

Legal conditions in agricultural land trade in Poland

Bożena Karwat-Woźniak*, Agnieszka Wrzochalska and Sylwia Łaba

Institute of Agricultural and Food Economy – National Research Institute, ul. Świętokrzyska 20, 00-002 Warsaw, Poland

*Corresponding author: Bozena.Karwat-Wozniak@ierigz.waw.pl

Abstract

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Land is an indispensable resource in any human activity, and its area is limited and permanently located. For this reason, it is the duty of the state to protect agricultural land to ensure food security for citizens. For this purpose, there are e.g., legal solutions in agricultural real estate trading. Analyzing the rules for transferring rights to agricultural land, three main periods can be distinguished, which differed in the degree of their liberalization and the scope of unification of agricultural land trade between natural persons and with the land resource of the Agricultural Property Stock of the State Treasury. The main idea was to create regulations that treated family farms in a special way, favored the improvement of the area structure and the transfer of agricultural land to people who offered opportunities for effective farming, and prevented excessive concentration. Mechanisms and instruments for achieving the goals varied. However, they were generally associated with a reduction in the freedom to trade in agricultural land, also privately. Nevertheless, the transfer of rights to agricultural real estate took place in two separate segments (private and with treasury land). The differences persisted also after the entry into force on April 30, 2016 of the strict rules in agricultural land trading.

Keywords: agricultural land market; legal regulations; the act on shaping the agricultural system

Introduction

Land is a universal resource, without which virtually no human activity can be carried out, although its importance varies in individual activities. It can only be the physical space where the enterprise is located. At the same time, it can also be a means of production when it is used to produce agricultural products. This means that land is of double and essential importance in agriculture. At the same time, it is an integral resource, as all other natural resources (except atmospheric air) are closely related to it (Woś, 1996). It should be emphasized that land cannot be produced, and it is indispensable in practically every human activity, and its resource can be used in a variety of ways. The phenomenon is extremely important in relation to its use for agricultur-

al purposes. The conditions cause agricultural land to be a special good whose social and economic functions go far beyond its importance as one of the three basic agricultural production factors in agricultural activity. The resource determines many public goods and services, which humanity today cannot do without (Czyżewski, Czyżewski, 2015). For this reason, regardless of socio-economic systems and property law, it is assumed that agricultural land is a national asset and it is the duty of the state to protect it (Sikorska, 2014). The purpose is also served by legal regulations in the field of agricultural real estate trading, also intended to affect the area structure of Poland, to ensure that agricultural activity is conducted by persons with appropriate qualifications, and thus strive to improve the conditions for conducting agricultural activity and its competitiveness. Fulfillment of the

desiderata is connected with the need to constantly adjust the statutory standards concerning agricultural land trading, taking into account the specificity of agricultural land, i.e.: indispensability in production, lack of mobility in the spatial meaning, the nature of a living factor.

Legal regulations in agricultural land trading, especially those concerning changes in the ownership of agricultural real estate, are of great importance for the legal order, as they regulate the issues of land ownership, which is an important component of property, especially for farmers. Therefore, they can have a significant impact on life plans and the economic situation of those working in agriculture and the agricultural-related sphere (Rowiński, 2014).

Material and Methods

Legislation on trade in agricultural land is of particular importance in the situation of relatively high agrarian fragmentation of Polish agriculture, due to the primary role of the level of equipment with land in determining the economic potential (strength) of a farm in Poland and to a large extent determines the amount of income obtained from agricultural activity (Zegar, 2018). The too small size of most Polish farms makes it impossible to obtain income that will ensure a parity level of consumption and financing development. For this reason, improving the situation in this respect becomes one of the fundamental objectives of agricultural policy. Thus, the analysis of the evolution of legislation from the perspective of the possibility of influencing the improvement of the area structure is the purpose of the paper. The content of laws and other studies on agricultural land trading was the source of information for the conducted analysis. In particular, the following acts were used in the paper: of October 19, 1991 on the management of agricultural real estate of the State Treasury, as amended; of April 11, 2003 on shaping the agricultural system; of April 14, 2016 on suspending the sale of real estate of the Agricultural Property Stock of the State Treasury and amending certain other acts; of March 24, 1920 on the purchase of real estate by foreigners, as amended.

