

Article 27. Ownership of the lands and waters within the boundaries of the national territory is vested originally in the Nation, which has had, and has, the right to transmit title thereof to private persons, thereby constituting private property.

Private property shall not be expropriated except for reasons of public use and subject to payment of indemnity.

The Nation shall at all times have the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the utilization of natural resources which are susceptible of appropriation, in order to conserve them and to ensure a more equitable distribution of public wealth. With this end in view, necessary measures shall be taken to divide up large landed estates; to develop small landed holdings in operation; to create new agricultural centers, with necessary lands and waters; to encourage agriculture in general and to prevent the destruction of natural resources, and to protect property from damage to the detriment of society. Centers of population which at present either have no lands or water or which do not possess them in sufficient quantities for the needs of their inhabitants, shall be entitled to grants thereof, which shall be taken from adjacent properties, the rights of small landed holdings in operation being respected at all times.

In the Nation is vested the direct ownership of all natural resources of the continental shelf and the submarine shelf of the islands; of all minerals or substances, which in veins, ledges, masses or ore pockets, form deposits of a nature distinct from the components of the earth itself, such as the minerals from which industrial metals and metalloids are extracted; deposits of precious stones, rock-salt and the deposits of salt formed by sea water; products derived from the decomposition of rocks, when subterranean works are required for their extraction; mineral or organic deposits of materials susceptible of utilization as fertilizers; solid mineral fuels; petroleum and all solid, liquid, and gaseous hydrocarbons; and the space above the national territory to the extent and within the terms fixed by international law.⁽⁶⁾

In the Nation is likewise vested the ownership of the waters of the territorial seas, within the limits and terms fixed by international law; inland marine waters; those of lagoons and estuaries permanently or intermittently connected with the sea; those of natural, inland lakes which are directly connected with streams having a constant flow; those of rivers and their direct or indirect tributaries from the point in their source where the first permanent, intermittent, or torrential waters begin, to their mouth in the sea, or a lake, lagoon, or estuary forming a part of the public domain; those of constant or intermittent streams and their direct or indirect tributaries, whenever the bed of the stream, throughout the whole or a part of its length, serves as a boundary of the national territory or of two federal divisions, or if it flows from one federal division to another or crosses the boundary line of the Republic; those of lakes, lagoons, or estuaries whose basins, zones, or shores are crossed by the boundary lines of two or more divisions or by the boundary line of the Republic and a neighboring country or when the shoreline serves as the boundary between two federal divisions or of the Republic and a neighboring country; those of springs that issue from beaches, maritime areas, the beds, basins, or shores of lakes, lagoons, or estuaries in the national domain; and waters extracted from mines and the channels, beds, or shores of interior lakes and streams in an area fixed by law. Underground waters may be brought to the surface by artificial works and utilized by the surface owner, but if the public interest so requires or use by others is affected, the

Federal Executive may regulate its extraction and utilization, and even establish prohibited areas, the same as may be done with other waters in the public domain. Any other waters not included in the foregoing enumeration shall be considered an integral part of the property through which they flow or in which they are deposited, but if they are located in two or more properties, their utilization shall be deemed a matter of public use, and shall be subject to laws enacted by the States.⁽⁷⁾

In those cases to which the two preceding paragraphs refer, ownership by the Nation is inalienable and imprescriptible, and the exploitation, use, or appropriation of the resources concerned, by private persons or by companies organized according to Mexican laws, may not be undertaken except through concessions granted by the Federal Executive, in accordance with rules and conditions established by law. The legal rules relating to the working or exploitation of the minerals and substances referred to in the fourth paragraph shall govern the execution and proofs of what is carried out or should be carried out after they go into effect, independent of the date of granting the concessions, and their nonobservance will be grounds for cancellation thereof. The Federal Government has the power to establish national reserves and to abolish them. The declarations pertaining thereto shall be made by the Executive in those cases and conditions prescribed by law. In the case of petroleum, and solid, liquid, or gaseous hydrocarbons no concessions or contracts will be granted nor may those that have been granted continue, and the Nation shall carry out the exploitation of these products, in accordance with the provisions indicated in the respective regulatory law.⁽⁸⁾

It is exclusively a function of the general Nation to conduct, transform, distribute, and supply electric power which is to be used for public service. No concessions for this purpose will be granted to private persons and the Nation will make use of the property and natural resources which are required for these ends.⁽⁹⁾ (Note: A transitory provision of the amendment adding the foregoing paragraph to Article 27 states:

"A regulatory law shall establish the rules to which concessions granted prior to the enactment of the present law (amendment) shall be subject".)

