


# Art. 4, para 1-2 - de minimis aid ceiling calculated as a price difference in the context of land purchase

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Article	Art. 4, para. 1-2 - Calculation of gross grant equivalent
Key words	<i>land purchase, transparent de minimis aid</i>
Member State	BG

Question	<p>We would like to kindly ask for clarifications regarding the applicable aid granted to land owners for the purposes of nature protection.</p> <p>Under the Life programme the purchase of land for nature conservation purposes is granted without additional state aid considerations. In this context, we would like to kindly ask if our understanding is right that the land purchase for nature preservation does not constitute state aid.</p> <p>We are planning to open a grant procedure under Operational programme 'Environment' 2014-2020 for purchase of agricultural and urban plots owned by natural persons and companies aiming to preserve nature habitat 62C0* Ponto-Sarmatic steppes subject of Natura 2000 network. The habitat is highly endangered by almost all types of anthropogeny activities, incl. plowing, afforestation, planting crops and construction activities. Since 2017 those activities have been officially prohibited for land owners, by virtue of orders issued by the Minister of environment and water (MoEW) to respect the Habitats Directive, . Some of the plots with distributed nature habitat Ponto-Sarmatic steppes are intended for agricultural activities or for construction purposes. Thus, the owners of these plots are legally unable to use their land for its intended purpose.</p> <p>Under the procedure, these plots are to be purchased by the state and transformed from private into public state property. The state shall purchase the plots at market prices, based on assessments by accredited independent assessors. These assessments will be performed at the time of the purchase deals.</p> <p>If the land purchase is considered aid and the comparison is evaluated:</p> <ul style="list-style-type: none"> <li>(a) the market price of a plot (with distributed habitat 62C0) taking into account the prohibitions for agricultural or construction activities as per the ordinances of the minister of environment and water and</li> <li>(b) the market price of a similar plot (where the habitat is not disturbed) with no such prohibitions,</li> </ul> <p>is it applicable the difference between these two market prices to be granted to the land owners as a transparent de minimis aid up to the ceiling of 200 000 euro.</p> <p>Thank you in advance for the clarifications!</p>
Creation Date	2021.08.31

COMP Reply	<p>As a preliminary comment, the de minimis Regulation 1407/2013 applies only to undertakings. It does not apply to private persons which do not carry out economic activities.</p> <p>Regarding the evaluation method to be taken into account, the Commission Notice on the notion of State aid as referred to in Article 107(1) of the TFEU (OJ C 262, 19.7.2016, p. 1-50) provides further clarification. In particular, in the case of sales of land, an independent expert evaluation prior to the sale negotiations to establish the market value on the basis of generally accepted market indicators and valuation standards is in principle satisfactory (see paragraph 103).</p> <p>If the purchase of the land plot reflects the market price, it is the difference between the market price of the plot with no prohibition and the one with prohibition which constitutes the advantage and has to be taken into account for the calculation of the ceiling laid down in the de minimis Regulation 1407/2013.</p> <p><i>Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.</i></p>
<b>COMP Reply date</b>	2021.09.17
COMP Responsible	<input checked="" type="checkbox"/> <a href="#">COMPsupport ESTATE-AID-WIKI</a>

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