

# The Organic Law of Georgia on Local Self-Government

According to Paragraph 4 of Article 2 of the Georgian Constitution and the European Charter on Local Self-Government, this law determines the legal, economic and financial basis of the implementation of the local self-governance in Georgia, as well as the state guarantees, the foundations for the establishment and functioning of the local self-government bodies.

## Chapter I General Provisions

### Article 1. Definition of the terms used in the law

The terms used in this law have following meaning:

A. Local Self-Governance – the right and opportunity of the citizens of Georgia to arrange and govern through the bodies of the local self-governments according to the Georgian legislation the public affairs of local importance on their own responsibilities and in the interests of the local population.

B. Self-Governing Unit – a settlement (self-governing city) or the agglomeration of settlements (municipality) having representative and executive bodies of the self-government, own property, revenues, budget and the administrative center and being an independent legal entity.

C. Body of Local Self-Governing Unit – a representative body (Sakrebulo) and executive body (Gangeoba/City Hall) of the self-governing unit set up in conformity with the rules established by the present law to exercise local self-governance.

D Settlement – an administrative unit and a primary unit of settlement having its own permanent population and functional infrastructure and being registered according to the rule set by the Georgian legislation. Administrative unit is a part of self-governing unit or represents self-governing unit. The categories of settlements are:

D.a) Village – a settlement in the boundaries of which the land and other natural resources determined for agricultural activities are included and where the infrastructure is basically focused on the implementation of agricultural activities.

D.b) Borough – a settlement composed of not less than 3 000 inhabitants/dwellers, on the territory of which industrial enterprises, communal service, network of medical and social-cultural institutions are located, based on which the settlement carries out the functions of the local economic-cultural center and besides does not have enough agricultural land for carrying out the agricultural activities. If the settlement composed of less than 3 000 inhabitants/dwellers represents the administrative center of the self-governing unit, it can belong to the category of borough.

D.c) City – a large settlement composed of not less than 5 000 inhabitants/dwellers, which has city economy and represents economical and cultural center. If the settlement composed of less than 5 000 dwellers is considered as an administrative center of the self-governing unit or if it has the nearest perspective of economical development and the growth of population, it can belong to the category of city. Cities may be given special status based on the functions delegated to them and from the perspective of the state importance.

E. Municipality – an agglomeration of settlements having the status of a self-governing unit in conformity with the present law.

F. Self-Governing City – a city kind of settlement having the status of a self-governing

G. Administrative Unit – part of a self-governing unit where the territorial body of governance of the self-government shall be created. The administrative units are:

- G.a settlement (village, borough, city);
- G.b agglomeration of settlements (community);
- G.c part of a settlement (district/neighborhood).

H. Exclusive Authority - the authority of the self-governing unit exercised independently and at its own discretion in accordance to the Georgian legislation.

I. Delegated Authority – the authority of the state government body that according to the rule set by this law, in compliance with the law or the agreement concluded between the state government and the local self-government bodies shall be delegated for implementation to self-governing unit.

J. Voluntary Authority – the authority of the **local** self-governing unit to make decisions on its own initiative concerning all the issues which according to the law do not **belong** to exclusive authority of self-governing unit or are not assigned to the state government authority or are not prohibited for self-governing unit.

## **Article 2. Exercising the Right of Local Self-Governance by Georgian Citizens**

1. The citizens of Georgia shall exercise the right of local self-governance according to the Constitution of Georgia and in conformity with the present law.
2. The citizens of Georgia have the right:
  - a. to elect and be elected to the local self-government bodies in compliance with the present law and the rule established by the Election Code;
  - b. to take any position within the local self-government bodies if he/she meets the requirements established by the legislation;
  - c. to acquire public information from the local self-government bodies and officials;
  - d. to become familiar with the draft decisions of local self-government bodies in advance; to participate in their discussions; to demand the publication of the draft decisions and their public discussion;
  - e. to appeal to the local self-government bodies and officials;
  - f. to exercise other rights envisaged by the Georgian legislation.

## **Article 3. The Legal Basis for Exercising Local Self-Governance**

1. The legal basis for exercising local self-governance shall be the Constitution of Georgia, the European Charter on Local Self-Government, the present law and other normative acts.
2. The rules and authorities for exercising local self-governance in Tbilisi shall be determined by the Law on the Capital of Georgia – Tbilisi.
3. The additional authorities and peculiarities of the local self-government bodies in the high mountainous regions shall be determined by the Georgian legislation.
4. The authorities of the local self-government bodies in the Autonomous Republic of Adjara shall be determined by the legislation of the Autonomous Republic of Adjara in conformity with the provisions of the present law.

## **Article 4. The State Policy and the Liability of State Authorities in the Sphere of Self-Governance**

1. The bodies of the state authority shall provide the necessary legal, organizational, material and financial conditions for the development of self-governance and assist the Georgian citizens in exercising their right of self-governance.
2. Before making any decisions concerning the authorities set by this law, the bodies of the state authority shall be liable to hold priory consultations with the unions (associations) representing more than half of the self-governing units of the country on their demand.
3. The official appeals to the bodies of the state authorities from the representatives of the self-governing units pertaining to the interests of self-governance shall be discussed in details within the time-frame set by the Georgian legislation.
4. The competencies of the state authority in the sphere of local self-governance are as follows:
  - a. to adopt the laws related to the local self-governance, make amendments, and control their implementation;
  - b. to approve and implement the state programs aimed at developing and assisting local self-governance;
  - c. to ensure the fulfillment of the state liabilities set by legislation and related to the local self-governance;
  - d. to define and provide the minimum state social standards ;
  - e. to regulate the relations of the state and self-governing unit budgets; define and ensure the equalizing transfer;
  - f. to compensate the additional expenses of the self-governing unit caused by the decisions made by the state bodies;
  - g. to ensure the financial independence of the local self-government;
  - h. to set the rules for creation and abolishment of the self-governing units and settlements, alteration of the administrative borders, giving or changing the name and to register self-governing units;
  - i. to ensure the separation of competences between the state and local self-government and adhere to them;
  - j. to regulate and protect the rights of citizens set by the law to exercise self governance;
  - k. to determine the rules of election of the local self-government representative bodies and ensure conducting the elections; protect the citizens' election rights;
  - l. to ensure legislative provision for the peculiarities of exercising self-governance in high mountainous regions and other territories of Georgia specified by the Georgian legislation .

## **Article 5. Basic Principles of Exercising Local Self-Governance**

The basic principles of exercising of local self-governance are as follows:

- a. The right of Georgian citizens to participate in exercising local self-governance;
- b. Independence of the local self-government bodies in making decisions on the issues of local importance determined by the law;
- c. Protection of legitimate rights and freedoms of the citizens of Georgia;
- d. Publicity of the activities of the local self-government bodies;
- e. Independent responsibility of the local self-government bodies for the implementation of their own functions;
- f. Unity of national and local interests;
- g. Accountability of local self-government bodies and officials to the population;
- h. Establishment of relationship between the state and self-governing units as well as self-governing units on assistance and cooperation in order to jointly voluntarily solve common problems;

- i. Separation of the state and local self-government;
- j. Solution of disputes between the state and local self-government bodies by the court;
- k. Financial and economic independence of the local self-government;

#### **Article 6. The Right of Local Self-government Bodies to Establish a Joint Service**

Based on the agreement and in compliance with the rule specified by the Georgian legislation adjoining local self-government executive bodies upon the consent from Sakrebulo in order to efficiently perform their authorities defined by the law shall have the right to establish joint services to provide public services based on the agreement. The local self-government bodies shall delegate some of the similar functions under their authority to such bodies, as well as appropriate material and financial resources for the performance of these functions.