Legal capacity to acquire ownership of lands and waters of the Nation shall be governed by the following provisions:

- I. Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership of lands, waters, and their appurtenances, or to obtain concessions for the exploitation of mines or of waters. The State may grant the same right to foreigners, provided they agree before the Ministry of Foreign Relations to consider themselves as nationals in respect to such property, and bind themselves not to invoke the protection of their governments in matters relating thereto; under penalty, in case of noncompliance with this agreement, of forfeiture of the property acquired to the Nation. Under no circumstances may foreigners acquire direct ownership of lands or waters within a zone of one hundred kilometers along the frontiers and of fifty kilometers along the shores of the country.

The State, in accordance with its internal public interests and with principles of reciprocity, may in the discretion of the Secretariat of Foreign Affairs authorize foreign states to acquire, at the permanent sites of the Federal Powers, private

ownership of real property necessary for the direct services of their embassies or legations.⁽¹⁰⁾

- II. Religious institutions known as churches, regardless of creed, may in no case acquire, hold, or administer real property or hold mortgages thereon; such property held at present either directly or through an intermediary shall revert to the Nation, any person whosoever being authorized to denounce any property so held. Presumptive evidence shall be sufficient to declare the denunciation well founded. Places of public worship are the property of the Nation, as represented by the Federal Government, which shall determine which of them may continue to be devoted to their present purposes. Bishoprics, rectories, seminaries, asylums, and schools belonging to religious orders, convents, or any other buildings built or intended for the administration, propagation, or teaching of a religious creed shall at once become the property of the Nation by inherent right, to be used exclusively for the public services of the Federal or State Governments, within their respective jurisdictions. All places of public worship hereafter erected shall be the property of the Nation.
- III. Public or private charitable institutions for the rendering of assistance to the needy, for scientific research, the diffusion of knowledge, mutual aid to members, or for any other lawful purpose, may not acquire more real property than actually needed for their purpose and immediately and directly devoted thereto; but they may acquire, hold, or administer mortgages on real property provided the term thereof does not exceed ten years. Under no circumstances may institutions of this kind be under the patronage, direction, administration, charge, or supervision of religious orders or institutions, or of ministers of any religious sect or of their followers, even though the former or the latter may not be in active service.
- IV. Commercial stock companies may not acquire, hold, or administer rural properties. Companies of this kind that are organized to operate any manufacturing, mining, or petroleum industry or for any other purpose that is not agricultural, may acquire, hold, or administer lands only of an area that is strictly necessary for their buildings or services, and this area shall be fixed in each particular case by the Federal or State Executive.
- V. Banks duly authorized to operate in accordance with the laws on credit institutions may hold mortgages on urban and rural property in conformity with the provisions of such laws but they may not own or administer more real property than is actually necessary for their direct purpose.
- VI. With the exception of the corporate entities referred to in clauses III, IV, and V hereof, and the centers of population which by law or in fact possess a communal status or centers that have received grants or restitutions or have been organized as centers of agricultural population, no other civil corporate entity may hold or administer real property or hold mortgages thereon, with the sole exception of the buildings intended immediately and directly for the purposes of the institution. The States, the Federal District, and the Territories, and all Municipalities in the Republic, shall have full legal capacity to acquire and hold all the real property needed to render public services.

The federal and state laws, within their respective jurisdictions, shall determine in what cases the occupation of private property shall be considered to be of public utility; and in accordance with such laws, the administrative authorities shall issue the respective declaration. The amount fixed as compensation for the expropriated property shall be based on the value recorded in assessment or tax

offices for tax purposes, whether this value had been declared by the owner or tacitly accepted by him by having paid taxes on that basis. The increased or decreased value of such private property due to improvements or depreciation which occurred after such assessment is the only portion of the value that shall be subject to the decision of experts and judicial proceedings. This same procedure shall be followed in the case of property whose value is not recorded in the tax offices.

The exercise of actions pertaining to the Nation by virtue of the provisions of this article shall be made effective by judicial procedure, but during these proceedings and by order of the proper courts, which must render a decision within a maximum of one month, the administrative authorities shall proceed without delay to occupy, administer, auction, or sell the lands and waters in question and all their appurtenances, and in no case may the acts of such authorities be set aside until a final decision has been rendered.

