CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose of the Law

This Law shall regulate the organization and operation of the local self-government units in the Republic of Albania and shall define the functions, powers, rights, and duties of such units and the bodies thereof.

Article 2
Definitions

The following definitions shall apply to the terms used in this Law:

1. “Administration” is the right to plan, fund, and organize the exercise of a function.
2. “Local autonomy” is the right and the capacity of the local self-government units, established by the Constitution within the limits of this Law, to regulate and manage a substantial part of the public affairs on their own responsibility and in the interest of the community.

3. “Function” is the scope of activity for which a local self-government unit is responsible and has the legal power to exercise it freely, in whole or in part thereof, in accordance with laws and regulations.

4. “Delegated functions” are the central government functions whose exercise is delegated to the local self-government units.

5. “Power” is the authority given by law to the bodies of local self-government units for performing a function or a part thereof.

6. “Consultation” is the institutional process of consultation between central government and local self-government, a transparent and direct process for information, discussion, and exchange of opinions on policies, legislation, and norms that regulate local self-government, conducted regularly and consistently according to the procedures and an established method.

7. “Public utility” is any enterprise created to provide service/public service(s) under the authority of a municipality, which controls its capital and financing, and the votes or the right to appoint its governing bodies.

8. “Central government” is the Council of Ministers, the Ministries, and other central State institutions.

9. “Regulation” is the right to define general and normative rules of conduct, as well as mandatory standards in accordance with law.

10. “Administrative and territorial reorganization” is a change in the administrative and territorial division of the local self-government units.

11. “Joint Powers Authority” is a committee, entity, institution, enterprise, board, trade company or any other juridical person created by two or more units of local self-government and/or central government institutions to perform a service or meet a shared obligation.

12. “Subsidiarity” is the principle of performing the functions and exercising the powers at a level of governance closest to the citizens by taking into consideration the importance and the nature of the commitment and cost-effectiveness requirements.

13. “Public services” are those services of general public interest for the community, offered by a municipality on an ongoing basis, at affordable prices, according to the national minimum standards defined by law or other normative acts.
Article 3
Mission of the local self-government units

The units of local self-government in the Republic of Albania shall provide effective and efficient governance at a level closest to the citizens by
a) Recognizing the existence of different identities and values of the communities
b) Respecting the fundamental rights of the citizens enshrined in the Constitution and other laws
c) Choosing various types of local public facilities and services to the benefit of the community
d) Exercising their functions, powers and duties in an effective way through the agency of their bodies
e) Providing convenient services based on the needs of the community members
f) Promoting an all-inclusive participation of the community in local governance
g) Providing services in conformity with the standards required by law or other normative acts.

Article 4
Fundamental principles of local self-government

1. The bodies of local self-government units shall operate on the principle of local autonomy.
2. In performing their activities, they shall respect the Constitution, the laws and regulations and shall act in accordance thereof.
3. Local self-government units shall be public juridical persons.
4. Any municipality or region shall be a self-governing unit with a continued existence.

CHAPTER II
LOCAL SELF-GOVERNMENT UNITS AND BODIES THEREOF

Article 5
Local self-government units

1. The units of local self-government exercising local governance in the Republic of Albania shall be the municipalities and the regions.
2. The municipalities shall be the basic level of the local self-government.
3. A municipality shall represent an administrative and territorial unity and a group of inhabitants. The municipality, its name, territorial extent, and center city shall be defined by law.
4. The regions shall be the second level unit of the local self-government.
5. A region shall represent an administrative and territorial unity that consisting of several municipalities with geographical, traditional, economic or social ties and shared interests. Its boundaries shall coincide with those of the constituent municipalities. The region, its name, territorial extent, and center shall be defined by law.
1. A municipality shall consist of several administrative units that have traditional, historic, economic, and social ties. Each administrative unit within the territory of a municipality, its territorial extent, and name shall be defined by law.

2. Administrative units shall consist of towns and/or villages. The territorial extent, the name of the towns and villages that are part of each administrative unit shall be defined by law. Proclamation of new cities shall be made by law.

3. Cities may be divided into smaller units called quarters (neighborhoods). A quarter, as a rule, may only be established in territories with over 20,000 inhabitants. The division of cities into quarters and their territorial extent shall be approved by a decision of the municipal council.

1. A representative body and an executive body shall be established at every municipality and region.

2. The representative body of the municipality shall be the municipal council. The executive body shall be the mayor.

3. The representative body of the region shall be the regional council. The executive functions in the region shall be performed by the head and the board of the regional council.

4. The representative and executive municipal bodies shall be elected as provided for in the Electoral Code of the Republic of Albania.

5. The representative body of the region shall be formed with representatives from the elected bodies of the constituent municipalities, as provided for in the Constitution and the Chapter XIII of this Law. The regional council head and board shall be elected by the regional council as provided for in the Chapter XIII of this Law.

CHAPTER III
RIGHTS AND RESPONSIBILITIES OF LOCAL SELF-GOVERNMENT UNITS

Article 8
Exercise of authority with local public interest

1. The bodies of the local self-government units may take initiatives with local public interest in the territories under their jurisdiction on any matter unless it is legally proscribed or given exclusively to some other body.

2. The bodies of the local self-government units shall exercise their powers by issuing decisions, ordinances, and orders.
Article 9

Rights and responsibilities

1. The local self-government units shall have the following rights and responsibilities:

1.1. The right to, and the responsibilities of self-governance, whereby they:

a) Implement measures they deem necessary to exercise their functions and powers
b) Issue ordinances, decisions, and orders for exercising their functions and powers pursuant to the Constitution, the laws and the regulations issued on the basis and in compliance thereof;

c) Establish administrative structures to exercise functions and powers vested therein under the applicable laws.

d) Establish institutions and economic units, which are under their control.

e) Establish committees, boards, or commissions for performing specific functions when necessary, by respecting the Law on Gender Equality.

1.2 The right and the responsibility for owning property

a) Local self-government units shall have the right to own property. They shall acquire, sell or lease immovable or movable property, as well as exercise other rights, as provided by law.

b) The right of acquiring property through expropriation in the public interest on the part of local self-government units shall be exercised according to the applicable law.

c) The right to own property shall be exercised by the respective councils, which may not delegate the exercise of such right to anyone else.

1.3 The right and the responsibility for collecting revenues and making expenditures, whereby they:

a) Create and collect revenues, and incur expenses to perform their functions
b) Impose local fees for services, and determine their rates, as specified in the applicable law

c) Design, approve, and implement their budgets

d) Keep accounts in conformity with the applicable legislation, and provide information and financial reports for the design and implementation of their budgets to the central government or the citizens.

1.4 The right and the responsibility for conducting economic activities, whereby they:

a) Conduct legally specified economic activities, which do not conflict with the fundamental orientations of the State economic policies, in order to perform public functions in behalf of the communities they represent.

b) Use most of the revenues generated from the economic activity to support and perform their public functions.

c) Conduct economic activities, which are regulated by the legislation in force.

1.5 The right of cooperation, whereby they:

a) With the aim of providing specific services on behalf and to the benefit of their respective communities, two or more local self-government units may exercise any function assigned by law to implement joint agreements or contracts, to delegate specific powers and responsibilities to one another and contract with a third party.
b) Cooperate with the local self-government units of the other countries and are represented in the international organizations in conformity with the present Law and the legislation in force.

c) Have the right to get organized into associations in conformity with the applicable legislation.

1.6 The rights as a juridical person
As juridical persons, local self-government units shall enjoy and exercise all the rights set out in the Civil Code of the Republic of Albania and the legislation in force, particularly:

a) The right to conclude a contract
b) The right to create other juridical persons
c) The right to bring a civil lawsuit
d) The right to keep accounts
e) Other rights to perform their functions based on, and in compliance with, laws and regulations.

1.7 Other rights, whereby they
a) Grant titles of honor and offer incentives.

b) Designate territories, facilities, and institutions under their jurisdiction according to the criteria established by law.

c) Have their own seals and symbols.

2. The bodies of local self-government units shall exercise the above rights and responsibilities as stipulated in this Law and other applicable laws.

CHAPTER IV
RELATIONSHIPS BETWEEN CENTRAL GOVERNMENT AND LOCAL SELF-GOVERNMENT UNITS

Article 10
Relationships between central government and local self-government units

The relationships between the bodies of local self-government units and central government institutions shall be based on the principles of subsidiarity, consultation, and collaboration in solving shared problems.

Article 11
Communication and information

1. The bodies of local self-government units shall inform in writing the central government bodies about any matter within their area of responsibility on which information is required. Central government bodies, when requested by the bodies of local self-government units, shall provide information by the deadlines set by the applicable legislation.
Article 12

Consultation between central government and local self-government units

1. Central government shall consult with local self-government units on all policies, legislation, and norms that regulate and affect in a direct manner the exercise of the rights and functions of local self-government units.

