

GENERAL LAW ON NATIONAL ASSETS

TEXT IN FORCE

New Law published in the Official Gazette on May 20, 2004

In the margin a seal with the National Coat of Arms, which reads: United Mexican States.- Presidency of the Republic.

VICENTE FOX QUESADA, President of the United Mexican States, declares to its residents that they may know:

That the Honorable Congress of the Union has seen fit to send me the following

DECREE

THE GENERAL CONGRESS OF THE UNITED MEXICAN STATES, D E C R E E S:

THE GENERAL LAW ON NATIONAL ASSETS IS ISSUED

SOLE ARTICLE. The General Law on National Assets is issued, to read as follows:

GENERAL LAW ON NATIONAL ASSETS

TITLE ONE GENERAL PROVISIONS

SOLE CHAPTER

ARTICLE 1.- The present Law is of public order and general interest and its purpose is to establish:

- I.-** The goods that constitute the patrimony of the Nation;
- II.-** The regime of public domain of the property of the Federation and of the real estate of the decentralized agencies of a federal nature;
- III.-** The distribution of competencies among the agencies administrating real estate;
- IV.-** The bases for the constitution and operation of the Federal and Parastatal Real Estate Administration System and the Federal and Parastatal Real Estate

Information System, including the operation of the Public Registry of Federal Property;

V.- The norms governing the acquisition, titling, administration, control, monitoring and transfer of federal real estate and those owned by the entities, with the exception of those regulated by special laws;

VI.- The bases for regulation of movables property of the entities, and

VII.- The regulations governing the carrying out of appraisals on national assets.

ARTICLE 2.- For the purpose of this Law, the terms shall be understood as follows :

I.- Agencies: those determined as such by the Organic Law of the Federal Public Administration including, when applicable, their decentralized organs;

II.- Real estate administrative agencies: the Ministry and the Ministries of the Interior; Environment and Natural Resources; Communications and Transportation; Public Education, and Agrarian Reform, which, in relation to the federal real estate of their competence, shall exercise the powers conferred upon them by this and other laws. The agencies that have federal real estate set aside for their own use shall not be considered real estate administrative agencies;

III.- Entities: the parastatal entities determined as such by the Organic Law of the Federal Public Administration;

IV.- Federation: the level of government which in terms of this Law exercises its faculties in the subject of national assets, through the Legislative, Executive or Judicial branches.

V.- Public institutions: the organs of the Legislative and Judicial Branches of the Federation, of the Federal District and of the States; the agencies and entities of the Federal, State and Municipal public administrations, and of the Government of the Federal District; the Office of the Attorney General of the Republic; the administrative units of the Presidency of the Republic, and the institutions of a federal or local nature with autonomy granted by the Political Constitution of the United Mexican States or by the Constitutions of the States;

VI.- Recipient institutions: the public institutions that have federal real estate allotted for their own use.

VII.- Federal real estate: the land with or without constructions of the Federation, as well as that in which possession, control or administration as owner is exercised. Lands or constructions owned by third parties which by virtue of some

juridical act the Federation possesses, controls or administrates shall not be considered federal real estate.

VIII.- Federal and parastatal real estate patrimony: the whole of the federal real estate and real estate property of the entities, and

IX.- Ministry: the Ministry of Public Administration.

ARTICLE 3.- The following are national assets:

I.- Those indicated in Articles 27, paragraphs four, five and eight; 42, Section IV, and 132 of the Political Constitution of the United Mexican States;

II.- The common-use property referred to in Article 7 of this Law;

III.- The movable and real estate property of the Federation;

IV.- The movable and real estate property of the entities:

V.- The movable and real estate property of institutions of a federal nature with their own legal capacity and assets to which the Political Constitution of the United Mexican States grants autonomy, and

VI.- Other property considered by other laws as national.

ARTICLE 4.- The national assets shall be subject to the regime of public domain or to the specific regulation set forth in the respective laws.

This Law shall apply to all national property, except such assets regulated by specific laws. In regard to the latter, the present Law shall be applied in anything unforeseen by said laws as long as it is not in contradiction with them.

Assets regulated by specific laws shall be considered, among others, those transferred to the Asset Administration and Transfer Service in accordance with the Federal Law for the Administration and Transfer of Public-Sector Assets. For the effects of the penultimate paragraph of Article 1 of said Law, it shall be understood that the assets subject to the public-domain regime that this law establishes and which are transferred to the Asset Administration and Transfer Service, shall continue in the above-mentioned regime until same have been withdrawn in terms of this Law.

The movables and real estate property of institutions of a federal nature with their own legal capacity and assets to which the Political Constitution of the United Mexican States grants autonomy are immune from seizure and imprescriptible. These institutions shall establish, pursuant to their specific laws, the provisions that shall regulate acts of acquisition, administration, control and

transfer of the above-mentioned assets. In any event, said institutions should process registration of the titles referred to in Section I of Article 42 of this Law, in the Public Registry of Federal Property.

Archeological monuments and historical and artistic monuments property of the Federation shall be regulated by this Law and the Federal Law on Archeological, Artistic and Historical Monuments.

ARTICLE 5.- Failing express provision in this Law or in other provisions stemming therefrom, the following, where pertinent, shall apply: the Federal Civil Code, the Federal Law on Administrative Procedure and the Federal Law on Civil Proceedings.

ARTICLE 6.- The following are subject to the regime of public domain of the Federation:

I.- The assets set forth in Articles 27, paragraphs four, five and eight; 42, Section IV, and 132 of the Political Constitution of the United Mexican States:

II.- The common-use assets referred to in Article 7 of this Law;

III.- The island platforms under the terms of the Federal Law of the Sea and, where applicable, of the international treaties and agreements to which Mexico is a party;

IV.- The bed and subsoil of the territorial waters and inshore waters;

V.- The nationalized real estate referred to in Transitory Article Seventeen of the Political Constitution of the United Mexican States;

VI.- Federal real estate that is allotted in fact or through a legal ordinance to a public service and real estate that is equaled to them in accordance with this Law;

VII.- Wastelands, national lands and other real estate declared by law immune from seizure and imprescriptible;

VIII.- Federal real estate considered archeological, historical or artistic monuments according to the law on the matter or the corresponding declaration;

IX.- Lands gained naturally or artificially from the sea, rivers, currents, lakes, lagoons or estuaries of national property;

X.- Federal real estate that constitutes territorial reserves, regardless of the manner in which they were acquired;

XI.- Real estate that is part of the patrimony of the decentralized agencies of a federal nature;

XII.- Assets that are part of the patrimony of entities that become extinguished, dissolved or liquidated, in the proportion that corresponds to the Federation;

XIII.- The easements, when the dominant lot is one of the foregoing;

XIV.- The mural paintings, sculptures and any work of art incorporated into or adhering permanently to the real estate subject to the regime of public domain of the Federation;

XV.- The movables of the Federation considered historical or artistic monuments in accordance with the law on the matter or the corresponding declaration;

XVI.- The movables determined by law or by decree as archeological monuments.

XVII.- The movables of the Federation at the service of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, as well as of the organs of the Legislative and Judicial Branches of the Federation;

XVIII.- The movables of the Federation which by nature are not normally replaceable, such as documents and files from offices, manuscripts, incunabulum, editions, books, documents, periodicals, maps, plans, leaflets and important or rare etchings, as well as collections of these goods; ethnological and paleontological pieces; specimens of flora and fauna; scientific or technical collections; weapons, numismatic and philatelic collections; the archives, audio recordings, films, photographic, magnetic or informatics archives, magnetic tapes and any other object containing images and sound, and the artistic or historical pieces of museums;

XIX.- The meteorites or aerolites and all the mineral, metallic rocky objects or those of a mixed nature coming from outer space, fallen and recovered in Mexican territory in terms of the respective regulations;

XX.- Any other movables and real estate which by any means come to form part of the patrimony of the Federation, except for those subject to the specific regulation of the applicable laws, and

XXI.- Other assets considered in the public domain or as inalienable by other special laws regulating national property.

ARTICLE 7.- The following are common-use assets:

I.- The airspace situated over national territory, with the extension and modalities established by international law;

II.- The inshore waters, in accordance with the Federal Law of the Sea;

III.- The territorial waters to the breadth established by the Federal Law of the Sea;

IV.- The maritime beaches, understood by such as the parts of land that by virtue of the tide are covered and uncovered by the water, from the limits of lowest tide to the limits of the highest tide annually;

V.- The federal seashore area;

VI.- The ports, bays, inlets and coves;

VII.- The seawalls, quays, breakwaters, piers and other port works, when they are of public use;

VIII.- The channels of currents and the beds of lakes, lagoons and estuaries of national property;

IX.- The banks and federal zones of currents;

X.- The dams, dikes and their channels, canals, earth dikes and ditches, built for irrigation, navigation and other uses of public utility, with their protection areas and rights of way, or banks in the extension which, in each case, the competent agency in the matter establishes, in accordance with applicable legal provisions;

XI.- The roads, highways, bridges and railroads that constitute the general communication routes, with their auxiliary services and other integrating parts established in the federal law on the matter;

XII.- The real estate considered archeological monuments according to the law on the matter.

XIII.- The plazas, avenues and public parks whose construction or conservation is in the charge of the Federal Government and the constructions raised by the Federal Government in public places for ornament or comfort of those who visit them, and

XIV.- Any other assets considered of common use by other laws regulating national property.

ARTICLE 8.- All the inhabitants of the Republic may use the common-use assets, with no restrictions other than those established by the laws and administrative regulations.

For special utilizations of common-use assets, a concession, authorization or permit is required, granted with the conditions and requirements established by the laws.

ARTICLE 9.- The assets subject to the regime of public domain of the Federation shall be exclusively under the jurisdiction of the federal powers, in the terms prescribed by this Law, except for real estate acquired by the Federation after May 1, 1917 and that are located in the territory of some State, in which case the consent of the respective local legislature shall be required.

The decree or agreement whereby the Federation acquires, appropriates, or allocates a building for a public service or for common use should be communicated to the pertinent local legislature. The publication in the **Official Gazette** of the corresponding decree or agreement, as of the very date of publication, shall have the effects of notification to the State legislature itself.

It shall be presumed that the local legislature in question has given its consent, when it does not issue any resolution within forty-five calendar days following the date of publication in the **Official Gazette**, except when it is in recess, in which case the term shall be computed as of the day it immediately begins its period of sessions. Express denial by the corresponding legislation shall leave the building subject to the local jurisdiction.

Once consent has been obtained under any of the hypotheses set forth in paragraphs one and three of this article, it shall be irrevocable.

ARTICLE 10.- Only the federal courts shall be competent to take cognizance of civil, mercantile, penal or administrative suits, as well as non-administrative judicial proceedings related to the assets subject to the regime of public domain of the Federation, even when the disputes concern rights of use over same.

ARTICLE 11.- The following are subject to the provisions of this Law and its regulations:

I.- Acts of acquisition, administration, control, use, vigilance, legal protection, valuation and transfer of federal real estate, as well as movables that are federal property at the service of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, without prejudice to the application that corresponds, in the case of movables, to the provisions of the Law on Acquisitions, Leasing and Services of the Public Sector, and

II.- The allocation of institutional responsibilities with regard to the execution of works of construction, reconstruction, alteration, adaptation, conservation, maintenance, repair and demolition in federal real estate, without prejudice to the provisions established in the Law of Public Works and Related Services.

ARTICLE 12.- The Ministries of Public Security, National Defense and of the Navy, as well as the Office of the Attorney General of the Republic, shall provide the necessary assistance whenever formally required of them, with the aim of safeguarding the patrimonial interests of the Nation.

ARTICLE 13.- The assets subject to the regime of public domain of the Federation are inalienable, imprescriptible and immune from seizure and shall not be subject to vindicatory action or of definitive or provisional possession, or any other by third parties.

ARTICLE 14.- The entities or private concerns which, under any title, use real estate subject to the regime of public domain of the Federation for administrative ends or for purposes other than its public use, shall be obligated to pay taxes on real estate property.

ARTICLE 15.- Private persons and public institutions may only acquire on the use, development and exploitation of the assets subject to the regime of public domain of the Federation, the rights regulated in this Law and any others issued by the Congress of the Union.

However, accidental reclamations or accessories compatible or complementary with the nature of these assets, such as the sale of fruit, materials or wastes, shall be governed by the Federal Civil Code.

Rights of way, sight, light, spills and other similar rights on said assets are governed exclusively by the laws, regulations and other administrative provisions of a federal nature.

ARTICLE 16.- The concessions, permits and authorizations on assets subject to the regime of public domain of the Federation do not create real property rights; they simply grant before the administration and without prejudice to third parties, the right to carry out the uses, utilizations or exploitations, in accordance with the rules and conditions established by the laws and the title of the concession, permit or corresponding authorization.

ARTICLE 17.- The concessions on assets of direct dominion of the Nation whose granting is authorized by the sixth paragraph of Article 27 of the Political Constitution of the United Mexican States, shall be governed by the provisions of the respective regulatory laws.

The Federal Executive may deny the concession in the following cases:

- I.- If the applicant fails to comply with the requirements established in said laws;
- II.- If a concentration contrary to the social interest is created with the concession;
- III.- If it is decided to undertake, through the Federation or the entities, direct exploitation of the resources in question;
- IV.- If the assets in question are programmed for the creation of national reserves;
- V.- When national security is affected, or
- VI.- If there is some well-grounded motive of public interest.

ARTICLE 18.- The annulment and termination of concessions on assets subject to the regime of public domain of the Federation, when admissible according to law, shall be issued by the agencies or decentralized bodies that had granted them, after a prior hearing with the interested parties for them to furnish proof and make any claims in favor of their right.

Should the declaration remain firm, the assets that are the subject of the concession, their improvements and accessories, shall be transferred by full right to the control and administration of the concession-granter, without payment of indemnity of any kind to the concessionaire.

ARTICLE 19.- The real estate administering agencies and the decentralized bodies may recover the concessions they grant on assets subject to the regime of public domain of the Federation by means of indemnity, for reasons of utility, public interest or national security.

The recovery declaration shall make the assets subject to the concession return, in full right, as of the date of the declaration, to the possession, control and administration of the concession-granter and make the goods, equipment and installations directly intended for purposes of the concession become part of its patrimony. The concessionaire may be authorized to withdraw and dispose of the goods, equipment and installations of its property under the concession, when same are not useful to the concession-granter and may be made use of by the concessionaire; but in such a case their value shall not be included in the amount of the indemnity.

The recovery declaration shall establish the general grounds that shall serve to set the amount of the indemnity that has to be paid to the concessionaire, bearing in mind the investment made and duly proven, as well as the depreciation of the goods, equipment and installations directly intended for

the purposes of the concession, but in no case shall the value of the assets licensed be taken as the grounds for setting such an amount.

If the affected party is satisfied with the amount of the indemnity, the amount indicated under this heading shall be of a definitive nature. If the party were not satisfied, the amount of the indemnity shall be determined by the judicial authority, at the request of the interested party, which must formulate it within a period of fifteen business days counted as of the date on which it is notified of the resolution that it should determine the amount of the indemnity.

ARTICLE 20.- The juridical acts whereby federal real estate or that belonging to the entities is transferred, running counter to this Law, shall be null and void.

ARTICLE 21.- The competent agencies of the Federal Executive, with the participation that, if applicable, corresponds to the National Institute of Statistics, Geography and Informatics, shall determine the standards and procedures for the preparation and updating of the catalogues and inventories of the natural resources property of the Nation.

The agencies and entities which for any concept use, administrate or have in their care said natural resources, shall be in charge of the preparation and updating of the respective catalogues and inventories.

ARTICLE 22.- In case of doubt on interpretation of the provisions of this Law, the resolution of the Ministry shall be abided by for administrative purposes.

TITLE TWO ASSETS OF THE LEGISLATIVE AND JUDICIAL BRANCHES OF THE FEDERATION

SOLE CHAPTER

ARTICLE 23.- The attributions granted in this Title to the Legislative Branch, shall be exercised independently through the Chamber of Deputies and the Senate.

The Legislative Branch and the Judicial Branch of the Federation, on behalf of the Federation itself, may:

- I.- Acquire real estate chargeable to their authorized expenditures budget or receive it as donation and assign it to the service of their organs and administrate it;
- II.- Transfer the real estate referred to in the preceding sub-paragraph in accordance with the provisions of Article 84 of this Law, having previously

disincorporated it from the regime of public domain of the Federation, by means of the agreement they may issue for that purpose;

III.- Issue their respective regulations for carrying out the operations referred to in sub-paragraphs I and II of this Article;

IV.- Implement a real estate administration system that makes possible effective administration and optimal utilization of the real estate acquired in keeping with the present Article, as well as designate the corresponding people responsible for real estate, who shall have their functions provided for in the regulations issued with regard to real estate administration, and

V.- Issue the corresponding guidelines for the construction, reconstruction, adaptation, conservation, maintenance and utilization of said real estate.

