LAW OF GEORGIA

ON THE DEVELOPMENT OF HIGH MOUNTAINOUS REGIONS

The policy implemented by the State towards high mountainous regions is part of the regional development policy of the country and is aimed at ensuring the equal socio-economic development of the entire territory of Georgia and at solving the social and economic problems of persons living in high mountainous regions.

The aim of this Law is to determine the benefits of encouraging the social and economic progress of high mountainous regions as guaranteed by the Constitution of Georgia; such benefits ensure the well-being of persons living in high mountainous regions, raise living standards, promote employment and improve social and economic conditions.

Article 1 – Definition of terms

The terms used in this Law, for the purposes of this Law, have the following meanings:

a) customer (residential user) – a person who is permanently resident in a high mountainous region, who has signed a contract on the provision of electricity supply services with a relevant licence holder (the Licensee) according to procedures established by the legislation of Georgia;

b) high mountainous region – a high mountainous settlement;

c) high mountainous settlement – settlement provided for by Article 4(1) of the Organic Law of Georgia the Local Self-Government Code, and which is included in the list of high mountainous regions of Georgia approved by the Government of Georgia;

d) a teacher – a person who has the professional knowledge, skills and relevant qualifications as determined by the professional standards of teachers and who is teaching at least one subject at a general educational institution, a legal entity under public law established by the Ministry of Education, Science and Youth of Georgia, and/or at a vocational education institution established by the state;

e) the National Mountain Development Council (the Council) – the collegiate advisory body created on the basis of this Law in order to develop high mountainous regions, and to promote the coordination of the activities of relevant ministries and to elaborate development policy for high mountainous regions;

f) a permanent resident of a high mountainous settlement – a citizen of Georgia registered and actually living in a high mountainous settlement, who has been granted the status of permanent resident of a high mountainous settlement under regulations established by the legislation of Georgia;

g) an actual residence – the permanent presence of a natural person in a high mountainous settlement, as verified by the entirety of evidence and established facts obtained during relevant administrative procedures;

h) a medical personnel – a doctor, a nurse employed at a health care institution provided for by this Law and located in a high mountainous settlement;

i) a calendar year – 12 continuous calendar months.

Law of Georgia No 3035 of 5 July 2018 – website, 11.7.2018

Law of Georgia No 355 of 16 March 2021 – website, 18.3.2021

Law of Georgia No 3841 of 30 November 2023 – website, 15.12.2023

Article 2 – Regulation of issues related to the status of high mountainous settlements

1. A high mountainous settlement is a settlement that is located in a mountainous region at approximately 1 500 metres or higher according to hypsometric analyses. The Government of Georgia is entitled to take into consideration different criteria (steepness of mountain slope, condition of infrastructure, climate condition and natural environment, scarcity and deficiency of agricultural lands, and demographic profile, including aggravated migration processes) and to grant the status of high mountainous settlement to a settlement located at not less than 800 metres in a mountainous region. In exceptional cases, taking into consideration the criteria determined by this paragraph, the status of high mountainous settlement may be granted to a settlement located below 800 metres in a mountainous region.

1^1. The status of high mountainous settlement shall be granted to a settlement, which is located near the occupied territories of Georgia, adjacent to the demarcation line, at not less than 800 metres above the sea level.

1^2. If 80 per cent or more of the municipality settlements have been granted the status of high mountainous settlement, the status of high mountainous settlement shall be also granted to other settlements of the municipality that are located at not less than 800 metres above the sea level.

1^3. The administrative centre of a municipality determined by paragraph 1^2 of this article shall be granted the status of high mountainous settlement under the same paragraph if it is located at 1000 metres or higher hypsometric altitude.

2. Regardless of their altitudes, the status of high mountainous settlement shall be granted to settlements located within the following historic and geographic areas: Khevi, Mtiuleti, Pankisi Gorge, mountainous Ajara, Gudamakari Valley, Pshav-Khevsureti, Tusheti, Upper Svaneti, Lower Svaneti, Lechkhumi and Racha.

3. A settlement shall be granted the status of high mountainous settlement by being included in the list of the high mountainous settlements. The Government of Georgia, based on the recommendation of the Council, shall approve the list of high mountainous settlements by an ordinance.

4. The Ministry of Regional Development of Georgia, relevant municipalities, relevant state representative, and the Government of the Autonomous Republic of Ajara shall apply with the relevant petition to the Council to discuss the issue of placing settlements on the list of high mountainous settlements and on removing settlements from the list of high mountainous settlements.

