
STATE REGULATION LEGAL BASIS OF MARKET LAND RELATIONS IN UKRAINE

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Summary

The article offers the state regulation peculiarities of land relations in the context of the agricultural land market implementation in Ukraine. It has been established that the state regulation of the land market should be considered through the lens of a set of goals, strategies, forms and methods of implementing state policy to ensure the effective use of the country's resource potential. It was determined that at the state level it is necessary to carry out measures aimed at the formation of an effective and regulated circulation of agricultural land, while ensuring that the interests of both land owners, agricultural producers and the state are taken into account. The need to improve the regulatory and legal regulation of market land relations to promote the rational use of land plots was noted.

Keywords: land relations, land resources management; land market, national infrastructure of geospatial data, moratoriums, agricultural land.

Introduction

The land market is a set of legal and economic relations that arise between the subjects of such a market in the process of the land plots circulation: their lease, exchange, sale, pledge, donation and inheritance (Aleinikova, 2012).

Analyzing the formation of the land market in Ukraine, it should be noted that state regulation today requires the adoption of grounded decisions, taking into account the need to take into account the ongoing discussions about the feasibility of further extending the moratorium. A significant number of discussions are conducted around the problems of launching the agricultural land market, its importance and the mechanism of it functioning. According to Kardash, L. and Nikolaenko, O. (2020), one of the main problems of the land market in Ukraine is the insufficient level of institutional environment development necessary for the effective functioning of the land market. The authors argue that without addressing this issue, any land market reform in Ukraine will be ineffective and will lead to increased corruption. Continuation of the moratorium leads to negative phenomena such as the purchase and concentration of large agricultural lands by financial and industrial groups, uncontrolled influence on the intended use of agricultural lands, land "speculation" and land alienation and a much lower price than is economically justified (Melnyk, 2019). Effective land reform can only be achieved through the creation of an institutional environment that promotes the development of market relations and respects property rights. Since land is an important resource for the development of agriculture, legal regulation of land relations is extremely important for ensuring stability and transparency in the land market (Tsyupa et al., 2019).

The relevant principles of land market state regulation offered by scientists are:

- implementation of national interests by directing land resources to owners who will be able to ensure their rational and effective use;
- the unity of the land market state regulation and the legal framework, the concentration of management and control functions by the state;
- compliance with the land market development model according to the regulatory framework.

Integral elements of the land market orderliness are:

- objects (land plots that are in state, communal and private ownership);
- subjects (citizens and legal entities of Ukraine; territorial communities; joint ventures; foreign citizens and stateless persons; foreign legal entities; foreign states);
- land market infrastructure;
- state regulatory legal framework (Pankiv, 2008).

Legal regulation of the land market is carried out according to the Constitution of Ukraine, the Land Code of Ukraine, the Civil Code of Ukraine and other normative legal acts adopted according to them. Despite the fact that many programs and tasks are being developed that directly or indirectly relate to certain problems of land policy, land relations remain unsettled. That is, a full-fledged normative legal field for the regulation of land relations has not yet been formed.

State regulation of the land market is a set of goals, strategies, forms and methods of implementing a balanced state policy to ensure the effective use of the country's resource potential and the transformation of land resources and agricultural production to stimulate the economic development of Ukraine. But for its introduction, the state must have leverage over the regulation of market land relations.

The information provision of market relations is entrusted with the creation of a geospatial data base that will provide up-to-date, reliable and complete information about agricultural lands, which will allow their redistribution, unification, and division for the purpose of forming new land uses according to the tasks of land reform. Also, the creation of modern geospatial data services will provide Ukrainians with free and online access to high-quality, up-to-date and reliable geospatial data, metadata and other geographic information. The inaction of the Law of Ukraine "On the National Infrastructure of Geospatial Data" is a very important component of the full-fledged launch of transparent land reform, as it makes it possible to combine information on various geospatial objects (infrastructure objects, communication networks, land plots) and obtain high-quality analytics.

During the period of the geoportal functioning, a mechanism of interaction with geoportals of the urban cadastre, official geoportals of city councils were developed, personal electronic offices were created for holders, producers and users of data, services for access to geospatial data were developed and tested, integration of existing basic and thematic geospatial data was carried out. Thanks to this, the geoportal user gets to access to information about a specific object or territory (arbitrary or requested: region, district, community), view a map, make a request to receive data about an object or territory, separate data on indicators or types of objects, make a request to receive publicized geospatial data and metadata (Tretiak & Kuryltsiv, 2022).

