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Local Government Organisation Act

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Amended by the following acts

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08.03.1994	RT I 1994, 19, 340	29.03.1994
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23.11.1994	RT I 1994, 84, 1475	12.12.1994
25.01.1995	RT I 1995, 16, 228	01.01.1996
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15.02.1995	RT I 1995, 26, 355	01.09.1995
21.02.1995	RT I 1995, 23, 334	01.04.1995
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20.12.1995	RT I 1995, 97, 1664	01.01.1996
30.04.1996	RT I 1996, 36, 738	07.06.1996
16.05.1996	RT I 1996, 37, 739	08.06.1996
28.05.1996	RT I 1996, 40, 773	08.06.1996
12.06.1996	RT I 1996, 48, 942	19.07.1996
11.12.1996	RT I 1996, 89, 1591	06.01.1997
29.01.1997	RT I 1997, 13, 210	02.03.1997
25.03.1997	RT I 1997, 29, 449	25.04.1997
26.03.1997	RT I 1997, 29, 450	25.04.1997
10.09.1997	RT I 1997, 69, 1113	04.10.1997
25.02.1998	RT I 1998, 28, 356	30.03.1998
16.06.1998	RT I 1998, 61, 984	16.07.1998
17.06.1998	RT I 1998, 59, 941	10.07.1998
20.01.1999	RT I 1999, 10, 155	01.03.1999
17.02.1999	RT I 1999, 27, 392	01.04.1999
22.02.1999	RT I 1999, 29, 401	28.03.1999
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consolidated text on paper RT	RT I 1999, 82, 755	
13.06.2000	RT I 2000, 51, 322	10.07.2000
27.09.2001	RT I 2001, 82, 489	01.01.2002
04.12.2001	RT I 2001, 100, 642	21.10.2002
13.03.2002	RT I 2002, 29, 174	01.07.2002
27.03.2002	RT I 2002, 36, 220	21.10.2002, partially 17.10.2005
22.05.2002	RT I 2002, 50, 313	01.09.2002
05.06.2002	RT I 2002, 53, 336	01.07.2002
19.06.2002	RT I 2002, 58, 362	20.07.2002
19.06.2002	RT I 2002, 61, 375	01.08.2002
19.06.2002	RT I 2002, 64, 390	29.07.2002
20.06.2002	RT I 2002, 64, 393	20.07.2002
30.07.2002	RT I 2002, 68, 407	07.08.2002

19.06.2002	RT I 2002, 63, 387	01.09.2002
18.09.2002	RT I 2002, 82, 480	24.10.2002
06.11.2002	RT I 2002, 96, 565	01.01.2003, partially 29.11.2002
13.11.2002	RT I 2002, 99, 579	01.01.2003
17.12.2002	RT I 2003, 1, 1	16.01.2003
18.12.2002	RT I 2003, 4, 22	23.01.2003
11.02.2003	RT I 2003, 23, 141	01.01.2004
17.12.2003	RT I 2003, 88, 588	01.01.2004
22.04.2004	RT I 2004, 41, 277	16.05.2004
28.06.2004	RT I 2004, 56, 399	25.07.2004
10.11.2004	RT I 2004, 81, 542	10.12.2004
15.12.2004	RT I 2004, 89, 610	01.06.2005
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12.05.2005	RT I 2005, 31, 230	17.10.2005, partially 01.01.2006
11.05.2005	RT I 2005, 32, 235	01.01.2006
07.06.2006	RT I 2006, 29, 218	08.07.2006
15.06.2006	RT I 2006, 32, 244	17.07.2006
21.12.2006	RT I 2007, 4, 19	01.09.2007
14.06.2007	RT I 2007, 44, 316	14.07.2007
10.12.2008	RT I 2008, 53, 293	17.12.2008
17.12.2008	RT I 2009, 5, 35	01.07.2009
20.05.2009	RT I 2009, 28, 170	01.07.2009
20.05.2009	RT I 2009, 30, 177	01.07.2010
26.11.2009	RT I 2009, 62, 405	01.01.2010
22.04.2010	RT I 2010, 19, 101	13.05.2010, partially 01.01.2013
22.04.2010	RT I 2010, 22, 108	01.01.2011, enters into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13 July 2010 (OJ L 196, 28.07.2010, p. 24–26).
16.09.2010	RT I 2010, 72, 543	01.01.2011, partially 01.01.2013
27.10.2010	RT I, 16.11.2010, 2	26.11.2010
09.12.2010	RT I, 17.12.2010, 21	01.01.2011
16.12.2010	RT I, 05.01.2011, 10	01.03.2011
23.02.2011	RT I, 18.03.2011, 1	01.07.2011
08.12.2011	RT I, 29.12.2011, 1	01.01.2012
06.06.2012	RT I, 29.06.2012, 1	01.04.2013, partially 01.01.2014
13.06.2012	RT I, 06.07.2012, 1	01.04.2013
13.06.2012	RT I, 10.07.2012, 2	01.04.2013
12.12.2012	RT I, 28.12.2012, 3	01.01.2013
27.02.2013	RT I, 19.03.2013, 1	20.03.2013
14.03.2013	RT I, 26.03.2013, 1	01.04.2013, partially 27.03.2013
07.11.2013	RT I, 22.11.2013, 1	01.01.2014

Chapter 1 GENERAL PROVISIONS

§ 1. Scope of application of Act

(1) The Local Government Organisation Act determines the functions, responsibility and organisation of local government and the relations of local governments with one another and with state bodies.

(1¹) The specifications of local government organisation on permanently inhabited small islands are provided for in the Permanently Inhabited Small Islands Act.

(2) The provisions of the Administrative Procedure Act apply to the administrative proceedings prescribed in this Act, taking account of the specifications provided for in this Act.
[RT I 2003, 23, 141 - entry into force 01.01.2004]

§ 2. Definition of local government

(1) Local government is the right, authority and duty of the democratically formed bodies of power of a local government provided for in the Constitution, a rural municipality or city, to independently organise and manage local issues pursuant to law and based on the legitimate needs and interests of the residents of the rural municipality or city, and considering the specific development of the rural municipality or city.

(2) Local government is:

- 1) based on the division of the territory of the state into administrative units;
- 2) exercised by democratically formed legislative and executive bodies and, with regard to local issues, by means of opinion polls or public initiative.

§ 3. Principles of local government

Local government is based on the following principles:

- 1) the independent and final resolution of local issues, and organisation thereof;
- 2) mandatory guarantee of everyone's lawful rights and freedoms in the rural municipality or city;
- 3) observance of law in the performance of functions and duties;
- 4) the right of the residents of a rural municipality or city to participate in the exercise of local government;
- 5) responsibility for the performance of functions;
- 6) transparency of activities;
- 7) provision of public services under the most favourable terms.

§ 4. Local government bodies

Local government bodies are:

- 1) the council – the representative body of a local government elected by the residents of the rural municipality or city with the right to vote pursuant to the Local Government Council Election Act;
- 2) the government – the executive body formed by the council.

§ 5. Rural municipality or city budget and right to impose taxes and duties

(1) Rural municipalities and cities have independent budgets pursuant to this Act and legislation concerning budgets and taxation.

(2) Councils have the right to impose taxes and duties pursuant to law.

§ 6. Functions and competence of local governments

(1) The functions of a local government include the organisation, in the rural municipality or city, of social assistance and services, welfare services for the elderly, youth work, housing and utilities, the supply of water and sewerage, the provision of public services and amenities, waste management, spatial planning, public transportation within the rural municipality or city, and the maintenance of rural municipality roads and city streets unless such functions are assigned by law to other persons.
[RT I 2009, 28, 170 - entry into force 01.07.2009]

(2) The functions of a local government include the organisation, in the rural municipality or city, of the maintenance of pre-school child care institutions, basic schools, secondary schools, hobby schools, libraries, community centres, museums, sports facilities, shelters, care homes, health care institutions and other local agencies if such agencies are in the ownership of the local government. Payment of specified expenses of such agencies from the state budget or other sources may be prescribed by law.
[RT I 2007, 4, 19 - entry into force 01.09.2007]

(3) In addition to the functions provided for in subsections (1) and (2) of this section, local governments resolve and organise local issues:

- 1) which are assigned to them by other Acts;
- 2) which are not assigned by law to other persons for resolution and organisation.

(4) Local governments fulfil state functions:

- 1) which are assigned to them by law;
- 2) which arise from a contract between an authorised state body and a specific council.

(5) Expenses incurred in the performance of functions assigned to a local government pursuant to clause (4) 1) of this section shall be covered from the state budget.

§ 7. Council and government legislation

(1) Councils and governments have the right to issue regulations as legislation of general application.

(2) Councils have the right to pass resolutions and governments have the right to pass orders as legislation of specific application.

(3) Legislation passed by a council or government is valid in the administrative territory of the local government.

(4) The rules of legislative drafting established by the Government of the Republic regarding draft Regulations of the Government of the Republic and draft Regulations of a minister apply to the draft regulations of councils and governments with the specifications arising from the legal status of local governments. The specific procedure for the implementation of rules of legislative drafting may be established by the council.
[RT I 2005, 31, 230 - entry into force 01.01.2006]

(5) The regulations of councils and governments shall be published in the *Riigi Teataja* as adopted original texts and as consolidated texts containing all the amendments on the basis thereof.
[RT I 2010, 19, 101 - entry into force 01.01.2013]

§ 8. Statutes of rural municipality or city

(1) The statutes of a rural municipality or city provide:

- 1) the procedure for the election of the chairman and deputy chairman or deputy chairmen of the council, the procedure for the formation, rights and duties of the council committees and the procedure for the election of the chairmen and deputy chairmen of the council committees;
- 2) the procedure for formation of the government, the procedure for the formation of the rural municipality or city mayor, the competence of the government;
- 3) the insignia of the rural municipality or city and the use thereof;
- 4) the procedure for the formation of the administrative agencies in the rural municipality or city;
- 5) the general principles of the preparation and amendment of the rural municipality or city development plan, budget strategy and budget, and financial management;
[RT I 2010, 72, 543 - entry into force 01.01.2011]
- 6) the specific procedure for the passage, disclosure and entry into force of rural municipality or city legislation.

(1¹) If a local government intends to create for the performance of the duties in the sphere of the professional activity of an internal auditor a corresponding position or corresponding structural unit, the statutes shall prescribe the general administration of internal auditing.
[RT I 2010, 72, 543 - entry into force 01.01.2011]

(2) The statutes of a rural municipality or a city shall be established by a regulation of the council and, in addition to the provisions of subsection (1) of this section, it may contain other provisions regulating the activities of the rural municipality or city.

§ 9. [Repealed - RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 10. Rural municipalities and cities as legal persons in public law

(1) Rural municipalities and cities are legal persons in public law, which are represented by the council, the chairman of the council, the rural municipality or city government and the rural municipality or city mayor or representatives authorised thereby, within the limits of their competence, on the basis of Acts, the statutes of the local government and pursuant to the established procedure.