5. This Law shall apply to high mountainous settlements located in the occupied territories of Georgia after the complete restoration of the jurisdiction of Georgia in the relevant territory.

6. If the issue of attributing the status of high mountainous settlement to the historic and geographic areas of Georgia provided for by paragraph 2 of this Article cannot be resolved, the Government of Georgia shall decide upon the issue based on the recommendation of the Council.

Law of Georgia No 3455 of 20 September 2018 – website, 9.10.2018

Law of Georgia No 6032 of 9 June 2020 – website, 19.6.2020

Law of Georgia No 488 of 16 April 2025 – website, 16.4.2025

Article 3 – Granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement

1. The mayor of the relevant municipality shall make a decision on the issue of granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement.

2. The power provided for by paragraph 1 of this Article is a power delegated to the municipality by the state.

3. The amount of financial resources necessary for the municipality to exercise the delegated powers provided for by paragraph 1 of this Article shall be determined by the law on the State budget of Georgia for the relevant year.

4. The Ministry of Regional Development of Georgia shall implement field supervision on the implementation of the delegated powers provided for by paragraph 1 of this Article according to the Organic Law of Georgia the Local Self-Government Code.

5. A natural person shall be granted the status of permanent resident of a high mountainous settlement if he/she meets the following criteria:

a) he/she must be a citizen of Georgia;

b) he/she must be registered in a high mountainous settlement;

c) he/she must actually live in a high mountainous settlement for an aggregate 9 months or more than 9 months during each calendar year. If a high mountainous settlement is located at 2000 metres or higher above the sea level, the period of actually living in a high mountainous settlement, as provided for by this paragraph, shall be an aggregate 6 months or more than 6 months during each calendar year.

6. The status of permanent resident of high mountainous settlement shall be terminated if the permanent resident of a high mountainous settlement:

a) has died;

b) has changed the address of registration (except in the case of registration in another high mountainous settlement);

c) has left the high mountainous settlement, resulting in noncompliance with the provisions of paragraph 5(c) of this

Article, except in the cases provided for by paragraphs 7 and 8 of this Article;

d) no longer has citizenship of Georgia.

7. A natural person shall maintain the status of permanent resident of a high mountainous settlement, if he/she has left the high mountainous settlement for treatment, or national military service of conscripts for a certain period, or if he/she was sentenced to imprisonment as a means of a restraining measure according to the legislation of Georgia.

8. A natural person's status of permanent resident of a high mountainous settlement shall be suspended if:

a) the court has sentenced him/her to imprisonment as a means of punishment;

b) he/she has left the high mountainous settlement in order to receive higher or vocational education and no longer complies with the provisions of paragraph 5(c) of this Article.

9. In the case provided for by paragraph 8(a) of this Article, a natural person's status of permanent resident of a high mountainous settlement shall be suspended from the day of entry into force of the judgment of conviction of the court of last instance against him/her, or from the day of the expiration of the term of appeal of the court judgment of conviction to a court of higher instance. A natural persons' status of permanent resident of a high mountainous settlement shall be restored if the natural person has actually lived in a high mountainous settlement during a period of one month after being released from a detention facility.

10. In the case provided for by paragraph 8(b) of this Article, the issues related to the suspension of the status of permanent resident of a high mountainous settlement of a natural person shall be determined by an ordinance of the Government of Georgia. The status of permanent resident of a high mountainous settlement of a natural person shall be restored if the natural person has actually lived in a high mountainous settlement during a period of one month after completion or termination of studies.

11. After the issuance of the act provided for by paragraph 1 of this Article, the mayor of the municipality is obliged, during the period of one week after making a decision, to provide the information on granting, terminating, suspending, or restoring the status of permanent resident of a high mountainous settlement to the Public Service Development Agency, a legal entity of public law under the governance of the Ministry of Justice of Georgia.

12. The information provided for by paragraph 11 of this Article on permanent residents of high mountainous settlements shall be recorded in the register of permanent residents of high mountainous settlements, in accordance with the rules established by the Minister of Justice of Georgia. The Minister of Justice of Georgia shall establish the rules for the registration procedure of permanent residents of high mountainous settlements.

13. The administrative bodies are obliged to provide to the mayor of a relevant municipality the information verifying the factual conditions determined by this Article.