Legislation on trading in agricultural land in Poland is subject to frequent changes, they are related to the influence of the state on the content and scope of exercising ownership rights (Czechowski, 2004). The evolution of legal regulations concerning agricultural real estate trading reflects changes in the agricultural policy of the state (Oleszko, 2004).

Since the beginning of the transformation of the economic system in Poland, the following division could have been adopted in terms of the evolution of legal principles in agricultural real estate trading:

- the period of liberal trading, covering 1990–2003;

- the period of restricting the freedom of trade, which, depending on the scope of statutory interference in the processes of transferring rights to real estate, can be divided into two periods, covering 2003–2015, and from April 30, 2016, to the present.

Results and Discussion

Legal status in agricultural real estate trading in 1990–2003

Since the beginning of the 1990s to mid-2003, agricultural real estate trading was governed mainly by the rules based on the Civil Code and the Act on the management of agricultural real estate owned by the State Treasury¹ (Journal of Laws 1991, No. 64, item 592, as amended). Pursuant to the regulations, basically every Polish citizen, regardless of their professional status or place of residence, could become the owner of agricultural property of any size. Thus, the legislation was liberal in terms of legal regulations regarding agricultural land trading, especially between natural persons. It was due to the change in the regulations on trading in agricultural real estate carried out in 1990.² It was a response to many years of legal difficulties in private trading in agricultural real estate. In the period preceding the political transformation, the turnover was limited to varying degrees, depending on the pace adopted by the state and the principles of implementing the concept of socializing agriculture, and in order to prevent the development of capitalist forms of agriculture by introducing a standard setting the upper limits of the area of an individual farm. With regard to members of farming families, the provision on preventing excessive fragmentation of farms was restrictive, it hindered the customary rules of inheritance and family divisions. The provision preventing the acquisition of ownership of agricultural real estate by persons who did not guarantee their proper management was to operate in a similar way. In practice, it was about the requirement of residence and agricultural education (at least at the level of courses awarding the title of the so-called qualified

¹ Acquisition of ownership of agricultural real estate could also take place on the basis of the Act of 1997 on the transformation of the right of perpetual usufruct of natural persons into the right of ownership. Land management is also related to the Act of 1995 on the protection of agricultural and forest land, as it regulates the rules for excluding soil from agricultural production.

² Amendment of the Civil Code on July 26, 1990. However, the provision limiting the rules of statutory inheritance of farms was maintained. The special farm inheritance regime was abolished with regard to inheritances considered after the entry into force of the Constitutional Tribunal's ruling of 31 January 2001.

farmer). All these rules were broken to a greater or lesser extent through informal trade in land.

Full statutory freedom in private trade in agricultural land, in force since 1990, contributed primarily to the reconstruction and organization of the market and ownership of agricultural real estate. On the other hand, the legal principles adopted in land trade between farmers had little impact on the rate of land concentration and polarization of farms. The processes were noticeable mainly in the initial period of systemic changes, because in longer time intervals the phenomena are determined primarily by factors of an economic nature.

The Act of 19 October 1991 on the management of agricultural real estate owned by the State Treasury played a significant role in trading in agricultural real estate owned by the State Treasury. The Act in its original form entered into force on January 1, 1992 and it was closely related to the political transformation, one of the basic assumptions of which was the departure from a centrally planned economy based on state ownership to a free market economy based on private ownership. For this reason, the basic task of the Agricultural Property Agency was to restructure and privatize the acquired property in a permanent way (sale, free transfer, contribution in kind to the company) or in a non-permanent way (lease). The activities also took into account the need to improve the area structure of family farms, which, pursuant to Art. 23 of the Constitution of the Republic of Poland are the basis of the agricultural system in Poland (Lichorowicz, 2004).

The provisions of the Act on the Management of Agricultural Property Stock of the State Treasury have undergone numerous modifications throughout the period of validity. Subsequent amendments resulted mainly from practical problems in the application of individual provisions of the act. They were also related to the transformations in economy, economic and political relations that had been taking place since the early 1990s.