(2) Rural municipalities and cities as legal persons in public law have independent budgets, bank accounts and insignia.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 11. [Repealed - RT I 1994, 84, 1475 - entry into force 12.12.1994]

§ 12. Right of local governments to form associations and joint agencies

Local governments have the right to form associations and joint agencies with other local governments on the bases of and pursuant to the procedure provided for in legislation.

§ 13. International cooperation of local governments

(1) Councils, governments and administrative agencies have the right, within their competence, to cooperate with all other local governments outside of Estonia and enter into contracts with them. Administrative agencies shall inform the council of such cooperation.

(2) Local governments have the right to become members of international organisations and to co-operate with such organisations.

(3) In relations with international organisations, a local government is represented by the council or representatives appointed by the council.

(4) Contracts which are to be entered into are subject to prior review and approval by the council if performance of the contracts involves expenses from the local government budget or other proprietary obligations are assumed.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 14. Flags, coats of arms, badges of honour, medals of office, honorary titles and other insignia of local governments

(1) A local government may have its own flag, coat of arms, badges of honour, medals of office, honorary titles and other insignia.

(2) Before the approval of the flag or the coat of arms of a local government, the sketch of the flag or the coat of arms shall be submitted to the State Chancellery for an opinion.

(3) The flag or coat of arms of a local government shall not be confusingly similar to the flag or coat of arms of another local government or the flag or coat of arms of another person which is historical or in use. The flag or coat of arms of a local government shall comply with the requirements for heraldry.

(4) The coat of arms of a local government may be used on the document forms and seals of local government bodies and agencies and in other places pursuant to the procedure for the use of the insignia of the rural municipality or city.

(5) The dimensions of a flag of a local government shall not exceed the dimensions of the national flag.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 15. Protection of rights of local governments

(1) A local government shall not be liquidated and its boundaries or name shall not be altered without hearing the opinion of the council of the rural municipality or city.

(2) A council has the right to organise opinion polls concerning essential issues among the residents of the territory of the local government.

(3) Local governments have the right of recourse to the courts for the protection of their lawful rights and for the resolution of disputes.

Chapter 2 COUNCIL

§ 16. Formation of council

(1) Councils are elected by general, uniform and direct elections by secret ballot for a term of four years pursuant to the Local Government Council Election Act. Voting is secret.

(2) [Repealed - RT I 2005, 31, 230 - entry into force 17.10.2005]

(3) [Repealed - RT I 2005, 31, 230 - entry into force 17.10.2005]

(3¹) [Repealed - RT I 2005, 31, 230 - entry into force 17.10.2005]

(4) The authority of the new membership of a council and of its members commences, and the authority of the previous membership of the council and of its members terminates, as of the date the election results are announced.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 17. Council member

(1) A council member is a person who is elected in accordance with the Local Government Council Election Act.

(2) Council members shall operate pursuant to law, rural municipality or city legislation and the needs and interests of the residents of the rural municipality or city.

(3) A council has the right to pay remuneration to its members for the participation in the work of the council and compensation for expenses incurred in the performance of tasks assigned to them by the council on the basis of the submitted documents pursuant to the rates and procedure established by the council.

(4) The position of chairman of the council and deputy chairman may be remunerative based on a resolution of the council. The chairman of the council or the deputy chairman of the council working in remunerative positions shall neither be paid such additional remuneration, compensation or benefit nor any advantages shall be applied in respect to such persons, which have not been decided by the council.
[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4¹) The duration of the annual holiday of the chairman of the council or the deputy chairman of the council working in remunerative positions shall be 35 calendar days and the holiday regulation provided for in §§ 54 and 59–71 of the Employment Contracts Act shall be applied in respect to such persons.
[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4²) Council members may be sent on official travel pursuant to the procedure established by the council. Travel expenses of council members shall be compensated pursuant to the conditions and the procedure provided for in the Public Service Act.
[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(5) A council member shall not participate in the debate and resolution of legislation of specific application in the council with regard to which a procedural restriction extends to him or her pursuant to the provisions of the Anti-corruption Act.
[RT I, 29.06.2012, 1 - entry into force 01.04.2013]

(6) In the case provided for in subsection (5) of this section, a council member is required to make a statement concerning his or her non-participation in the discussion of such item prior to the commencement of the debate of the items on the order of business. A corresponding notation is documented in the minutes of the council session. The quorum necessary for the debate and resolution of items shall be decreased by such council member.

(7) [Repealed - RT I, 29.06.2012, 1 - entry into force 01.04.2013]

§ 18. Premature termination of authority of council member

(1) The authority of a council member terminates prematurely:

1) if the council is unable to act;

1¹) due to commencement of the authority of the members of the council of a local government formed by merger in the period between regular elections;

2) due to the resignation of the council member;

3) due to the change in the permanent residence of the person if the permanent residence is not located in the rural municipality or city according to the data in the Estonian population register;

4) upon loss of Estonian citizenship;

5) due to the election of the council member to the office of the President of the Republic or as Member of the European Parliament, the appointment of the council member as the State Secretary, the Auditor General, the Chancellor of Justice, a county governor, judge or prosecutor;

6) due to appointment as an official of the same rural municipality or city local government or employment in an administrative agency of the same rural municipality or city based on employment contract;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

7) [Repealed - RT I, 10.07.2012, 2 - entry into force 01.04.2013]

8) due to entry into force of a conviction by a court for an intentional criminal offence or in connection with a court judgment which has entered into force and which annuls a resolution of the rural municipality or city election committee concerning the registration of the council member due to his or her failure to comply with the requirements provided for in the Local Government Council Election Act if commencement of proceedings regarding an appeal in cassation submitted to the Supreme Court was refused or the Supreme Court has reviewed the appeal and dismissed it;

9) due to divestment of active legal capacity with regard to the right to vote;

10) due to the death of the council member.

(2) In the case provided for in clause (1) 2) of this section, a council member shall submit an application, and in the case provided for in clauses (1) 3)–8) of this section the information to the rural municipality or city secretary.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(3) A rural municipality or city secretary shall send to the rural municipality or city election committee:

1) a corresponding notice within three working days after the circumstances provided for in clauses (1) 1), 3), 4), 5), 6), 7) and 10) of this section become known;

- 2) in the cases provided for in clauses (1) 8) and 9) of this section, the corresponding court judgment within three working days after the receipt thereof;
 - 3) in the case provided for in subsection (2) of this section, the corresponding application within three working days after the receipt thereof.
- [RT I 2006, 32, 244 - entry into force 17.07.2006]

§ 19. Suspension of authority of council member

(1) The suspension of the authority of a council member means the temporary release of the council member from the performance of the functions of a council member.

(2) The authority of a council member is suspended:

1) if the council member has been appointed as the rural municipality or city mayor, been approved as a member of the rural municipality or city government or appointed to a remunerative position of a member of the government in the same rural municipality or city;

1¹) for the duration of his or her authority as a member of the Riigikogu or the Government of the Republic until termination of his or her authority as a member of the Riigikogu or the Government of the Republic;

[RT I 2007, 44, 316 - entry into force 14.07.2007]

2) due to the imposition of preventive custody on the council member for more than three months;

3) on the basis of his or her application within the term indicated therein, which shall not be shorter than three months;

4) if he or she has been absent from council sessions during three consecutive months, taking no account of the months when the council sessions were not held.

5) for the period of time when he or she is in compulsory military service, alternative service or reserve service.

[RT I, 10.07.2012, 2 - entry into force 01.04.2013]

(3) The restriction provided for in clause (2) 1) of this section does not apply to rural municipality or city mayors elected by the previous membership and government members approved or appointed by the previous membership who are elected to the new membership of the council who continue their activity until the council confirms the membership of the new government.

(4) A rural municipality or city secretary shall send to the rural municipality or city election committee:

1) in the cases provided for in clause (2) 1) and subsection (3) of this section, the corresponding legislation within three working days after the passage thereof;

2) in the case provided for in clause (2) 2) of this section, the corresponding court ruling within three working days after the receipt thereof;

3) in the case provided for in clause (2) 3) of this section, the corresponding application within three working days;

4) a corresponding notice within three working days after the circumstances provided for in clauses (2) 4) of this section become known.

§ 20. Alternate council member

(1) In the cases provided for in §§ 18 and 19 of this Act, an alternate council member shall replace a council member. An alternate council member shall be designated by a resolution of the election committee on the basis of a list of alternate members approved by the election committee.

(2) The authority of a council member shall terminate prematurely in the cases provided for in subsection 18 (1) of this Act. The authority of an alternative council member shall commence upon the entry into force of the resolution of the rural municipality or city election committee.

(3) The authority of the member of the local government council is suspended, and the authority of the alternate member as council member commences upon the entry into force of the decision of the rural municipality or city election committee. The suspension of the authority of the member of the local government council and the designation of an alternate council member shall be formulated as a single resolution.

(4) A rural municipality or city election committee shall make the resolutions prescribed in §§18, 19 and 20¹ within five working days as of the receipt of the document which was the basis of the corresponding resolution and shall promptly send them to the rural municipality or city secretary. If upon the registration of an elected member of the council, the rural municipality or city election committee is aware that the council member is unable to participate in the work of the council or has submitted an application for declination due to the circumstances provided for in subsection 18 (1) or 19 (2) of this Act, the election committee shall immediately replace such council member by an alternate member.

(5) The alternate member of a council member who is elected in an electoral district is the first candidate of the same political party or election coalition to be registered as an alternate member who stood as a candidate in

the same electoral district. If the first alternate council member declines or is unable to participate in the work of the council due to the reasons specified in subsection 18 (1) or 19 (2) of this Act, the new council member shall be the next candidate who was not elected of the same political party or election coalition and who ran as a candidate in the same electoral district.

[RT I 2008, 53, 293 - entry into force 17.12.2008]

(5¹) The alternate member of a council member who is elected on the basis of a compensation mandate is the first candidate of the same political party or election coalition to be registered as an alternate member who stood as a candidate in the rural municipality or city list. If the first alternate council member declines or is unable to participate in the work of the council due to the reasons specified in subsection 18 (1) or 19 (2) of this Act, the new council member shall be the next candidate who was not elected of the same political party or election coalition and who ran as a candidate in the same rural municipality or city list.

[RT I 2008, 53, 293 - entry into force 17.12.2008]

(6) An alternate council member who notifies of his or her declination in writing or is unable to participate in the work of the council due to the reasons specified in subsection 18 (1) of this Act shall be deleted from the list of alternate members.

(7) An alternate council member ranking first in the list of alternate members who is unable to participate in the work of the council due to the reasons specified in subsection 19 (2) of this Act shall not be deleted from the list of alternate members.

(8) If the member to be replaced ran as an independent candidate or if the same political party or election coalition has no more alternate members in the electoral district, an alternate member designated on the basis of an additional mandate distributed among the political parties and election coalitions and registered by the rural municipality or city election committee shall become a member of the council. If the political parties or election coalitions have no more alternate members in the electoral district, the unelected candidate who received the largest number of votes in the electoral district shall be the council member.

