

Regulations for the Application of the State Property Act

Adopted by Council of Ministers Decree No.254 of 15.09.2006, promulgated, State Gazette No. 78 of 26.09.2006, amended, SG No.26 / 27.03.2007, supplemented, SG No.51 / 26.06.2007, amended, SG No.64 / 18.07.2008, effective 1.07.2008, supplemented, SG No.80 / 12.09.2008, SG No. 91 / 21.10.2008, effective 21.10.2008, SG No. 7 / 27.01.2009, SG No.25 / 3.04.2009, amended, SG No.62 / 4.08.2009, SG No.93 / 24.11.2009, effective 24.11.2009, amended and supplemented, SG No. 31 / 23.04.2010, effective 23.04.2010, SG No.52 / 9.07.2010, amended, SG No.58 / 30.07.2010, effective 30.07.2010, amended and supplemented, SG No. 69 / 3.09.2010, effective 3.09.2010, SG No.61 / 9.08.2011, amended, SG No.80 / 14.10.2011, effective 14.10.2011, SG No.105 / 29.12.2011, effective 15.01.2012, SG No.24 / 23.03.2012, effective 23.03.2012, SG No.47 / 22.06.2012, SG No.62 / 12.07.2013, effective 3.07.2013, SG No.80 / 13.09.2013, effective 13.09.2013, SG No.87 / 4.10.2013, effective 4.10.2013, supplemented, SG No.13 / 14.02.2014, effective 14.02.2014, amended, SG No.15 / 21.02.2014, effective 21.02.2014, SG No.102 / 12.12.2014, effective 12.12.2014, amended and supplemented, SG No. 58 / 26.07.2016, SG No.96 / 2.12.2016

Chapter One

GENERAL PROVISIONS

Article 1. These Regulations shall regulate the conditions and procedures for application of the State Property Act concerning acquisition, management and disposal of properties and objects that are state property, as well as deed procedure and derecognition of state-owned property from the deeds books.

Article 2. These Regulations shall apply to property and objects the substantive law regime of which is governed by special pieces of legislation to the extent that they do not provide otherwise.

Article 3. (1) (Amended - SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective from 12.12.2014) Management of properties constituting state property as well as acquisition and disposal thereof shall be carried out under the methodological guidance of the Minister of Regional Development and Public Works.

(2) (Amended - SG No.61 / 2011) Management of movable objects constituting state property as well as acquisition and disposal thereof shall be carried out under the methodological guidance of the Minister of Finance.

Article 4. (1) Properties and objects constituting private state property may be contributed as a non-monetary contribution to the capital of companies with state participation on the basis of an act of the Council of Ministers under the procedure provided for in the Commerce Act and in the Regulations on the Procedure for Exercising the Rights of the State in Companies with State Participation in the Capital, adopted by Council of Ministers Decree 112 of 2003. (Promulgated SG No.51 / 2003; amended and supplemented SG No.59 / 2003; Ruling No 8260/2005 of the Supreme Administrative Court - SG No.79 /2005).

(2) The capital of single owner companies with state participation may be reduced by the value of properties and objects that are contributed to its capital on the basis of a decision of the Council of Ministers or of the respective minister according to his sectoral competence.

(3) Properties and objects, by the value of which the capital of single owner companies with state participation is reduced, shall acquire private state property status and shall be managed by the head of the state institution exercising the rights of the state in the respective company.

Article 5. (1) (Amended - SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Properties constituting private state property, which after their granting for management by the Regional Governor have acquired the status of properties constituting public state property, shall be announced such by a decision of the Council of Ministers on a motion of the Minister of Regional Development and Public Works. The Minister shall draft the motion on the basis of a reasoned report by the regional governor.

(2) (Amended - SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Properties constituting public state property, which have acquired the status of properties constituting private state property, shall be announced such by a decision of the Council of Ministers on a motion of the Minister of Regional Development and Public Works. The Minister shall prepare the motion on the basis of a reasoned report by the head of the institution managing the property and of an opinion of the regional governor.

Chapter Two

MANAGEMENT OF PROPERTIES AND OBJECTS CONSTITUTING - STATE PROPERTY

Article 6. (1) Granting of properties constituting public state property for management to institutions to perform their functions shall be made by a decision of the Council of Ministers.

(2) Granting of properties constituting public state property for management to municipalities to perform their functions as well as for sustainable fulfilment of public needs of local significance shall be made by a decision of the Council of Ministers after a decision of the respective municipal council and a substantiated motion of the regional governor. Based on the decision of the Council of Ministers, the regional governor shall conclude a contract setting out the rights and obligations of both parties.

(3) Properties constituting private state property shall be granted for management to institutions and municipalities to perform their functions by an order of the regional governor. On the basis of the order, the regional governor shall conclude a contract setting out the rights and obligations of both parties.

Article 7. (1) The activity of the Council of Ministers under Article 6, paragraph (1) shall be assisted by the Commission for Allocation and Usage of State-Owned Administrative Buildings, hereinafter referred to as "the Commission".

(2) (Amended SG No.58 2010, effective 30.07.2010, SG No.61 / 2011, SG No.62 / 2013, effective 3.07.2013, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Commission under para 1 shall include representatives of the Council of Ministers, the Ministry of Finance, the Ministry of Regional Development and Public Works, the Ministry of Culture, the Ministry of Interior, the Ministry of Transport, Information Technology and Communications, the Ministry of Justice, the Ministry of Defence, the Ministry of Education and Science, the Ministry of Agriculture and Food, the Ministry of Economy, Energy and Tourism and the Regional Governor of Sofia Region.

(3) The Prime Minister shall appoint the composition of the Commission and shall approve its operating rules.

(4) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Ministry of Regional Development and Public Works shall provide the necessary conditions for operation of the Commission and the means for its activity.

(5) (Supplemented, SG No.61 / 2011, amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Minister of Regional Development and Public Works or an official authorized by him shall be the Chairman of the Commission.

Article 8. (Amended, SG No.61 / 2011) Requests for the provision of properties constituting public state property to institutions shall be submitted to the Chairman of the Commission. A reasoning shall be attached to the request.

Article 9. (1) The Commission shall examine the requests within one month of receiving them. In case that vacant suitable properties exist, the Commission shall schedule an open session, to which authorized representatives of the interested institutions and the regional governor where the property is located shall be invited to attend.

(2) The Commission may entrust additional checks and require additional data from the institutions concerned.

(3) In the presence of suitable properties, the Chairperson of the Commission shall submit a motion to the Council of Ministers for the granting the property.

(4) Where the Commission considers that the request is unfounded, inappropriate or no adequate suitable properties are available, its decision together with the reasons for the refusal shall be sent to the institution concerned within 7 days of its adoption.

Article 10. (1) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Based on the decision of the Council of Ministers under Article 6, paragraph 1 and 2, handing over and acceptance of the property shall be carried out by a protocol in a form approved by the Minister of Regional Development and Public Works. The term for handing over and acceptance of the property shall be determined in the decision of the Council of Ministers.

(2) A copy of the decision of the Council of Ministers shall be sent to the regional governor where the property is located, so that the new circumstances in the state ownership title deed are entered.

Article 11. (1) Objects constituting private state property shall be granted free of charge to state-funded legal entities by an order of the head of the institution, of the regional governor respectively.

(2) Objects constituting private state property with a carrying amount of over BGN 10,000 shall be granted in accordance with paragraph 1, having received the consent of the Minister of Finance. The request to the Minister of Finance shall be made by the regional governor or by the head of the institution managing the objects.

(3) (Supplemented, SG No.61 / 2011) The request to the Minister of Finance shall contain the substantiated motion of the legal person concerned, evidence that it is state-funded, a list of the objects constituting private state property individualized by type, quantity and total carrying amount.

(4) (Amended, SG No. 58 / 2016) In the cases under paragraph (2), where the institution or organisation concerned is a second level spending unit, the opinion of the first level spending unit shall also be attached.

(5) The order for granting objects - private state property provided in paragraph 2 - 4 shall not apply in the cases under Article 28, paragraph 3 of the State Property Act.

Article 12. (1) (Amended, SG No.61 / 2011) The management of facilities, properties and objects constituting state property shall include the right of the state-funded institutions and legal entities to possess, use and maintain them on behalf of the state at their own expense and on their own responsibility.

(2) (Amended, SG No.61 / 2011, SG No.58 / 2016) Facilities, properties and objects under par. 1 shall be entered in the balance sheet of the institution, of the state-funded legal entities and of the state enterprises established in accordance with Article 62, paragraph 3 of the Commerce Act, within one month from the drafting of the protocol for handing over and acceptance of the assets, unless otherwise specified by the standards and instructions of the Minister of Finance under Art. 164, paragraph 1 and 3 of the Public Finance Act.

(3) (Repealed, SG No.61 / 2011).

(4) (Repealed, SG No.61 / 2011).

Article 12a. (New - SG No.96 / 2016) Built-up properties constituting public state property shall be covered by compulsory insurance, including against natural disasters and earthquakes.

CHAPTER THREE

RENTING OUT PROPERTIES – PRIVATE STATE PROPERTY

Article 13. (1) Real properties or parts thereof, constituting private state property, shall be leased out by the respective minister, regional governor or head of another institution after carrying out an auction.

(2) The auction shall be opened by an order of the minister, of the regional governor or of the head of the institution, specifying:

1. properties or the parts thereof, which will be leased, and the term of lease;
2. initial rental price determined under the procedure of Article 41;
3. purpose of properties or of the parts thereof;
4. type of auction - with sealed or open bidding;
5. date, place and time of the auction;
6. other specific conditions.

(3) The auction shall be conducted in accordance with Chapter Five and shall be concluded by an order of the minister, of the regional governor or of the head of the institution determining the person that has won the auction and the rental price.

(4) On the basis of the order under paragraph 3 the minister, the regional governor or the head of institution shall sign a rental contract.

(5) Renting out of properties pursuant to Article 16, paragraph 2 of the State Property Act shall also be carried out in accordance with paragraph 1 - 4. In the order for opening the auction, the minister, district governor or head of institution shall substantiate the necessity of renting out the property constituting public state property.

(6) (Supplemented, SG No.61 / 2011) Renting out of properties provided for management to state-owned enterprises under Article 62, paragraph 3 of the Commerce Act shall also be carried out in accordance with 1 - 5. The orders under paragraph 2 and 3 shall be issued by the manager of the enterprise and shall be approved by the responsible minister or an official authorized by him and the contract under par. 4 shall be concluded by the manager of the enterprise.

Article 14. (1) Real properties - private state property may be rented out without an auction for health, educational or humanitarian purposes for the social fulfillment of the respective needs of the population, by the minister, regional governor or head of institution to which the interested persons submit a substantiated request.

(2) Real properties - private state property may be rented out without an auction to non-profit legal entities, designated for the purpose of public benefit activity, by the minister, regional governor or head of institution to which the interested persons submit a substantiated request.

(3) The minister, head of institution or regional governor shall appoint a commission, which shall consider the requests under paragraph 1 and 2 and, in the presence of appropriate vacant premises, shall draw up a draft order.