When it is a question of real estate considered historical or artistic monuments according to the law on the matter or the corresponding declaration, they shall give the pertinent intervention in keeping with applicable legislation, to the Ministry of Public Education.

ARTICLE 24.- The Legislative Branch and the Judicial Branch of the Federation should make their respective inventory, cadastre and documentation and information center relative to the federal real estate referred to in the preceding Article, and should process inscription in the Public Registry of Federal Property of the titles provided for in sub-paragraph I of Article 42 of the present Law.

To that end, they shall issue the standards and procedures so that their people responsible for real estate collect and update the necessary information and documentation.

Furthermore, they shall provide the Ministry with the information relative to such real estate, so that it is included in the Federal and Parastatal Real Estate Information System.

ARTICLE 25.- The movables at the service of the organs of the Legislative and Judicial Branches of the Federation shall be governed by the corresponding laws and by the regulations they themselves issue. In any event, they may disincorporate from the regime of public domain of the Federation the movables at their service which, due to their use, development or state of conservation are no longer adequate or their use in such a state is inconvenient, in order to proceed to their transfer.

TITLE THREE

REAL ESTATE OF THE FEDERAL PUBLIC ADMINISTRATION

CHAPTER I COMMON PROVISIONS

Section One The Federal and Parastatal Real Estate Administration System

ARTICLE 26.- The Federal and Parastatal Real Estate Administration System constitutes a set of policies, criteria and mechanisms for coordination of actions aimed at:

I.- Achieving effective administration and optimal utilization of the federal and parastatal patrimony, in benefit of the public services and functions in the charge of the Federal Public Administration;

II.- Promoting the legal certainty of the federal and parastatal real estate patrimony, and

III.- Contributing to ensuring that the budgetary resources earmarked for the acquisition, administration, conservation and maintenance of the real estate necessary for the functioning of the Federal Public Administration, are applied with efficiency and effectiveness.

ARTICLE 27.- For the operation of the Federal and Parastatal Real estate Administration System, a Committee on Federal and Parastatal Real Estate Patrimony is established, which shall be incorporated into the real estate administrating agencies, the Ministry of Finance and Public Credit and the five entities that have the largest number of buildings within their patrimony, whose heads shall appoint the corresponding representative. The Committee shall be presided over by the Ministry and shall operate in accordance with the regulations it issues for its organization and functioning.

The Committee shall be a forum for analysis, discussion and adoption of common criteria and effective and timely measures to achieve the aims of the Federal and Parastatal Real Estate Administration System, the purpose of which shall be:

I.- Contribute to the ongoing integration and updating of the Federal and Parastatal Real Estate Information System;

II.- Identify, analyze and evaluate the problems affecting the federal and parastatal real estate patrimony and propose measures aimed at solving them;

III.- Analyze the legal framework applicable to the federal and parastatal real estate patrimony, and also when it is convenient in order to attain the objectives of the Federal and Parastatal Real Estate Administration System, promote the

adoption of a program of federal real estate control and utilization, as well as the issuance of the pertinent laws, regulations and administrative provisions, and

IV.- Promote the adoption of uniform criteria for the acquisition, use, development, administration, conservation, maintenance, seizure, control, vigilance, valuation and, if applicable, recovery and transfer of the assets that make up the federal and parastatal real estate patrimony.

The Committee may invite institutions involved to its sessions, when this contributes to solving specific problems with regard to real estate.

ARTICLE 28.- The Ministry and other real estate administrating agencies shall have, within the sphere of their respective competences, the following faculties:

I.- Possess, watch over, conserve, administrate and control on their own or with the support of the corresponding institutions involved, federal real estate;

II.- Issue the rules to which vigilance and utilization of federal real estate should be subject;

III.- Control and verify the use and development of federal real estate;

IV.- Issue the declaration whereby it is determined that a piece of real estate is part of the patrimony of the Federation;

V.- Grant concessions and, if applicable, permits or authorizations for the use and development of federal real estate;

VI.- Institute the administrative proceedings aimed at obtaining, retaining or recovering possession of federal real estate, as well as seeking the removal of any obstacle created naturally or artificially for its use and purpose. To that end, they may also declare the annulment and expiry of concessions, permits or authorizations, after prior audience granted to the interested parties so that they may furnish proof and state what suits their right, in the cases and terms provided for by Section Eight of Chapter II of the Title Three of this Law;

VII.- Promote the optimal development and preservation of the federal and parastatal real estate patrimony;

VIII.- Request the Office of the Attorney General of the Republic to intervene in judicial proceedings that must be followed with regard to federal real estate;

IX.- File and ratify complaints and claims of a criminal nature regarding federal real estate and, in the latter cases, grant the pardon of the offended party in cases where this is applicable;

X.- Provide advisory assistance to the agencies and entities on real estate matters of its own competence, when requested;

XI.- Sign bases for collaboration and agreements with the other agencies and with the entities; collaboration agreements with the Legislative and Judicial Branches of the Federation and with organs of a federal nature with autonomy granted by the political Constitution of the United Mexican States; coordination agreements with the governments of the Federal District, of the states and the municipalities, and concerted Agreements with individuals or corporations of the private and social sectors, in order to pool resources and efforts for the effective execution of the actions in their charge with regard to real estate matters;

XII.- Issue the necessary provisions for compliance with this Law, and

XIII.- Any other right conferred on them by this Law or other applicable provisions.

When in the opinion of the Ministry or the competent real estate administrating agency there are grounds that so merit, they may abstain from following the procedures or from issuing the resolutions referred to in subparagraph VI of this Article, and request the Office of the Public Prosecutor of the Federation to submit the matter to the cognizance of the federal courts. As part of the proceedings the administrative occupation of the assets may be requested, in accordance with the provisions of Article 27 of the Political Constitution of the United Mexican States. By order of the courts the administrative authorities shall proceed to the occupation.

ARTICLE 29.- The following are the responsibility of the Ministry, in addition to the faculties conferred on it by the preceding Article:

I.- Determine and conduct the real estate policy of the Federal Public Administration;

II.- Exercise in the sphere of the Federal Executive Branch the acts of acquisition, transfer or expropriation of federal real estate, including the option to buy referred to in the last paragraph of Article 50 of this Law, as long as such acts are not expressly attributed to another agency by the Law itself, as well as sign the coordination agreements referred to in the second paragraph of Article 48 of same;

III.- Carry out the necessary actions in order to obtain the judicial decision or the corresponding administrative declaration, with regard to nationalized real estate;

IV.- Declare, when necessary, that a particular asset is subject to the regime of public domain of the Federation, for having been included in some of the provisions of this Law;

V.- Issue the administrative agreement of intended use of federal real estate, except for maritime beaches, the federal seashore area and the lands gained from the sea;

VI.- Issue the administrative agreement whereby federal real estate is disincorporated from the regime of public domain of the Federation and their transfer is authorized, with the exception of national lands and surplus, as well as lands gained from the sea;

VII.- Issue the administrative agreement whereby the real estate property of decentralized agencies is disincorporated from the regime of public domain of the Federation, for its transfer;

VIII.- Appoint the Notaries of the Federal Real Estate Patrimony who shall be in charge of formalizing juridical acts when so required and, if applicable, annul said appointments;

IX. Authorize the special protocols in which the juridical acts relative to the federal real estate patrimony are to be recorded;

X.- Keep the Public Registry of Federal Property;

XI.- Issue the standards and procedures for compiling and updating the Federal and Parastatal Real Estate Information System;

XII.- Register the experts required in matters concerning national assets, in the National Register of Experts, designate from among them those who should carry out specific technical tasks and, if applicable, suspend and annul their registration;

XIII.- Issue the declaration whereby the Federation acquires dominion of the assets subject to concessions, permits or authorizations that so establish this;

XIV.- Keep the register of those responsible for real estate in the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities, as well as of the equivalent public servants in other allottee institutions;

XV.- Monitor the use and development of real estate donated by the Federation and, if in order, exercise the right of reversion on the assets donated;

XVI.- Examine in the audits and reviews its practices, the legal and accounting information and documentation related to real estate operations carried out by the agencies, the Office of the Attorney General of the Republic, the

administrative units of the Presidency of the Republic and the entities, in order to verify compliance with this Law and the provisions stemming therefrom;

XVII.- Issue the criteria to determine the values applicable to each type of operation referred to in articles 143 and 144 of this Law, among which the agencies and entities may choose that which they consider advisable;

XVIII.- Issue the technical standards relative to the institutional image, signposting, distribution of spaces and installations, type of finishes and in general for the optimal development, functional efficiency and orderly arrangement of federal real estate used as administrative offices, considering the different types of buildings and their geographical location;

XIX.- Plan and execute the construction, reconstruction, rehabilitation, conservation and demolition works on federal real estate shared by several public institutions and used as administrative offices, and other works carried out with such assets by the Federal Government itself or in cooperation with other countries, with the governments of the states, the municipalities and the Federal District, as well as with entities or private parties.

XX.- Approve the construction, reconstruction, repair, adaptation, enlargement or demolition of federal real estate properties used for religious purposes, with the exception of properties designated by law or decree as historic or artistic monuments;

XXI.- Establish Federal Public Administration policy in the field of leasing real estate when the Federation or the entities are the lessees; and

XXII.- Any other functions or powers conferred on it by this Law or other applicable provisions.

ARTICLE 30.- The Ministry of Public Education shall have the power to possess, safeguard, conserve, administrate and control federal real estate considered archeological monuments in accordance with the law in this matter, as well as zones of archeological monuments.

Concessions, permits or authorizations shall not be applicable to federal real estate considered archeological monuments, in accordance with the law in this matter.

In archeological monument areas, the Ministry of Public Education, through the National Institute of Anthropology and History, shall grant permits or authorization only for conducting civic or cultural activities, pursuant to the provisions in the rules issued for that purpose, as long as the integrity, structure and cultural dignity of such areas and monuments are not affected and the activities do not run counter to their common use.

When federal real estate properties considered archeological, historic or artistic monuments, in conformity with the law in this matter or a related decree, are in the federal maritime land zone, on land gained from the sea, in protected natural areas or in any other area where, in accordance with the applicable legal provisions, it is the duty of the Ministry of Environment and Natural Resources to fulfill its obligations, both ministries shall jointly establish related coordination mechanisms.

ARTICLE 31.- Real estate properties acquired abroad by the Federation shall not be subject to the regime of public domain and shall be regulated by pertinent international agreements or, in their absence, by the laws in the place they are located.

The Ministry of Foreign Affairs, in the sphere of the Federal Executive Branch, shall be empowered to perform acts of acquisition, possession, monitoring, conservation, administration, control and sale of the real estate properties referred to in the previous paragraph, and must only inform the Ministry on the acquisitions and transfers it carries out. To acquire the right to use or the ownership of real estate located abroad, this Ministry shall be subject to the budget it has available.

When real estate acquired abroad is used by entities other than the Ministry of Foreign Affairs, the safeguarding and conservation of said assets shall be their responsibility.

Income obtained from the sale of the real estate referred to in this article shall be deposited in the Treasury of the Federation.

ARTICLE 32.- The Ministries, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic, and entities to which federal real estate is allotted or, as in the last case, entities that have real estate in their assets, shall have a person responsible for real estate. This person responsible for real estate shall be the public servant in charge of the administration of the material resources of these entities and should hold a position at the General Director or equivalent level, as a minimum, and shall have the following obligations:

I.- Investigate and determine the physical, juridical and administrative situation of real estate, conduct topographical surveys, and prepare the related plans for inventory, cadastre and registry purposes of such real estate;

II.- Take the necessary measures to compile, organize, link and operate real estate documents and information archives, and to receive the documents and information provided by the Ministry and incorporate them into the respective archives;

III.- Program, execute, valuate and control actions and steps to assist in the juridical and administrative formalization of such assets and the recovery of real estate illegally occupied;

IV.- Adopt measures conducive to the appropriate conservation, maintenance, safeguarding and, if necessary, insurance against damage to the real estate;

V.- Serve as the coordinator of the administrative units of the agencies, the Office of the Attorney General of the Republic, the Presidency of the Republic or the entities in question, as well as the institutional liaison with the Ministry for purposes of administrating the real estate properties;

VI.- Assist the Ministry in the inspection and vigilance of the allocated real estate, and carry out these actions when the real estate properties are owned by the entities;

VII.- Inform the Ministry immediately of any juridical deed or act carried out in violation of this Law in relation to allocated real estate properties;

VIII.- Inform the Ministry of any cases in which federal real estate is used without an allocation agreement having been signed;

IX.- Present criminal accusations of illegal occupation of federal real estate and notify the Ministry of the steps taken;

X.- Turn over to the Ministry, when appropriate, the federal real estate properties or areas not used within four months after they have been vacated. In cases of omission, the responsible party shall be liable in terms of the applicable legal provisions;

XI.- Obtain and conserve the notification of the contractor and the termination of public works carried out on the real estate properties and the related plans, and send the Ministry the original and a certified copy of these documents when they involve allocated real estate; and

XII.- Manage the resources necessary to completely fulfill the responsibilities entrusted to the party holding this position.

The internal monitoring organs of the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities shall ensure that the person responsible for real estate fulfills the obligations referred to in this article.

ARTICLE 33.- A fund shall be established to help cover the expenses arising from the administration, appraisal and transfer of federal real estate properties entrusted to the Ministry.

To form the fund, the following resources shall be contributed:

- I.- One thousandth of the amount referred to in article 53 of this Law, and
- II.- The amount of the fees and profits for services provided by the Ministry in real estate and appraisal matters.

The Ministry, in coordination with the Ministry of Finance and Public Credit, shall establish the bases for the operation of the Fund.

Second Section Federal and Parastatal Real Estate Information System

ARTICLE 34.- The Federal and Parastatal Real Estate Information System is the systematized integration of documents and information that contains a record of the physical, juridical and administrative situation of the federal and parastatal real estate patrimony, as well as its evolution.

ARTICLE 35.- The purpose of the Federal and Parastatal Real Estate Information System is to serve as an instrument to help achieve the goals of the Federal and Parastatal Real Estate Administration System.

ARTICLE 36.- The Ministry, in coordination with the other real estate administrating agencies and with the participation, when appropriate, of the National Institute of Statistics, Geography and Informatics, shall issue the norms and procedures for the persons responsible for real estate in the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities to compile and update the information and documents necessary to form the inventory, the cadastre and the documentation and information center of the federal and parastatal real estate patrimony.

ARTICLE 37.- The Ministry shall request, receive, compile and concentrate the information and documentation related to the federal and parastatal real estate patrimony. For that purpose, it shall form the following items:

- I.- Inventory of the Federal and Parastatal Real Estate Patrimony, which shall be formed by a database related to the real estate and specifically to real estate used for religious purposes;

II.- Cadastre of the Federal and Parastatal Real Estate Patrimony, which shall be formed by graphic media for full identification of the real estate properties, including plans, photographs, videotapes and any other medium to identify them;

III.- Public Registry of Federal Property, which shall consist of the set of books, real estate folios or other means of recording, storing and processing data related to the documents that certify property and personal rights to real estate property, as well as the first official transcript or original copy of the above-mentioned documents; and

IV.- Documentation and Information Center of the Federal and Parastatal Real estate Patrimony, which shall consist of the set of files that contain documents and information related to the real estate properties.

ARTICLE 38.- The real estate administrating agencies should form an inventory, a cadastre and a center for documentation and information on federal real estate in their respective spheres of competence.

The entities should prepare an inventory, a cadastre and a documentation and information center regarding the real estate that is part of their patrimony.

ARTICLE 39.- Information on federal and parastatal real estate classified as reserved or confidential in terms of the provisions set forth in the Federal Law on Transparency and Access to Public Governmental Information shall not be part of the Federal and Parastatal Real Estate Information System.

ARTICLE 40.- The Ministry shall be empowered to merge or subdivide federal real estate through administrative accords with due authorization by the competent local authorities, which shall proceed to make the respective annotations in their registries.

Federal real estate considered historic or artistic monuments in accordance with the law on the matter or a related declaration shall not be eligible for merging or subdividing.

