LAND REGISTRATION SYSTEM REFORM

The Project is funded by the Government of the Republic of Croatia, the World Bank and the European Union

Zagreb, February 2006
TABLE OF CONTENTS:

INTRODUCTION .................................................. 3
LAND REGISTRY ACT – EXISTING SITUATION ............... 4
DEVELOPMENT OF THE REAL PROPERTY REGISTRATION SYSTEM 6
DIGITALIZATION – TRANSCRIPTION OF LAND REGISTERS INTO ELECTRONIC FORM 8
INTERNET – E-LAND REGISTER ............................... 11
INTRODUCTION


The Agreement on the Real Property Registration and Cadastre Project defines the general objective of the Project, and that is the establishment of an effective land administration system in order to enhance the real estate market functioning by improving the real property and cadastre registration system.

In order to develop the real property registration system, the Ministry of Justice of the Republic of Croatia has undertaken a number of activities in order to establish an effective system of the real property registration and harmonize land registry data with cadastral data.
THE LAND REGISTRY ACT – EXISTING SITUATION

The reform of the real property rights system began with the adoption of the Law on Ownership and Other Real Property Rights (NN 91/96, 68/98, 137/99, 22/00, 73/00, 114/01), Law on the Purchase of Apartments Subject to Tenancy Rights (NN 25/93, 48/93, 1/94, 44/94, 47/94, 58/95, 11/96, 68/98, 96/99) and the Law on the Restitution of Property Seized during the Yugoslav Communist Regime (NN 92/96, 92/99, 80/02, 81/02) as well as other laws.

The adoption of the Law on Ownership and Other Real Property Rights has inaugurated a new legal system based on private property.

The new regulations have met with a lack of real property and cadastral data harmonization and partially destroyed land registers in need of renewal.

Picture 1

Status of this land register shows the importance of the reform and digitalization.
The adoption of the Land Registry Act (NN 91/96, 68/98, 137/99, 114/01, 100/04), the Law on State Survey and Real Estate Cadastre (NN 128/99) and the decrees related to the Rules on Internal Structure, Land Registry Administration and Performance of other Operations within the Land Registries at Courts (Land Registry Rules of Procedure- NN 81/97, 109/02, 13/02, 153/02 i 14/05) as well as Rules on Land Cadastre (NN 28/00) has created prerequisites for the launch of the land registration and real estate cadastre reform.
DEVELOPMENT OF THE REAL PROPERTY REGISTRATION SYSTEM

As part of the Real Property Registration and Cadastre Project a number of activities have been launched in order to regulate the real property registration system and harmonize land registry data with the real property cadastral data.

One of the essential prerequisites for the success of the land administration legal reform is the harmonization of the land registry and cadastral data, and the establishment and renewal of land registers is, therefore, an important activity.

As part of the land registration reform, one of the activities is the establishment of a new land registration and cadastre system which implies a new mode of operation for all employees.

The Law on Amendments to the Land Registry Act (NN 100/04) stipulates that certified LR clerks shall perform operations related to the land registration procedure independently. The transfer of authority over land registration procedures as well as the land registration decision-making process to certified land registration clerks have greatly unburdened land registry judges and increased the effectiveness of operations within land registries of municipal courts.

Since the day of enactment of the Law on Amendments to Land Registry Act, the Ministry of Justice has conducted intensive legal training of certified land registration clerks.

At the outset of the land registration reform, the number of pending land registration cases at the end of 2003 was 314,243 while their number at the end of 2005 amounted to 214,528.

Due to organizational changes in the operation of land registries of municipal courts, and the transfer of authority to certified land registration clerks to independently pass decisions related to the land registration procedure, the processing of court cases has accelerated and the number of pending cases has declined.
Status of pending LR cases at the Municipal Court in Zagreb

(From 2002 to 2005)

Status of pending LR cases at municipal courts of the Republic of Croatia

*
DIGITALIZATION – TRANSCRIPTION OF LAND REGISTERS INTO ELECTRONIC FORM

In order to create a new system of land registration law and cadastre and a new organization of work itself, the Ministry of Justice pays special attention to the education of employees for the purpose of developing management skills, and to IT training.

As part of the implementation of land registration reform, the Ministry of Justice has equipped land registries of municipal courts with IT equipment and initiated IT education of the employed land registry clerks.

In the present phase of the real property registration project implementation, all land registries of municipal courts have been IT equipped and the process of digitalization of land registers has been launched.