#### **Article 7. Associations and Unions of Local Self-Government**

1. Self-governing units have the right to establish unions (associations) in legal-organizational form for the coordination of their activities in accordance with the rules set by the Georgian legislation
2. Unions (associations) are authorized to consult with the bodies of the state authorities on behalf of self-governing units; to participate in the process of preliminary discussions and consultations of draft laws in relation with local self-government.
3. Unions (associations) of self-governing units are authorized to cooperate and join the international unions (associations) of self-governing units in compliance with the rule set by the Georgian Legislation

#### **Article 8. Symbols of Self-Governing Units**

1. According to the rule on the use of Georgian state symbols, the self-governing units can have a coat of arms, a banner and other symbols.
2. The coat of arms, banner and other symbols of a self-governing unit shall be determined by the Sakrebulo of the self-governing unit. The symbols of the self-governing units according to the Georgian legislation shall be subject to state registration.
3. The rule concerning the use of the symbols of the self-governing units shall be determined by the Georgian legislation.

#### **Article 9. Working Language and the Office Work/Paper Work of Local Self-Government Bodies**

The working and paper work language of local self-government is the state language of Georgia.

### **Chapter II. Self-Governing Units**

#### **Article 10. The Status of the Self-Governing Unit**

1. **Self-Governing** unit is an independent legal entity having local representative and executive bodies, has the authorities set by the present law, its own property and budget.
2. The status of the **self-governing** unit shall be assigned to the settlement or the agglomeration of settlements by the submission of the government of Georgia and shall be approved by the Georgian Parliament.

#### **Article 11. Creation and Abolishment of Self-Governing Unit**

1. The basis for creation of the self-governing unit shall be:
  - a) Division of one self-governing unit into two or more units;

- b) Consolidation of two or more adjoining self-governing units into one.
- 2. The basis for abolishment of the self-government unit shall be:
  - a) Consolidation of two or more adjoining self-governing units into one self-governing unit;
  - b) Division of one self-governing unit into two or more self-governing units
- 3. Government at its own initiative applies to Parliament of Georgia based on the consultations with the Sakrebulo(s) of self-governing unit(s) or with the population, or based on the recommendation of the Sakrebulo(s) of the self-governing unit, with a proposal on the creation or abolishment of self-government unit.
- 4. In the case of creation of new self-governing unit through the division of self-governing unit, the recommendation shall specify:
  - a. justification of the need of the self-governing unit division,
  - b. the number of settlements and the population under each self-governing unit to be created as a result of division;
  - c. administrative borders and schematic map of each self-governing unit to be created as a result of division,
  - d. the results of the population poll on the division of the self-governing unit to be divided;
  - e. administrative centers of each self-governing unit and their compliance with the requirements on the administrative center specified by the legislation;
  - f. the rule of redistribution of financial and other authorities and responsibilities, as well as the property of the self-governing unit to be divided to the newly created self-governing units.
- 5. In the case of the unification of two or more self-governing units into one self-governing unit, the recommendation should specify the following:
  - a. the justification of the need of unification of self-governing units;
  - b. the number of the population and the settlements under self-governing unit to be created as a result of unification;
  - c. administrative center of self-governing unit to be created as a result of unification;
  - e. the results of the population poll of each self-governing unit on the unification;
  - d. administrative borders and schematic map of a self-governing unit to be created as a result of unification;
- 6. Parliament of Georgia makes a decision on creation or abolishment of self-governing unit based on the recommendation of the Government of Georgia.

## **Article 12. Changing the Administrative Borders of the Self-Governing Unit**

- 1. The Government of Georgia applies to Parliament of Georgia with the recommendation on the alteration of the administrative borders of self-governing units by its own initiative based on the consultations with the Sakrebulo(s) of self-governing units or with the population or based on the proposal of the Sakrebulo(s) of self-governing units. Parliament of Georgia makes a decision about the alteration of administrative borders of self-governing units.
- 2. In the recommendation on the alteration of administrative borders of self-governing unit the following should be specified:
  - a. the justification of the need of the alteration of administrative borders of self-governing units;
  - b. the results of the population poll of the self-governing units on the alteration of the administrative borders of self-governing units;
  - c. new borders and schematic maps of the self-governing units.

## **Article 13. Registration of the Self-Governing Unit.**

1. The Ministry of Justice shall perform the registration of the self-governing unit based on the registration data.
2. Self-governing unit registration data shall be the following:
  - a. the name of the self-governing unit;
  - b. settlements belonging to the self-governing unit;
  - c. the date and identification code of registration of the self-governing unit;
  - d. administrative borders and schematic map of self-governing unit.

#### **Article 14. The Rule of Solving the Dispute about Creation, Abolishment and Alteration of Administrative Borders of Self-Governing Unit**

The decision of the Parliament of Georgia on creation, abolishment and alteration of administrative borders of the self-governing unit can be appealed to the court in conformity with the Georgian legislation.

### **Chapter 3 Authority of the Self-Governing Unit**

#### **Article 15. The Types of Authorities of the Self-Governing Unit**

1. The types of authorities of the local self-government unit are as follows:
  - a. exclusive authority;
  - b. delegated authority;
  - c. voluntary authority.
2. Self-governing unit exercises exclusive, delegated and voluntary authorities with the help of the representative and executive bodies the authorities, structure and rule of work of which shall be determined by the Rules of Procedure of the Sakrebulo and statute of Gamgeoba (City Hall) in conformity with the present law.

#### **Article 16. Exclusive Authorities of the Self-Governing Unit**

1. Self-governing unit perform its exclusive functions in compliance with the rule established by the Georgian legislation independently and at their own responsibilities. Exclusive authorities of the self-governing unit shall be defined by the present law.
2. Exclusive authorities of the self-governing unit are as follows:
  - a. management and disposal of the property under the ownership of the self-governing unit;
  - b. management and disposal of the land resources under the ownership of the self-governing unit according to the Georgian legislation;
  - c. review, approval of the budget of the self-governing unit, introduction of amendments and additions to it, hearing of the reports on the budget execution and its assessment;
  - d. introduction of local taxes and fees, definition of their rates within the limits envisaged by the law;
  - e. collection of local fees;
  - f. land use planning, division of self-government unit territories by zones (planting, recreational, industrial, commercial and other special zones), demarcation and alteration of their borders;
  - g. management of forest and water resources of local importance;
  - h. issuance of permissions on constructions, supervision over the construction underway on the territory of the self-governing unit;

- i. regulation of local passenger transportation;
  - j. regulation of outdoor trade;
  - k. regulation of placement of outdoor advertisements;
  - l. setting housing and communal service tariffs and service rules; determining vehicle parking lots, planning of cleaning and lightening of the streets of settlements, water supply, drainage and sewage system, planning and implementation of collection of solid waste and utilization works or conducting municipal purchases for their implementation, maintenance of cemeteries;
  - m. maintenance, construction and development of the roads of local importance;
  - n. performance of social-cultural activities and support to the activities of the relevant objects (archives, libraries, museums, educational and children institutions, etc.) having local importance.
  - o. establishment of pre-school educational institutions, approval of their statute, appointment of a person responsible for the representation and control of their affairs;
  - p. spatial - territorial arrangement of the self-governing unit in compliance with the Georgian legislation;
  - q. approval of priorities of social-economic development of the self-governing unit, of the municipal programs and plans;
  - r. mobilizing the resources in the spheres of health and social defense/ social welfare on the territory of self-governing unit, working out, implementing and informing the population about the appropriate events/actions, such as the creation of safety environment for people's health, the establishment of the wholesome manner of life and the identification of risk factors concerning the health;
  - s. municipal fire safety of the self-governing unit;
  - t. traffic planning on the territory of the self-governing unit except international and national roads;
  - u. regulation of the issues in regard to organizing meetings, rallies, demonstrations according to the rule set by legislation;
  - t. local purchases;
  - u. giving names and numbers to the streets and squares;
3. It is inadmissible for self-governing unit to use its exclusive and voluntary authority in the way, which can cause violation of the requirements of the Georgian legislative act, restriction of free trade between the self-governing units, or pose/ constitute a threat to implementation of citizens' constitutional rights and liberties.