Technical proceedings, plans, analytic topographical descriptions and other graphics approved by the Ministry in which the location, area and border measurements of federal real estate are determined, as well as existing structures, when applicable, shall have the same effects that the laws grant to public documents and, as a result, shall have the same value as evidence.

The Ministry may intervene in the demarcation of federal real estate and in judicial and administrative procedures as an interested third party with the power to offer evidence.

ARTICLE 41.- The Ministry is in charge of the Public Registry of Federal Property whose entries shall include the juridical and administrative acts that certify the juridical and administrative situation of each real estate property of the Federation, the entities and the federal institutions that have their legal capacity and their own assets and are granted autonomy by the Political Constitution of the United Mexican States.

ARTICLE 42.- The following shall be entered in the Public Registry of Federal Property:

I.- Titles through which the ownership, possession and other property rights belonging to the Federation, the entities and federal institutions with their own legal capacity and assets and with autonomy granted by the Political Constitution of the United Mexican States are acquired, transferred, modified or terminated, including financial lease agreements and acts to authorize such operations;

II.- Presidential decrees to expropriate real estate that is private, ejido or communal property;

III.- Declarations through which it is decided that a real estate property is part of the Federation's patrimony;

IV.- Judicial declarations and resolutions related to nationalized real estate;

V.- Declarations through which it is decided that an asset is subject to the regime of public domain of the Federation;

VI.- Federal real estate concessions;

VII.- Judicial or administrative resolutions on the demarcation of federal real estate properties;

VIII.- Concessions, permits or authorizations establishing that the assets attached to them shall be part of the patrimony of the Federation;

IX.- Declarations through which the Federation acquires dominion over the assets attached to the concessions, permits or authorizations in which said ownership is established;

X.- Declarations of reversion of donated real estate properties;

XI.- Reversion resolutions on real estate expropriated in favor of the Federation and the entities;

XII.- Declarations for the suppression of federal zones and administrative agreements that disincorporate real estate property from the regime of public

domain of the Federation and authorize the transfer of restricted federal zones and land gained from the sea, rivers, lakes, estuaries and other national watercourses;

XIII.- Agreements that allot lands gained from the sea, rivers, lakes, lagoons, estuaries and other national watercourses to public service and common use;

XIV.- Administrative agreements to allot federal real estate properties;

XV.- Administrative agreements through which federal real estate properties are merged or subdivided;

XVI.- The establishment of a regime of condominium ownership on federal real estate property;

XVII.- Administrative agreements that disincorporate properties from the regime of public domain of the Federation and authorize their transfer;

XVIII.- Resolutions on occupation and rulings handed down by the judicial authorities related to real estate belonging to the Federation or to the entities;

XIX.- *Ad perpetuam* reports requested by the Federal Public Prosecutor's Office to certify the possession and dominion of real estate assets by the Federal Government or the entities;

XX.- Court rulings that produce some of the effects mentioned in subparagraph I of this article;

XXI.- Lease and free-use agreements for federal real estate;

XXII.- Juridical acts that do not require the intervention of a notary public provided for in article 99 of this Law;

XXIII.- Acts of delivery and reception of federal real estate;

XXIV.- Acts of delivery and reception of public works related to the construction and demolition on federal real estate;

XXV.- Reports prepared and filed by the Ministry in which the physical condition of federal real estate is identified and described; and

XXVI.- Any other juridical acts regarding federal real estate and real estate belonging to the entities which, in conformity with the applicable legal provisions, should be registered.

The plans, technical proceedings, analytic topographical descriptions and other documents shall be part of the annex to the juridical or administrative act being entered, and reference should be made to these documents in the juridical or administrative act itself.

The entities whose purpose is the acquisition, development, subdivision or marketing of real estate, as well as the regularization of land holdings and urban and housing development, should only request the entry in the Public Registry of Federal Property of the titles through which they acquire or, if applicable, subdivide these assets.

Entries of juridical and administrative acts in the Public Registry of Federal Property shall be valid against third parties, even when they are not entered in the Public Registry of Property in the location of the real estate, although their power to exercise their rights through appropriate legal channels shall not be unaffected.

In the case of opposition between the registration entries in the Public Registry of Federal Property and those in the Public Registry of Property in the place where the real estate is located, preference shall be given to those of the former in relation to third parties, although their power to exercise their rights through appropriate legal channels shall not be affected.

ARTICLE 43.- For entry of the titles and documents referred to in the previous article, a single real estate folio shall be dedicated to each real estate property and shall include the provenance of the assets, their nature, their identifying characteristics, their location, their area, their borders and, when applicable, their value, as well as data regarding the aforementioned titles and documents. This data shall be entered, stored, processed and printed through a computer system.

ARTICLE 44.- Cancellation of the entries in the Public Registry of Federal Property shall only function:

I.- As a consequence of the mutual consent of the parties formalized in conformity with the law or of a judicial or administrative decision that orders their cancellation;

II.- When the title through which the entry has been made is declared null and void; and

III.- When the real estate property for which the entry is made is destroyed or disappears.

ARTICLE 45.- The cancellation of entries shall include the data necessary to know precisely which entry is being cancelled and the reasons for the cancellation.

ARTICLE 46.- Certificates of the Public Registry of Federal Property shall serve as proof of the existence of the entries of the acts referred to, which may consist of:

I.- A printout of the respective real estate folio; or

II.- The use of an electronic communication medium in the terms established in the Regulations of said Registry.

If the certificate issued in the terms of sub-paragraph II of this article is objected to by any of the parties in a legal proceeding, or if the judge, the Public Prosecutor's Office or any authority trying the case is uncertain of its authenticity, they should ask the Public Registry of Federal Property to issue the certificate in the terms set forth in sub-paragraph I of this provision.

ARTICLE 47.- The Public Registry of Federal Property shall allow persons to consult the entries of the respective assets and related documents at their request and, when requested in accordance with the law, shall issue certified copies of the entries and related documents.

ARTICLE 48.- The Public Registry of Property in the place where the real estate properties in question are located should, at the request of the Ministry, register the documents referred to in article 42, sub-paragraphs I to V, VII to XII, XV to XX, and XXII and XXVI of this Law, as well as the documents which certify the cancellation of the related entries, in the terms of the provisions in article 44 of this Law.

In general or special coordination agreements entered into with the state governments and the Federal District, the Ministry shall implement communication mechanisms between the Public Registry of Federal Property it is responsible for and the public registries of property in the states to facilitate the registration and issuing of certificates regarding the judicial acts referred to in the previous paragraph.

CHAPTER II REAL ESTATE PROPERTIES OF THE CENTRALIZED FEDERAL PUBLIC ADMINISTRATION

First Section Acquisition

ARTICLE 49.- To fulfill requests for federal real estate properties of the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities, the Ministry should:

I.- Review the Federal and Parastatal Real Estate Information System to determine the existence of federal real estate partially or completely available;

II.- Distribute information on available federal real estate properties to the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities;

III.- Establish a time period for the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency and the entities to express in writing their interest in having one of these real estate properties allotted to them;

IV.- Establish a time period for the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities requesting an available federal real estate property to justify their need and certify the viability of their project;

V.- Quantify and rate the requests, taking into account the characteristics of the real estate properties requested and the localization sought;

VI.- Verify that the available federal real estate properties comply with the aspects indicated in article 62 of this Law; and

VII.- Allot to the agency, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic or the interested entity the federal real estate properties available for the use required.

If it is not possible or advisable to allot a federal real estate property to the interested entity, dominion of the real estate may be transferred in its favor through one of the juridical acts for disposal included in article 84 of this Law.

ARTICLE 50.- The acquisition for consideration of rights of ownership or use over real estate property located in national territory for the service of the agencies, the Office of the Attorney General of the Republic or the administrative units of the Presidency of the Republic shall only be permissible when there are no federal real estate properties available or, if available, they are unsuitable or unadvisable for the purposes required.

To acquire the rights of ownership over real estate properties, the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic should carry out the following actions:

I.- Locate the real estate property most suitable to its needs, taking into account the property's characteristics;

II.- Obtain the related land-use certificate from the competent authority;

III.- Have budget availability and investment authorization which the Ministry of Finance and Public Credit issues, if required, prior to signing the related contract;

IV.- Obtain a topographical plan of the real estate property or conduct a topographical survey and prepare the related plan;

V.- In the case of constructions, obtain a ruling on structural safety; and

VI.- Obtain the legal documentation necessary to acquire the real estate property.

The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic may only lease real estate properties for their use when it is not possible or advisable to acquire them. Real estate properties considered historic or artistic monuments, in accordance with the law in this matter or a related declaration, shall be subject to the Federal Law on Archeological, Artistic and Historic Monuments and Zones.

The Ministry, with the participation of the Ministry of Finance and Public Credit in its sphere of competence shall issue guidelines on the leasing of real estate properties to establish, among other factors, the procedure for signing the lease, the appraisal of rents, the form and terms in which payment should be made and the works, improvements, adaptations and special equipment installations that can be carried out on the properties, as well as the procedures for vacating them or continuing to occupy them.

The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, as lessees, may enter into financial leases with the right to buy. This option shall be obligatory except when, in the opinion of the Ministry, it is unfavorable to the interests of the Federation. To enter into one of these leases, the applicable budget provisions should be fulfilled and prior authorization by the Ministry of Finance and Public Credit should be obtained.

ARTICLE 51.- When real estate ownership is sought, including the cases referred to in the last paragraph of article 50 of this Law, once the most appropriate real estate property has been chosen and as long as there are sufficient budget and budget provisions in the related item of the agency, the Office of the Attorney General of the Republic or the interested administrative unit of the Presidency of the Republic, it shall ask the Ministry to proceed on behalf of the Federation to carry out the operation to acquire the real estate property for the use of the public institution in question, as well as to take the necessary steps for the signing, registration and deposit of the related public title deed, with the public institution in question being responsible for payment of the sales price and other expenses incurred for the acquisition. In this case, the real

estate property shall be considered allocated to the requesting institution, without the need for an allocation agreement.

ARTICLE 52.- When the Ministry, on behalf of the Federation, acquires a real estate property in terms of private law to fulfill purposes of a public nature, the recipient institution, together with the related tenants, may agree on the form and terms according to which the contract for leasing, free loan or any other type of juridical relationship that will grant them consequent possession of the asset will be terminated, with the possibility of covering compensation in each case, bearing in mind the nature and validity of rights stemming from the related juridical acts in favor of the tenants, as well as the moving expenses they will have to cover. The term for vacating and delivering the real estate property should not exceed one year.

ARTICLE 53.- The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic shall contribute one thousandth of the amount of the prices for payment of the real estate acquisitions carried out in favor of the Federation for the use of said public institutions. This contribution shall be made to the Fund referred to in article 33 of this Law.

ARTICLE 54.- When acquisitions through the expropriation of real estate properties is involved, the authority of the respective branch shall determine the public usefulness and the Ministry shall determine the procedure aimed at administrative occupation of the real estate property and the establishment of the amount of compensation, except in reference to the provisions in the Agrarian Law.

The expropriation decree shall be countersigned by the heads of the ministries that have determined the cause of public usefulness, the head of the Ministry and, if compensation is charged to the Budget of Expenditures of the Federation, the head of the Ministry of Finance and Public Credit. In this case, the issuing of a public deed will not be necessary.

The owners or whoever has the right to sue for the recovery of the expropriated assets shall have a period of two years to exercise these rights beginning on the date when the recovery becomes claimable.

ARTICLE 55.- When any agency, the Office of the Attorney General of the Republic or one of the administrative units of the Presidency of the Republic exercises possession, control or administration as the owner of a real estate property for which there is no entry in the Public Registration of Property in the place of its location, the Federal Executive, through the Ministry or the real estate administrating agency in question may support the following procedure to issue a declaration that the asset is part of the patrimony of the Federation:

I.- A notice of the beginning of the procedure shall be published in one of the local newspapers of greatest circulation in the place where the property is located so that the owners or possessors of the properties bordering on the real estate property and, in general, people who have a juridical interest may assert any claims and provide pertinent evidence within a period of 15 working days as of the day on which the notice is published.

II.- The owners or possessors of the properties bordering on the real estate in question shall be notified in writing of the initiation of the procedure, so they may make any claims within 15 working days as of the date on which they are notified.

If said persons refuse to receive the notification or recognize that the real estate property is abandoned, their reason for doing so shall be part of the file, and the notice referred to in the previous paragraph shall be published for the second time, and shall be valid as personal notification;

III.- Both the notice and the notification referred to in the preceding paragraphs shall contain the following data on the real estate property: location, name if it has one, current use, area, measurements and borders. It shall also state that the file is available to interested parties at the office determined by the Ministry or the related real estate administrating agency. The file shall contain the data and evidence that certify the possession, control or administration of the real estate property by an agency, the Office of the Attorney General of the Republic or one of the administrative units of the Presidency of the Republic, as well as the related cadastral plan or chart; and

IV.- Once the time periods referred to in paragraphs I and II of this article have elapsed without any opposition presented by an interested party, the Ministry of the related real estate administrating agency shall proceed to issue the declaration that the real estate property in question is part of the patrimony of the Federation. This declaration should contain the following items:

- a)** Data for the identification and location of the real estate property;
- b)** Juridical and administrative record of the real estate property;
- c)** Mention of a certificate or statement that there is no entry of the real estate property in the Public Registry of Property in its corresponding location;
- d)** Statement that the notice referred to in sub-paragraph I of this article was published;
- e)** Statement that the notifications referred to in sub-paragraph II of this article were made;

f) Statement that the time periods indicated in sub-paragraphs I and II of this article elapsed without opposition presented by any legitimately interested party;

g) Statement of the data and evidence that certifies the possession, control or administration of the real estate property by an agency, the Office of the Attorney General of the Republic or one of the administrative units of the Presidency of the Republic;

h) A declaration that the real estate property is part of the patrimony of the Federation and that the declaration constitutes the legal title; and

i) A note that the declaration is to be published in the **Official Gazette**, that it is entered into the Public Registry of Federal Property and into the Public Registry of Property for the place where the real estate is located.

ARTICLE 56.- If within the time period indicated in sub-paragraphs I and II of the previous article, any person presents opposition to the administrative procedure that regulates the same concept, the Ministry or the real estate administrating agency in question, within the following fifteen working days shall evaluate the evidence submitted and decide if the opponent substantiates his legal interest.

If the answer is affirmative, the Ministry of the pertinent real estate administrating agency shall abstain from continuing with said procedure and shall take note of the situation, terminating the procedure. With the related file, the Office of the Attorney General of the Republic shall intervene to take the necessary action before the competent federal courts to obtain the title of the real estate property in favor of the Federation, in conformity with the provisions in the Federal Code of Civil Procedures.

If the opponent has not substantiated his legal interest, the Minister or real estate administrating agency in question shall advise him and shall continue with the procedure of issuing the related declaration.

ARTICLE 57.- When the titles to real estate properties are transferred to the Federation by the agencies to take advantage of the properties' attributes, the party responsible for the respective properties should put each property at the disposal of the Ministry as soon as it is received, with the exception of goods subject to specific regulations established by applicable laws.

Such real estate properties shall be considered incorporated in the regime of public domain of the Federation as of the date on which they are placed at the disposal of the Ministry.

The administration of the real estate properties referred to in the above paragraphs shall continue being entrusted to the agencies until the real estate property is physically handed over to the Ministry.

The agency in question shall provide the Ministry with the necessary documentation and information to certify the rights of the Federation over the real estate property and to determine, in general, its physical, juridical and administrative situation. The Ministry shall hear any proposal formulated by the agency that puts the property at its disposal regarding the use or utilization of the property, but the agency may not confer or commit rights of use or dominion over the respective real estate property.

The provisions in the previous paragraph shall not apply to property that enters into the federal real estate patrimony upon the expiration of time periods for concessions, permits or authorizations granted for the delivery of public services.

ARTICLE 58.- In the cases where the agencies have jurisdiction to grant concessions, permits and authorizations and it is established that, upon their termination, the real estate involved in said acts shall become the property of the Federation, the Ministry should:

I.- Enter the concession, permit or authorization in the Public Registry of Federal Property, and take steps for it to be entered into the Public Registry of Property for the place where the real estate is located, together with any necessary marginal notes;

II.- Authorize the holder of the concession, permit or authorization, with prior approval by the granting agency, to partially transfer the real estate properties, when appropriate. In this case the term of validity of the respective concessions, permits or authorizations should be reduced in proportion to the value of the real estate properties whose partial transfer is authorized;

III.- Authorize, in coordination with the competent agency, the imposition of taxes on the real estate used for the purposes of the concession, permit or authorization. In this case, the interested parties should deposit a bond in favor of the Treasury of the Federation for an amount equal to the encumbrance; and

IV.- Declare that the Federation acquires the domain of the real estate used for concessions, permits or authorizations.