2. The units of local self-government shall consult with the representative local self-government associations and other interest groups to collect opinions, comments, and proposals for policies and legislation that affect in a direct manner the exercise of their rights and functions.

3. The consultation structure, procedure and form, its way of organization and operation, and the nature of issues to be consulted on shall be determined by a decision of the Council of Ministers.

Article 13

Supervision and audit

1. To ensure the implementation of national norms and standards set out in the relevant legislation, the Ministries, according to their areas of responsibility, shall monitor the activity of the bodies of local self-government units and, as far as delegated functions are concerned, shall have the right to supervise them.

2. Decisions, orders, and ordinances of a normative character issued by the bodies of local self-government units shall be subject to verification of legality from the authority established by law.

3. To ensure the implementation of national norms and standards in the field of public finance management, local self-government units shall be subject to supervision and financial inspection according to the legislation in force.

4. Local self-government units shall be subject to external audit by central government bodies with regard to the use of conditional and/or delegated funds provided by the State budget and/or funds of foreign aid, allocated to them according to the agreements signed by the central government.

5. Local self-government units shall be subject to audit by the Supreme State Control, according to the legislation in force.
CHAPTER V
COOPERATION AMONG SELF-GOVERNMENT UNITS

Article 14

Cooperation between two or more local self-government units

1. To perform their functions and provide specific services for the common good, two or more local self-government units within a region or from different regions may perform together any function and/or service assigned by law by entering into, or implementing, joint agreements or contracts, delegating specific powers and responsibilities to one another or contracting with a third party.

2. Any agreement of cross-local cooperation shall:
   a) Define its purpose
   b) Define the functions to be exercised by each municipality or jointly
   c) Define the means by which the purpose is to be accomplished
   d) Define its duration and the degree to which the powers have been delegated
   e) Define the respective amount of the financial contribution and the method of sharing revenues and other benefits.

3. The cross-local cooperation agreement shall be approved by the respective councils of each local self-government unit that is party to the agreement. The financial obligation for each of the local self-government units that is party to the agreement shall be approved every year as a separate item in the local budget.

4. The local self-government units may conclude cross-local cooperation agreements with self-government units of foreign States. Before the conclusion of such agreements, the local self-government units shall take the opinion of the Ministry of Foreign Affairs.

5. Two or more local self-government units within a region or from different regions may conclude agreements among themselves or with the central government institutions for the creation of a juridical person separated from the parties to whom they grant authority and specific powers. In the meaning of this Law, such juridical person shall be called Joint Powers Authority. Contribution of each party shall be stated precisely, be it funds, service, equipment, qualified personnel or any other assets necessary to achieve the set objectives.

6. Joint Powers Authority shall officially notify the Prefect within 30 days of signing such agreement.

7. The official note shall express in a definite manner:
   a) The designation of the local self-governments units that are parties to the agreement
   b) The date of entry into force of the agreement
   c) The purpose of the agreement and the function to be exercised
d) The decisions on the agreement of the municipalities that are party to the agreement

e) The contribution of the parties to such agreement

8. The agreement shall become applicable after the Prefect makes a statement of legality within the time limit prescribed by law.

CHAPTER VI
TRANSPARENCY, CONSULTATION AND CIVIC PARTICIPATION

Article 15
Transparency of local self-government units’ activity

1. Local self-government units shall guarantee to the public the transparency of their activity.

2. Every act of local self-government bodies shall be published on their official website and displayed in particular places for public announcements.

3. Each unit of local self-government shall be obligated to appoint a transparency coordinator and adopt a transparency program, ensuring access for all, especially for the poorest communities, in accordance with the provisions of the applicable law for access to information.

Article 16
Public consultation in local self-government units

1. Local self-government bodies shall be obligated to guarantee public participation in the process of decision-making.

2. Each local self-government unit shall be obligated to appoint a coordinator for public announcement and consultation, in accordance with the provisions of the applicable law for public announcements and consultations.

Article 17
Municipal council meetings

1. The municipal council meetings shall be open to the public. Every citizen shall be allowed to attend them as stipulated in the statutes of the municipal council.
2. The announcements of municipal council meetings shall appear in particular places designated for such purpose within the territory of the local self-government unit and in media accessible in this unit and shall contain the local date, place, time, and agenda of the meeting.

3. At the request of the mayor or one fifth of the municipal council members, municipal council meetings may be closed to the public when not less than three fifths of all municipal council members have voted for this.

Article 18
Consultation sessions with the community

1. Before considering and approving acts, municipal or regional councils shall hold consultation sessions with the community. In cases provided for in the Article 54, letters 'a', 'g', 'h', 'i' and 'p', and in the Article 77, letters 'a', 'g', 'h', 'i' and 'p', of the present Law, such sessions shall be mandatory.

2. Consultation with the public shall be made in any event as specified in the municipal council statutes using one of the necessary forms, such as the open meetings with residents and stakeholders, the meetings with experts, interested institutions and non-profit organizations, or by taking the initiative to organize local referendums.

3. Any act approved by a municipal council shall be published on its official website and displayed in public places designated for such purpose with free public access within the territory of the local unit and, where available, the municipal council shall use other forms of publishing them. In every municipality, the public shall be informed in accordance with the Law on Access to Information and the rules set by municipal councils for this purpose.

Article 19
Request, appeal, and objection rights

1. Any citizen or group that represents the community shall have the right to submit to local self-government bodies requests, complaints or objections on issues related to the functions and powers under the jurisdiction of the local self-government unit.

2. Bodies of local self-government units shall be obligated to consider the requests, complaints, or objections and answer back within the time limit prescribed by law.
Article 20
Citizens’ initiative right

1. Each community, through its authorized representatives, or not less than one percent of the municipal population, shall have the right to present for decision to the municipal council citizens’ initiatives on matters within the jurisdiction of the local self-government unit. The ways and forms of presentation of such initiatives, their deliberation, and approval procedures shall be laid down in the statutes for the organization and operation of the municipal council.

2. When proposals presented to the municipal council as citizens ‘initiatives have a financial impact on the budget of the local self-government unit, they shall be considered by the council according to the agenda and shall not be approved without taking the opinion of the head of the local self-government unit.

CHAPTER VII
FUNCTIONS AND POWERS OF LOCAL SELF-GOVERNMENT UNITS

Article 21
Types of functions

1. Local self-government units shall exercise functions, powers and delegated functions.

2. The functions of local government units shall be recognized by this Law. One, several, or all the local government units may exercise other functions or powers only when recognized by law.

3. The delegated functions shall be transferred to local government units by law or by agreement. In any case, delegation of functions shall be accompanied by sufficient transfers on the part of central government to cover the cost of exercising.
Article 22

Principles for the exercise of functions

1. Local self-government units shall regulate and administer the exercise of their functions in full effect and free from outside control, in accordance with the Constitution, the European Charter of Local Autonomy and the laws in force.

2. Local self-government units shall exercise their functions by respecting the national and regional policies. For such functions, central government may impose general and specific standards and norms aiming at safeguarding national interests and providing quality services.

3. In cases where local self-government units lack sufficient funds or resources to meet the national standards and norms, central government shall provide them with the necessary financial support.

4. Local self-government units shall administer the exercise of delegated functions as per the legislation in force.

5. When a local self-government unit exercises delegated functions, central government shall provide it with sufficient financial means and resources to exercise such functions in the manner and at the level or standard defined by law.

Article 23

Functions of the municipalities in infrastructure and public services

With regard to infrastructure and public services, in the territory of their jurisdiction, the municipalities shall be responsible for

1. Production, treatment, transmission and supply of potable water

2. Collection, disposal and treatment of wastewater

3. Collection and disposal of rainwater and protection from floods in the residential areas

4. Construction, rehabilitation and maintenance of local roads, road signage, sidewalks, and public squares

5. Lighting of public areas

6. Local public transport
7. Construction, rehabilitation and maintenance of public cemeteries, as well as provision of public funeral service

8. Service of public decoration

9. Parks, gardens and public areas of grass

10. Collection, disposal and treatment of solid and domestic waste

11. Construction, rehabilitation and maintenance of buildings of pre-university educational institutions, except for vocational schools

12. Management and arrangement of preschool education system in kindergartens and nurseries

13. Construction, rehabilitation, and maintenance of buildings of primary health service, the organization of local-level education and promotional activities related to health protection, and the management of centers and other services in the field of public health, in the manner specified by law

14. Planning, management, development and control of the territory, in the manner prescribed by law.

**Article 24**

**Functions of the municipalities in the field of social services**

Municipalities shall be responsible for exercising the following functions:

1. Initiation and management of social services at the local level, for the poor, persons with disabilities, children, women, women as heads of households, battered women, victims of trafficking, mothers, parents with many children, the elderly, etc., by the manner specified by law

2. Construction and management of dwellings for social housing, in the manner prescribed by law

3. Construction and management of centers for the provision of local social services

4. Creation, in cooperation with the Ministry responsible for the social welfare, of a social fund for the financing of services in the manner prescribed by law.
Article 25
Functions of the municipalities in culture, sport and recreational services

Municipalities shall be responsible for exercising the following functions:

1. Development, protection, and promotion of the cultural heritage of local interest, and management of the facilities for exercising such functions

2. Organization of cultural activities, promotion of national and local identity, and management of the facilities for exercising such functions

3. Development, protection, and promotion of libraries and reading halls for the purpose of civic education

4. Organization of sporting, recreational, and entertaining activities, and development and management of the institutions and the facilities for exercising such functions.