- VII. ⁽¹¹⁾The centers of population which, by law or in fact, possess a communal status shall have legal capacity to enjoy common possession of the lands, forests, and waters belonging to them or which have been or may be restored to them.

All questions, regardless of their origin, concerning the boundaries of communal lands, which are now pending or that may arise hereafter between two or more centers of population, are matters of federal jurisdiction. The Federal Executive shall take cognizance of such controversies and propose a solution to the interested parties. If the latter agree thereto, the proposal of the Executive shall take full effect as a final decision and shall be irrevocable; should they not be in conformity, the party or parties may appeal to the Supreme Court of Justice of the Nation, without prejudice to immediate enforcement of the presidential proposal.

The law shall specify the brief procedure to which the settling of such controversies shall conform.

- VIII. The following are declared null and void:
- a. All transfers of the lands, waters, and forests of villages, *rancherías*, groups, or communities made by local officials (*jefes políticos*), state governors, or other local authorities in violation of the provisions of the Law of June 25, 1856, and other related laws and rulings.
 - b. All concessions, deals or sales of lands, waters, and forests made by the Secretariat of Development, the Secretariat of Finance, or any other federal authority from December 1, 1876 to date, which encroach upon or illegally occupy communal lands (ejidos), lands allotted in common, or lands of any other kind belonging to villages, rancherías, groups or communities, and centers of population.
 - c. All survey or demarcation-of-boundary proceedings, transfers, alienations, or auction sales effected during the period of time referred to in the preceding sub-clause, by companies, judges, or other federal or state authorities entailing encroachments on or illegal occupation of the lands, waters, or forests of communal holdings (ejidos), lands held in common, or other holdings belonging to centers of population.

The sole exception to the aforesaid nullification shall be the lands to which title has been granted in allotments made in conformity with the Law of June 25, 1856, held by persons in their own name for more than ten years and having an area of not more than fifty hectares.

- IX. Divisions or allotments of land among the inhabitants of a given center of population which, although apparently legitimate are not so, due to a mistake or defect, may be annulled at the request of three fourths of the residents holding one fourth so divided, or one fourth of such residents holding three fourths of the lands.
- X. Centers of population which lack communal lands (ejidos) or which are unable to have them restored to them due to lack of titles, impossibility of identification, or because they had been legally transferred, shall be granted sufficient lands and waters to constitute them, in accordance with the needs of the population; but in no case shall they fail to be granted the area needed, and for this purpose the land needed shall be expropriated, at the expense of the Federal Government, to be taken from lands adjoining the villages in question.

The area or individual unit of the grant shall hereafter be not less than ten hectares of moist or irrigated land, or in default of such land its equivalent in other types of land in accordance with the third paragraph of section XV of this article.⁽¹²⁾

- XI. For the purpose of carrying out the provisions of this article and of regulating laws that may be enacted, the following are established:
 - a. A direct agency of the Federal Executive entrusted with the application and enforcement of the agrarian laws;
 - b. An advisory board composed of five persons to be appointed by the President of the Republic and who shall perform the functions specified in the organic laws;
 - c. A mixed commission composed of an equal number of representatives of the Federal Government, the local governments, and a representative of the peasants, to be appointed in the manner set forth in the respective regulating law, to function in each State, Territory, and the Federal District, with the powers and duties set forth in the organic and regulatory laws;
 - d. Private executive committees for each of the centers of population that are concerned with agrarian cases;
 - e. A communal office (comisariado ejidal) for each of the centers of population that possess communal lands (ejidos).
- XII. Petitions for a restitution or grant of lands or waters shall be submitted directly to the state and territorial governors.

The governors shall refer the petitions to the mixed commissions, which shall study the cases during a fixed period of time and render a report; the State governors shall approve or modify the report of the mixed commission and issue orders that immediate possession be given to areas which they deem proper. The case shall then be turned over to the Federal Executive for decision.

Whenever the governors fail to comply with the provisions of the preceding paragraph, within the peremptory period of time fixed by law, the report of the mixed commission shall be deemed rejected and the case shall be referred immediately to the Federal Executive.

Inversely, whenever a mixed commission fails to render a report during the peremptory time limit, the Governor shall be empowered to grant possession of the area of land he deems appropriate.

- XIII. The agency of the Executive and the Agrarian Advisory Board shall report on the approval, rectification, or modification of the reports submitted by the mixed commissions, containing the changes made therein by the local governments, and so notify the President of the Republic, who as the supreme agrarian authority will render a decision.
- XIV. Landowners affected by decisions granting or restoring communal lands and waters to villages, or who may be affected by future decisions, shall have no ordinary legal right or recourse and cannot institute *amparo* proceedings.