In cases of annulment, modification, revocation or expiration of the concessions, permits or authorizations referred to in the first paragraph of this article, the right to acquire the real estate properties affected shall be exercised proportionately to the time elapsed in the concession, permit or authorization

itself, except when the law on the matter provides for the acquisition of all the real estate used for these purposes.

Second Section On the Use of the Real Estate Properties

ARTICLE 59.- The following federal real estate properties are to be used for public service:

I.- Permanent chambers of the Legislative, Executive and Judicial Branches of the Federation;

II.- Real estate at the service of the Legislative and Judicial Branches of the Federation;

III.- Real estate at the service of the agencies and entities;

IV.- Real estate at the service of the governments of the states, of the Federal District and of the municipalities or their respective parastatal entities;

V.- Real estate at the service of the Office of the Attorney General of the Republic, of the administrative units of the Presidency of the Republic, and of federal or local institutions with autonomy derived from the Political Constitution of the United Mexican States or the Constitutions of the States;

VI.- Real estate acquired through juridical acts in which the Ministry intervenes in the formalization, in terms of this Law, as long as the acts determine the agency or entity that will receive the real estate and the use to which it will be dedicated; and

VII.- Real estate acquired by expropriation in which the recipient agency is determined, with the exception of real estate acquired for purposes of regularizing land tenure or in the field of urban housing and development.

ARTICLE 60.- The following real estate properties shall remain subject to the juridical regime of goods earmarked for public service:

I.- Federal real estate which is, in fact, being used in the delivery of public services by public institutions; and

II.- Federal real estate which through an agreement is being used in the activities of international organizations to which Mexico belongs.

ARTICLE 61.- Federal real estate shall be allotted with priority to the service of public institutions through an administrative agreement in which the receiving institution and the authorized use are specified. The same federal real estate

property may be allotted to the service of different public institutions, as long as it fulfills the requirements of said institutions and allows appropriate use of the property by them.

The Ministry shall be responsible for issuing an administrative agreement on the use of federal real estate properties with the exception of areas in the federal maritime and land zone and land gained from the sea, in which case the issuing of the related agreement shall be the responsibility of the Ministry of Environment and Natural Resources.

The uses made of federal real estate properties and those of the entities should be compatible with the indications in the provisions for urban development in the locality where they are located and with any artistic or historic value they may have.

ARTICLE 62.- To decide on the use of a federal real estate property, the Ministry and the Ministry of Environment and Natural Resources, in their respective spheres of competence, should take into account at least:

- I.- The characteristics of the property;
- II.- The related topographical plan;
- III.- The land use certificate;
- IV.- The use for which it is needed; and

V.- The opinion that the Ministry of Public Education issues through the National Institute of Anthropology and History or the National Institute of Fine Arts and Literature, as appropriate, on federal real estate properties considered historic or artistic monuments in conformity with the law on the matter or a related declaration.

The Ministry and the Ministry of Environment and Natural Resources shall issue related guidelines to establish the requirements, time periods, catalogue of uses, occupation density and other specifications regarding the use of federal real estate properties that fall within their spheres of competence.

ARTICLE 63.- The recipient institutions shall assign and reassign among the administrative units and deconcentrated bodies spaces for the real estate properties allotted to them, as long as they do not use them in ways different from that authorized in the use agreement.

The recipient institutions should make optimum use of the real estate properties and should promptly inform the Ministry or Ministry of Environment

and Natural Resources, as appropriate, of their allocations and reallocations of spaces.

The recipient institutions should launch the use of each real estate property allotted to its service within six months as of the time when it is placed at its disposal.

The recipient institutions may at no cost allot and reallocate spaces of real estate properties earmarked for services in favor of private parties with whom they have entered into contracts for public works or the delivery of services, including those that involve services required by their public servants to fulfill their functions, as long as the spaces are necessary for delivering the services or carrying out the corresponding works, and this condition is established in the respective contracts. Equal treatment may be granted to financial leasing companies when it is agreed that the works will be carried out partially or totally on the federal real estate properties.

ARTICLE 64.- The Ministry or the Ministry of Environment and Natural Resources, as appropriate, may authorize the recipient institution, at its request, to grant concessions or leases to private parties for the use of spaces in real estate properties earmarked for its services, taking into account the provisions in article 62 of this Law.

The Ministry of Environment and Natural Resources in relation to the federal real estate properties in its sphere of competence may authorize the recipient institutions to allot the use of spaces to other public institutions, as well as to authorize the recipient agencies to enter into coordination agreements with the state governments so that, in the framework of the decentralization of functions in favor of state governments, they transfer to the states the use of federal real estate properties to promote state or regional development. In these cases, the beneficiaries of the use of the federal real estate properties shall assume the costs involved in the use and conservation of the property in question.

The Ministry of Public Education, with the intervention that falls to the National Institute of Anthropology and History and the National Institute of Fine Arts and Literature, may allot or reallocate to private parties, at no cost, spaces in the federal real estate properties considered historic or artistic monuments in accordance with the law on the matter or a related declaration earmarked for their service only when it is to fulfill institutional collaboration agreements related to academic and research activities.

ARTICLE 65.- The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic that have federal real estate properties earmarked for their service in the Ministry's sphere of competence under its strict responsibility and without using the property for any use different from that authorized in the related use agreement, may carry

out the following acts in relation to said properties, bearing in mind the provisions in article 62 of this Law:

I.- Allot the use of spaces to other public institutions or to fulfilling the purposes of public trusts not considered entities or private trusts established to help the recipient institutions fulfill the programs entrusted to them, as long as these institutions previously register such private trusts in the Ministry as being eligible to receive the use of federal real estate properties, in the understanding that these allotments shall not constitute a contribution to the trust property;

II.- Enter into coordination agreements with the state governments so that in the framework of decentralization of functions in favor of the state governments, they transfer the use of federal real estate properties to them for purposes of promoting state or regional development;

III.- Enter into collaboration agreements with producer associations for them to use federal real estate properties;

IV.- Allot the use of spaces to legally formed unions to represent public servants of the recipient institution in question, as long as it is certified that said organizations require such spaces to duly carry out their functions and they do not have properties for that purpose, in the understanding that such allotments do not imply transfer of ownership; and

V.- Allot totally or partially the use of federal real estate properties to workers, worker associations or legally constituted unions of the recipient institution in question to grant labor benefits stemming from related general working conditions. These allotments do not imply transfer of ownership.

In the cases to which this article refers, the beneficiaries of the use of the federal real estate properties shall assume the costs implicit to using and conserving the property in question, as well as to fulfilling the remaining obligations entrusted to the related recipient institution. For that purpose the beneficiaries should provide a guarantee in conformity with the guidelines the Ministry issues. If the beneficiaries fail to fulfill these obligations they must place the property or space in question at the disposal of the related recipient institution.

The beneficiaries of the use of the federal real estate properties that do not need to use all the property or space allotted, stop using it or needing it, or use it for purposes other than those authorized, shall immediately place them at the disposal of the recipient institution in question.

The recipients should notify the Ministry of the acts indicated in this article within 30 days following the date on which each act takes place.

ARTICLE 66.- The conservation, maintenance and safeguarding of the allotted federal real estate properties shall be the responsibility of the recipient institutions and they should observe any applicable legal provisions and regulations.

The Ministry or the Ministry of Environment and Natural Resources, as appropriate, shall encourage the recipients of the federal real estate properties to take out insurance against damage to which the assets may be subject. For that purpose, both agencies shall issue related guidelines regarding the federal real estate properties in their spheres of competence.

ARTICLE 67.- To change the use of allotted real estate properties, the recipient institutions should request the Ministry or the Ministry of Environment and Natural Resources, as appropriate, to make the change and, in their respective spheres of competence, they may authorize the change in use, taking into account the reasons presented for it, as well as the aspects indicated in article 62 of this Law.

In the case of real estate properties allotted to the Ministry of Environment and Natural Resources that are part of federal protected natural areas, this agency may change the use of the allotted properties without the need for authorization by the Ministry. In this case, the Ministry of Environment and Natural Resources should inform the Ministry of any changes it makes in use.

ARTICLE 68.- If the recipient institutions do not need to use all the real estate property, they stop using it or needing it or they use it for purposes different from those authorized, the respective party responsible for the property should place it at the disposal of the Ministry or the Ministry of Environment and Natural Resources, as appropriate, with all its improvements and additions and with no right to any compensation whatsoever within four months following the date on which the property was no longer useful in its service.

In this case, the respective recipient institution shall provide the Ministry or Ministry of Environment and Natural Resources, as appropriate, with the information available on the real estate property, in conformity with the guidelines that these agencies issue. In any case, this information will be necessary to determine the fiscal, juridical and administrative situation of the real estate property.

The Ministry or, if appropriate, the Ministry of Environment and Natural Resources, within fifteen days following the date on which the real estate property in question is placed at its disposal, may ask the related recipient institution for any information that it could reasonably obtain.

If there is no need for additional information, once the time period indicated in the previous paragraph has expired, it shall be understood that the Ministry or the

Ministry of Environment and Natural Resources, as appropriate, has, in conformity, received the real estate property placed at its disposal.

ARTICLE 69.- If the Ministry or the Ministry of Environment and Natural Resources, as appropriate, based on the studies and evaluations it conducts, finds that the allotted federal real estate properties are not being used or utilized optimally, it shall ask the recipient institutions to make any reports or clarifications they may deem appropriate.

If the recipient institutions do not sufficiently justify the findings of the above-mentioned studies and evaluations, the Ministry or Ministry of Environment and Natural Resources, as appropriate, may:

I.- Decide to redistribute or reallocate the spaces among the administrative units and deconcentrated bodies of the recipient institutions; or

II.- Proceed to request the total or partial delivery of the property within thirty days following the date of notification of the request and, if the request is not fulfilled, take possession of the property in order to allot it, or surplus areas of it, to other public institutions or use it for other purposes of greater utility to the Federal Government.

ARTICLE 70.- The allotment only confers on the recipient institution the right to use the allotted real estate property for the authorized use, but it does not transfer its ownership nor does it grant any real property right whatsoever over it.

The recipient institutions may not carry out any act for the transfer of the allotted real estate properties. Failure to observe this provision shall make the related act null and void and the Ministry or the Ministry of Environment and Natural Resources, as appropriate, shall proceed to assume the administrative occupation of the property.

ARTICLE 71.- Neither public servants nor private individuals shall be allowed to live in the real estate properties allotted to the service of public institutions, except in the following cases:

I.- When those who live in the federal real estate properties are beneficiaries of institutions that are providing a social service;

II.- When they are public servants who, for reasons of the federal property's function, must live in it;

III.- When they are public servants whose job, position or commission in the public service makes it necessary for them to live in the respective federal real estate properties; and

IV.- In other cases provided for in laws that regulate specific matters.

Observance and enforcement of the provisions in the previous paragraph shall be entrusted to the parties responsible for the real estate properties in the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities that have federal real estate properties allotted to them for their service. In case of failure to comply, they and the persons who unduly inhabit the properties shall be liable for any damage and harm caused, apart from the liabilities they incur in terms of applicable legal provisions.

Third Section Concessions

ARTICLE 72.- The real estate administrating agencies may grant private parties the right to use or exploit the federal real estate properties through concessions to carry out economic, social or cultural activities, without prejudice to the specific laws that regulate the granting of concessions, permits or authorizations on federal real estate properties.

When granting concessions, the real estate administrating agencies should address the following concerns:

I.- The applicant should meet the requirements established in the specific laws that regulate federal real estate properties;

II.- Monopolies or the concentration of concessions by a single person should be avoided;

III.- It should not be possible or advisable for the Federation to directly exploit the real estate properties in question;

IV.- Concessions cannot be granted to public servants who in any way intervene in the concession procedures, or to their spouses, blood relatives and relatives by marriage to the fourth degree, civilians or third parties with whom said public servants have private or business ties. Concessions granted in violation of the provisions in this paragraph shall be grounds for liabilities and annulment;

V.- Public interest should not be affected;

VI.- Information regarding the real estate properties that will be granted in concessions, shall be published two months prior to the respective concession entering into force in a newspaper of national circulation and on the Internet; and

VII.- In the case of concessions for spaces in federal real estate properties occupied by the real estate administrating agencies, the activity to be carried out by the concession holder should be compatible, not interfere with the activities of the agencies themselves, and be subject to the provisions that the agencies issue for that purpose.

The real estate administrating agencies, in the sphere of their respective powers and in accordance with the conditions referred to in the following article, shall issue guidelines for granting or renewing concessions on federal properties in their sphere of competence, without prejudice to the applicable legal provisions. They shall also present an annual report to the Chamber of Deputies of the Congress of the Union on the concessions granted during the related period.

ARTICLE 73.- The concessions on federal properties, unless subject to exceptions provided for in other laws, may be granted for a time period of up to fifty years and may be extended once or several times, but without exceeding the time period cited above, in accordance with the judgment of the agency granting the concession, taking into account the following concerns both for granting the concessions and for renewing them:

- I.-** The amount of the investment the concession holder intends to make;
- II.-** The amortization time period for the investment made;
- III.-** The social and economic benefit it would have for the region or the locality;
- IV.-** The need for the activity or service to be provided;
- V.-** Fulfillment by the concession holder of the obligations entrusted to him and those provided for in the specific laws through which the concession was granted;
- VI.-** The value the works and facilities constructed on the real estate property by the concession holder will have at the end of the concession time period; and
- VII.-** The amount of reinvestment made to improve the facilities or service provided.

The concession holder shall have a time period equivalent to ten percent of the concession period prior to its expiration to apply for a renewal and shall have preference over any other applicant. At the end of the concession time period, or the last renewal, when applicable, the works and facilities permanently attached to the real estate shall become the property of the Federation.

ARTICLE 74.- Concessions on federal real estate properties shall be cancelled for any of the following reasons:

- I.- Expiration of the time period for which they were granted;
- II.- Resignation of the concession holder ratified by the authority;
- III.- Disappearance of the purpose or target product of the concession;
- IV.- Annulment, revocation and expiration;
- V.- A recovery order;
- VI.- When national security is affected; or

VII.- Any other reason provided for in the laws, regulations, administrative provisions or the concession itself which, in the judgment of the agency granting the concession, makes it impossible or unadvisable for it to continue.

ARTICLE 75.- Not initiating the use or exploitation of the real estate property granted in concession within the time period indicated in the concession shall cause expiration.

ARTICLE 76.- Concessions for federal real estate properties may be revoked for any of the following causes:

I.- Failure to fulfill the purpose for which the concession was granted, giving the target good of the concession a use different from that authorized or not using the good in conformity with the provisions in this Law, its regulations and the concession certificate;

II.- Failure to fulfill the conditions on which the granting of the concession is contingent or violating the provisions of this Law and its regulations, unless another juridical provision establishes a different sanction;

III.- Failure to pay on a timely basis the fees established in the concession certificate or other applicable taxes;

IV.- Transfer of the rights and duties derived from the concession certificate or give out parts of the real estate property of the concession through lease or free-use contracts without having the related authorization;

V.- Implementation of unauthorized works;

VI.- Damage of ecosystems as a result of the use, enjoyment or exploitation;
and

VII.- Any other causes provided for in this Law, in its regulations or in the concession certificate.

Once the revocation is declared, the concession holder shall lose the goods attached to the concession to the Federation and shall have no right to any compensation.

In the concession certificates, economic sanctions to which the concession holders would be subject may be established and their enforcement would take into account the profit obtained, damage caused and amount of fees unpaid. In the case of paragraph IV of this article, the provisions in the following article will be taken into account.

ARTICLE 77.- The agencies that grant concessions may authorize concession holders to:

I.- Lease or commodatum of parts of the federal real estate properties granted in concessions, as long as the parts are going to be used in activities directly related to those involved in the concessions themselves, in which case the lessee or the borrower in commodatum shall be jointly and severally liable. In this case, the concession holder shall maintain all the obligations derived from the concession; and

II.- Transfer the rights and obligations derived from the concessions, as long as the transferee meets the same requirements and conditions that were taken into account for granting them.

The authorization this article refers to should be obtained by the concession holder prior to carrying out the juridical acts referred to in the two previous paragraphs.

