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Local Government Organisation Act

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RT I 1993, 37, 558
entered into force pursuant to § 67

Amended by the following acts

Passed	Published	Entry into force
09.02.1994	RT I 1994, 12, 200	11.03.1994
08.03.1994	RT I 1994, 19, 340	29.03.1994
11.10.1994	RT I 1994, 72, 1263	10.11.1994
23.11.1994	RT I 1994, 84, 1475	12.12.1994
25.01.1995	RT I 1995, 16, 228	01.01.1996
09.02.1995	RT I 1995, 17, 237	10.03.1995
15.02.1995	RT I 1995, 26, 355	01.09.1995
21.02.1995	RT I 1995, 23, 334	01.04.1995
14.06.1995	RT I 1995, 59, 1006	22.07.1995
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
30.09.1999	RT I 1999, 75, 705	15.10.1999, in part 01.01.2001 and 01.01.2002
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, in part 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, in part 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
correction notice (RT I 2005, 10)		
12.05.2005	RT I 2005, 31, 230	17.10.2005, in part 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, in part 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 13.07.2010 (OJ L 196, 28.07.2010, pp. 24-26).
		01.01.2011, in part 01.01.2013
16.09.2010	RT I 2010, 72, 543	26.11.2010
27.10.2010	RT I, 16.11.2010, 2	01.01.2011
09.12.2010	RT I, 17.12.2010, 21	01.03.2011
16.12.2010	RT I, 05.01.2011, 10	01.07.2011
23.02.2011	RT I, 18.03.2011, 1	01.01.2012
08.12.2011	RT I, 29.12.2011, 1	01.04.2013, in part 01.01.2014
06.06.2012	RT I, 29.06.2012, 1	01.04.2013
13.06.2012	RT I, 06.07.2012, 1	01.04.2013
13.06.2012	RT I, 10.07.2012, 2	01.01.2013
12.12.2012	RT I, 28.12.2012, 3	20.03.2013
27.02.2013	RT I, 19.03.2013, 1	01.04.2013, in part 27.03.2013
14.03.2013	RT I, 26.03.2013, 1	01.01.2014
07.11.2013	RT I, 22.11.2013, 1	01.07.2014
19.02.2014	RT I, 13.03.2014, 4	01.01.2015
19.06.2014	RT I, 12.07.2014, 1	01.07.2014, the titles of ministers substituted on the basis of subsection 4 of § 107 ³ of the Government of the Republic Act.
19.06.2014	RT I, 29.06.2014, 109	16.10.2017
		01.01.2016
09.12.2014	RT I, 19.12.2014, 2	22.03.2015, in part 01.11.2017
11.02.2015	RT I, 12.03.2015, 1	01.07.2015
18.02.2015	RT I, 12.03.2015, 2	01.01.2016
18.02.2015	RT I, 23.03.2015, 3	01.07.2016, in part 01.01.2017
09.12.2015	RT I, 30.12.2015, 5	
07.06.2016	RT I, 21.06.2016, 1	

07.06.2016	RT I, 21.06.2016, 16	16.10.2017
14.06.2017	RT I, 30.06.2017, 1	01.07.2017
14.06.2017	RT I, 04.07.2017, 1	01.01.2018
14.06.2017	RT I, 04.07.2017, 2	01.01.2018, in part 05.07.2017
06.06.2018	RT I, 29.06.2018, 1	01.07.2018
21.11.2018	RT I, 12.12.2018, 2	22.12.2018
23.01.2019	RT I, 05.02.2019, 2	15.02.2019, in part 01.01.2020
17.04.2020	RT I, 22.04.2020, 1	– The judgment of the Constitutional Review Chamber of the Supreme Court repeals the following part of the sentence in clause 6 of subsection 1 of § 18 of the Local Government Organisation Act: “or employment in an administrative agency of the same rural municipality or city based on employment contract”; the entry into force of the judgment has been postponed for six months (enters into force on 17.10.2020).
17.06.2020	RT I, 10.07.2020, 5	20.07.2020
17.06.2020	RT I, 10.07.2020, 2	01.01.2021
16.12.2020	RT I, 04.01.2021, 1	01.05.2021
15.06.2021	RT I, 25.06.2021, 1	20.07.2021
16.06.2021	RT I, 25.06.2021, 3	18.10.2021
08.02.2023	RT I, 23.02.2023, 1	01.04.2023
20.06.2023	RT I, 30.06.2023, 1	01.07.2023
11.12.2024	RT I, 30.12.2024, 1	01.01.2025, the words "Ministry of Justice" replaced with words "Ministry of Justice and Digital Affairs" on the basis of subsection 12 of § 105.19 of the Government of the Republic Act.

Chapter 1 GENERAL PROVISIONS

§ 1. Scope of regulation of Act

(1) The Local Government Organisation Act determines the functions, responsibility and organisation of local government and the relations of local authorities 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 authority 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 municipal council – the representative body of a local authority elected by the residents of the rural municipality or city with the right to vote pursuant to the municipal council Election Act;
- 2) the municipal administration – the executive body formed by the municipal 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) Municipal councils have the right to impose taxes and duties pursuant to law.

§ 6. Functions and competence of local authority

(1) The functions of a local authority include the organisation, in the rural municipality or city, of the provision of social services, the grant of social benefits and other social assistance, welfare services for the elderly, cultural, sports and 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 construction and maintenance of rural municipality roads or city streets unless such functions are assigned by law to other persons.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

(2) The functions of a local authority 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 authority. 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]

(2¹) At the time of increased defence readiness, state of war, mobilisation or demobilisation, the local authority shall organise, in addition to the functions provided for in subsections 1 and 2 of this section, the social welfare of the families of victims of military action and persons occupying war-time positions of military rank and contribute to the evacuation of persons and the provision of accommodation, catering and medical care to evacuees.

[RT I, 12.03.2015, 1 – entry into force 01.01.2016]

(3) In addition to the functions provided for in subsections 1–2¹ of this section, local authorities resolve and organise the following local issues:

[RT I, 12.03.2015, 1 – entry into force 01.01.2016]

- 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 authorities 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 municipal council.

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

§ 6¹. Functions to be performed jointly by local authorities, competence of performance thereof and financing

(1) The function of local authorities is to jointly plan the development of the county and to target its implementation.

(2) The performance of the function specified in subsection 1 of this section is assigned by the resolutions of all the local authorities of a county to a county or regional association of local authorities, on the basis of a co-operation agreement to one local authority or another co-operation body of local authorities specified

in subsection 1 and 2 of § 62 of this Act or a non-profit association or foundation established by the local authorities or an association of local authorities. The Administrative Co-operation Act does not apply upon grant of authorisation for performance of the functions to the specified non-profit association or foundation.

(3) Unless the local authority of a county has decided through which co-operation body the function specified in subsection 1 of this section should be performed, the function is performed by a co-operation body through which the performance of the function has been requested by at least two-thirds of the councils of the local authorities of the county, where the total number of inhabitants constitutes at least two-thirds of the total number of the inhabitants of the county and which must include also the local authority constituting the county centre.

(3¹) The minister in charge of the policy sector of regional development may authorise the co-operation body designated in accordance with subsections 2 and 3 of this section to perform, on account of the funds of the area of government of the ministry, an administrative duty in relation to the implementation of a national support programme for regional development established under subsection 1 of § 53¹ of the State Budget Act, without applying subsections 2 and 3 of § 5 and subsection 1 and 2 of § 6 of the Administrative Co-operation Act. Subsection 1 of § 13 of the Administrative Co-operation Act does not apply upon entry into such an administrative contract whereby a co-operation body of local authorities is authorised to perform an administrative duty of the state.

[RT I, 12.12.2018, 2 – entry into force 22.12.2018]

(4) Performance of the functions specified in subsection 1 of this section is supported from the state budget.

