

## RESEARCH CONCERNING THE LAND LEASE SITUATION IN TIMISOARA SINCE THE ISSUE OF THE LEASE LAW NR. 16/1994 TO PRESENT TIME

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*This paper focuses on almost each article studying its aspects and finally including a comparison between the Romanian system of land lease and the one from the Republic of Moldavia, Canada and several European Union states. The necessity of adopting the Lease Law nr.16/1994 appeared from the above-presented reasons and also as a cause of the lack of state interventions in agriculture. This law created the possibility for a series of Land Law beneficiaries to use all the land had in property, beneficiaries that practically could not work the agricultural land restored into their property. Although, neither the Civil Code, nor the present law defines the lease contract, it can be deduced from the art. 1 - 5 provisions that this contract is a variant of the renting contract for goods used in agricultural exploitations, fact that is actually mentioned in art. 1413 from the Civil Code, the notion being also called the renting of rural estate.*

**Key words:** intervention, contract, rent, rural estate, land law

In 1994, immediately after the occurrence of the Lease Law nr. 16/1994, only three lease contracts were registered at the city hall, the lease period for the legal entity being only one year, as shown in the *table* below:

Tabel 1

**The lease contract'situation in Timișoara in 1994**

The total number of lease contracts	Legal entity/individual person	Leased Area (ha)	Lease period
3	- persoană fizică	4, 6	3 ani
	- persoană fizică	4,6	3 ani
	- persoană juridică	240	1 an

The year 1995 marked a significant increase in the number of registered lease contracts in comparison with the previous year, one reason for this aspect being the implementation of the Land Lease. It should be noticed that there was no individual person to register any lease contract at the City Hall, all of them coming from legal entities or from The Teaching Resort belonging to the University of Agricultural Sciences of Banat.

Tabel 2

**Lease contract'situation in Timișoara in 1995**

Legal entity/individual person	The total number of lease contracts	Leased Area (ha)	Number of contracts/area
- S.C. Agrotim - S.C. Leucofid SRL	49	Sub 1 ha	7
		1 – 2 ha	10
		2 – 3 ha	12
		3 – 4 ha	4
		4 – 5 ha	5
		5 – 6 ha	8
		6 – 7 ha	1
		7 – 8 ha	-
		8 – 9 ha	-
		9 – 10 ha	-
		Peste 10 ha	2

The analysis of *table 2* shows that the greatest share of leased areas comprises land of 2-3 ha, that is 31 lease contracts (32, 6% out of the total amount) and of 1-2 ha, that is 28 contracts (29, 4 % out of the total amount).

During the years that followed, 1996 and 1997 the lease contracts suffered a significant reduction to almost half of the number registered in the previous years. Again it is notable the prevalence of leased areas of 1 to 3 meters and the fact that no individual person officially registered any lease contract, the only evidence referring to one company.

The year 1998 represented, in terms of the number of land lease contracts a return to the year The Lease Law 16/1994 was issued. Only three lease contracts were registered, all signed for 5 years, out of which 2 perfected with the same company from the previous year and one with a individual person for a land area of 5,75ha, larger than the area leased to the company mentioned before.

After 5 years from the implementation of the Lease Law, in 1999 no lease contract was registered, this represents an unprecedented fact in any of the analyzed years. The year 2000, but mostly the year 2001 meant a significant increase of the number of lease contracts, but unfortunately, again, no individual person was registered the prevailing contract parties being The USAMVB Teaching Station and Agroindustrialia Company. In 2000 out of the 118 lease contract, 44 were signed for a period of 5 years, 3 for 2 years and 71 for 1 year, which proves a negative outcome.

Tabel 3

**Lease contract'situation in Timișoara in 2001**

Legal entity/individual person	The total number of lease contracts	Leased Area (ha)	Number of contracts/area
- 111 contracte: USAMVBT - 48 contracte: Stațiunea Didactică Timișoara - 23 cazuri: S.C. Agroindustrială S.A.	182	Sub 1 ha	20
		1 – 2 ha	46
		2 – 3 ha	42
		3 – 4 ha	23
		4 – 5 ha	16
		5 – 6 ha	13
		6 – 7 ha	3
		7 – 8 ha	3
		8 – 9 ha	4
		9 – 10 ha	5
		Peste 10 ha	7

However an encouraging fact is to be noticed: the number of formal lease agreements officially registered at the city hall grew over 50% compared to the year 2000 up to a number of 182. Out of these contracts 33 were signed for 5 years, 80 for 4 years and 68 for 3 years, which proves a prevailing aspect that the lease is still contracted for a short period of time. In the years that followed 2002 and 2003 a pronounced decrease in the number of formal lease agreements for 4 to 17 times in 2003 occurred again.