14. The granting, termination, suspension, or restoration of the status of permanent resident of a high mountainous settlement, including the procedure for establishing the actual residence of a natural person in a high mountainous settlement and other issues related to the said procedure, and which require additional regulation, shall be determined by the procedure for granting, terminating, suspending, or restoring the status of permanent resident of a high mountainous settlement, which shall be approved by an ordinance of the Government of Georgia.

Law of Georgia No 1252 of 26 July 2017 – website, 29.7.2017

Law of Georgia No 6032 of 9 June 2020 – website, 19.6.2020

Law of Georgia No 3526 of 21 September 2023 – website, 12.10.2023

Law of Georgia No 488 of 16 April 2025 – website, 16.4.2025

Article 4 – Social benefits in high mountainous settlements

1. Permanent residents of high mountainous settlements may enjoy any social benefits established by this Law and other legislative acts and subordinate acts of Georgia.

2. The state shall ensure the establishment of the following social benefits in high mountainous settlements:

a) a monthly bonus to the state pension being at least 20% of the state pension set for permanent residents of high mountainous settlements who have reached the retirement age and receive the monthly state pension as a social benefit, according to the amount of the state pension determined by the law of Georgia on the State Budget of Georgia for the relevant year. The procedures and conditions for issuing the said supplement shall be determined by an ordinance of the Government of Georgia. The permanent residents of high mountainous settlements who are the recipients of the social package determined by the Government of Georgia shall receive the monthly supplement in the amount of 20% of the social package provided to them;

b) medical personnel employed at medical institutions, which are under State management and where the State is an equity partner, located in high mountainous settlements, whose work is paid from the state budget, shall receive a monthly bonus in accordance with rules determined by an ordinance of the Government of Georgia:

b.a) doctors shall receive a bonus in the amount of the state pension;

b.b) for nurses – in the amount of the pension;

c) the implementation of relevant measures during the winter period (from 15 October of the relevant year through to 15 April of the following year) in order to facilitate the provision of heating for permanent residents of high mountainous settlements;

d) compensation of 50% of monthly charges for electricity consumed by users (residential customers) in high mountainous settlements, but not more than the charge for 100 kWh of consumed electricity;

e) a contribution of monthly cash assistance, in accordance with procedures determined by an ordinance of the Government of Georgia, of at least GEL 100 throughout the period of one year after the entry into force of this Law, for the birth of the first child and the second child, where one of the parents of the child is a permanent resident of a high mountainous settlement, and for the third child and every following child, a contribution of monthly cash assistance of at least GEL 200 throughout the period of 2 years after the entry into force of this Law;

f) the payment of a bonus to a teacher in a legal entity under public law a general educational institution located in a high mountainous settlement and established by the Ministry of Education, Science and Youth of Georgia, in accordance with the procedures established by the Ministry of Education, Science and Youth of Georgia, which shall amount to GEL 150 if a teacher works full-time, and if a teacher works part-time, the amount of such bonus shall be determined proportionally to his/her hourly workload; the payment of a bonus of not less than 35% of the remuneration of teachers in accordance with the procedures established by the Ministry of Education, Science and Youth of Georgia to a teacher in a vocational education institution located in a high mountainous settlement and established by the Ministry of Education, Science and Youth of Georgia. The Government of Georgia shall draw up and approve a state programme for the provision of financial assistance to coaches employed in the sports sector and for the development of sports in high mountainous settlements;

g) the provision of an increased amount of vouchers to the pupils of public schools, multi-sectoral public schools, and to students of vocational education institutions located in high mountainous settlements. The terms and conditions for issuing the said vouchers shall be determined by an ordinance of the Government of Georgia;

h) the payment of a bonus of not less than 50% of the remuneration of a teacher in accordance with the procedures and conditions established by the Ministry of Education, Science and Youth of Georgia, or the head of the administrative body implementing the programme, to a teacher who is a participant of a relevant programme as determined by the Ministry of Education, Science and Youth of Georgia and/or the administrative body within its authority, and who is employed within this programme at a general educational institution located in a high mountainous settlement. The bonus provided for by this sub-paragraph shall not be paid to a person entitled to the benefit determined by sub-paragraph (f) of this paragraph.

3. In order to improve the social and economic conditions of permanent residents of high mountainous settlements, the Government of Georgia may develop additional social programmes. The above-mentioned programmes shall be approved by an ordinance of the Government of Georgia.

4. Administrative bodies are obliged to provide information in their possession to the relevant administrative body for the provision of the social benefits provided for by paragraph 2 of this Article.