In the first years of distributing agricultural properties from the Agricultural Property Stock of the State Treasury, the demand for agricultural land on the part of individual farmers, despite favorable purchase conditions, was relatively small. At the same time, the financial burdens imposed on the properties taken over by the Agricultural Property Stock of the State Treasury resulted in the fact that the Agricultural Property Agency³ endeavored to dis-

tribute the resource as soon as possible. For this reason, no restrictions were applied to the sale and lease. As a consequence, real estate from the Agricultural Property Stock of the State Treasury could be purchased by anyone with capital. The Agency's financial difficulties also resulted in the acceptance of the option of full or partial payment with restructured claims. It meant that, as a rule, large-area real estate was sold.

In the above situation, in 1995, the government made further decisions which were to speed up the allocation of agricultural properties from the Agricultural Property Stock of the State Treasury and direct them more towards the development of family farms and improvement of their area structure. This goal was to be served by solutions concerning the purchase of land on preferential terms, and in particular by raising the upper limit of the area purchased on the terms to 100, 300 and 500 ha, depending on the region of the country. Not only individual farmers could benefit from the conditions. As a consequence, broadly understood buyers, including tenants of large farms, took advantage of it by purchasing some land (especially economic centers), which increased their certainty of farming.

Another modification of May 6, 1999 amending the act on the management of agricultural real estate of the State Treasury (Journal of Laws of 1999, No. 49, item 484) created conditions for the Agency to more actively shape the area structure by giving the possibility to organize limited tenders for the sale and lease of land from the Agricultural Property Stock of the State Treasury, in which only persons indicated in this act could participate, and above all individual farmers intending to enlarge their family farm.

In the discussed period, the Agency played a significant role, especially in the process of launching agricultural land trading on a market basis. The institution basically created the agricultural lease market in Poland, the so-called treasury leases. The dynamization of the sale of agricultural and other real estate, previously owned by the State Treasury, significantly increased the share of the private sector in the ownership of agricultural land. Privatization was carried out through sale, which was the dominant form of disposing of land at the end of the period in question, as well as land lease and other forms of disposing of this property, e.g., transfer of land free of charge to authorized entities. At the same time, non-market forms of trading in agricultural real estate from the Agricultural Property Stock of the State Treasury were of relatively little significance.

³ The Agricultural Property Stock of the State Treasury is a state legal person entrusted by the State Treasury with the exercise of ownership rights and other rights in rem in relation to state property in agriculture. Since 2003, the Agricultural Property Agency has been the legal successor of the Agricultural Property Stock of

the State Treasury, and the National Support Center for Agriculture since September 1, 2017.

Principles of trading in agricultural real estate introduced in 2003

As early as in 2002, projects to revise the existing rules of trading in agricultural land appeared. The main purpose of the intentions was to protect against speculative purchase of land in connection with the process of integration with the European Union (EU), therefore the proposed changes in the regulations interfered with the rules of transferring rights to agricultural real estate. It was reflected in the act on shaping the agricultural system adopted on April 11, 2003 (Journal of Laws of 2003, No. 64, item 803, as amended). The Act on shaping the agricultural system (*ukur*) came into force on July 16, 2003, and the provisions contained therein limited the previously functioning free market in the field of purchasing agricultural land. First of all, the principle was introduced that a family farm is only a farm where the total area of agricultural land does not exceed 300 ha of agricultural land (UAA). It was also specified that the sale of agricultural land by the Agricultural Property Agency may take place if, as a result of such a transaction, the total area of agricultural land owned by the buyer does not exceed 500 ha (Pyrgies, 2018). At the same time, the importance of education in the farmer's profession was sanctioned.⁴ The specificity of agricultural activities which require knowledge and skills in various fields, was taken into account (e.g., knowledge of marketing principles is becoming more and more important nowadays). Therefore, no strict requirement to have learned agricultural qualifications was introduced in relation to people buying land, and any secondary or higher education was also accepted. Those with formally confirmed (by the commune head, mayor) five-year practice acquired through work on a farm were also admitted to the entitlements to run farms. The definition of a farmer, in addition to having appropriate qualifications to practice the profession, also includes the criterion of residence in the commune in which one of the agricultural real estates included in the farm is located.

