forest, forestland and appurtenant forest roads being the ownership of Montenegro covered by a special management master plan;
- State property in protected parts of nature – national parks;
- Buildable and other land, as well as structures in ownership of Montenegro in the zone of coastal commons;
- Thermo-power plants with appurtenant structures;
- Structures for electric power transmission (overhead transmission lines and substations);
- Elevation points and corridors for electronic, telecommunication and radio broadcasting systems in ownership of Montenegro;
- Telecommunication structures in ownership of Montenegro;
- Radio-broadcasting structures in ownership of Montenegro;
- Shelters in ownership of Montenegro;
- Buildable land in ownership of Montenegro;
- Agricultural land in ownership of Montenegro;
- Floodplain having importance for Montenegro in ownership of Montenegro;
- Structures for education, science, healthcare and social protection with appurtenant land in ownership of Montenegro;
- Monuments of culture in ownership of Montenegro;
- Cultural and historical goods, if not ownership of other legal entities and natural persons;
- Structures for sport and physical culture with appurtenant land in ownership of Montenegro;
- Plant and animal kingdom;
- Other goods in accordance with law.

Other Goods in State Property

Article 14

Other goods in state property being disposed with by Montenegro shall be:

- Monetary funds acquired on the basis of public and other revenues belonging to Montenegro;
- Property acquired or that shall be acquired, in accordance with law, by state authorities and public services established by Montenegro;
- Things constructed or acquired from public revenues on the basis of investments of state authorities and public services established by Montenegro;
- Property of former League of Communists and other socio-political organizations;

- Property acquired on the basis of distribution of the property of the Socialist Federal Republic of Yugoslavia, Federal Republic of Yugoslavia, and State Union of Serbia and Montenegro;
- Immovable and movable things of the former dynasty Petrović Njegoš;
- Immovable and movable things of foreign diplomatic and consular representative offices of the Kingdom of Montenegro;
- Military fortifications;
- Immovable and movable things considered abandoned in accordance with the Law on Ownership Rights;
- Property acquired as a gift to Montenegro;
- Property acquired on the basis of investments of Montenegro in business organizations and public services enterprises;
- Property acquired on the basis of purchase, exchange, expropriation or foreclosure of security interests (pledge, fiduciary, and other) in movable and immovable property, as well as rights;
- Things in ownership of Montenegro used for the performance of functions of state authorities, public services in the country and abroad established by Montenegro;
- Property rights and securities being property of Montenegro;
- Property acquired by construction in accordance with BOT system and concessions;
- Equipment and devices in state ownership;
- Other property acquired in accordance with law.

III THINGS AND OTHER GOODS BEING DISPOSED WITH BY MUNICIPALITY

Local Goods of General Interest

Natural Wealth Article 15

Natural wealth being disposed with by the Municipality shall be:

- Water sources and small watercourses (with headwaters and end of the streams on the territory of municipality) of local importance, in accordance with law;
- Mineral resources (gravel, sand and stone) unless there are subject to exploitation in accordance with law;
- River and lake shores within a general urban-development plan, detailed urban-development plan, urban-development project and local location study being property of the Municipality, and which were adopted before the entry into force of this Law;
- Other natural wealth of local importance as stipulated by law.

Local Goods in General Use Article 16

Local goods in general use being disposed with by the Municipality shall be:

- Water supply and sewerage infrastructure of local importance;

- Municipal roads (local and unclassified) and associated structures;
- Streets in settlements and squares;
- Public lighting;
- Public and green areas and city parks;
- Cemeteries;
- Underground and over-ground passageways.

Other Local Goods of General Interest Article 17

Other local goods of general interest being disposed with by the Municipality shall be:

- Forestland and forests not covered by a special forest master plan (pastures, meadows, underbrush, and other), and which are covered by a general urban-development plan, detailed urban-development plan, urban-development project and local location study which are the property of the Municipality, and which were adopted before the entry into force of this Law;
- Buildable land being property of the Municipality;
- Agricultural land being property of the Municipality within a general urban-development plan, detailed urban-development plan, urban-development project and local location study, and which were adopted before the entry into force of this Law;
- Floodplains of local importance being property of the Municipality;
- Elevation points and corridors for electronic, telecommunication and radio broadcasting systems of local importance;
- Recreational areas;
- District heating pipelines of local importance;
- Monuments of culture being property of the Municipality;
- Sports and physical culture structures with appurtenant land being property of the Municipality;
- Parking areas;
- Markets;
- Public garages;
- Archaeological sites of local importance, in accordance with law;
- Structures property of the Municipality in the coastal commons zone;
- Other goods of general interest, in accordance with law.

