

LAW OF GEORGIA

ON LOCAL FEES

This Law, in compliance with the Constitution of Georgia and the Law of Georgia on the Basic Principles of the System of Fees, determines the types and amount of local fees, the procedure for their introduction and the rights and duties of fee payers.

Chapter I - General Provisions

Article 1 - Concept of a local fee

A local fee is a mandatory payment to the budget of a local self-government unit, which is paid by natural or legal persons within or without the time limits established by a local self-government body for granting the right to carry out activities provided for by law and/or the right of use, as well as for certain services rendered by a local self-government body.

Law of Georgia No 3503 of 24 July 2006 - LHG I, No 35, 3. 8. 2006, Art. 259

Law of Georgia No 4241 of 29 December 2006- LHG I, No 50,30 . 12. 2006, Art. 392

Article 2 - Legislation on local fees

The legislation of Georgia on local fees comprises the Law of Georgia On the Basic Principles of the System of Fees, this Law and other normative acts.

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50 ,30. 12. 2006, Art. 392

Chapter II - Types of Local Fees; Procedure for their Introduction and Payment

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50,30. 12. 2006, Art. 392

Article 3 - Procedure for the introduction and transfer to the budget of local fees

1. A local self-government representative body, a Sakrebulo, shall have the right to introduce and abolish local fees, and grant privileges with regard to them.

2. A decision of a Sakrebulo on the introduction and abolition of local fees as well as on granting privileges with regard to them shall be applicable only in the territory falling within the Sakrebulo's jurisdiction and shall apply to all natural and legal persons residing and located there, except as otherwise prescribed by law.

2¹. A local self-government body shall be authorised not to apply a decision on the introduction of a local fee in the territory under its jurisdiction to the recreational territories specified by the edict of the President of Georgia No 968 of 29 November 2005 On Granting the Status of a Recreational Territory to the Resorts, Resort Areas, Ski Centres and the Black Sea Coastal Territories and Approving their Borders.

2². A local self-government body shall be authorised to introduce a local fee only for those recreational areas that are located in the territory under its jurisdiction and specified by the edict of the President of Georgia No 968 of 29 November 2005 On Granting the Status of a Recreational Territory to the Resorts, Resort Areas, Ski Centres and the Black Sea Coastal Territories and on Approving their Borders.

3. Local fees shall be paid in advance before a local self-government body grants the payer a right of use and/or the right to carry out activities provided for by law. The relevant agency of the local self-government body concerned shall be responsible for the collection of the fee.

4. Local fees for the provision of certain services by a local self-government body shall be paid after receiving the complete service or part thereof, according to the procedure prescribed by the local self-government representative body.

4¹. It shall be inadmissible for a local self-government body to introduce fees other than those established by this Law, or any other additional tariff, payment or service fee for carrying out an activity and/or for granting the right of use, or for services rendered by a local self-government body, for which a fee has already been determined, except for expedited services.

5. A differential amount, and the frequency and term of payment for local fees, based on their types, shall be determined by a local self-government body based on a relevant decision.

5¹. A local self-government body may determine a different amount, term and frequency of payment of local fees in the recreational areas specified by the edict of the President of Georgia No 968 of 29 November 2005 On Granting the Status of a Recreational Territory to the Resorts, Resort Areas, Ski Centres and the Black Sea Coastal Territories and Approving their Borders.



6. Local fees shall be payable in conformity with the instructions approved by the local self-government representative body.

7. The entire amount of the fees introduced by a local self-government representative body shall be transferred to the budget of the local self-government body concerned.

8. The duly authorised agency of a local self-government body may enter into an agreement with relevant legal persons to collect local fees.

Law of Georgia No 1623 of 13 October 1998 - LHG I, No 2, 26. 10.1998, Art. 2 2

Law of Georgia No 2333 of 23 July 1999 - LGH I, No 40(47), 11.8.1999, Art. 204

Law of Georgia No 1300 of 15 February 2002 - LHGI, No 4, 5.3.2002, Art. 26

Law of Georgia No 3503 of 24 July 2006 - LHG I, No 35, 3.8.2006, Art. 259

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Law of Georgia No 5096 of 11 October 2011 – web-site, 3.11.2011

Law of Georgia No 3 80 of 22 March 2013 - website, 4.4.2013

Law of Georgia No 799 of 28 June 2013 – web-site, 15.7.2013

Article 4 - Exemptions from local fees

1. Exemptions from local fees shall be established by this Law.

2. Privileges (full or partial exemptions) with respect to local fees shall be established in accordance with the categories of payers.

3. It shall be impermissible to establish individual privileges with respect to the payment of local fees.

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Article 5 - Local fees

1. Local permit fees:

a) a fee for obtaining a construction permit (except for the construction of radiation or nuclear facilities of special importance);

b) (deleted);

2. (Deleted).