Relevance. In modern conditions, the issue of land market state regulation in Ukraine remains relevant and requires agreement on the content and form of implementation. In the article, the authors highlighted the state of agricultural land use in Ukraine and noted that these lands make up a significant percentage of the total area of land resources, while the state does not use it fully to increase the economy competitiveness and land market development. During the implementation of the land reform, inefficiency, irrationality and a consumerist attitude towards land were observed. Unresolved number of problems in the formation of the real owner is caused by the lack of a balanced state regulatory policy. The peculiarities of the land market formation are considered, the main problems of its development are highlighted and ways of overcoming them and optimizing them in modern market relations are offered. Attention is focused on the need to improve legislation in the land sphere, organizational and informational conditions for land reform, to take into account the experience of European countries in the market relations formation. That is why the specified topic is relevant and requires research in the context of determining the content, problems and prospective tasks of the state regulation of market land relations.

The purpose of the study. The purpose of the article is to analyze the theoretical aspects and legal policy of the land market introduction in Ukraine, its regulation and the creation of an appropriate regulatory and legal framework in modern economic conditions.

Main tasks. The main tasks of this research are aimed at:

- scientific approaches generalization to the justification of the legal basis of state regulatory policy in the field of market relations;
- study of the land market formation effectiveness in Ukraine;
- determination of the strategic main components of state regulation in the field of the land market;
- characteristics of directions for improving state regulation of the agricultural land market.

Object and research methods

The object of study is the state regulation process of market land relations in Ukraine.

Research methods. The theoretical basis of this study is the dialectical method of understanding economic phenomena and processes in their continuous development and interrelationship. To achieve the goal, the following methods were used: abstract and logic while summarizing theoretical and methodological provisions regarding state regulation of market land relations; monographic - in highlighting the views of scientists (Aleinikova, 2012; Kardash, L. and Nikolaenko, O., 2020; Melnyk, 2019; Tsyupa et al., 2019; Pankiv, 2008; Tretiak & Kuryltsiv, 2022; Zhuk & Shevchenko, 2013; Polska, 2020; Mohylnyi, 2022; Blahopoluchna et al., 2022) on the problems studied in the work, studying the development of the land market; economic and statistical - for the analysis of land valuation quantitative and qualitative indicators.

Ukraine has a large land potential, which occupies 5.7% of European territory and is the main national resource. More than 60 million hectares of land in the country are productively used and mainly consist of agricultural land used for growing crop products. Land has great importance for the development of society, performing economic, legal, ecological and spiritual functions. Land ownership and land relations are topical issues that are constantly discussed by Ukrainian society. The development of society has always been inextricably linked with the land, which remains the basis of providing the world's population with food and a source of economic development. With the emergence of private ownership of land, it became a commodity, which, in turn, led to the development of the land market. Land is a unique commodity, as its price increases over time.

Since 1992, a moratorium on the sale of agricultural land was established in Ukraine, the owners were able to dispose land only by renting it out or managing it independently. However, since July 1, 2021, the land market became

opened to citizens of Ukraine, legal entities, territorial communities and the state, which have the right to own agricultural land plots. The formation of the land market will have a positive impact on the country's economy, ensuring more efficient use of land and supporting the development of the agricultural sector.

Results of the study

The state acts as an authority and the owner of land and other natural objects. As a government body, it establishes the basic principles and procedure for land reform. As the owner of land and other natural resources it acts as a business entity interested in the most productive and rational use of these resources.

In Ukraine, land auctions are held, at which mainly land plots belonging to state and communal property, as well as rights to lease them, are sold. Auctions are organized by the State Service of Ukraine for Geodesy, Cartography and Cadastre. Starting from July 2021, land auctions for plots of all forms of ownership take place exclusively in the form of electronic auctions. Every Ukrainian who owns an agricultural plot of land can rent out his share or sell it through an auction. State and communal land can be leased or bought, but agricultural plots of state and communal property are not for sale and are available only through electronic land auctions.

If we consider land as a real estate object with its own price, then it is worth noting that in this case we are talking about a specific land plot, which is a part of the earth's surface with established boundaries, has a certain location, economic use, legal regime and other important features, with the rights defined for it (Zhuk & Shevchenko, 2013).

Based on Table 1, it is possible to highlight some properties of land that determine its value as a special commodity. In addition, land as an object of purchase and sale is characterized by certain socio-economic and natural and climatic parameters.