Other Things and Goods being Disposed with by the Municipality Article 18

Other state property being disposed with by the Municipality shall be:

- Monetary funds acquired on the basis of public revenues, belonging to a Municipality;
- Property of the Municipality used for the performance of functions of authorities and public services in the country and abroad established by the Municipality;
- Property acquired on the basis of investments of authorities of municipality and public services established by the Municipality;

- Property acquired on the basis of gift to a municipality by natural persons and legal entities;
- Property of former socio-political organizations;
- Property transferred by state authorities into the property of municipality ;
- Property acquired by purchase, exchange, expropriation, or foreclosure of security interest in movable and immovable things, as well as rights;
- Property rights and securities being property of the Municipality;
- Other property that is, in accordance with law, in property of the Municipality.

Disputed Rights Article 19

If there is doubt whether things or goods are the ownership of Montenegro or property of the Municipality, it shall be considered that those are in disposition of Montenegro.

IV MANAGEMENT AND USE

Authority Competent for Management Article 20

An administration authority competent for property affairs shall manage the state property of Montenegro unless stipulated otherwise by a special law.

The authority referred to in paragraph 1 of this Article shall also perform following affairs:

- Keep unified records and registry of the state property;
- Ensure the intended-use of the state property;
- Attend to the property which becomes the state property *ex lege*;
- Provide for affairs of entry into cadastre, allotment, delineation, exchange, preparation of draft contracts and monitoring implementation thereof, collection of rent and other affairs with regard to the state property;
- Provide for condition for the protection of the property;
- Perform other affairs as well, as instructed by the Government and the Ministry of Finance.

A municipal authority determined by the charter of the Municipality shall perform affairs referred to in paragraphs 1 and 2 of this Article for the needs of the Municipality.

A body determined by law or foundation act, shall perform affairs referred to in paragraphs 1 and 2 of this Article for the needs of public service.

Manner of Management and Use

Article 21

The competent authority shall be obliged to manage and use things and other goods in state property in a legal and cost-effective manner in accordance with their nature and intended use.

Responsibility

Article 22

A head who manages a state authority, authority of municipality and person who manages a public service shall be responsible for legal and cost-effective management and use of the state property.

Employees of state authorities, authorities of municipality and public services shall be responsible for conscientious and purposeful use of the property being used in performing the activities, in the manner prescribed by law and general act.

Use of Proceeds

Article 23

Proceeds received through sale of the state property shall be used for carrying out structural reforms, opening of new jobs, investments in infrastructure and other capital investments of interest for Montenegro, or local importance, pursuant to a decision of competent authority.

In the event of sale or long-term lease of the land referred to in Article 64, paragraphs 2 and 3 of this Law by Montenegro, 30% of realized value shall belong to a municipality on the territory of which it is located for the construction of infrastructural structures.

The payment shall be made after a prescribed amount for settlement of compensation of former owners is set aside.

Right to Use Public Good

Article 24

Special use rights (concessions, BOT, lease and other public-private partnership type arrangement) may be acquired on public goods under conditions stipulated by law.

Giving to Use

Article 25

The Government, at the proposal of the Ministry of Finance (hereinafter referred to as: the Ministry), shall decide on conditions regarding giving to use of the immovable property of greater value used by state authorities to perform their activities.

A competent municipal authority determined by the statute shall decide on giving to use of the immovable and movable property used by authorities of municipality to perform their activities.

A founder shall decide on the use, allocation and termination of use of immovable property used by public service to perform its activity.

Notification about Occurred Changes

Article 26

If a state authority, authority of municipality or person managing a public service, due to the change in responsibilities, reduction of workload or other circumstances ceases to use the property or its part, it shall be obliged to notify thereon the Government or competent municipal authority within 15 days as of the day of incurred change.

The Government or competent municipal authority shall decide on further intended-use of the property referred to in paragraph 1 of this Article.

Taking Away the Things

Article 27

In the event that state authorities or authorities of municipality and public service established by Montenegro or municipality do not maintain properly and use immovable property contrary to its nature and purpose or do not use at all, thus causing a danger of incurring a substantial damage, the Government or competent municipal authority shall take away such immovable property from the user, at the proposal of the Ministry, or competent municipal authority.