(5) The procedure for allocating the state subsidy for the performance of a function specified in subsection 1 of this section shall be established by a regulation of the minister in charge of the policy sector.

(6) Performance of local government functions through the joint administrative agency of a rural municipality or city formed on the basis of this Act (hereinafter *joint administrative agency*) and an agency under the administration of the joint administrative agency of a rural municipality or city (hereinafter *joint agency*) is considered the performance of the functions by the local authorities that have formed a joint administrative agency or joint agency.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 7. Legislation of municipal council and municipal administration

(1) Municipal councils and municipal administrations have the right to issue regulations as legislation of general application.

(2) Municipal councils have the right to adopt resolutions and municipal administrations have the right to pass orders as legislation of specific application.

(3) Legislation passed by a municipal council and a municipal administration is valid in the administrative territory of the local authority.

(3¹) If the local authorities have formed a joint administrative agency for the performance of the functions, an administrative act of the joint administrative agency is considered an administrative act of the local authority on behalf of which the joint administrative agency issued the act. The legislation of the local authority which, on the basis of an administrative contract, authorised the joint administrative agency to perform the functions applies in the performance of the functions and issuing of administrative acts of the joint administrative agency.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

(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 a municipal council and a municipal administration with the specifications arising from the legal status of a local authority. The specific procedure for the implementation of rules of legislative drafting may be established by the municipal council.

[RT I 2005, 31, 230 – entry into force 01.01.2006]

(5) The regulations of municipal councils and municipal administrations 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 municipal council, and the procedure for the formation, rights and duties of the council committees;

[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

- 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, and the joint administrative agencies and joint agencies in the rural municipality or city;
[RT I, 04.07.2017, 2 – entry into force 01.01.2018]
- 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 authority 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 municipal 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 municipal council, the chairman of the municipal 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 authority 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 authorities to form associations, joint administrative agencies and joint agencies

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]
Local authorities have the right to form associations, joint administrative agencies and joint agencies with other local authorities on the bases of and pursuant to the procedure provided for in legislation.
[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 13. International cooperation of local authorities

(1) Municipal councils, municipal administrations and administrative agencies have the right, within their competence, to cooperate with all other local authorities outside of Estonia and enter into contracts with these. Administrative agencies shall inform the municipal council of such cooperation.

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

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

(4) Contracts which are to be entered into are subject to prior review and approval by the municipal council if performance of the contracts involves expenses from the local authority 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 authorities

(1) A local authority 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 authority, 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 authority shall not be confusingly similar to the flag or coat of arms of another local authority 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 authority shall comply with the requirements for heraldry.

(4) The coat of arms of a local authority may be used on the document forms and seals of the bodies and agencies of a local authority 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 authority 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 authority

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

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

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

Chapter 2 MUNICIPAL COUNCIL

§ 16. Formation of municipal council

(1) Municipal councils are elected by general, uniform and direct elections by secret ballot for a term of four years pursuant to the municipal 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 municipal council and of its members commences, and the authority of the previous membership of the municipal 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. Municipal council member

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

(2) Municipal 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 municipal council has the right to pay remuneration to its members for the participation in the work of the municipal council and compensation for expenses incurred in the performance of tasks assigned to them by the municipal council on the basis of the submitted documents pursuant to the rates and procedure established by the municipal council. If a municipal council member is a Member of the European Parliament or member of the *Riigikogu* during their term of authority, they shall be paid no remuneration for the participation in the work of the municipal council.

[RT I, 25.06.2021, 3 – entry into force 18.10.2021]

(4) The position of the chairman of the municipal council and one deputy chairman may be remunerative based on a resolution of the municipal council. The chairman of the municipal council or the deputy chairman of the municipal 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 municipal council. If the chairman of the municipal council or the deputy chairman of the municipal council is a Member of the European Parliament or member of the *Riigikogu* during their term of authority, they shall be paid no remuneration for the performance of the duties of the chairman of the municipal council or the deputy chairman of the municipal council.

[RT I, 25.06.2021, 3 – entry into force 18.10.2021]

(4¹) The duration of the annual holiday of the chairman of the municipal council or the deputy chairman of the municipal 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) Municipal council members may be sent on official travel pursuant to the procedure established by the municipal council. Travel expenses of municipal 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 municipal council member shall not participate in the preparation, debate and resolution of legislation of specific application in the municipal council with regard to which a procedural restriction extends to him or her pursuant to the provisions of the Anti-corruption Act.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(6) In the case provided for in subsection 5 of this section, a municipal 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. The quorum necessary for the resolution of items shall be decreased by such municipal council member.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(6¹) The provisions of subsection 5 of this section shall not apply to election of persons and approval or appointment to office of a member of the municipal administration.

[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

(6²) A municipal council member who has been elected a rural municipality or city mayor or who has been approved as a member of the rural municipality or city government, or who has been appointed to a remunerative position of a member of the municipal administration in the same rural municipality or city shall not participate as of the moment of being elected, approval as a member or appointment to office in the debate and resolution of legislation of specific application in the municipal council by which his or her remuneration or compensation is being determined.

[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

(7) [Repealed – RT I 29.06, 2012, 1 – entry into force 01.04.2013]

§ 18. Premature termination of authority of municipal council member

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

1) if the municipal council is unable to act;

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

2) due to the resignation of the municipal 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 municipal council member to the office of the President of the Republic, the appointment of the municipal council member as the State Secretary, the Auditor General, the Chancellor of Justice, a judge or prosecutor;

[RT I, 25.06.2021, 3 – entry into force 18.10.2021]

6) due to appointment as an official of the same rural municipality or city local government;

[RT I, 22.04.2020, 1 – entry into force 17.10.2020 – The judgment of the Constitutional Review Chamber of the Supreme Court repeals the following part of the sentence in clause 6 of subsection 1 of § 18 of the Local Government Organisation Act: “or employment in an administrative agency of the same rural municipality or city based on employment contract”.]

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 municipal council member due to his or her failure to comply with the requirements provided for in the municipal 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 municipal council member.

(1¹) The restriction provided for in clause 6 of subsection 1 of this section shall not apply to a municipal council member whose authority is suspended on the basis of clause 1 of subsection 2 of § 19 of this Act.

[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

(2) In the case provided for in clause 2 of subsection 1 of this section, a municipal council member shall submit an application, and in the case provided for in clauses 3–8 of subsection 1 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, 3, 4, 5, 6, 7 and 10 of subsection 1 of this section become known;
 - 2) in the cases provided for in clauses 8 and 9 of subsection 1 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 municipal council member

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

(2) The authority of a municipal council member is suspended:
[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

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

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

[RT I, 21.06.2016, 16 – entry into force 16.10.2017]

1²) if he or she works at an administrative agency of the same rural municipality or city based on an employment contract;

[RT I, 25.06.2021, 1 – entry into force 20.07.2021]

2) due to the imposition of preventive custody on the municipal 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 1 of subsection 2 of this section does not apply to rural municipality or city mayors elected by the previous membership, members of the municipal administration approved or appointed by the previous membership and rural municipality district or city district elders appointed by the previous membership who are elected to the new membership of the municipal council and who continue their activity until the municipal council confirms the membership of the new municipal administration.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(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 1 of subsection 2 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 of subsection 2 of this section, the corresponding court ruling within three working days after the receipt thereof;

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

4) a corresponding notice after the circumstances provided for in clauses 11, 12, 4 and 5 of subsection 2 of this section become known.