### **Article 17. The Rules and Terms for the Delegation of Authorities**

1. Delegation of the authorities to the self-governing unit by the state governance bodies shall be allowed on the basis of legal acts of Georgia as well as the Agreement that shall be accompanied by the transfer of commensurate material and financial resources;
2. While exercising the authorities delegated by the state bodies, self-governing unit and relevant services are supervised by a state body authorized to by law or relevant agreement;

### **Article 18. Voluntary Authority**

Within the frames set by the Georgian legislation the self-governing unit shall be entitled at its own initiative to make decision on creation and development of social, cultural and educational infrastructure not belonging to its exclusive authorities or to the authorities of the state body and is not prohibited for the self-governing unit.

## **Chapter 4**

### **Local Self-Government bodies and Officials**

#### **Article 19. Local Self-Government Bodies**

1. The representative body of the local self-government is Sakrebulo.
2. The executive body of the local self-government is Gamgeoba (City Hall).

#### **Article 20. Officials of Local Self-Government**

The officials of the local self-government are:

- a. The Chairman of Sakrebulo and Deputy Chairman of Sakrebulo who are elected by the Sakrebulo from its members according to the present law, for the Sakrebulo term of office;
- b. The chairpersons of the Sakrebulo commissions who are elected by the Sakrebulo from its members according to the present law for the Sakrebulo term of office;
- c. The chairpersons of the factions of Sakrebulo
- d. The Gamgebeli of municipality and the Mayor of self-governing city who is elected by the Sakrebulo by the majority of its listed members; The deputy Gamgebeli (Mayor) who is appointed/discharged by Gamgebeli (Mayor) in accordance with the rules specified in the Georgian Law “on Public Service”
- e. The heads of the structural units of the Gamgeoba (City Hall) who according to the rule set by the Law of Georgia on Public Service shall be appointed or discharged from the office by the Gamgebeli (Mayor);
- f. The head of territorial body of Gamgeoba (City Hall) - the trustee of Gamgeoba (City Hall), who according to the rule set by the Law of Georgia on Public Service shall be appointed or discharged from the office by the Gamgebeli (Mayor);

## **Chapter 5**

### **Authorities and Rule of Activities of Local Self-Government Representative Body**

#### **Article 21. Sakrebulo**

1. The Sakrebulo consists of the members who are elected by Georgian citizens residing on the respective territory in conformity with the rules set by the Georgian legislation through direct, general based on equal election rights by secret ballot with the four years of term of office.
2. In the self-governing city, the number of the Sakrebulo members shall be defined as follows: 10 members shall be elected through the proportional system and 5 members elected through the majoritarian system of elections..
3. In the municipality, the number of the Sakrebulo members shall be defined as follows: one majoritarian from each community under the respective municipality and 10 members elected through the proportional system conducted on the territory of municipality.
4. The rule of election of Sakrebulo shall be defined by the present law and the Georgian Organic Law on the Elections.

#### **Article 22. Special Authorities of the Sakrebulo**

1. The special authorities of the Sakrebulo are as follows:



- a. to elect the Chairman and Deputy Chairman of Sakrebulo;
  - b. to set up Sakrebulo commissions, to elect chairpersons of the commissions, to approve the composition of the commissions, and to make changes to the composition;
  - c. to create and abolish temporary working groups of the Sakrebulo, to approve their composition and to make changes to it;
  - d. to make decision on recognizing the authority of the Sakrebulo members and termination of the office period before the set term;
  - e. to control the activities of local self-government executive bodies and officials, hearing and assessing their reports;
  - f. to elect the Gamgebeli (Mayor) and determine work conditions and amount of the salary.
  - g. to create and abolish communities (district of self-governing city)
  - h. to approve the Sakrebulo staff and the Gamgeoba (City Hall) structure;
  - i. to approve the statute (rules of procedure) of the Sakrebulo, the statutes of the Sakrebulo Staff, Gamgeoba (City Hall) and its structural units;
  - j. to approve the amount of official salary of the local self-government officials based on the norms defined by the Georgian legislation;
  - k. To create, reorganize and liquidate local services and legal entities in compliance with the rule set by the Georgian legislation.
  - l. on behalf of the self-governing unit to give consent on concluding agreements and contracts;
  - m. to review local self-government unit budget, make amendments and additions, to approve draft budget, to amend it, to hear budget execution report and evaluate it in conformity with the rule and time-frame set by the Georgian legislation on the recommendation of Gamgebeli (City Hall);
  - n. to approve perspective plans and programs of social-economic development of the self-governing unit and to carry out control over their implementation;
  - o. to introduce local taxes and fees;
  - p. to define the rates of local taxes and fees within the limits set by the legislation;
  - q. to define the regulatory norms for local passenger transportation, outdoor trade, outdoor advertisement;
  - r. to define the rule of management of the property, land, forest and water resources under self-governing unit possession;
  - s. to plan land use, to divide the territory of the self-governing unit into zones, to define and alter their borders;
  - t. to define the rules of service and tariffs on communal services by the rule set out in the Georgian legislation;
  - u. to approve the priorities for the self-governing social economic development as well as municipal programs and plans;
  - v. to adopt decisions related to the planning of traffic except international and national roads;
  - w. to regulate the issues related to meetings, gatherings, demonstrations in compliance with the Georgian legislation;
  - x. to plan local purchases;
  - y. to give names and numbers to the streets and squares;
  - z. to make borrowings or get grants at the permission of the Georgian Government in compliance with the legislation;
  - za. To give its consent to the Gamgebeli (Mayor) on making contracts the cost of which exceeds 5% of the self-governing unit's budget.
  - zb. other authorities defined by the present law.
2. The rights specified by this article cannot be delegated to other bodies.

### **Article 23. The First Gathering and Meeting of the Newly Elected Sakrebulo**

1. The first meeting of the newly elected Sakrebulo shall be held within two weeks after publication by the respective election commission of the final report on the election results. The date for the first meeting of the newly elected Sakrebulo shall be defined by the respective election commission chair. The Sakrebulo shall start functioning if the respective election commission recognizes the election of not less than 2/3 of the total composition of the Sakrebulo.
2. The first meeting of the newly elected Sakrebulo shall be announced open if it is attended (registration has passed) by more than half of its total number of members. The Chair of the respective election commission shall open the first meeting of the newly elected Sakrebulo. The oldest member of the Sakrebulo shall chair the Sakrebulo meetings before the election of the Sakrebulo chair.
3. The first meeting of the newly elected Sakrebulo shall be considered valid if the number of the Sakrebulo members whose authorities were recognized by the Sakrebulo shall be no less than 2/3 of the total composition of the Sakrebulo. Starting from this point, the authority of the previously elected Sakrebulo shall be considered terminated.
4. If the number of the Sakrebulo members whose authorities were recognized by the Sakrebulo is less than 2/3 of the total composition of the Sakrebulo, its meeting shall be adjourned. The following meeting of the newly elected Sakrebulo shall be convened by the chair of the respective election commission within ten days after the day when it becomes possible to raise the issue of the authorities of that many Sakrebulo members that is sufficient to make up 2/3 of the total number of Sakrebulo members.
5. If in the term defined by the paragraph 4 of this article the authorities of appropriate number of Sakrebulo members is not recognized, new elections will be appointed.