(8¹) If the same political party or election coalition has no more alternate members who stood as a candidate in an electoral district of a local government with several electoral districts, the alternate member is the first candidate of the same political party or election coalition to be registered as an alternate member who stood as a candidate in the rural municipality or city list. If the political party or election coalition has no more alternate members registered in the rural municipality or city list, the council member shall be the alternate member who is appointed on the basis of additional mandate distributed among rural municipality or city lists.

[RT I 2008, 53, 293 - entry into force 17.12.2008]

(9) If only independent candidates are in the consolidated list of candidates in an electoral district, the council member shall be the first unelected independent candidate who ran as candidate in the electoral district. If the first unelected independent candidate declines or his or her authority terminates or is suspended, the next unelected independent candidate shall be the council member.

(10) If an independent candidate notifies of his or her declination in writing or is unable to participate in the work of the council due to the reasons specified in subsection 18 (1) of this Act, he or she can no longer be designated as council member.

§ 20¹. Restoration of authority of council member

(1) If a council member wants his or her authority to be restored, the council member shall submit a corresponding application to the rural municipality or city secretary who shall forward the application to the rural municipality or city election committee not later than within three working days. The application need not be submitted if the authority of the council member has been suspended on the basis of his or her application within the term indicated within.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

(2) Upon restoration of the authority of a council member, the authority of the alternate council member who was last designated to replace a council member on the basis of an additional mandate or from among the candidates of the same political party or election coalition in the electoral district or the rural municipality or city list, shall terminate.

[RT I 2008, 53, 293 - entry into force 17.12.2008]

(3) If only independent candidates are in the consolidated list of candidates in an electoral district, then upon restoration of the authority of a council member, the authority of the council member who was last designated to replace the council member in the electoral district, shall terminate.

(4) The authority of the member of the local government council is restored, and the authority of the council member replacing him or her is terminated upon the entry into force of the resolution of the rural municipality or city election committee.

§ 21. [Repealed - RT I 1996, 37, 739 - entry into force 08.06.1996]

§ 22. Competence of council

(1) Resolution of the following issues is within the exclusive competence of a council:

1) the passage and amendment of the rural municipality or city budgets, approval of annual reports and appointment of auditors;

2) the imposition, amendment and invalidation of local taxes;

3) the establishment of the procedure for the grant of tax incentives concerning local taxes which accrue to the rural municipality or city budget;

4) the imposition of duties;

5) the establishment of the procedure for the grant of benefits and for the provision of services financed from the rural municipality or city budget;

6) the establishment of the procedure for the administration of the rural municipality or city assets;

6¹) the encumbrance of immovables, grant of authorisation for transfer of right of superficies encumbering an immovable and encumbrance of immovables with limited real rights on the terms and conditions specified in subsection 37 (3) of the Local Government Financial Management Act;

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

7) the approval and amendment of the rural municipality or city development plans and budget strategies;

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

8) the taking of loans, issuing of bonds, assumption of finance lease and factoring obligations, assumption of obligations on the basis of concession agreements, assumption of lease obligations specified in subsection 34 (7) of the Local Government Financial Management Act, assumption of other long-term obligations requiring future payments and establishment of limits for loans taken for the purpose of managing cash flows;

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

8¹) the granting of loans to dependent units for the purposes of the Local Government Financial Management Act and securing the obligations assumed by the units, and establishment of limits for loans granted for the purpose of managing cash flows;

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

9) the approval, amendment and repeal of the statutes of the rural municipality or city;

10) the submission of requests or provision of opinions concerning the alteration of boundaries of the rural municipality or city, or the change of name of the rural municipality or city, and the settlement of proprietary or other disputes pertaining thereto;

11) the formation and liquidation of rural municipality or city districts, and determination of the competence and approval of the statutes thereof;

12) the determination of the number of members of the next membership of the council;

13) the determination of the number, boundaries and common numeration of electoral districts, determination of the number of mandates in each electoral district, and the formation of the rural municipality or city election committee and division committees;

14) the election of the chairman, deputy chairman or deputy chairmen of the council;

15) the election of the rural municipality or city mayor;

16) the approval of the number of members of the government and structure thereof;

17) the confirmation of the appointment to and release from office of the members of the rural municipality or city government, and the appointment to and release from remunerative positions of members of the government;

18) the expression of no confidence in the chairman of the council, the deputy chairman of the council, a chairman of a council committee, a deputy chairman of a council committee, a member of the revision committee, the government, the rural municipality or city mayor, or a member of the government;

19) the determination of remuneration, additional remuneration, compensations, benefits and advantages to the rural municipality or city mayor and members of the government working in remunerative positions, and the resolution on payment of compensation to other members of the government and the determination of the amount of compensation to be paid;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

20) the formation and liquidation of council committees, election of chairmen and deputy chairmen thereto from among council members, and approval of the membership of such committees;

21) the determination of the remuneration or compensation of the chairman and one of his or her deputies, and the determination of the compensation of the deputy chairmen;

22) the determination of the amount and procedure for payment of remuneration to council members for the participation in the work of the council and for compensation for expenses incurred in the performance of tasks assigned to them by the council;

23) the establishment of the procedure for representation of the rural municipality or city;

24) the foundation and dissolution of companies and foundations by the rural municipality or city, and the approval and amendment of the articles of association of such companies and foundations;

25) the resolution of the participation and termination of participation of the rural municipality or city in a company, foundation or non-profit association;

25¹) the appointment of representatives of the rural municipality or city and their deputies to the general meeting of the local government association and their removal therefrom;

26) the selection of candidates for lay judge;
27) the election of a representative or representatives of the council to the electoral body of the President of the Republic;

27¹) the granting of consent for appointment to office or release from office of an official or head of a corresponding structural unit for the performance of the duties in the sphere of the professional activity of an internal auditor;

[RT I 2010, 72, 543 - entry into force 01.01.2013]

28) [Repealed - RT I, 31, 230 - entry into force 17.10.2005]

29) the approval, amendment or repeal of the rural municipality or city building regulation;

30) the submission of applications for the expropriation of immovables;

31) the initiation and adoption of comprehensive plans;

[RT I 2009, 28, 170 - entry into force 01.07.2009]

32) the acceptance of comprehensive plans and notification of the public display thereof;

33) the repeal of detailed plans, and the adoption of detailed plans specified in subsection 10 (6¹) of the Planning Act;

[RT I 2009, 28, 170 - entry into force 01.07.2009]

34) the foundation and restructuring of rural municipality or city administrative agencies and agencies under the administration of rural municipality or city administrative agencies, and the termination of the operation and the approval of the statutes of such agencies;

35) the establishment of social guarantees for rural municipality or city officials and employees;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

36) the establishment of the structure of rural municipality or city administrative agencies and the composition of the places of service, and the salary guide;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

36¹) the establishment of rules for excavation operations and property maintenance rules in order to ensure maintenance;

36²) the establishment of rules for keeping dogs and cats;

36³) the establishment of rules for public order in order to ensure public order;

36⁴) the adoption and updating of a waste management plan;

36⁵) the establishment of the waste management rules;

36⁶) the establishment, for the types of waste subject to organised waste transport, of the procedure for determining the frequency and time of transport, the areas of waste transport and the amounts of waste transport fees;

[RT I, 17.12.2010, 21 - entry into force 01.01.2011]

37) other issues placed within the exclusive competence of the council by law.

(2) The issues placed within the competence of local government shall be resolved by the local government council who has the right to delegate the resolution of such issues to the government.

(3) A local government council may delegate to a rural municipality or city government the right to make changes in structure of administrative agencies and the composition of the places of service considering the limits of the salary fund established by the council.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 23. Requirements for council legislation and entry into force thereof

(1) Council legislation shall be disclosed pursuant to the procedure provided for in the statutes of the rural municipality or city. Council regulations shall be published in the *Riigi Teataja* and these shall enter into force on the third day after publication, unless a later date is provided by the regulation.

[RT I 2010, 19, 101 - entry into force 01.01.2013]

(2) Provisions by which the obligations or responsibility of persons is retroactively increased shall not be established by a regulation.

(3) Council resolutions enter into force after they are made public.

[RT I 2002, 61, 375 - entry into force 01.08.2002]

(4) Council regulations and resolutions shall be signed by the chairman of the council or his or her deputy.

(5) Council regulations and resolutions and minutes of council sessions shall be accessible to everyone pursuant to the procedure provided by law and the statutes of the rural municipality or city.

(6) [Repealed - RT I 2010, 19, 101 - entry into force 13.05.2010]

(7) Council regulations and resolutions and minutes of council sessions shall be prepared in Estonian. In a local government where the majority of permanent residents are non-Estonian speakers, minutes of council sessions may, in addition to Estonian language, be also prepared in the language of the national minority constituting the majority of the permanent residents of the local government.

§ 24. Supervision over implementation of legislation

The implementation of Acts, council regulations and resolutions and rural municipality or city government regulations and orders is supervised by the council and government pursuant to the procedure provided by law and the statutes of the rural municipality or city.

§ 25. Obligation of employers to council members

An employer is obligated to allow a council member to participate in council sessions and meetings of council committees and to perform tasks assigned to the council member by the council.

§ 26. Right of council members to obtain information

(1) Council members have the right to obtain copies of council and government legislation, documentation and other information, except for data the issue of which is prohibited by law.

(2) A member of the council has the right to receive a response to a question submitted by him or her in writing to the rural municipality or city government or a rural municipality or city administrative agency within ten working days after the date of submission of the question. Subsection 5 (9) of the Response to Memoranda and Requests for Explanations Act does not extend to the requirements of this provision.
[RT I 2004, 81, 542 - entry into force 10.12.2004]

Chapter 3 GOVERNMENT

§ 27. Election of rural municipality or city mayor

A rural municipality or city mayor is elected under the conditions and pursuant to the procedure provided for in this Act and the statutes of the rural municipality or city, for a period of up to four years.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 28. Right of rural municipality or city mayor to form government

(1) A rural municipality or city mayor has the authority to form a government as of the date he or she is elected.

(2) A detailed procedure for the formation of the government shall be provided for in the statutes of the rural municipality or city.

(3) A rural municipality or city mayor obtains the authority prescribed by law and the statutes of the rural municipality or city as of the date the appointment of the government to office is confirmed.

§ 29. Term of office of government

(1) A rural municipality or city government obtains authority as of the date its appointment to office is confirmed by the council.

(2) A government shall submit its resignation at the first session of a new membership of the council.

(3) After submitting its resignation, a rural municipality or city government shall continue to perform its functions and its authority remains in force until the appointment to office of a new government is confirmed.

(4) [Repealed - RT I 1999, 75, 705 - entry into force 15.10.1999]

§ 30. Competence of rural municipality or city government

(1) A rural municipality or city government:

- 1) prepares issues to be discussed in the council based on the position of the government or council resolutions;
- 2) resolves and manages local issues which are assigned to the government by council regulations or resolutions, or the statutes of the rural municipality or city;
- 3) resolves and manages local issues which are not within the competence of the council;
- 4) resolves issues, the resolution of which has been delegated to the government on the basis of subsection 22 (2) of this Act.
- 5) [Repealed - RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(2) The government may apply to the council for the review of a regulation or resolution passed by the council.

