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Nicaragua Enacts New Law on Property Rights

by LADB Staff

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Nicaragua's National Assembly passed a new property law that went into effect on Nov. 26. The law (Ley de la Propiedad Urbana, Rural y Reformada) is essentially the text of the private agreement reached in September by President Arnaldo Aleman and Sandinista leader Daniel Ortega (see NotiCen, 09/18/97). The law is supposed to settle the longstanding dispute over agrarian and urban property confiscated by the Sandinista government in the 1980s (see NotiSur, 11/02/95; NotiCen, 03/13/97). The governing Partido Liberal decided to support the Aleman-Ortega pact to maintain political and social stability in the country. The party has even been willing to confront the predictable criticism of the law from former owners of confiscated property (confiscados).

Governing party divided over the law

The Partido Liberal's support of the bill has split the party and even the administration. Some Liberal lawmakers voted against it, and Vice President Enrique Bolanos has publicly objected to it. In a statement published in a Tegucigalpa newspaper, Bolanos said the law forces the Partido Liberal, a consistent opponent of the Sandinista confiscations, to legalize them. He accused "the president's men" of supporting the bill out of expediency.

Another official, Rosendo Diaz, head of the agency that administers state-owned enterprises (Corporacion Nacional de Empresas de la Administracion Publica, CORNAP), resigned in protest of the law. The new law also threatens to undermine the ongoing "national dialogue," begun in June to discuss critical issues facing the nation, such as property rights (see, NotiCen, 07/10/97 and 09/18/97). Some participants have threatened to pull out of the talks because they think the Assembly failed to take their recommendations on property seriously.

The law essentially ratifies the agrarian and urban property reforms of the 1980s, compensating confiscados who have legitimate claims to prior ownership by means of government bonds. Land titles transferred under the Sandinista agrarian reform will be reviewed to eliminate fraudulent beneficiary claims. The government's Comision Nacional de Revision de Confiscaciones (CNRC) will also review the claims of beneficiaries of confiscated lots and houses in urban areas to eliminate fraud. And, beneficiaries who obtained titles under the agrarian reform to lands within indigenous communities must pay a fee to the community.

All confiscados, except members of the family of former dictator Anastasio Somoza, will have three months in which to request a ruling from the CNRC on their claims. If they do not receive a favorable ruling, they may take their case to court. Confiscados who get their property back, however, must reimburse the state for any appreciation in value since the date of its confiscation. The law does not force the return of property taken by Sandinista leaders in 1990 in the "pinata." One of the most controversial articles ratifies titles to houses received by military and police officers and declares them free of real-estate taxes. The law has been roundly criticized by confiscado representatives. Lucia de Sacasa, president of the Federacion de Confiscados, accused the Aleman

administration of "betrayal" and promised to file suit in the Supreme Court to prevent the law from being implemented. Lawyers for confiscado associations have already filed 36 suits with the Supreme Court. [Sources: Notimex, 11/21/97; Reuter, 12/02/97; La Prensa (Nicaragua), 11/21/97, 11/27/97, 11/30/97, 12/01/97, 12/02/97, 12/04/97, 12/08/97, 12/12/97]

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