[RT I, 25.06.2021, 1 – entry into force 20.07.2021]

§ 20. Alternate municipal council member

(1) In the cases provided for in §§ 18 and 19 of this Act, an alternate municipal council member shall replace a municipal council member. An alternate municipal 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 municipal council member shall terminate prematurely in the cases provided for in subsection 1 of § 18 of this Act. The authority of an alternative municipal 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 municipal council is suspended, and the authority of the alternate member as municipal 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 municipal council and the designation of an alternate municipal 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 municipal council, the rural municipality or city election committee is aware that the municipal council member is unable to participate in the work of the municipal council or has submitted an application for declination due to the circumstances provided for in subsection 1 of § 18 or subsection 2 of § 19 of this Act, the election committee shall immediately replace such municipal council member by an alternate member.

(5) The alternate member of a municipal 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 municipal council member declines or is unable to participate in the work of the municipal council due to the reasons specified in subsection 1 of § 18 or subsection 2 of § 19 of this Act, the new municipal 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 municipal 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 city list. If the first alternate municipal council member declines or is unable to participate in the work of the municipal council due to the reasons specified in subsection 1 of § 18 or subsection 2 of § 19 of this Act, the new municipal 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 city list. [RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(5²) The rural municipality or city electoral committee shall promptly notify an alternate member of the right to be granted the authority of a municipal council member. An alternate member shall notify the electoral committee in writing within three working days as of the receipt of a notice whether he or she wishes to participate in the work of the municipal council. [RT I, 12.03.2015, 2 – entry into force 22.03.2015]

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

(7) An alternate municipal council member ranking first in the list of alternate members who is unable to participate in the work of the municipal council due to the reasons specified in subsection 2 of § 19 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 municipal 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 municipal council member.

(8¹) If the same political party or election coalition has no more candidates registered as alternate members in an electoral district in Tallinn, 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 city list. If the political party or election coalition has no more alternate members registered in the city list, the alternate member who is appointed on the basis of additional mandate distributed among the city lists shall become the municipal council member. [RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(9) If only independent candidates are in the consolidated list of candidates in an electoral district, the municipal 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 municipal 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 municipal council due to the reasons specified in subsection 1 of § 18 of this Act, he or she can no longer be designated as municipal council member.

§ 20¹. Restoration of authority of municipal council member

(1) If a municipal council member wants his or her authority to be restored, the municipal 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 municipal 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 municipal council member, the authority of the alternate municipal council member who was last designated to replace a municipal 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 city list, shall terminate.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

(4) The authority of the member of the municipal council is restored, and the authority of the municipal 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 municipal council

(1) Resolution of the following issues is within the exclusive competence of a municipal 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 3 of § 37 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 7 of § 34 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 initiation, deciding and application for alteration of administrative-territorial organisation and boundaries and changes to names of administrative units and provision of opinion with regard thereto;

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

10¹) the amendments to merger contract and merger agreement adopted upon alteration of administrative-territorial organisation;

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

11) the formation and liquidation of rural municipality districts 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 municipal 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 electoral committee and voting district committee, excluding the case specified in subsection 1 of § 23³ of the Municipal Council Election Act;

[RT I, 21.06.2016, 1 – entry into force 01.01.2017]

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

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

16) the approval of the number of members of the municipal administration 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 municipal administration;

18) the expression of no confidence in the chairman of the municipal council, the deputy chairman of the municipal council, a chairman of a municipal council committee, a deputy chairman of a municipal council

committee, a member of the revision committee, the municipal administration, the rural municipality or city mayor, or a member of the municipal administration;

19) the determination of remuneration, additional remuneration, compensations, benefits and advantages to the rural municipality or city mayor and members of the municipal administration working in remunerative positions, and the resolution on payment of compensation to other members of the municipal administration 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 municipal council committees, election of chairmen and deputy chairmen thereto from among municipal 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 municipal council members for the participation in the work of the municipal council and for compensation for expenses incurred in the performance of tasks assigned to them by the municipal 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 association of local authorities and their removal therefrom;

26) the selection of candidates for lay judge;

27) the election of a representative or representatives of the municipal 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 2005, 31, 230 – entry into force 17.10.2005]

29) [Repealed – RT I, 23.03.2015, 3 – entry into force 01.07.2015]

30) [Repealed – RT I, 29.06.2018, 1 – entry into force 01.07.2018]

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 2 of § 130 of the Planning Act;

[RT I, 23.03.2015, 3 – entry into force 01.07.2015]

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;

34¹) the foundation and restructuring of joint administrative agencies and joint agencies, and the termination of the operation and the approval of the statutes of such agencies;

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

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 joint administrative agencies, and the composition of the places of service, and the salary guide;

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

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) [Repealed – RT I, 13.03.2014, 4 – entry into force 01.07.2014]

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]

36⁷) the establishment of the requirements and procedure for organising commerce on land which is in public use;

[RT I, 04.01.2021, 1 – entry into force 01.05.2021]

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

(2) The issues placed within the competence of local government, local authority or local government body by the legislation shall be resolved in the name of the local authority by the municipal council who has the right to delegate the resolution of such issues to the rural municipality or city government or rural municipality district or city district representative body, administrative agency, structural unit or official of an agency appointed by the municipal council.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(3) A municipal 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 municipal council.
[RT I, 06.07.2012, 1 – entry into force 01.04.2013]

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

(1) Municipal council legislation shall be disclosed pursuant to the procedure provided for in the statutes of the rural municipality or city. Municipal 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) Municipal council resolutions enter into force after they are made public.
[RT I 2002, 61, 375 – entry into force 01.08.2002]

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

(5) Municipal council regulations and resolutions and minutes of municipal 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) Municipal council regulations and resolutions and minutes of municipal council sessions shall be prepared in Estonian. In local authorities where the majority of permanent residents are non-Estonian speakers, minutes of municipal 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 authority.

§ 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 municipal council members

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

§ 26. Right of municipal council members to obtain information

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

(2) A member of the municipal 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 9 of § 5 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 municipal council.
- (2) A government shall submit its resignation at the first session of a new membership of the municipal 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 municipal council based on the position of the government or municipal council resolutions;
 - 2) resolves and manages local issues which are assigned to the government by municipal 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 municipal council;
 - 4) resolves issues, the resolution of which has been delegated to the government on the basis of subsection 2 of § 22 of this Act, or authorises the resolution of these issues for performance to a rural municipality or city administrative agency, structural unit or official of an administrative agency.
[RT I, 04.07.2017, 2 – entry into force 01.01.2018]
 - 5) [Repealed – RT I, 06.07.2012, 1 – entry into force 01.04.2013]
- (2) The government may apply to the municipal council for the review of a regulation or resolution passed by the municipal 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 3 of § 5 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 government 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 municipal council, the municipal administration shall, within one month, submit such issue together with its position to the municipal 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 municipal council or the municipal administration.
[RT I 2002, 61, 375 – entry into force 01.08.2002]

§ 33. Application for amendments to legislation of municipal council and municipal administration

(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 authority. An immovable transferred by the state without charge may be transferred only pursuant to the procedure established by the municipal council.

(3¹) Before the transfer of an immovable specified in subsection 3 of this section or establishment of a right of superficies thereon, the local authority ascertains whether the property has utility for the State pursuant to subsection 1¹ of § 33 of the State Assets Act.
[RT I, 23.02.2023, 1 – entry into force 01.04.2023]

(4) A local authority 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 establish agencies under the administration of rural municipality or city administrative agencies, or joint agencies of rural municipalities or cities 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, 04.07.2017, 2 – entry into force 01.01.2018]

(2) The municipal 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 municipal 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 municipal 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 partner or 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 9 of § 2 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 partner, shareholder, founder or member are exercised by persons appointed by the rural municipality or city government.