Law of Georgia No 3035 of 5 July 2018 – website, 11.7.2018

Law of Georgia No 355 of 16 March 2021 – website, 18.3.2021

Law of Georgia No 3841 of 30 November 2023 – website, 15.12.2023

Law of Georgia No 4205 of 29 May 2014 – website, 13.6.2024

Article 5 – Tax privileges in high mountainous settlements

1. Permanent residents of high mountainous settlements shall enjoy tax privileges established by the Tax Code of Georgia in relation to income tax and property tax.

2. Business entities, which have been granted the status of high mountainous settlement enterprise in accordance with the legislation of Georgia, shall be exempt from taxes under the terms and rules determined by the Tax Code of Georgia.

3. The administrative body with power to grant to business entities the status of high mountainous settlement enterprise, and the terms and conditions of granting, terminating and suspending the status of high mountainous settlement

enterprise, shall be determined by the rules for granting, terminating and suspending the status of high mountainous settlement enterprise, which shall be approved by an ordinance of the Government of Georgia.

4. The status of high mountainous settlement enterprise shall not be granted to an enterprise, or such status may be suspended, if the enterprise:

a) carries out the activities which require a licence or permission;

b) provides services (except for services determined by the Government of Georgia);

c) trades in goods, except in the cases provided for by paragraph 5 of this Article, and in the cases where the goods are processed and delivered.

5. The Government of Georgia may determine by an ordinance provided for by paragraph 3 of this Article the types of economic activities to which the tax privileges determined by paragraph 2 of this Article shall also apply.

Article 6 – Status and composition of the National Mountain Development Council

1. The Council is a collegiate advisory body created by an ordinance of the government of Georgia on the basis of this Law. The statute of the Council shall be approved by an ordinance of the Government of Georgia.

2. The composition of the Council shall be determined by an ordinance of the Government of Georgia. The Council shall comprise the representatives of the executive authority of Georgia and relevant administrative bodies, the members of the Parliament of Georgia, experts, and individual representatives from high mountainous regions, as follows: the mayors of relevant municipalities, the relevant state representatives, the delegates from respective districts as provided for in Article 129(7) of the Organic Law of Georgia the Election Code of Georgia, and the chairperson of the Government of the Autonomous Republic of Ajara. The Council shall be chaired by the Prime Minister of Georgia.

3. At least half of the Council members shall be represented by representatives from high mountainous regions. The number of high mountainous settlements located in a relevant area shall be taken into consideration when making a decision on the issues of including in the Council of the mayors of relevant municipalities, the relevant state representatives, and the delegates from respective districts as provided for in Article 129(7) of the Organic Law of Georgia the Election Code of Georgia.

4. Organizational support for the activities of the Council shall be provided by the administrative body determined by the Government of Georgia.

Law of Georgia No 1252 of 26 July 2017 – website, 29.7.2017

Law of Georgia No 3455 of 20 September 2018 – website, 9.10.2018

Law of Georgia No 80 of 12 December 2024 – website, 27.12.2024

Law of Georgia No 1256 of 17 December 2025 – website, 29.12.2025

Article 7 – Powers of the National Mountain Development Council

1. The National Mountain Development Council shall:

a) apply to the Government of Georgia for approval of the development strategy and action plan for high mountainous settlements;

b) apply to the Government of Georgia for approval of high mountainous settlements development programmes aimed at developing agriculture and other economic sectors and implementing infrastructural projects in high mountainous settlements;

c) give recommendations to relevant ministries on the issues of the implementation of the development strategy and action plan for high mountainous settlements and the development programmes for high mountainous settlements;

d) consider issues on the appropriateness of placing a settlement on the list of high mountainous settlements and of removing a settlement from the list of high mountainous settlements;

e) make suggestions to the Government of Georgia on placing a settlement on the list of high mountainous settlements and removing a settlement from the list of high mountainous settlements;

f) exercise other powers granted by this Law and other legal acts and subordinate acts of Georgia.

2. The development strategy and action plan of high mountainous settlements provided for by paragraph 1(a) of this article and the high mountainous settlements development programmes provided for by paragraph 1(b) of this Article shall be approved by an ordinance of the Government of Georgia.

Article 8 – High mountainous settlements development fund

1. The high mountainous settlements development fund (the Fund) shall be determined by the law of Georgia on the state budget of Georgia for the relevant year.

2. The Fund shall be disposed according to the procedure established by the Government of Georgia, taking into consideration the ordinances of the Government of Georgia determined by Article 7(2) of this Law.