### **Article 24. Organization of the Work of the Sakrebulo Meetings**

1. The following meetings of the Sakrebulo at least once in a month shall be convened by the Chairman of Sakrebulo; the Deputy Chairman - in cases defined by this Law
2. Extraordinary meetings of the Sakrebulo shall be convened:
  - a. on the proposal of the Sakrebulo Chairman;
  - b. on the proposal of the Gamagebeli (Mayor);
  - c. on the requirement of not less than 1/3 of the listed members of the Sakrebulo;
  - d. on the proposal of the faction;
  - e. on the requirement of not less than 3% of the overall number of the electorate;
3. Within one week from filing a proposal for the extraordinary Sakrebulo meeting, it shall be convened by the Sakrebulo Chairman. In case the meeting is not convened by the Chairman within one week from filing a proposal for the extraordinary meeting, the Sakrebulo shall be authorized to convene. The Chairman shall ensure the notification of the Sakrebulo members about the extraordinary meeting on the basis of a written notice/appeal from the initiator of the meeting. In case if the Chairman or Deputy Chairman is not present at the meeting, it shall be chaired by the oldest member of the Sakrebulo present at the meeting.
4. The rule of Sakrebulo functioning shall be defined by Sakrebulo statute (rules of procedure).

### **Article 25. The Rule for Reviewing the Issues in the Sakrebulo**

1. The Chairman shall chair the Sakrebulo meeting as a rule. In case of his/her absence the meeting shall be chaired by the Deputy Chairman.

2. The Sakrebulo meeting shall be authorized if it is attended by more than half of its total members;
3. The Sakrebulo meetings shall be open and public;
4. The Sakrebulo meeting shall be announced closed upon the order of the Sakrebulo if the disclosure of the data to be discussed at the meeting is prohibited or limited by law;

#### **Article 26. Rule for Balloting at the Sakrebulo Meetings**

1. The issues within the Sakrebulo competence, as a rule, are solved at its meetings by open ballot. Secret ballots are used when personal issues are to be dealt with. Upon the decision of the Sakrebulo, secret ballot can be applied when solving other issues as well.
2. The decisions (ordinances, resolutions) of the Sakrebulo shall be made by the majority vote of those present, if not otherwise defined by the present law.
3. The Sakrebulo member shall vote personally. Passing the right to vote to others is not allowed.

#### **Article 27. The Protocol of the Sakrebulo meeting**

1. The time and venue of the Sakrebulo meeting, the family names of those present, the issues to be discussed and those actually discussed, the decisions made, as well as special views expressed by those present shall be entered into the Protocol of the Sakrebulo meeting.
2. The protocol of the Sakrebulo meeting shall be signed by the chairman of the meeting;
3. The Protocol of the Sakrebulo meeting shall meet the requirements set for administrative documents.

#### **Article 28. Sakrebulo Commissions**

1. The Sakrebulo commissions shall be created with the purpose to preliminary prepare the issues to be raised in the Sakrebulo to support the implementation of the made decisions and to control the Gamgeoba (City Hall) and its structural units.
2. The chairpersons of the Sakrebulo commissions shall be elected from the Sakrebulo members. The members of the commissions upon the recommendation of the chairperson of the respective commission shall be approved by the Sakrebulo, while maintaining the proportional representation of the factions. Only a member of the Sakrebulo can be a member of a commission. According to the Sakrebulo statute, other persons can be invited by the chairperson of the commission to work for the commission temporarily or during the term of the authority of the commission. The work of the invited persons may or may not be remunerated.
3. The rule of work of the Sakrebulo commissions shall be determined by the Sakrebulo statute (Rules of Procedure) in conformity with the Georgian legislation.

#### **Article 29. Temporary Working Groups**

1. The Sakrebulo is authorized to create temporary working groups on as needed basis to look into particular issues.
2. The members of the temporary working groups as well as their chairs shall be elected by the Sakrebulo from its members with the term of office of the working group that shall not exceed three months.

#### **Article 30. Sakrebulo Bureau**

1. The Sakrebulo bureau shall consist of the Chairman, Deputy Chairman and Chairpersons of the standing Commissions of the Sakrebulo and the chairpersons of factions;
2. The Sakrebulo Bureau shall:
  - a. Work out the agenda for the Sakrebulo meetings, as well as Sakrebulo draft work-plans and draft working programs;

- b. Coordinate the activities of the Sakrebulo commissions and temporary working groups; approve the statutes of the working groups;
- c. Reviews the conclusions and recommendations of the Sakrebulo commissions and temporary working groups on the draft legal acts to be discussed at the Sakrebulo meetings;
- d. Selects and presents a candidate for the position of Gangebeli (Mayor) to Sakrebulo on the basis of the competition;
- e. Hears the reports of Gangebeli (Mayor), heads of bodies created by Sakrebulo and officials;
- f. Exercises other authorities defined by the Sakrebulo statute (Rules of Procedure);

### **Article 31. Sakrebulo Faction**

1. The Sakrebulo members have the right to form or join factions. The rule of creation and activities of the faction, as well as its authority shall be defined by the Sakrebulo statute (Rules of Procedure).
2. The number of the Sakrebulo faction members shall not be less than three persons.
3. The Sakrebulo member has the right to join only one faction.
4. Establishment of a faction is valid on the party as well as on non-party basis.
5. Establishment of Sakrebulo members' union in the form of faction, on the basis of national, territorial or any other specific interests (religious, professional, etc.) is inadmissible.

### **Article 32. Status of Sakrebulo Member**

1. The authority of a Sakrebulo member shall start on the day of recognition of its authority and shall finish as soon as the first meeting of a newly elected Sakrebulo convenes or as soon as the Sakrebulo member's authorities are terminated before the term of the office.
2. The Sakrebulo members' authorities, rule of activities and guarantees shall be determined by the Georgian Law on the Status of the Member of the Local Representative Body - Sakrebulo and other normative acts.
3. The Sakrebulo members shall exercise their authorities without stopping their entrepreneurial or office work. The Sakrebulo member is obliged to be a member of one and not more than two standing commissions of the Sakrebulo.
4. The Sakrebulo member exercises his/her authorities without terminating his/her office work and without remuneration.

The activities of the following officials of Sakrebulo are remunerated:

1. Sakrebulo Chairman
  2. Deputy Chairman
  3. Chairman of Sakrebulo commission
  4. Chairman of Sakrebulo faction
5. The authorities of the Sakrebulo member shall be terminated before the expiration of the term of the Sakrebulo in the following cases:
    - a. upon his/her personal request;
    - b. if the verdict of guilty against him/her is issued by court;
    - c. the court finds him/her incapable of functioning, lost or deceased;
    - d. if he/she stops to be the citizen of Georgia;
    - e. if he did not participate in the Sakrebulo work without any well-grounded excuse for 6 months;
    - f. If he/she has been appointed, or elected on the position inappropriate for the Sakrebulo member according to this article
    - g. if he/she dies;

6. The Sakrebulo member does not have the right to:
  - a. Be a member of another representative body
  - b. Work in judicial body and bodies of the Ministry of Interior and the Ministry of Defense.
  - c. Work in the state body, which carries out state supervision functions over local self-government units in compliance with the legislation
  - d. Work in the Gamgeoba (City Hall) of self-government unit
  - e. Participate in managing enterprises of self-government unit (to be director, deputy director, a member of the Board of Directors, or the Supervisory Board, etc), also to be a director of the enterprise which is funded from the budget of self-government unit
7. The issue of termination of the authority of the Sakrebulo member shall be taken into consideration by the Sakrebulo without balloting except for sub-paragraph “e” of paragraph 5 of the present article.
8. On the basis of paragraph 6 of this article and in compliance with sub-paragraph of “f” of paragraph 5 of this article the Sakrebulo member’s authority will be terminated before the fixed term, on the following day after enforcement of the act about his/her nomination/election on the irrespective position.
9. If the Sakrebulo member fails to participate in the Sakrebulo meetings for 6 months without well-grounded reasons, one of the Sakrebulo commissions shall enquire the reasons for the absenteeism based on the rule envisaged by the Sakrebulo statute (Rules of Procedure). If the commission enquiries confirm that the reason for the absenteeism is not excusable, the commission shall prepare its recommendation/conclusion and shall submit it to the nearest Sakrebulo meeting. The Sakrebulo meeting shall make respective decision on the issue.
10. The Sakrebulo member has no right to use his/her authority defined by the law or related opportunities to meet his/her personal interests. The Sakrebulo member is obliged to make an announcement at the Sakrebulo commission meeting and refuse to participate in the decision-making and balloting process on the issues towards which he/she has property or other interests.

