This law defines the legal regime applicable to the expropriation of immovable property and establishes rules and procedures for cases in which the State, with a view to pursuing an objective of public purpose, is compelled, in the absence of other viable alternative solutions, to take ownership of immovable property that was in the private domain.

Such prerogative of the State, considered as an important exception to the right to private property, is justified, from the outset, by the important social function that property fulfills, as a means with aptitude for the satisfaction of collective interests.

Under the terms of article 54, no. 3 of the Constitution of the Republic, expropriation for public purpose appears legitimated by the relevant social function of property, and it is imposed whenever collective needs require the allocation of private property for public purposes. However, it does not dispense with, but rather imposes, a whole set of guarantees that are part of the legal regime of expropriation itself, highlighting the right to prior and fair compensation.

In fact, the State, when it has to acquire for its public domain, real estate necessary for the realization of actions that benefit the entire community, must first exhaust all the avenues that the law grants it, including the contractual avenues proper to private law.

As a way to mark the possibility of the State expropriating real estate belonging to private individuals, the principles of exceptionality, legality, justice, equality, proportionality, impartiality and good faith of expropriation have been established.

The concept of public purpose was also densified, listing the cases in which expropriation is allowed, but always requiring the justification of the public purpose of each project.

Great importance was given to the requirements prior to expropriation. A rigorous planning of the projects is foreseen, in which it is demanded the accomplishment of cadastral surveys in the areas not registered, environmental licensing, studies of social impact and the accomplishment of a re-housing plan. Such planning, combined with a clear and comprehensive definition of those interested in expropriation, seeks to minimize the impacts that project implementation may have on local populations. The different alternatives studied in project planning are also subject to a public consultation process in order to give an active voice to those affected. Only after planning and consulting the projects, and when it is not possible to acquire the real estate through private law, can the State resort to expropriation.

Given the consequences of expropriation, it was understood that the Council of Ministers should have jurisdiction for the declaration of public purpose.

Private individuals are given the possibility to resort to arbitration with recourse to the court when there

f)

- o) Protection of landscapes and places particularly endowed by nature;
- p) Protection structures against landslides, floods or other defense mechanisms against natural disasters;
- q) S

- 2. In the event of any doubts or cases in dispute over ownership or other rights over the property to be expropriated, under the terms established in the Special Regime for the Definition of Ownership of Real Estate, notification of all those claiming such rights is mandatory.
- 3. The cadastral survey and the resolution of the cases in dispute are made under the terms of the Special Regime for the Definition of Ownership of Real Estate.
- 1. It is incumbent upon the expropriation beneficiary and the other parties involved in the expropriation procedure, to pursue public interest, with respect for the legally protected rights and interests of the interested parties, observing, in particular, the principles of legality, justice, equality, proportionality, impartiality and good faith.
- 2. When considering expropriation, special value shall be given to immovable property of high cultural and spiritual value to the interested parties.
- 3. Expropriation is always exceptional and should only be used when it is not possible to use other real estate for the purpose of pursuing or redesigning the project to be implemented in a manner feasible to its end.
- 4. The expropriation must leave the stakeholders defined in Article 5, affected by the expropriation, in a standard of living at least equal to what they were before the expropriation.

- d) Re-housing plan, in case the real estate in question is being used for housing purposes;
- e) Analysis report of the various alternatives of the project;
- f) Report justifying the public purpose of the project;
- g) Other documents that may be required by law.
- 2. The cadastral survey provided for in subparagraph a) of the preceding paragraph shall be carried out by the DNTPSC at the request of the entity receiving the expropriation.
- 3. The entity benefiting from the expropriation shall be responsible for carrying out the activities provided for in paragraphs b) to f) and shall inform the Ministry of Justice of the start of project planning.