Special Rules for Use of Certain Things

Article 28

The Government or competent municipal authority shall determine conditions and manner of use by virtue of special regulation for:

- Official buildings and business premises;
- Structures for representational use;
- Apartment for official needs;
- Special purpose immovables;
- Means of transport;
- Special purpose movables;
- Objects of artistic and cultural value.

V DISPOSING WITH THE STATE PROPERTY

Authority Competent for Disposing Article 29

The Government shall dispose with immovable and movable things and other goods in state ownership that Montenegro exercises ownership authorizations on, unless stipulated otherwise by this Law.

Competent municipal authority, in accordance with this Law and statute, shall dispose with immovable and movable things and other goods in state ownership that a municipality exercises ownership authorizations on.

The Parliament of Montenegro, at the proposal of the Government, shall decide on disposition of things and other goods in state ownership in value exceeding 150,000,000 EUR.

Disposing with Things of Smaller Value Article 30

A head who manages a state authority, authority determined by the statute of municipality, or person who manages a public service that uses such a property shall decide on disposition and use of movable things and other goods of smaller value, except for giving gifts.

Exchange Article 31

Things and other goods that Montenegro or municipality dispose with may be exchanged for the same value, if so is in the interest of performing the activities of state authorities and authorities of municipality and public service.

If subject of exchange are things and other goods managed and used by public services those may be exchanged with the consent of a founder deciding on property disposition.

Conclusion of a Contract Article 32

A written contract on disposition and exchange of things and other goods being property of Montenegro, property of municipality and public service shall be concluded in writing.

The contract referred to in paragraph 1 of this Article shall be concluded by a head of state authority as determined by the Government, on behalf of municipality a head of the authority determined by the statute, and on behalf of public service a manager of the service.

Ceding the Property

Article 33

The Government, at the request of a municipality, may decide to cede immovable and movable things and other goods in the property of Montenegro, not used by state authorities or public services established by Montenegro, to a municipality for temporary management and use, with or without charge.

A municipality, at the request of the Government, may decide to cede immovable and movable things from the property of municipality, not used by authorities of municipality or public service established by the municipality, to the Government for temporary management and use, with or without charge.

Exercising Property Rights of Municipality

Article 34

A municipality shall decide on acquisition of and disposition with rights belonging to it, in accordance with this Law

Notwithstanding provision of paragraph 1 of this Article, municipality may dispose with property rights in border area, within 5km from the borderline, with a prior consent of the Government.

The Government shall issue a prior consent with regard to the alienation of property rights on immovables belonging to the municipality, except for cases referred to in Article 40, paragraph 2, items 1, 2, 3, and 4 of this Law.

Immovables Required for Achieving Public Interest

Article 35

If as certain immovable, in disposition by municipality, is required to attain to a public interest of Montenegro, the municipality shall be obliged to give back such immovable property to disposition to Montenegro, upon request of the Government, without charge.

If as certain immovable, in disposition by the Government, is required to attain a public interest of municipality, the Government may give such immovable property to use or disposition to municipality, upon request of the municipality, without charge.

Property Rights of Public Services

Article 36

Public services shall exercise property rights on state property acquired or that will be acquired from public revenues funds and other revenues they generate in accordance with law.

A competent body of public services shall decide on disposition and management of property rights referred to in paragraph 1 of this Article, in accordance with law or foundation act, upon prior obtained consent of the Government or component authority of municipality.

Gifts

Article 37

State authorities or municipal authorities, or their representatives –heads may receive or give gifts in accordance with law.

The Government or competent municipal authority shall prescribe conditions and manner of giving gifts to national and foreign legal entities and natural persons from the state property, as well as disposition with a gift received by a representative of Montenegro or competent authority of municipality and public service regarding the performance of his/her function.

Limitations on Goods in General Use

Article 38

Easement and other encumbrances that would make impossible or substantially impede their regular use cannot be created on goods in general use.

No charge shall be paid to the other party to create easements on land in state property needed for construction of infrastructural facilities of interest for Montenegro and local importance for municipality.

Lease

Article 39

Things and other goods in state property may be leased.

Official buildings, business premises, means of transport and other movable and immovable things may be leased for a period up to five years with a possibility for an extension.