### **Article 33. The Sakrebulo Chairman**

1. The Sakrebulo Chairman is the Head of the self-governing unit and the representative body of the local self-government. He/she is elected by the Sakrebulo from its members for the term of office of the Sakrebulo if more than half of the listed members of the Sakrebulo vote for him/her. 1/5 of the Sakrebulo listed members have the right to name/put up a candidate of the Chairman.
2. The Chairman:
  - a. exercises representative authorities of the Sakrebulo;
  - b. signs the contracts and agreements concluded on behalf of the Sakrebulo and the self-governing unit;
  - c. signs the decisions, ordinances and protocols of the Sakrebulo and other official documents; represents and acts on behalf of the self-government unit in official procedures, performs other representative functions;
  - d. coordinates the process of drafting of programs of social-economic development of a self-government unit, as well as local budget formulation, implementation of the programs and budget execution;
  - e. convenes, opens, chairs, conducts and closes the meetings of the Sakrebulo;
  - f. ensures the adherence to the procedures envisaged by the Georgian legislation and the Sakrebulo statute (Rules of Procedure);

- g. makes list of persons wishing to express their views on the issues to be discussed, determines the order of speakers according to the Sakrebulo statute (Rules of Procedure) and gives the floor to the speakers;
  - h. puts up issues for ballot and announces the results of the ballots;
  - i. chairs the Sakrebulo bureau meetings;
  - j. appoints and dismisses the Sakrebulo staff members;
  - k. exercises other authorities envisaged by Georgian legislation and the Sakrebulo statute (Rules of Procedure);
  - l. supports cooperation and interrelationship between the members of the local representative and executive bodies
3. The Chairman shall be accountable to the Sakrebulo;
  4. The Sakrebulo may remove the Chairman. No less than 1/3 of the total number of the Sakrebulo members may raise the issue of the removal of the Chairman. The Chairman shall be considered removed provided that more than half of the Sakrebulo listed members vote for his/her removal.
  5. If according to paragraph 4 of this article the Sakrebulo could not dismiss the Chairman, it is prohibited to start procedures of the Chairman's dismissal within the next three months.
  6. If 1/3 of the total number of the Sakrebulo members could not manage to start the procedures of the Chairman's dismissal, they are not able to carry out the indicated function during the following three months.
  7. The Chairman shall have no right to occupy any position in the public service or to conduct entrepreneurial activities. Georgian Law on the Status of the Representative Body – Sakrebulo Member defines the cases of incompliance. In case of appointment, approval or election of the Chairman on a different position, his/her authorities shall be terminated.

#### **Article 34. Deputy Chairman of Sakrebulo**

1. Deputy Chairman shall be elected by the Sakrebulo from its members, for the term of office of the Sakrebulo if more than half of the listed members vote for him/her.
2. The candidate for the position of the Deputy Chairman could be nominated by the Chairman
3. Deputy Chairman shall perform the Chairman's functions under his/her instructions, if the Chairman is not able to perform his/her functions or if he/she resigns or is dismissed.
4. Deputy Chairman can be removed from his/her position by the Sakrebulo. The proposal on removal of the deputy Chairman from his/her position could be raised in writing by the Chairman, bureau or no less than 1/5 of the Sakrebulo members. The Deputy Chairman shall be considered removed if more than half of the Sakrebulo listed members vote for his/her removal.
5. The Deputy Chairman shall have no right to occupy any position in the public service or to conduct entrepreneurial activities. Georgian Law on the Status of the Representative Body – Sakrebulo member defines the cases of incompliance. In case of appointment, approval or election of the Deputy Chairman on a different position, his/her authorities shall be terminated.

#### **Article 35. Chairman of the Sakrebulo Commission**

3. 1. Chairman of the Sakrebulo commission shall be elected by the Sakrebulo from its members, for the term of office of the Sakrebulo by majority of its listed members. 1/5 of the Sakrebulo listed members have the right to name/put up a candidate of the chairman of the Sakrebulo Commission.
2. Chairman of the Sakrebulo commission:
  - a. convenes, opens, chairs, conducts and closes the meetings of the commission;

- b. ensures the adherence of the procedures envisaged by Georgian legislation and by the statute (Rules of Procedure) of the Sakrebulo and statute of commission;
- c. drafts the agenda for the meetings of the commission, makes the list of persons wishing to speak on the issues to be discussed, determines the order of speakers according to the rules set by statute and gives the floor to the speakers;
- d. puts up issues for ballot and announces the results of the ballots;
- e. signs the minutes of the commission meetings;
- e. acts on behalf of the commission;
- f. is accountable to the Sakrebulo;
- g. exercises other authorities envisaged by the Georgian legislation and the statute (Rules of Procedure) of the Sakrebulo and statute of the commission.

3. The Chairman of the Sakrebulo commission could be removed from his/her position by the Sakrebulo. The proposal on removal of the Chairman of the Sakrebulo commission from his/her position could be raised in writing by the Chairman, bureau or no less than 1/5 of the Sakrebulo members, 2/3 of the members of the respective commission. The Chairman of the Sakrebulo commission shall be considered removed if more than half of the Sakrebulo listed members vote for his/her removal.

4. The Chairman of the Sakrebulo commission shall have no right to occupy any position in the public service or to conduct entrepreneurial activities. Georgian Law on the Status of the Representative Body – Sakrebulo member defines the cases of incompliance. In case of appointment, approval or election of the Chairman of the Sakrebulo commission on a different position, his/her authorities as the Chairman of the Sakrebulo commission shall be terminated.

#### **Article 36. Chairman of the Faction**

- 1. The Chairman of the faction shall lead the Sakrebulo faction. The rule of election and authorities of the Chairman of the faction shall be determined by the faction statute;
- 2. The Chairman of the faction shall have no right to occupy any position in the public service or to conduct entrepreneurial activities. Georgian Law on the Status of the Representative Body – Sakrebulo member defines the cases of incompliance.

#### **Article 37. Staff of Sakrebulo**

- 1. The staff of Sakrebulo shall ensure organizational support for the Sakrebulo to function;
- 2. The Sakrebulo shall approve the structure of the Sakrebulo Staff and the statute of its structural units;
- 3. The Chairman of Sakrebulo shall appoint/discharge the Head and personnel of the Sakrebulo Staff in conformity with the Georgian legislation.

### **Chapter 6**

#### **The Structure and Authorities of the Local Self-Government Executive Body**

#### **Article 38. Gamgeoba (City Hall)**

- 1. The Gamgeoba (City Hall) implements the decisions of the Sakrebulo.
- 2. The Gamgeoba (City Hall) is composed of its structural units and territorial bodies.
- 3. The work of the Gamgeoba (City Hall) is lead by Gamgebeli (Mayor).
- 4. The Sakrebulo approves the Gamgeoba (City Hall) structure at the recommendation of Gamgebeli (Mayor).
- 5. The structural units of the Gamgeoba (City Hall) ensure the execution of the decisions of the Sakrebulo and the Gamgebeli (Mayor) in the respective sectors.