Table 1. The main properties of land as an object of purchase and sale

Land property	Characteristics
Stability	Inability of moving the earth in space. The price of a land plot and real estate located on it depends on its location.
Durability	Earth, as part of the surface of the earth's landmass, has an infinite term of "life" and does not wear out. This property allows you to have fairly stable incomes with its rational use.
Eligibility and limited nature of the offer	The surface of the earth is limited by the land borders of the globe. It is impossible to replace land with some other means of production. This is a prerequisite for finding ways to use it more efficiently and gradually increase its value.
Corporality	Land as a part of real estate can function in kind and value form. The physical characteristics of the land plot (size, location, fertility), as well as the value determined by them, are usually used when determining its price.
Change in value over time	The cost of a land plot in the short term remains relatively unchanged, but due to the growing shortage and the high degree of development, it may increase.
Multifunctional purpose	Land is used as a means of production, a subject of labor, the spatial basis of any business, which increases its value.
Long-term nature of land fertility restoration	Presupposes a balanced nature of land use according to its intended purpose.

Source: based on: [8].

Summarizing the definitions of scientists and researchers in the field of land relations, we can conclude that all researchers emphasize the extraordinary value of land, its irreplaceable role in ensuring the development and life of a person, society and the entire ecosystem. Taking into account the main properties of land, it is possible to determine its most characteristic features: uniqueness, value, naturalness, irreplaceability, localization, immobility, exhaustiveness and limitation (Polska, 2020).

At the beginning of radical economic reforms, there was a narrowing of the entire economic system to the scope of the market mechanism. This led to the current state of Ukraine's economy, which, before the reforms, had high hopes of breaking through to the cohort of developed countries. However, in 30 years, it has slipped into a backward, small and dependent economy from the oligarchy, the external conjuncture of raw materials markets, the decline of processing and high-tech sectors, physically worn out and morally outdated infrastructure. This, in turn, led to a significant deterioration in the quality of life and well-being of most households, a critical stratification of the population by property status and income (Mohylnyi, 2022).

For most operations in the land market and taxation, it is necessary to correctly evaluate the land, taking into account its characteristics and purposes of use. According to the Law of Ukraine "On Land Valuation", the monetary evaluation of land plots in Ukraine is divided into two types - normative and expert, depending on the purpose and procedure. For civil law agreements related to land plots and rights to them, the law provides for the application of land plots expert monetary evaluation and rights to them. Normative monetary valuation of land plots is carried out by legal entities that are developers of land management documentation. This estimate is regularly indexed using an appropriate coefficient that takes into account the consumer price index for the previous period.

The start of the war on February 24, 2022 in Ukraine forever changed the history of the country. These events became a serious challenge for the whole society, including land relations. Land in Ukraine has always been important,

as it is the main resource for production and a key factor in the country's economic development. In these conditions, the resolution of land issues has become critically important for the security of not only the agrarian sphere, but also for the entire country as a whole.

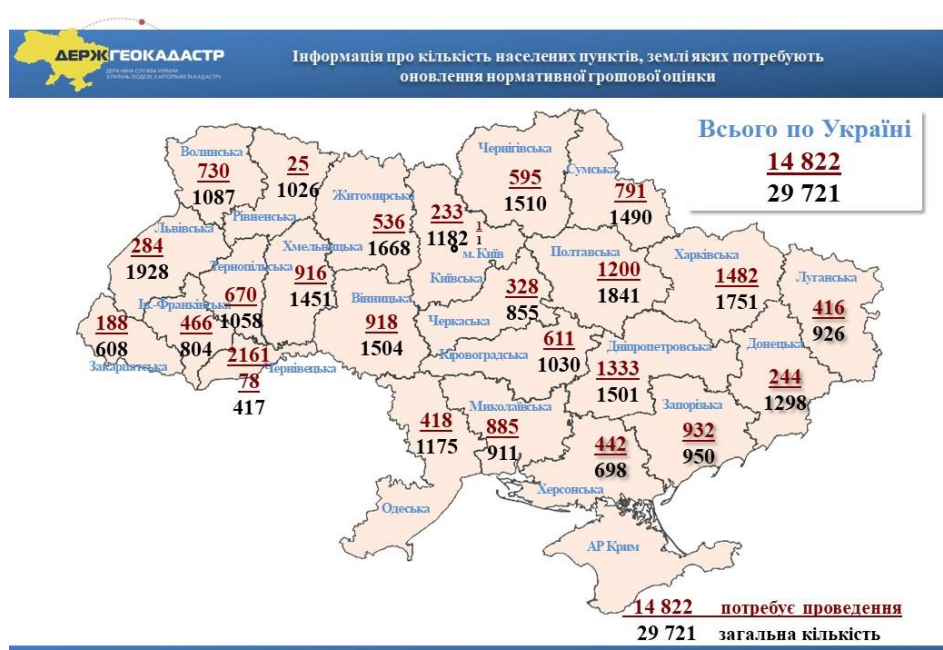


Figure 1. The number of settlements whose lands require updating the normative monetary assessment