Any operation carried out in conflict with this article shall be null and void and the agency that had granted the concession may enforce the economic sanctions provided for in the respective concession or, if applicable, revoke the concession, in conformity with the guidelines the Ministry issues for that purpose.

To apply the economic sanctions that concession holders must pay for allowing a third party to use, enjoy or exploit real estate properties subject to the regime of public domain of the Federation without the respective authorization, the amounts they have obtained as consideration should be taken into account.

Fourth Section

Real Estate Properties Used for Religious Purposes

ARTICLE 78.- Federal real estate properties used for religious purposes and their accessories, as well as their movables located on the same properties that are considered immobilized or have a connection with the religious use or purpose, shall be governed in relation to their use, administration, conservation and surveillance by the provisions in article 130 and the Seventeenth Transitory Article of the Political Constitution of the United Mexican States and its regulatory law, as well as, when applicable, the Federal Law on Monuments and Archeological, Artistic and Historic Monuments and Zones and its regulations; the present Law and other applicable provisions.

Federal movable and immovable property and their accessories used for religious purposes are the nationalized property referred to in the Seventeenth Transitory Article of the Political Constitution of the United Mexican States. These assets may not be the object of disincorporation from the regime of public domain of the Federation, of concession, permission or authorization, or of leasing, free loan or usufruct.

Federal real estate properties used for religious acts of public worship are considered properties used for public purposes.

ARTICLE 79.- In relation to federal movable and immovable properties used for religious purposes and their accessories, the Ministry shall have the following responsibilities:

I.- Resolve administratively all issues that arise on the extension and borders of federal real estate properties used for religious purposes and their accessories, as well as issues concerning the rights and obligations of religious associations and those responsible for temples with regard to administration, care and the safeguarding of such goods;

II.- Compile information and documents to obtain a judicial resolution or related administrative declaration regarding nationalized real estate properties;

III.- Review and, if appropriate, approve projects for works submitted by the religious association using each real estate property for their maintenance, conservation and optimum use, with the exception of those considered historic or artistic monuments, in accordance with the law on the matter and related declarations;

IV.- Safeguard the construction, reconstruction, expansion and maintenance of federal real estate properties used for religious purposes with the exception of those considered historic or artistic monuments in conformity with the law in this matter or related declarations;

V.- Require representatives of religious associations or those responsible for temples to carry out maintenance and conservation works, and take the necessary measures for that purpose;

VI.- Suspend works or order their modification or demolition when they are executed without approval or without adjustments to the terms of approval;

VII.- Determine the rights and obligations of religious associations and of those responsible for temples with regard to the conservation and care of federal real estate properties used for religious purposes and of movables located on the same property considered immovable or connected with religious use or purpose; and

VIII.- Notify the Ministry of the Interior of the persons named and registered by the religious associations to be responsible for the temples and for the goods that are considered historic or artistic monuments in conformity with the law on the matter or related declarations, as well as the Ministry of Public Education in relation to those responsible for property considered historic or artistic monuments.

ARTICLE 80.- With regard to federal real estate properties used for religious purposes and their accessories, the Ministry of the Interior, without prejudice to the powers conferred on it by other laws, shall have the following responsibilities:

I.- Resolve administratively and definitively all issues that arise concerning the use, purpose or any type of encumbrance of federal real estate properties used for religious purposes and their accessories;

II.- Know and resolve definitively any difference that arises between the agencies of the three levels of government and the religious associations and ministries of worship in relation to the federal real estate properties used for religious purposes and their accessories;

III.- Determine the religious association that has the right to use and safeguard a federal real estate property, in case of doubt or conflict;

IV.- Initiate, in coordination with the Ministry or directly, complaints and judicial procedures to preserve the patrimonial rights of the Nation with regard to the federal real estate properties used for religious purposes and movables located on the same properties that are considered immovable or connected to the religious use or purpose;

V.- Order temporary suspension of the use of the real estate property or close it down if illegal acts are carried out inside it; and

VI.- Work in coordination with the Ministry for the granting, when appropriate in terms of the Law on Religious Associations and Public Worship, of a certificate in which the use in favor of religious associations is recognized with regard to the federal real estate properties used for religious purposes and their accessories.

ARTICLE 81.- If the federal movable and immovable properties used for religious purposes and their accessories are considered historic or artistic monuments in conformity with the law in this matter or related declarations, the Ministry of Public Education shall have the following responsibilities regarding these goods:

I.- Resolve administratively all the issues that arise concerning the conservation, restoration and maintenance of the movable and immovable properties through the National Institute of Anthropology and History and the National Institute of Fine Arts and Literature, as appropriate;

II.- Collaborate with the Ministry and, if appropriate, take legal and administrative actions for the preservation and defense of said assets;

III.- Present, in coordination with the Ministry or directly, formal penal complaints of any acts that may occur, in order to safeguard the federal real estate properties referred to in this article;

IV.- Review and, when appropriate, approve projects for works presented by the user religious association for the property's maintenance, conservation and optimum use, and monitor and supervise the execution of such works;

V.- Ask the representatives of the religious associations or those responsible for the temples to carry out maintenance and conservation works, and take the necessary measures for that purpose;

VI.- Suspend works or order their modification or demolition when they are executed without its approval or without adhering to the terms of the approval;

VII.- Determine the zone of protection for each real estate property so that, without affecting the patrimonial rights of bordering third parties, the stability of the property is protected and its historic or artistic value is preserved;

VIII.- Rule on whether a modification in the use or enjoyment being planned for nationalized real estate properties is compatible with their purpose and characteristics;

IX.- Define the criteria and technical norms the real estate property users should follow in preparing an inventory and catalogue of the federal property movables located at the same property and in their custody, maintenance and

restoration. Also coordinate the taking of the above-mentioned inventory and the catalogue, and

X.- Authorize the temporary transfer of movable properties considered historic or artistic monuments in accordance with the law in the matter or related declarations for cultural dissemination purposes, in accordance with an agreement entered into for that purpose, and verify that the necessary security measures are taken to safeguard these goods.

ARTICLE 82.- The governments of the states and of the Federal District, with the assistance of the Ministry of the Interior and the Ministry, may, in the terms of collaboration or coordination agreements signed, exercise the following powers in relation to federal real estate properties used for religious purposes and their accessories, with the exception of those considered monuments of historic or artistic value in conformity with the law on the matter or related declarations:

I.- Monitor their conservation and preservation, as well as that of the movables located in said real estate properties that are considered immovable or connected with the religious use or purpose;

II.- Monitor and supervise to ensure that acts against the law are not carried out in the federal real estate properties used for religious purposes;

III.- Ask religious associations or those responsible for temples to carry out maintenance and conservation works;

IV.- Review and, if appropriate, approve projects for works presented by the user religious association of each real estate property for its maintenance, conservation and optimum use;

V.- Monitor the construction, reconstruction, expansion, conservation, maintenance and optimum use of the federal real estate properties used for religious purposes;

VI.- Review to see that the works carried out on said real estate properties meet the norms and technical security specifications established by local laws;

VII.- Suspend works or order their modification or demolition when they are implemented without approval or do not adjust to the terms of the approval;

VIII.- Suspend the use of real estate properties when they present structural damage that endangers their stability or the physical well-being of people;

IX.- Assist, together with the Ministry, in compiling information and documentation to obtain a court ruling or related administrative declaration regarding the nationalized real estate properties;

X.- Take an inventory and catalogue the federal real estate properties used for religious purposes and the accessories located in the respective state; and

XI.- Inform the related local authorities of the juridical regime to which the federal real estate properties used for religious purposes and their accessories are subject.

ARTICLE 83.- Religious associations shall have the following rights and obligations concerning federal real estate properties used for religious purposes and their accessories:

I.- Distribute the real estate property spaces in the most advisable manner for conducting their religious activities;

II.- Avoid and prevent acts that endanger the protection and preservation of the real estate properties, as well as the movables that should be considered immobilized or that have a connection with the religious use or purpose;

III.- Present related accusations and report them immediately to the Ministry and, in the case of federal real estate properties considered historic or artistic monuments in conformity with the law on the matter or related declarations, to the Ministry of Public Education;

IV.- Assist, together with the Ministry, in compiling the information and documents necessary to obtain a court ruling or related administrative declaration regarding the nationalized properties, and present them to the Ministry itself, which will determine the appropriate channel for that purpose;

V.- Deliver the real estate properties to the Ministry when they are no longer used for religious purposes, the user religious association is dissolved or liquidated, or they are shut down in terms of the Law on Religious Associations and Public Worship. The Ministry of the Interior should be informed of said delivery;

VI.- Carry out, at their own expense, works of construction, repair, restoration, expansion, remodeling, conservation and demolition of such assets, for which they must obtain related licenses and permits.

In the case of federal real estate properties considered historic or artistic monuments in conformity with the law on the matter or related declarations, the religious associations should obtain authorizations from the Ministry of Public Education, through the National Institute of Anthropology and History or the National Institute of Fine Arts and Literature, as appropriate, and should subject themselves to their indications for the conservation and protection of the artistic or historic value of the real estate property in question;

VII.- Construct, with their own resources when the characteristics of the real estate property allow it, columbariums for the deposit of dry human remains and ashes, for which prior authorization by the Ministry and, if appropriate, the Ministry of Public Education, must be obtained, and the pertinent fees established in the Federal Fees Law must be covered;

VIII.- Allow the deposit of dry human remains and ashes in the temples and their accessories that have authorized columbariums, subject to the related health and municipal provisions, following certification of the payment of the respective fees by the interested parties. Concessions for private parties to market or operate columbariums may not be granted;

IX.- Request the Ministry, for purposes of inventory, to register the federal real estate properties used for religious purposes; and

X.- Designate and register in the Ministry representatives of the religious associations that serve as the parties responsible for the temples and the assets considered historic or artistic monuments in conformity with the law on the matter or related declarations.

Fifth Section Acts of Administration and Disposal

ARTICLE 84.- Federal real estate properties that are not useful for allotment to public service or in common use may be dealt with through the following acts of administration and disposal:

I.- Transfer based on payment;

II.- Exchange with the entities; the governments of the states, the Federal District and the municipalities or with their respective parastatal entities or with private parties, when the real estate properties, because of their location, characteristics and benefits, meet the needs of the parties;

III.- Transfer based on payment or free of charge, in conformity with the criteria determined by the Ministry, taking into account the opinion of the Ministry of Social Development, in favor of public institutions in charge of solving low-income housing problems to meet community needs;

IV.- Sale to bordering property owners of lands that had been public roads and had been withdrawn from such service, or earth dikes, ditches, hedges, fences or other dividing elements that had served as borders. If there are several bordering property owners and they wish to exercise this right, the sale would be pro rata:

V.- Donation in favor of federal decentralized bodies whose purpose is education or health;

VI.- Transfer based on payment or contribution to the patrimony of entities;

VII.- Transfer to public trust funds of which the Federal Government is the settlor or the beneficiary;

VIII.- Compensation as payment in kind for expropriations and confiscations provided for in article 90 of this Law;

IX.- Transfer to the last owner of the real estate property acquired for public right of way, when it is going to be sold;

X.- Donation to the governments of the states, of the Federal District and of the municipalities or their respective parastatal entities for them to use the real estate properties in local public services, education or social services; to obtain funds to be applied in financing, amortizing or constructing public works; or to promote actions of general interest or community benefit;

XI.- Transfer based on payment to persons of private law who need said real estate properties to create, develop or conserve a company that will benefit the community or to carry out urban housing and development programs;

XII.- Lease, free loan or usufruct in favor of institutions that carry out social assistance activities or scientific research efforts, as long as they are nonprofit;

XIII.- Transfer based on payment or free of charge, by lease or commodatum in favor of established union organizations recognized by labor legislation, for the fulfillment of their purposes;

XIV.- Total or partial leasing; and

XV.- Other acts based on payment justified in the terms of this Law or other applicable laws.

Federal real estate properties considered historic or artistic monuments in conformity with the law on the matter or related declarations may not be disincorporated from the regime of public domain of the Federation.

Federal real estate properties indicated in the previous paragraph, with the exception of those nationalized and referred to in the Seventeenth Transitory Article of the Political Constitution of the United Mexican States, before or after its enactment, may be granted under commodatum to persons of private law for nonprofit purposes, as long as they guarantee their social use and they promise

to absorb the costs of necessary restoration, conservation and maintenance and to use the real estate properties in a manner compatible with their nature.

In cases where the Federation exercises possession, control or administration of a real estate property as the owner, without having the related ownership document, it may grant possession rights based on payment or free of charge under the assumptions established in this article regarding the transfer of property in which it is permissible to disincorporate it from the regime of public domain of the Federation.

To carry out the disposal actions that are free of charge and referred to in this article, there should be a related ruling to justify the operation.

The income obtained from the sale of the federal real estate properties should be deposited in the Treasury of the Federation. The taxes and other expenses the Ministry pays to carry out the sale of the federal real estate properties shall be charged to the proceeds of the sale. To recover these expenses, the Ministry shall carry out the appropriate budget procedures at the Ministry of Finance and Public Credit, in accordance with the provisions in the applicable budget and fiscal regulations.

When the agencies place federal real estate properties in their service at the disposal of the Ministry for their sale or the Ministry itself proceeds to transfer them, they may be granted a percentage of the proceedings obtained from the sale so that the related amount can be applied to improving the areas in which they supply citizens with service in the terms provided for in the Expenditure Budget of the Federation.

ARTICLE 85.- The sale of federal real estate properties that are not useful for being destined to public service or that are not of common use shall be carried out through public call for tenders, with the exception of the cases provided for in article 84, paragraphs III, IV, VI, VII, IX and XIII of this Law, where the sale shall be carried out through direct transfer following certification of the assumptions referred to in the above mentioned paragraphs.

The base value of the sale shall be determined by the appraisal made by the Ministry.

If a public call for tenders is carried out and the federal real estate property in question is not sold, the Ministry, in an effort to ensure the Federal Government the best conditions with regard to price, timeliness and other pertinent circumstances, may choose one of the following alternatives to sell it:

I.- Hold a second public call for tenders, indicating eighty percent of the base value as the minimum bid required under the law. If the real estate property is not

sold, proceed to a third public call for tenders, establishing sixty percent of the base value as the minimum bid required under the law;

II.- Transfer the real estate property to the person who covers the base value;
or

III.- Transfer the real estate property to the person who covers the minimum bid of the last public call for tenders held, if the second or third public call for tenders are held without selling the property and there is no proposal to cover the base value.

In the cases set forth in the preceding sub-paragraphs, the base value used for the previous public call for tenders shall only be maintained if the respective appraisal ruling continues to be in force. If the appraisal ruling expires or ends, a new appraisal should be made.

ARTICLE 86.- The Ministry shall issue regulations for the sale of federal real estate properties.

The Ministry shall entrust promotion of the sale of federal real estate properties to persons specialized in the field when it has sufficient grounds to believe that doing so will increase the number of potential buyers to choose from and the possibility of obtaining higher prices. For that purpose, the Ministry may entrust said promotion to different commercial notaries public or other real estate agents on the basis of the geographical distribution of the federal real estate properties in question, taking into due account the provisions in the Law for Acquisitions, Leasing and Services in the Public Sector.

The Ministry shall compile a register of real estate promoters that should include the registration of commercial notaries public and real estate agents that wish to enter into agreements with the Ministry, and for that purpose should meet the requirements indicated in the provisions the Ministry itself issues.

ARTICLE 87.- Federal real estate properties whose area and location are appropriate for their use in housing programs, except those that would be useful for allotment to public service, are of common use, utilized for religious purposes, or considered historic or artistic monuments in accordance with the law on the matter or related declarations, may be transferred to housing activities through public or private institutions that carry out activities of that nature in the terms and conditions established in this law, in the General Law on Human Settlements and in other similar laws.

ARTICLE 88.- Any transfer of federal real estate properties based on payment should be cash, with the exception of transfers intended to meet low-income housing needs and carried out directly in favor of groups or persons who, in accordance with the criteria established by the Ministry of Social Development,

may be considered to have few resources. The buyers shall have a time period of up to twenty years to pay the price of the real estate property and the related interests, as long as the first payment of at least ten percent of the price is made in cash as a lump sum. Persons who acquire real estate properties whose areas exceed the maximum area established as a standard lot in each zone, in accordance with the provisions in force in the field of urban development, shall not enjoy these benefits.