Article 26
Functions of the municipalities in the field of environmental protection

Municipalities shall be responsible for the exercise of the following functions:

1. Implementation of local-level measures to protect the quality of air, soil, and water from pollution

2. Implementation of local-level measures for the protection from acoustic pollution

3. Organization of local-level education and promotional activities related to environment protection.

Article 27
Functions of the municipalities in the field of agriculture, rural development, public forests and pastures, nature, and biodiversity

Municipalities shall be responsible for the exercise of the following functions:

1. Management, operation and maintenance of irrigation and drainage infrastructure, transferred to their ownership in the manner prescribed by law.
2. Management and protection of agricultural land and other types of resources, such as the unproductive land, etc., in the manner prescribed by law.

3. Creation and management of a local system of agricultural and rural information and consultation, according to the legislation in force.

4. Creation and management of grant schemes for local agriculture and rural development financed from the local budget and/or co-financed by third parties, guaranteeing gender-balanced access.

5. Management of public forest and pasture resources, according to the legislation.

6. Protection of nature and biodiversity, according to the legislation in force.

Article 28

Functions of the municipalities in the field of local economic development

Municipalities shall be responsible for the exercise the following functions:

1. Preparation of strategic developmental plans and programs for local economic development.

2. Establishment and operation of public markets and trade networks.

3. Support for the development of small business through promotional activities, such as fairs and advertisements in public areas.

4. Organization of services in support of local economic development, such as business information, promotional activities, availability of public assets, etc.

5. Publication of informative brochures, creation of portals with economic profile, etc.

6. Provision of financial grants to support small and medium business activities, as specified in the legislation in force, guaranteeing gender-balanced access.

Article 29

Functions of the municipalities in the field of public safety

Municipalities shall be responsible for the exercise of the following functions:

1. Civil Protection at the local level and management of the relevant structures in the manner prescribed by law.
2. Provision of the firefighting service at the local level and management of the relevant structures in the manner prescribed by law

3. Guaranteeing of good relations across the community, prevention of, and mediation for resolving, conflicts within the community

4. Prevention of administrative offenses and the strengthening, inspection and monitoring of the implementation of the statutes and regulations of local government units within their local jurisdictions in accordance with the applicable legal provisions.

Article 30
Delegated functions and powers

1. The delegated functions and powers shall be mandatory and non-mandatory.

2. The mandatory functions and powers shall be those that are prescribed by law.

3. Central institutions, where permitted by law, shall authorize the municipalities or the regions to perform specific functions, determining, where appropriate, the procedures for verifying the accuracy of their performance.

4. Central institutions may authorize the municipalities and/or the regions to exercise a single prerogative to a specific function.

5. Municipalities or regions may be delegated thereto other non-mandatory functions and powers based on an agreement between a local self-government unit and the central institution responsible for such function by law.

6. In any event, central government shall provide the local government units with the necessary financial support for the exercise of the delegated functions and powers.

7. The municipalities or the regions, on their initiative, may use their financial resources to perform the delegated functions or powers with the aim of improving services in the interest of the community.
Article 31

Functions of the region

1. The functions of regions shall be the development and implementation of regional policies, harmonization of these policies with the State policies at the regional level and any other function conferred thereupon by law.

2. A region shall exercise any functions delegated thereto by one or more municipalities within its territory under an agreement between the parties.

3. Regions shall exercise the delegated powers by the central government, according to the principles laid down in the Article 22 of this Law.

Article 32

Management of public services

1. Local self-government units shall offer public services, in accordance with the functions assigned by law, using the appropriate instruments to ensure access, quality, quantity, and affordable costs for all.

2. The ways and conditions for the exercise of public services, if not specifically defined by the legislation in force, shall be defined by the local government units themselves.

Article 33

Instruments for managing public services

1. Local self-government units shall ensure the delivery of public services through one or more of the following instruments:

   a) Their own organizational units, which are part of the administrative structure of the local unit.

   b) Enterprises for public services, according to the legislation in force.

   c) Conclusion of contracts with third parties for the provision of services.

   d) Use of appropriate instruments of public and private partnerships, according to the legislation in force.
e) Creation of the companies owned, or jointly owned, by them, according to the legislation in force.

2. Regardless of the selected instrument, in any event the local unit shall be responsible for:

   a) Designing and implementing a system of service performance management, based on the local standards and/or national minimum standards

   b) Designing and implementing a system of indicators, including the gender aspect, for measuring service performance

   c) Creating a special unit within their structures to be responsible for presenting, supervising, and monitoring service performance, including the gender aspect.

3. A local self-government unit may provide financial support from its own capital to the municipal enterprises for public services and/or the commercial companies, the scope of which is connected with the provision of a public service that rests with such unit.

CHAPTER VIII
FINANCES OF LOCAL SELF-GOVERNMENT UNITS

Article 34
Basic principles of local self-government finances

1. The national fiscal policies shall guarantee the financial sufficiency of the local self-government units and rely upon the principle of diversification of revenues sources.

2. Functions and powers delegated to the local self-government units shall be accompanied each time with the necessary financial means for their realization.

3. Local self-government units shall be financed by revenues derived from taxes, fees and other local revenues, by funds transferred to by central government and funds obtained directly from the shared national taxes and levies, local borrowing, donations, and other sources, as provided by law.

4. The right of local self-government units to create revenue independently shall be guaranteed by law.

5. If changes in fiscal policy are associated with a decrease in local tax rates and base or with a reduced part of the local government units’ revenue from shared taxes, the Ministry of Finance shall be obligated to take measures to compensate for it through increased local financial transfers, opportunities for local borrowing or other ways.
6. Each local self-government unit shall design, approve, implement, and manage its annual budget without deficit, in accordance with the applicable legislation regulating the management and implementation of the budget system and the Law on Local Self-Government Finances.

Article 35

Revenues from local own sources

1. Municipalities shall create revenues from
   a) Local taxes on movable and immovable assets and transactions conducted on them
   b) Local taxes on the economic activity of small business
   c) Local taxes on hotel service activity
   d) Local taxes on personal income created from donations, inheritances, testaments, or local lotteries
   e) Donations and gifts
   f) Temporary local taxes levied in the manner prescribed by law
   g) Other taxes provided for by law.

2. Municipalities shall exercise their right to decide on the tax rates, the method of their calculation and the system of tax collection and management within the limits of, and by the criteria set by, the applicable law.

3. Municipalities shall have the right to exempt certain categories or vulnerable groups from paying taxes, in accordance with the applicable law.

4. The base of local taxes and their maximum and/or minimum rates shall be established by a special law. Local self-government units shall have the right to apply or not to apply a local tax. When such units apply local taxes, they shall exercise the right to decide on their rates and the method of collecting and managing them, according to the criteria and within the limits set by the applicable law.

5. Municipalities shall create revenues from the local fees for
   a) The public services they provide
   b) The right to use local public property
   c) The issuance of licenses, permits, authorizations and other documents, over which they have full authority, unless otherwise provided by law
   d) And shall charge any other temporary fee, in accordance with the conditions specified by law.

Article 36

Municipal revenues from other sources

1. Municipal revenues from other sources shall be:
   a) Revenues from the rental of assets owned by the municipalities
b) Revenues from capital investments

c) Revenues from titles and other rights acquired by the municipalities

d) Revenues from profits of municipal public enterprises

e) Revenues from public-private partnerships.

2. Municipalities shall create revenues from their economic activities, rents, and sale of property, gifts, interest, fines, aid, or donations.

3. Municipalities may create revenues from activities related to culture, sports, or other events, as specified by law.

Article 37

Revenues from national sources

1. Municipalities shall create revenues from national sources:
   a) Shared taxes and levies, which include a fraction of personal income tax, profit tax and other taxes on national wealth. Revenues from these taxes shall be allotted to the municipalities on a regular basis in no less than four transfers per year. The part of the tax that goes to their favor, and the collection and management of any shared tax or levy shall be determined by law.
   
   b) The unconditional transfer from central government to the local government units for financing local functions and achieving equality in the distribution of financial resources among them. The unconditional transfer shall be set as a fixed percentage against sustainable public revenues, as defined in the law governing local finances, and shall be distributed according to the formula set by law.
   
   c) The conditional transfers from central government shall be based on objective criteria, priority ranking of needs of local self-government units, economic conditions, infrastructure requirements, and the development strategies at the national and regional level.