(4¹) If a rural municipality or city that has founded a foundation merges and the legal succession of a local authority transfers to a local authority formed as the result of alteration of administrative-territorial organisation, the provisions of subsection 5 of § 5 of the Foundations Act shall not apply and the founder's rights in the foundation shall transfer to the local authority formed as the result of alteration of administrative-territorial organisation.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(4²) If a rural municipality or city which is a member of a non-profit association merges and the legal succession of a local authority transfers to a local authority formed as the result of alteration of administrative-territorial organisation, the provisions of subsection 2 of § 14 of the Non-profit Associations Act shall not apply and the membership right shall transfer in case of a merger to the formed local authority.

[RT I, 04.07.2017, 2 – entry into force 05.07.2017]

(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 municipal 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 municipal 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 municipal council, the cost of work necessary for the fulfilment of duties shall be specified pursuant to the procedure established by the municipal 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 and the health of the population;

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

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.

(2¹) If investments or other development activities have been agreed in a merger agreement under § 9¹ of the Territory of Estonia Administrative Division Act, the specified investments or development activities shall also be provided in the development plan.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(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.

(4¹) The development plans specified in subsections 2 and 3 of this section shall take into account the county development strategy.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

(5) If a supplementary development plan specified in clause 2 of subsection 3 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 authority, 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 authority for the purposes of the Local Government Financial Management Act.

(2) A municipal 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.

(4¹) If a rural municipality district or city district has been formed in a rural municipality or city, a draft development plan and budget strategy shall be submitted for forming a position and making proposals to the rural municipality district or city district representative body (hereinafter *rural municipality district or city district assembly*), the discussion of whose proposals shall take place pursuant to the procedure and within the terms provided for on the basis of subsections 1 and 2 of this section.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(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]

§ 37³. County development strategy

(1) A county must have a development strategy, which provides the basis for jointly directing the county development by the local authorities and co-operation partners in the county, planning the jointly made investments with an effect across the local authorities, application for support for investments and performance of the joint functions conferred on the local authorities and specified in subsection 1 of § 6¹ of this Act. Instead of a county development strategy, the local authorities may, on the basis of an agreement, prepare a regional development strategy with respect to the territory of several counties

(2) The county development strategy shall not plan any development which is related to the administrative territory of only one local authority and which does not pertain to the other local authorities.

(3) A development strategy is prepared with respect to a county and it shall stipulate at least the following:

- 1) long-term directions in and needs for the economic and social development and the development of the health of the population;
- 2) analysis of the current status by areas of activity, which includes the analysis of the problems and the existing opportunities in each area;
- 3) strategic objectives which reflect the effect sought and which achievement can be measured or estimated;
- 4) sets of activities necessary for the performance of the strategic objectives until the end of the development strategy period;
- 5) spatial location of the activities necessary for the performance of the strategic objectives.

(4) Local authorities of a county may, in addition to the development strategy specified in subsection 1 of this section, prepare an additional development strategy for the development of an area of activity.

(5) The additional and regional development strategy specified in subsections 1 and 4 of this section and the county development strategy (hereinafter jointly also *county development strategy*) shall be consistent.

(6) The county development strategy shall take into account the county plan. The county development strategy provides the basis for preparation of a comprehensive plan.

(7) A comprehensive plan covering the territory of several rural municipalities or cities pursuant to the procedure provided for in the Planning Act may be prepared for the implementation of the county development strategy, including the choice of the spatial location of the activities necessary for the performance of the strategic objectives.

(8) If the local authorities have agreed on the preparation of a regional development strategy specified in subsection 1 of this section, which meets the requirements provided for in subsections 1, 2, 3 and 10 of this section, the relevant local authorities need not prepare a separate county development strategy.

(9) If a county has only one local authority, a county development strategy need not be prepared, if the development plan of the local authority complies with the requirements for the county development strategy set out in this section.

(10) The national sectoral development plans are taken into account in the preparation of the county development strategy and it is described how the county development strategy contributes to the achievement of the objectives set in the national sectoral development plans.

(11) The development objectives planned and the sets of activities recorded in the county development strategy are taken into account in the grant of case-by-case support to local authorities from the state budget, planning of state investments and changing the availability of the services provided by public authorities in a county. [RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 37⁴. Preparation, processing, adoption and publication of county development strategy

(1) A county development strategy shall be approved no later than on 15 January and shall include at least four coming budgetary years. The development strategy shall be reviewed and updated at least once every four years.

(2) A county development strategy must have an action plan or sectoral action plans, which need not include the entire period of validity of the development strategy. The action plan of the county development strategy must be in compliance with the budget strategies of the local authorities of the county.

(3) The draft county development strategy shall be prepared by a co-operation body designated by the local authorities and specified in subsection 2 of § 6¹ of this Act, and the draft shall be submitted for approval to the relevant rural municipality or city councils.

(4) A rural municipality or city government shall organise or authorise a co-operation body to organise the involvement of all interested persons in the preparation of a county development strategy through public discussions.

(5) A rural municipality or city government shall publish the draft county development strategy on the website of the rural municipality or city, or shall authorise a co-operation body to publish the draft county development strategy also on the website of the co-operation body for at least two weeks.

(6) A county development strategy is deemed to be approved and shall enter into force after at least two-thirds of the councils of the local authorities of the county, where the total number of inhabitants constitutes at least two-thirds of the total number of the inhabitants of the county and which must include also the local authority constituting the county centre, have approved the strategy by a regulation no later than on 15 January. A local authority named the county centre in a county plan shall be considered the county centre.

(7) The minutes of the sessions of a co-operation body, council and council committees that have prepared and processed a county development strategy and the information regarding the processing of the county development strategy shall be published on the websites of the local authorities within seven working days as of the adoption of the development strategy.

(8) The specific procedure for preparation, processing and adoption of a county development strategy and the conditions of adoption may be established by a regulation of the minister in charge of the policy sector. [RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 38. Rural municipality and city budgets

The requirements for the preparation, passage, amendment, fulfilment and publication of the budget of a local authority 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

Municipal councils and municipal administrations conduct work in sessions. Municipal council and municipal administration 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 municipal councils and municipal administrations 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 municipal council pursuant to § 11 of the Language Act to use the language of the majority of the permanent residents of the local authority as the internal working language of the local government shall be valid until the term of office of the corresponding municipal council expires.

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

(4) If a local authority 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 authority alongside Estonian as the internal working language of the local government, the municipal council and the municipal administration may decide to translate part or whole of the sessions of the council or the administration respectively into the language of the national minority.

§ 42. Chairman of municipal council

(1) The chairman of a municipal council:

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

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

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

3¹) issues directives for the organisation of the internal operations of the municipal 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 municipal 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 municipal council.

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

§ 43. Convention of municipal council sessions

(1) Municipal 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 municipal council pursuant to the procedure established by the municipal council. The first municipal 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 municipal council session and to a municipal council session to be convened pursuant to subsection 2 of § 52 of this Act. The same procedure also applies upon convening the following municipal council sessions if the chairman of the municipal council is not elected at the first session.

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

(2¹) The municipal council session to be convened pursuant to subsection 2 of § 52 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 municipal council member.

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

the municipal council session. Together with the notice, the session materials shall be made available to the municipal council members.

(4) The chairman or deputy chairman of a municipal council shall convene a municipal council session on the proposal of the rural municipality or city government or of not less than one fourth of the membership of the municipal council for the discussion of issues raised by them. The time of the session shall be determined by the chairman of the municipal 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 municipal council

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

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

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

(4) Municipal council sessions are public. A municipal 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 municipal 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 municipal council discusses issues indicated in the notice of the session and prepared pursuant to the procedure required by the municipal 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 municipal council may participate in the session of the municipal 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 municipal council

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

(2) Voting in municipal councils is open.

(3) The election of persons shall be decided by secret ballot, which results shall be formulated as a decision of the municipal council. The results of the election of persons are not subject to repeat vote.