The Act on shaping the agricultural system defined the rules of trading in agricultural real estate, they were supposed to foster the improvement of the area structure of farms and prevent excessive concentration, while introducing a subjective division into family farms and other farms.

The legal regulations on agricultural land trade introduced in 2003 were intended to foster the strengthening of the position of family farms in the structures of Polish agriculture by facilitating access to agricultural land for individual farmers and to prevent uncontrolled concentration of agricultural land outside individual farming, to counteract

⁴ After a break of several years, the act reintroduces the obligation to hold qualifications. This only applies to natural persons.

speculative purchases, to secure family interests farms, i.e., to facilitate their access to free land in the event of competition for it with large-area entities operating outside family farming. The content of the act was also intended to protect against the purchase of Polish land by potential buyers from other EU countries, after the end of the transition period, i.e., from May 2, 2016, they obtained the right to buy land in Poland on the same terms as its citizens. The restrictions on the area of land covered by the transaction adopted in the act had a weak impact on the inter-neighborly market, as land trade between farmers usually concerned small areas and most often served to enlarge the existing farms whose users could usually easily demonstrate five years of agricultural practice. It is evidenced by the sporadic use of the APA's right of pre-emption and redemption when transferring ownership rights to agricultural real estate on the private market.

Initially, the Agency's powers in relation to the right of pre-emption and redemption concerned all agricultural real estate, even below 1 ha of UAA. Such a provision was very troublesome for buyers (they could not buy a plot "on the spot", they needed to draw up two notarial contracts), as well as for the Agricultural Market Agency, because hundreds of thousands of contracts had to be verified. It came from practice⁵ that the Agency rarely used this privilege, especially in relation to very small real estates, which accounted for the majority of agricultural land transactions to which a natural person who was not a farmer was a party. Unfortunately, one had to ask in every case, even if the probability that the Agency would exercise its right of pre-emption was negligible. Without a notification of the purchase of a plot to the Agricultural Market Agency, the sales agreements was invalid. The amendment to the Act of 2003 carried out in 2010 (Journal of Laws No. 110, item 725) partially limited the right of pre-emption of an agricultural plot by the Agricultural Property Agency. The rights concerned agricultural properties with an area of 5 ha and more.

Amendments to the legislation on agricultural land trade introduced in 2016.

The growing demand for agricultural land and the upcoming full opening of the Polish land market for citizens from the countries of the European Economic Area (EEA)

⁵ In the period from the beginning of the implementation of the Act on shaping the agricultural system to 30 April 2016, the Agricultural Market Agency received 647.6 thousand agreements for 1,249.4 thousand ha. The Agency submitted purchase declarations in 626 cases, concerning 17.4 thousand ha, i.e., 1.4% of the total area covered by the sales agreements reviewed by the Agency. 14.9 thousand ha, i.e., 1.2% of the entire area was subject to acceptance protocols.

and the Swiss Confederation meant that the establishment of uniform rules for trading agricultural land and monitoring the situation in real estate trading became an increasingly important problem agricultural. In view of the circumstances, another revision of the regulations became necessary. First of all, it became necessary to unify and increase the cohesion of the rules applicable within individual segments of the agricultural land market (private and with the share of land from the Agricultural Property Stock of the State Treasury) and to define new regulations taking into account new legal circumstances that have a significant impact on the functioning of agricultural land trading. It concerns, among others, social insurance of farm users, principles of reclassification of land for non-agricultural purposes, and above all, establishing a clear definition of family farms. The arrangement of the rules for drawing up registers of changes in the ownership and temporary use of agricultural land was a separate matter. The actions were necessary to limit informal transactions, they are still present in the inter-neighborly trade in land real estate.

In connection with the above, the Act of 14 April 2016 on suspending the sale of real estate from the Agricultural Property Stock of the State Treasury and amending certain acts (Journal of Laws of 2016, item 585) introduced another amendment to the legal regulations regarding agricultural real estate trading. The introduced legal regulations largely amended the earlier Act on shaping the agricultural system of 2003. Trading in agricultural land has been subject to restrictions.