(4) The minister, head of institution, or regional governor shall issue an order, which shall specify the tenant, the term and the rental price, as determined under Article 40 paragraph 1. A rental contract shall be made on the basis of the order, setting out rights and obligations of the parties.

Article 14a. (New, SG No.61 / 2011) (1) Individual properties or parts of properties constituting public state property may be rented out for up to 10 years without an auction to international organizations where this is necessary for the performance of obligations under an international treaty by the minister, the head of another institution or the regional governor that the interested parties make a reasoned request to.

(2) The minister, the head of another institution or the regional governor shall appoint a commission, which shall consider the requests under paragraph 1 and, in the presence of appropriate vacant premises, shall draw up a draft order.

(3) The Minister, the head of another institution or the regional governor shall issue an order, which shall determine the tenant, the term and the rental price, determined under Article 40 paragraph 4. A rental contract shall be made on the basis of the order, setting out rights and obligations of the parties.

Article 15. Properties constituting private state property shall be rented out by a decision of the Council of Ministers to meet the administrative needs of central leaderships of political parties, meeting the requirements of Article 31 of the Political Parties Act.

Article 16. (1) Requests for provision of rental properties constituting private state property for the needs of central leaderships of political parties and their regional structures on the territory of Sofia shall be submitted to the Commission for Allocation and Usage of Administrative Buildings Constituting State Property which shall examine them within one month.

(2) The request under paragraph 1 shall be accompanied by documents proving the financial capacity of the party to pay the rent.

(3) In the presence of suitable property – constituting private state property, the Chairman of the Commission shall submit to the Council of Ministers a motion for a decision.

(4) No properties shall be rented out to central leaderships of political parties if they have public claims due.

Article 17. (1) Requests for provision of rental properties constituting private state property for the needs of the central or regional structures of political parties outside the territory of Sofia, shall be addressed to the respective regional governor, observing the requirements of Article 15 and Article 16, paragraph 2 and 4.

(2) The regional governor shall consider the requests under paragraph 1 and in the presence of suitable property constituting private state property shall issue an order.

Article 18. (1) Based on the decision of the Council of Ministers under Article 15 or on the order of the regional governor under Article 17, paragraph 2 for determining the tenant, a rental contract shall be signed by the regional governor or an official authorized by him.

(2) The rental price in the contract shall be determined in accordance with Article 40 paragraph 3.

Article 19. (Amended, SG No.61 / 2011) Properties rented shall only be used for the purpose intended. The properties may not be subrented or used jointly with third parties.

Article 20. (1) The rental contract shall specify the procedure for handing over and acceptance of the property, the rights and obligations of the parties, the rental price, the term, the liability for non-performance, the maintenance (current and major repairs) and other conditions.

(2) The rental contract shall be terminated on the grounds and in accordance with the procedure stipulated by the Obligations and Contracts Act, as well as when the political party ceases to meet the requirements of Article 31 of the Political Parties Act.

Article 21. The tenant occupancy of residential departmental properties, constituting state property shall be in the discretion of the head of the institution at prices determined in accordance with Article 33.

Article 22. (1) The right to accommodation in state departmental residential properties shall have persons, who are in employment or service relationship with the respective institution, if they and the members of their families:

1. do not have a residential property or a villa suitable for permanent habitation in the same locality;

2. (Supplemented, SG No.61 / 2011) during the last 5 years before submitting the application for accommodation have not transferred the title of a residential property or a villa suitable for permanent habitation to persons other than the state or municipality, and in the cases of termination of co-ownership.

(2) The circumstances under para. 1 shall be established by a declaration of the person.

(3) Persons who hold elective office for the term of their mandate or who have been appointed as heads or deputy heads of institutions and members of political cabinets for the period during which they occupy this position may also be accommodated in department residential properties, if they and their family members do not own a residential property or a villa suitable for permanent habitation in the locality where they work.

(4) Tenant occupancy of residential properties granted for management to state-owned enterprises under Article 62, paragraph 3 of the Commerce Act shall be decided upon by the head of the enterprise in accordance with this Chapter.

(5) (New, SG No. 61 / 1911) Children of an employee of the institution who died in the event of or in the performance of his official duties may be accommodated in departmental residential properties if they and their parent, guardian or trustee do not own a residential property or a villa suitable for permanent habitation in the same locality.

(6) (New, SG No. 61 / 2011) The term of accommodation of persons under paragraph 5 shall be until reaching 18 years of age or until reaching 20 years of age if undergoing a full-time education at a secondary school and 25 years of age if undergoing a full-time education at a higher education institution.

(7) (New, SG No.58 of 2016) Persons, whose rental relations with the state have been terminated through their own fault or have been incorrect in previous rental relations with the state, shall not be entitled to accommodation in state departmental residential properties.

(8) (New, SG No.58 / 2016) The circumstances under paragraph 7 shall be established by a declaration of the person.

Article 23. The criteria for determining and grading the housing needs of persons referred to in Article 22 and the criteria for increasing or decreasing the basic rental price shall be determined by rules approved by the head of the relevant institution.

Article 24. (1) The head of the institution shall appoint by a written order a housing committee, which shall in particular:

1. file and keep submitted applications with attached documents and declarations of persons under Article 22;
2. determine the degree of the housing needs;
3. prepare a draft of vacant housing distribution in compliance with the established housing norms and propose it to the head of the institution for approval.

(2) The draft housing distribution shall be announced at a designated place in the institution. Within 7 days of the announcement, applicants for housing may lodge objections to the declared draft distribution.

(3) The objections received shall be examined by the head of institution within 14 days. The list approved by the head of the institution shall be final and non-appealable.

Article 25. (1) Accommodation in the vacant housing shall be arranged by an order of the head of institution in compliance with following maximum norms:

1. for a single employee and for a two-member family – a one-bedroom apartment;
2. for a three-member family – a two-bedroom apartment;

3. (Supplemented, SG No.61 / 2011) for a family of 4 or more members – a four-bed and larger residential property.

(2) When determining the housing needs, a child conceived shall also be taken into account.

(3) Only one family shall be accommodated in one residential property.

(4) The accommodation order applies to all family members.

Article 25a. (New, SG No.58 / 2016) Where there are no applicants for accommodation meeting the requirements of Article 22 and the norms under Article 25 paragraph 1, candidates who meet the requirements of Article 22 may be accommodated in the vacant housing, irrespective of the number of members of their family.

Article 26. In the event of a change in the housing needs determined in accordance with the provisions of Article.25, the accommodated family may be provided with another residential property to be rented depending on the available housing stock.

Article 27. On the basis of the accommodation order, a written rental contract shall be signed that specifies: procedure for handing over and acceptance of the property; rights and obligations of the parties; rental price; term; responsibility for non-performance of obligations; maintenance and other terms of the rental relationship.

Article 28. Rental relationship shall be terminated in accordance with the Law on Obligations and Contracts and under the terms and conditions laid down in the contract.

Article 29. (1) In the event of death of the person whom the placement order is issued to, the rental relationship shall be terminated with the surviving spouse and / or with the representative of his / her juvenile children after two years since the death.

(2) When the death of the person under paragraph 1 has occurred as a result of an accident at work, the rental contract shall be terminated after the youngest child of the deceased has reached majority.

Article 30. (1) The right to receive accommodation in studios for individual creative activity shall have employees of the institution meeting following conditions:

1. to be researchers with an academic rank in a field related to the functions of the institution;
2. not to have a studio for creative purposes;
3. not to have transferred the ownership of a studio for creative purposes to third persons during the last 5 years prior to the application for accommodation.

(2) (Amended, SG No. 61 / 2011) The criteria for determining and grading the need for studios for individual creative activity shall be determined in accordance with the Rules under Article 23, approved by the head of the respective institution.

Article 31. (1) Renting out of institutional garages and parking spaces shall be carried out in accordance with the conditions and procedure determined by the rules under Article.23, approved by the head of the respective institution.

(2) Accommodation in and vacation of institutional garages and parking spaces shall be carried out in accordance with the order provided for accommodation and vacation of state housings.

Article 32. Renting out of state owned garages and parking spaces - state property, which are not provided to the institutions, shall be performed by the regional governor after carrying out an open auction.

Article 32a. (New, SG No.61 / 2011) (1) The regional governor of the state-owned property, or the head of the institution that the property is given to for management, shall conclude a written contract for life use with persons entitled under § 65 of the Transitional and Final Provisions of the Law Amending and Supplementing the State Property Act (SG No.87 / 2010) who have filed within the statutory deadline an application and declaration for the presence of the circumstances under paragraph 1 of § 65.

(2) The contract under paragraph 1 shall determine the rights and obligations of the parties, the price of using the state-owned property, determined pursuant to the order of Chapter Four, liability for non-performance, maintenance of the property and other conditions.

(3) The contract under paragraph 1 shall be terminated in accordance with the Obligations and Contracts Act and under the terms and conditions stipulated in the contract.

Chapter Four

DETERMINING THE RENTAL PRICE

Article 33. The rental price of departmental residential properties, studios and garages shall be determined per 1 square meter of useful area according to the category of the settlement and the zone in which the residential property falls within the meaning of the Local Taxes and Fees Act, the construction of the building, the location of the residential property in height, the predominant exposure and its public facilities as well as the properties of the environment in accordance with Annex 1.

Article 34. (1) The basic rental price per 1 sq. m useful area is BGN 1 and refers to a residential property with the following characteristics:

1. location of the residential property according to the category of the settlement and the zone it falls within:

a) first zone - in category III settlements;

b) second zone - in category II settlements;

c) third zone - in category I settlements;

d) fourth zone - in zero category settlements - Sofia;

2. building structure - code M2;

3. location of the residential property in height - first floor;

4. Exposure - predominantly west for residential (non-service) premises.

(2) Where residential property's indicators differ from those specified in paragraph 1, the rental price shall be determined in accordance with Annex 1.

(3) The codes for the various types of buildings structures are determined in accordance with Annex 2.

Article 35. (1) Heads of institutions may reduce the basic rental price by up to 10% or may increase it by up to 40% in case that the residential property has indicators that are not specified in Annex 1.

(2) (Amended, SG No.58 / 2016) Where the residential property rented exceeds the normatives determined in Article 25 paragraph 1 for the living premise / premises with the largest area, which exceeds/exceed these norms, the rental price shall be doubled.

Article 35a. (New, SG No.51 / 2007, supplemented SG No. 7 of 2009) The rental price of residential properties of the Institutional Residential Fund of the Ministry of Defence and of the State Agency for National Security shall be determined in accordance with this Chapter with a 50 percent discount on the base rental price.

Article 36. The rental price of living premises in dormitories shall be determined by the rectors of the higher education institutions or by the heads of institutions which they are assigned to for management.

Article 37. The rental price of creative studios shall be set at twice the rental price of a residential property with the same useful area and indicators. This price shall also be the basis for determining the initial rental price when conducting rental auctions.