(3) A rural municipality or city government shall establish, by an order, the prices of services provided by rural municipality or city agencies, taking account of the provisions of subsection 5 (3) of the Administrative Procedure Act.

(4) In the case specified in subsection (3) of this section, the city government may authorise a city administrative agency exercising public authority to establish the prices of services provided by agencies which are administered by the city administrative agency and which do not exercise public authority. If authorisation is granted to a city administrative agency exercising public authority, the head of the administrative agency has the right to issue the order.

[RT I 2004, 81, 542 - entry into force 10.12.2004]

§ 31. Requirements for rural municipality and city government regulations and orders and entry into force thereof

(1) Rural municipality and city legislation shall be disclosed and shall be accessible to everyone pursuant to the procedure provided by law and the statutes of the rural municipality or city. Government regulations shall be published in the *Riigi Teataja*.

[RT I 2010, 19, 101 - entry into force 01.01.2013]

(2) Data the issue of which is prohibited by law or which is intended only for the internal use of rural municipality or city administrative agencies shall not be disclosed.

(3) Rural municipality and city government regulations and orders are prepared and made public in Estonian.

(4) Regulations enter into force on the third day after being made public unless the regulation provides for a later date.

(5) An order of the government shall enter into force after it is made public, unless a later date is provided for in the order.

(6) Regulations and other government documentation shall be signed by the rural municipality or city mayor and the rural municipality or city secretary.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

Chapter 4 PARTICIPATION OF RURAL MUNICIPALITY OR CITY RESIDENTS IN EXERCISE OF LOCAL GOVERNMENT

§ 32. Right to initiate legislation

(1) Not less than one per cent of the residents of a rural municipality or city with the right to vote, however not less than five residents with the right to vote, have the right to initiate the passage, amendment or repeal of legislation of the rural municipality or city council or government concerning local issues; such initiatives shall be debated not later than within three months.

(2) Issues initiated pursuant to subsection (1) of this section shall be presented to the rural municipality or city government in the form of a corresponding draft to which a signed list of the initiators shall be appended. If the initiated issue is within the competence of the council, the government shall, within one month, submit such issue together with its position to the council for resolution.

(3) A representative of the initiators of an issue has the right to participate in the debate of such issue in the council or the government.

[RT I 2002, 61, 375 - entry into force 01.08.2002]

§ 33. Application for amendment of council and government legislation

(1) Everyone has the right to apply to a rural municipality or city government for the amendment or repeal of legislation passed by the rural municipality or city government if such legislation unlawfully restricts the rights of the applicant.

(2) [Repealed - RT I 2002, 61, 375 - entry into force 01.08.2002]

Chapter 5 ECONOMIC AFFAIRS AND BUDGET

§ 34. Municipal property

(1) Municipal property is property in the ownership of a rural municipality or city.

(2) A rural municipality or city council shall establish the procedure for the administration of the property of the rural municipality or city.

(3) A local government may transfer an immovable which has been transferred into its ownership without charge by the state if such immovable ceases to be necessary or has become unsuitable for the performance of the functions of the local government. An immovable transferred by the state without charge may be transferred only pursuant to the procedure established by the local government council.

(4) A local government has the right of pre-emption upon the transfer of structures located within its administrative territory by persons in private law if such structures were, in whole or in part, used by an educational, health care, cultural or child care institution for not less than one year prior to the transfer. Otherwise, the provisions of the Law of Property Act apply to the right of pre-emption.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 35. Economic activities and participation in legal persons

(1) A rural municipality or city may found agencies under the administration of rural municipality or city administrative agencies which are not legal persons for the provision of services. A rural municipality or city may be a partner or shareholder in a company, and also found foundations and be a member of non-profit association taking account of the terms and conditions stipulated in the Local Government Financial Management Act. The terms and conditions of and procedure for participation of a rural municipality or city in private persons and organisation of the compliance with the Local Government Financial Management Act shall be established by the rural municipality or city council.
[RT I 2010, 72, 543 - entry into force 01.01.2011]

(2) The local government council shall decide on the foundation and termination of the activities of agencies under the administration of rural municipality or city administrative agencies. The statutes, structure and staff of the agencies under the administration of rural municipality or city administrative agencies shall be approved and amended pursuant to the procedure established by the council. Rural municipality and city administrative agencies and agencies under the administration of rural municipality or city administrative agencies shall be registered in the register of state and local government agencies.

(3) The local government council shall decide on the foundation, merger, division and transformation and termination of foundations of which the rural municipality or city is the sole founder, and of private limited companies and public limited companies of which the rural municipality or city is the sole shareholder, and approve the statutes of such foundations, private limited companies and public limited companies and amendments thereto. The rural municipality or city government shall appoint the members of the supervisory boards of such foundations, private limited companies or public limited companies and exercise the other rights of a founder or shareholder. If a private limited company does not have a supervisory board, the rural municipality or city government shall nominate the members of its management board.

(3¹) The following persons shall not be members of managing bodies of foundations or non-profit associations of which the rural municipality or city is the founder, and of private limited companies and public limited companies of which the rural municipality or city is the shareholder, and of units under dominant influence of the rural municipality or city for the purposes of clause 2 9) of the Local Government Financial Management Act:

- 1) a person whose act or omission has led to a person's bankruptcy;
- 2) a person whose wrongful act or omission has led to the activity licence issued to a legal person being declared invalid;
- 3) a person who is subjected to a prohibition on business;
- 4) a person whose wrongful act or omission has caused damages to a legal person;
- 5) a person who has been punished for an economic criminal offence, criminal official misconduct or a criminal offence against property;
- 6) a person who has significant business interests with the legal person in private law expressed, *inter alia*, in the possession of a significant holding in this legal person for the purposes of § 9 of the Securities Market Act or membership of the managing bodies of such company that is a significant seller or purchaser of the goods or provider or customer of the services of that legal person in private law.
[RT I, 29.06.2012, 1 - entry into force 01.04.2013]

(4) If a foundation has several founders or if other partners or shareholders in addition to a city or rural municipality participate in a company, or if a rural municipality or city is a member of a non-profit association, participation in and termination thereof shall be decided by the rural municipality or city council. Otherwise the rights of a shareholder, founder or member are exercised by persons appointed by the rural municipality or city government.

(5) Rural municipalities and cities have the right to enter into contracts for the performance of their functions.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 36. Taxes and duties

(1) Local taxes and amendments to tax rates shall be established prior to the passage of a rural municipality or city budget or supplementary budget.

[RT I 2010, 72, 543 - entry into force 01.01.2011]

(2) A duty is an obligation which is imposed on natural or legal persons pursuant to law by a council regulation for the performance of mandatory work for the fulfilment of the property maintenance rules established on the territory of the rural municipality or city.

(3) Duties may be imposed on a natural or legal person pursuant to law to ensure compliance with the property maintenance rules on the territory of immovables in their ownership or possession, or any other territory in their use, and on public lands directly bordering such territories.

(4) The nature, scope, terms and procedure for the fulfilment of duties and the procedure for the exercise of supervision over the fulfilment of the duties shall be specified upon the imposition of the duties.

(5) A person with whom the fulfilment of a duty rests, may have another person fulfil such duty at his or her expense. Upon a reasoned request of a person, a council has the right to allow the person to pay for the fulfilment of duties in money, which shall be used for the fulfilment of such duties. Upon grant of the corresponding permission by the council, the cost of work necessary for the fulfilment of duties shall be specified pursuant to the procedure established by the council.

(6) The fulfilment of duties shall be supervised by the rural municipality or city government.

(7) Duties shall not be substituted by taxes which accrue to the local budget.

(8) Taxes, fines, service charges, fees or financial obligations by any other name shall not be imposed as duties.

(9) Duties shall not be the object of a contract.

§ 37. Principles for preparation of development plan

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

(1) Rural municipalities and cities shall have development plans and budget strategies on the basis of which the development of different fields of life is integrated and coordinated.

(2) A development plan shall be prepared regarding a rural municipality or city and it shall stipulate at least the following:

- 1) long-term directions in and needs for the development of the economic, social, cultural and natural environment;
- 2) analysis of the current status of problems and opportunities by areas of activity;
- 3) strategic objectives in areas of activity together with the effect to be achieved until the end of the development plan period;
- 4) activities necessary for the performance of the strategic objectives until the end of the development plan period.

(3) Rural municipalities and cities may prepare a supplementary development plan:

- 1) regarding a part of the territory of a rural municipality or city;
- 2) for the development of an area of activity;
- 3) regarding several rural municipalities or cities or parts of their territory based on agreement.

(4) The supplementary development plans specified in subsection (3) of this section shall comply with the development plan. The development plan shall take into account the comprehensive plan of a rural municipality and city.

(5) If a supplementary development plan specified in clause (3) 2) of this section contains the analysis of the current status in an area of activity, this need not be provided in the development plan.

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

§ 37¹. Relationships between development plan, budget strategy and budget

(1) A budget strategy is a financial plan together with explanations arising from a development plan, which constitutes a part of the development plan or an independent document related to the development plan. The requirements of a budget strategy shall be provided for in the Local Government Financial Management Act.

(2) The development plan and the budget strategy provide the basis for the preparation of the budget of a local government, assumption of obligations, carrying out of transactions related to property, planning of investments and application for support for investments.

(3) If the development plan is amended and this is accompanied by an impact on the budget, the budget strategy shall be brought into conformity with the development plan.

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

§ 37². Preparation, processing, adoption and publication of development plan and budget strategy

(1) A rural municipality or city council shall establish by a regulation the procedure for the preparation of the development plan and budget strategy and the procedure and terms for the submission of the information necessary for the preparation of the budget strategy by the units dependent on a local government for the purposes of the Local Government Financial Management Act.

(2) A council may authorise a rural municipality or city government to establish by a regulation the procedure for the preparation of the development plan and budget strategy.

(3) The development plan and budget strategy shall comprise as at 15 October of each year at least four coming budgetary years.

(4) A rural municipality or city government shall prepare a draft development plan and budget strategy and submit these for adoption to a rural municipality or city council.

(5) A rural municipality or city government shall organise the involvement of all interested persons in the preparation of a development plan and budget strategy through public discussions.

(6) A rural municipality or city government shall publish the draft development plan and budget strategy on the website of a rural municipality or city for at least two weeks.

(7) A rural municipality or city council shall approve the development plan and budget strategy by a regulation no later than by the due date specified in subsection (3) of this section. The development plan and budget strategy shall be adopted prior to the passage of budget for the coming year.

(8) The development plan and budget strategy, and the minutes of council sessions and meetings of council committees concerning the processing of the development plan and budget strategy shall be published on the website of a rural municipality or city within seven working days as of the adoption of the development plan and budget strategy.

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

§ 38. Rural municipality and city budgets

The requirements for the preparation, passage, amendment, fulfilment and publication of the budget of a local government and the requirements for reporting shall be provided for in the Local Government Financial Management Act.