3. A fee for cleaning a populated area.

4. A fee for a gambling business.

5. A fee for issuing special (zonal) agreements.

6. A fee for the infrastructure of a cultural heritage rehabilitation area.

7. A fee for expedited services for issuing (amending) a certificate of compliance with construction (except for the construction of radiation or nuclear facilities of special importance) requirements (acceptance into service).

8. A service fee for state and technical supervision over the construction specified in Article 25 of the Product Safety and Free Movement Code (except for the construction of radiation or nuclear facilities of special importance).

Law of Georgia No 4241 of 29 December 2006- LHG I, No 50, 30.12.2006, Art. 392

Law of Georgia No 4253 of 29 December 2006- LHG I, No 50, 30.12.2006, Art. 404

Law of Georgia No 4621 of 13 April 2007- LHG I, No 14, 18. 4. 2007, Art. 115

Law of Georgia No 4929 of 8 June 2007 - LHG I, No 23, 21. 6. 2007, Art. 214

Law of Georgia No 2209 of 1 December 2009 - LHG I, No 42 10. 12. 2009, Art. 313

Law of Georgia No 3736 of 15 October 2010- LHG I, No 56, 20.10.2010, Art. 365

Law of Georgia No 5296 of 24 November 2011 - website, 0.12.2011

Law of Georgia No 6543 of 22 June 2012 - website, 29.6.2012



Article 6 - Construction permit fee (except for the construction of radiation or nuclear facilities of special importance)

1. A construction (except for construction of radiation or nuclear facilities of special importance) permit fee shall be paid by a natural and/or legal person owning the construction project.
2. The amount of the fee established by a Sakrebulo shall not exceed GEL 1 per each square metre of the building area envisaged by a new construction project, and GEL 5 per each square metre for the construction of an industrial facility in a resort zone.
3. By a decision of a Sakrebulo, an exemption from a fee or other privileges may be applied to a construction project affected as a result of a natural disaster.

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Article 6¹ - Fee for the expedited services for issuing (amending) a certificate of compliance with construction (except for the construction of radiation or nuclear facilities of special importance) permit requirements (acceptance into service)

1. A fee for issuing (amending) a certificate of compliance with construction (except for the construction of radiation or nuclear facilities of special importance) permit requirements (acceptance into service) shall be paid by a natural or legal person, and/or partnership that is specified in the construction documentation of the completed facility as the project owner.
2. The Sakrebulo of a local self-government unit shall determine the payment procedure and the amount of the fee for the expedited services of issuing (amending) a certificate of compliance with construction (except for the construction of radiation or nuclear facilities of special importance) permit requirements (acceptance into service).
3. A fee for the expedited services for issuing (amending) a certificate of compliance with construction (except for the construction of radiation or nuclear facilities of special importance) permit requirements (acceptance into service) shall not exceed GEL 4 500.

Law of Georgia No 5296 of 24 November 2011 - website, 5.12.2011

Article 6² - Service fee for state and technical supervision over construction (except for the construction of radiation or nuclear facilities of special importance) provided for by Article 25 of the Product Safety and Free Movement Code.

1. A service fee for state and technical supervision over construction (except for the construction of radiation or nuclear facilities of special importance) provided for by Article 25 of the Product Safety and Free Movement Code shall be paid by a natural or legal person, and/or a partnership that is specified in the construction documentation as the project owner.
2. The amount of service fee for state and technical supervision over construction, (except for the construction of radiation or nuclear facilities of special importance) provided for by Article 25 of the Product Safety and Free Movement Code and the procedure for its payment, as well as the procedure for a partial or full refund of the paid fee, shall be determined by the Sakrebulo of a local self-government unit.
3. A service fee for state and technical supervision over construction, (except for the construction of radiation or nuclear facilities of special importance) provided for by Article 25 of the Product Safety and Free Movement Code shall be established according to the classification of buildings and structures and/or technical and economic indicators, and shall not exceed GEL 7 000.

Law of Georgia No 6543 of 22 June 2012 - website, 29.6.2012

Article 7- (Deleted)

Law of Georgia No 2333 of 23 July 1999 - LGH I, No 40(47), 11.8.1999, Art. 204

Law of Georgia No 1300 of 15 February 2002 - LHGI, No 4, 5.3.2002, Art. 26

Law of Georgia No 1696 of 10 October 2002- LHG I, No 28, 28.10.2002, Art. 130

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Article 8 - (Deleted)

Law of Georgia No 2333 of 23 July 1999 - LGH I, No40 (47), 11.08.1999, Art. 204

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Article 9 - (Deleted)