Article 38. The rental price of garages shall be determined in triplicate to the base rental price per 1 sq. m useful floor area for residential properties adjusted by the category indicator of the settlement, the zone which they fall in and the available technical infrastructure. This price shall also be the basis for determining the initial rental price when conducting rental auctions.

Article 39. The rental price for parking spaces shall be determined in accordance with Art.38, adjusted by a factor of 0,70 for parking places in underground parkings of residential buildings or with a factor of 0,50 for overground parkings in the landed property.

Article 40. (1) The rental price of premises intended for thealth, educational and humanitarian activities for social fulfillment of the respective needs of the population or of non-profit legal entities, determined for the performance of public benefit activities, shall be

determined in triplicate to the rental price of a residential property with the same useful area and indicators.

(2) (Repealed, SG No.61 / 2011).

(3) The rental price of premises provided for the needs of the central and regional political party leaderships shall be determined in accordance with the Political Parties Act. In this case, the depreciation rates laid down in Article 22 of the Corporate Income Tax Act shall apply in determining the rental price.

(4) (New - SG No.61 / 2011) The rental price of premises rented out to international organizations shall be set at a five-fold amount to the rental price of a residential property with the same useful area and indicators.

Article 41. (1) (Amended, SG No. 31 / 2010, effective 23.04.2010) The initial rental price for conducting auctions for the renting out of property for administrative, production and business purposes may not be lower than the amount of the rental price of a residential property with the same useful area and indicators increased up to 40 times depending on the real market rental prices for the respective region.

(2) (Amended, SG No. 61/2011) The initial rental price under paragraph 1 may be reduced to 30 per cent in the absence of candidates for the first auction.

(3) (new - SG No.91 / 2008, effective 21.10.2008, revoked, SG No.61 / 2011).

(4) (New SG No.25 / 2009, amended, SG No.52 / 2010) The initial rental price for conducting auctions for renting out of seaside beaches which are not granted on concession, may be reduced by up to 30 per cent in case of non-appearance of candidates on the first auction and where a single candidate appears whose application for participation does not comply with the statutory and auction conditions for performing the auction.

(5) (Amended, SG No. 61 / 2011) The initial rental price for conducting auctions for the renting out of non-built-up properties or parts of properties shall be determined in accordance with Art. 38, adjusted by a coefficient $C_{nbp}=0,50$.

(6) (New, SG No.61 of 2011) The initial rental price pursuant to paragraph 5 may be reduced by 30 per cent in the absence of candidates for the first auction.

(7) (New, SG No.52 / 2010, former paragraph 5, amended, SG No. 61 / 2011) Under the conditions of paragraph 2, 4 and 6 the initial rental price may be reduced by 50 per cent at subsequent auctions.

Chapter Five

ENFORCED ALIENATION, ACQUISITION AND DISPOSITION OF PROPERTIES AND OBJECTS THAT ARE PRIVATE STATE PROPERTY

(Title Amended, SG No.61 / 2011)

Article 41a. (New, SG No.61 / 2011) The arrangements provided for national sites for enforced appropriation and changing of the purpose of wooded areas and agricultural lands shall also apply to landed properties affected by the displacement of existing networks and facilities of the technical infrastructure.

Article 41b. (New, SG No.61 / 2011) Where private properties consisting of agricultural land and wooded areas need to be appropriated by compulsion and a property constituting private state property from the state land fund and from the wooded areas constituting state property should be provided as an equivalent compensation, but the areas provided as compensation are not sufficient, the plan for compensation shall include the largest real estate properties until the entire allocated area is used, and for properties for that no property compensation can be provided for, an equal pecuniary compensation shall be provided.

Article 42. (1) (Amended, SG No.61 / 2011) The sale of properties constituting private state property with a tax assessment of up to BGN 10,000 shall be carried out by the regional governor after conducting an auction.

(2) (Repealed, SG No.61 of 2011, new, SG No.58 of 2016) The proceeds from the sale under paragraph 1 shall be credited to the budget of the respective regional governor constituting a party to the transaction.

(3) (Amended, SG No. 61 / 2011) The sale of properties constituting private state property allocated for management to the Ministry of Defence, which have a tax assessment of up to BGN 500,000, shall be executed by the Minister of Defence after conducting an auction.

(4) (New, SG No. 61 / 2011) The sale of a property constituting a private state property, allocated for management to the Ministry of Defence, which has a tax assessment that exceeds BGN 500,000, shall be performed by a decision of the Council of Ministers upon a motion of the Minister of Defence. Based on the decision of the Council of Ministers, the Minister of Defence shall conduct an auction.

(5) (New, SG No. 61 / 2011) The sale of a property constituting a private state property acquired or allocated for management to a state enterprise under Article 62, paragraph 3 of the Commerce Act, which has a tax assessment that exceeds BGN 500,000, shall be performed by the Minister exercising the rights of the state in the enterprise upon a decision of the Council of Ministers. On the basis of the decision of the Council of Ministers, the minister, who exercises the rights of the state in the enterprise shall conduct an auction.

Article 43. (1) (Amended, SG No.61 / 2011) The regional governor, the Minister of Defence or the Minister exercising the rights of the state in the state enterprise under Article 62 paragraph 3 of the Commerce Act shall open the auction procedure with an order containing:

1. description of the property;
2. type of auction - with secret or open bidding;
3. starting price;

4. method of payment and possible collateral;
5. date, place and time of the auction;
6. special requirements for the participants when the nature and purpose of the property so require;
7. amount of the deposit;
8. bidding step - in an open bidding auction;
9. other auction conditions.

(2) The order under paragraph 1 shall also approve the auction documentation, conditions for inspection of the site, composition of the auction committee and the deadline for acceptance of the applications for participation.

(3) The auction documents shall indicate the documents to be submitted with the applications for participation.

(4) The auction committee shall consist of 3 to 5 members, necessarily including a lawyer and an economist.

(5) (Amended, SG No. 47 / 2012) Two reserve members shall also be specified in the order for appointment of the committee

(6) The deposit determined may not be less than 0.5 per cent of the initial price.

Article 44. (1) (Amended, SG No.52 / 2010, SG No.96 / 2016) Conditions of the auction, defined in the order under Art. 43, paragraph 1 shall be published in at least two national daily newspapers as well as on the website of the relevant administration at least 30 days before the closing date for submission of applications for applications, and for subsequent auctions - at least 15 days before the closing date for submission of applications for participation.

(2) The terms and conditions of the auction shall also be announced on a visible place in the building of the respective administration within 3 days from its issuance, and in the cases of sale of properties under Article 59 - in the buildings of the respective institutions or enterprises as well.

Article 45. (1) (Amended, SG No.52 / 2010) The open bidding auction may be held in case that at least two candidates have submitted an application for participation in compliance with the statutory and auction conditions of the auction.

(2) (Amended, SG No.31 of 2010, effective 23.04.2010) Where only one candidate among the persons that have submitted applications for participation appears at the open bidding auction, the auction shall be postponed for two hours and if no other bidder appears after that period, the bidder shall be declared to have won at the price he / she proposes, which may not be lower than the initial auction price.

(3) (Supplemented, SG No.31 / 2010, effective 23.04.2010) Where no candidate appears at the open bidding auction, it shall be declared nonperformed and the regional governor or the respective Minister shall schedule a new auction within one month.

(4) Where one bidder only appears at the auction held once more in the case under paragraph 3, he / she shall be declared to have won at his / her proposed price, which may not be lower than the initial auction price.

Article 46. In the event of circumstances that make the opening of the auction or its closure impossible, the committee shall draw up a report on the basis of which the regional governor or the minister shall determine by an order the conducting of a new auction or termination of the procedure.

Article 47. (1) The chairperson of the committee shall check the presence of its members on the day and time set for the auction, and shall announce the opening of the procedure.

(2) Persons authorized by the candidates that have submitted applications for participation shall appear and make themselves known to the auction committee by presenting an identity document and a document certifying the representative authority.

(3) (Supplemented, SG No.31 of 2010, effective 23.04.2010) In case that the representative of any of the candidates does not appear on the day and time specified for the open bid auction, the committee shall suspend him from participation, and the deposit he has deposited shall be retained.

Article 48. (1) In the case of an open bidding auction, prior to the start of the auction the chairman of the committee shall invite all candidates admitted to confirm the initial auction price orally in the order of submission of the applications.

(2) Where any of the admitted candidates refuses to confirm the initial auction price, the chairperson shall not allow this candidate to continue to participate in the procedure and the deposit for participation he has deposited shall be retained.

(3) The chairman of the committee shall announce the initial price from which the bidding shall start and the bidding step, which may not be less than 1 per cent and more than 10 per cent of the initial auction price.

(4) Bidding shall be made by participants announcing consecutive amounts above the initial price, distinguished by a sound signal from the chairman of the committee. Any price increase shall be equal to the bidding step.

Article 49. (1) Participants shall declare the amounts proposed loudly and clearly and shall be bound by them without the right to plead an error.

(2) Before the third announcement of the last proposed amount, the chairman shall make a warning that it is the last one and, should there be no other proposals, the auction shall end with an acoustic signal. The chairman shall announce the final price proposed and the successful auctioneer.

(3) The commission shall draw up a protocol of the auction held and its results indicating the incoming numbers of the applications for participation of the candidates, their names, the payment documents for the deposits paid, other circumstances regarding the regularity of the submitted documents and the prices proposed.

(4) A copy of the protocol of the auction held shall be handed over to the successful auctioneer and, upon a written request, to the other interested parties as well.

Article 50. (1) Where, upon an explicit invitation by the chairman, the bidders who have confirmed the initial auction price do not participate in the bidding, the deposits they have deposited shall not be refunded and the auction shall be terminated.

(2) The deposit shall not be returned also to a participant who has been designated as the successful auctioneer, but has refused to pay the price he has proposed.

Article 51. (1) (Amended and supplemented, SG No.52 / 2010) The sealed bid auction may be held in the event that at least one bidder has submitted an application for participation compliant with the statutory and auction conditions for conducting an auction. The sealed bid auction shall be conducted with participants submitting written price proposals with the application forms.

(2) The applicant or his authorized representative shall submit the application for participation in a sealed opaque envelope personally or by post with registered letter with acknowledgment of receipt, indicating on the envelope an address for correspondence, telephone and, if possible, fax and e-mail address.

(3) The price proposed shall be presented in a separate sealed opaque envelope marked "Proposed price", placed in the envelope with the application for participation.

(4) Upon acceptance of the application for participation, the envelope shall be marked with a serial number, date and hour of receipt and these data shall be entered in an incoming register, for which a document shall be issued to the bearer.

(5) Application forms, which are submitted after the deadline or are in an unsealed, transparent or torn envelope, shall not be accepted and shall be returned immediately to the candidates. These circumstances shall be noted in the respective incoming register.

Article 52. (1) On the day of the auction, the committee shall open the envelopes submitted in the order of their receipt and shall ascertain the regularity of the documents submitted.

(2) Auctioneers or their authorized representatives may attend the opening and consideration of the price proposals by the committee.