The Government of Ukraine adopted a number of legal acts to adapt land relations to new realities. The main among them are the Law of Ukraine dated March 24, 2022 No. 2145-IX "On Amendments to Certain Legislative Acts of Ukraine on Creating Conditions for Ensuring Food Security in Martial Law", Law of Ukraine No. 2247-IX dated May 12, 2022 "On amending legislative acts of Ukraine regarding the specifics of regulating land relations under martial law" and the Law of Ukraine "On Amending Legislative Acts Regarding the Restoration of the System of Registration of Agricultural Land Lease Rights and Improvement of Land Protection Legislation".

During these months of the war, our country suffered enormous environmental damage. It will take decades to restore Ukrainian nature. Today, fighting is taking place in the south of Ukraine in nature conservation steppes with unique ecosystems that will take at least 50 years to restore (Blahopoluchna et al., 2022).

Since May 2022, when access to state registers was restored, the land market began to gradually revive. In 9 months, more than 34,000 deals on land plots with a total area of more than 61,000 were concluded on the land market. The greatest demand was for land plots in Khmelnytskyi (6.2 thousand hectares), Vinnytsia (6.1 thousand hectares), Poltava (5.9 thousand hectares), Kirovohrad (5.8 thousand hectares) and Dnipropetrovsk (5.2 thousand hectares) regions. Minor changes were also recorded in land prices. At the end of October, the average cost of a hectare of land was about 38 thousand UAH per hectare, which is thousand UAH more than in the same period last year. The highest prices were recorded in Ivano-Frankivsk (91.7 thousand UAH per hectare), Kyiv (77.9 thousand UAH per hectare) and Lviv (70.4 thousand UAH per hectare) regions.

At that time, the Government and the Parliament acted prudently to prevent the conclusion of agreements not on market terms, speculation and raiding, completely closing access to real estate registers. However, in order to avoid the shutdown of the state and communal land market during martial law, new mechanisms were introduced. Among them is a simplified procedure for the transfer of state and communal property land plots for lease without conducting auctions with such restrictions:

- you can rent only a plot of land for agricultural production;
- the maximum amount of rent is 8% of the normative monetary land plot value;
- there is no overriding right of the lessee to renew the lease agreement;
- contracting only in electronic form;
- the state registration of the land lease agreement is carried out by the district military administration in the Land Ownership and Land Use Registration Book.

Law of Ukraine No. 2698-IX "On Amendments to Certain Legislative Acts Regarding the Revival of the System of Registration of Lease Rights for Agricultural Land Plots and Improvement of Land Protection Legislation" entered into force on November 19, 2022. This law restores the conduct of land auctions regarding the rights to use agricultural land plots belonging to state and communal property, state registration of lease rights to agricultural land plots, free privatization of land plots on which privately owned buildings and structures are located, as well as land plots that were transferred to citizens for use before the entry into force of the Land Code of Ukraine, and the lease of agricultural land for more than 1 year (with the exception of cases when the operation of the State Land Cadastre is suspended throughout the territory of Ukraine) (VRU, 2022).

Although land transactions are not yet as active as we would like, the initially introduced restrictions are being eased, which will allow the market to recover. Many factors affect the formation of supply on the market, and the owners of land plots and shares prefer to keep these assets for the time being. However, after the victory of Ukraine in this war, the importance of land plots will increase significantly.

Conclusion

In our opinion, the agricultural land market is an integral part of the agricultural sector, and it should work to ensure increased productivity and production efficiency in this area. However, it is necessary to take into account the fact that in many developed countries there is strict state regulation of the agricultural land market. This is a necessary condition for ensuring economic stability and protecting the interests of the agricultural sector. Therefore, it is important to determine, on the basis of scientific research, the optimal ways of regulating the agricultural land market to ensure the stable and effective development of this industry.

Therefore, the reform of market land relations should contribute to the effective and rational use of land resources. For this, the participation of the state in regulating the use of land resources is relevant, and not only at the organizational and legal level, but also as an active land owner, which stimulates market processes. For effective state regulation of market relations, it is necessary to ensure guarantees of property rights and land circulation, stability of state and local policy regarding land real estate, investors, formation of an effective system of spatial planning, etc.

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