[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

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

(5) Municipal council decisions shall be passed by a majority of votes in favour. A majority of votes of the membership of the municipal council is required to adopt the resolutions on the issues specified in clauses 2, 4, 6–9, 10¹, 14, 15, 18, 24, 25¹ and 27¹ of subsection 1 of § 22 of this Act and § 7 of the Constitutional Review Court Procedure Act.

[RT I, 04.07.2017, 2 – entry into force 05.07.2017]

(6) A majority of at least two-thirds of the votes of the membership of the municipal council is required to amend the merger agreement adopted upon alteration of administrative-territorial organisation of the local authorities within the first election cycle after the entry into force of the alteration of administrative-territorial organisation.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

§ 46. Procedure for expression of no confidence in municipal council

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

(1¹) An expression of no confidence shall be initiated at a municipal 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 municipal council session.

(3) The vote of no confidence is public. Expression of no confidence releases the chairman or deputy chairman of the municipal council from his or her duties and office, and the chairman or deputy chairman of a municipal 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 municipal council, the duties of the chairman of the municipal council shall be performed by one deputy chairman of the municipal council appointed by the municipal council, or in the absence thereof, the eldest member of the municipal 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 municipal administration from the duties and office of rural municipality or city mayor or member of the municipal administration. In the event of expression of no confidence in rural municipality or city mayor, the municipal council shall elect a new rural municipality or city mayor at the same municipal council session, or appoint one of the members of the municipal administration 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 municipal administration, the municipal administration shall continue to perform its duties and the authority of the municipal administration shall not terminate until the new municipal administration is granted authority pursuant to the procedure provided for in this Act. The termination of the authority of the municipal administration related to the expression of no confidence shall result in the release of all the members of the municipal administration from the duties of a member of the municipal administration, and the release from office of all the members of the municipal administration working in remunerative positions.

(6) If the municipal council expresses no confidence in some of the members of the municipal administration and the quorum provided for in subsection 6 of § 49 of this Act is preserved, the municipal administration 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 members of the municipal administration and the structure of the municipal administration is changed pursuant to the established procedure.

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

(8) If an expression of no confidence finds no support in a municipal 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 municipal administration.

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

§ 46¹. Resignation

(1) If the chairman of a municipal council, the deputy chairman of a municipal council, the chairman of a municipal council committee, the deputy chairman of a municipal council committee, a member of the revision committee, a rural municipality or city mayor or a member of the municipal administration 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 municipal 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. Municipal council committees

(1) Municipal councils may form standing committees and ad hoc committees. Chairmen and deputy chairmen of committees shall be elected from among the members of the municipal council. Each member of the municipal council is entitled to be part of at least committee. The other committee members are confirmed by the municipal council on the proposal of the chairman of the committee, taking into account the proposals previously submitted by political parties and election coalitions upon appointment of the members.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(1¹) The chairman and deputy chairman or chairmen of a committee shall be elected simultaneously by secret ballot. A municipal council member shall have one vote.

[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

(1²) The candidate who receives the greatest number of votes shall become chairman of the committee. The candidate who receives the second greatest number of votes shall become deputy chairman of the committee. If several deputy chairmen are elected for a committee, the candidates according to the number of the deputy chairmen elected who followed the candidate receiving the greatest number of votes shall become the deputy chairmen.

[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

(1³) The formation of the composition of a municipal council committee shall take into account the share of the representatives of political parties and election coalitions in the municipal council.

[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

(1⁴) If due to the equality of votes no candidate is elected to become the chairman of the committee, a second ballot shall be held between the candidates who received the equal number of votes. In case of equality of votes in the second ballot, lots shall be drawn.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(1⁵) If due to the equality of votes no candidate is elected to become the deputy chairman of the committee, lots shall be drawn, or a second ballot shall be held between the candidates who received the equal number of votes. In case of equality of votes in the second ballot, lots shall be drawn.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(1⁶) Upon termination of authority of the chairman or deputy chairman of the committee due to the expression of no confidence in them, their resignation, expiry or suspension of the term of office of the member of the municipal council, both the chairman as well as the deputy chairman shall be elected anew.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

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

[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

§ 48. Revision committee

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

(2) The chairman, deputy chairman and members of the revision committee shall be elected from among the municipal council members. Subsections 1¹–1⁶ of § 47 of this Act shall apply to the election of the chairman and deputy chairman of the revision committee.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(2¹) [Repealed – RT I, 30.06.2017, 1 – entry into force 01.07.2017]

(2²) A member of the revision committee shall not perform the functions of the chief executive, director or member of the management board of a company, foundation or non-profit association under the control of the same rural municipality or city, or the head or deputy head of an agency under the administration of the administrative agency of the same rural municipality or city.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(2³) If a member of the revision committee fails to submit an application for their resignation from the management board or from the position of the director or chief executive of a company, foundation or non-profit association under the control of the same rural municipality or city, or for cancellation of an employment contract or other contract under the law of obligations entered with them for performing the functions of the

head or deputy head of an agency under the administration of the administrative agency of the rural municipality or city within ten working days after the appearance of the fact specified in subsection 2² of this section, such member shall be deemed to have resigned from the position of a member of the revision committee. The member of the revision committee shall immediately inform the rural municipality or city secretary of submission of the application.

[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

(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 influence of a local authority, 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 municipal 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 municipal council, and annex the draft legislation of the municipal 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 municipal council session.

(8) The report of the revision committee shall be published on the website of the local authority.

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

§ 48¹. Internal audit system and internal audit

(1) A municipal 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 authority 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 36 of subsection 1 of § 22 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 municipal council to receive the consent for the appointment to office. In case the municipal council does not consent to the appointment of the person to office, the rural municipality or city government shall nominate a new candidate.

[RT I, 30.06.2017, 1 – entry into force 01.07.2017]

(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 municipal council for approval. The municipal council shall consider the opinion of the revision committee and approve the internal auditor's action plan by the day of passage of a rural municipality or city budget.

[RT I, 30.06.2017, 1 – entry into force 01.07.2017]

(6) If a local authority 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 municipal council.

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

(8) A local authority 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 rural municipality and city mayors and members of municipal administration

[RT I, 12.03.2015, 2 – entry into force 01.11.2017]

(1) A citizen of the Republic of Estonia who has full active legal capacity and who is proficient in Estonian to the extent of the requirements for officials established by the Language Act and legislation issued on the basis of the Language Act may be elected a rural municipality or city mayor and approved as a member of the municipal administration.

[RT I, 12.03.2015, 2 – entry into force 01.11.2017]

(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 municipal administration.

(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 municipal administration, the municipal council shall release 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 municipal administration 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 municipal administration.

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

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

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

(4¹) The members of the municipal administration shall coordinate within the limits of authorisation granted by 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 municipal administration may be remunerative based on a resolution of the municipal council. The rural municipality or city mayor and members of the municipal administration 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 municipal 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 municipal administration 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 municipal administration may be sent on official travel pursuant to the conditions and the procedure established by the municipal council. Travel expenses of the rural municipality or city mayor and members of the municipal administration shall be compensated pursuant to the conditions and the procedure provided for in the Public Service Act.

[RT I, 05.02.2019, 2 – entry into force 01.01.2020]

(4⁵) If the performance of official duties by the rural municipality or city mayor or member of the municipal administration is continuously hindered due to work decrement, the municipal 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 municipal administration 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 municipal administration, 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) Municipal administration decisions are passed by a majority of votes in favour.

(8) Municipal administration sessions are closed unless the municipal administration 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 and city government, the bases and procedure for the formation of committees and the bases for their activities shall be established by the municipal council.