The above-mentioned act introduces, above all, a thorough amendment to the act of 11 April 2003 on shaping the agricultural system, and **the provisions of the act do not apply only to:**

- agricultural properties intended in spatial development plans entirely for non-agricultural purposes and agricultural properties with an area of less than 0.3 ha, in decisions on land development and build up, intended entirely for non-agricultural purposes,
- built-up agricultural land with an area not exceeding 0.5 ha,
- being internal roads,
- purchase of shares or their part in the co-ownership of real estate with an area of less than 0.3 ha and internal roads.

The amended *ukur* is based on **two basic principles:**

I. Agricultural real estate may be purchased by:

- As a rule, only individual farmers, i.e., natural persons who personally run a farm, have agricultural qualifications and have been residing (registered for permanent residence) for at least 5 years in the com-

mune where at least one plot of their farm is located and it is personally run by them, i.e., they work on the farm and make all decisions regarding the agricultural activity conducted in the entity, while the area of the purchased agricultural property together with the area of agricultural property included in the buyer's family farm may not exceed 300 ha of agricultural land.

- Without statutory restrictions – entities and natural persons listed in the Act, i.e., persons close to the seller (descendants, ascendants, siblings, children of siblings, spouse, adopters and adopted persons); local government units, the State Treasury or the APA acting on its behalf, national parks, in the case of purchase of agricultural real estate for purposes related to nature conservation, church and religious legal persons, heirs to the inheritance and debt collection legacy, acquiring pursuant to Art. 151 or Art. 231 of the Civil Code and the buyer in the course of restructuring proceedings as part of sanation proceedings;
- Entities and natural persons who have obtained the consent of the President of the Agricultural Market Agency/Director General of the National Support Center for Agriculture in the form of an administrative decision, as issued at the request of:
 - the seller of the real estate, if they prove that it was not possible to sell the purchase of agricultural real estate by entities that may, under the law, come into possession of it;
 - a natural person intending to establish a family farm, possessing agricultural qualifications or to whom, on condition of supplementing professional qualifications, they guarantee proper agricultural activity and residence within the period of 5 years from the date of purchase of real estate in the commune where one of the agricultural real estates is located to be part of the family farm being created.

II – Prohibition on selling the purchased agricultural property and handing it over to other entities within 10 years (from the transfer of ownership). The limitation does not apply when the agricultural property was purchased by relatives of individual farmers (descendants, ascendants, siblings, children of siblings, spouse, adopters and adopted persons); local government units, the State Treasury or the Agricultural Market Agency/National Support Center for Agriculture acting on its behalf, national parks, church and religious organizations, a legal person, an heir to the inheritance and a debt collection legacy.

The legal permissibility of the acquisition of agricultural real estate by natural and legal persons does not mean full freedom in trading in agricultural real estate also to entities listed in the Act. The Agricultural Market Agency/National Support Center for Agriculture has the right of pre-emption or purchase of agricultural real estate.

The Act in force since 2016 regulates in detail the rules of trading in agricultural land, the purchase of agricultural property, a share or part of a share in the co-ownership of agricultural property, the purchase of shares in a commercial law company that is the owner of agricultural property made contrary to the provisions of the Act as invalid. An action for annulment of a legal act for the reasons referred to above may be brought by the Agricultural Market Agency/National Support Center for Agriculture, in addition to persons having a legal interest.

In general, the Act of 14 April, 2016, on suspending the sale of real estate from the Agricultural Property Stock of the State Treasury introduces a ban on the sale of land accumulated in the Agricultural Property Stock of the State Treasury. However, contrary to the title, the legislation in force since April 30, 2016, does not introduce an absolute ban on the sale of State Treasury real estate. The wording of the Act shows that it is temporary and so far covers a period of 5 years, and the Agricultural Property Agency managing the Agricultural Property Stock may sell real estate (parts thereof) listed in the Act, i.e., defined as non-agricultural real estate and agricultural real estate up to 2 ha, as well as all others, with the consent of the minister responsible for rural development, if it is justified by socio-economic considerations.