[RT I 2010, 72, 543 - entry into force 01.01.2011]

§ 39. [Repealed - RT I 2010, 72, 543 - entry into force 01.01.2011]

§ 39¹. [Repealed - RT I 2010, 72, 543 - entry into force 01.01.2011]

Chapter 6 WORK ORGANISATION

§ 40. Work format

Councils and governments conduct work in sessions. Council and government committees conduct work in meetings.

§ 41. Use of language in local governments

(1) The working language of local governments is Estonian. Everyone has the right to address a local government and its officials in Estonian and to receive responses in Estonian.

(2) The sessions of councils and governments are held in Estonian.

(3) The use of foreign languages including languages of national minorities shall be provided for in the Language Act. The permission granted on the proposal of the local government council pursuant to § 11 of the Language Act to use the language of the majority of the permanent residents of the local government as the internal working language of the local government shall be valid until the term of office of the corresponding council expires.

[RT I, 18.03.2011, 1 - entry into force 01.07.2011]

(4) If a local government has been granted, pursuant to subsection (3) of this section, the permission to use the language of the national minority constituting the majority of the permanent residents of the local government alongside Estonian as the internal working language of the local government, the council and the government may decide to translate part or whole of the sessions into the language of the national minority.

§ 42. Chairman of council

(1) The chairman of a council:

1) manages the work of the council, convenes and chairs the sessions of the council and organises the preparation thereof;

2) represents the local government and its council in accordance with the competence granted by law, the statutes of the rural municipality or city and the council;

3) signs regulations passed by the council and other council documentation;

3¹) issues directives for the organisation of the internal operations of the council;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

4) performs other functions assigned to him or her pursuant to law and the statutes of the rural municipality or city.

(2) The authority of the chairman and deputy chairman of a council and the chairman and deputy chairman of a committee shall terminate simultaneously with the suspension or premature termination of his or her authority as a member of the council.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 43. Convention of council sessions

(1) Council sessions are convened by the chairman or his or her deputy who is a deputy chairman or, in the absence of the deputy chairman, by the eldest member of the council pursuant to the procedure established by the council. The first council session is convened by the chairman of the rural municipality or city election committee not later than on the seventh day after the declaration of the election results. Compliance with the requirements prescribed in subsection (3) of this section is not necessary upon the sending of invitations to the first council session and to a council session to be convened pursuant to subsection 52 (2) of this Act. The same procedure also applies upon convening the following council sessions if the chairman of the council is not elected at the first session.

(2) [Repealed - RT I 1996, 37, 739 - entry into force 08.06.1996]

(2¹) The council session to be convened pursuant to subsection 52 (2) of this Act is convened by the chairman of the rural municipality or city election committee not later than on the seventh day after the designation of an alternate council member.

(3) Upon convention of a council session, issues to be discussed shall be indicated in the notice of the session which shall be forwarded to the council members not less than four days prior to the council session. Together with the notice, the session materials shall be made available to the council members.

(4) The chairman or deputy chairman of a council shall convene a council session on the proposal of the rural municipality or city government or of not less than one fourth of the membership of the council for the discussion of issues raised by them. The time of the session shall be determined by the chairman of the council or his or her deputy, taking account of the provisions of the statutes of the rural municipality or city, but the session shall not be held later than in one month.

[RT I 2006, 29, 218 - entry into force 08.07.2006]

§ 44. Discussion of issues by council

(1) The work of a council is organised and sessions are chaired by the chairman or deputy chairman of the council. In the absence of the chairman or the deputy chairman, the session is chaired by the eldest member of the council who is present. The rules of procedure of the council shall be established by the council.

(2) The chairman of the council shall organise, where necessary, the preparation by the council of issues to be discussed. The council may assign the preparation of issues to be discussed in the council to the government.

(3) The first council session shall be chaired by the chairman or deputy chairman of the rural municipality or city election committee until the chairman of the council is elected. The agenda of the first session shall include the election of the chairman and deputy chairman or deputy chairmen of the council, and consideration of the resignation of the government. The same procedure also applies to the agenda of the first session of a new council convened pursuant to subsection 52 (2) of this Act, except for the consideration of the resignation of the government. The election of the chairman of the council shall be organised by the rural municipality or city election committee and the election results shall be established by a resolution of the election committee. The same procedure also applies at the following council sessions if the chairman of the council is not elected at the first session.

(4) Council sessions are public. A council may declare a session to be closed in the part of the discussion of an issue if at least twice as many members of the council vote in favour of such proposal as against it, or if the disclosure of data pertaining to the issue under discussion is prohibited or restricted by law.

(5) A council discusses issues indicated in the notice of the session and prepared pursuant to the procedure required by the council.

(6) The members of the rural municipality or city government, the rural municipality or city secretary and persons invited to a session by the council may participate in the session of the council with the right to speak. The chair of the session decides on whether to assign the floor to such persons.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 45. Voting in council

(1) Issues which are within the exclusive competence of a council are decided by a vote. Other issues shall be decided by a vote upon the request of at least one council member.

(2) Voting in councils is open.

(3) The election of persons shall be decided by secret ballot.

(4) Council decisions shall be documented by the chair of the session.

(5) Council decisions shall be passed by a majority of votes in favour. A majority of votes of the membership of the council is required to adopt the resolutions on the issues specified in clauses 22 (1) 2), 4), 6–10), 14), 15), 18), 24), 25¹⁾ and 27¹⁾ of this Act and § 7 of the Constitutional Review Court Procedure Act.
[RT I 2010, 72, 543 - entry into force 01.01.2013]

§ 46. Procedure for expression of no confidence in council

(1) Not less than one fourth of the members of a council may initiate an expression of no confidence in the chairman of the council, deputy chairman of the council, chairman of a council committee, deputy chairman of a council committee, a member of the revision committee, the government, the rural municipality or city mayor or a member of the government.

(1¹) Expression of no confidence shall be initiated at a council session. The expression of no confidence shall be initiated before deliberation of items on the agenda is commenced. The representative of the initiators of the expression of no confidence shall present a report and deliver the expression of no confidence to the chair of the session.

(2) The issue of expression of no confidence shall be included in the agenda of the next council session.

(3) The vote of no confidence is public. Expression of no confidence releases the chairman or deputy chairman of the council from his or her duties and office, and the chairman or deputy chairman of a council committee, or a member of the revision committee from his or her duties. In the event of an expression of no confidence in the chairman of a council, the duties of the chairman of the council shall be performed by one deputy chairman of the council appointed by the council, or in the absence thereof, the eldest member of the council, until the election of a new chairman.

(4) Expression of no confidence releases a rural municipality or city mayor or a member of the government from the duties and office of rural municipality or city mayor or member of the government. In the event of expression of no confidence in rural municipality or city mayor, the council shall elect a new rural municipality or city mayor at the same council session, or appoint one of the members of the government to act as substitute for the rural municipality or city mayor, until the election of a new rural municipality or city mayor.

(5) In the event of expression of no confidence in the government, the government shall continue to perform its duties and the authority of the government shall not terminate until the new government is granted authority pursuant to the procedure provided for in this Act. The termination of the authority of the government related to the expression of no confidence shall result in the release of all the members of the government from the duties of a member of government, and the release from office of all the members of the government working in remunerative positions.

(6) If the council expresses no confidence in some of the government members and the quorum provided for in subsection 49 (6) of this Act is preserved, the government shall continue to act and the vacant positions shall be filled pursuant to the procedure provided for in § 28 of this Act, or the number of government members and the structure of the government is changed pursuant to the established procedure.

(7) If the requirement for quorum provided for in subsection 49 (6) of this Act cannot be complied with due to the expression of no confidence in government members, the government has no quorum until a necessary number of new government members are appointed and members of the government working in remunerative positions are appointed to office.

(8) If expression of no confidence finds no support in a council session, an expression of no confidence in the same person shall not be initiated for the same reason within three months.

(9) Expression of no confidence shall be the grounds for the release from office of a rural municipality or city mayor or a member of the government.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 46¹. Resignation

(1) If the chairman of a council, the deputy chairman of a council, the chairman of a council committee, the deputy chairman of a council committee, a member of the revision committee, a rural municipality or city mayor or a member of the government resigns, he or she shall submit an application to the rural municipality or city secretary. The person who submitted the application is deemed to have resigned as of the date indicated in the application which shall not be earlier than the following working day of the submission of the application. The rural municipality or city secretary shall immediately inform the chairman of the council or his or her deputy.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(2) The person who submitted the application shall, at the earliest opportunity, deliver the property entrusted to him or her in connection with professional activities and the performance of his or her official duties.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 47. Council committees

(1) Councils may form standing committees and ad hoc committees. Chairmen and deputy chairmen of committees shall be elected from among the members of the council. Each member of the council is entitled to be part of at least committee. The appointment of other committee members is confirmed on the proposal of the chairman of the committee.

(2) The bases and procedure for the activities of council committees shall be provided by the statutes of the rural municipality or city.

[RT I 2006, 29, 218 - entry into force 08.07.2006]

§ 48. Revision committee

(1) A council shall form a revision committee of not less than three members for the duration of its term of office.

(2) The chairman and members of the revision committee shall be elected from among the council members. In the case specified in subsection (2¹) of this section, a member of the committee may be another person.

[RT I 2010, 72, 543 - entry into force 01.01.2013]

(2¹) If the revision committee performs the functions of an audit committee and there is no person among the members of the revision committee who meets the requirements established in subsection 97 (3) of the Auditors Activities Act, another person meeting the requirements shall be approved as member of the revision committee, taking into account subsection 100 (2) of the Auditors Activities Act.

[RT I, 28.12.2012, 3 - entry into force 01.01.2013]

(3) The revision committee has the right:

1) to verify and assess the lawfulness, purposefulness and productivity of the activities of a rural municipality or city government, the administrative agencies of a rural municipality or city government and agencies under the administration of these administrative agencies or companies, foundations and non-profit organisations under dominant of a local government, and the purposeful use of rural municipality or city funds;

2) to verify and assess the compliance with the rural municipality or city budget.

[RT I 2010, 72, 543 - entry into force 01.01.2013]

(3¹) The revision committee shall assess the productivity pursuant to the following criteria:

1) economy, i.e. minimising the costs incurred in achieving the objectives;

2) efficiency, i.e. the relationship between the results and the expenses made to achieve them;

3) effectiveness, i.e. the actual impact of an activity compared to the intended impact.

[RT I 2010, 72, 543 - entry into force 01.01.2013]

(4) The revision committee shall perform the functions within its competence pursuant to the procedure provided for in the statutes of the rural municipality or city on the basis of its work schedule or as required by the council.

[RT I 2010, 72, 543 - entry into force 01.01.2013]

(5) The decision of the revision committee and audit report shall be sent to the rural municipality or city government which shall take a position concerning the audit report and present it to the revision committee within ten days. To enable the passing of a resolution concerning application of the results of the audit, the revision committee shall submit the documents specified above to the council, and annex the draft legislation of the council necessary to make the decision to the documents.

