

## Renting Land Plots: Foreign Experience and Observations of National Practice

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### ABSTRACT

*In this article, legal relations and mechanisms related to land lease are discussed in detail. Also, the analysis of normative and legal documents related to rent, the types and regulation of rental relations, and especially the legal status of lease relations in agriculture are fully described. National and foreign experiences, opinions and conclusions of scientists are also included in this article.*

**KEYWORDS:** *agricultural land plots, electronic online auction, lease right, foreign experience.*

As we all know, in all parts of the world, land is a common wealth. Article 68 of the Constitution of the Republic of Uzbekistan adopted in the new version states that land, underground resources, water, flora and fauna and other natural resources are national wealth, they must be used wisely and are under state protection [1]. Land rent is mainly governed by the Civil Code of the Republic of Uzbekistan [2], the Land Code [3], laws in the new edition “On Farming” [4], “On Agriculture” [5], also the President of the Republic of Uzbekistan “Measures to ensure equality and transparency in land relations, reliable protection of rights to land and turning them into a market asset on” [6] and the decision of the Cabinet of Ministers of the Republic of Uzbekistan “On approval of regulatory legal documents on the procedure for leasing agricultural land plots” [7] is being regulated.

Land lease relations are an important tool of economic development. From the point of view of rural development, land rent allows people who do not own land or have only limited capital and income to use it, creates conditions for entrepreneurship in the field of agriculture and performs social tasks.

In particular, **according to Article 24** of the Land Code adopted in 1998, plots of land intended for agriculture are given on the basis of lease rights to:

1. to individuals and legal entities - by the decision of the governor of the region and the city of Tashkent to confirm the results of the open electronic competition;
2. to state scientific-research and educational institutions - by the Cabinet of Ministers of the Republic of Uzbekistan for the implementation of scientific-research and experimental work in the field of agriculture [according to the proposal of the Ministry of Agriculture of the Republic of Uzbekistan] ;
3. to agro-industry clusters - in case of deposit of funds more than twice the normative value of the land plot by the Cabinet of Ministers of the Republic of Uzbekistan [according to the proposal of the regional governor of the Ministry of Agriculture of the Republic of Uzbekistan];
4. To individuals and legal entities implementing a large investment project - determined by the Cabinet of Ministers of the Republic of Uzbekistan by selecting the best proposal, the value of which is equivalent to at least 10 million US dollars.

**Non-agricultural land plots are given on the basis of lease rights to:**

1. to individuals and legal entities - on the basis of electronic online auction;
2. To individuals and legal entities implementing a large investment project - determined by the

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Cabinet of Ministers of the Republic of Uzbekistan by selecting the best proposal with a value equivalent to at least 10 million US dollars.

3. Leased by the Cabinet of Ministers of the Republic of Uzbekistan to enterprises with foreign investments, international associations and organizations, foreign individuals and legal entities.

The terms and conditions of the lease of land plots are determined by the agreement of the parties and are confirmed in the contract.

**According to this article, contracts are concluded for the following periods:**

1. agricultural lands are leased for a period of thirty years;
2. the lease term of non-agricultural land cannot exceed one hundred years;
3. Plots of land are leased to enterprises with foreign investments, international associations and organizations, foreign individuals and legal entities for a period of up to twenty-five years.
4. The procedure for leasing land plots is determined by the Cabinet of Ministers of the Republic of Uzbekistan.

**Article 24<sup>1</sup>** of the Land Code of the Republic of Uzbekistan establishes the procedure for leasing land plots based on the right of permanent use.

In the newly revised laws of the Republic of Uzbekistan "On Farming", as well as "On Farming", adopted in 1998, these farms provide for a long-term land plot in land transactions. the issue of renting is mentioned. That is, Article 3 of the Law "On Farming" states that a farm is a business entity engaged in the cultivation of agricultural products using leased land and other types of activities not prohibited by law. will be done. Also, in Article 3 of the Law "On Farming", agriculture on the plot of land given to the head of the farm on the basis of the right of lifelong ownership or lease (secondary lease) in which the farm is inherited It is defined as a farm that produces and sells livestock products based on the personal labor of members of the farm.