The real estate to be expropriated is identified through:

- a) its administrative location;
- b) the identification of the plot confrontations;
- c) the geographical coordinates of the plot boundaries;
- d) the geometric sketch of the plot, georeferenced;
- e) the type of plot in accordance with the technical specifications;
- f) the updated information on its ownership and any other relevant data;
- g) the mention of any other existing cadastral descriptions;
- h) through the descriptions that may be created at the land registry office to which they belong.
- 1. The social impact study aims to identify the positive and negative consequences on the lives of the stakeholders caused by the expropriation.
- 2. The re-housing plan consists of an action plan i i9]TJETQguTf1 0 0 1 270.82 [A)5(r)910.(t)-4TJETQ88 Tm00 1 3

- 1. Once the planning phase of the project has been completed, the respective public consultation shall be initiated, aimed at publicizing the options taken and discussing the various alternatives for their implementation.
- 2. The following activities shall take place within the framework of the public consultation:
  - a) Making the project available for consultation;
  - b) Public hearings;
  - c) Report of the public consultation.
- 3. The public consultation shall be open to all those who have an interest in participating in it.
- The entity receiving the expropriation shall promote the publication in the Official Gazette of the Republic of a notice on the beginning of the consultation phase, which shall include the project, the identification of the entity receiving the expropriation, the identification of the property to be expropriated and its location, the period for the consultation, the dates and place of the public hearing sessions.
- 2. The notice referred to in the preceding number shall also be published in two national newspapers and, by means of a public notice, in the headquarters of the place of the real estate.
- 3. The project, together with the documents related to the planning phase of the project, must be made available for consultation, at the headquarters of the place of the property, for a maximum period of sixty days.
- 4. During this period, any person may submit to the expropriation beneficiary entity, in writing, any relevant comments regarding the project.
- 1. The entity receiving the expropriation is obliged to hold public hearing sessions at the place of the property to be expropriated, aimed at presenting the project and consulting the interested parties.
- 2. The holding of the public hearing sessions shall be announced at least ten days in advance, in accordance with the provisions of the previous article.
- 3. During the public hearing sessions, in addition to the detailed description of the project, the results obtained during the planning phase of the project must be presented, as well as other documents that are relevant for the complete information of the interested parties.
- 4. The information provided to participants should be presented in simple and appropriate language.
- 5. During the public hearing sessions, adequate time shall be allowed for participants to comment.
- 6. At the end of each public hearing session, minutes shall be drawn up.

- 1. Except in the cases of expropriation foreseen in Article 13, the entity receiving the expropriation, together with the DNTPSC, before requesting the declaration of public purpose, shall take the necessary steps to acquire the goods or rights through private law.
- 2. For the purposes of paragraph 1, the notification of the report of the goods to be expropriated referred to in paragraph 2 of the previous Article shall be compulsorily accompanied by a proposal for the acquisition of the goods.
- 3. The proposal for acquisition of the good shall indicate:
  - a) The value to be paid for the good to each interested party, which has as reference the value of the evaluation contained in the report of the good to be expropriated;
  - b) The real estate or rights that c

- 1. The situations of eviction that take place by virtue of the application of this law shall be regulated by decree-law.
- 2. Eviction must take place in conditions that guarantee the dignity of the human person, the rights and safety of those affected by it, and respect the principles of proportionality, adequacy and non-discrimination.

- 1. The notification of the declaration of public purpose by the entity benefiting from the expropriation to the interested parties shall be accompanied by the proposal for acquisition by amicable expropriation.
- 2. After the notification, the interested parties shall have twenty days from the receipt of the proposal to decide on the proposal submitted or to submit a counterproposal.
- 3. In the absence of agreement on the amount or terms of the compensation, the arbitration procedure shall be initiated.
- 4. If there is agreement between the parties, the provisions of Article 31 shall apply mutatis mutandis.

- 1. In the absence of agreement on the amount of the compensation, it shall be fixed by means of arbitration, which shall be subject to appeal to the common courts.
- 2. Arbitration is intended solely to fix the amount of fair compensation due for expropriation.
- 3. The arbitral award shall always be subject to an appeal, which shall have only a devolutive effect, to the court of first instance of the place where the property is located or of its greatest extension.

It shall be incumbent upon the Ministry of Justice, at the request of the entity benefiting from the expropriation, to promote the establishment and functioning of the arbitration, which shall be conducted by a sole arbitrator appointed for this purpose by the court of first instance of the location of the property to be expropriated.