(6) The revision committee has the right to obtain all information and documentation necessary for the performance of its work.

(7) The revision committee shall present a report concerning its activities at least once a year at a council session.

(8) The report of the revision committee shall be published on the website of the local government.
[RT I 2010, 72, 543 - entry into force 01.01.2013]

§ 48¹. Internal audit system and internal audit

(1) A council shall ensure the implementation of an internal audit system and the organisation of the professional activity of an internal auditor in the local government.

(2) A rural municipality or city government shall implement an internal audit system and bear responsibility for its productivity.

(3) If a local government creates for the performance of the duties in the sphere of the professional activity of an internal auditor a corresponding position or corresponding structural unit, this shall be performed pursuant to clause 22 (1) 36) of this Act.

(4) For the performance of the duties in the sphere of the professional activity of an internal auditor, a corresponding official or head of a structural unit shall be appointed to office and release from office by a rural municipality or city mayor upon the consent of a rural municipality or city council. The rural municipality or city mayor shall nominate a candidate to the rural municipality or city government for approval. The rural municipality or city government shall approve the candidate and nominate him or her to the council to receive the consent for the appointment to office. In public interest entities specified in clause 13 (1) 4) of the Auditors Activities Act, the council shall consider the opinion of the revision committee performing the functions of an audit committee. In case the council does not consent to the appointment of the person to office, the rural municipality or city government shall nominate a new candidate.

(5) An official or head of a corresponding structural unit appointed to office for the performance of the duties in the sphere of the professional activity of an internal auditor shall prepare for the budgetary year the internal auditor's action plan. The rural municipality or city government shall approve the action plan and submit it to the council for approval. The council shall consider the opinion of the revision committee performing the functions of an audit committee and approve the internal auditor's action plan no later than by the date of passage of a rural municipality or city budget.

(6) If a local government has created for the performance of the duties in the sphere of the professional activity of an internal auditor a corresponding position or corresponding structural unit, the corresponding official or head of the structural unit shall submit an internal auditor's report prior to the approval of the annual report to the rural municipality or city government. The rural municipality or city government shall submit the internal auditor's report together with the annual report to the council.

(7) The internal auditor's report shall be published on the website of the local government.

(8) A local government shall implement in the organisation of the professional activity of an internal auditor and as the basis of his or her professional activity the provisions of the Auditors Activities Act.
[RT I 2010, 72, 543 - entry into force 01.01.2013]

§ 48². Requirements for members of government

(1) A citizen of the Republic of Estonia who has full active legal capacity and who is proficient in Estonian to the extent established by law or on the basis of an Act may be elected a rural municipality or city mayor and approved as a member of the government.

(2) A person with a criminal record for an intentionally committed criminal offence shall neither be elected a rural municipality or city mayor nor approved as a member of the government.

(3) If the precluding circumstances specified in subsection 1) or 2) of this section become evident or arise during the become evident of a rural municipality or city mayor or member of the government, the council shall released him or her from office due to unsuitability for position.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 49. Organisation of government work

(1) The head of a rural municipality government is the rural municipality mayor and the head of a city government is the city mayor, who represents the government.

(2) [Repealed - RT I 2005, 31, 230 - entry into force 17.10.2005]

(3) The chairman of a council shall not head the government.

(4) The rural municipality or city mayor and members of the government belong to the membership of the government.

(4¹) The members of the government shall coordinate within the limits of authorisation granted by the the rural municipality or city mayor the areas of activity of the rural municipality or city government, manage issues within the area of government of the structural units and perform other functions assigned by the rural municipality or city mayor.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4²) The position of a member of the government may be remunerative based on a resolution of the council. The rural municipality or city mayor and members of the government shall neither be paid such additional remuneration, compensation or benefit nor any advantages shall be applied in respect to such persons, which have not been decided by the council.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4³) The duration of the annual holiday of the rural municipality or city mayor and members of the government working in remunerative positions shall be 35 calendar days and the holiday regulation provided for in §§ 54 and 59–71 of the Employment Contracts Act shall be applied in respect to such persons.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4⁴) The rural municipality or city mayor and members of the government may be sent on official travel pursuant to the procedure established by the council. Travel expenses of the rural municipality or city mayor and members of the government shall be compensated pursuant to the conditions and the procedure provided for in the Public Service Act.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(4⁵) If the performance of official duties by the rural municipality or city mayor or member of the government is continuously hindered due to work decrement, the council may release him or her from office. The performance of official duties is continuously hindered due to work decrement if the rural municipality or city mayor or member of the government is unable to perform his or her official duties on the basis of a certificate of incapacity for work for more than four consecutive months or for more than five months during a year.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(5) A rural municipality or city mayor is substituted for pursuant to the procedure provided for in the statutes of the rural municipality or city.

(6) A rural municipality or city government has a quorum if at least one half of the membership of the government, including the rural municipality or city mayor or his or her deputy, participates in the session. The rural municipality or city secretary shall participate in the session with the right to speak.

(7) Government decisions are passed by a majority of votes in favour.

(8) Government sessions are closed unless the government decides otherwise.

(9) A rural municipality or city mayor or his or her deputy may invite other persons to participate in a session.

(10) Rural municipality or city government regulations and other documentation shall be signed by the rural municipality or city mayor or his or her deputy, and the rural municipality or city secretary.

(11) The specific work procedures for a rural municipality or city government, the bases and procedure for the formation of committees and the bases for their activities shall be established by the council.

[RT I 2005, 31, 230 - entry into force 17.10.2005]

(12) The rural municipality or city mayor or member of the government shall not participate in the debate and resolution of legislation of specific application in the government with regard to which a procedural restriction extends to him or her pursuant to the Anti-corruption Act.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(13) In the case provided for in subsection (12) of this section, the rural municipality or city mayor or member of the government is required to make a statement concerning his or her non-participation in the discussion of such item prior to the debate of the corresponding items on the agenda. The respective notation shall be made in the minutes of the government sitting. The quorum necessary for the debate and resolution of items shall be decreased by such member.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 50. Rural municipality and city mayors

(1) A rural municipality or city mayor:

1) organises the work of the rural municipality or city government and preparation for the sessions of the rural municipality or city government;

2) represents the local government and rural municipality or city government in accordance with the competence granted by law, the statutes of the rural municipality or city and the council;

3) issues directives concerning members of the government and other persons directly subordinate to him or her and for the organisation of the internal operations of the rural municipality or city government and its administrative agencies;

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

4) signs rural municipality or city regulations and orders, and other government documentation;

5) submits the membership of the rural municipality or city government to the council for confirmation;

6) submits a proposal to the council for the confirmation of the appointment to office and release from the duties of a member of government of the additional members of the rural municipality or city government, and the appointment to and release from remunerative positions of members of the government;

6¹) appoints to office and releases from office pursuant to the procedure provided by law an official or head of a corresponding structural unit for the performance of the duties in the sphere of the professional activity of an internal auditor;

[RT I 2010, 72, 543 - entry into force 01.01.2013]

7) presents candidates for the heads of administrative agencies to the city or rural municipality government for appointment to office and candidates for the heads of agencies under the administration of rural municipality or city administrative agencies to the city or rural municipality government for confirmation of the appointment to office, makes proposals to the government for the release of the specified heads from office and exercises other rights and obligations of an employer, unless otherwise provided for in legislation of the council or government;

[RT I 2005, 31, 230 - entry into force 17.10.2005]

7¹) [Repealed - RT I, 29.06.2012, 1 - entry into force 01.04.2013]

8) performs other functions assigned to him or her pursuant to law and the statutes of the rural municipality or city.

(2) The rural municipality or city mayor shall not be in any elected or appointed office of the state or the same local government outside his or her official duties. The rural municipality or city mayor shall immediately inform the council in writing if he or she acts or intends to act outside his or her official duties based on a contract of employment or contract for provision of services or in a position of another local government, as an undertaking or a general partner in a general or limited partnership or a member of the management or controlling body of a legal person. Official duties for the purposes of this Act have the meaning assigned to these in the Anti-corruption Act.

[RT I, 29.06.2012, 1 - entry into force 01.04.2013]

(3) The local government council prohibits the rural municipality or city mayor by an administrative act from engaging in full or in part in the ancillary activities specified in subsection (2) of this section, if the volume of labour spent on the ancillary activities or the nature thereof hinders regular performance of his or her duties or if the ancillary activity brings about a breach of duties.

[RT I, 29.06.2012, 1 - entry into force 01.04.2013]

§ 50¹. Restrictions on activities of members of government

(1) A member of the government shall immediately inform the council in writing if he or she acts or intends to act outside his or her official duties based on a contract of employment or contract for provision of services or in another elected or appointed office, as an undertaking or a general partner in a general or limited partnership or a member of the management or controlling body of a legal person.

(2) The local government council prohibits the member of the government by an administrative act from engaging in full or in part in the ancillary activities specified in subsection (1) of this section, if the volume of labour spent on the ancillary activities or the nature thereof hinders regular performance of his or her duties or if the ancillary activity brings about a breach of duties.

[RT I, 29.06.2012, 1 - entry into force 01.04.2013]

§ 51. Minutes of sessions and meetings

- (1) Minutes of council sessions shall be signed by the chairman of the council or his or her deputy.
- (2) Minutes of rural municipality or city government sessions shall be signed by the rural municipality or city mayor or his or her deputy, and the secretary.
- (3) Minutes of council or government committee meetings shall be signed by the chair of the meeting.
- (4) Persons who sign minutes are responsible for the correctness of the information contained therein.
- (5) The time and place of the session or meeting, names of participants, issues discussed, proposals submitted in respect thereto and decisions on taking into account or disregarding the proposals, voting results if an issue was resolved by way of voting and dissenting opinions of persons who decided and initiated such issues shall be entered in the minutes.
[RT I 2010, 72, 543 - entry into force 01.01.2013]
- (6) Minutes of council sessions shall be accessible to everyone.
- (7) Minutes of rural municipality and city government sessions and of meetings of council and government committees shall be accessible to everyone pursuant to the procedure provided for in the statutes of the rural municipality or city.
- (8) Data contained in the minutes the issue of which is restricted by law or which is intended only for the internal use of rural municipality or city administrative agencies shall not be made accessible to the public.
- (9) Minutes and other documentation shall conform to the basic requirements established for administrative documents.