Goods in ownership of Montenegro or property of the municipality may be leased by contract for a period up to 30 years by virtue of decision of the Government, or competent authority of municipality, and for a period up to 90 years by virtue of decision of the Parliament at the proposal of the Government.

Lessor may give consent to a lessee-investor, in case a subject of lease is land whereat construction of hotel tourism complex is envisaged, to alienate structures constructed on such land in accordance with planning documentation and contract.

In addition to ownership of structure, exceptionally, ownership right may also be transferred to lessee-investor for leased land under a structure and which is required for its everyday use in case when a subject of lease is land whereat construction of villas is envisaged, in accordance with planning documentation and contract with payment of market compensation.

A lease contract shall regulate conditions, lease term, compensation, manner of use and disposition, keeping, protection and maintenance of things let under lease.

Things and other goods in state property cannot be let under sublease without the consent of the lessor.

Public Auction

Article 40

Sale and lease of thing and other goods in state property shall be done through public auction or based on collected bids, and exceptionally by direct agreement.

The sale of things and other goods in state property may be performed by direct agreement in following cases:

- 1) Transfer of land for construction of structures for the needs of state authorities and organisations, authorities and organisations of local self-government units and organisations performing public services, operating with assets in state property, as well as other structures in state property;
- 2) Agreed transfer of land to former owner at the account of compensation for expropriated or excluded land;
- 3) When an owner of cadastral parcel is obliged to bear changes of borders of urban parcel pursuant to an allotment plan (rounding up of an urban parcel);
- 4) Transfer of land whereat a structure was constructed without a building permit, if fitted into a planning document (legalisation of structure);
- 5) Application of Article 39, paragraph 5 of this Law.

Lease of things and other goods being state property by virtue of direct agreement may be performed in case when lease fails after three consecutive publications of a public invitation for public auction or collection of bids.

The Government shall prescribe the manner, procedure, entering into contract, terms of sale and lease of state property.

VI RECORDS, APPRAISAL, PROTECTION AND SUPERVISION OF STATE PROPERTY

Records

Article 41

Records on state property shall be kept in accordance with the international accounting standards.

Keeping Unified Records

Article 42

Unified records of state property shall be kept separately for movable, separately for immovable things, and separately for other goods, except for special purpose things.

Authority Competent for Property Appraisal

Article 43

Administration authority competent for cadastre affairs shall appraise the value of immovable property owned by Montenegro.

A competent municipal authority determined by the statute shall appraise the value of municipal immovable thing being property of the Municipality, whereas the value of property of public services shall be appraised by a competent authority determined by that service, with consent of a founder.

The Government, municipality and public service may also determine another competent authority or institution to appraise the value of immovable property of Montenegro.

Keeping of Separate Records

Article 44

Records on immovable and movable things that Montenegro exercises ownership rights and authorizations on, and used by state authorities to perform functions of state authorities shall be kept by authorities using such things.

Records on immovable and movable things that a municipality exercises ownership rights and authorizations on shall be kept by municipal authorities using such things.

Records on immovable and movable things of public services shall be kept by services using such things.

The authorities and services referred to in paragraphs 1, 2 and 3 of this Article shall be obliged to take inventory of property they use.

Records on Property Used by Several Authorities

Article 45

Administration authority competent for property affairs or competent authority of municipality and public service shall keep records on property used by several state authorities (official buildings and premises).

Administration authority competent for property affairs or competent authority of municipality and public service shall be obliged to take inventory, appraise and record

immovable things used by several state authorities, authorities of municipality, or public services.

Registry of Immovables

Article 45

Immovable things being state ownership shall be recorded in the Registry of Immovables kept by an administration authority competent for property affairs.

The Registry of Immovables referred to in paragraph 1 of this Article shall be unique electronic public database.

Contents of the Registry

Article 47

The Registry of Immovables shall contain:

- Data on immovable thing (settlement, street, number, cadastral municipality, cadastral parcel, certificate of title, land area, structure area, easement, encumbrance and limitations);
- Grounds for acquiring right;
- Value of immovable property at the moment of recording it, appraised by the administration authority competent for real estate or another authorized authority and other data important for keeping the records.

Data from the Registry of Immovables must be in accordance with data from the Cadastre of Immovables.

Records on Movable Things and Other Goods

Article 48

Records on movable things and other goods shall be kept in books of property users based on taken inventory, with the status on 31 December of the year the inventory is taken for, in accordance with the accounting value.