6. Territorial bodies of Gamgeoba (City hall) are established on the decision of the Sakrebulo in order to optimize governance of administrative units (settlements) under self-governing units and/or part (settlement districts) of the administrative units as well as to provide population with communal and other public services.
7. The authorities of the structural units of the Gamgeoba (City Hall) and of the territorial bodies shall be determined by the respective statute to be approved by the Sakrebulo at the recommendation of the Gamgebeli (Mayor).
8. The heads of the structural units of the Gamgeoba (City Hall) and of the territorial bodies, as well as other employees of the Gamgeoba (City Hall) shall be appointed and dismissed by the Gamgebeli (Mayor).

### **Article 39. The Rule of Election and Authorities of the Gamgebeli (Mayor)**

1. Gamgebeli (Mayor) is a public servant of local self-government, who is elected by the Sakrebulo listed majority for the term of the Sakrebulo office
2. A candidate of the Gamgebeli (Mayor) is selected on the basis of competition/testing. The Sakrebulo Bureau receives vacancy applications on the position of the Gamgebeli (Mayor) within 14 days after the announcement of the vacancy, or raising the issue of his/her dismissal from the office. From accepted application the Bureau selects qualified candidates and presents them to the Sakrebulo. The Gamgebeli (Mayor) will be considered as elected, if her/his candidature will be approved by more than half of the majority of the Sakrebulo listed members.
3. The Sakrebulo determines the working conditions and amount of the salary of the Gamgebeli (Mayor)
4. Gamgebeli (Mayor):
  - a. defines the directions of the Gamgeoba (City Hall) activities, coordinates and organizes the activities of the structural units and the territorial bodies of the Gamgeoba (City Hall);
  - b. elaborates and presents to the Sakrebulo for approval the statute of Gamgeoba (City Hall) and its structure; the statutes of the structural units and the territorial bodies of the Gamgeoba (City Hall);
  - c. according to the rules set by the Georgian Law on Public Service appoints and dismisses the heads of the structural units and territorial bodies and other employees of the Gamgeoba (City Hall);
  - d. annually prepares and submits the budget draft of self-governing unit for approval to the Sakrebulo; has authority to distribute appropriations allocated by the self-governing unit budget between line items of economical classification of one budgetary organization within the limits of 10% annual budget confirmed for this organization, without any amendments to the approved budget;
  - e. divides functions between the public servants of the Gamgeoba (City Hall), assigns tasks and reviews the reports of the heads of the Gamgeoba (City Hall) structural units and territorial bodies on the work performed;
  - f. approves the internal regulations, scopes of work and functions of the employees of the Gamgeoba (City Hall);
  - g. submits the report on the work performed by the Gamgeoba (City Hall) to the Sakrebulo;
  - h. based on the work plans of the Sakrebulo and agendas of the meetings coordinates the preparation of the respective issues; presents the issues, proposals, conclusions and recommendations to be discussed, prepared by the Gamgeoba (City Hall); coordinates the implementation of the decisions made by the Sakrebulo;



- i. is responsible for the activities of the Gamgeoba (City Hall) before the Sakrebulo;
  - j. within own competences makes decisions on the promotion of the employees of the local self-government bodies as well as imposing disciplinary measures on them;
  - k. ensures the performance of activities related to the execution of the exclusive authorities of the self-governing unit in compliance with the rules set by the Sakrebulo;
  - l. issues legal acts within own competences;
  - m. exercises other authorities defined by Gamgeoba (City Hall) statute and legal acts of the Sakrebulo.
5. The Gamgebeli (Mayor) is accountable to the Sakrebulo.
6. The Deputy Gamgebeli (Mayor) performs the functions of the Gamgebeli (Mayor) in case of the absence of the Gamgebeli (Mayor), his/her inability to perform the functions, as well as in case of his dismissal or resignation.
7. A member of local self-government representative body is not allowed to intervene in the activities of the Gamgebeli (Mayor) while making decisions about personal affairs.

**Article 40. Termination of the Authorities of the Gamgebeli (Mayor)**

1. The basis for the termination of the authorities of the Gamgebeli (Mayor) and dismissal from the position shall be the following:
- a. application in person;
  - b. effective court verdict of guilty;
  - c. recognition of being incapable, lost or deceased by the court;
  - d. termination of Georgian citizenship;
  - e. death;
  - f. vote of distrust by the Sakrebulo as defined by paragraphs 3-7 of this article.
2. The Sakrebulo takes into consideration the termination of authorities of Gamgebeli (Mayor) and his/her removal from the position without voting , except for the basis stipulated in subparagraph ‘f’ of paragraph 1 of the present article.
3. The issue of dismissal of the Gamgebeli (Mayor) based on the vote of distrust in front of the Sakrebulo shall be raised by 1/3 of the total number of Sakrebulo members. The issue of dismissal of the Gamgebeli (Mayor) within the first three months of his selection as well as during the last three months of the term of office of the Sakrebulo shall be inadmissible. The issue of dismissal of the Gamgebeli (Mayor) could be included in the agenda *additionally*, as to the balloting procedure on this issue, it shall be conducted no earlier than one.
4. In the period between the raising the issue of the dismissal of the Gamgebeli (Mayor) and balloting by the Sakrebulo members, a new candidate for the position of the Gamgebeli (Mayor) should be nominated.
5. If several candidates are nominated for the position of the Gamgebeli (Mayor), the concurrent voting shall be made and the candidate who receives the more than half of votes of the total composition of the Sakrebulo shall be considered the winner.
- 6 The previous Gamgebeli (Mayor) shall be considered dismissed from the position and his/her authorities – terminated if the Sakrebulo elects new Gamgebeli (Mayor),
7. If during a month after raising the issue about the dismissal of the Gamgebeli (Mayor) from the position, the candidate for new Gamgebeli (Mayor) is not nominated or elected, the issue shall not be raised for six months following the day when the it had been raised.
8. The Gamgebeli (Mayor) will be considered dismissed from the date of the submission of the application in person according to the Georgian legislation.

9. If the bases for termination of the authorities is different from those specified in paragraphs 3-7 of this article, the new Gamgebeli (Mayor) shall be selected by the Sakrebulo within one month.

#### **Article 41. The Head of the Structural Unit of the Gamgeoba (City Hall)**

1. The head of the structural unit of the Gamgeoba (City Hall) is a public servant of local self-government, which shall be appointed or dismissed by the Gamgebeli (Mayor) according to the rules envisaged in the Georgian Law on Public Service. The dismissal of Gamgebeli (Mayor) is the basis to discharge the head of structural unit.
2. The head of the structural unit of Gamgeoba (Mayor):
  - a. conducts the work of the respective structural unit and is responsible for the implementation of the functions and duties assigned to this unit;
  - b. divides functions among the staff of the structural unit;
  - c. presents to Gamgebeli (Mayor) proposals on the issues related to the personnel of the structural unit; on the promotion of the employees or imposition of disciplinary responsibilities on them; on the use of annual or additional leave, business trips, training and education;
  - d. determines the rule, forms and methods for the organization and planning of the work of the structural unit; elaborates scopes of work for the staff of the structural unit;
  - e. presents to the Gamgebeli (Mayor) the issues, proposals, conclusions and recommendations prepared by the structural unit;
  - f. periodically presents to the Gamgebeli (Mayor) reports on the work performed by the structural unit;
  - g. the head of the structural unit is accountable to the Gamgebeli (Mayor);
3. The Gamgebeli (Mayor) supervises the work of the structural unit of Gamgeoba (City Hall);

#### **Article 42. Head of the Territorial Body of the Gamgeoba (City Hall)**

1. The head of the territorial body of the Gamgeoba (City hall) – trustee - is a public servant of local self-government, which according to the rule set by the Law on Public Service is appointed and dismissed by the Gamgebeli (Mayor) with the term of one year.
2. The trustee exercises his authority according to the statute approved by the Sakrebulo in the settlement/a group of settlements/a part of a settlement under self-government unit.
3. The Trustee:
  - a. leads the activities of the territorial body;
  - b. ensures the communication of the population with the local self-government bodies;
  - c. organizes and controls, and provides the Gamgebeli (Mayor) with the information on the implementation of the decisions made by the Sakrebulo and the Chairman on the territories under subordination;
  - d. makes proposals to the Gamgebeli (Mayor) on the problems existing on the territories under subordination and on the possible ways of their solution;
  - e. ensures the collection of statistical and other data; informs the population on the decisions made by local self-government bodies;
  - f. organizes the public opinion polls and public debates;
  - g. is accountable to the Gamgebeli (Mayor);
  - h. exercises other authorities in conformity with the Georgian legislation and the statute;
4. The Gamgebeli (Mayor) supervises the work of the territorial body of the Gamgeoba (City Hall).