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

(12) The rural municipality or city mayor or member of the municipal administration shall not participate in the debate and resolution of legislation of specific application in the municipal administration 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 municipal administration 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 municipal administration 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 authority and rural municipality or city government in accordance with the competence granted by law, the statutes of the rural municipality or city and the municipal council;

3) issues directives concerning members of the municipal administration 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 municipal administration documents;

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

6) submits a proposal to the municipal council for the confirmation of the appointment to office and release from the duties of a member of municipal administration of the additional members of the municipal administration, and the appointment to and release from remunerative positions of members of the municipal administration;

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 rural municipality or city government for appointment to office and candidates for the heads of agencies under the administration of rural municipality or city administrative agencies to the rural municipality or city government for confirmation of the appointment to office, makes proposals to the municipal administration 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 municipal council or municipal administration;

[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 municipal 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 municipal 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 municipal administration

(1) A member of the municipal administration shall immediately inform the municipal 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 municipal council prohibits the member of the municipal administration 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 municipal council sessions shall be signed by the chairman of the municipal 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 municipal council or municipal administration 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 municipal council sessions shall be accessible to everyone.

(7) Minutes of rural municipality and city government sessions and of meetings of municipal council and municipal administration 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 municipal council to act

(1) A municipal 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]

1¹) fails to establish the statutes of a rural municipality or city formed as a result of merger within six months as of the date of announcement of the results of the council elections in a local authority formed as the result of alteration of administrative-territorial organisation;

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

- 2) fails to elect the chairman of the municipal council, or the rural municipality or city mayor within two months after the date of the convention of the first municipal council session or fails to confirm the membership of the municipal administration within four months after the date on which the first municipal council session of the new membership is convened;
- 3) fails to elect a new chairman of the municipal council, or a rural municipality or city mayor within two months after the release from office of the previous chairman of the municipal council or the rural municipality or city mayor, or fails to confirm the membership of the municipal administration 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 municipal administration or fails to confirm the membership of the municipal administration within four months after the date of the expression of no confidence;
- 5) violates subsection 2 of § 46 of the Local Government Financial Management Act.
[RT I 2010, 72, 543 – entry into force 01.01.2011]

(2) If a municipal council is unable to act, the authority of every municipal 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 municipal 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 municipal council is elected.

(3) If the number of members of a municipal council falls below the number required to obtain a majority of the votes of the membership of the municipal council less than six months prior to municipal council regular elections, the municipal administration shall decide on the issues set out in clauses 12 and 13 of subsection 1 and subsection 2 of § 22 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 minister in charge of the policy sector.

[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) The officials and employees of the administrative agency of a local authority shall be proficient in Estonian to the extent provided for in the Language Act and legislation issued on the basis of the Language Act.

[RT I, 12.03.2015, 2 – entry into force 22.03.2015]

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

(1) The chairman of a municipal council, his or her deputy, a rural municipality or city mayor, or a member of the municipal administration appointed by the municipal 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 municipal 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 municipal council:

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

(3) A rural municipality or city mayor working in a remunerative position shall be paid, in the event of his or her release from office due to the timely expiry of his or her authority, by a resolution of the municipal council a 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 municipal council elections if he or she is released from office due to appointment to office of a new municipal administration as the result of entry into force of alteration of administrative-territorial organisation of the rural municipalities or cities at the initiative of the municipal councils and the rural municipality or city mayor has held the office for at least one year before the date of announcement of the municipal council election results of a new local authority formed as the result of a merger.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(3¹) The chairman of a municipal council to whom the municipal council has established a remuneration or compensation based on clause 21 of subsection 1 of § 22 of this Act shall be paid, in connection with timely expiry of the authority of the chairman of the municipal council, by a resolution of the municipal council a compensation in the amount of average monthly salary for two years preceding the date of announcement of the

results of the municipal council elections or six times the compensation if the authority of the chairman of the municipal council terminates as the result of announcement of the results of the municipal council elections in a local authority in the course of alteration of administrative-territorial organisation of the rural municipalities or cities at the initiative of the municipal councils and he or she has worked as the chairman of the municipal council for at least one year before the date of announcement of the municipal council election results of a new local authority formed as the result of a merger.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(4) The compensation provided for in subsections 3 and 3¹ of this section shall not be paid if the municipal council elects the rural municipality or city mayor or the chairman of the municipal council for a new term of office.
[RT I, 19.03.2013, 1 – entry into force 20.03.2013]

(5) In the case provided for in subsection 3 or 3¹ of this section, neither the rural municipality or city mayor nor the chairman of a municipal council shall be paid a compensation specified in clause 1 of subsection 1 of this section.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

§ 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 1 of subsection 2 of § 23 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]

§ 54³. Social guarantees for officials and employees

If the release from office of an official or employee working at an administrative agency of a rural municipality or city takes place in connection with disestablishment of a post or position arising from the alteration of administrative-territorial organisation, the official or employee may be paid, by a resolution of the council, a compensation or bonus upon the release from office for the long-term and exemplary performance of the service or employment duties in the amount of up to three months' salary if the person has worked as an official or employee at an administrative agency of a rural municipality or city for two to eight years, and in the amount of up to six months' salary if the person has worked as an official or employee for more than eight years.
[RT I, 04.07.2017, 2 – entry into force 05.07.2017]

§ 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 2² of § 28 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 2² of § 28 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 municipal administration, however, he or she participates in municipal administration 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 municipal administration regulations and orders;

3) manage the publication of the legislation of the municipal administration and the disclosure of the activities of the municipal administration;

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

5) [Repealed – RT I 2010, 19, 101 – entry into force 13.05.2010]

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 municipal administration 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, a regulation on the suspension of a service relationship of a rural municipality or city mayor based on an order of a preliminary investigation judge or a court ruling as of the working day following the receipt of the regulation;

[RT I, 12.07.2014, 1 – entry into force 01.01.2015]

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

9³) organise elections or referenda in a rural municipality or city pursuant to the procedure provided for in the European Parliament Election Act, Local Government Council Election Act, Riigikogu Election Act or Referendum Act;

[RT I, 04.07.2017, 1 – entry into force 01.01.2018]

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 authority.

[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]

(6) If a rural municipality or city secretary runs as a candidate in the European Parliament, municipal council or Riigikogu elections, is involved in these elections as an authorised representative or for other reasons is unable to perform the functions of an elections manager, a rural municipality or city mayor shall appoint, by a regulation, a substitute for a rural municipality or city secretary for the performance of the functions provided for in clause 9³ of subsection 4 of this section.

[RT I, 04.07.2017, 1 – entry into force 01.01.2018]

Chapter 8

FORMATION AND PROCEDURE OF RURAL MUNICIPALITY DISTRICTS AND CITY DISTRICTS

§ 56. Rural municipality district or city district

(1) A rural municipality district 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 district or city district approved by the municipal council, which objective is keeping the local initiative and identity, involvement of the residents of a local authority in deciding on local issues and representing regional interests in the performance of rural municipality or city functions.

(2) A rural municipality district or city district assembly is formed in a rural municipality district or city district based on the rural municipality district or city district statutes as the representative body of the residents of the rural municipality district or city district, and the members thereof are elected on the basis of the democratic principle pursuant to the procedure provided for in the said statutes.

(3) A rural municipality district or city district assembly shall elect the chairman of the rural municipality district or city district assembly.

(4) A rural municipality district or city district assembly is competent to take a position and make proposals on all issues concerning the functioning of the local government or local way of life in the territory of the rural municipality district or city district.

(5) A rural municipality district or city district assembly is competent to represent the local government and adopt resolutions on any issues concerning the territory of the rural municipality district or city district in the areas and within the competences granted thereto by the law, statutes of the rural municipality or city, statutes of the rural municipality district or city district or resolution of the municipal council.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

§ 57. Formation of rural municipality district or city district

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

- 1) one fourth of the members of the municipal 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.