Article 53. (1) The committee shall record in the protocol for examination, evaluation and ranking of the price quotations the incoming numbers of the applications for participation of the candidates, their names, the payment documents for the deposit paid, other circumstances regarding the regularity of the submitted documents and the prices proposed.

(2) The price proposals shall be signed by at least three members of the committee.

Article 54. (1) Properly submitted bids shall be ranked in descending order of the price proposed.

(2) In case that two or more candidates have proposed the same highest price, the chairman of the committee shall announce the result, enter it in the protocol and shall set a deadline for the opening of an open bid auction between these candidates.

(3) The chairman of the committee shall notify in writing or by fax the participants proposing the same highest price for the day and hour for the conducting of the open bid auction under paragraph 2.

(4) The open bid auction under paragraph 2 shall be held in accordance with Article 47 - 50, with bidding starting at the bid price with a bidding step of 10 per cent of that price.

(5) The results of the open bid auction under paragraph 2 shall be reflected in the protocol under Article 53, paragraph 1.

Article 55. (1) Based on the results of the auction, within 7 days from the date of its execution, the regional governor or the respective minister shall issue an order determining the buyer, the price and the payment conditions.

(2) The order shall be communicated to the participants in the auction in accordance with the Administrative Procedure Code.

(3) Interested participants may appeal the order under paragraph 1 in accordance with the Administrative Procedure Code.

Article 56. The order under Article 55, paragraph 1 shall be announced in the building of the respective administration on a place that is accessible to all interested persons, and on the web site of the respective institution.

Article 57. (1) The successful auctioneer shall be obliged to pay the price, taxes, fees and overheads due within 14 days from the entry into force of the order under Article 55, paragraph 1.

(2) (Supplemented, SG No.61 / 2011) Where the successful auctioneer does not pay the price, taxes, fees and overheads due within the term under paragraph 1, it shall be assumed that he has given up the transaction.

(3) In the case under paragraph 2 the regional governor or the respective minister may terminate the auction or designate as the buyer the participant who has offered the price next in size.

(4) (Supplemented, SG No.61 / 2011) If the buyer under paragraph 3 does not pay the price, due taxes, fees and overheads within 14 days, a new auction shall be scheduled.

(5) (New, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) In the event that a single auctioneer has appeared in the auction and he has offered a sale price of over BGN 3 million, the payment of the price may be deferred at the request of the successful auctioneer for up to one year from the entry into force of the order under Article 55, paragraph 1, payment being made in equal monthly instalments. During the rescheduling period, the buyer shall owe interest at the basic interest rate. In the case of a delayed payment by the buyer, he shall owe the statutory interest.

(6) (New, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) The application for deferred payment shall be submitted to the respective Minister within the time limit referred to in Article 57, paragraph 1.

(7) (New, SG No.69 / 2010, effective 03.09.2010, revoked, SG No.61 / 2011).

(8) (New, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) The body under paragraph 6 shall decide on the application for deferred payment within 14 days.

(9) (New, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) Upon consent for deferred payment, the successful auctioneer shall insure the property in favour of the state for the period of the deferment, if it is built up, and shall pay the first monthly installment, taxes, fees and overheads due within 14 days of the notification under paragraph 8. Where the successful auctioneer does not insure the property in favour of the State for the period of deferment if it is built up and does not pay the first monthly installment, taxes, fees and overheads due within 14 days of the notification of the consent, it shall be assumed that he has given up the transaction.

(10) (New, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) In the case of late payment of a monthly installment due for more than two months, the respective Minister shall terminate the contract. In this case, seller shall retain the deposit paid, taxes, fees, interest and overheads.

(11) (New, SG No.69 / 2010, effective 03.09.2010) Under the conditions of a late payment, the deposit paid by the successful auctioneer shall be deducted from the last installment.

(12) (New, SG No.69 / 2010, effective 03.09.2010, repealed, SG No.61 / 2011).

Article 58. (1) (Supplemented, SG No.69 / 2010, effective 03.09.2010, amended, SG No. 61 / 2011) Based on the order in force under Article 55, paragraph 1 and appropriate documents submitted by the buyer for paid price, taxes, fees and overheads, respectively insurance of the property in favour of the state for the period of deferment if it is built up, paid first monthly installment, taxes, fees and overheads under Article 57, paragraph 9, the regional governor or the respective minister shall conclude a contract for sale of the property within 7 days.

(2) Ownership shall be transferred to the buyer from the date of conclusion of the contract.

(3) The contract shall be entered in the respective registry office at the expense of the buyer, following which the regional governor shall deregister the property of his own motion, he

shall record this circumstance in the state ownership title deed and shall enter the transaction in the deeds books for state property.

(4) (New, SG No. 69 / 2010, effective September 3, 2010) In the cases of a deferred payment under Article 57, paragraph 5 the ownership shall be transferred to the buyer after the payment of the last installment, following which the contract shall be entered in the respective registry office at the expense of the buyer and the regional governor shall perform the activities under paragraph 3.

Article 59. (1) (Amended, SG No. 61 / 2011) Pursuant to this chapter shall also be performed sales of properties constituting private state property with a tax assessment of up to BGN 500,000, acquired or granted for management to state-owned enterprises under Art. 62, paragraph 3 of the Commerce Act.

(2) (Amended, SG No. 61 / 2011) The auction procedure shall be opened by a decision of the minister exercising the rights of the state in the state-owned enterprise.

(3) (Supplemented, SG No.61 / 2011) The decision under paragraph 2 shall contain the requisites under Article 43 and the committee shall include at least one representative of the regional administration where the property is located and of the minister exercising the rights of the state in the state-owned enterprise.

(4) The auction committee shall draw up a protocol in which it shall reflect the data under Article 53, paragraph 1 and the results of the auction held.

(5) (Supplemented, SG No.61 / 2011) The authority under paragraph 2 or an official authorized by it shall approve the protocol of the committee and shall send it to the regional governor where the property is located together with all the auction documentation.

(6) The regional governor shall issue an order for determining the buyer, the price and the payment terms and shall sign the contract in accordance with Articles 56 - 58.

(7) (Amended, SG No.61 of 2011) Revenue from the sale of the objects under paragraph 1 together with the overheads shall be paid to the current accounts of the state-owned enterprises.

Article 60. (1) Limited real rights on properties constituting private state property: right to use, right to construct, right to raise a superstructure and an extension shall be established after holding an auction under the procedure of this chapter.

(2) In the conditions of the auction it may be foreseen the payment of the right to build to be effected by acquisition of title to objects in the newly built building on the basis of an evaluation carried out by an independent valuer.

(3) In the cases under paragraph 2 the right in rem shall be established in accordance with the terms and conditions laid down in the contract.

Article 61. (1) (Amended, SG No.61 / 2011) Exchange of a property constituting private state property or of a right to build on a property constituting private state property with a tax assessment of up to BGN 500 000, with a property or with a right to build on a property - owned by natural or legal persons, shall be carried out by the regional governor where the property constituting state property is located.

(2) (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Exchange of a property constituting private state property or of a right to build on a property constituting a private state property with a tax assessment exceeding BGN 500 000, with a property or with a right to build on a property - owned by natural or legal persons, shall be carried out by a decision of the Council of Ministers on a motion of the Minister of Regional Development and Public Works.

(3) (Former paragraph 4, SG No. 61 / 2011) Exchange of a property constituting private state property, granted for management to the Ministry of Defence, the tax assessment of which is over BGN 500 000, with a property owned by natural or legal persons, shall be carried out by a decision of the Council of Ministers upon motion of the Minister of Defence.

(4) (Former paragraph 3, Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Interested persons shall make a written proposal for exchange to the regional governor, the Minister of Regional Development and Public Works or the Minister of Defence.

(5) (Amended, SG No.61 / 2011) Where the property constituting private state property or the right to build on a property constituting private state property - subject to the exchange, is provided for management to an institution or a state-owned enterprise under Article 62, paragraph 3 of the Commerce Act, the proposal under paragraph 4 shall be addressed to the head of the institution or of the enterprise.

(6) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The regional governor, the Minister of Regional Development and Public Works respectively shall assign an independent valuer to make a market assessment of the exchangeable property or of the right to build. When the exchangeable property constituting state property is managed by the Ministry of Defence, the assessment shall be assigned by the Minister of Defence.

(7) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The regional governor, respectively the Minister of Regional Development and Public Works or the Minister of Defence shall inform interested persons about the assessments prepared under paragraph 6.

(8) (Repealed, SG No.61 / 2011).

(9) (Repealed, SG No.61 / 2011).

Article 62. (1) (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Minister of Regional Development and Public

Works shall be assisted by a commission, which examines the proposals for consent for disposition of properties constituting private state property in cases where this is provided for by the law. In the order for the appointment of the commission, the Minister shall determine:

1. names of the Commission members;
2. Rules of its activity;
3. (Supplemented, SG No.61 / 2011, revoked, SG No. 47 / 2012);
4. other conditions.

(2) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Wherever necessary, the Minister of Regional Development and Public Works may attract also consultants to the commission.

(3) (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The commission shall draw up a protocol for its operation proposing to the Minister of Regional Development and Public Works to consent to the execution of the disposition transactions under the specified conditions or to refuse their execution.

Article 63. (1) (Amended, SG No. 61 / 2011) The regional governor shall issue an order for the exchange of the property or of the right to build.

(2) (Amended and Supplemented, SG No.61 / 2011, amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Based on the decision of the Council of Ministers for exchange of the property or of the right to build on properties with a tax assessment of over BGN 500 000, the Minister of Regional Development and Public Works or the Minister of Defence shall issue an exchange order.

(3) (New, SG No.61 of 2011) The orders under paragraph 1 and 2 shall contain:

1. the price of each of the properties or of the right to build - subject of the exchange;
2. a description of the property or of the right to build and the documents certifying the rights;
3. the difference in the value of the property or of the right to build and the way of its payment;
4. the amount of the overheads, state fee and taxes payable by the parties to the exchange.

(4) (Previous paragraph 3 - SG, No.61 / 2011) The orders under paragraph 1 and paragraph 2 shall be served on the person - party to the exchange.

(5) (Previous paragraph 4 - SG No.61 / 2011) Where the property or the right to build on a property constituting private state property is of a higher value, the person - party to the exchange, shall pay the difference in the value of the property, taxes, fees and overheads within one month from the receipt of the orders under paragraph 3.

(6) (Previous paragraph 5 - SG No.61 / 2011) Where the property or the right to build on a property owned by natural or legal persons - a party to the exchange is of a higher value, the regional governor or the head of the institution managing the property shall transfer the difference between the value of the properties to the account of the person within one month after the other payments due under the order are made.

Article 64. (1) (Amended and Supplemented, SG No.61 / 2011, amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Based on the payments made under the order in force under Article 63, the regional governor, the Minister of Regional Development and Public Works or the Minister of Defence shall sign an exchange contract.

(2) The exchange contract shall be concluded in a written form and shall be entered in the registration offices where the property is located at the expense of the natural or legal person - exchanger.