2. The central government, during drafting of the State budget, shall be obligated to consult with local self-government units through the prescribed instruments of consultation and analyze the sufficiency and the stability of the financial resources of local self-government units to achieve the goals set in this Law.

Article 38

Region financing sources

1. Regions shall create revenues from own local sources and national sources.

2. Revenues from own sources and national sources shall consist of
   a) Unconditional transfers from the State budget
   
   b) Conditional transfers for exercising functions and powers delegated by the constituent municipalities
   
   c) Taxes imposed on the regional level, determined in accordance with law

   d) Fees for public services provided by the region.
3. Regions shall be financed by the membership fees of the constituent municipalities, as determined in the annual municipal budgets. The membership fee for the financing of the regional budget shall be established by a decision of the municipal council.

4. The criteria and the norms for creating and managing local own source revenues shall be similar to those established for the local own source revenues of the municipalities.

5. Region revenues from the shared national revenues shall be created and managed, as specified in the present Law and other laws in force.

Article 39
Local borrowing

1. Local self-government units shall have the right to borrow, in accordance with the legislation governing the budget management system, local borrowing, and local finances.

2. A certain percentage of the annual borrowing limit approved by the annual budget law shall be reserved to the local self-government units, in accordance with the policy and the fiscal discipline pursued by the central government. Access to the external debt market shall be regulated in collaboration with the Ministry of Finance and other entities prescribed by law.

3. Any regulation or restriction imposed by central government on local self-government borrowing limiting the ability of local self-government units to borrow shall be temporary and not extended beyond the fiscal year in which they are imposed, unless such measures are approved by the Assembly.

Article 40
Expenditures

1. Local self-government units shall make expenditures in accordance with the laws and regulations in force and the principles of fiscal discipline, financial management, and audit, by making an efficient, effective, and economical use of their financial sources. The own source revenues of local self-government units that are not spent within a fiscal year shall be reallocated to the succeeding fiscal year.

2. In the absence of the budget approved by the council, the head of the local self-government unit shall temporarily take the council powers and authorize the incurrence of monthly expenditures up to 1/12 of the actual local budget expenditures in the preceding budget year.

3. Mayors or their authorized persons shall not be allowed to incur expenditures beyond the maximum amount of expenditures specified in the corresponding entry in the annual budgets. Expenditures shall not be allowed if municipalities have insufficient funds to afford them.
4. After the formal approval of the budget, the mayor may authorize, or require the authorization of, the municipal council for a redistribution of the funds from one item of expenditures to another within and between various budgetary programs, according to the laws and regulations in force governing the budget system management and local finances.

5. Notwithstanding the provisions of this Law, any conditional transfer provided by central government may not be used for purposes other than those specified in the relevant grant or transfer.

6. Local budget shall include a reserve fund and an unallocated contingency fund, which shall be approved by the municipal council with the annual municipal budget to the extent of 3 percent of the total approved funds, excluding conditional transfers.

Article 41

**Budget of the local self-government units and medium-term budget program**

1. Local self-government units shall design and approve both the annual budget and the medium term budget program, according to the legislation that regulates the budget system and local finances.

2. For purposes of transparency and observance of law, the budget of local self-government units shall include:

   a) An estimate of revenues and the proposed expenditures for each expenditure category, including the repayment of the debt owed by the local self-government unit

   b) All the conditional transfers foreseen to be provided by the central government, the funds of which shall be entered into the budget of the local self-government unit and used only for the purpose for which they were granted, in accordance with the rules set by central government for their use

   c) All the funds carried over from the preceding year and those foreseen to be directly generated from any source by the municipality itself, including all taxes, central government grants, fees, assessments, fines, and grants from sources of other levels of government

   ç) Estimate of revenues and expenditures for the two succeeding fiscal years; estimate of expenditures for the new investments with the following information:

   i) Purpose of investment

   ii) Financing plan, including methods and sources of financing

   iii) The annual amount for the repayment of the loan, if used, and an estimate of the operating expenditures arising because of the realization of investment

   d) The main objectives of the budget for the succeeding year and the expected results, including performance indicators and additional information that are or may be required by law.
Article 42

Preservation and management of financial records

1. Each local self-government unit shall take measures to archive, preserve, and manage financial records and be responsible for their damage or loss, in accordance with the legislation in force.

2. Each local self-government unit shall adopt internal rules for the implementation of the legislation on archives.

Article 43

External and internal audit

1. Each local self-government unit shall be subject to external audit by the Supreme State Control, in the manner prescribed by law.

2. Each local self-government unit shall be subject to internal audit, in accordance with the legislation in force.

3. Any report of external or internal audit on the operation of local self-government units shall be available to the public, according to the legislation in force.

4. By a special decision of the municipal council or the regional council, the executive bodies of a local self-government unit may be subject to audit conducted by companies specialized in the field of auditing.

Article 44

Annual report

The head of the local self-government unit shall be responsible for submitting to the council an annual written report about the financial activity and the implementation of the budget in the local self-government unit and the subordinate institutions thereof. Such report shall be submitted to the council no later than March 31 of the succeeding year.

CHAPTER IX

COMPOSITION, FORMATION, ORGANIZATION, POWERS AND DUTIES OF MUNICIPAL COUNCIL

Article 45

Mode of election

A municipal council shall consist of councilors elected under the provisions of the Electoral Code of the Republic of Albania.
Article 46

**Number of the council members**

1. The number of council members shall be determined according to the population size as follows:

- Municipalities up to 20,000 inhabitants 15 members
- Municipalities from 20 001 inhabitants to 50 000 inhabitants 21 members
- Municipalities from 50 001 inhabitants to 100 000 inhabitants 31 members
- Municipalities from 100 001 inhabitants to 200 000 inhabitants 41 members
- Municipalities from 200 001 inhabitants to 400 000 inhabitants 51 members
- Municipalities over 400 000 inhabitants 61 members.

2. Pursuant to this Article, the Prefects shall determine the number of the council members for each municipality under their jurisdiction based on the number of inhabitants, according to the records of the registry offices as of January 1 of the year when local elections are held.

Article 47

**Incompatibility with the councilor Function**

1. The function of the councilor shall be incompatible with
   a) The function of the mayor and vice mayor
   b) The function of the municipal council secretary
   c) The function of the official employed in the respective municipal administration and the subordinate institutions thereof
   d) The function of the Member of Parliament
   e) The function of the Minister

2. One person may not be elected at the same time in more than a municipal council.

3. The same council may not have members who are related persons: spouses, parents and children, brothers and sisters, mothers/fathers-in-law and daughters/sons-in-law.

Article 48

**First meeting of the municipal council**

1. The municipal council shall hold its first meeting no later than 20 days from the date of announcement of the results by the competent authority, as defined in the Electoral Code.

2. The first meeting of the municipal councils shall be called by their secretaries. In their absence, the initiative for calling such meeting shall be taken by the Prefect.

3. If any of the above subjects fails to exercise such right within the period provided for in this Article, point (1), municipal councils shall meet by themselves within 10 days.
4. The first meeting of a municipal council shall be valid if attended by more than half of all its members declared by the competent authority, as defined in the Electoral Code. If attended by less than half of all council members, such meeting shall not be held and shall be called every three days, but no more than three times. If after three times, the required attendance is not achieved, the municipal council shall be considered as dismissed.

5. The first meeting of a municipal council when its head is yet to be elected shall be chaired by the eldest of the councilors.

6. At its first meeting, the municipal council shall
   a) Vote to set up the mandates committee
   b) Approve the mandates of the council members
   c) Request the councilors to take an oath
   d) Elect the head and vice heads of the council
   e) Elect members to represent the municipal council in the regional council and grant them a mandate for representation

7. A municipal council shall be constituted after the verification of the mandates of more than half of all its members.

Article 49

Councilor mandate

1. The mandate shall be granted to councilors by the municipal council.
2. The mandate shall be granted and revoked by the majority vote of the total number of council members.
3. Councilors shall not vote on their own mandate.
4. Councilor mandate shall end prematurely when its holder
   a) Moves to a place of residence outside the territory of the municipality where was elected
   b) Resigns
   c) An incompatibility arises, as laid down in the Article 47 of this Law
   d) The mandate was taken in violation of law
   e) Is declared by a court decision to have lost the capacity to act
   f) Dies
   g) Does not participate in the council meetings for a period of 6 months
   h) Is convicted of a criminal offense by a final court decision
   i) The council is dismissed by the competent authority

5. Premature termination of the mandate shall be declared by a decision of the municipal council upon the proposal of the mandates committee.
Article 50

Oath

1. After verification of the mandates by the relevant committee, councilors shall take an oath before the municipal council as below:

“I swear on my honor that I will conscientiously perform the duty of the council member and obey the Constitution and the laws. I swear that in all my activities I will be guided by the interests of the citizens of the municipality (the name of the respective municipality) and I will work with honesty and dedication to the development and growth of their welfare.”

