

Unofficial translation

Ministry of Finance, Finland

Act on the Right to Transfer State Real Estate Assets (973/2002)

In accordance with the decision of Parliament, the following is enacted:

Section 1 – *Scope of application*

- (1) This Act provides on the transfer of State real estate assets, the lease of State land assets and the grant of special rights.
- (2) This Act applies to State agencies and institutions and the enterprises referred to in the State Enterprise Act (627/1987). This Act also applies to the Office of the President of Finland and to extra-budgetary funds, unless otherwise provided concerning the funds.
- (3) This Act does not apply to the Finnish Parliament, its organs, offices or institutions, the Bank of Finland or the Social Insurance Institution (KELA).

Section 2 – *Relation of the Act to other provisions*

If provisions deviating from this Act are laid down elsewhere in the law or under authorization elsewhere in the law, they thereby apply in place of this Act.

Section 3 – *Definitions*

For the purposes of this Act:

1) *State real estate assets means*

- a) State-owned real estate, other real estate units and land and water areas, and shares in them (*State land property*);
- b) State-owned buildings and shares in them on land owned by the State or others;
- c) State-owned shares in housing companies and shares in companies the principal purpose of which is to own or manage real property; and
- d) special rights of the State;

2) *transfer* means sale, exchange or other surrender of right of ownership;

3) *leasing* means land tenure as referred to in the Land Tenancy Act (258/1966); and

4) *special right* means usufruct, easement right, right of severance and other corresponding rights.

Section 4 – *Terms of transfer*

- (1) State real estate assets may be transferred, unless otherwise provided in subsection 2 or 4, if transfer is deemed financially expedient or if special grounds exist and there are no justifiable grounds to keep them in State ownership.
- (2) State real estate assets may not be transferred under this Act if:
 - 1) their current value is more than ten million euros; or
 - 2) they are crucial for nature protection, the protection of buildings with substantial historical value, or the preservation of immovable antiquities.
- (3) However, State real estate assets located abroad may be transferred regardless of value.

- (4) Real property in a shore zone may be transferred for use as private recreational dwellings or for recreational building only if special grounds exist.

Section 5 – *Selling price or other consideration*

Unless special grounds exist to justify a price or consideration lower than the current value, State real estate assets may only be transferred at the current value or consideration.

Section 6 – *Transfer decisions*

- (1) The decision to transfer State real estate assets is made by the Government.
- (2) Within their spheres of administration, each ministry may decide on the transfer of State real estate assets the current value of which does not exceed five million euros.
- (3) The provisions of subsection 2 also apply to the Office of the President of Finland and unincorporated State enterprises with regard to State real estate assets of which they hold possession.
- (4) The Government may delegate the authority of a ministry to an agency or institution under that ministry, although not the right to transfer State real estate assets at a price or other consideration lower than the current value.

Section 7 – *Terms of lease*

- (1) State real estate assets may be leased if leasing is financially profitable or appropriate in view of use of the assets. Leasing may not complicate implementation of the protection or preservation referred to in section 4(2).
- (2) Land property within a shore zone may be leased for use for private holiday building if the area has been designated for this purpose in an approved or ratified local detailed plan or master plan under the Land Use and Building Act (132/1999), or if the area has been granted an exemption from the provisions and regulations concerning planning requirements as laid down elsewhere.
- (3) Land property as referred to in subsection 2 above may also be leased for building to which planning requirements do not apply, or which is minor considering the circumstances or in the case of a lease extension or re-lease of essentially the same area to the same tenant, or if some other corresponding grounds call for leasing.

Section 8 – *Size of rent*

- (1) The size of the rent for State-owned land property must be determined on commercial criteria.
- (2) If especially important grounds exist, the rent may be lower than that determined on commercial criteria, or a decision may be made not to charge any rent.

Section 9 – *Leasing decisions*

- (1) Lease of State-owned land property is subject to Government approval if:
 - 1) the current value of the land property to be leased is in excess of ten million euros; or
 - 2) the current value of the land property is in excess of five million euros and the lease period is longer than 30 years; or
 - 3) leasing has substantial significance in principle.
- (2) Otherwise, decisions to lease are subject to approval by the ministry to whose sphere of administration the land property in question belongs, or the unincorporated State enterprise in possession of the land property in question.