(1¹) A rural municipality district or city district may be formed upon alteration of administrative-territorial organisation of local authorities if this is agreed in a merger agreement. A rural municipality district or city district formed by a merger agreement shall commence activities as of the date of entry into force of the results of the municipal council elections in the local government.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

- 1) a description of the boundaries of the rural municipality district or city district;
 - 1¹) the procedure for formation of a rural municipality district or city district assembly as the representative body of the residents of the rural municipality district or city district and the procedure for election of the chairman of a rural municipality district or city district assembly;
 - 2) the procedure for formation of a rural municipality district or city district government if a rural municipality district or city district government is formed;
 - 3) the procedure for appointment to office of a rural municipality district or city district elder, if the position of a rural municipality district or city district elder is formed in the rural municipality district or city district, whereas the term of authority of the elder shall not exceed term of authority of this rural municipality or city government;
 - 4) the authority of a rural municipality district or city district assembly, the chairman of a rural municipality district or city district assembly, the rural municipality district or city district government and the rural municipality district or city district elder and the budgetary funds of a rural municipality or city necessary for compliance thereto;
 - 5) the bases of and procedure for supervision over the activities of a rural municipality district or city district assembly, the chairman of a rural municipality district or city district assembly, the rural municipality district or city district elder and the rural municipality district or city district government and the bases of and procedure for liquidation of a rural municipality district or city district.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

(4) Neither a rural municipality district or city district assembly nor the chairman thereof and neither the rural municipality district or city district government nor elder shall have the right to issue a legislative act.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(4¹) A rural municipality district or city district assembly may, within the limits of their authority and for the performance of their functions, adopt resolutions as legislation of specific application.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(5) Rural municipality district 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 municipal administration.

(6) The requirements provided for in subsections 1, 2, 3 and 5 of § 31 of this Act shall apply to the resolutions of a rural municipality district or city district assembly and orders issued by rural municipality district or

city district elders. Resolutions of a rural municipality district or city district assembly shall be signed by the chairman of a rural municipality district or city district assembly. Order of the rural municipality district or city district elder shall be signed by the rural municipality district or city district elder.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(7) Supervision over resolutions of the rural municipality district or city district assembly and orders of the rural municipality district or city district elder shall be exercised by the rural municipality or city mayor pursuant to the procedure provided for in the statutes of the rural municipality or city.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(8) [Repealed – RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(9) The rural municipality district or city district assembly shall be entitled to make initiatives in issues of local life to the rural municipality or city council or the rural municipality or city government for the discussion of issues and passage, amendment or repeal of legislation; such initiatives shall be debated within two months as of the submission of the initiative.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(10) An initiative of the rural municipality district or city district assembly shall be submitted to the rural municipality or city government as a draft or, in case of questions, as a written inquiry which shall be signed by the chairman of the rural municipality district or city district assembly. If the initiated issue is within the competence of the municipal council, the municipal administration shall, within one month, submit such issue together with its position to the municipal council for resolution.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(11) A representative of the rural municipality district or city district assembly shall be entitled to participate in the discussion of an initiative in the corresponding committee of the municipal council or municipal administration and in the municipal council or municipal administration with the right to speak.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(12) A rural municipality district or city district formed as the result of alteration of administrative-territorial organisation shall not be liquidated prior to the expiry of a merger agreement, excluding at the request of the rural municipality district or city district assembly.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(13) If the rights and performed duties of a rural municipality district or city district formed as the result of alteration of administrative-territorial organisation are agreed in a merger agreement, the majority of votes of the municipal council members provided for in subsection 6 of § 45 of this Act shall be followed in amendment thereof during the term of the merger agreement.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

(1) Rural municipality district or city district elders shall be appointed to office by the rural municipality or city government pursuant to the procedure provided for in the rural municipality district or city district statutes, taking into account the opinion of the rural municipality district or city district assembly.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(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) Rural municipality district or city district elders shall be released from office by the rural municipality or city government if, in the opinion of the rural municipality or city mayor, the cooperation between the rural municipality or city mayor and the rural municipality district or city district elder does not succeed, taking into account the opinion of the rural municipality district or city district assembly.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(3) The rural municipality district or city district elder shall not be released from office on the grounds specified in subsection 2 of this section before the expiry of six months as of the rural municipality or city mayor and the rural municipality district or city district elder have started working together.
[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

(4) The last date of the service relationship of the rural municipality district or city district elder upon release from office on the grounds specified in subsection 2 of this section shall be the date specified in the notice on release from service.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

§ 58. Settlement unit elders and city mayors

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

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

(2) A mayor of a city as settlement unit, a town, small town or village elder may participate in the sessions of a rural municipality or city council with the right to speak.

(3) A municipal council may adopt the statute of mayors of cities as settlement units and town, small town and village elders, which sets out the procedure for the election of mayors of settlement units and town, small town and village elders, the requirements for candidates, the rights and obligations and the term of office of the specified persons. The term of office of mayors of cities as settlement units and town, small town and village elders shall not be restricted by the term of office of the municipal council.

(4) The performance of duties of the rural municipality or city government by mayors of cities as settlement units and town, small town and village elders shall be stipulated by a contract.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

Chapter 9

[Repealed – RT I 1994, 84, 1475 – entry into force 12.12.1994]

Chapter 10

CO-OPERATION OF LOCAL AUTHORITIES

§ 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 associations of local authorities and other organisations.

(2) In case of co-operation specified in subsection 1 of this section, rural municipalities and cities may decide to form a joint administrative agency or joint agency for the performance of joint functions based on an administrative contract.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 62¹. Joint administrative agencies and joint agencies of local authorities

(1) For the performance of functions in co-operation between rural municipalities or cities on the basis of this Act, local authorities may form joint administrative agencies of a rural municipality or city and joint agencies as agencies under the joint administration of the administrative agencies of a rural municipality or city.

(2) A joint administrative agency is governed by the regulation determined by the administrative contract for its formation or applicable to an administrative agency of a rural municipality or city of its location and a joint agency by the regulation applicable to an agency under the administration of an administrative agency, unless prescribed otherwise by the Acts or the administrative contract for the formation of a joint administrative agency or joint agency.

(3) The officials and employees of a joint administrative agency shall be in the structure of administrative agencies and the composition of the places of service of a local authority, in the composition of which the joint administrative agency has been formed.

(4) The employees of a joint agency shall be in the structure of agencies under the administration of administrative agencies and the composition of a local authority, in the composition of which the joint agency has been formed.

(5) The officials and employees of a joint administrative agency and the employees of a joint agency shall perform the functions on behalf of the local authority, who has authorised the joint administrative agency or joint agency to perform the function by an administrative contract.

(6) Joint administrative agencies and joint agencies of a rural municipality or city shall be registered in the state register of state and local government agencies as rural municipality or city administrative agencies or agencies under the administration of joint administrative agencies in the composition of a local authority, in the composition of which the joint administrative agency or joint agency has been formed.
[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 62². Formation and bases for activities of joint administrative agencies and joint agencies

(1) The formation of joint administrative agencies or joint agencies shall be decided by an administrative contract entered into by rural municipality and city governments on the authorisation of rural municipality and city councils of the local authorities participating in the co-operation and shall be formed by the statutes of joint administrative agencies or joint agencies established by the municipal councils.

(2) The administrative contract for the formation of a joint administrative agency and joint agency shall determine the following:

- 1) the local authorities participating in the activities of a joint administrative agency or joint agency (hereinafter *contracting parties*);
- 2) the local authority, in the composition of which the joint administrative agency or joint agency is being formed;
- 3) the functions which the joint administrative agency or joint agency is authorised to perform;
- 4) the procedure for entry into and amendment of the administrative contract;
- 5) the rights and obligations of the contracting parties in the management, financing and organising supervision over the performance of the functions of the joint administrative agency or joint agency;
- 6) the conditions of and procedure for the acceptance of new contracting parties to the joint agency or joint administrative agency and the termination of the membership;
- 7) the bases for dissolution of the joint administrative agency or joint agency;
- 8) other terms and conditions arising from the Acts, which are essential or, in the opinion of the contracting parties, necessary for the organisation of the performance of an administrative duty.