2. Councilors who fail to take the oath due to an excused absence shall take it in the first meeting they will attend. Councilors who refuse to take and sign the oath shall be considered as resigned and not be granted the mandate.

Article 51

Councilor rights

1. Councilors shall perform their functions for a monthly payment up to 10 percent of the monthly salary of the mayor of the respective municipality.

2. The employer shall be obligated to allow the councilor to be away from work to attend the municipal council meetings or the meetings of its committees and the activities organized by the council.

3. At their request, councilors shall be informed and provided at any time with any municipality-related documentation on the part of the mayors.

4. A councilor shall have the right to professional training, according to a program approved by the municipal council. The funding in such cases shall be made available according to the rules of the applicable legislation.

Article 52

Legal barrier conditions, self-declaration, and exclusion

1. Members of the municipal councils shall not be involved in an examination and decision-making procedure in cases when:

a) Have a personal, direct or indirect, interest in the decision under consideration
b) The spouse, cohabitant or their relatives to the second degree have an interest directly or indirectly in the decision under consideration
c) They themselves or those referred to in the letter 'b' of this point have a direct or indirect interest in a case objectively identical with, and in the same legal circumstances as, the case under consideration
d) Have participated as a private expert, advisor, representative or attorney in the case under consideration

e) Persons that are mentioned in the letter 'b' of this point have participated as expert, representatives, advisers or lawyers in the case under review

f) They themselves or those mentioned in the letter ‘b’ of this point are debtors or creditors of the parties in the case under consideration

g) They themselves or those mentioned in letter 'b' of this point have received gifts from the concerned parties before or after the opening of the procedure under consideration

h) They themselves or those mentioned in the letter 'b' of this point have relationships that under the circumstances are deemed to constitute serious grounds for bias in favor of the parties in the procedure under consideration

i) In any case provided for in the legislation in force

j) They themselves or the persons mentioned in the letter 'b' of this point are involved in whatever negotiations on a future job for themselves or the persons mentioned in letter 'b' of this point, or on any other form of relationship in their own interest while exercising their functions

2. If municipal council members identify one of the legal barriers provided for in this Article, point (1), they shall notify in writing the municipal council head.

3. Third parties may request the exclusion of any council member from participation in a procedure, until the decision-making is complete, by stating the reasons for which such exclusion from the process of consideration and decision-making is requested. The request shall be in writing. It shall be addressed to municipal council heads and contain all the available evidence on which it relies.

4. After being notified in accordance with the present Article, points (2) and (3), municipal council heads shall propose the respective councils the exclusion of the members from decision-making procedure or the confirmation of them in such procedure.

Article 53

Operation of the municipal council

1. The municipal council shall exercise its functions from the date of its constitution, as stipulated by the Article 48 of this Law, until the formation of the new succeeding council.

2. The regular meetings of a municipal council shall be held according to a schedule determined by the council itself, but not less than once a month.

3. In any case, the council shall be convened

   a) At the request of the mayor

   b) At the written request of not less than one third of its members

   c) At the motivated request of the Prefect for issues related to the exercise of the council functions
4. Municipal council meetings shall be called by municipal council heads and, as a rule, announcements of them shall be made not less than 5 days before they are to take place. The announcement shall include the date, time, place, and the agenda.

5. The agenda shall receive the approval of the council.

6. In the period from the election date until the constitution of the new council, the outgoing municipal council shall exercise limited powers and take decisions only in cases of emergency.

7. Municipal council meetings shall be considered valid when attended by a majority of all the members, except when another majority is required to take decisions, as laid down in the Article 55 of the present Law.

8. Deliberations of municipal council meetings shall be recorded in minutes. The method of record keeping and certifying shall be determined in accordance with the legislation in force.

Article 54

Duties and powers of the municipal council

The municipal council shall have the following duties and powers:

a) Elect its committees consisting of its members and approve its internal rules of operation

b) Elect, according to the Law on Gender Equality, the head and the vice heads of the municipal council and dismiss them

c) Appoint and dismiss the municipal council secretary

d) Approve the salary and bonus payment rates for employees and other persons, elected or appointed, in accordance with the applicable law

e) Approve the articles of association of the enterprises, companies and other juridical persons of which it is the founder or the co-founder

f) Approve the budget and its amendments. In its decision to approve the budget, it shall also approve the maximum number of the municipal employees and budgetary institutions controlled by the municipality

g) Approve the alienation of ownership or the granting of usufruct rights to third parties

h) Organize and supervise the internal audit of the respective municipality

i) Decide on local taxes and fees, according to the present Law and other applicable legislation

j) Decide on loan agreements and liquidation of obligations owed to third parties

k) Decide on the creation of joint institutions with other local self-government units, including Joint Powers Authority and third parties

l) Decide on the initiation of legal proceedings for issues within its competence

m) Elect its own representatives to the regional council, of whom not less than 50 percent shall belong to the underrepresented gender
n) Decide on the assignment of councilor mandates and their termination in cases and under the conditions provided for by the Article 49 of this Law

o) Approve norms, standards, and criteria for regulating and disciplining the functions assigned to it by law, and guaranteeing the protection of the public interest

p) Decide on the symbols of the respective municipality

q) Decide on the designation of streets, squares, territories, institutions and facilities, which fall under the jurisdiction of the respective municipality

r) Grant titles of honor and offer incentives

s) Decide on rules, procedures, and methods for implementing the delegated functions, in accordance with, and pursuant to, the law on which such delegation to the municipalities is based.

Article 55

Voting

1. Voting in the council shall be either open or secret. The council, at the request of not less than one third of its members, shall decide when voting is secret. Voting on the budget and other related financial acts shall always be open.

2. Council decisions shall be taken by a majority vote, in the presence of more than half of all members, except when otherwise provided by this Law.


4. Council decisions shall be taken by not less than three-fifths of the total number of the members in the case provided for in the Article 54, letter ‘e’, of this Law.

5. If the required majority is not reached for the election of the head, vice head and secretary of the council, voting shall take place again for the two candidates that have won the largest number of votes in the first round. In this case, the winner shall be the candidate with the largest number of votes and if the votes are equal, the winner shall be determined by lot.

6. Council acts shall be published within 10 days from the date of their approval and enter into force 10 days after their publication. Acts of individual character shall enter into force on the date of notification of them to the concerned parties.

Article 56

Municipal council head

1. Municipal council heads and vice heads shall be elected from among the municipal council members. The proposal for their dismissal shall be made in writing by at least one third of the municipal council members.

2. The municipal council head shall have the following duties:

   a) Call the municipal council meetings, in accordance with the Article 53 of this Law
b) Preside at the municipal council meetings, in accordance with its statutes
c) Sign the acts issued by the municipal council
d) Perform other duties set out in the municipal council statutes
3. In the absence of the municipal council head, the above duties shall be performed by the vice head, as defined in the municipal council statutes.

Article 57
Secretary of the municipal council

1. The municipal council secretary upon the proposal of the municipal council head shall be appointed and dismissed by the majority vote of all municipal council members. The dismissal of the secretary may be proposed by one third of the municipal council members.
   2. The municipal council secretary shall be responsible for
      a) Keeping the official documents of the municipal council
      b) Attending to the preparation of materials for the council meetings, according to the agenda
      c) Making the announcements of council meetings
      d) Pronouncing the acts issued by the council and providing press releases about them
      e) Preparing the consultation sessions with the community
      f) Overseeing the enforcement of the council internal rules of operation
3. Secretary of the municipal council shall perform any other function assigned by the council itself.

Article 58
Dissolution of the municipal council before due time

1. When the municipal council fails to convene for a continuous period of three months from its last meeting, the Prefect shall call its meeting no later than 20 days thereafter. If after being called by the Prefect, municipal council fails to convene, it shall be dissolved before the due time by a decision of the Council of Ministers.
   2. Municipal council shall be dissolved before due time by a decision of the Council of Ministers even in cases when:
      a) Fails to approve the budget within the time specified in the law on budget management system. In this case, the Prefect shall ask its head to call its meeting, which shall be held no later than 10 days from the date of expiry of such deadline. If the municipal council once again fails to approve the budget, it shall be dissolved before the due time.
      b) Commits serious violations of the Constitution or laws
   3. The municipal council shall also be dissolved in the wake of a change-of-boundaries reorganization, in accordance with the Article 93 of this Law.
4. If the competent authority confirms the validity of the decision for the dissolution of the council, the respective municipality shall run the elections for the municipal council in accordance with the Electoral Code of the Republic of Albania.