3. The Ministry of Regional Development of Georgia shall apply to the Government of Georgia on the basis of a proposal of the Council on the allocation of an amount from the appropriations provided for the Fund.

Law of Georgia No 488 of 16 April 2025 – website, 16.4.2025

Article 9 – Measures to be implemented in relation to the entry of this Law into force

1. The Government of Georgia:

a) based on the recommendation of the Ministry of Regional Development and Infrastructure of Georgia:

a.a) shall approve the Statute of the National Mountainous Development Council before 1 October 2015;

a.b) shall approve the procedure for granting, terminating, suspending, and restoring the status of permanent resident of a high mountainous settlement before 1 November 2015;

b) based on the recommendation of the Ministry of Finance of Georgia, shall approve the procedure for granting, terminating, and suspending the status of high mountainous settlement enterprise;

c) based on the recommendation of the Ministry of Sports and Youth Affairs of Georgia, shall approve the relevant state programme before 31 December 2015 in order to provide financial assistance to coaches employed in the sports sector and to promote the development of sports in high mountainous settlements provided for by Article 4(2)(f) of this Law;

d) shall adopt a relevant ordinance for the granting of social benefits provided for by Article 4(2)(c) and (d) of this Law.

2. The Ministry of Labour, Health and Social Affairs of Georgia:

a) before 1 November 2015 shall:

a.a) develop and submit to the Government of Georgia the draft normative acts on relevant subordinate normative acts or changes to subordinate normative acts for the granting of social benefits provided for by Article 4(2)(b) and (e) of this Law;

a.b) develop and submit to the Government of Georgia the draft normative act on relevant subordinate normative act for the granting of social benefits provided for by Article 4(2)(a) of this Law;

b) develop relevant proposals on the granting of bonuses to medical personnel employed at a private legal entity being a medical institution located in a high mountainous settlement to which Article 4(2)(b) of this Law is not applicable.

3. The Ministry of Education and Science of Georgia and/or an administrative body under its authority shall, within the scope of their authority, develop and submit to the Government of Georgia the draft legal acts on relevant legal acts or changes to legal acts for the granting of social benefits provided for by Article 4(2)(f) and (h) of this Law (except for the cases provided for by paragraph (1)(c) of this Article), before the start of the academic year 2016-2017, and the Ministry shall develop before 1 November 2015 the draft normative act on making changes to the relevant normative act for the granting of social benefits provided for by Article 4(2)(g) of this Law.

4. Before 1 January 2016, the Ministry of Justice of Georgia shall:

a) approve the regulations for maintaining the register of permanent residents of high mountainous settlements;

b) create the register determined by Article 3(12) of this Law.

5. The Ministry of Regional Development and Infrastructure of Georgia and the Ministry of Finance of Georgia shall develop and submit to the Government of Georgia a relevant draft law for the determination of the amount of material and financial resources necessary to exercise the powers delegated by this Law before 20 September 2015.

6. The receipt of social benefits provided for by Article 4(2) of this Law shall not be grounds for the cancellation of social support which is a subsistence allowance, and shall not be considered as an improvement of the social and economic status of poor families identified by the assessment system.

Article 10 – Normative acts repealed as from the entry into force of this Law

1. The law of Georgia of 8 June 1999 on High Mountainous Regions Social-Economic and Cultural Development (Legislative Herald of Georgia, No 24(31), 1999, Art.121) shall be deemed repealed from 1 January 2016.

2. Along with the entry of this Law into force, Articles 1, 5 and 7 of the law of Georgia on High Mountainous Regions Social-Economic and Cultural Development shall be deemed repealed.

3. For the purposes of Article 82(2)(a)-(f) and Article 206(1)(v) of the Tax Code of Georgia, and for other relevant legal acts adopted before the entry into force of this Law the high mountainous regions shall be the villages, communities and urban-type settlements included in the list determined by the annex to the law provided for by Article 6 of the Law of Georgia on High Mountainous Regions Social-Economic and Cultural Development.

Article 11 – Entry into force of this Law

1. This Law except for Article 3(3), Article 4(2) and Article 5(1)-(3) shall enter into force upon its promulgation.

2. Article 3(3), Article 4(2)(e) and (g), and Article 5(1)-(3) of this Law shall enter into force from 1 January 2016.

3. Article 4(2)(a),(b),(c),(f) and (h) of this Law shall enter into force from 1 September 2016.

4. Article 4(2)(d) of this Law shall enter into force from 1 January 2016.

President of Georgia **Giorgi Margvelashvili**

Kutaisi

16 July 2015

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