§ 52. Inability of council to act

- (1) A council is unable to act if it:
 - 1) fails to pass the rural municipality or city budget within three months as of the beginning of the budgetary year;
[RT I, 28.12.2012, 3 - entry into force 01.01.2013]
 - 2) fails to elect the chairman of the council, or the rural municipality or city mayor within two months after the date of the convention of the first council session or fails to confirm the membership of the government within four months after the date on which the first council session of the new membership is convened;
 - 3) fails to elect a new chairman of the council, or a rural municipality or city mayor within two months after the release from office of the previous chairman of the council or the rural municipality or city mayor, or fails to confirm the membership of the government within four months after the release from office of the rural municipality or city mayor;
 - 4) fails to elect a new rural municipality or city mayor within two months after the date of the expression of no confidence in the previous rural municipality or city mayor, or the government or fails to confirm the membership of the government within four months after the date of the expression of no confidence;
 - 5) violates subsection 46 (2) of the Local Government Financial Management Act.
[RT I 2010, 72, 543 - entry into force 01.01.2011]
- (2) If a council is unable to act, the authority of every council member is deemed to be prematurely terminated and alternate members shall replace them pursuant to the procedure provided for in § 20 of this Act. In such case, the council shall call a session which shall be chaired by the chairman or deputy chairman of the election committee of the rural municipality or city until the chairman of the council is elected.
- (3) If the number of members of a council falls below the number required to obtain a majority of the votes of the membership of the council less than six months prior to local government council regular elections, the government shall decide on the issues set out in clauses 22 (1) 12) and 13) and subsection 22 (2) of this Act.

§ 53. [Repealed - RT I 1999, 75, 705 - entry into force 15.10.1999]

Chapter 6¹

LAW ENFORCEMENT UNIT AND LAW ENFORCEMENT OFFICIAL

[RT I 2004, 89, 610 - entry into force 01.06.2005]

§ 53¹. Law enforcement unit and law enforcement official

- (1) A local government may form a law enforcement unit of a rural municipality or city (hereinafter *law enforcement unit*) or appoint an official who engages in law enforcement into office (hereinafter *law*

enforcement official), whose main function is to participate in ensuring the public order and to exercise supervision over compliance with the rules adopted by the rural municipality or city council in the jurisdiction determined by the local government.

(2) The activities of a law enforcement unit and a law enforcement official shall be financed from the local government budget.

[RT I 2004, 89, 610 - entry into force 01.06.2005]

§ 53². Formation of law enforcement unit and establishing of position of law enforcement official and their functions

(1) The formation and termination of a law enforcement unit or the establishment or redundancy of the position of a law enforcement official shall be decided by the rural municipality or city council.

(2) The subordination, jurisdiction and specific duties of a law enforcement unit shall be provided for in the statutes approved by the rural municipality or city council. If the position of law enforcement official is created in a rural municipality or city government, the subordination, jurisdiction and specific duties of a law enforcement official shall be provided for in the job description of the law enforcement official.

(3) The Public Service Act extends to law enforcement officials.

[RT I 2004, 89, 610 - entry into force 01.06.2005]

§ 53³. Co-operation between law enforcement unit and law enforcement official

(1) In the performance of their duties, a law enforcement unit and law enforcement officials shall co-operate with other local government agencies, state bodies, the Police and Border Guard Board, legal persons in private law, citizens and citizens' associations.

[RT I, 29.12.2011, 1 - entry into force 01.01.2012]

(2) The Police and Border Guard Board shall provide assistance in the training and in-service training of law enforcement units and law enforcement officials on the basis of a contract entered into with the rural municipality or city government.

[RT I, 29.12.2011, 1 - entry into force 01.01.2012]

§ 53⁴. [Repealed - RT I 2004, 89, 610 - entry into force 01.06.2005]

§ 53⁵. Uniform and badges of law enforcement official

(1) Law enforcement official shall wear uniforms with local government insignia or other distinguishing badges which clearly distinguish them from the police.

(2) The uniform and other badges of law enforcement officials shall be established by a regulation of the Ministry of Internal Affairs.

[RT I 2004, 89, 610 - entry into force 01.06.2005]

Chapter 7 GENERAL PRINCIPLES OF LOCAL GOVERNMENT SERVICE

§ 54. Local government service

(1) Local government service in rural municipality and city administrative agencies is regulated by the Public Service Act, Employment Contracts Act and this Act.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(2) Rural municipality and city mayors and their assistants and rural municipality and city secretaries must have oral and written proficiency in Estonian.

§ 54¹. Social guarantees for persons elected or appointed by council

(1) The chairman of a council, his or her deputy, a rural municipality or city mayor, or a member of the government appointed by a council, working in a remunerative position, may be paid, in the event of his or her release from office, compensation by a decision of the council in the amount of up to three months' salary if the

person has worked for two to eight years, and in the amount of up to six months' salary if the person has worked in the corresponding office for more than eight years, and the person is released from office:

- 1) due to the premature termination of his or her authority;
- 2) on his or her own initiative due to his or her state of health which does not allow the performance of functions in a continuous manner;
- 3) due to an expression of no confidence.

(2) The compensation provided for in subsection (1) of this section is not paid if the person elected or appointed by the council:

- 1) is released from office on his or her own initiative except in the case set out in clause (1) 2) of this section;
- 2) is elected or appointed for a new term of office by the council.

(3) A rural municipality and city mayor working in a remunerative position shall be paid, in the event of his or her release from office, compensation in the amount of six times average monthly salary of the corresponding position for two years preceding the date of announcement of the results of the local government council elections if the release from office takes place as the result of alteration of administrative-territorial organisation of the rural municipalities or cities at the initiative of the councils and the rural municipality or city mayor has held the office for at least one year before the date of announcement of the council election results of a new local government formed as the result of a merger.

[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(3¹) The chairman of a council to whom the council has established a remuneration or compensation based on clause 22 (1) 21) of this Act shall be paid, upon termination of the authority of the chairman of the council, a compensation in the amount of average monthly salary for two years preceding the date of announcement of the results of the local government council elections or six times the compensation if the authority of the chairman of the council terminates as the result of alteration of administrative-territorial organisation of the rural municipalities or cities at the initiative of the councils and he or she has worked as the chairman of the council for at least one year before the date of announcement of the council election results of a new local government formed as the result of a merger.

[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(4) The compensation provided for in subsections (3) and (3¹) of this section shall not be paid if the council elects the rural municipality or city mayor or the chairman of the council for a new term of office.

[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

§ 54². Specifications for substitution for officials in local government administrative agencies

(1) An absent official may be substituted or, in case the work of an administrative agency would be hindered due to the absence of an official and the appointment to service of a substitute is impossible or inexpedient, the functions of an absent official may be assigned to another official or a person employed by this administrative agency under an employment contract who meets the requirements towards the official and the substituted position. Substitution for an official by an employee is permitted only in case it is impossible to appoint in the administrative agency a substitute who is an official.

(2) A substitute who is an employee specified in subsection (1) of this section shall be appointed to service as an official for the period of substitution based on clause 23 (2) 1) of the Public Service Act.

(3) The substitution of an official by a substitute who is an employee specified in subsection (1) of this section shall not last for over five months in a calendar year.

(4) A person who is pregnant or raising a child under three years of age or a disabled minor child may refuse from performing the functions of an absent official.

(5) A substitute who is an employee specified in subsection (1) of this section may be paid additional remuneration proportionally to the functions of the substituted person assigned to him or her.

(6) The prohibition on strikes arising from the Public Service Act and the restrictions on activities of officials shall apply to a substitute who is an employee specified in subsection (1) of this section for the period of substitution.

[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

§ 55. Rural municipality and city secretaries

(1) A rural municipality or city secretary is appointed to and released from office by the rural municipality or city mayor pursuant to the procedure provided by law.

(2) The following Estonian citizens of at least 21 years of age may be appointed as rural municipality and city secretaries:

- 1) who have acquired in the field of law at least an officially certified Master's degree, a corresponding qualification for the purposes of subsection 28 (2²) of the Republic of Estonia Education Act or a corresponding foreign qualification;

2) who have acquired in the field of law at least an officially certified Bachelor's degree, a corresponding qualification for the purposes of subsection 28 (22) of the Republic of Estonia Education Act or a corresponding foreign qualification and who have been employed for the purposes of § 2 of the Public Service Act in a state or local government administrative agency for at least two years; or

3) who have been issued prior to 1 March 2011 a certificate of compliance with the professional qualification requirements for rural municipality and city secretaries by the Rural Municipalities and City Secretaries Professional Qualifications Committee formed by the Government of the Republic and who have been employed for the purposes of § 2 of the Public Service Act in a state or local government administrative agency for at least two years, but who do not comply with the education requirements specified in clauses 1) and 2) of this subsection.

[RT I, 05.01.2011, 10 - entry into force 01.03.2011]

(3) A rural municipality or city secretary does not belong to the membership of the government, however, he or she participates in government sessions with the right to speak.

(4) A rural municipality or city secretary shall:

1) direct the office of the rural municipality or city and make proposals to the rural municipality or city mayor concerning the functions, structure and staff of public servants of the office of the rural municipality or city;

2) co-sign government regulations and orders;

3) manage the publication of the legislation of the government and the disclosure of the activities of the government;

4) manage the publication of the legislation of the council and the disclosure of the activities of the council;

5) [Repealed - RT I 2010, 19, 101 - entry into force 01.12.2005]

6) represent the rural municipality or city in the courts or authorise other persons to do so;

7) hold the public seal of the rural municipality or city;

8) participate in the preparation of documents for government sessions and arrange the taking of minutes of sessions;

[RT I, 05.01.2011, 10 - entry into force 01.03.2011]

9) issue directives for the organisation of the internal operations of the office of the rural municipality or city;

9¹) register, in the case specified in § 141 of the Code of Criminal Procedure, the suspension of a service relationship of a rural municipality or city mayor based on an order of a Prosecutor's Office or a court ruling as of the working day following the receipt of the order or ruling;

9²) [Repealed -RT I, 22.11.2013, 1 - entry into force 01.01.2014]

10) perform other functions assigned to rural municipality or city secretaries pursuant to law, the statutes of the rural municipality or city and the legislation of the local government.

[RT I, 05.01.2011, 10 - entry into force 01.03.2011]

(5) In the absence of a rural municipality or city secretary, he or she shall be substituted by a person appointed by the order of a rural municipality or city mayor. A substitute for a rural municipality or city secretary has all the rights and obligations of a rural municipality or city secretary and he or she shall comply with the requirements concerning the age and citizenship provided for in subsection (2) of this section and one of the conditions specified in clauses 1)–3) of subsection (2) for the appointment of a rural municipality or city secretary.

[RT I, 05.01.2011, 10 - entry into force 01.03.2011]

Chapter 8

FORMATION AND PROCEDURE OF RURAL MUNICIPALITY AND CITY DISTRICTS

§ 56. Rural municipality or city district

A rural municipality or city district is a unit which operates in the territory and within the composition of a rural municipality or city pursuant to the statutes of the rural municipality or city district approved by the council.

§ 57. Formation of rural municipality or city district

(1) The formation of a rural municipality or city district may be initiated by:

1) one fourth of the members of the council;

2) not less than one per cent of the residents of the rural municipality or city with the right to vote, however not less than five residents with the right to vote, by way of an application;

3) the rural municipality or city government.