Tabel 4

**The number of lease contracts and the lease period, în Timișoara in 2002**

The total number of lease contracts	Lease period
21	5 ani
1	4 ani
4	3 ani
5	2 ani
21	1 an

In what the lease period is concerned in 2002, one may notice again that the lease for less than 5 years prevails. A special feature of 2002 concerning the lease of land areas larger than 10 ha, out of 4 contracts there was a land lease case for an area of 49,5 ha, the others comprising areas of 12 ha, 16, and 17 ha. Concerning the contracting parties, from the data provided by the Timișoara City Hall one may notice that out of 52 contracts only one was perfected by an individual person.

In 2003 all 12 contracts registered at The Office for Land Management from Timișoara City Hall belonged to Agroindustrială S. A. company: 4 contracts for areas of 1-2 ha, 1 for 2-3 ha, 5 for 5-6 ha and only 2 for areas over 10 ha, one for 14,42 ha, and the other for 30,79 ha. Concerning the period of lease, 6 were signed for 5 years, 1 for 3 years, 1 for 2 years and 4 for 1 year.

The year 2004 saw an increase in lease contracts, 47 in number, out of which are predominant again areas of land ranging from 1 to 2 ha (10 contracts). As the

lease period is concerned, an encouraging aspect was that almost all contracts (36) were signed for a period of 5 years. The years 2005-2008 were characterized largely in terms of lease contracts perfected in Timișoara, by similar data with the previous years, except for 2005 when there were a greater number of lease contracts 169.

Tabel 5

**Lease contract'situation in Timișoara in 2007**

Legal entity/individual person	The total number of lease contracts	Lease period	Number of contracts/area
- 22 contracte: S.C. AGROSEM S.A. - 35 contracte: USAMVB Timișoara - SDE - 13 contracte: S.C. AGROCEREAL CARANI S.R.L. - 19 contracte: S.C. MERPANO S.R.L. - 1 contract: persoană fizică	90	1 an	9
		2 ani	13
		3 ani	1
		4 ani	-
		5 ani	47
		6 ani	20

Tabel 6

**Lease contract'situation in Timișoara in 2008**

Legal entity/individual person	The total number of lease contracts	Lease period	Number of contracts/area
- 27 contracte: S.C. AGROSEM S.A. - 2 contract: S.C. Sequoia S.R.L. - 1 contract: S.C. E-KADETIM S.R.L. - 1 contract: o persoană fizică - 3 contracte: S.C. AGROCEREAL CARANI S.R.L. - 56 contracte: S.C. MERPANO S.R.L.	90	1 an	25
		2 ani	42
		3 ani	29
		4 ani	3
		5 ani	3
		6 ani	66

Concerning 2009, we analyzed the existing situation until august, as shown in the table below, however we may predict that the number of lease contracts will be much lower than the one registered in the previous years.

Tabel 7

**Lease contract'situation in Timișoara in 2009 – until august 2009**

Legal entity/individual person	The total number of lease contracts	Lease period	Number of contracts/area
- 3 contracte: S.C. AGROSEM S.A.	3	1 an	2
		2 ani	1

## MATERIAL AND METHOD

Why was it necessary to issue a Lease Law? The land law gives reconstructs the property right both for the living owners and for their heirs up to IV degree inclusive. As we all know, at that time, the peasant was poor, lacking the financial and technical means to achieve a competitive agriculture. Many of the future owners are old, a high

percentage of the owners live in towns (43,1%), very many are employees or retired (39,1%) and others live in other localities than the ones where their property was reconstructed.

The need for this law came, thus, from the above considerations as well as from the lack of state involvement in agriculture, in order to allow the full use of areas of land owned by a series of beneficiaries of the land law, who cannot practically work the land given in property.

## **RESULTS AND DISCUSSIONS**

According to some authors in our countries, about 4,000,000 ha of agricultural land is available for lease. Of course the figure is approximate and largely depends on how to understand the legislature in order to support small farm ownership.

The situation encountered in most of the localities examined is very complex, often quite dramatic, especially if we look at the number of lease or concession contracts officially registered at the city halls from the respective localities taking into consideration the fact that many land areas are leased through verbal agreements between the lessees and lesser.

## **CONCLUSIONS**

Analyzing the data provided by the Timisoara City hall, the Office of Cadastre and the general Directorate of Agriculture Timis between 1994-2009, among the conclusions that stand out we mention the following>

- In 11 years in Timisoara, one of the largest cities in Romania, only 1022 lease contracts were registered, a very low figure if we take into consideration the legislators expectations
- Out of 1022 contracts, in less than a half the lease period is 5 years
- There are about 207 lease contracts signed for only one year, which seriously affects land productivity and work continuity
- In these 11 years there are very few individuals in Timisoara, under 10 who have taken land on lease
- There are approximately 10 legal entities, companies and one university with agricultural domain who have leased agricultural land
- Small and very small areas between 1-3 m prevail
- The issue of the Lease law has not lead to the increase of the lease contracts registered at the city hall, the majority of owners that intend to perfect such a contract prefer to do it on verbal agreements.

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