Article 65. (1) The contract shall enter into force on the date of its conclusion.

(2) Within one month after the signing of the exchange contract, the regional governor shall ex officio deregister the property - private state property, from the state property deed books, he shall enter the circumstance in the state ownership title deed and shall draw up a private state ownership title deed for the newly acquired property.

(3) (Amended, SG No.87 of 2013, effective 4.10.2013, SG No.102 of 2014, effective 12.12.2014) The actual handing over and acceptance of the properties shall be done with an inventory protocol, approved by the Minister of Regional Development and Public Works after its recording in the Registry Office by the respective regional governor or head of institution managing the property subject of the exchange.

(4) The property acquired through the exchange shall be managed by the regional governor or by the head of the respective institution.

(5) The exchange of properties constituting private state property, provided for management to the state enterprises under Article 62, paragraph 3 of the Commerce Act, shall be carried out under the procedure of Articles 61 - 65 and the property acquired by way of exchange shall be managed by the state enterprise.

Article 66. The exchange rules shall apply also to voluntary partition of a property jointly owned by the State and natural or legal persons, as well as in the case of redemption pursuant to Article 36 of the Property deed.

Article 67. (1) The Council of Ministers may grant a right to use of a property constituting private state property free of charge to the central management of the trade unions and their regional management in Sofia for a period not exceeding 10 years for the performance of their functions.

(2) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Requests for the provision of the property shall be submitted to the Minister of Regional Development and Public Works. The application shall be accompanied by:

1. a detailed motivation;
2. a registration document;
3. a declaration concerning the properties constituting private state or municipal property used by the trade union, and the manner of their usage;
4. document for lack of public state obligations;
5. (Repealed, SG No.61 / 2011);
6. declaration that the property constituting private state property will be used for the fulfillment of their functions only.

(3) In the presence of vacant premises, the regional governor may establish a right to use of a property constituting private state property free of charge to the regional management of the trade unions for the performance of their functions. The request for the provision of the property shall be submitted to the regional governor with the documents under paragraph 2 attached to it.

(4) (Amended, SG No. 61 / 2011) Based on the decision of the Council of Ministers under paragraph 1 and the procedure in force under paragraph 3 the regional governor shall conclude a written agreement on the establishment of the right to use specifying the procedure for handing over and acceptance of the property, the rights and obligations of the parties, the term, the responsibility for non-performance of obligations; the maintenance (current and major repairs), the insurance, the termination of the contract and other terms of the contract.

(5) (Amended, SG No.61 of 2011) At the handing over of the property, a handing over and acceptance protocol shall be drawn up.

Article 68. (1) A transfer of ownership of objects that are property of the state, municipalities and other legal entities and organizations of municipal budget support shall be made by an order of the regional governor or of the head of the institution.

(2) Objects that are state property with a carrying amount of more than BGN 10,000 shall be transferred free of charge under the procedure of paragraph 1 with the consent of the Minister of Finance. The request to the Minister of Finance shall be made by the regional governor or by the head of the institution that manages the objects constituting state property, based on a reasoned request of the persons under paragraph 1.

(3) The request to the Minister of Finance for consent shall contain an opinion of the petitioner with a reasoned request of the interested municipality or of other legal entities and

organizations under budget support attached to it, a list of the objects with their individual characteristics, quantity and their total book value.

Article 69. (1) The sale of unnecessary and unfit objects that are private state property, as well as of materials resulting from the clearing of construction sites shall be carried out by the regional governor, respectively by the head of institution, under conditions and following a procedure determined by the Minister of Finance unless otherwise provided for in a statutory instrument.

(2) (Amended, SG No.58 / 2016) Management and disposition of objects constituting private state property, which are managed by persons under state budget support outside the country, shall be carried out under conditions and following a procedure determined by the respective first level spending unit.

Chapter Six

SALE AND EXCHANGE OF STATE-OWNED RESIDENTIAL AND OTHER PROPERTIES

Section I

Sale and exchange of state-owned residential properties, studios and garages

Article 70. Under the terms and according to the procedure of this Chapter, the following shall be carried out:

1. Sale of residential properties, studios for individual creative activity and garages constituting private state property, to tenants housed there;
2. Exchange of state residential properties, studios for individual creative work and garages with residential properties, studios for individual creative activity and garages - property of the workers and employees of the institution.

Article 71. (1) The sale of public residential properties shall be carried out in order to satisfy the housing needs of the tenants accommodated therein who meet following conditions:

1. (Amended, SG No.61 / 2011) to be civil servants or employees under an employment relationship in the administration or members of the armed forces and to have at least three years of service in the respective administration, in the Ministry of Defence, in the structures directly subordinate to the Minister of Defence or in the Bulgarian Army respectively;
2. (New - SG No.61 of 2011) not to own more than 1/2 individed part of a residential property or a villa suitable for permanent habitation;
3. (Previous item 2, Supplemented, SG No.61 / 2011) not to have transferred a residential property or a villa suitable for permanent habitation to persons other than the State or the municipality and in the cases of termination of co-ownership;

4. (Previous item 3, SG No.61 / 2011) not to hold securities, shares in commercial companies, real estates or parts of estates with a business purpose, motor vehicles, agricultural machines of total value exceeding the tax assessment of the residential property constituting private state property that they apply to purchase.

(2) (Supplemented, SG No.61 2011) The conditions under paragraph 1, items 2, 3 and 4 shall also be met by the members of the tenant's family.

(3) The value of the property possessed under paragraph 1, item 3 shall be determined at market prices by an independent valuer determined by the head of the institution.

Article 71a. (New, SG No.58 of 2016) Tenants accommodated in public residential properties under Article 25a shall not have the right to purchase them if, at the date of the application for the purchase of the residential property, conditions under Article 71 and the norms referred to in Article 25, paragraph 1 are not met.

Article 72. In the cases referred to in Article 71, the sale shall be at prices not lower than the tax assessment of the property.

Article 73. (1) (Amended, SG No.58 / 2016) The sale shall be made on the basis of a purchase request to the regional governor submitted by the persons meeting the requirements of Article 71 and the norms referred to in Article 25 (1).

(2) Following documents shall be attached to the purchase request:

1. an accommodation order duly certified that it is in force on the date of submission of the purchase proposal;

2. declarations on civil, family and property status;

3. a declaration on the existence of the circumstances under Article 71;

4. a permit by the head of the institution for the purchase of the departmental residential property, in which the selling price of the property shall also be determined;

5. (Amended, SG No.61 / 2011) valuation by an independent valuer of the property under Article 71, paragraph 1, item 4.

(3) The permission of the head of institution under paragraph 2, item 4 shall be valid for 6 months from the date of its issuance.

(4) Additional documents, certifying facts and circumstances which are of relevance to the sale may be required from the potential buyer.

Article 74. The regional governor may appoint a standing committee of regional administration officials which shall examine the files relating to the sale and exchange of properties constituting state property and shall give an opinion on their legality and expediency.

Article 75. (1) The regional governor shall issue an order containing information about the buyer, the determined price of the property and the other payments due. The order may also specify additional conditions for the sale.

(2) The order of the regional governor under paragraph 1 shall be served in the manner provided for in the Civil Procedure Code and shall not be subject to appeal.

Article 76. (1) Following the service of the order under Article 75, the buyer shall be required to make the payment.

(2) If within one month from the service of the order the buyer fails to pay the amounts due, he shall be deemed to have given up the transaction and the case shall be closed.

Article 77. (1) The sale contract shall be concluded in 3 copies within 14 days of the presentation of the document certifying the payment made by the buyer.

(2) The sales contract shall be signed by the buyer and by the regional governor and shall enter into force on the date of the conclusion thereof.

(3) The three signed copies of the sales contract shall be entered at the expense of the purchaser at the registry office where the property is located.

(4) Within one month after the entering of the sales contract, the regional governor shall ex officio deregister the property constituting private state property from the state property deeds books and shall enter the circumstance in the state ownership title deed.

(5) Within the term under paragraph 4 the regional governor shall send to the institution that has managed the property before the sale a copy of the signed sales contract and of the order for deregistration of the property from the state property deeds books.

Article 78. (1) The sale of studios constituting private state property shall be made to tenants accommodated therein, who, at the date of submission of the application for purchase, meet the conditions for accommodation under Article 30, paragraph 1.

(2) The sale of garages constituting private state property shall be made to tenants accommodated therein, who, at the date of submission of the application for purchase, meet the conditions laid down in the rules under Article 31.

Article 79. Sales of studios and garages constituting private state property shall be carried out in accordance with the procedure established for the sale of departmental residential properties.

Article 80. (1) Exchange of public residential properties, studios and garages constituting private state property, with residential properties, studios and garages - owned by workers or employees of the institution, shall be carried out by the regional governor with the consent of the respective minister or head of institution.

(2) Exchange of properties shall be carried out at prices not lower than the tax assessment of the properties.

Article 81. (1) The regional governor shall issue an exchange order, specifying the exchanger, the objects of exchange and their prices, the manner of payment between the parties, the terms and conditions for transferring the ownership of the properties - subject of the exchange, as well as other conditions resulting from the agreements reached between the parties.

(2) The order under paragraph 1 shall be served in accordance with the Civil Procedure Code of the person that the exchange is carried out with.

(3) Upon a difference of the prices of the properties exchanged the rules of Article 63, paragraph 5 and paragraph 6 shall apply.

Article 82. (1) The exchange contract shall be concluded within 14 days of the submission of the documents for the payments made.

(2) The exchange contract shall be concluded in writing in four copies and shall be entered in the registration offices where the property is located. The contract enters into force on the date of its conclusion.

(3) Within one month from the entry of the exchange contract, the regional governor shall ex officio deregister the property constituting a private state property from the state property deeds books, he shall enter the circumstance in the state ownership title deed and draw up a private state ownership deed for the newly acquired property.

(4) Within the term under paragraph 3 the regional governor shall send to the institution that has managed the property before the exchange a copy of the signed exchange contract and of the order for deregistration of the property constituting private state property.

(5) If the newly acquired property is located in another area, a copy of the exchange contract shall be sent to the respective regional governor for drafting a state ownership title deed.

Article 83. (Amended, SG No. 26 / 2007) In accordance with the provisions of this Chapter shall be carried out sales and exchanges of private state owned residential properties, studios and garages provided for management to state-owned enterprises formed pursuant to Article 62, paragraph 3 of the Commerce Act.

Section II

Sales of land constituting private state property to persons owning a legally built building on it.

Article 84. (1) Natural and legal persons holding a property on a legally built building built on a land constituting private state property may acquire an ownership right of the land without an auction by submitting an application to the regional governor where it is located.

(2) The sale of land constituting private state property to persons holding ownership of a legally built building on it shall be carried out by the regional governor where the property is located.