(2) The statutes of a rural municipality or city district shall provide:

1) a description of the boundaries of the rural municipality or city district;

2) the procedure for formation of the government of the rural municipality or city district;

- 3) the procedure for the appointment to office of the rural municipality or city district elder, whereby the term of office of the rural municipality or city district elder shall not exceed the term of office of the rural municipality or city council;
- 4) the authority of the rural municipality or city district government and rural municipality or city district elder and the budgetary funds of the rural municipality or city allocated for the performance thereof;
- 5) the bases and procedure for supervision over the activities of the rural municipality or city district government and the rural municipality or city district elder, and for liquidation of the rural municipality or city district.

(3) A council shall decide to form a rural municipality or city district on the basis of an application or shall refuse such application. The council may organise an opinion poll of the residents concerning such issue, if necessary.

(4) Rural municipality and city district governments and rural municipality and city district elders do not have the right to pass legislation of general application.

(5) Rural municipality and city district elders may, within the limits of their authority and for the performance of their functions, issue orders as legislation of specific application and directives for the organisation of the internal operations of the government.

(6) The requirements provided for in subsections 31 (1)–(5) of this Act apply to orders issued by rural municipality and city district elders. Orders shall be signed by the rural municipality or city district elder.

(7) Supervision over orders issued by a rural municipality or city district elder is exercised by the rural municipality or city mayor pursuant to the procedure provided for in the statutes of the rural municipality or city.

(8) The authority of rural municipality and city district governments and rural municipality and city district elders shall not be restricted and budgetary funds allocated to them shall not be decreased during the budgetary year of the rural municipality or city.

§ 57¹. Appointment to office and release from office of rural municipality district elders and city district elders

(1) Rural municipality district elders and city district elders shall be appointed to office and released from office by the rural municipality or city government on the proposal of the rural municipality or city mayor.

(1¹) The provisions of the Public Service Act concerning officials shall extend to rural municipality district elders and city district elders to the extent not provided otherwise by this Act.
[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(1²) Sections 16–20 of the Public Service Act need not be applied to fill vacant positions of rural municipality district elders and city district elders.
[RT I, 06.07.2012, 1 - entry into force 01.04.2013]

(2) In addition to the grounds for release from the service provided for in the Public Service Act, rural municipality district elders and city district elders shall be released from office on the reasoned proposal of the rural municipality or city mayor.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

§ 58. Small town and village elders

(1) A small town or village elder may be elected by the small town or village meeting.

(2) The performance of tasks of a rural municipality government by a small town or village elder shall be provided for in a contract.

(3) A council may adopt the statute of mayors of cities without municipal status and small town, town and village elders, which sets out the procedure for the election of mayors of cities without municipal status and small town, town and village elders, the requirements for candidates, the rights and obligations and the term of office. The term of office of mayors of cities without municipal status and small town, town and village elders shall not be restricted by the term of office of the council.
[RT I 2005, 31, 230 - entry into force 17.10.2005]

Chapter 9 **[Repealed - RT I 1994, 84, 1475 - entry into force 12.12.1994]**

Chapter 10

CO-OPERATION OF LOCAL GOVERNMENTS

§ 62. Forms of co-operation

(1) For the expression, representation and protection of common interests and for the performance of common functions, rural municipalities and cities may:

- 1) co-operate;
- 2) grant authority to another rural municipality or city for this purpose;
- 3) form local government associations and other organisations.

(2) In the case of co-operation specified in subsection (1) of this section, rural municipalities and cities may found joint agencies on the basis of a contract.

[RT I 2002, 96, 565 - entry into force 01.01.2003]

§ 63. Local government associations

County and national local government associations shall be formed and their activities shall take place pursuant to the procedure prescribed in the Local Government Associations Act.

[RT I 2002, 96, 565 - entry into force 01.01.2003]

§ 64. [Repealed - RT I 2002, 96, 565 - entry into force 01.01.2003]

Chapter 11 RELATIONS WITH STATE BODIES AND SUPERVISION

§ 65. Relations between local governments and state bodies

(1) Relations between local government bodies and state government agencies are based on law and contract.

(2) Local government bodies shall not delegate their functions, competence or funds allocated to them pursuant to law for the performance thereof to state government agencies.

(3) Rural municipality and city councils and local government associations have the right to submit proposals to the Government of the Republic for the passage or amendment of Acts and other legislation.

(4) Local executive bodies are consulted in a timely and appropriate manner in the planning and resolution of issues which directly pertain to the bodies.

[RT I 2002, 96, 565 - entry into force 01.01.2003]

§ 66. Supervision and inspection of local government activities

(1) The county governor exercises supervision over the activities of a local government pursuant to the procedure provided by law.

(2) The National Audit Office inspects the activities of a local government pursuant to the National Audit Office Act.

(3) The Chancellor of Justice exercises supervision over the conformity of the legislation of general application of rural municipalities and cities with the Constitution of the Republic of Estonia and law.

[RT I 2005, 32, 235 - entry into force 01.01.2006]

§ 66¹. Supervisory control

(1) Supervisory control is control exercised by the government over the legality and purposefulness of the activities of rural municipality and city administrative agencies and of their officials, and of the agencies under the administration of rural municipality and city administrative agencies and of their managers.

(2) In the exercise of supervisory control, the government has the right to:

- 1) issue a precept for the elimination of deficiencies in a legal instrument or act;
- 2) suspend the performance of an act or the validity of a legal instrument;
- 3) invalidate a legal instrument.

(3) Resolutions passed by way of supervisory control shall be reasoned.

(4) The implementation of a legal instrument or performance of an act of a rural municipality or city administrative agency and of their official, and of the manager of an agency under the administration of a rural municipality or city administrative agency may be suspended for up to ten working days for the supplementary control of the legality and purposefulness of the legal instrument or act, or for the collection of necessary supplementary information, including explanations from the issuer of the legal instrument or the performer of the act.

(5) Upon the suspension of the implementation of a legal instrument or the performance of an act by way of supervisory control, the running of the period established by law, or legislation issued for implementation on the basis thereof, or other legislation for the performance of a given act shall be suspended.

(6) The government shall repeal a legal instrument or act of the rural municipality or city government administrative agency and of their official, and of the manager of an agency under the administration of a rural municipality or city administrative agency which is not in conformity with the Constitution of the Republic of Estonia, other laws, or legislation issued for implementation on the basis thereof, or rural municipality or city legislation.

(7) The government shall invalidate a legal instrument or an act of the rural municipality or city government administrative agency and of their official, and of the manager of an agency under the administration of a rural municipality or city administrative agency on the grounds of lack of purposefulness if the legal instrument or act is clearly not in conformity with the principles of the local government, or if it causes an unreasonable use of the assets or budget funds of the rural municipality or city.

(8) Legal instruments and acts for which the conditions for issuance are provided by law, or legislation issued for implementation on the basis thereof, shall not be repealed or invalidated on the grounds of lack of purposefulness.

(9) Supervisory control on the basis of this Act is not exercised over the legal instruments issued and acts performed by the officials of government agencies performing supervisory duties.
[RT I 2002, 63, 387 - entry into force 01.09.2002]

Chapter 11¹

LIABILITY

§ 66². Violation of rules for maintenance and excavation operations and failure to perform duties

(1) Violation of the rules for maintenance and excavation operations or failure to perform duties is punishable by a fine of up to 100 fine units.

(2) The same act, if committed by a legal person, is punishable by a fine of up to 1300 euros.
[RT I 2010, 22, 108 - entry into force 01.01.2011]

§ 66³. Violation of rules for keeping dogs and cats

(1) Violation of the rules for keeping dogs and cats is punishable by a fine of up to 100 fine units.

(2) The same act if it causes proprietary damage or physical harm to humans is punishable by a fine of up to 200 fine units.

§ 66⁴. Proceedings

(1) The provisions of the General Part of the Penal Code and of the Code of Misdemeanour Procedure apply to the misdemeanours provided for in §§ 66² and 66³ of this Act.

(2) The following extra-judicial bodies conduct proceedings in matters of misdemeanours provided for in §§ 66² and 66³ of this Act:

- 1) a rural municipality or city government;
- 2) the Police and Border Guard Board.

[RT I, 29.12.2011, 1 - entry into force 01.01.2012]

(3) The Environmental Inspectorate shall conduct extra-judicial proceedings in the matters of the misdemeanours provided for in § 66² of this Act.

§ 66⁵. Accrual of fines

If a rural municipality or city government is the extra-judicial body which has imposed a cautionary fine or fine, the cautionary fine or fine imposed for misdemeanours provided for in §§ 66² and 66³ of this Act shall be transferred into the budget of the local government which made the decision.

Chapter 12

IMPLEMENTATION OF ACT

§ 67. Entry into force of Act

(1) Sections 1–5, 7, 10, 12–15, 23–26, 31, 33–37, 40–42, 50, 51, 56–58, 62–64 and 66 of this Act enter into force as of the date of publication of this Act in the *Riigi Teataja*. Subsection 55 (2) of this Act enters into force as of 1 January 1997. Other sections of this Act enter into force as of the date of the announcement of the results of the first local government council elections following the passage of this Act.

(2) If elections to a local government council do not take place or the election results are not announced, a representative of the local government of the county to the county assembly specified in subsection 59 (1) of this Act shall be elected by the previous membership of the council.

§ 68. Status of towns and independent cities

Upon the entry into force of this Act, towns obtain the status of rural municipalities and independent cities obtain the status of cities.

§ 69. Termination of authority of councils

The authority of the current memberships and members of rural municipality, town, city and county councils terminates on the date the results of the first local government council elections following the entry into force of this Act are announced.

§ 70. Term of authority of county governors and county governments

The authority of county governors, assistant county governors and counsellors to county governments the appointment to office of whom was confirmed by the current memberships of the county councils terminates on the date the results of the first local government council elections following the entry into force of this Act are announced.

§ 70¹. Continuation of service of rural municipality and city secretary

The requirements provided for in subsection 55 (2) of this Act do not apply to rural municipality or city secretaries appointed before 1 March 2011 who continue service as at 1 January 2011 as the rural municipality or city secretaries of the same local government.
[RT I, 05.01.2011, 10 - entry into force 01.03.2011]

§ 70². Exception to implementation of clause 18 (1) 6) of this Act#CP1252#

The restriction provided for in clause 18 (1) 6) of this Act pursuant to which the authority of a council member terminates prematurely due to employment in an administrative agency of the same rural municipality or city based on employment contract shall be implemented as of the date of announcement of the results of the local government council elections in 2013.
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

§ 71. Statutes of local governments

The statutes of local governments shall be approved or brought into accordance with this Act within three months from the date that the appointment to office of the rural municipality or city government is confirmed by the council formed as a result of the next elections.

§ 72. [Repealed - RT I 2002, 96, 565 - entry into force 01.01.2003]

§ 72¹. [Repealed - RT I 2002, 96, 565 - entry into force 01.01.2003]

§ 73. Repeal of legislation

[Omitted from this text.]

§ 74. Settlement of disparities

In the case of disparities in the provisions specified in § 67 of this Act and the Estonian Soviet Socialist Republic Principles of Local Government Act and provisions of other Acts and legislation, the provisions of this Act apply.

§ 75. Accordance of legislation

The Government of the Republic shall submit proposals to bring Acts and other legislation into accordance with this Act.