Special Rules for Keeping Records and Taking Inventory

Article 48

The Government shall adopt detailed regulations on the manner of keeping records of movable and immovable things and on taking inventory of things being in state ownership.

Submission of Data

Article 50

The authorities referred to in Articles 44, 45, and 46 of this Law shall be obliged to submit the data on movable and immovable things to the administration authority competent for

property affairs in electronic form for the purpose of keeping the Registry of Immovables, or accounting records of movable things.

The authorities shall be obliged to submit the data referred to in paragraph 1 of this Article until the end of February of the current year for the previous year.

The authorities shall be obliged to submit all changes related to movable things occurred during the year to the administration authority competent for property affairs.

Obligation of Authority for Property Affairs

Article 51

The administration authority competent for property affairs shall be obliged, in accordance with the international accounting standards and other regulations, to submit the data on immovable and movable things being property of Montenegro to the Ministry until the end of March of the current year for the previous year.

Ownership Protection

Article 52

Protection of ownership right and other property rights related to state property shall be carried out in accordance with the general regulations.

Ombudsman for Property-Based Interests of Montenegro

Article 53

Ombudsman for Property-Based Interests of Montenegro (hereinafter referred to as: the Ombudsman) shall represent Montenegro, its authorities and public services established by the state without status of a legal entity before courts and other state authorities.

Ombudsman for property-based interests of the Municipality shall be an authority as determined by the Municipality.

The Ombudsman or competent authority of the Municipality shall have the status of a legal representative of a legal entity in performing functions referred to in paragraphs 1 and 2 of this Article.

Notification of the Government

Article 54

In cases of property-based disputes having particular importance for the state or local self government, or disputes related to things and other goods having value above 30,000 EUR, and which should include the waiving of claim, recognition of request of the other party, finalization of settlement or withdrawal from remedy, the Ombudsman or competent authority of the Municipality shall be obliged forthwith to notify thereof the Government or

competent authority of local self-government unit and proceed in accordance with their position.

Settlement of Dispute by Mutual Consent Article 55

The Ombudsman or competent authority of the Municipality may undertake required actions towards settlement of dispute by mutual consent, if the nature of dispute allows so, before the proceeding is initiated.

Opinion about Legal Transaction Article 56

The Ombudsman or competent authority of the Municipality shall be obliged to issue a legal opinion with regard to concluded contracts and opinion about other property-based matters to such authorities he/she represents property rights and interests thereof, upon their request.

Submission of Data Article 57

All authorities shall be obliged to submit to the Ombudsman or competent authority of the Municipality requested information and documents, upon their request.

Appointing Ombudsman Article 58

The Government, at the proposal of the Minister of Finance, shall appoint and remove from office the Ombudsman.

The Ombudsman shall have one or more deputies.

The Government, at the proposal of the Ombudsman, shall appoint and remove from office a Deputy Ombudsman.

The Government shall appoint persons referred to paragraphs 1 and 3 of this Article to a period of five years.

A person having completed law faculty, passed bar examination, and at least eight years of working experience in the field, in addition to the general requirements for work in the state administration authorities, may be appointed as the Ombudsman or Deputy Ombudsman.

The Government shall set forth the wage of the Ombudsman and Deputy Ombudsman by a special act.

The Ombudsman or Deputy Ombudsman shall exercise rights arising from labour relations and based on the labour relations pursuant to regulations on civil servants and employees.

Supervision and Reporting on Activities Article 59

The Ministry shall supervise the work of the Ombudsman.

The Ombudsman shall compile an annual report on activities and submit it to the Ministry, which in turn, after consideration and evaluation, shall submit to the Government for adoption.

Administrative and Professional Service Article 60

The Ombudsman shall form an administrative and professional service to perform technical and administrative affairs.

The Ombudsman shall adopt the act on internal organisation and systematisation, with the consent of the Government.

Regulations about civil servants and employees shall apply to employees of the administrative and professional service.

Submission of Contracts Article 61

Concluded contracts on acquiring and disposing with immovable things and movable things and other goods of greater value being the state property shall be submitted to the Ombudsman, the State Prosecutor's Office of Montenegro and State Audit Institution, within 15 days as of the day of authentication thereof.

The contracts referred to in paragraph 1 of this Article shall also be submitted to the administration authority competent for property affairs within 15 days as of the day of authentication, for the purpose of keeping records in accordance with law.