5. Municipal council functions and powers until the constitution of a new municipal council shall be exercised to the greatest possible extent by the mayor.

CHAPTER X
MAYOR

Article 59
Mayor

1. Each municipality shall have its mayor elected under the provisions of the Electoral Code.

2. Mayors may be elected and exercise only 3 consecutive mandates in such capacity, with the right to re-election.

3. In performing their functions and exercising their powers, mayors shall be assisted by one or more vice mayors. The number of vice mayors shall be set by the mayor, in compliance with the Law on Gender Equality. The appointment and dismissal of vice mayors shall be made by the mayors.

4. Vice mayors may not be municipal council members.

Article 60
Mayor mandate

1. The mayor mandate shall be confirmed by the district court (civil chamber) in whose jurisdiction the respective municipality is included, within 20 days from the date of announcement of the results of mayor election.

2. Invalidity of the mayor mandate shall be declared when the conditions under the Article 45 of the Constitution and the relevant provisions of the Electoral Code of the Republic of Albania are not fulfilled.

3. The validity of the mayor mandate shall be declared at the first meeting of the respective municipal council, in the course of which the mayor shall take the oath and sign it according to the formula set out in the Article 50 of this Law.

4. The mayor mandate shall begin as soon as the mayor takes the oath and shall end when the succeeding mayor is sworn in.
5. If the municipal council fails to convene within 30 days from the date of announcement of the election results by the Central Election Committee, the Prefect shall organize in the municipality premises the oath ceremony for the mayor in the presence of the residents from the local unit.

Article 61
Premature termination of the mayor mandate

1. The mayor mandate shall be terminated before the due time when its holders
   a) Refuse to take the oath
   b) Resign
   c) Are no longer a permanent resident of the municipality in which they were elected
   d) Are dismissed under the Article 62 of this Law
   e) Are running to become a Member of Parliament
   f) Are declared by a final court decision to have lost the capacity to act
   e) Die

2. In case of resignation, a mayor shall submit the resignation letter to the respective municipal council. The secretary of the council, according to the required procedures, shall notify the Prefect about such resignation.

3. In cases of premature termination of the mayor mandate, the municipal council shall notify the Council of Ministers via the Prefect.

4. In cases of premature termination of the mayor mandate, partial elections for a new mayor shall be organized, in accordance with the provisions of the Electoral Code of the Republic of Albania.

5. In cases of premature termination of the mayor mandate, mayor functions shall be performed under the present Article by the vice mayor while waiting for a new mayor to be elected. If there should happen to be more than one vice mayor, the municipal council shall appoint by the majority vote of the total number of its members one of the vice mayors to perform the said functions until a new mayor is elected.

6. If the position of the mayor becomes vacant for the last 6 months of the continuing mandate, municipal council shall elect from its membership a new mayor by the majority vote of the total number of its members and the elected one shall exercise the functions of the mayor until the end of the continuing mandate.

Article 62
Mayor dismissal

Mayors shall be dismissed by the Council of Ministers in cases when:
   a) Commit serious violations of the Constitution or laws
   b) Are convicted of a criminal offense by a final court decision
c) Are proposed by the respective municipal council to be dismissed for absence from duty for a continuous period of 3 months.

Article 63

Mayor symbol

1. The distinguishing symbol of the mayors shall be a ribbon with the colors of the national flag, 111 mm in width, divided into three sections of the same width, red, black, and red.
   2. The distinguishing symbol shall be worn diagonally across the body, from over the right shoulder to the left hip.
   3. Mayors shall be required to wear such ribbon during solemn meetings, official receptions, public occasions, and wedding ceremonies.

Article 64

Mayor powers and duties

Mayors shall have the following powers and duties:
   a) Exercise all the powers in performing their municipal functions, except those that are within the sole competence of the municipal council
   b) Implement the acts of the municipal council
   c) Take measures to prepare the materials for the municipal council meetings according to the agenda set by the council and topics added by them
   d) Report to the municipal council on the economic and financial situation of the respective municipality and the constituent administrative units thereof at least every 6 months or whenever requested by the council
   e) Report to the municipal council when requested by it on other problems related to the municipality functions
   f) Hold membership in the regional council
   g) Appoint the vice mayor/mayors, in compliance with the Law on Gender Equality, and dismiss them
   h) Appoint the administrators of the administrative units/quarters in compliance with the Law on Gender Equality, and dismiss them
   i) Decide on the appointment or dismissal of members of the bodies governing the municipality-owned companies, and of directors of enterprises and institutions controlled by the municipality
   j) Appoint and dismiss the other employees of the structures and units controlled by the municipality, unless otherwise stipulated in the Law on Civil Servants
   k) Ensure the rights of the municipality and the fulfillment of all its obligations as a juridical person and represent it in its relations with third parties
l) Take measures for the qualification and training of the personnel of the administration and educational, social, cultural and sports institutions
m) Exercise only once the right to return to the council for reconsideration decisions found to violate the interests of the community. In cases when they return a decision, the council may re-adopt the same only by a majority vote in the presence of more than half of all its members.
n) Approve the organizational structure, the categories/classes of salaries for each civil service position and the basic statutes of the municipal administration, municipal budgetary units, and institutions controlled by the municipality, in accordance with the applicable law
o) Appoint and dismiss local officials on gender equality
p) Attend to the gathering and processing of local statistics, classified by gender, and ensure their publication.

CHAPTER XI
MANAGEMENT AND OPERATION OF MUNICIPAL ADMINISTRATIVE STRUCTURES

Article 65
Administrative unit administration

1. The administrative units shall operate under an administration run by the administrator.
2. The administrator shall be appointed and dismissed by the mayor and be responsible to the latter for the operation and activity of the administration. The administrator shall be obligated to reside at the respective administrative unit.
3. The administrative structure and organization of the administrative units shall be part of the structure and organization of municipal administrations.

Article 66
Duties of the administrative unit administration

The administrative unit administration shall perform the following duties:
a) Operate as a service office for all administrative procedures within the competence of the municipality
b) Oversee the territory for enforcing the law in all areas within the competence of the municipality and notify the competent municipal structures in the event that actions in violation of the law are detected
c) Support the work of the competent municipality structures
d) Manage the parks and gardens and areas of grass when the mayor so decides
e) Manage the public markets when the mayor so decides
f) Manage the playgrounds, sports grounds, libraries, youth homes and clubs when the mayor so decides
h) Prepare a plan of investments for the territory under jurisdiction, propose it to the mayor, and oversee its implementation if approved, in accordance with the applicable law
i) Propose the names of the streets, squares, institutions, and facilities within its territorial jurisdiction, in accordance with the applicable law
j) Support, coordinate, and supervise the activities of village heads and boards
k) Propose to the mayor the awarding of the honor titles and incentives for persons who reside at the territory within its jurisdiction
l) Propose initiatives that offer equal opportunities and benefits to the entire community within its own territorial jurisdiction
m) Perform any other functions delegated by the mayor.

Article 67
Quarter administration

1. In cases where quarters are created, as provided for in the Article 6, point (3), of the present Law, an administration shall be established and run at each quarter headed by the quarter administrator. Quarter administrators shall be appointed and dismissed by the mayor and shall be responsible to the latter.

2. Quarter administrations shall perform all the administrative duties assigned by the mayor and attend to the local economic development, the use of common resources, and the social harmony at their quarters. Their duties shall be defined in more detail in the acts issued by the mayor.

CHAPTER XII
OPERATION OF COMMUNITY STRUCTURES IN MUNICIPALITIES

Article 68
Community structure in cities

1. Cities shall establish and run quarter community councils at the initiative of citizens. They shall be composed of quarter residents and organized on a voluntary basis.

2. The rules for the organization and operation of the quarter community councils and the way in which such councils relate to the municipality and municipal structures shall be set by the municipal councils.

3. A community council shall elect from among its members a community liaison to manage and organize its work.
4. As a rule, each quarter shall establish one community council. The municipal council may decide that there shall be more than two community councils in a quarter or a merger between two or more quarter councils.

Article 69

**Duties and rights of the community council and liaison**

1. Community councils and liaisons may support the municipal governance functions at their quarters and implement projects to the advantage and benefit of the community.

2. Community councils, based on the decisions of municipal councils, shall have the right to exercise certain functions and powers delegated by the latter. In such case, the municipal council shall decide on the amount of financing or co-financing for the exercise of a delegated function or competence, but these funds may not be used in any case for bonuses or fees for the members of the community council.