(3) To the application under paragraph 1 interested persons under paragraph 2 shall apply:

1. a document of ownership of the building built or a certificate of recognized right to build in the cases under § 6 of the Transitional Rules of the Property deed;

2. a sketch of the property from an approved cadastral map and in the cases where there is no approved cadastral map - a sketch of the current detailed land development plan for properties in urbanized territories;

3. a certificate from the relevant municipal administration that the building is legally built;

4. (Supplemented, SG No.13 / 2014, effective 14.02.2014) certificate of good standing of the legal person, except for the person that a single identification code under the Commercial Register Act is presented for;

5. certificate of succession, if necessary;

6. (New, SG No.61 / 2011) a certificate from the respective municipal administration on the divisibility of the property on which the building is built.

(4) Additional documents certifying facts and circumstances relevant to the sale may also be required if necessary.

Article 85. (1) (Amended, SG No.61 / 2011) On the basis of the documents submitted, the regional governor shall issue an order stating the buyer, the property the ownership of which is to be transferred, the price and the taxes, fees and overheads due.

(2) Where the property on which the building is built is divisible, the regional governor shall take the necessary actions for the division of the property and may carry out the sale under Article 84, paragraph 1 after the property has been divided by an effective detailed land development plan.

(3) (Supplemented, SG No.61 / 2011) Within one month of the service of the order, the person that has submitted the request for purchase shall pay the price of the land as well as taxes, fees and overheads due.

(4) The contract for the sale of the land shall be signed within 14 days after submission of a payment document.

(5) (New, SG No. 61 / 2011) The sales contract shall be entered in the registry office where the property is located at the expense of the natural or legal person - buyer.

(6) (New, SG No. 61 / 2011) Within one month from the entering of the sales contract, the regional governor shall ex officio deregister the property constituting private state property from the state property deeds books and shall enter the circumstance in the state ownership title deed.

(7) (Previous paragraph 5 - SG, No.61 / 2011) The sale of individed shares of the land ownership to natural and legal persons owning individed shares of the ownership of a legally built building on this land shall be carried out in accordance with the procedure under paragraph 4 .

Article 86. (Repealed, SG No.61 / 2011).

Section III Execution of transactions by state-owned enterprises

Article 87. (Amended, SG No.61 / 2011) (1) State-owned enterprises established pursuant to Article 62, paragraph 3 of the Commerce Act may build on the acquired or granted properties constituting private state property, and sell at the market prices the constructed residential properties, studios and objects for business purposes together with the respective individed shares of the land in the presence of a certificate for its divisibility or of the right to build by concluding preliminary financing and sales contracts with natural or legal persons.

(2) The value of the land or of the right to build which shall be determined at market prices by an independent valuer shall be included in the formation of the selling price of the objects under paragraph 1. The market price of land, of the right to build respectively, can not be lower than the tax assessment, increased by 20 per cent.

(3) Preliminary contracts under paragraph 1 may be concluded by the state-owned enterprise upon obtaining permission from the Minister exercising the state's property rights, for the construction of the objects on the property constituting private state property acquired or granted to the enterprise, and for the transfer of the ownership of the land or of the right to build.

(4) Where the tax assessment of the property on which the objects will be built, of the right to build respectively, is over BGN 500 000, the preliminary contracts shall be concluded by the Minister exercising the rights of the state in the enterprise or by an official authorized by him following a decision of the Council of Ministers.

(5) The final contracts shall be concluded by the representative of the state-owned enterprise, by the minister exercising the rights of the state in the enterprise respectively, or by an official authorized by him / her in written form, and shall be entered in the registry office where the property is located at the expense of the physical or legal person - buyer.

Article 87a. (New, SG No. 80 / 2008) For the construction of places for imprisonment The State Enterprise Prison Production Fund may dispose of property constituting private state property under the terms and conditions determined by the Regulations for the structure and

activity of the State Enterprise Prison Production Fund, adopted by Decree No. 106 of the Council of Ministers of 2003 (promulgated, SG No. 48 / 2003, amended and supplemented, SG No. 114 / 2003; SG No.95 /2005).

Chapter Seven

RULES FOR DETERMINING PRICES OF PROPERTIES CONSTITUTING STATE PROPERTY IN CASES OF DISPOSITION AND APPROPRIATION

Section I Rules for Determining Prices of Properties Constituting State Property in Cases of Disposition

Article 88. (Amended, SG No.31 / 2010, effective 23.04.2010, SG No.69 / 2010, effective 3.09.2010, SG No.15 / 2014, effective 21.02.2014.) Upon carrying out auctions for sale of properties constituting state property, the initial price may not be lower than the tax assessment increased by 10 per cent and the book value of the facilities permanently attached to the properties which are not subject to tax returns, increased by 10 per cent.

Article 89. The sale of residential properties, studios and garages to employees and workers of the respective institution shall be carried out at prices determined by the head of the institution but not lower than the tax assessment of the property.

Article 90. (Amended, SG No.61 / 2011) In the case of sale of land constituting private state property to persons owning a legally built building on it, the price shall be determined by a market mechanism by an independent valuer, but may not be lower than the tax assessment of the property.

Article 91. In the case of sale of attributable portions of properties in connection with the application of effective detailed development plans, the prices of attributable portions of properties constituting state property to third party properties shall be determined by a market mechanism by an independent valuer.

Article 92. (1) (Amended, SG No.58 / 2016) In the case of including a property constituting a private state property in the capital of companies with state participation in excess of 50 per cent, the assessment of the non-monetary contribution shall be determined increasing the tax assessment by 40 per cent.

(2) (New, SG No.58 / 2016) In the case of including objects constituting private state property in the capital of companies with more than 50 per cent state participation, the assessment of the non-monetary contribution shall be determined in accordance with their balance sheet value.

(3) (Previous paragraph 2 - SG No.58 / 2016) In the case of including properties and objects constituting private state property in the capital of companies with less than 50 per cent state participation, the assessment of the non-monetary contribution shall be determined in accordance with the Commerce Act.

Article 93. In the case of exchange and termination of co-ownership between the State and natural or legal persons, prices shall be determined by market mechanism by an independent valuer but shall not be lower than the tax assessment of the property.

Article 94. (1) (Amended, SG No.31 / 2010, effective 23.04.2010, SG No.69 / 2010, effective 03.09.2010) When conducting auctions for the establishment of a right to build, right to raise a superstructure and an extension on properties constituting private state property, the initial price of this right may not be lower than the tax assessment, increased by 10 per cent.

(2) (Repealed, SG No.61 / 2011).

Article 95. In the case of conducting auctions for the establishment of a right to use of properties constituting private state property, the initial price shall be determined by multiplying the annual rental price for the same property determined in accordance with Chapter Four by the number of years for which the right of use is to be established, and it shall be increased by 40 per cent.

Section II Rules for Determining Prices in the Case of Appropriation of Privately Owned Properties in Settlements Where no Dispositions are Available.

Article 96. (1) In the case of appropriation of privately owned properties in urbanized territories and development zones where their market prices can not be determined according to the procedure laid down in Article 32, paragraph 2 of the State Property Act, the equivalent monetary compensation shall be determined in accordance with the provisions of Annex 2 to Article 20 of the Local Taxes and Fees Act and the value obtained shall be doubled.

(2) (Amended, SG No. 61 / 2011) In the cases under paragraph 1 the equivalent monetary compensation for the legal constructions and other improvements made by the owner of the property after the entry into force of the detailed development plan under the conditions and according to the procedure of Article 49 of the Spatial Development Act, after the promulgation of the decision under Article 34a, 1 of the State Property Act respectively, when a detailed development plan is approved for the purpose of appropriation which provides for the construction of a national site and for which there is an effective injunction allowing provisional enforcement, shall be determined and paid at the lower value between the value of the costs incurred and the increased value of the property.

(3) Equivalent monetary compensation shall not be due for illegally built buildings and improvements on the property subject to appropriation.

Chapter Eight

STATE-OWNED PROPERTIES OUTSIDE THE COUNTRY

Article 97. Acquisition, management and disposition of properties outside the country constituting property of the Bulgarian State shall be governed by the rules of this chapter,

unless otherwise provided for in an international treaty, law or act of the Council of Ministers.

Article 98. (1) The Ministry of Foreign Affairs shall manage properties outside the country constituting state property, unless otherwise stated in an act of the Council of Ministers.

(2) Properties outside the country owned by the Bulgarian state shall be managed by the institutions to which they have been granted by an act of the Council of Ministers.

Article 99. (1) The acquisition of properties outside the country by the Bulgarian state, their provision for management and disposition shall be made on the basis of a decision of the Council of Ministers.

(2) The activity of the Council of Ministers under paragraph 1 shall be assisted by an Interministerial Commission for State Property outside the Country, hereinafter referred to as "the Commission".

(3) (Amended, SG No.64 / 2008, effective 1.07.2008, SG No.93 / 2009, effective 24.11.2009, SG No.80 / 2011, effective 14.10.2011, SG No.105 / 2011, effective 15.01.2012, SG No.24 / 2012, effective 23.03.2012, SG No.80 / 2013, effective 13.09.2013, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The members of the Commission shall include representatives of the Council of Ministers, the Ministry of Regional Development and Public Works, the Ministry of Finance, the Ministry of Economy, Energy and Tourism, the Ministry of Culture and the Ministry of Foreign Affairs. The chairman of the commission shall be an official of the Ministry of Foreign Affairs appointed by the Prime Minister on a motion of the Minister of Foreign Affairs.

(4) The composition of the commission shall be determined and the rules for its work shall be approved by an order of the Prime Minister

(5) The Ministry of Foreign Affairs shall provide the necessary conditions for the operation of the Commission and shall provide the funds for its activities.

Article 100. (1) Any proposals for granting of properties outside the country constituting state property as well as for acquisition and disposition thereof shall be submitted to the Commission with a reasoned report by the head of the institution concerned.

(2) Contracts for renting a property constituting state property outside the country for a period of up to 5 years shall be concluded by the head of the institution managing the property or by an official authorized by him / her. In this case, the head of the institution shall notify the Commission by sending a copy of the concluded contract.

At the request of the Commission, the head of institution shall have to provide the Commission with copies of the contracts concluded for renting properties outside the country.

(3) The head of the institution managing the property constituting state property outside the country shall determine the terms and conditions for their renting out.

(4) Rental contracts with a term longer than 5 years shall be concluded on the basis of a decision of the Commission.

(5) The Interministerial Commission for State Property outside the Country shall decide with a decision on the legality and appropriateness of the proposals under paragraph 1. Following a decision of the Commission, the Minister of Foreign Affairs shall notify the head of the institution concerned of the decision taken, which shall submit a report and draft decision to the Council of Ministers.

Article 101. (1) Sale of properties constituting state property outside the country shall be made on the basis of at least one valuation prepared in accordance with the requirements of the local law and at least two offers from potential buyers, unless this is objectively impossible.

(2) Acquisition of properties outside the country by the Bulgarian state shall be made on the basis of at least one valuation prepared in accordance with the requirements of local law and at least two offers, unless this is objectively impossible.