The Rules on Amendments to the Rules of Internal Structure, Land Register Administration and Performance of other Operations within Land Registries at Courts (Land Registration Rules of Procedure) have created legal prerequisites for the implementation of the data transcription process of hand-kept land registers into their electronic form, and the closure of hand-kept land registers.

The total number of land registry files in the Republic of Croatia amounts to 4,245,507, i.e. 14,664,043 land plots that need to be transcribed from hand-kept land registers into their electronic form.

Land registries of municipal courts have so far transcribed data from hand-kept land registers into electronic form in the amount of 2,337,449 land registry files.

The number of transcribed land registry files, although representing 55.06% of the total number of land registry files that need to be transcribed, is satisfactory since it was necessary, before the beginning of transcribing them into electronic form, to IT equip land registries, implement IT training and employ additional staff so that the transcribing procedure can be enforced.
When all technical and security prerequisites for electronic data processing have been fulfilled, the Madam Minister of Justice passes the decision about the closure of hand-kept land registers. At the moment, 41 municipal courts are in the process of closing hand-kept land registers and the total of 10.48 % of land registry files have been transcribed from hand-kept registers into their electronic form.

### Overview of entered and verified LR files in municipal courts in the Republic of Croatia

<table>
<thead>
<tr>
<th>THE REPUBLIC OF CROATIA</th>
<th>Number LR files</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of LR files</td>
<td>4,245,507</td>
<td>100,00%</td>
</tr>
<tr>
<td>Digitalized LR files (together with verified LR files)</td>
<td>2,337,449</td>
<td>55,00%</td>
</tr>
<tr>
<td>Verified LR files</td>
<td>400,050</td>
<td>9,42%</td>
</tr>
</tbody>
</table>
**Picture 6**

Prikaz unesenih i verificiranih z. k. uložaka u Općinskom sudu u Zagrebu

<table>
<thead>
<tr>
<th>Municipal Court in Zagreb</th>
<th>Number LR files</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of LR files</td>
<td>150,875</td>
<td>100,00%</td>
</tr>
<tr>
<td>Digitalized LR files (together with verified LR files)</td>
<td>150,875</td>
<td>100,00%</td>
</tr>
<tr>
<td>Verified LR files</td>
<td>87,551</td>
<td>58,03%</td>
</tr>
</tbody>
</table>

**Picture 7**

Overview of entered and verified LR files in MC Split

<table>
<thead>
<tr>
<th>Municipal Court in Split</th>
<th>Number LR files</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of LR files</td>
<td>32,002</td>
<td>100,00%</td>
</tr>
<tr>
<td>Digitalized LR files (together with verified LR files)</td>
<td>26,001</td>
<td>81,25%</td>
</tr>
<tr>
<td>Verified LR files</td>
<td>1,591</td>
<td>4,97%</td>
</tr>
</tbody>
</table>
INTERNET E- LAND REGISTER

On 13 May 2005, the Ministry of Justice published land registry data on the internet pursuant to a decision by the Madam Minister of Justice, having in mind a great number of customers coming to land registries in order to establish their real property status. Now it is possible to view on the internet the data transcribed into electronic form for all courts.

The data on the internet pages is searched in a manner requiring the customer to state the court name, name of the cadastre municipality where the real estate is located, and the number of land registration lot.
Digitalne zemljišne knjige na web-stranici ministarstva pravosuda svih ončinskih sudova u RH
The launching of the e-land register internet pages has shown that there is a great interest of citizens and legal entities in the Republic of Croatia for establishing land registration status. In a relatively short span of time since the date of the internet pages launch on 13 May 2005 and 31 December 2005, the number of recorded hits was 20,956,001.
The Ministry of Justice undertakes a number of activities related to the land registration reform which serve as the basis for the real estate registration system implementation:

1. completing land registration procedures and passing decisions in cases that are evidenced as pending court cases
2. shortening the process of the real property data record entry into the land registers for the real property that is evidenced in cadastral records
3. registration of private property on objects previously recorded in land registers as common property.
4. providing IT equipment for land registries at municipal courts
5. digitalization (conversion) of manual land registers into electronic form
6. legal and IT training of land registration clerk
7. establishment of a new system of real property registration and the real property registration database.

The Ministry of Justice is aware of all the challenges and changes that need to be implemented in order to establish a land registry database and puts in a lot of effort to prepare a joint real property registration system.
Printing of the publication funded by
the Republic of Croatia and the European Union

Republic of Croatia
Ministry of Justice
The Real Property Registration and Cadastre Project, 2006