The Ministry may extend the benefits referred to in the previous paragraph, with the time period for payment of the price of the real estate property not exceeding two years, to natural or corporate persons that intend to carry out low-income housing projects, meet the housing needs of persons with scarce economic resources in a specific zone or area, or regularize land tenure. In any case, the above-mentioned agency should ensure fulfillment of the objectives indicated.

ARTICLE 89.- In transfers paid in installments, the Federation shall reserve the title of the federal real estate properties until full payment of the total price, as well as the interests agreed to and any penalty interest, if applicable, and the buyers shall not have the authority to demolish or modify constructions without the explicit permission of the Ministry.

In the case referred to in the second paragraph of article 88 of this Law, the reservation of the title may be partially released in a manner proportional to the payments made, when the buyer has divided or subdivided the real estate property in question, the divisions are fully identified with their measurements and boundaries, and the value of each division can be determined. The Ministry shall take care that the land divisions whose title remains reserved will guarantee, in its opinion, the payment of the price, agreed interest and, if applicable, any penalty interest agreed to.

In the respective contracts it should be stipulated that the failure to make three monthly payments on the price and interests in the agreed terms, as well as violation of the prohibitions contained in this article shall be cause for canceling the contract.

ARTICLE 90.- In the case of acquisitions through public right of way, the Federal Executive may agree with those affected on the related compensation through the delivery of goods similar to those expropriated and the donation to the affected party of any resulting difference in the values. This donation would only be in favor of persons who perceive incomes no greater than four times the general minimum wage in the geographical area where the expropriated real estate property is located and when the expropriated property was being used as housing or for a small business, a shop or a family industry owned by the affected party.

When irrigated lands are given to peasant farmers of scarce economic resources to replace those that have been affected as a consequence of the implementation of water works or of land reorganization or relocation in irrigated areas, the competent authority may refrain from filing claims for any value differences in the authority's favor.

In the cases this article refers to, the pertinent agency shall carry out the prior intervention which falls within the Ministry's sphere of competence, in conformity with this Law.

ARTICLE 91.- In the cases in which the Federal Government decentralizes functions or services in favor of the governments of the states, the Federal District or the municipalities and decides to transfer the title to the federal real estate properties used in providing such functions or services, the Ministry shall proceed to enter into donation agreements or, when applicable, agreements for free transfer of possession rights.

ARTICLE 92.- The free transfer of federal real estate properties referred to in article 84 of this Law shall only be admissible through the presentation of projects that indicate the principal use of the real estate property and, if applicable, the time foreseen for the initiation and conclusion of works, and the financing plans. If the projects are not completed in the time periods foreseen, both the property donated and its improvements shall revert to the Federation.

ARTICLE 93.- The administrative agreement authorizing the free transfer of federal real estate properties in the cases provided for in this Law may establish a maximum time period in which utilization of the property for the purposes requested must begin. In case of omission, it shall be understood that the time period will be one year, counted as of the date on which the respective agreement is signed.

If the donee does not initiate utilization of the real estate property in the time period established or if it uses it for a different purpose without prior authorization by the Ministry, both the property and its improvements shall revert to the Federation. When the donee is a private association or institution, the real estate property and its improvements shall revert to the Federation if the donee invalidates the nonprofit nature or character of its purposes, if it stops fulfilling its purpose, or if it extinguishes. The conditions to which this article refers shall be included in the respective transfer deed.

ARTICLE 94.- When the conditions for the reversion of the transferred real estate properties free of charge occur, as referred to in articles 92 and 93 of this Law, the Ministry shall substantiate the administrative procedure to recover ownership and possession of the real estate property in question in the terms indicated in articles 108 to 112 in the present Law.

If the reversion is justified, the Ministry shall proceed to issue a declaration that the real estate property reverts to the patrimony of the Federation and that the declaration constitutes the title deed to the property, which should be published in the **Official Gazette** and entered into the Public Registry of Federal Property and the Public Registry of Property in the place where the property is located.

Sixth Section

Formalization of Acts of Acquisition and Transfer of Domain

ARTICLE 95.- When it is decided to carry out the acts of transfer referred to in article 84 of this Law, an administrative agreement to disincorporate the real estate properties in question from the regime of public domain of the Federation and to authorize the respective operation shall be required.

The federal real estate properties which, in conformity with the previous paragraph, are disincorporated from the regime of public domain of the Federation shall lose only their characteristic of being nontransferable. For purposes of article 115, section IV, second paragraph of the Political Constitution of the United Mexican States, these real estate properties shall not be considered properties subject to the regime of public domain of the Federation.

ARTICLE 96.- Real estate property-related juridical acts to which the Federation is a party and which, in terms of this Law, require the intervention of a notary, shall be entered into before notaries authorized to attest to transactions involving federal real estate property, which shall be appointed by the Ministry among those legally authorized to exercise the profession of a notary, and a list of them shall be made public.

The notaries authorized to attest to transactions involving federal real estate property shall follow a special protocol for juridical acts in this field, together with the protocol's respective appendices and indexes of instruments and any other requirements the law may demand to validate the notarial acts. These special protocols shall be authorized by the competent authorities of the states when required by the applicable local laws and by the Ministry. The notaries should notify the Ministry of the closing and opening of each special protocol and should send it a copy of the index of instruments each time a special protocol is closed. This agency may carry out reviews or request periodic information on the special protocols to verify compliance with the applicable legal provisions.

In case of the absence of the notaries authorized to attest to transactions involving federal real estate property, those who replace them, whether or not they are notaries authorized to attest to transactions involving federal real estate properties, may preventively and definitively authorize an instrument established in the respective protocol, but they may not establish new instruments. If the alternate exercises the authorization powers that this paragraph grants it, he

should previously notify the Ministry that he is in charge of the replacement grounded in law and fact in the terms of its respective legislation.

The Ministry shall issue guidelines to regulate specific aspects regarding the granting of acts related to federal real estate properties, which the Notaries authorized to attest to transactions involving federal real estate property should observe.

ARTICLE 97.- The entities may freely choose the notary public resident in the state entity in which the related real estate property is located to formalize each of the acts of acquisition or transfer of the ownership of the real estate properties.

The agencies, Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic may freely choose the Notary authorized to attest to acts involving federal real estate properties in the state in which the real estate property in question is located to formalize the acts of acquisition of property ownership in favor of the Federation.

At the request of the agencies, the Office of the Attorney General of the Republic, one of the administrative units of the Presidency of the Republic or an interested entity, the Ministry, as an exception and if it considers it admissible, may empower a notary authorized to attest to acts involving federal real estate properties or, in the case of states, any other notary public of different territorial limits, without prejudice to local laws in the field of notarial field.

ARTICLE 98.- The Notaries authorized to attest to acts involving federal real estate properties shall formalize the acts of property ownership acquisition or transfer granted by the Federation or the states, and both they and the notaries public that formalize acts granted by the states shall be responsible for compliance of the acts carried out before them with the provisions of this Law and other applicable legal provisions. Except in cases of juridical acts entered into by the states, the prior approval of the Ministry should be obtained for the project of the corresponding public deed.

The Notaries authorized to attest to acts involving federal real estate properties and other notaries public shall be obligated to take the related steps to enter the related title deeds in the Public Registry of Federal Properties and the Public Registry of Properties where the real estate property is located and to send the Ministry the related and duly entered attestation within a time period no greater than six months as of the date on which each title has been authorized, except in duly justified cases. If they fail to comply, they shall incur responsibility and shall be penalized in the terms of this Law.

In cases in which the notaries authorized to attest to acts involving federal real estate properties intervene, their related fees in accordance with the official schedule that establishes notary fees shall be reduced by fifty percent. When

instruments in the real estate property regularization or housing promotion program are granted, the administrative agencies of the real estate properties and the notary associations may agree on special fees and charges for granting such instruments.

ARTICLE 99.- Intervention by a notary is not required in the following cases:

I.- Donations to the Federation;

II.- Donations of the Federation to the governments of the states, the Federal District, the municipalities, and their respective entities;

III.- Acquisitions and transfers for consideration and for no consideration carried out by the Federation with the entities;

IV.- Declarations through which it is determined that a real estate property is part of the patrimony of the Federation as referred to in article 55 of this Law;

V.- Transfers of ownership to the Federation of real estate properties that had been part of the patrimony of the entities in cases where they are terminated, dissolved or liquidated;

VI.- Allotments in favor of the Federation in the cases provided for in article 57 of this Law;

VII.- Donations made by the governments of the states, the Federal District, the municipalities, or their respective parastatal entities in favor of entities to carry out activities in line with their purpose;

VIII.- Transfers of federal real estate properties in favor of persons of scarce resources to meet housing needs when the value of each property does not exceed the sum of multiplying the general minimum wage by ten for one year in the Federal District;

IX.- Transfers made by the entities to persons of scarce resources to meet low-income housing needs; and

X.- Judicial resolutions in the cases referred to in article 42 sub-paragraphs IV, XVIII, XIX and XX of this Law.

In the cases referred to in this article, sub-paragraphs I, II, III, IV, V, VI and VIII, the document that sets forth the respective act or contract shall be considered a public instrument. In the cases foreseen in sub-paragraphs VII and IX, it is a requirement that the Ministry authorize the respective contracts, so that these can be considered as a public instrument.

ARTICLE 100.- In case the acts of acquisition of real estate properties in favor of the Federation are annulled, they may be validated in terms of the provisions in the Federal Civil Code, without prejudice to the liabilities incurred by the public servant in question, in terms of applicable legal provisions.

ARTICLE 101.- The following items should be published in the **Official Gazette**:

- I.- Regulations whose issuance is provided for in the present Law;
- II.- Presidential expropriation orders;
- III.- Declarations determining that an asset is subject to the regime of public domain of the Federation;
- IV.- Declarations determining that an asset is part of the patrimony of the Federation;
- V.- Administrative agreements that allot federal real estate properties except those that contain reserved information in the terms of the law of the matter;
- VI.- Administrative agreements that disincorporate real estate properties from the regime of public domain of the Federation and authorize their transfer;
- VII.- Agreements through which federal real estate properties are taken over for activities of international organizations to which Mexico belongs;
- VIII.- Invitations to public call for tenders for the sale of federal real estate properties;
- IX.- Administrative declarations on nationalized real estate properties; and
- X.- Other juridical acts ordered by this Law or other applicable legal provisions.

Seventh Section Implementation of Works, Conservation and Maintenance

ARTICLE 102.- The Ministry shall determine the technical norms and criteria for the construction, reconstruction, adaptation, conservation, maintenance and use of federal real estate properties that have been allotted for use as administrative offices, border ports, warehouses and storehouses. These standards and criteria shall not be applicable to military engineering works and works carried out for national security.

ARTICLE 103.- The Ministry of Public Education, through the National Institute of Anthropology and History and the Institute of Fine Arts and Literature, as

appropriate, shall determine the technical norms and criteria for the restoration, reconstruction, adaptation, conservation, preservation, maintenance and use of federal real estate properties that are considered historic or artistic monuments, in accordance with the law of the matter and related declarations, and are allotted to the service of public institutions.

ARTICLE 104.- The Ministry of Finance and Public Credit and the Ministry shall intervene in the terms of the Law on Public Works and Related Services and the Law on the Federal Budget, Accounting and Expenditures, in accordance with their spheres of competence in the field, when works of construction, reconstruction, modification, adaptation, conservation and maintenance of federal real estate properties, as well as optimum use of spaces, are required.

To carry out works in federal real estate properties that are considered historic or artistic monuments in accordance with the law in the matter or related declarations and are allotted to the service of public institutions, prior authorization by the Ministry of Public Education shall be required.

ARTICLE 105.- The recipient institutions shall carry out the works of construction, reconstruction, restoration, modification, adaptation and use of spaces in the real estate properties allotted, in accordance with the projects they formulate and, if applicable, the technical norms and criteria issued by the Ministry or the Ministry of Public Education, as appropriate. The interested recipient institution may process a related budget modification so that, if advisable, the Ministry carries out such works, in conformity with the agreement signed for that purpose and subject to the applicable provisions.

ARTICLE 106.- If the administrative offices of different public institutions are housed in the same federal real estate property and works have been programmed, together with provisions for the necessary budget resources, said public institutions shall be subject to the following norms:

I.- The Ministry shall carry out works for the construction, reconstruction or modification or, if necessary, the restoration of such goods, in accordance with the project formulated for that purpose in terms of the related agreement;

II.- In the case of works to adapt or use the spaces assigned to the public institutions occupying a federal real estate property, the related projects should be approved by the Ministry and their implementation should be supervised by it;

III.- The conservation and maintenance of areas of common use in the real estate properties referred to in this article shall be carried out in accordance with a program that the Ministry formulates together with the occupying public institution for each specific case; and

IV.- The conservation and maintenance of spaces used exclusively by any public institution inside the real estate property shall be that institution's responsibility.

For purposes provided for in paragraphs I and III of this article, the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities, may process respective budget modifications for the Ministry to carry out such activities when advisable, in conformity with the agreement signed for that purpose and subject to the applicable provisions.

If the Legislative and Judicial Branches are occupants, the agencies and entities of the public administrations of the Federal District, states and municipalities or federal or local institutions with autonomy granted by the Political Constitution of the United Mexican States or by the Constitutions of the States, for the purposes provided for in sub-paragraphs I and III of this article, said institutions shall participate with natural resources in a direct ratio to the space they occupy exclusively in the real estate property in question.

Eighth Section

Recovery of Real Estate Property through Administrative Channels

ARTICLE 107.- Apart from judicial actions, the real estate administrating agency in question may carry out an administrative procedure to recover possession of a federal property in its sphere of competence in the following cases:

I.- When a private party exploits, uses or benefits from a federal real estate property without previously having obtained a concession, permit or authorization or having signed an agreement with the competent authority;

II.- When a private party has had a concession, permit, authorization or agreement and has not returned the property to the real estate administrating agency upon conclusion of the time period established or has used it in ways different from the use authorized or agreed to without prior authorization by the competent real estate administrating agency, or

III.- When the private party does not fulfill any other obligation set forth in the respective concession, permit or authorization.

ARTICLE 108.- In any of the situations indicated in the previous article, the real estate administrating agency shall issue a resolution to initiate a proceeding, which should be duly grounded in law and fact, indicating the name of the persons against whom the proceeding is filed.

Documents in which the real estate administrating agency substantiates the filing for the related administrative proceeding shall be added to the resolution indicated in the previous paragraph.

ARTICLE 109.- On the first working day following that in which the initiation of the administrative procedure is agreed, the real estate administrating agency shall notify the persons against whom the proceeding is initiated through a public servant accredited for that purpose. The notification shall indicate that the persons have fifteen working days to appear before the agency itself to claim any rights the persons might have and to accompany the claim with the documents on which their exceptions and defenses are based.

ARTICLE 110.- The proceeding shall be subject to the following rules:

I.- The notification shall include:

- a)** The name of the person to whom it is addressed;
- b)** The reason for the proceeding;
- c)** The legal provisions on which it is based;
- d)** The place, date and time on which the hearing will take place;
- e)** The right of the interested parties to provide evidence and argue their cases themselves or through a legal representative at the hearing;
- f)** A warning that failure to appear at the hearing shall be considered an affirmative answer and shall preclude the person's right to answer later;
- g)** The name, position and signature of the public servant of the competent real estate administrating agency that issues the notification; and
- h)** An indication that the respective file is at his disposal for consultation at the place where the hearing will be held.

II.- The hearing shall be carried out in the following manner:

- a)** The evidence submitted shall be received, and the evidence received on the indicated date shall be admitted and heard;
- b)** The appearing party shall formulate the allegations he considers pertinent; and
- c)** An administrative record shall be prepared in which the aforementioned circumstances are reported.

ARTICLE 111.- The notifications shall be made in conformity with the provisions in the Federal Code of Administrative Law Procedure.

ARTICLE 112.- The real estate administrating agency shall receive and, if appropriate, admit and hear the evidence referred to in article 110, paragraph II, item a) of this Law in a time period no greater than thirty working days.

Once the evidence admitted has been heard and, if pertinent, the allegations have been formulated, the authority shall issue the related resolution.

ARTICLE 113.- The resolution should contain the following information:

I.- Name of the persons subject to the procedure;

II.- Analysis of the issues set forth by the interested parties, if pertinent;

III.- Valuation of the evidence submitted;

IV.- The grounds in law and fact that sustain the resolution;

V.- A statement on the provenance of the termination, revocation or expiration of the concessions, permits or authorizations;

VI.- The terms, if pertinent, to carry out the recovery of the real estate property in question; and

VII.- The name, position and signature of the public servant of the competent real estate administrating agency that issues the resolution.