(3) Selection of suitable properties under paragraph 2 shall be carried out in compliance with the norms of Annex No. 3 and following an analysis of following criteria:

1. composition of the diplomatic or consular representation or the representation in an international organization;
2. prospects of the bilateral relations with the host country and strategic foreign policy objectives related to the development of multilateral diplomacy;
3. requirements of the host country for representativeness and minimum number of square metres of the premises, if any;
4. other requirements set by the Commission.

(4) Paragraphs 2 and 3 shall not apply when the acquisition of property outside the country by the Bulgarian State is made on the basis of an international treaty.

Chapter Nine

SUPERVISION, DEED PROCEDURE OF PROPERTY CONSTITUTING STATE PROPERTY AND DEREGISTERING FROM DEEDS BOOKS

Article 102. (1) (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 /2014, in force from 12.12.2014.) The Minister of Regional Development and Public Works shall carry out methodological guidance on the activities of the regional governors in the exercising of their powers in the acquisition, management and disposition of property constituting state property, as well as on the deed procedure and deregistering of the properties constituting state property from the deeds books.

(2) (Amended, SG No.61 / 2011) Acquisition, management and disposition of properties constituting state property as well as updating and deregistering from the properties deeds books shall be made by the regional governor where the property is located.

(3) (Amended, SG No. 61 / 2011) Management and disposition of movable objects constituting state property, shall be carried out by the regional governors or the heads of institutions under the methodological guidance of the Minister of Finance.

Article 103. (1) (Amended, SG No.87 of 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Deeds concerning properties constituting state property shall be drawn up in accordance with the models approved by the Minister of Regional Development and Public Works.

(2) The heads of institutions that have acquired the right of management over properties constituting state property for which no state ownership deed has been drawn up, shall be obliged within a one-month term to ask the relevant competent authority to draw it up.

Article 104. (1) State property deeds shall be drawn up for all properties and real rights constituting state property:

1. (Supplemented, SG No.61 of 2011) objects and properties constituting exclusive state property;
2. protected areas constituting state property;
3. (Amended, SG No. 61 / 2011) properties appropriated in favour of the State together with the buildings even if they are intended for demolition due to new construction or for other reasons; after the demolition of the buildings and the construction of the object constituting public state property, these circumstances are noted in the state ownership deed drawn up;
4. forests and lands of the State Forest Fund and buildings built on them;
5. agricultural lands of the State Land Fund and buildings built on them;
6. dams;
7. properties constituting state property outside the country;
8. regulated landed properties which have not been built and unregulated landed properties;
9. buildings, objects in a building, individed shares of a building or of an object in a building (residential building, dwelling, garage, studio, shop, workshop, warehouse, administrative building, office for administrative purposes, buildings for social, educational, instructional, cultural, sports and health activities, hotels and other buildings for shelters, places of accommodation, dining and entertainment establishments, production buildings or sites, other buildings) and the adjoining land;
10. limited real rights.

(2) (Supplemented, SG No.61 of 2011) State property deeds issued shall be submitted to the registry office where the property is located with the exception of the deeds under Article 69, paragraph 1 and Article 70, paragraph 2 and paragraph 3 of the State Property Act.

(3) (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) In case of establishing an evident factual mistake in a state property deed, an act for correction of the act shall be drawn up according to a model approved by the Minister of Regional Development and Public Works. The deed for correction of the state property deed shall be entered in the Registry Office.

(4) (New, SG No. 61 / 2011) The number and the date of the deed for correction of a state property deed shall be noted in the deed which has been corrected, and in the respective registers.

Article 105. State ownership deeds shall not be drawn up for following objects:

1. (Repealed, SG No.61 / 2011);
2. river beds and other natural ponds, road network, bridges, underpasses, engineering infrastructure and other objects which are not permanently attached to the land and are not immovable property;
3. temporary buildings.

Article 106. (1) After the drafting of the state property deed, data contained therein shall be recorded in the following registers:

1. (Supplemented and amended, SG No.61 / 2011) main register of objects and properties constituting exclusive state property, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been drawn up; location of the property; type and description of the property; number and date of the deed of correction; management rights granted or concessions established and other circumstances;
2. main register of state property, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been drawn up; nature of ownership (public or private); location of the property; type and description of the property; tax assessment of the property at the moment of the deed's approval; management rights granted; deeds by virtue of which the property has ceased to be state property; number and date of the deed of correction; order for deregistration of the state property deed and other circumstances;
3. main register of properties constituting state property related to classified information which is a state secret or to the country's security and defence, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been

drawn up; nature of ownership (public or private); location of the property; type and description of the property; tax assessment of the property at the moment of the deed's approval; management rights granted; deeds by virtue of which the property has ceased to be state property; number and date of the deed of correction; order for deregistration of the state property deed and other circumstances;

4. main register of properties constituting state property located outside the country, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been drawn up; nature of ownership (public or private); location of the property; type and description of the property; acquisition value, book value or insurance value of the property at the moment of the deed's approval; management rights granted; deeds by virtue of which the property has ceased to be state property; number and date of the deed of correction; order for deregistration of the state property deed and other circumstances;

5. auxiliary register of properties constituting public state property, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been drawn up; location of the property; type and description of the property; tax assessment of the property at the moment of the deed's approval; management rights granted; concession contracts; deeds by virtue of which the property has ceased to be state property; order for deregistering the state property deed;

6. auxiliary register of properties constituting private state property, in which following shall be entered: serial number of the state property deed issued; number and date of drafting the state property deed; number of file containing the documents on basis of which the deed has been drawn up; location of the property; type and description of the property; tax assessment of the property at the moment of the act's approval; management rights granted to the relevant institutions or budget-supported legal entities; contracts for rent, sale, exchange, partition, established limited real rights, and the person who has acquired rights; concession contracts; deeds by virtue of which the property has ceased to be state property; order for deregistering the state property deed;

(2) The regional governor or the minister may also introduce other auxiliary books and registers to reflect the circumstances of the state property.

Article 107. (Amended, SG No.61 / 2011, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Minister of Regional Development and Public Works shall approve the models of the main register and of the auxiliary registers of properties constituting state property.

Article 108. Properties which have ceased to be state property, have improperly undergone a deed procedure as such, and those the ground for undergoing a deed procedure for which no longer exists shall be deregistered from the deeds books by an order of the regional governor where the property is located.

Article 109. (1) Deregistration of the property shall be made on the basis of a written request of the owner submitted to the regional governor.

(2) The owner shall attach to his / her request written evidence proving that the property is his / her property.

Article 110. (1) (Amended, SG No. 87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) Deregistration of properties constituting public state property and of properties that are related to classified information constituting state secret or to the security and defence of the country shall be made by an order of the Minister of Regional Development and Public Works after taking an opinion of the respective institution that manages the property.

(2) Deregistration of properties constituting state property outside the country, which have ceased to be owned by the Bulgarian state, shall be executed by the Minister of Finance upon a motion of the Minister of Foreign Affairs.

Article 111. In all cases where the request for deregistration from the deeds books concerns a property granted for management to a state legal entity, deregistration shall be made after requesting its opinion.

Article 112. (1) If, on the basis of the evidence submitted, the competent authority finds that the property is not a state property, it shall instruct by an order deregistration of the property from the state property deeds books.

(2) Where the competent authority finds that there is insufficient evidence of the existence of any of the conditions for deregistration from the deeds books under Article 108 or the person requesting the deregistration of the property can not prove its ownership beyond dispute, the competent authority shall issue an order of rejection of deregistration.

(3) Within one month of issuing the order under Article 112 the governor shall notify in writing and send a copy of the order to the institution, which has been granted the right of management over the deregistered property.

Article 113. In cases where the competent authority refuses to issue a deregistration order, the person that requested deregistration of the property may prove its ownership through a general court appeal.

Article 114. (1) The circumstances identified in the state property deed that is duly drafted shall have probative value subject to proof to the contrary.

(2) Municipalities or other persons that claim rights to property, for which a state property deed has been drawn, shall be able to obtain a legal title if one is not issued, after the issuance of a deregistration order, and in cases under Article 113 after the entry into force of a court's decision.

(3) The municipalities shall not be able to establish their property rights with specimens of state property deeds for properties which have not been duly deregistered as state property.

ADDITIONAL PROVISIONS

§ 1. The provisions of the Regulations shall also be applied by legal persons established by law or by an act of the Council of Ministers, where by virtue of the law or the act of their establishment they manage properties and objects constituting state property.

§ 2. Within the meaning of these Regulations:

1. "Useful area of a residential property" shall mean the total area of all premises within it, measured along the internal masonry lines of the walls, and the total area of balconies, loggias, verandas and terraces, excluding the area occupied by the enclosing and distribution walls of the residential property, and the area of the storage premises - basement, shed or attic.

2. "Property" shall mean immovable property and "object" - movable property.

3. (New, SG No.58 / 2016) "Incorrect in previous rental relations with the state" shall be persons who have not fulfilled or have not fulfill precisely an obligation / obligations under a rental contract with the state due to their fault.

4. (New - SG, SG No.96 / 2016) "Family" shall be:

(a) spouses, minor children, and those who have reached the age of majority, if they continue to study until completion of their secondary education but not later than reaching the age of 20 (born, admitted, adopted, step, with the exception of married ones);

(b) the parent and his / her minor children, and those who have reached the age of majority, if they continue to study until completion of their secondary education but not later than reaching the age of 20 (born, recognized, adopted, step, with the exception of married ones).

TRANSITIONAL AND FINAL PROVISIONS

§ 3. (1) Upon transfer of title and upon establishment of limited real rights over properties constituting state property, overheads shall be paid in the amount of 2 per cent on the price of the right.

(2) (Amended, SG No.62 / 2009, SG No.47 / 2012, SG No.58 / 2016) Funds under paragraph 1 shall be paid to the budget of the respective regional governor, minister or head of institution responsible for the transaction.

(3) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014, repealed, SG No.58 / 2016).

(4) (Amended, SG No. 58 / 2016) Overheads under par. 1 shall not be paid upon auctioning of agricultural land from the State Land Fund and of forests and lands from the State Forestry Fund against registered compensation vouchers under Article 35, paragraph 3 of the Law on

the Ownership and Use of Agricultural Land (LOUAL) and for distribution of land to landless and indigent citizens by transferring the title under Article 20 of the LOUAL.

(5) (Repealed, SG No.62 / 2009).

§ 4. Acts of state property, duly drafted until the entry into force of the Regulations, shall pertain their legal effect.

§ 5. Rental legal relations established under the current procedure shall be translated in accordance with the terms and conditions laid down in the Regulations within 6 months of their entry into force.

§ 6. The uncompleted proceedings for granting and disposition of state property shall be completed according to the procedure established by the Regulations.

§ 7. (1) (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) In cases where a regional governor in the capacity of a natural person is a contracting party to a rental contract for a property constituting private state property, the order shall be issued and the contract shall be concluded by the Minister of Regional Development and Public Works, observing the provisions of the Regulations.