## **Chapter 7.**

### **Legal Acts of the Local Self-government**

#### **Article 43. Legal Acts of the Bodies of Local Self-Government and Officials**

1. The bodies of local self-government and officials shall issue relevant legal acts within the competences specified by Georgian legislation;
2. The ordinance of the Sakrebulo is the normative act of the representative body of local self-government. The rule for preparation, adoption, publication, implementation, registration and systematization of the normative acts of the Sakrebulo shall be determined by the present law, the Law of Georgia on Normative Acts, the statutes of local self-government bodies and other normative acts;
3. Individual legal acts of local self-government bodies and officials are:
  - a. the Chairman's order;
  - b. Sakrebulo ordinance;
  - c. Order of the Gamgebeli (Mayor);
4. The rule for preparation, adoption, publication, implementation, registration and systematization of legal acts shall be determined by the present law, the statutes of the local self-government bodies and other normative acts.

#### **Article 44. Suspension and Cancellation of the Decisions Made by Local Self-Government Bodies**

1. The decisions made by the local self-government bodies and their officials can be changed only by the same bodies or officials themselves only.
2. The Sakrebulo decision can be repealed upon its own or on court decision.
3. State authorities that delegated some of their authorities to the local self-government bodies can suspend or/and repeal the decisions made within the limits of the delegated authorities.
4. The right to suspend and cancel the legal acts of the Gamgebeli (Mayor) shall have the Sakrebulo as well as courts in conformity with the Georgian legislation.

## **Chapter 8**

### **Financial -Economic Foundations of the Local Self-government**

#### **Article 45. Economic Foundations of the Self-Governing Unit**

Economic bases for self-governing unit is provided by the property and finances of the self-governing unit, the property in the state ownership, which is transferred to the self-governing unit with the management right, also other assets provided for by the law to satisfy public interests of the population of the self-governing unit.

#### **Article 46 . Property of the Self-Governing Unit**

1. The property of the self-governing unit is the property handed over to the self-governing unit by the state government, or the property generated or purchased by the self-governing unit in compliance with the Georgian legislation.

2. The self-governing units are independent in exercising their property rights. Interference of the bodies of the state authorities into the issues of property ownership, management and disposal by self-governing unit shall be prohibited, except for the cases envisaged by the Georgian legislation.
3. Local self-government bodies while owning and disposing the property of the self-governing unit shall protect its interests as the legal interests of the owner.
4. The rules for creation of the property of the self-governing unit, its sources and categories, also the rule for transferring of the property under the state ownership to the self-governing unit shall be defined by the law of Georgia on the Property of the Local Self-Governing Unit.

#### **Article 47. Land and Natural Resources**

The local self-government unit owns:

- a. non-agricultural land (roads, streets, squares, etc *of local importance*) on the territory of the self-governing unit, except for the land plots under the private ownership and attached to the state property and to the property existing by the state's stake participation; and also for the land plots under the indicated category of property (state land or public property with State's share in it), subject to attachment according to the rule set by Georgian legislation;
- b. the land attached to the objects owned by the self-governing unit;
- c. the agricultural land on the territory of self-governing unit, except for:
  - ca. cattle pasture routes;
  - cb. agricultural lands within 500 meters of the border line;
  - cc. lands of preserved territories;
  - cd. land plots for historical and cultural, natural and religious monuments;
  - ce. state forest stock land;
  - cf. land transferred to the budgetary organizations and public legal entities in the form of usufruct;
  - cg. land of water stock;
  - ch. land under the private ownership;
  - ci. agricultural land subject to privatization according to the Law of Georgia on Privatisation of the State Owned Agricultural Land"
- d. forests and water resources on the territory of the self-governing unit having local importance;

#### **Article 48. Local Purchases**

1. Purchase of services by local self-government bodies by means of funds allocated in the local budget, shall be conducted by the rule set in the law of Georgia on Purchases.
2. To provide the population with public services the local self-government bodies within relevant authorities shall establish the rules for rendering public services, conclude agreements with legal and physical entities, control adherence to the conditions envisaged by the agreement and rules of rendering the service.
3. To render public services, the local self-government body shall have the right to set up a legal person in the organizational-legal form set by the law only in the case if in the self-government unit no entrepreneur subject renders the service of similar form. If a private entrepreneur subject renders such a service, the local self-government body shall be liable to privatize or liquidate the enterprise under the ownership of self-governing unit.

## **Article 49. Basic Principles of Local Budget Formation**

1. The budget of self-governing unit is the main financial plan of the revenues of local self-government bodies and the payments for fulfillment of their functions and liabilities.
2. Local budget is independent from any other self-governing unit budget, as well as the State Budget of Georgia and budgets of Abkhazeti and Adjara Autonomous Republics.
3. The rules for drafting, reviewing, executing and reporting of the local budget shall be defined by this Law, Law on Budget System, Law of Georgia on Budget of self-governing unit and other normative acts.

## **Article 50 Revenues of Self-Government Unit Budget**

1. The own revenues of self-governing unit budget are as follows:
  - a. local taxes;
  - b. local fees and other non-tax revenues envisaged by the Georgian legislation
  - c. capital revenues;
  - d. equalization transfer;
  - e. loan;
  - f. grant;
  - g. other revenues envisaged by the Georgian legislation
2. The finances allocated from other budgets to the budget of self-governing unit are:
  - a) special transfer;
  - b) conditional transfer;
  - c) conditional subventions and subsidies
3. The rate of local taxes and fees shall be defined by Sakrebulo taken into consideration the limits set by the Georgian legislation. Tax bodies shall ensure the collection of tax revenues in local budget according to the rules set by the legislation. The collection of local fees, capital revenues and non-tax revenues shall be ensured by the services of respective self-governing unit.
4. Equalization transfers shall be transferred from state budget to the budget of self-governing unit for the purpose to perform its exclusive functions as financial support. The rule for calculation of the amount of equalization transfer shall be defined by the Law on the Budget of Local Self-Governing Unit.
5. Conditional transfer is financial provision for ensuring the performance of delegated functions by the self-governing unit. Conditional transfer shall only be used to perform the authorities delegated by the state.
6. Special transfers to the budget of self-governing unit shall be used to fund the expenditures for the liquidation of the results of ecological and other kinds of calamities, specific capital and other necessary expenditures.
7. Self-governing unit can take loan or grant only from the Government of Georgia or with its authorisation in compliance with the Georgian legislation.
8. The decisions made by the Highest State Authorities of Georgia as well as the state authorities of Adjara and Abkhazeti Autonomous Republics that shall increase the expenses or decrease revenues of self-governing unit shall be reimbursed by the body that made the decision.