The interested party shall be notified of the resolution within five working days following the date on which it is issued, informing him of his right to file an appeal for review provided for in the Federal Code of Administrative Law Procedures.

ARTICLE 114.- Once the issued resolution is final, the real estate administrating agency that issued it shall proceed to execute it, being empowered to apply enforcement measures, if necessary, as provided for in the Federal Code of Civil Procedures.

ARTICLE 115.- The real estate administrating agency may enter into agreements or conciliatory accords with private parties at any time, as long as they do not violate the applicable legal provisions.

CHAPTER III

REAL ESTATE PROPERTIES OF THE PARASTATAL FEDERAL PUBLIC ADMINISTRATION

ARTICLE 116.- Real estate properties owned by the entities are not subject to the regime of public domain of the Federation established by this Law, except real estate properties that belong to the decentralized bodies.

The entities may themselves acquire the ownership or use of real estate properties necessary to carry out their purposes or goals, as well as to carry out any juridical act on real estate properties they own, subject to the norms and bases established by government bodies in terms of the Federal Law on Parastatal Entities, without requesting authorization by the Ministry. The transfer of real estate properties owned by decentralized bodies shall be subject to the provisions in article 117 of this Law.

The real estate properties owned by the entities may be objects of contracts regulated by common law.

ARTICLE 117.- Real estate properties owned by the decentralized bodies, with the exception of the cases provided for in the following paragraphs in this article, may only be disincorporated from the regime of public domain of the Federation for their transfer through an administrative agreement to that effect by the Ministry.

The transfer of real estate properties owned by the decentralized bodies that they have not been using directly in fulfilling their objective shall not require an administrative agreement by the Ministry, as long as the body in question previously declares that the real estate property is not useful in fulfilling its objective and it has the authorization of its government body to carry out the transfer.

Decentralized bodies whose objective is to acquire, develop, subdivide or market real estate properties, as well as to regularize land tenure and urban and housing development, may transfer the properties they own without requiring the previous administrative agreement referred to in the first paragraph of this article.

ARTICLE 118.- The real estate properties owned by the decentralized bodies, except those that are untransferable by constitutional provision, may only be taxed with explicit authorization by the Federal Executive, issued through the Ministry of Finance and Public Credit when, in its opinion, it is advisable for better financing of works or services entrusted to the decentralized body in question.

TITLE FOUR THE FEDERAL MARITIME LAND ZONE AND LAND GAINED FROM THE SEA

SOLE CHAPTER

ARTICLE 119.- Both on the continental land mass and the islands that form the national territory, the federal maritime land zone shall be determined as follows:

I.- When the coast has beaches, the federal maritime and land zone shall be formed by a twenty meter belt of firm, drivable land next to the beaches or, when pertinent, next to the banks of rivers, from their outlet into the sea and up to 100 meters upstream;

II.- All of the area of keys and reefs located in the territorial sea shall constitute federal maritime land zone;

III.- In the case of lakes, lagoons, estuaries and natural deposits of marine water that communicate directly or indirectly with the sea, a twenty-meter belt of federal maritime land zone shall begin at the point where the largest annual reservoir or high tide reaches, in the terms to be established in the regulations; and

IV.- In the case of artificial marinas or estuaries dedicated to aquaculture, the federal maritime land zone shall not be demarcated when there is a federal maritime land zone between such marinas or estuaries and the sea. The federal maritime land zone for marinas that are not included in such a situation shall not exceed a width of three meters and an effort shall be made not to interfere with the use or purpose of the marina facilities when it is demarcated.

When a private party has a concession for the construction and operation of a marina or an aquaculture farm and requests the Ministry of Environment and Natural Resources to transfer the land gained from the sea before and during the construction or operation of the marina or the farm in question, the agency may disincorporate the respective lands from the regime of public domain of the Federation and authorize the payment based transfer to the requesting party in the terms established in the related administrative agreement, which should be published in the **Official Gazette**.

The Ministry of Environment and Natural Resources shall be responsible for delimitation and demarcation of the federal maritime land zone.

ARTICLE 120.- The Federal Executive, through the Ministry of Environment and Natural Resources, shall promote the sustainable use and enjoyment of the federal maritime land zone and the lands gained from the sea. With that objective, the agency, previously and in coordination with the others who should intervene because of the subject matter, shall establish the applicable norms and policies, taking into account urban development plans and programs, ecological land use, the satisfaction of navigation and maritime trade requirements, the

defense of the country, the boosting of fishing and aquaculture activities, and the fostering of tourist and recreational activities.

The Federal Executive, through the Ministry of Environment and Natural Resources, may enter into coordination accords or agreements for the governments of the state and municipalities, when pertinent, to manage, conserve and safeguard such goods.

These powers shall be exercised in accordance with the provisions in this Law and other applicable federal and local provisions, as well as those that arise from them.

The recourses and means of defense established in the Federal Code of Administrative-Law Procedure shall be admissible against acts issued by the governments of the states and, when pertinent, of their municipalities in exercising the powers they assume in conformity with this precept regarding private parties.

ARTICLE 121.- For purposes of the previous article, the coordination accords or agreements entered into by the Federation through the Ministry of Environment and Natural Resources with the governments of the states, with the participation, when pertinent, of their municipalities, should be subject to the following bases:

I.- They shall be entered into at the proposal of the Federal Executive or at the request of a state when it believes it has the necessary means, trained staff, material and financial resources, as well as the specific institutional structure, to execute the powers it would assume;

II.- Their objective, as well as the fields and powers they will assume shall be established precisely and should be consistent with the objectives of the instruments for national development planning and national environmental policy;

III.- They shall determine the participation and responsibility corresponding to each of the parties, as well as the goods and resources to be contributed by them, specifying their use and form of management;

IV.- They shall establish the body or bodies that will carry out the activities that arise from the coordination accords or agreements, including evaluation, as well as a timeframe for the activities to be conducted;

V.- They shall define the information mechanisms required so that the signature parties may ensure the fulfillment of their objective;

VI.- They shall specify the time the instrument will remain in force, its forms of modification and termination and, if pertinent, the number and duration of its renewals;

VII.- They shall contain, if pertinent, the technical annexes necessary to detail the commitments assumed; and

VIII.- Any other stipulations the parties deem necessary for appropriate fulfillment of the coordination accord or agreement.

It shall be the responsibility of the Ministry of Environment and Natural Resources to evaluate the fulfillment of the commitments assumed in the coordination accords or agreements referred to in this article. This evaluation shall be carried out on a quarterly basis and the result should be published in the Gazette of the Agency. If commitments are not being fulfilled the Agency may terminate the agreements in advance.

The coordination accords or agreements referred to in this article, their modifications, as well as their termination agreement, should be published in the **Official Gazette** and in the official gazette or newspaper of the respective state.

ARTICLE 122.- If the federal maritime land zone is partially or totally invaded by waters or if these waters even invade privately owned lands bordering on the federal maritime land zone, it shall be demarcated once again in the terms of the law and its regulations. The areas of the land that become part of the new federal maritime land zone shall lose their classification as private property, but their legitimate owners shall have the preferential right to receive them as a concession in conformity with the provisions established in this Law.

ARTICLE 123.- When the use or exploitation of materials existing in the federal maritime land zone are governed by special laws, the competent authority shall have to obtain the prior approval of the Ministry of Environment and Natural Resources to grant a concession, permit or authorization in that zone.

When there is a concession, permit or authorization granted by the competent authority for the use, exploitation or implementation of activities regulated by other laws, including those related to marinas or maritime port, fisheries or aquaculture facilities and use of the federal maritime land zone is required, the Ministry of Environment and Natural Resources shall immediately grant the related concession, except when it affects the preference rights of adjacent property owners or other concession holders, without prejudice to compliance with the general regulations previously issued by said agency for each use, exploitation or activity insofar as it affects the federal maritime land zone.

ARTICLE 124.- Works to artificially gain lands from the sea may only be carried out with prior authorization by the Ministry of Environment and Natural

Resources and with the intervention of the Ministry of Communications and Transportation, both of which shall determine the form and terms for executing such works.

The Ministry of Environment and Natural Resources shall be responsible for the possession, delimitation, control and administration of lands gained from the sea, and should preferentially allot them to public services, observing the provisions of this Law and its regulations. However, when their use will not foreseeable be required for the delivery of public services, they may be disincorporated from the regime of public domain of the Federation to dispose of them in conformity with the provisions in articles 84 and 95 of this Law.

Authorizations that the Ministry of Environment and Natural Resources grants to private parties to carry out works to gain lands from the sea shall establish requirements, technical conditions and the time period for their completion, the amount of the investment that will be made, the way they will be used or exploited, as well as the sale conditions for the total or partial areas to be transferred, including, when pertinent, investments made by the private parties in the works.

The Ministries of Environment and Natural Resources, Communications and Transportation, and Tourism, in the sphere of their legal powers, shall work in coordination to foster the construction and operation of specialized infrastructure on the coasts.

ARTICLE 125.- When land is gained from the sea by natural or manmade causes, the boundaries of the federal maritime land zone shall be established in accordance with the new physical configuration of the land, so that land gained from the sea shall be understood to be the land area that lies between the border of the new federal maritime land zone and the border of the original federal maritime land zone.

When a portion of land is no longer part of the federal maritime land zone for natural or artificial causes, any private parties holding a concession for it shall have a preference right to acquire the land gained from the sea following its disincorporation from the regime of public domain of the Federation, or to have a concession for the land granted to them, as long as the conditions and requirements established by the Ministry of Environment and Natural Resources are met.

ARTICLE 126.- The federal maritime land zone and the land gained from the sea shall not be subject to the expropriation of agricultural land for land-reform purposes and, consequently, may not be included in presidential or jurisdictional orders for the granting, expansion or restitution of lands. Adjacent ejidos or communities shall have preference in being granted a concession to use such lands.

ARTICLE 127.- Concession and permit holders that use and exploit the federal maritime land zone shall pay the related charges, in accordance with the provisions in the applicable tax laws.

FIFTH TITLE
MOVABLE PROPERTY OF THE FEDERAL PUBLIC ADMINISTRATION

SOLE CHAPTER

ARTICLE 128.- The provisions of this title shall be applicable to the movable property of federal ownership that is at the service of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic.

The powers conferred on the Administrative Officers of the agencies or their equivalent in this Chapter shall be understood as being conferred on the heads of the deconcentrated bodies.

ARTICLE 129.- The Ministry shall issue the general norms to be observed in the registration, confiscation, final disposal and cancellation of movable property at the service of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic.

The Ministry may carry out visits to inspect such institutions and entities to verify the control and stock in warehouses and inventories of movable property, as well as its confiscation.

It shall be the responsibility of the Administrative Officers or their equivalent in the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic to issue specific guidelines and procedures, manuals, forms and instructions necessary for the appropriate administration of the movable property and warehouse management.

ARTICLE 130.- The Administrative Officers or their equivalent in the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic shall have the following actions under their strict responsibility:

- I.- Authorize the annual program for the final disposal of movable properties;
- II.- Disincorporate movable goods from the regime of public domain of the Federation through administrative agreement; and
- III.- Authorize the holding of operations for the exchange, the giving in payment, the transfer, the free loan or the destruction of movable goods.

The administrative withdrawal agreement referred to in sub-paragraph II of this article shall only affect the goods by removing their characteristic of being non-transferable. This agreement may refer to one or more goods duly identified individually.

ARTICLE 131.- The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic shall be responsible for the sale, transfer or destruction of federally owned movable goods that are at their service and because of their use, exploitation or state of conservation are no longer suitable or advisable for use in the same service, as well as the sale or destruction of the respective wastes.

The sale of goods may be carried out through any act for that purpose provided for in the laws, and the procedure shall conform to the provisions in the laws in all matters that do not run counter to the present Law.

The income obtained from the sales referred to in this article shall be deposited in the Treasury of the Federation.

When the movables are weapons, ammunition, explosives, aggressive chemicals and artifices, as well as polluting or radioactive materials or other objects whose possession or use may be hazardous or cause serious risks, their sale, management or destruction shall be carried out in accordance with the applicable legal regulations.

The sales referred to in this article may not be carried out in favor of public servants who intervene in the acts related to the sales in any way, nor in favor of their spouses or blood relatives and relatives by marriage up to the fourth degree, or to civilians or third parties with whom said public servants have private or business ties. Sales carried out in violation of the provisions in this paragraph shall be null and void, as well as cause for liability.

Public servants who are not in the situations indicated in the previous paragraph may participate in the public call for tenders on the goods at the service of the agencies, the Office of the Attorney General of the Republic or the administrative units of the Presidency of the Republic that they decide to sell.

ARTICLE 132.- Except in the cases included in the third and fourth paragraphs of this article, the sale shall be made through public call for tenders. If the goods are not sold through the public call for tenders procedure, they shall be auctioned at the same event, in the terms indicated in the general norms issued by the Ministry.

For purposes of the auction, the minimum bid required under the law shall be one that covers two thirds of the base value established for the public call for

tenders. If the minimum bid is not offered in the first auction, a second auction shall be held deducting ten percent of the amount that constituted the minimum bid in the previous auction. If the movables are not sold in the second auction, the procedures referred to in the following paragraph may be used, using the minimum bid of the last auction as the base value for that purpose.

The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic may sell movables without public call for tenders, through an invitation to at least three persons or by direct allotment with prior authorization of the Ministry, when extraordinary and unforeseeable conditions or circumstances or emergency situations arise, or there are not at least three possible interested parties with the legal capacity to submit bids. In these cases, the selection of the sale procedure shall be based on obtaining the best conditions for the federal government in terms of price, timeliness and other pertinent circumstances.

The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic may sell goods without subjecting them to public call for tenders when their value does not exceed the equivalent of one thousand days of the general minimum wage in force in the Federal District.

The amount of the sale may not be less than the minimum values of the goods which, if required, shall be determined by the Ministry based on an appraisal for that purpose or through a procedure it establishes for that reason. The Ministry, in conformity with the applicable provisions, shall issue the administrative instruments that contain the values referred to.

The sale of goods whose minimum value has not been established by the Ministry in the terms referred to in the previous paragraph, may not be made through agreements for figures less than that determined through the appraisal of specific goods carried out by the Ministry itself, credit institutions, public brokers or specialists in the field of valuation with a professional certificate issued by the competent authority.

The provisions in the two previous paragraphs regarding the minimum sale value shall not be applicable to cases of auctions such as that referred to in the second paragraph of this article.

ARTICLE 133.- The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic with the explicit approval of their Administrative Officers or equivalents, or the Movable Properties Committee, as appropriate, may donate federally owned movable properties in their service, when they are no longer useful to them, to the states, the Federal District, municipalities, health, charity or assistance institutions, educational or cultural institutions, to those in charge of delivering social services

entrusted by the agencies themselves, to the beneficiaries of some public welfare service, to agrarian communities and ejidos and to entities that need them for their own purposes, as long as the value of the goods being donated, in conformity with the last paragraph of this article, do not exceed ten thousand days of the general minimum wage in force in the Federal District. Such a donation shall be carried out in accordance with the procedure established in this Chapter.

If the value of the goods exceeds the amount mentioned above, prior authorization by the Ministry shall be required.

In the case of humanitarian assistance or scientific research, the Federation may donate goods to foreign governments and institutions or to international organizations through a presidential order countersigned by the heads of the Ministry of Foreign Affairs, of the Ministry and of the agency in whose inventories the goods were contained.

In any case, the donation of goods should be carried out at acquisition or inventory value.

ARTICLE 134.- The transfer of movable goods may be carried out exclusively between agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic and should have the prior authorization of the Administrative Officer or equivalent of the institution in whose service the goods are located. It shall not require an appraisal but should be formalized at the value of acquisition or inventory value through a delivery and acceptance certificate.

ARTICLE 135.- Once the sale, transfer or destruction has been completed, the registrations in the inventories shall be cancelled and the Ministry shall be notified of the respective cancellation in the terms it establishes.

ARTICLE 136.- Acts for the final disposal of goods in their service that are carried out by the agencies and the Office of the Attorney General in their offices abroad shall be governed by procedures allowed in this Chapter without prejudice to the provisions in the legislation in the place where they are carried out.

ARTICLE 137.- The agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic may grant goods as free loans to entities, to the governments of the Federal District, of the states and of the municipalities, as well as to higher education institutions and nonprofit associations, as long as they thereby contribute to fulfilling the programs of the Federal Government, which should be subject to certification and follow-up by the institution in question.