(2) (Amended, SG No.58 / 2010, effective 30.07.2010, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) In cases where ministers and heads of institutions under Article 19, paragraph 4 of the Administration Act are party to a contract under paragraph 1, the order shall be issued and the contract shall be concluded by the Minister of Regional Development and Public Works and when the Minister of Regional Development and Public Works is a party to a contract under paragraph 1 - the order shall be issued and the contract shall be concluded by the Prime Minister or an official authorized by him.

(3) (Amended, SG No. 58 / 2016) Where heads of institutions under Article 19, paragraph 4 of the Administration Act are party to a contract under paragraph 1, the order shall be issued and the contract shall be concluded by the Minister - first level spending unit.

§ 8. (Amended, SG No.87 / 2013, effective 4.10.2013, SG No.102 / 2014, effective 12.12.2014) The Minister of Finance and the Minister of Regional Development and Public Works shall give instructions for the application of the Regulations.

§ 9. These Regulations shall be adopted on the basis of § 7 of the Transitional and Final Provisions of the State Property Act.

§ 10. The uncompleted proceedings instituted under Order No. 235 of the Council of Ministers of 1996 in connection with § 27 of the Transitional and Final Provisions of the Law Amending and Supplementing the Property Act (SG No.33 / 1996), for which a request has been made to the regional governor or the mayor of the municipality, shall be completed in accordance with the current terms and procedure within 6 months from the date of entry into force of the Regulations.

§ 11. Uncompleted proceedings under Article 53, paragraph 4 of the Regulations for the Application of the Law for the Conservation of Agricultural Lands (RALCAL), adopted by Decree No. 240 of the Council of Ministers of 1996 (promulgated, SG No. 84 / 1996, amended and supplemented SG No.100 /1997, SG No.14, 48 and 63 of 2000, SG No.41 and 66 of 2001, SG No.31 of 2003 and No. 41 of 2004), and in accordance with Article 7, paragraph 1 of the Ordinance on the Terms and Procedure for Establishing the Current Market Prices of Agricultural Lands, adopted by Decree No. 118 of the Council of Ministers of 1998 (prom., SG No.64 of 1998, amended and supplemented, SG No.63 /1999, No.98 of 2000, SG No.41 and 44 of 2001, SG No.96 of 2002, SG No.31 of 2003 and No. 59 of 2005) shall be completed under the current terms and procedure.

§ 12. In Article 53 paragraph 4 of the RALCAL shall be amended as follows:

"(4) Built-up land, the purpose of which is changed, including where it is located outside the boundaries of an urbanized area (settlement or urbanised entity), shall be assessed according to the procedure of Article 90 of the Regulations for the Application of the State Property Act.

§ 13. In Article 7, paragraph 1 of the Ordinance on the Terms and Procedure for Establishing the Current Market Prices of Agricultural Lands the words "Article 97 and 100" shall be replaced by "Article 90".

§ 14. Mayors of the municipalities shall be obliged to assist regional governors in the submission of certified copies of all state property deeds together with the original documents used for their drafting in case they have not been delivered according to the current procedure in force.

TRANSITIONAL AND FINAL PROVISIONS

to Decree of the Council of Ministers No 168 of 23 July 2007 for Transformation of the National Forestry Authority into the State Forestry Agency

(SG No.62 / 2007, effective 19.07.2007)

.....
§ 6. In the acts of the Council of Ministers:

1. The words "the Minister of Agriculture and Forestry" and " Minister of Agriculture and Forestry" shall be replaced by "the Minister of Agriculture and Food Supply" and " Minister of Agriculture and Food Supply" respectively.

2. The words "the Ministry of Agriculture and Forestry" and " Ministry of Agriculture and Forestry" shall be replaced by "the Ministry of Agriculture and Food Supply" and "Ministry of Agriculture and Food Supply" respectively.

3. The words "the National Forestry Authority" and "National Forestry Authority" shall be replaced by "the State Forestry Agency" and "State Forestry Agency" respectively.

4. The words "the Head of the National Forestry Authority" and "the Chief of the National Forestry Authority" and the words "Head of the National Forest Authority" and "Chief of the National Forestry Authority" shall be replaced by "the Chairman of the State Forestry Agency" and "the Chairman of the State Forestry Agency".

§ 7. The Minister of Finance shall make the necessary adjustments to the budgets of the Ministry of Agriculture and Food Supply and to the Council of Ministers.

§ 8. This Decree shall be adopted on the grounds of a Decision of the National Assembly of 18 July 2007 on a change in the structure of the Council of Ministers and Article 47, 1 of the Administration Act.

§ 9. The Decree shall enter into force on 19 July 2007

FINAL PROVISION

to Decree No 194 of the Council of Ministers of 5 August 2008

Amending the Schedule of Charges Collected by the National Grain and Feed Service to the Minister of Agriculture and Food

(SG, No.71 of 2008)

§ 5. In the acts of the Council of Ministers:

1. The words "the Minister of Agriculture and Food Supply" and "Minister of Agriculture and Food Supply" shall be replaced by "the Minister of Agriculture and Food" and "Minister of Agriculture and Food" respectively.

2. The words "the Ministry of Agriculture and Food Supply" and "Ministry of Agriculture and Food Supply" shall be replaced by "the Ministry of Agriculture and Food" and "Ministry of Agriculture and Food" respectively.

TRANSITIONAL AND FINALPROVISIONS

to Decree No 73 of the Council of Ministers of 16 April 2010 amending and supplementing the Regulations for the Application of the State Property Act

(SG No.31 / 2010, effective 23.04.2010)

§ 6. Auctioning procedures announced prior to the entry into force of the Decree shall be completed under the current terms and procedure.

.....

TRANSITIONAL AND FINALPROVISION

to Decree No 130 of the Council of Ministers of 2 July 2010 amending and supplementing the Regulations for Application of the State Property Act

(SG No.52 of 2010)

§ 5. (1) Auctioning procedures announced prior to the entry into force of the Decree shall be completed under the current terms and procedure.

(2) Paragraph 2 shall not apply to auctioning procedures announced prior to the entry into force of this Decree

TRANSITIONAL AND FINALPROVISIONS

to Decree No 184 of the Council of Ministers of 1 September 2010 amending and supplementing the Regulations for the Application of the State Property Act

(SG No.69 /2010, effective 3.09.2010)

§ 5. Uncompleted procedures for the sale of properties for which a selling price exceeding BGN 3 million has been reached and an effective order under Article 55, paragraph 1 exists, may be completed under the terms and procedure of Article 57, paragraph 5 and 12 and Article 58 within 14 days of the entry into force of this Decree.

.....

DECREE No 220

of the Council of Ministers of 27 September 2013 amending the Regulations for Application of the State Property Act

(SG No.87 / 2013, effective 4.10.2013)

§ 1. Everywhere in the text the words "the Ministry of Regional Development and Public Works", "the Minister of Regional Development and Public Works" and "Minister of Regional Development and Public Works" shall be replaced by "the Ministry of Regional Development", "the Minister of Regional Development" and "Minister of Regional Development".

.....

TRANSITIONAL AND FINALPROVISIONS

to Decree No 388 of the Council of Ministers of 10 December 2014 for the adoption of the Regulations of Procedure of the Ministry of Regional Development and Public Works

(SG No.102 / 2014, effective 12.12.2014)

.....

§ 16. In the Regulations for the Application of the State Property Act, adopted by Decree No. 254 of the Council of Ministers of 2006 (promulgated in State Gazette No.78 / 2006, amended and supplemented SG No. 26 and 51 of 2007, SG, No.64, 80 and 91 of 2008, SG No.7, 25, 62 and 93 of 2009, SG No.31, 52, 58 and 69 of 2010, SG No. 61, 80 and 105 of 2011, SG No.24 and 47 from 2012, SG No.62, 80 and 87 of 2013 and SG No.13 and 15 of 2014), everywhere in the text the words " Minister of Regional Development", "the Ministry of Regional Development" and "the Minister of Regional Development" shall be replaced by "Minister of Regional Development and Public Works", "the Ministry of Regional Development and Public Works", and "the Minister of Regional Development and Public Works" respectively .

.....

Annex 1

to Article 33 , Article 34, paragraph 2 and Article 35, paragraph 1

No	Indicators	Reduction in percent to	Increase in percent to
1	2	3	4
	A. Location of residential properties according to the category of the settlement and the zone under which they fall		
1.	Zero category – first zone	-	15
2.	Zero category – second zone First category – first zone	-	12
3.	Zero category – third zone First category – second zone Second category – first zone	-	7
4.	Zero category – fifth zone First category – fourth zone Second category – third zone Third category – second zone	7	-
5.	First category – fifth zone Second category – fourth zone Third category – third zone	12	-
6.	In settlements from fourth to the eighth category	15	-
	B. Structure of the building		
1.	M1	21	-
2.	M3	-	21
	C. Location of residential properties in height		
1.	Second floor in a two-storey residential building	-	8
2.	Second to sixth floor	-	7
3.	Last floor in residential buildings of three or more	4	-

	floors and for every seventh and higher floor		
4.	For a residential property with a floor height of less than 0.3 m above the average terrain level - for each full 10 cm	1	-
	D. Predominant exposure of residential (non-service) premises		
1.	South	-	4
2.	Southeast and Southwest	-	3
3.	East	-	2
4.	Northeast and Northwest	3	-
5.	North	4	-
	E. Development equipping		
1.	For a residential property in a building of over 5 floors without an elevator	5	-
2.	For a residential property with a central heating	-	7
3.	For a residential property with a gas supply	-	7
4.	For a residential property adjacent to transformer substations, pump units, elevator machinery premises, heating substations and other sources of heat, noise, etc.	7	-

Annex 2

to Article 34, paragraph 3

Codes used for types of structures	
Code	Structure
M1	massive buildings (with masonry walls and reinforced concrete floor and other elements, but without shear walls and / or frames)
M2	massive buildings (with masonry walls and reinforced concrete flooring and other elements, with shear walls and / or frames); panel buildings; buildings built using creep formwork
M3	massive buildings (with prefabricated skeletal and scaffold-beam structures, large-format shuttering, packed-up slabs) provided against earthquake depending on the year of design and construction

Annex 3

to Article 101, paragraph 3

Standards for acquisition of properties constituting state property outside the country:

1. For diplomatic missions with personnel of:

(a) up to 15 employees - up to 32 square meters (for administrative purposes excluding premises for representative purposes) per employee;

(b) over 15 employees - up to 28 square meters per employee.

2. For missions to international organizations - up to 38 square meters per employee.
3. For consular missions - up to 30 square meters per employee.
4. For a cultural center (including administrative and representative needs) - up to 126 square meters per employee.
5. For a commercial representation - up to 30 square meters per employee.
6. For a residence - up to 350 square meters per employee.
7. For residential properties - according to the rank and the number of family members, according to the standard established in the Ordinance on long-term missions abroad, adopted by Decree 252 of the Council of Ministers of 2000 (prom. SG, SG No.100 / 2000 Amended and Supplement SG No. 44, 51 and 93 of 2001, SG No.5 of 2002, SG No. 50, 80 and 86 of 2004, SG No. 43, 55 and 78 of 2005 and SG No.14 of 2006).