According to the Decree of the President of the Republic of Uzbekistan Number **PD (presidential decree) 6243** of June 8, 2021, the following procedures have been clearly defined starting from August 1, 2021:

1. allocation of land plots to the private sector - on the basis of ownership and lease rights, to state bodies, institutions, enterprises, citizens' self-government bodies - on the basis of the right of permanent use;
2. the procedure for allocating land with the right to inherit lifelong ownership, permanent ownership, and temporary use was canceled, [in this case, such rights to previously allocated land plots were preserved in their owners in the current order];
3. in the event that the ownership of a real estate object built in accordance with the procedure established by law on a leased plot of land is transferred to another person, together with the ownership of this object, the lease right to the plot of land on which it is located is transferred to the new owner;
4. allocating agricultural lands only on the basis of lease rights according to the results of an open electronic competition in which all types of agricultural producers can participate;
5. Realization of non-agricultural land through electronic online auction based on property rights and lease rights;
6. allocation of land plots to state organizations for public needs with the right of permanent use by the decision of the Council of Ministers of the Republic of Karakalpakstan, governors of the regions and the city of Tashkent;

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7. in all cases, land plots are separated only from vacant and reserved lands;
8. in the implementation of public-private partnership projects and projects aimed at achieving socially beneficial goals, plots of land are allocated to a state organization with the right of permanent use, these lands are owned by a private partner, non-governmental non-profit organization and to be leased to other institutions of civil society;
9. the plot of land on which the multi-apartment house is located and adjacent to it, if it does not belong to the owners of the premises in the multi-apartment house by any other right, the right to permanent use by the Council of Ministers of the Republic of Karakalpakstan, the governors of the regions and the city of Tashkent was determined to be allocated on the basis of

Three important documents are approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan Number 709 of November 24, 2021 “**On the approval of regulatory legal documents on the procedure for leasing agricultural land plots**”. These are:

“**Administrative regulation on leasing land plots for farming**”,

“**Administrative regulation on leasing land plots to legal entities for agricultural purposes**”;

“**Secondary lease of agricultural land plots**”

Now individuals and legal entities can obtain temporary ownership rights to agriculture and ensure their entrepreneurship and employment based on the procedures established by themselves, without the participation of hokims.

Regarding the land law module, we can mention many legal scholars among our scholars. They have been writing about this in their books since independence

**In our country**, there is also a land rights module. This module plays a key role in regulating any legal relationship related to land in the main agricultural sector in our country, in the training of future personnel in the field of jurisprudence. It includes land lease and other related relations. [8].

**Experience of foreign countries** [9].

Leasing of land in foreign countries is regulated by a lease agreement. This contract defines the rights and obligations of the parties during the lease period. Leasing of land plots to individuals and legal entities, for a fee, and for a certain period of time are general features of the land lease system.

In particular, Article 51 of the **Land Code of Azerbaijan** stipulates the rules on the right to lease a plot of land. According to it, the right to rent a plot of land means the use of land for a fee based on a contract. Land plots are leased to citizens and legal entities of the Republic of Azerbaijan, foreigners and stateless persons, foreign legal entities, international associations and organizations, as well as foreign countries. The relevant executive authorities participate as lessors of state-owned lands, city authorities as lessors of lands owned by municipalities, and owners of privately owned lands. Leasing conditions, terms and lease payment are determined by mutual consent of the parties and confirmed by the contract signed by the parties in accordance with the procedure established by law. The lessee may sublease [secondary lease] the leased plot of land to another person with the permission of the owner.

Article 35 of the **Land Code of the Republic of Kazakhstan** stipulates that a plot of land can be given to citizens and legal entities with the right to temporarily use paid land [lease] or temporarily free land use. One of the main differences in the land lease system established in foreign countries is the validity period of land lease contracts [long and short term].

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