- (3) Decisions to lease land property in the possession of the Office of the President of Finland are subject to the Office's approval.
- (4) Ministries may delegate their decision-making authority to agencies and institutions under them, although not the right to lease land property for a rent lower than that determined on commercial criteria or not to charge any rent.

Section 10 – *Special rights*

- (1) Special rights may be granted regarding State real estate assets, provided that this does not hinder the use of the property for Government purposes or complicate implementation of the protection or preservation referred to in section 4(2). The body in possession of the State real estate assets in question grants the special right. Agreements on grant of a special right must be made in writing.
- (2) A consideration at current value must be charged on grant of a special right. A gratuitous right to use State real estate assets may be granted only if the right is minor or other special grounds exist for doing so.
- (3) When a special right concerning State real estate assets involves the extraction of surface deposits, including rock, gravel, sand, peat and earth, for other than household use or the grant of right to use State-owned hydro-power, what this Act provides on the terms of transfer of State real estate assets, the consideration to be charged on transfers, and the making of transfer decisions applies to grant of said right.
- (4) The provisions laid down in subsection 3 on grant of a special right involving the extraction of surface deposits also applies to other transfers of such deposits.

Section 11 – *Determining the decision-making authority in certain cases*

- (1) If the same deed of transfer, lease agreement or other agreement is used to transfer or lease several sites, the authority to make decisions is determined based on the total price or value of the agreement.
- (2) If a single deed of transfer or lease is subdivided and separate agreements are made for each subdivision with the same party, the authority to make decisions is determined based on the sum of the prices or values of the agreements.

Section 12 – *Opinions to be requested*

Before State real estate assets are transferred or leased or special rights involving them are granted, an opinion must be requested from the Ministry of the Environment if the State real estate assets to be transferred or, leased, or concerning which a special right is to be granted, may have considerable significance for the protection of historically valuable buildings or for nature protection, or from the Ministry of Education if the real estate assets may have considerable significance for the preservation of immovable antiquities.

Section 13 – *Records*

- (1) The possessor of State real estate assets must keep an itemized record of transfers, leases and special rights concerning the assets.
- (2) The record must indicate the assets concerned, the date of agreements and their duration, the type of the right transferred, consideration charged and the parties with whom agreements were made. The record must also include identification and contact details on the transferee, tenant or holder of special right.
- (3) Personal data may only be used in managing contractual relations and may be transferred for that purpose when State real estate assets are transferred. State authorities are entitled

to the records kept by possessors of State real estate assets and to information in them that they need in order to carry out their duties.

- (4) Personal data is stored as long as the relevant agreement is in force, after which it is archived as laid down in the Archives Act (831/1994).

Section 14 – *Issuing a decree*

More detailed provisions on the information to be included in the records referred to in section 13 and on any other matters concerning the implementation of this Act may be issued by Government decree.

Section 15 – *Acquiring, managing and recording State real estate assets*

- (1) Provisions on acquiring real estate assets for the State, leasing real estate assets to the State for its use, and leasing State real estate assets to outside parties, on their possession, management and use, and on their registration and recording may be laid down by Government decree. Provisions on the lease of State land property are, however, laid down in this Act.
- (2) This section does not apply to unincorporated State enterprises, with the exception of the registration and recording of State real estate assets.

Section 16 – *Implementing and transitional provisions*

- (1) This Act enters into force on 1 January 2003.
- (2) This Act repeals the Act on the Right to Dispose of State Land and Income Producing Rights issued on 31 August 1978 (687/1978), as amended. Decisions concerning delegation of decision-making authority made under the repealed Act remains in force for two years after this Act comes into force, unless they are separately repealed.
- (3) This Act does not apply to lease agreements and agreements on the grant of special rights that have been made before the Act enters into force. Unless otherwise is provided in the Land Tenancy Act, leases based on said agreements must, nevertheless, be reviewed or other consideration specified to comply with the provisions of this Act as soon as possible under the terms of the agreement in question.
- (4) Measures necessary for the implementation of this Act may be under-taken before the Act's entry into force.
- (5) Government proposal 102/2002, Finance Committee report 15/2002, Parliamentary reply 146/2002.