Law of Georgia No 2333 of 23 July 1999 - LGH I, No40 (47), 11.8.1999, Art. 204



Article 10 - (Deleted)

Law of Georgia No 382 of 13 August 2004 – LHG I, No 23, 23.6.2004, Art. 116

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Law of Georgia No 3736 of 15 October 2010- LHG I, No 56, 20.10.2010, Art. 365

Article 11- (Deleted)

Law of Georgia No 4241 of 29 December 2006- LHG I, No 50, 30.12.2006, Art. 392

Article 12- (Deleted)

Law of Georgia No 2333 of 23 July 1999- LGH I, No 40(47), 11.8.1999, Art. 204

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30.12.2006, Art. 392

Article 12¹ - Fee for cleaning a populated area

1. Cleaning a populated area includes sweeping and cleaning the area, and management of the waste generated within the area in compliance with the Waste Management Code.

2. The fee shall be paid by natural and/or legal persons, or organisations or establishments that generate waste within the territory of a self-government unit.

3. (Deleted).

4. The amount of the fee shall not exceed GEL 3 per capita a month, whereas for legal persons, organisations and establishments, GEL 25 per cubic metre of waste. A family shall be deemed to consist of a maximum of 4 persons, irrespective of the actual number of family members.

5. Waste producers may differentiate the amount of the fee according to the weight or volume of the accumulated waste and/or according to the limits of waste accumulation and the type of waste, as well as according to their income, property, number of employees and/or consumers of the goods (services). When establishing the amount of the fee, a combination of these values may also be applied.

5¹. In the case of natural persons, the amount of the fee shall be differentiated for socially vulnerable families according to the poverty line indicators determined by the legislation of Georgia.

6. The amount of the fee shall not exceed the organisational and administrative costs of the service.

Law of Georgia No 3503 of 24 July 2006 - LHG I, No 35, 3. 8. 2006, Art. 259

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30. 12. 2006, Art. 392

Law of Georgia No 4128 of 17 December 2010- LHG I, No 71, 21.12.2010, Art. 425

Law of Georgia No 3 80 of 22 March 2013 - website, 4.4.2013

Organic Law of Georgia No 2999 of 26 December 2014 - website, 12.1.2015

Article 12² - Fee for issuing special (zonal) agreements

1. A fee for issuing special (zonal) agreements shall be paid by natural or legal persons that have obtained a special (zonal) agreement for the purpose of changing the maximum limit of the floor area ratio provided for by the Law of Georgia On the Basic Principles of Spatial Planning and Urban Construction.

2. A local self-government representative body shall be authorised to introduce the fee.

3. The amount of the fee shall be calculated according to the formula:

L

$$X = (K_2^1 - K_2) S$$



where:

- a) X is the amount of the fee;
- b) L is the standard price per 1 square metre of a land plot;
- c) K_2^1 is the floor area ratio to be assigned to a land plot based on the special (zonal) agreement;
- d) K_2 is the floor area ratio established for a land plot;
- e) S is the area of the construction land plot.

4. The amount of the fee shall not exceed, as per calculation, GEL 400 per 1 square metre of incremental construction area.

5. The fee shall be payable upon the issuance of a construction permit.

Law of Georgia No 4621 of 13 April 2007- LHG I, No 14, 18. 4. 2007, Art. 115

Chapter III -Liability for the Violation of this Law

Article 13 - (Deleted)

Law of Georgia No 1727 of 9 December 1998- LHG I, No 7, 31. 12. 1998, Art. 55

Law of Georgia No 61 of 9 December 1999 - LHG I, No 47(54), 26. 11. 1999, Art. 240

Law of Georgia No 1389 of 20 April 2005 - LHG I, No 22, 18. 5. 2005, Art. 152

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50, 30. 12. 2006, Art. 392

Law of Georgia No 2209 of 1 December 2009- LHG I, No 42 10. 12. 2009, Art. 313

Law of Georgia No 3545 of 21 July 2010 - LHG I, No 46 4.8.2010; Art.292

Law of Georgia No 3547 of 21 July 2010 - LHG I, No 46 4.8.2010; Art.294

Article 13¹ - Fee for the infrastructure of a cultural heritage rehabilitation area

1. A fee for the infrastructure of a cultural heritage rehabilitation area shall be paid, for the duration of the rehabilitation area development programme, by the owner (a lawful user) of the buildings and structures located within the cultural heritage rehabilitation area..

2. The amount of the fee shall not exceed GEL 1.5 a month per each square metre of the buildings and structures being in ownership (use).

3. If the owner (lawful user) of the buildings and structures fails to pay the fee within the established time limit and the amount owed is equal to the sum payable for three months, default interest in the amount of 0.07 % of the fee for each overdue day shall be imposed on him/her from the day the indebtedness arises.