The basic form of disposing of the land accumulated in the Agricultural Property Stock will be a long-term lease, it will allow to rationally plan production. Land will be leased through tenders. Only individual farmers who intend to enlarge or create a family farm will be able to participate in them.

The Act on suspending the sale of land from the Agricultural Property Stock of the State Treasury authorized the Minister responsible for rural development to set lease rates (Journal of Laws of 2016, item 1118). However, it applies only **to the case of conducting tenders for lease in the form of written offers**. The assessment of submitted written bids for a lease tender will be based on certain criteria, their weights and scoring rules, they do not include the criterion of the amount of the lease rate. In the absence of written offers, it is allowed to conduct tenders for the lease of agricultural land of the Agricultural Property Stock in the form of oral tenders. In the cases, the only criterion for selecting a farmer-lessee will be the amount of the auctioned lease rate.

The rules on trading in agricultural land in force since April 30, 2016 introduce further restrictions on trading in agricultural land. The greatest doubts may be raised by the issue of pre-emption rights and redemption of agricultural real estate conducted by the Agricultural Market Agency/National Support Center for Agriculture.

The amended act on shaping the agricultural system significantly narrows down the catalog of persons (entities) entitled to purchase agricultural real estate. As a rule, agricultural land may be purchased by individual farmers, but the area of the purchased agricultural property together with the area of land included in the buyer's family farm may not exceed 300 ha of UAA; persons close to the seller (descendants, ascendants, siblings, children of siblings, spouse, adopters and adopted persons); local government units, the State Treasury or the Agricultural Market Agency acting on its behalf (since 2017, National Support Center for Agriculture), national parks, church and religious legal persons, heirs as a result of inheritance and debt collection, acquiring pursuant to Art. 151 or Art. 231 of the Civil Code.

In 2019, the Act of April 26, 2019 amended the Act on shaping the agricultural system and certain other acts (Journal of Laws of 2019, item 1080). The purpose of the introduced act was to ease restrictions on trading in agricultural real estate. The amendment simplified some procedures and extended the catalog of situations in which certain provisions of the Act will not apply. The catalog of cases in which real estate can be purchased without the need to obtain the consent of the Director General of the National Support Center for Agriculture by persons who do not have the status of an individual farmer has also been extended. The provisions of the law:

- extended the area of agricultural land (up to 1.0 ha) with full freedom of trade,
- shortened the period during which the purchaser of agricultural real estate must run a farm, which means that after 5 years it will be possible to sell the plot,
- running a farm will be confirmed by an individual farmer in a written statement,
- excluded land under fish ponds, which constitute at least 70% of a plot area, and home gardens purchased from the Agricultural Property Stock of the State Treasury,
- lifted the limit on the number of plots purchased in the city, while in rural areas a plot can only be purchased for non-agricultural purposes,
- enabled universities to purchase an agricultural plot larger than 1 ha,
- allow the possibility of purchasing real estate by siblings of parents and stepchildren,

- limited the right of pre-emption granted to the National Support Center for Agriculture in relation to shares in capital companies that have perpetual usufruct or are owners of agricultural real estate has. According to the amendment, the right of pre-emption does not apply to companies that are perpetual usufructuaries or owners of agricultural property with an area of up to 5 ha or a total of up to 5 ha,
- introduced the possibility of purchasing agricultural real estate in the course of bankruptcy and enforcement proceedings and purchasing real estate for agricultural purposes as a result of transformation, division or merger of commercial law companies.

Planned changes to the act

Currently, work is underway on another amendment to the regulations on agricultural real estate trading. Their goal is to introduce greater flexibility in trading in private agricultural land and to improve the management of land owned by the State Treasury. The changes will concern three acts: on the shaping of the agricultural system, on the management of agricultural real estate of the State Treasury and the Civil Code. It is planned to exclude the application of the provisions of the Act on shaping the agricultural system in relation to agricultural properties where the area of agricultural land is less than 0.3 ha. It is planned to abolish restrictions on the sale of agricultural land acquired in enforcement and arrangement proceedings. Currently, pursuant to Art. 2b par. 1 and 2 of the Act, the buyer of real estate must run a farm for 5 years from the date of purchase. During the time, they may not sell it or give it to other natural or legal entities. This obligation also applies to land acquired in enforcement and arrangement proceedings. The Ministry wants to abandon the application of par. 1 and 2 for the two cases. (Olczyk, 2022).