Persons affected by such decisions shall have solely the right to apply to the Federal Government for payment of the corresponding indemnity. This right must be exercised by the interested parties within one year counting from the date of publication of the respective resolution in the *Diario Oficial*. After this period has elapsed, no claim is admissible.

Owners or occupants of agricultural or stockraising properties in operation who have been issued or to whom there may be issued in the future certificates of non-affectability may institute *amparo* proceedings against any illegal deprivation or agrarian claims on their lands or water.⁽¹³⁾

- XV. The mixed commissions, the local governments and any other authorities charged with agrarian proceedings cannot in any case affect small agricultural or livestock properties in operation and they shall incur liability for violations of the Constitution if they make grants which affect them.

Small agricultural property is that which does not exceed one hundred hectares of first-class moist or irrigated land or its equivalent in other classes of land, under cultivation.

To determine this equivalence one hectare of irrigated land shall be computed as two hectares of seasonal land; as four of good quality pasturage (*agostadero*) and as eight as *monte* (scrub land) or arid pasturage.

Also to be considered as small holdings are areas not exceeding two hundred hectares of seasonal lands or pasturage susceptible of cultivation; or one hundred fifty hectares of land used for cotton growing if irrigated from fluvial canals or by pumping; or three hundred, under cultivation, when used for growing bananas, sugar cane, coffee, henequen, rubber, coconuts, grapes, olives, quinine, vanilla, cacao, or fruit trees.

Small holdings for stockraising are lands not exceeding the area necessary to maintain up to five hundred head of cattle (*ganado mayor*) or their equivalent in smaller animals (*ganado menor* - sheep, goats, pigs) under provisions of law, in accordance with the forage capacity of the lands.

Whenever, due to irrigation or drainage works or any other works executed by the owners or occupants of a small holding to whom a certificate of non-affectability has been issued, the quality of the land is improved for agricultural or stockraising operations, such holding shall not be subject to agrarian appropriation even if, by virtue of the improvements made, the maximums indicated in this section are lowered, provided that the requirements fixed by law are met.

- XVI. Lands which are subject to individual adjudication must be partitioned precisely at the time the presidential order is executed, according to regulatory laws.
- XVII. The Federal Congress and the State Legislature, within their respective jurisdictions, shall enact laws to fix the maximum area of rural property, and to carry out the subdivision of the excess lands, in accordance with the following bases:
 - a. In each State, Territory, or the Federal District, there shall be fixed a maximum area of land of which a single individual or legally constituted society may be the owner.
 - b. The excess over the fixed area shall be subdivided by the owner within the time fixed by the local law, and these parcels shall be offered for sale under terms approved by the governments, in accordance with the aforementioned laws.
 - c. If the owner should oppose the subdivision, it shall be carried out by the local government, by expropriation.
 - d. The value of the parcels shall be paid by annual installments which will amortize principal and interest, at an interest rate not exceeding 3% per annum.
 - e. Owners shall be required to receive bonds of the local Agrarian Debt to guarantee payment for the property expropriated. For this purpose, the Federal Congress shall enact a law empowering the States to create their Agrarian Debt.
 - f. No subdivision can be sanctioned which fails to satisfy the agrarian needs of neighboring settlements (poblados inmediatos). Whenever subdivision projects are to be executed, the agrarian claims must be settled within a fixed period.
 - g. Local laws shall organize the family patrimony, determining what property shall constitute it, on the basis that it shall be inalienable and shall not be subject to attachment or encumbrance of any kind.
- XVIII. All contracts and concessions made by former Governments since the year 1876, which have resulted in the monopolization of lands, waters, and natural resources of the Nation, by a single person or company, are declared subject to revision, and the Executive of the Union is empowered to declare them void whenever they involve serious prejudice to the public interest.

Article 28. In the United Mexican States there shall be no monopolies or estancos of any kind; nor exemption from taxes; nor prohibitions under the guise of protection to industry; excepting only those relating to the coinage of money, the mails, telegraph, and radiotelegraphy, to the issuance of paper money by a single bank to be controlled by the Federal Government, and to the privileges which for a specified time are granted to authors and artists for the reproduction of their works, and to those which, for the exclusive use of their inventions, may be granted to inventors and those who perfect some improvement.