ARTICLE 138.- The Ministry shall keep and continually update a catalogue or classifying registry of the movable properties of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, which should send the Ministry the necessary information for such purposes, as well as any information it may ask them to provide.

ARTICLE 139.- With the exception of the transfer and the cancellation notification referred to in articles 134 and 135 of this Law, respectively, the provisions on movables to which this Title is dedicated shall govern the acts of final disposal and cancellation of movables carried out by the entities, as long as said movable goods are in their service or are part of their fixed assets.

The government bodies of the entities, in conformity with the applicable legislation shall issue the general bases conducive to due observance of the provisions in this article.

The bases that the government bodies issue shall be duly consistent with the norms referred to in article 129 of this Law.

The powers referred to in articles 130 and 131 of this Law shall be applied by the state government body, which may delegate them to the head of the entity itself.

ARTICLE 140.- The heads of the agencies, of the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, as well as the government bodies of the entities should establish movable property committees to authorize, control and follow up on the respective operations, as necessary.

The formation and operation of these committees shall be subject to the norms the Ministry issues and to the general bases said bodies issue in the terms of articles 129 and 139 of this Law, respectively.

ARTICLE 141.- The functions of the movable property committees shall be as follows:

- I.- Prepare and authorize a manual for their formation and related operation;
- II.- Approve a timetable for regular meetings;
- III.- Carry out follow-up on the annual program for the final disposal of movable properties;
- IV.- Analyze the cases of exception to the public call for tenders procedure provided for in the third paragraph of article 132 of this Law and submit them to the Ministry for its authorization;

V.- Authorize the establishment of subcommittees in deconcentrated bodies, delegations or representative offices, determining their composition and specific functions, as well as the manner and terms in which they should report to the committee of the agency, the Office of the Attorney General of the Republic or the administrative units of the Presidency of the Republic, as appropriate, on their performance;

VI.- Authorize actions for the patrimonial disincorporation of wastes, to be in force more than one year;

VII.- Authorize a donation of goods whose value does not exceed the equivalent of five hundred days of the general minimum wage in force in the Federal District;

VIII.- When requested by the Administrative Officer or equivalent, analyze the advisability of operations for the donation, exchange, giving in payment, transfer or free loan of goods;

IX.- Designate public servants to be in charge of presiding over acts to open bids and announce decisions;

X.- Analyze quarterly reports on the conclusion or processing of matters submitted to the committee, as well as sales made in the period by the agency, Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, so as to order the necessary improvement and corrective measures, when necessary; and

XI.- Approve the annual report on the results obtained by their performance in the first session of the immediately preceding fiscal year, and submit it for consideration to the pertinent head of the agency, Office of the Attorney General of the Republic or administrative units of the Presidency of the Republic.

In no case may the committees issue the authorizations or approvals referred to in this article when any requirement has not been fulfilled or it does not have the essential documents demanded by the applicable provisions. Consequently, agreements that are conditional in any sense shall have no effect whatsoever.

The norms referred to in article 129 of this Law shall specify the essential documents referred to.

SIXTH TITLE APPRAISAL OF NATIONAL PROPERTY

SOLE CHAPTER

ARTICLE 142.- The Ministry shall issue norms, procedures, criteria and methodologies of a technical nature, in conformity with which valuations and appraisals of the incomes referred to in articles 143 and 144 of this Law will be carried out.

ARTICLE 143.- Prior to entering into the juridical acts that are referred to in the present article and include the intervention of the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and, if applicable, the entities, it shall be the responsibility of the Ministry to report:

I.- The value of the real estate properties to which the Federation intends to acquire ownership rights, possession or any other property right through contracts for the sale, exchange, financial leasing or any other common law contract, when an appraisal is required;

II.- The value of the real estate properties to which the Federation intends to transfer ownership rights, possession or any other property right, through contracts for sale, exchange, contribution, expropriation or any other contract authorized by the Law, except cases of free donations of real estate properties in favor of the governments of the states, of the Federal District and of the municipalities, as well as their respective parastatal entities;

III.- The value of the patrimony of agricultural, industrial, commercial or service economic units that the Federation acquires or transfers for any reason;

IV.- The value of lands gained from the sea, from lake beds, lagoons, estuaries and dams and from watercourses belonging to the nation, as well as its eliminated federal zones when they are going to be transferred for the first time.;

V.- The commercial value of the national lands with tourist, urban, industrial or other non agricultural potential for their transfer;

VI.- The value of real estate property donated by the Federation to the governments of the states, the Federal District and the municipalities, or to their respective parastatal entities, when they are going to be transferred for payment, except in the case of transfer for the purpose of regularizing land tenure in favor of its possessors;

VII.- The amount of compensation for the expropriation, temporary occupation or limitation of rights of dominion over real estate property, movables, shares, partnership interests or rights that the Federal Executive orders, both for private properties and for real estate subject to the ejido or communal regime;

VIII.- The amount of compensation or indemnity the owners of the lands adjacent to the federal real estate properties will have to pay for the voluntary or legal right-of-way, if the federal real estate properties are dominant;

IX.- The amount of compensation in cases in which the Federation recovers concessions on assets subject to the regime of public domain of the Federation;

X.- The value of federal real estate properties for concessions to determine the amount of fees the concession holder should pay, in accordance with the prescriptions of the Federal Fees Law;

XI.- The amount of rent the Federation and the entities should charge when they are lessors;

XII.- The amount of rent the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities should pay when they are lessees, except in the cases referred to in the last paragraph of article 50 of this Law;

XIII.- The value of real estate properties for which concessions, permits or authorizations are granted, as referred to in article 58 of this Law, in cases where their partial transfer is authorized and when the annulment, revocation or expiration of such actions is determined for the purposes indicated in the same precept;

XIV.- The value of assets that are part of the patrimony of public welfare, when they are to be transferred;

XV.- The amount of compensation for damages and lost profits caused to the federal treasury by a responsible real estate agent that fails to deliver to the Ministry the real estate properties or areas to be vacated in the time period indicated in this Law;

XVI.- The value of assets or amount of considerations for their use, enjoyment or exploitation, when the Ministry is designated the expert in judicial proceedings that deal with public property;

XVII.- The value of real estate properties or the amount of rent when the governments of the states, the Federal District and the municipalities intend to acquire or lease them, chargeable to federal resources, with the exception of federal tax payments;

XVIII.- Other values that should be determined by the Ministry as indicated in laws, regulations and other applicable provisions.

The Ministry may also carry out all types of valuation work at the consulting level when requested by public institutions.

ARTICLE 144.- Prior to entering into the juridical acts that are referred to in this article and include the intervention of the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic, they may request the Ministry, credit institutions or specialists in the field of appraisal with a professional license issued by the competent authority to determine:

I.- The value of real estate properties for which the entities intend to acquire the rights of ownership, possession or any property right through contracts for the sale, exchange, financial lease or any other common law contract, when an appraisal is required;

II.- The value of real estate properties for which the entities intend to transfer rights of ownership, possession or any other property right through contracts for the sale, exchange, contribution, expropriation or any other contract authorized by this Law;

III.- The value of the patrimony of the agricultural, industrial, commercial and service units that the entities acquire or transfer for any reasons;

IV.- The value of the assets as payment of tax obligations, social security dues, and mercantile or civil debts, as well as assets that the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities intend to transfer to collect such obligations;

V.- The value of real estate properties insured against damage through policies taken out by the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities;

VI.- The value of real estate properties and other assets of the entities, when they request it in order to update the values in their inventories for accounting purposes or re expression of values in their financial statements;

VII.- The value of goods that are seized or confiscated for having been instruments, media, objects or products of a crime, when they are going to be transferred;

VIII.- The value of used movable properties that the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities intend to acquire through the procedure of inviting at least three suppliers or through direct allotment;

IX.- The value of federally owned movable properties at the service of the agencies, the Office of the Attorney General of the Republic and the administrative units of the Presidency of the Republic, as well as movable properties that are part of the assets or are at the service of the entities, when they are to be sold, without prejudice to the provisions in article 132, fifth paragraph, of this Law;

X.- The value of movable goods missing in the inventory so as to take it as a base for quantifying preventive lists of liabilities classified as being final by the competent authority;

XI.- The amount of compensation for the repair of damage when in a disciplinary administrative procedure, the responsibility of a public servant and his administrative failure have caused damage and lost profits to private parties;

XII.- The amount of compensation that should be covered for damage and lost profits to the persons affected in their goods, properties, possessions and rights by acts by the authority, when there is a resolution that orders restitution in their favor and it is physically or juridically impossible; and

XIII.- Any other values whose determination is not entrusted exclusively to the Ministry by the Law or other legal regulations.

ARTICLE 145.- When for reasons of entering into the juridical acts referred to in article 143 and 144, the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic or the entities must cover a consideration payable in cash, it may not be greater than the determined value. If the counterpart must cover a consideration payable in cash, it may not be lower than the determined value, save the exceptions established in this Law.

ARTICLE 146.- If the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic or the entities intend to continue occupying a leased property, the Ministry shall establish a maximum percentage of increase in the amount of the rents agreed to in the related lease contracts, without the need to assess the rents.

The aforementioned institutions shall not be required to obtain a rent assessment when the rent does not surpass the maximum amount for rents established annually by the Ministry.

ARTICLE 147.- The Ministry shall have the powers to define the criteria to be taken into account in determining the percentages and amounts of increases or decreases in commercial values, in order to support the regularization of land tenure, urban development, popular and low-income housing, the

accommodation of persons affected by public works or natural disasters, the establishment of territorial reserves and irrigation districts, tourist development and activities of obvious general interest and community benefit. For these purposes, the Ministry shall ask the agencies and the entities involved for their opinions.

ARTICLE 148.- The valuation determinations and rent assessments shall remain in force for no more than one year as of the date on which they are issued, except when otherwise provided for in other legal regulations on specific matters.

SEVENTH TITLE PENALTIES

SOLE CHAPTER

ARTICLE 149.- A prison sentence from two to twelve years and a fine of three hundred to one thousand times the general minimum wage in force in the Federal District shall be the penalty for any party who, once the term indicated in a concession, permit or authorization granted for the exploitation, use or enjoyment of an asset subject to the regime of public domain of the Federation has expired, fails to return it to the pertinent authority within the term of thirty calendar days following the notification date of the administrative demand filed against him.

ARTICLE 150.- The penalty indicated in the previous article shall be imposed on whoever uses, enjoys or exploits an asset that belongs to the nation without having previously obtained a concession, permit or authorization, or entered into a contract with the competent authority.

ARTICLE 151.- Works and facilities constructed on federal real estate properties without a concession, permit, authorization or contract shall be lost in benefit to the Federation. If advisable, the Ministry shall order the works or facilities demolished by the violator without the right to any indemnity of compensation whatsoever.

ARTICLE 152.- Notaries public, including notaries authorized to attest to transactions involving federal property, who authorize juridical acts in violation of the provisions of this Law or its regulations, or fail to comply with them, apart from the civil or criminal liability they incur, may be sanctioned by the Ministry with a fine from twenty to five thousand times the minimum wage in force in the Federal District.

With regard to the Notaries authorized to attest to transactions involving federal property, the Ministry may also revoke the designation granted to them to act in that capacity.

TRANSITORY ARTICLES

FIRST.- The present Law shall enter into force on the day following its publication in the **Official Gazette**.

SECOND.- The General Law on National Property, published in the **Official Gazette** on January 8, 1982, is hereby abrogated.

THIRD. All provisions that oppose those established in the present Law are hereby derogated.

FOURTH. The real estate properties referred to in article 6, sub-paragraph V, of this Law are the nationalized properties referred to in the Seventeenth Transitory Article of the Political Constitution of the United Mexican States which churches and religious groups may have managed and used prior to January 29, 1992, including those for which, on the date the present legal code enters into force, no judicial resolution or corresponding administrative declaration has yet been issued.

FIFTH.- The entities and the governments of the Federal District, states and municipalities which, prior to the entry into force of the present Law, had acquired from the Federation through gratuitous transfer properties considered historic or artistic monuments, in conformity with the law in the matter or related declarations, are obligated to absorb the costs of their repair, conservation and maintenance and to use the real estate properties in a manner compatible with their nature.

SIXTH.- In the case of assets which on the date of entry into force of this Law have been disincorporated from the regime of public domain of the Federation or their transfer has been authorized through a respective order, without having been transferred, that removal should be understood as having the effect referred to in article 95 of the present Law.

SEVENTH.- Matters in process on the date of entry into force of this Law shall be resolved in conformity with the provisions of the abrogated General Law on National Properties.

Processes pending on the disincorporation of property from the regime of public domain of the Federation and the authorization to transfer federal real estate properties or property owned by decentralized bodies shall be resolved in conformity with the provisions in the present Law.

EIGHTH.- In a period of time no longer than ninety calendar days, without the possibility of being renewed, as of the entry into force of this Law, the Federal Executive should issue the regulations in which it determines the composition and operation of the new deconcentrated administrative body of the Ministry which, in replacement of the National Assets Valuation Commission, shall be in charge of powers that this Law confers on said agency in the field of federal real estate property administration and appraisal of national properties.

The creation of the new deconcentrated body referred to in the preceding paragraph should be subject to the human, financial and material resources the National Assets Valuation Commission now has. If more resources are needed for that purposes, they will have to come from the budget of the Ministry.

While the new deconcentrated body referred to in this transitory article is being formed, the National Assets Valuation Commission shall exercise the attributions that this Law confers on the Ministry in the field of federal real estate administration and appraisal.

NINTH.- The Ministry of Public Education, through the National Institute of Anthropology and History, shall prepare and propose to the Federal Executive regulations for granting permits and authorizations for holding civic and cultural activities in the archeological monument zones referred to in article 30 of this Law, within the following six months beginning with the entry into force of this Law.

TENTH.- To exercise the powers conferred on them by this Law, the real estate administrating agencies shall promote the necessary measures in the pertinent entities, limiting themselves to the human, financial and material resources available to them at the present time.

ELEVENTH.- The Ministry, within sixty calendar days following the entry into force of the present Law, shall formulate a program for the agencies, the Office of the Attorney General of the Republic, the administrative units of the Presidency of the Republic and the entities to carry out the necessary procedures to officially take into their service the federal real estate properties they have been using without having the related ministerial accord or, if applicable, executive order for their use.

TWELFTH.- The agencies, the Attorney General of the Republic, the administrative units of the Presidency of the Republic and entities that do not have a person responsible for real estate, shall, within a period of time no greater than thirty calendar days following the entry into force of the present Law, send the Ministry the data of the public servant who will serve in that capacity.

THIRTEENTH.- The Legislative and Judicial Branches of the Federation, the federal entities and institutions with their own legal capacity and patrimony, to which the Political Constitution of the United Mexican States grants autonomy, shall have a period of one hundred and twenty calendar days as of the date on which the present Law is published, to enter into the Public Registry of Federal Property the titles that certify ownership of any real estate properties they have acquired but are not registered.

FOURTEENTH.- Until the regulations, norms, bases, guidelines and other provisions arising from the present law are issued, the regulatory and administrative provisions that are in force and do not oppose this Law shall continue being applied; but in relation to real estate properties that are subject to the regime of public domain of the Federation and are part of the patrimony of the decentralized bodies, their respective government bodies may approve carrying out the juridical acts referred to in articles 65 and 84 of this Law in each specific case.

FIFTEENTH.- The real estate administrating agencies should establish a program to integrate the value of the real estate properties of their competence into governmental accounting records.

SIXTEENTH.- To fulfill the provisions established in article 2, sub-paragraph IV, of the Decree that terminates the decentralized public agency, Ferrocarriles Nacionales de México and abrogates its Organic Law, the Ministry of Communications and Transportation, as the party responsible for the liquidation of the agency, shall proceed to regularize the ownership of the homes and lands in legitimate possession of railroad retirees and pensioners or, if applicable, their successors, through the related donations.

Mexico City, Federal District, March 23, 2004.- Sen. **Enrique Jackson Ramírez**, President.- Dep. **Juan de Dios Castro Lozano**, President.- Sen. **Rafael Melgoza Radillo**, Secretary.- Dep. **Marcos Morales Torres**, Secretary.- Signatures."

In compliance with the provisions in Article 89, sub-paragraph I, of the Political Constitution of the United Mexican States and for its due publication and observance, I hereby issue the present Decree at the Residence of the Federal Executive Power, in Mexico City, Federal District, on May 18, 2004. **Vicente Fox Quesada**.- Signature.- Minister of the Interior, **Santiago Creel Miranda**.- Signature.