Supervision Article 62

The Ministry shall carry out supervision of application of provisions of this Law.

Inspection for state property shall carry out the inspection supervision activities referred to in paragraph 1 of this Article, in accordance with law.

VII PENALTY PROVISIONS

Pecuniary Fines for Offences Article 63

A pecuniary fine in the amount from ten- fold to three hundred fold of the minimum wage in Montenegro shall be imposed for an offence on a state authority, authority of municipality and public service, if:

- 1) disposes with property in border area without the consent of the Government (Article 34, paragraph 2);
- 2) disposes with the state property without obtaining a prior consent of the Government, or competent municipal authority (Article 36, paragraph 2);
- 3) disposes with property of Montenegro, property of municipality or public service, without public bidding or gathering of bids (Article 40, paragraph 1);
- 4) fails to use proceeds generated by sale of the state property in accordance with this Law (Article 23);
- 5) exchanges immovables without the consent of a authority deciding on disposing with immovable things (Article 31, paragraph 2);
- 6) fails to dispose with and fails to use the state property in a legal and cost-efficient manner, and in accordance with law (Article 22, paragraphs 1 and 2);
- 7) fails to conclude a contract on disposal with and exchange of immovable property of Montenegro, property of municipality or public service (Article 32);
- 8) due to the change in responsibility, reduction of workload or other circumstances ceases to use the property or its part, and fails to inform thereon the Government or competent municipal authority, within 15 days as of the day of occurred change (Article 26, paragraph 1);
- 9) fails to keep accounting records on movable things given to its use (Article 48);
- 10) fails to submit to the Ministry the data on immovable and movable things until the end of March of the current year for the previous year (Article 51);
- 11) fails to submit a contract, within 15 days as of the day of its conclusion, to the Ombudsman, the State Prosecutor's Office of Montenegro, State Audit Institution and administration authority competent for property affairs (Article 61, paragraph 1);
- 12) fails to submit the data on immovable things it uses or that is within its competency to the administration authority competent for property affairs, for the purpose of keeping unified records on the state property (Articles 66 and 67);
- 13) fails to submit the request to the administration authority competent for cadastral affairs within 60 days (Article 71, paragraph 1);
- 14) fails to make registration win the cadastre of immovable property activities within 60 days (Article 71, paragraph 2).

A pecuniary fine in the amount from two- fold to twenty-fold of the minimum wage in Montenegro shall also be imposed for the offence referred to in paragraph 1 of this Article on a responsible person in a state authority and municipal authority.

VIII TRANSITIONAL AND FINAL PROVISIONS

Transforming the Right to Use to the Ownership Right

Article 64

The right to use, or the right to permanent use on the land in state ownership, which is, within the general urban-development plan, detailed-urban development plan, urban-development project and local location study registered in the name of Montenegro, municipality, public service established by Montenegro or municipality, shall become the state property of Montenegro or municipality or public service as of the day this Law enters into force, by which there shall not have effect on rights of natural persons and business organisations in the process of transformation of rights from the social ownership within the meaning of the Law on Ownership Rights.

Notwithstanding paragraph 1 of this Article, the land-cadastral parcels where the buildings of state administration authorities, public services established by Montenegro and institutions in the area of education, science, healthcare and social protection, sports and physical culture, and which are in state ownership, are constructed shall be registered as the ownership of Montenegro.

Land not covered by the general urban-development plan, detailed-urban development plan, urban-development project and local location study on which the authorities and services referred to in paragraph 1 of this Article have the right to use, or the right to permanent use shall become the ownership of Montenegro, unless they have acquired such land in valid legal transaction (purchase-sale, gift and other).

Dispute Resolution with regard to Belonging of Things

Article 65

Administrative and court proceedings conducted in relation to belonging of things from this Law shall be finalized pursuant to this law.

Obligations of Authorities and Public Services

Article 66

State authorities and public services established by Montenegro, or authorities of municipality and public service established by the municipality shall be obliged to take inventory, appraise and record immovable things within their competency within one year as of the day this Law enters into force, and submit the data on property to the administration authority competent for property affairs.

Inventory of Appraisals and Records

Article 67

State authorities and public services established by Montenegro, or authorities of municipality and public service established by the municipality shall be obliged to take inventory, appraise and record immovable and movable things they use, within six months as of the day this Law enters into force.