3. Community liaisons may be financially rewarded for their work, according to the criteria set by the municipal council, as provided for by the legislation in force.

4. Their duties shall be defined in more detail in the statutes and ordinances of the municipal council.

Article 70

**Community structure in villages**

1. Villages shall be headed by village heads and boards. Village boards shall be advisory bodies to village heads. Members of village boards shall be elected in village meetings, attended by no less than half of the eligible voters. Members of village boards shall be elected in compliance with the Law on Gender Equality. Voting modalities and rules shall be determined by the respective municipal council.

2. The number of village board members shall be determined by the respective municipal council based on the number of inhabitants living in the village and constituting quarters thereof.

3. The village head shall be elected by the village board from among its members.

4. Elections for the village board shall be held every four years after, and no later than three months after, the elections for the municipal council. In case of failure to comply with such time limit, the village head shall be appointed on an interim base by the mayor until the election of the village board. If a vacancy in the village board occurs, the election procedures for filling it shall be the same as above. Mandate of the newly elected shall continue until the end of the remaining period of the four-year term.

5. Village board activity and election process shall be overseen by the respective municipal council.
Article 71

Rights and duties of the village head and board

1. Village heads and boards shall perform and support the municipal self-governance functions in their villages and attend to the local economic development, use of common resources and social harmony.

2. Village heads or boards shall also perform the following duties if the mayor so decides:
   a) Attend to the prevention of illegal intrusions into potable water supply and sewage systems and the protection of canals in residential areas and the tertiary-level irrigation and drainage network
   b) Attend to the prevention of illegal intrusions made on, and any damage inflicted to, the roads, sidewalks and public squares in their village
   c) Manage the village cemetery
   d) Provide care for the preservation of forests, pastures, and natural resources

3. Their duties shall be defined in more detail in the municipal council statutes and ordinances.

4. Village heads shall be provided with a seal and the authority to issue certificates of facts and data about the populace or territory of the village to the best of their knowledge whenever required by the municipality, residents or any other institution, in accordance with the applicable law.

5. Village heads and boards shall be obligated to enforce the ordinances, decisions, and orders of the respective elected municipal bodies.

6. Village heads shall be financially rewarded for their work, according to the criteria set by the municipal councils, in accordance with the legislation in force.

7. Village heads may be called to the municipal council meetings or attend them on their own initiative without the right to vote. They shall have the right to express an opinion at the meeting on issues related to their village.

CHAPTER XIII
COMPOSITION, FORMATION, ORGANIZATION
AND POWERS OF THE REGIONAL COUNCIL

Article 72

Regional council composition

1. A regional council shall consist of representatives of the municipalities that form the region.

2. The mayors of the municipalities that are part of the region shall always be members of the regional council.
3. The number of reginal council members shall be determined under the Article 73 of this Law.

4. The function of a regional council member shall be incompatible with any regional administration function.

5. Regional council members shall perform their function without payment, except for members elected in the regional council board.

**Article 73**

**Number of the regional council members**

1. The number of municipality representatives in the regional council shall be determined in proportion to the population size, as follows:
   - Municipalities with populations up to 20,000 inhabitants, 2 representatives.
   - Municipalities with populations from 20,001 inhabitants to 50,000 inhabitants, 4 representatives.
   - Municipalities with populations from 50,001 inhabitants to 100,000 inhabitants, 5 representatives.
   - Municipalities with populations over 100,000 inhabitants, 5 representatives, plus 1 representative for each 1-50,000 inhabitants over 100,000 inhabitants.

2. The number of representatives for each municipality, according to the present Article, point (1), shall include the mayor and other representatives elected by the municipal council.

3. The Prefect shall determine the number of representatives for each municipality included in the territory of the region, based on the population data, according to the records of civil registry offices as of January 1 of the year of local elections.

4. Decisions of municipal councils about their representatives in the regional council shall be sent to the Prefect within 10 days after they have been taken.

**Article 74**

**First meeting of the regional council**

1. The regional council shall hold its first meeting no later than 50 days from the date of announcement of the results of local elections.

2. The first meeting shall be called by the mayor of the municipality, which is the center of the region, or by one third of the members of the regional council. Announcement of the regional council meeting shall be sent in writing to all regional council members no later than 10 days prior to the meeting date.

3. The first meeting of the regional council shall be valid if attended by no less than half of all its members.

4. The first meeting of the regional council shall be chaired by the eldest of the members until the election of its head.
5. At its first meeting, the regional council shall
   a) Elect the mandates committee to verify the mandates of the regional council members
   b) Verify the mandates of the regional council members
   c) Elect the regional council head, vice head and board, in compliance with the Law on Gender Equality.

6. Regional council shall be constituted after the verification of the mandates of not less than half of all its members.

7. If the meeting of the regional council is not attended by half of its members, it shall be canceled and called every ten days until the required majority is obtained.

8. If the regional council fails to be constituted until after 90 days from the announcement of the results of local elections, the Prefect shall exercise all the functions and powers of the council until the moment of its constitution.

Article 75

Regional councilor mandate

1. The regional councilor mandate shall be automatically won by all the mayors of the municipalities that form the region upon receipt of their mandate as a mayor.

2. Election of the representative members to the regional council from among the municipal council members, in accordance with the Article 48 of the present Law, shall be made by voting on a multi-name list of candidates and the winner shall be the candidate, or the candidates, who received the largest number of votes.

3. The mandate of the regional council member shall end when its holder
   a) Resigns
   b) Dies
   c) Loses the mayor or the municipal councilor mandate
   d) Is found to have obtained it unlawfully

4. If a vacancy in the regional council occurs due to the loss of the mandate by a municipal council member, the respective municipal council shall fill the vacancy by replacement, in compliance with the Law on Gender Equality.

5. If a vacancy in the regional council occurs due to the loss of the mandate by a mayor in the last 6 months of the term of office, such vacancy shall be filled with a mayor elected by the respective municipal council.

Article 76

Operation of the regional council

1. A regional council shall exercise its powers from the date of its constitution to the constitution of the succeeding council.

2. Regional council regular meetings shall be held not less than once in three months.
3. Such meetings shall be held according to the agenda drawn up by the regional council.
4. The regional council shall be specially convened at the request of
   a) The council head
   b) The council board
   c) One third of the council members
   d) The Prefect for issues related to the exercise of its functions
5. Meeting of the regional council shall be called by its head
6. The announcement of council meetings as a rule shall be made not less than 10 days prior to them. Such announcement shall include the date, time, place, and the agenda.
7. Regional council meetings shall be valid when attended by the majority of all members.

Article 77

Duties and powers of the regional council board

The regional council shall exercise the following duties and powers:
   a) Elect from its membership its committees and approve its internal rules of operation
   b) Elect from its membership the head, vice head and members of the board in compliance with the Law on Gender Equality and dismiss them
   c) Appoint and dismiss the secretary of the regional council
   d) Approve the organizational structure, the categories/classes of salaries for each civil service position and the basic statutes of the regional administration, its budgetary units and the institutions under control, the number of their personnel, qualification requirements, salaries and the criteria for bonus payments to employees and other persons, elected or appointed, according to the applicable law
   e) Approve the articles of association of the enterprises, companies and other juridical persons of which it is the founder or the co-founder
   f) Approve the budget and its amendments
   g) Approve the alienation of ownership or the granting of usufruct rights to third parties
   h) Organize and supervise the internal audit
   i) Decide on taxes and fees under the jurisdiction of the region, as well as their rates
   j) Decide on loan agreements and liquidation of obligations owed to third parties
   k) Decide on the creation of a juridical person together with other local self-government units, including Joint Powers Authority, according to the Article 14 of the present Law
   l) Appoint and dismiss the managers of enterprises and institutions under its control
   m) Decide on the initiation of legal proceedings for issues within its competence
   n) Decide on the verification and removal of a councilor's mandate under the Article 75 of the present Law
o) Approve norms, standards, and criteria for regulating and disciplining the functions assigned to it by law, and guaranteeing the protection of the public interest at a regional level
p) Decide on the symbols of the region
q) Grant titles of honor and offer incentives
r) Decide on rules, procedures, and methods for implementing the delegated functions, in accordance with, and pursuant to, the law on which such delegation to the region is based
s) Approve or revoke the decisions of the regional council board.

Article 78

Voting

1. Decisions of the regional council shall be taken by a majority of votes in the presence of more than half of all its members, except for the cases specified in the Article 77, letters ‘a’, ‘b’, ‘g’, ‘h’, ‘j’, ‘k’ and ‘l’, of this Law, requiring the votes of more than half of all its members. In the case of the Article 77, letter ‘g’, of this Law, decisions shall be taken by not less than three-fifths of the total number of the regional council members.
2. In the case of voting for the head, vice head and secretary of the regional council, if the required majority is not reached, voting shall be repeated between the two candidates who received the largest number of votes in the first round. If the two candidates received the same number of votes in the second round, the winner shall be determined by lot.
3. Decisions of the regional council shall be published within 10 days from the date of their approval and shall enter into force 10 days after their publication. Acts of individual character shall enter into force on the date of notification of them to the concerned parties.