The changes will also apply to the lease. The obligation to run a farm on the purchased property from the first day will not apply to land covered by lease agreements concluded before April 30, 2016 at the time of purchase. The legislator wants to enable former non-contractual users to participate in tenders organized by the National Support Center for Agriculture after 5 years from the property leaving the Agricultural Property Stock of the State Treasury. Currently, former non-contractual users, even if they were the only ones interested in managing a given property in a given area, cannot participate in tenders. There will also be changes to the provisions of the Civil Code regarding usucaption. Currently, there are doubts as to the people who may purchase agricultural property as a result of usucaption. The amendment provides for the repeal of par. 3 in art. 172 of the Civil Code. Thanks to it, doubts about persons who may purchase agri-

cultural property as a result of usucaption are to disappear. The new regulations will also expand the catalog of relatives to include stepfathers and stepmothers (Krupa-Dąbrowska, 2022).

Principles of purchasing agricultural real estate by foreigners

Separate legal regulations apply to real estate transactions with the participation of foreigners. In Poland, there is a rule that a foreigner (natural persons who are not Polish citizens and legal persons with their registered office outside the Republic of Poland) must obtain a permit from the minister competent for internal affairs to purchase real estate. Principles of acquisition and obtaining a permit for acquisition are provided for in the Act of March 24, 1920 on the acquisition of real estate by foreigners, as amended. A permit to purchase real estate by a foreigner is issued at their request, in the form of an administrative decision, and concerns a specific real estate. The minister competent for internal affairs issues them in consultation with the Minister of national defence, and in the case of agricultural real estate in consultation with the Minister of Agriculture and Rural Development, and with the consent of the Minister of the Environment for forest real estate. The authorities may object to granting a permit and thus co-decide with the Minister of Internal Affairs and Administration in individual cases of real estate purchases by foreigners in Poland. In some cases, exemptions from the permit requirement are possible.⁶

The acquisition of real estate by a foreigner may take place not only on the basis of an agreement (sale or donation), but also by way of inheritance. The provisions of the Act do not apply to the transformation of a company and to the acquisition of real estate as a result of statutory inheritance, provided that the heir is a foreigner entitled to statutory inheritance.

Conclusion

Legislation on trading in agricultural land has evolved. After a period of liberal rules for the transfer of rights to real estate, restrictions were gradually introduced. The scope

⁶ No permit is required to purchase real estate: by a foreigner residing in Poland for at least 5 years, being a spouse of a Polish citizen and living in Poland for at least 2 years, real estate, and the purchased real estate will constitute the statutory joint property of the spouses, by way of an agreement with the seller when the foreigner is entitled to statutory inheritance from the seller of real estate of which they are the owner/perpetual usufructuaries for at least 5 years. The exceptions do not apply when the subject of the purchase is agricultural land with an area exceeding 1 ha.

of the state's intervention was different and affected the agricultural real estate trade using different instruments. Further statutory regulations were introduced depending on the assumptions of the agricultural policy. They were mainly aimed at the need to support the improvement of the agrarian structure of farms, ensuring that farms are run by people with appropriate qualifications and preventing excessive concentration. As a consequence of strengthening the protection and development of family farms, ensuring proper management of agricultural land and food security of Poles, and supporting sustainable agriculture conducted in accordance with the requirements of environmental protection and conducive to the development of rural areas took place.

Currently, the legal regulations resulting from the Act on shaping the agricultural system are implemented by the National Support Center for Agriculture, among others, in terms of:

- examining applications and issuing decisions for the sale of agricultural real estate,
- exercising the right of pre-emption and the right to purchase agricultural real estate,
- examining applications and issuing decisions for the sale or transfer to other entities of the purchased agricultural real estate before the end of the period of 5 years,
- acquisition of agricultural real estate by the State Treasury.

Currently, freedom concerns the transfer of property rights.

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