## **Article 51. Expenditures of Self-Governing Unit Budget**

1. Self-governing unit within its authority can spend the revenues received from any other sources independently and at its own discretion except for the conditional transfer, special transfer, conditional subvention and conditional subsidy.
2. The self-governing unit shall independently define the direction of expenditures and the programs to be financed for the execution of the exclusive and voluntary authorities under this law.
3. Administrative expenses of the self-governinhg unit shall not exceed 10 percent of the budget expenditures.
4. A reserve fund may be created within the budget of self-governing unit for the purpose of funding unforeseen and emergency expenditures. The amount of the Reserve Fund shall not exceed 2% of the total budget of self-governing unit. The Sakrebulo defines the rule of disposal of the Reserve Fund.
5. The part of funds that shall not be spent within the fiscal year shall be used next year.

## **Chapter 9**

### **Guarantees for Exercising Local Self-Governance**

## **Article 52. System Ensuring Performance of Local Self-Governance**

The state authorities shall be obliged to create all the necessary financial-economic, organizational and legal conditions envisaged by the law to ensure exercising the rights of local self-government bodies.

## **Article 53. Execution of the Decisions Made by Local Self-Government Bodies and Officials is Obligatory**

The decisions made by local self-government bodies and officials within their competence are compulsory for all physical persons and legal entities on the territory under the self-governing unit subordination, irrespective of their organizational-legal set up. They are also compulsory for the administrative bodies.

## **Article 54. Review of the Appeals of the Local Self-Government Bodies and Officials**

It is compulsory for the state authorities and officials as well as legal entities, institutions and organizations addressed to review the appeals of the local self-government bodies and officials.

## **Chapter 10**

## **Control over the Activities of the Local Self-Government Bodies and Officials**

### **Article 55. Forms of Control over the Activities of the Local Self-Government Bodies and Officials**

The forms of control over the local self-government bodies and official persons are as follows:

- a. state supervision;
- b. financial control;
- c. internal control.

### **Article 56. State Supervision over the Activities of the Local Self-Government Bodies and Officials**

The measures and rules for exercising state supervision over the activities of the local self-government bodies and officials shall be determined by the Georgian law On State Supervision over the Activities of the Local Self-Government Bodies.

### **Article 57. Forms of Financial Control**

1. The forms of financial control are:
  - a. audit;
  - b. financial inspection.
2. Audit is an inspection of financial documentation of local self-government bodies, which is conducted by an invited auditor not more than once a year based on a written demand of 1/3 of the Sakrebulo members.
3. Audit report and conclusion shall be submitted to the Chairman of Sakrebulo who will present it to the Sakrebulo. The auditor shall send the report and conclusion to the Chamber of Control of Georgia. An audit report shall be publicized.
4. The financial inspection shall be conducted by the Sakrebulo Financial Commission, which is conducted following the funds utilization, to determine the legality, expediency and effectiveness of reception and utilization of funds. Financial revision shall include identification of compliance with the law of the documentation on incurred expenses, financial accounting and reporting, relevant decision made by an authorized person (body), financial standards set by the legislation, also, determine the economic expediency-effectiveness of the utilization of funds.

### **Article 58. Internal control**

1. Internal control includes supervision over the observance of the Statute, internal regulations, instructions and other normative acts regulating the working process of the self-governing unit, officials and employees.
2. Internal control shall be performed by the Head of a relevant structural unit.

## **Chapter 11**

### **Responsibilities of Local Self-Government Bodies and Officials**

#### **Article 59. Responsibilities of the Local Self-Government Bodies and Officials to the State**

The issue of responsibilities of local self-government bodies and officials to the State shall be raised in case of violation of the Constitution of Georgia and Georgian laws by them.

#### **Article 60. Responsibilities of Local Self-Government Bodies and Officials to the Population**

The local self-government bodies and officials shall be liable to submit the report on the performed activities to the population in compliance with the law and rules determined by the statute of the local self-government bodies.

#### **Article 61. Responsibility of Local Self-Government Bodies and Officials to Physical Persons and Legal Entities**

The issue of responsibility of the local self-government bodies and officials toward the physical persons and legal entities shall be raised in compliance with the rule set by the Georgian legislation.

## **Chapter 12**

### **Suspension of the Sakrebulo Activities, its Recall or Termination before its Expiry Term**

#### **Article 62. Suspension of the Sakrebulo Activities and its Recall**

1. The Sakrebulo activities shall be suspended or recalled only in conformity with the terms and conditions of subparagraph 'i', paragraph 1, Article 73, of the Constitution of Georgia if the activities of the representative body shall create danger to the sovereignty of the state, territorial integrity as well as performance of constitutional authorities of the state bodies.
2. The President of Georgia shall issue a Decree on recalling the Sakrebulo or suspending its activities with the consent of the Parliament. In the case of recalling the Sakrebulo or suspending its activities the management of self-governing unit is implemented according to the rule set by the law.

#### **Article 63. Termination of Sakrebulo Authority before its Expiry Term**

1. Sakrebulo authority shall be terminated before its expiry date if:
  - a. the number of the Council reduces by more than half;
  - b. the Council fails to elect the Gamgebeli (Mayor) in 2 months;
  - c. the Council fails to approve the budget of self-governing unit formulated in compliance with Georgian legislation within 2 months from the adoption of State Budget;
2. The President of Georgia issues a Decree on the termination of the Sakrebulo authority.
3. In the case of terminating the Sakrebulo authority, the management of self-governing unit is implemented according to the rule set by the law.



## **Chapter 13**

### **Transitional Provisions**

#### **Article 64. Temporary Rules for Granting the Status of Self-Governing Unit**

1. The status of self-governing unit shall be granted as for January 1, 2006 to:
  1. cities of Georgia, which do not belong to rayon
  2. rayons of Georgia
  3. Eredvi, Kurta, Tighvi and Azhara communities;
2. The administrative centre in municipalities, that are agglomeration of settlements, shall be the administrative centre of the respective rayon as of January 1, 2006, as for Eredvi, Kurta, Tighvi and Azhara municipalities, the administrative centre of the respective communities as of January 1, 2006.
3. On the territory of Georgia which is not under Georgia's jurisdiction, the authority and rules of establishing the local self-government bodies will be determined after restoration of Georgia's jurisdiction in compliance with conditions set by this law.

#### **Article: 65 Legal Succession**

1. Municipality shall be the legal successor of the self-governing units under rayon as of January 1 2006.
2. Self-governing city shall be the legal successor of the city, which does not belong to the rayon as of January 1 2006.

#### **Article 66. Temporary Rules for Defining Administrative Borders of Settlements and Self-Governing Units**

1. The administrative borders of the settlements shall be considered the ones established at the moment of adoption of this law;
2. The administrative borders of the self-governing unit shall be set in accordance with the administrative borders of the settlements in the under a self-governing unit at the moment the law becomes enacted.

#### **Article 67. Creation of Necessary Legal Basis to Exercise Self-Governance**

1. Before September 1, 2006 shall be adopted:
  - a. Law of Georgia On State Supervision over the Activities of the Local self-Government Bodies;
  - b. Law of Georgia On the Budget of the Self-Governing Unit;
  - c. Law of Georgia about the citizens' direct participation in the implementation of self-governance.
2. In the period between the adoption of the law and the local self-government elections in 2006, current legislation of Georgia shall be brought in compliance with this law.

## **Chapter 14**

### **Conclusive Provisions**

## **Article 68. Enactment of the Law**

1. The Law shall become enacted in 2006 upon the day of official announcement of the results of the elections to the local self-government representative bodies. Articles 64-67 shall become enacted upon the publication of the law.
2. The Articles 64-67 shall become enacted on the day of the publication of the Law
3. After this law becomes enacted, the Organic Law of Georgia on Local Self-Government and Government shall become invalid.

President of Georgia

Mikheil Saakashvili

Tbilisi

December 16, 2005