4. If after the imposition of the default interest the owner (lawful user) of the buildings and structures pays part of the fee along with the accrued default interest, the default interest from the following day shall be accrued to the actual remaining amount of the fee, excluding the default interest.

5. If the owner (lawful user) of the buildings and structures fails to pay the fee and/or the accrued default interest within 6 months after the imposition of the default interest, the local self-government body may apply to a court with a request to take measures to ensure the payment of the fee and the accrued default interest by the owner (lawful user).

6. The following shall be exempt from the fee:

a) buildings designated for the maintenance of the infrastructure located within the rehabilitation area;

b) buildings and structures owned by the state and local self-government unit and located in the rehabilitation area, except for the building and structures that are used for economic activities.

Law of Georgia No 4929 of 8 June 2007 - LHG I, No 23, 21. 6. 2007, Art. 214

Article 14 - Liability for the violation of this Law



Liability for the violation of this Law shall be determined by the legislation of Georgia.

Article 15 - Procedure for resolving disputes related to local fees

1. Disputes related to local fees shall be resolved in a court according to the procedure laid down by the legislation of Georgia.
2. Bringing an action in a court shall not exempt a payer from the payment of local fees.
3. The amount paid for the fees imposed illegally or in breach of law shall be returned to the payer from the budget of the local self-government unit concerned, within one month, as prescribed by the legislation of Georgia.

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50 ,30. 12. 2006, Art. 392

Chapter IV- Transitional Provisions

Article 16 - Normative acts to be adopted in relation to this Law

The following normative acts shall be adopted in connection with this Law:

- a) the Law of Georgia On Amendments to the Tax Code of Georgia;
- b) the Law of Georgia On Amendments to the Law of Georgia on the Budget System and Budgetary Powers;
- c) the Law of Georgia On Amendments to the Criminal Code of Georgia;
- d) the Law of Georgia On Amendments to the Administrative Offences Code of Georgia.

Article 17 - (Deleted)

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50 ,30. 12. 2006, Art. 392

Article 17¹ - (Deleted)

Law of Georgia No 1736 of 19 November 2002 - LHG I, No 31, 10. 12. 2002, Art. 135

Law of Georgia No 4241 of 29 December 2006 - LHG I, No 50 ,30. 12. 2006, Art. 392

Article 17² - Agreement on the payment of a fee for issuing a special (zonal) agreement

1. The authorised body of a local self -government unit (in Tbilisi - the Government of Tbilisi), for the purpose of the timely completion of the construction of buildings and structures, and the development and beautification of the city, based on a written application, may, for issuing a special (zonal) agreement, enter into an agreement on the deferral of the fee with a payer of the fee who by the time of the entry of this article into force is obliged to pay the fee. When entering into this agreement, the fee payer shall undertake to submit to the authorised body a statement on the acceptance into service of the buildings and structures within the term defined by the payer, but not later than 1 January 2016, and to ensure that the requirements prescribed by the legislation of Georgia for acceptance into service of the buildings and structures are complied with.

2. In the case of violation of the conditions of the agreement set out in paragraph 1 of this article, the agreement shall be deemed null and void in accordance with the same paragraph and the fee payer shall be obliged to pay the fee within one month after the annulment of the agreement.

Law of Georgia No 6506 of 19 June 2012 - website, 28.6.2012

Law of Georgia No 3818 of 27 June 2015- website, 3.7.2015

Article 17³ - Exemption from the payment of arrears with respect to a fee for cleaning a populated area

Natural and legal persons shall be exempt from the payment of arrears with respect to a fee for cleaning a populated area, which was accrued up to 1 January 2013.

Law of Georgia No 799 of 28 June 2013 – web-site, 15.7.2013



Article 17⁴ - Exemption from a fee for issuing special (zonal) agreements

A person liable for the payment of a fee for the issuance of a special (zonal) agreement shall be exempt from the fee unpaid for the special (zonal) agreement issued before the entry into force of this Law, provided the following conditions are met:

- a) the construction permit for the facility was granted as of 8 August 2008, or the project documentation (architectural project) was agreed with the authorised body as of 8 August 2008, and the construction permit was issued after that;
- b) the authorised body, in order to accept the facility into service, issues an individual administrative act before 1 January 2018;
- c) the entire facility or at least 60 % thereof is intended for residential purposes.

Law of Georgia No 3818 of 27 June 2015- website, 3.7.2015

Chapter V-Final Provision

Article 18 - Entry into force of the Law

1. This Law shall enter into force upon promulgation.
2. The fee payers shall be allowed to pay before 1 January 1999 the fees established by this Law and those imposed in 1998 by the authorised bodies specified in Article 16 of this Law.

President of Georgia

Eduard Shevardnadze

Tbilisi

29 May 1998

No1401-III