Article 79

Open meetings, consultation sessions, and the right of the public to information

The regional council shall hold meetings open to the public, conduct consultation sessions with representative and executive bodies of the respective municipalities and communities, and respect the right of the public to information, as defined in the Articles 17 and 18 of the present Law.

Article 80

Legal barrier to the regional council members

The regional council members shall be subject to legal barriers in cases provided for under the Article 52, point (1), and the regional council head thereupon shall exercise the powers and the procedures laid down in the Article 52, points (2), (3) and (4), of the present Law.
Article 81

Regional council board

1. A regional council board shall consist of a head, a vice head and from 3 to 5 members.
2. The head and the vice head shall be elected and dismissed by a majority vote of the council members present at the meeting. If the required majority is not reached, voting shall be repeated between the two candidates who received the largest number of votes in the first round.
3. The other board members shall be elected from a multi-name list of candidates and dismissed by vote. The winners shall be the candidates who received the most votes.
4. The regional council board shall be convened by the head thereof not less than once a month.
5. Meetings of the regional council board shall be valid if attended by more than half of its members.
6. The functions of a regional council head, vice head and secretary shall be incompatible with the office of mayor.

Article 82

Regional council board powers

1. The regional council board shall have the following powers and duties:
   a) Exercise all the powers, except those expressly recognized to the regional council
   b) Approve the draft acts and other materials for the meetings of the regional council, in accordance with the agenda set by this council and the topics introduced by it
   c) Report to the regional council on the economic and financial situation at least every 6 months or more frequently, as requested by such council
   d) Report to the regional council whenever requested by it on other problems related to the regional functions
   e) Ensure the rights of the region and the fulfillment of all obligations imposed on it as a juridical person
2. In exercising its powers, the regional council board shall prepare decisions to be adopted by a majority of the members present and voting. The decisions shall be binding and enforced by all responsible bodies and persons after being published or communicated to the interested parties.
3. Board decisions shall have to be adopted at the first meeting of the regional council, or else shall be null and void ab initio.
Article 83
Regional council head

1. Regional council heads shall represent the regional councils in the relations thereof with the State or local self-government bodies and the domestic or foreign natural and legal persons. They shall exercise the following powers:
   a) Preside at the meetings of the regional council and the board thereof
   b) Sign all the acts and minutes of the meetings held by the regional council and the board thereof
   c) Ensure the enforcement of decisions taken by the regional council and the board thereof
   d) Prepare the reports, drafts decisions and other necessary materials according to the agenda for the meetings of the regional council and the board thereof
   e) Direct the regional council administration and assume responsibility towards the regional council for its operation
   f) Appoint and dismiss the administrative staff of the regional council, except as otherwise provided in the Law on Civil Servants
   g) Guarantee the performance of the functions assigned by law to the regional council
   h) Take measures and ensure a normal operation of all regional council structures and the meetings held by the regional council and the board thereof
   i) Exercise other powers provided by law, the regional council, or the board thereof
2. In exercising the above powers, regional council heads shall issue individual orders
3. In the absence of the head, the vice head shall perform the said functions.

Article 84
Regional council secretary

Regional council secretaries shall perform the same duties as are hereinbefore provided in the Article 57 of this Law in the case of the municipal council secretaries.

Article 85
Limits of regional authority

Regional bodies decisions may not violate the autonomy of the constituent municipalities.
CHAPTER XIV
ADMINISTRATIVE AND TERRITORIAL REORGANIZATION
OF LOCAL SELF-GOVERNMENT

Article 86
Administrative and territorial reorganization

The administrative and territorial division in force may be subject to a reorganization of the local self-government units, with or without change of boundaries, in accordance with the economic and social interests, tradition, culture, long-established bonds, and other local values, to ensure a higher level of functions benefiting the local community and implement developmental policies at the local, regional, and above-region level.

Article 87
Change-of-boundaries reorganization

A change-of-boundaries reorganization shall occur when:
   a) A local self-government unit splits into two or more separate local self-government units
   b) Two or more local self-government units merge to form in their territories a single local self-government unit
   c) A part of the territory of a local self-government unit passes to the territory under the administration of another local self-government unit
   d) A combination of the above cases is required.

Article 88
No-change-of-boundaries reorganization

A no-change-of-boundaries reorganization shall occur in cases where the designation of a local self-government unit or the center location thereof is altered.

Article 89
Legal basis and the proposer of reorganization

The reorganization of the administrative and territorial division with or without change of boundaries shall be made through a special law. The proposal for the reorganization of one or more local self-government units in each specific case shall be submitted to the Assembly along with the related facts and arguments:
   a) Economic, social, cultural, demographic, and administrative reasons on the necessity of the reorganization and advantages thereof
b) Opinion of the population living in the local self-government units to be reorganized

c) Administrative and territorial maps, which also reflect the changes brought about by the reorganization

d) Methods for tackling issues of the local government units to be reorganized relating to their financial obligations to third parties or to each other.

Article 90

Obligation to express your opinion

1. Municipal and regional councils affected by the reorganization and their heads shall give their official opinions and, in case of any disagreement among the council members, even the opposite opinions of such members.

2. The Council of Ministers, when it is not the proposer, and the other central institutions of the State, not subordinate thereto, concerned about such reorganization, shall give their reasoned opinions 'for' or 'against' it.

3. The aforementioned bodies shall express an opinion thereon within 60 days of receiving the relevant request by the proposer.

Article 91

Settlement of rights and obligations of the reorganized units

1. If, in any case, the reorganization is to affect the financial and proprietary rights of the local self-government units, their liabilities to third parties or other rights conferred upon under the civil law, these matters shall be settled, as provided in the applicable legislation, in the same general way as the rights and liabilities of juridical persons, i.e. by agreement between the parties.

2. In case of any disagreement about matters provided for in this Article, point (1), disputes shall be settled by the court.

Article 92

Guarantee of the continuation of basic functions of government

1. In the case of a change-of-boundaries reorganization creating new units of local self-government, or when such reorganization results in an incompatibility of mandate of the majority members of the council in a local self-government unit that lost part of its territory, such unit shall hold partial local elections, according to the procedures and time limits set out in the Electoral Code of the Republic of Albania.
2. The new local self-government bodies and other competent State bodies of central and local authority shall take without delay the necessary measures allowing the local self-government units created or affected by the reorganization to operate normally, according to the present Law, by ensuring the provision of basic public services to the respective population during the transition period.

3. The procedures and measures for the transfer of rights, liabilities, tangible and intangible assets, archives and any other State documentation to the local self-government units created or affected by the reorganization shall be defined by a decision of the Council of Ministers.

Article 93

Updating of the administrative and territorial boundaries

1. The Council of Ministers, pursuant to the applicable law on the administrative and territorial division, shall approve the updated map of the boundaries of the administrative and territorial units of local self-government, in compliance with the established geospatial standards. This map shall be updated every 10 years.

2. Municipal councils, pursuant to the applicable law on the administrative and territorial division, shall take a decision on the approval of the updated map of the administrative and territorial separating boundaries for the administrative units and villages that are part thereof, in compliance with the established geospatial standards.

CHAPTER XV
TRANSITIONAL AND FINAL PROVISIONS

Article 94

Regulations

The Council of Ministers shall approve the regulations laid down in the Article 12, point (3), and Article 93, point (1) of this Law within 3 months from the date of commencement thereof.

Article 95

Transitional provision

1. Until December 31, 2017, each administrative unit shall be run by the administration thereof. From 1 January 2018, the municipal council shall be empowered to decide on the reorganization of an administrative unit administration, which may cover the territory of one or
more administrative units within the municipality, according to the needs of local communities and the administrative efficiency.

2. Notwithstanding the provisions contained in the Article 54, letter 'i', of this Law, the present composition of the regional councils shall remain in force until the formation of new regional councils after the local elections in 2019. In case of vacancies, until the requirement specified in the Article 54, letter ‘i’, of this Law, has been met, candidates of the less represented gender shall fill such vacancies.

3. The new functions to be transferred to the municipalities under this Law shall be financed for a period of up to three years from the State budget via specific transfers, according to the criteria set out in the annual State budget.

Article 96
Revocations

Law No. 8652, dated 31.7.2000, 'On the Organization and Operation of Local Government', and the subsequent amendments thereof, or any other provision in conflict with this Law shall be hereby revoked.

Article 97
Effective date

This Law shall come into force 15 days after the publication thereof in the Official Journal.

CHAIRMAN

Ilir META

Approved on 17.12.2015