- For the purposes of the provisions of the preceding article, the Ministry of Justice shall request the
  appointment of an arbitrator directly to the court of first instance of the location of the immovable
  property to be expropriated, and shall immediately forward to it all the documents contained in the
  proceedings.
- 2. The order for the appointment of the arbitrator shall be made within ten days.
- 3. The court shall notify the expropriation beneficiary, the DNTPSC and the interested parties of the appointment of the arbitrator.
- 1. Expropriation proceedings shall be opened with reference to each of the properties covered by the declaration of public purpose.
- 2. Where two or more properties have belonged to the same owner or group of co-owners, the joining of the proceedings in which there is no agreement on the amounts of compensation shall be mandatory.

The arbitrator shall fix the amount of fair compensation in the event of lack of agreement between the parties, and may order the repetition of the steps that prove to be necessary in order to make a reasoned decision on the amount of compensation due.

- 1. The arbitrator's decision shall fix the amount of fair compensation and shall be duly substantiated and indicate the elements that shall serve as a basis for the calculation of the proposed compensation, as well as the justification of the calculation criteria adopted.
- 2. In addition to fixing the amount of fair compensation, the arbitrator may also answer any questions raised by the parties.
- 3. The arbitrator shall make his/her decision within a maximum of thirty days of his/her appointment and shall notify the parties of his/her decision within seven days.
- 4. In duly justified cases, namely due to the number of arbitrations, the decision period referred to in the previous paragraph may be extended up to sixty days, at the request of the arbitrator, addressed to the court that appointed him/her.
- 5. In the absence of a judicial challenge to the arbitral award under article 50, the entity benefiting from the expropriation shall diligently pay the amount arbitrated under article 62 or refer the arbitral award to the Real Estate Finance Fund, where applicable.

- 1. The parties may agree that the compensation shall be satisfied, totally or partially, through the assignment of property or rights to the interested parties.
- 2. In case of compensation through the assignment of property, the DNTPSC shall be responsible for the identification, from among the property in the State's private domain, of a property with characteristics similar to the expropriated property.
- 3. The transfer of immovable property complies with the provisions of the legislation applicable to property in the State's private domain.
- 1. Once the value of the compensation has been reached, the entity receiving the expropriation shall diligently pay the amount in question within a period not exceeding thirty days or shall request the Real Estate Finance Fund to pay it within the same period, where applicable.
- 2. The expropriation beneficiary shall notify the interested parties of the deposit made on its behalf with a financial institution.
- 3. The interested parties may withdraw the amounts deposited, without prejudice to their opposition in accordance with the following article and the provisions of Article 51(2).
- 1. When the payment referred to in the previous article has not been made or is insufficient, the interested parties may judicially challenge the amounts received, specifying the amounts due, presenting and requesting all means of proof.
- 2. Once the challenge is admitted, the Real Estate Finance Fund or the entity benefiting from the expropriation is notified to respond within fifteen days and to present and request all means of proof.
- 3. Once the evidence that the judge deems necessary has been produced, a decision shall be handed

- 1. The arbitrator appointed by the court of first instance of the location of the property to be expropriated shall be chosen from experts on an official list.
- 2. The Ministry of Justice shall promote the establishment of the official list of arbitrators, who shall be selected from persons with specific training for the evaluation of real estate.
- 3. Pending publication of the list referred to in the preceding paragraph, the appointment shall be made on the basis of a curricular evaluation from among potential candidates and shall seek to appoint experts with

- d) Payment of indemnities due by the State and the financing of re-housing operations arising from the application of the Legal Regime of Expropriations.
- 3. The entity responsible for the Real Estate Financial Fund operations is the Board of Directors, which is appointed by the Government.
- 4. The following constitute the revenue of the Real Estate Finance Fund:
  - a) The budget allocated annually by the law approving the General Budget of the State;
  - b) Other revenue allocated by law or by contract.
- 5. The Real Estate Financial Fund is regulated by Decree Law.

5. The Real Estate I maneral I and is regulated by Decree Law.
This law shall not apply to projects initiated before its entry into force.
All rules that are contrary to the provisions of this law shall be repealed.
This law shall enter into force on the day following its publication.
Approved February 27, 2017.
The President of the National Parliament,
Enacted on April 17, 2017.
Be it published.
The President of the Republic,