Notwithstanding provisions of paragraph 1 of this Article, appraisal of movable things shall not be done for the property having an established book value.

Deadline for Appointment of the Ombudsman Article 68

The Government shall appoint the Ombudsman within 90 days as of the day this Law enters into force.

The Ombudsman shall begin with work within 92 days as of the day of the appointment.

The Supreme State Prosecutor shall perform authorisations set forth under this Law until the expiry of deadline referred to in paragraph 2 of this Article.

Establishment of the Administration Authority competent for Property Article 69

The Government shall establish the administration authority competent for property affairs within 60 days as of the day this Law enters into force, in accordance with this Law.

Until the day of establishment of the administration authority competent for property affairs, the activities within its competency shall be performed by the Administration for General Administrative Matters of State Authorities.

Establishment of Unified Records Article 70

The administration authority competent for property affairs shall be obliged to establish unified records of immovable things being the state property within 90 days upon expiration of the deadline referred to in Articles 66 and 67 of this Law.

Registration of Rights in the Cadastre Article 71

Administration authority competent for property affairs shall, on the basis of the data referred to in Articles 65 and 66 of this Law, submit the request to the administration authority competent for cadastre activities, in order to register the state ownership right or some other property right on immovables being the state property in the cadastre of immovables, within 90 days as of the day of submission, in accordance with law.

The administration authority competent for cadastre activities shall register the state ownership or some other property rights referred to in paragraph 1 of this Article as the state ownership of Montenegro, or property of the municipality within 60 days, designating a legal entity or natural person having the disposal thereof in accordance with law.

The administration authority competent for cadastre activities shall register the state property referred to in paragraph 1 of this Article in the name of Montenegro, i.e. municipality or public service, designating it as state property.

Registration of Co-Ownership

Article 72

Rights on immovables, for which it is determined that they are acquired by joint investment from the public revenues of Montenegro, or public revenues of municipality, shall be registered in the cadastre of immovable property in the name of Montenegro, or municipality, commensurate to the investments made, except for the structures in the field of science, education, healthcare and social protection, sports and physical culture which will be registered as the ownership of Montenegro.

Property of Former Socio-Political Organizations

Article 73

The administration authority competent for property affairs, or competent municipal authority shall take inventory of property of former socio-political organizations, within 90 days as of the day of the establishment of the administration authority competent for property affairs and shall submit a request for the registration into the cadastre of immovables within 30 days.

The administration authority competent for cadastre activities shall register the property referred to in paragraph 1 of this Article in the cadastre of immovables, in accordance with law, within 60 days from the day of submission of the request.

Submission of Contracts to the Administration Authority Competent for Property Affairs

Article 74

Competent authorities shall be obliged to submit lease contracts or contracts of giving property to temporary use concluded until the entry into force of this Law, to the administration authority competent for property affairs by competent authorities within three months as of the day this Law enters into force.

Subordinate Regulations

Article 75

Regulations for implementation of this Law referred to in Articles 28 and 37 shall be adopted within one year, whereas regulations referred to Articles 40 and 49 within six months as of the day this Law enters into force.

Supersession Article 76

On the day of entry into force of this Law, the Law on Property of the Republic of Montenegro (Official Gazette of the Republic of Montenegro, No 44/99), Law on Trade in Immovable Property (Official Gazette of the Socialist Republic of Montenegro, No 27/75, 35/75, 29/89, 39/89, 7/91, 48/91, 2/92, 4/92 and 27/94), Article 15a of the General Law on Education (Official Gazette of the Republic of Montenegro, No 64/02, 31/05 and 49/07), Article 53, paragraph 6 of the Law on Tourism (Official Gazette of the Republic of Montenegro, No 32/02, 41/02 and 45/02), Article 4 of the Law on Coastal Commons (Official Gazette of the Republic of Montenegro, No 14/92), Article 2, paragraph 3 of the Law on Roads (Official Gazette of the Republic of Montenegro, No 42/07) and Article 70 of the Law on Nature Protection (Official Gazette of Montenegro, No 51/08) shall cease to have effect.

Entry into Force Article 77

This Law shall enter into force on the eight day of its publication in the Official Gazette of Montenegro.

SU-SK No. 01-59/30
Podgorica, 26 February 2009

Parliament of Montenegro
Speaker,
Ranko Krivokapić, m.p.