(3) All the rural municipality or city councils of the local authorities participating in the activities of a joint administrative agency or joint agency shall approve the statutes of the joint administrative agency or joint agency, which shall stipulate the following with regard to the joint administrative agency or joint agency:

- 1) the name, location, area of activities, legal status and service area and designate the seal and procedure for use of the insignia of the relevant local authorities;
- 2) the principal activities, purpose of the activities and functions;
- 3) the procedure for the issue of administrative acts by the joint administrative agency;
- 4) the rights and obligations of the officials and employees;
- 5) the procedure for the formation of the board and election of the chairman of the board, and the rights, obligations and rules of procedure of the board;
- 6) the procedure for the appointment to or release from office of the head of the agency, and the rights and obligations of the head of the agency;
- 7) the structure and, if necessary, the rights and obligations of the structural units;
- 8) the financing, and the procedure for the preparation and approval of the budget;
- 9) the management, administration and reporting, and the procedure for exercising supervision over the functions granted for performance;
- 10) the procedure for reorganisation and dissolution, including the term for giving advance notice of termination of the administrative contract, unless the administrative contract and the participation in the activities of the joint administrative agency or joint agency are terminated unilaterally.

(4) Supervisory control over the activities of a joint administrative agency and joint agency shall be organised pursuant to the procedure provided for in § 66¹ of this Act and an internal audit system shall be implemented pursuant to the procedure provided for in § 48¹ of this Act by the municipal administration of the local authority on whose behalf the joint administrative agency or joint agency and an official thereof performed the function.

(5) The membership in a joint administrative agency or joint agency shall be terminated as of the beginning of a budgetary year. An advance notice of the wish to terminate the membership shall be given to the other contracting party in writing at least by 1 April of the year preceding the termination of the contract, unless the administrative contract prescribes a longer term for cancellation of the administrative contract.

(6) The membership in a joint administrative agency or joint agency shall terminate automatically in case of a local authority participating in the activities of the joint administrative agency or joint agency, without taking into consideration the terms specified in subsection 5 of this section, who has materially violated the contract and has not eliminated the violation within an additional reasonable term determined in the administrative contract. Material violation of the contract shall include primarily the non-performance of the principal obligations arising from the contract, including the fact that the contracting party has not participated in the financing of the activities of a joint administrative agency or joint agency to the extent provided for in the administrative contract or an annex thereto or that the contracting party has repeatedly failed to comply with the

precept of a person exercising supervision and has not eliminated the violation within an additional reasonable term.

(7) The Public Service Act and the requirements for rural municipality or city officials apply to officials working at joint administrative agencies.

(8) The activities of joint administrative agencies or joint agencies are financed from the budgets of the local authorities participating in the co-operation. The scope of the specific functions to be performed through the joint administrative agencies and joint agencies and of the financing shall be agreed separately each year by an annex to the administrative contract specified in subsection 2 of this section.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 62³. Management of joint administrative agencies and joint agencies

(1) A permanent board comprising the representatives of the relevant municipal councils and experts (hereinafter *board*) is formed for the strategic management and coordination of the activities of a joint administrative agency or joint agency.

(2) The board consists of a chairman, deputy chairman and members. The board members shall be appointed by rural municipality or city governments pursuant to the procedure provided for in the statutes of a joint administrative agency or joint agency. The composition of the board shall be approved by the municipal council of the rural municipality or city, in the composition of which the joint administrative agency or joint agency has been formed, upon approval of all the local authorities participating in the activities of the joint administrative agency or joint agency.

(3) The board is competent to:

- 1) approve and amend the budget and action plan of a joint administrative agency or joint agency;
- 2) approve the report on implementation of the budget of a joint administrative agency or joint agency;
- 3) make a proposal to a municipal council that has authorised a joint administrative agency or joint agency to perform the functions by an administrative contract for conducting a review pursuant to the procedure provided for in § 48 of this Act.

(4) In addition to the provisions of subsection 3 of this section, the board is competent to make proposals to the local authorities participating in the activities of a joint administrative agency or joint agency:

- 1) on the amendment of the administrative contract for the formation of the joint administrative agency or joint agency and on the approval and amendment of the statutes, structure and rules of procedure;
- 2) on the appointment to and release from office of the head of the joint administrative agency, and on the confirmation and release from office of the head of the joint agency;
- 3) on increasing the financing of the services provided by the joint administrative agency or joint agency;
- 4) on improving the quality and efficiency of the services provided by the joint administrative agency or joint agency;
- 5) on improving the division of duties between the local authorities participating in the joint administrative agency or joint agency and the activities thereof;
- 6) on changing the activities of the joint administrative agency or joint agency, and on the addition and exclusion of the members.

(5) The work format of the board is a meeting. The meeting shall be called by the board chairman or deputy chairman when necessary. Meetings have a quorum if over one-half of the membership of the board participates. Minutes shall be taken of meetings of the board.

(6) The board has the right to receive from the local authorities participating in the joint administrative agency or joint agency and the activities thereof the information and documents necessary for its work.

(7) Other rights and obligations, and the specific work procedures of the board shall be stipulated in the statutes of a joint administrative agency or joint agency.

[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 63. Local authority associations

County and national associations of local authorities shall be formed and their activities shall take place pursuant to the procedure prescribed in the Local Authority 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 authorities 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 associations of local authorities 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 authority activities

- (1) The Ministry of Justice and Digital Affairs exercises supervision over the activities of a local authority pursuant to the procedure provided by law.
[RT I, 30.12.2024, 1 – entry into force 01.01.2025, the words "Ministry of Justice" replaced with words "Ministry of Justice and Digital Affairs" on the basis of subsection 12 of § 105.19 of the Government of the Republic Act.]
- (2) The National Audit Office inspects the activities of a local authority 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 municipal administration 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 municipal administration 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 municipal administration 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 Acts, or legislation issued for implementation on the basis thereof, or rural municipality or city legislation.
- (7) The municipal administration 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 established on the basis of clause 36¹ of subsection 1 of § 22 of this Act and failure to perform duties established on the basis of § 36 of this Act, if it causes a danger to human life or health or natural environment, is punishable by a fine of up to 100 fine units.
[RT I, 12.07.2014, 1 – entry into force 01.01.2015]

(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

Violation of the rules for keeping dogs and cats established on the basis of clause 36² of subsection 1 of § 22 of this Act, if this negligence causes proprietary damage or physical harm to humans, is punishable by a fine of up to 200 fine units.
[RT I, 12.07.2014, 1 – entry into force 01.01.2015]

§ 66⁴. Proceedings

(1) [Repealed – RT I, 12.07.2014, 1 – entry into force 01.01.2015]

(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 Board shall conduct extra-judicial proceedings in the matters of the misdemeanours provided for in § 66² of this Act.

[RT I, 10.07.2020, 2 – entry into force 01.01.2021]

§ 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 2 of § 55 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 municipal council elections following the passage of this Act.

(2) If municipal council elections do not take place or the election results are not announced in a local authority, a representative of the local authority of the county to the county assembly specified in subsection 1 of § 59 of this Act shall be elected by the previous membership of the municipal 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 municipal 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 municipal 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 municipal 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 2 of § 55 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 authority.

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

§ 70². Exception to implementation of clause 6 of subsection 1 of § 18 of this Act

[Repealed – RT I, 25.06.2021, 1 – entry into force 20.07.2021]

§ 70³. Exception to implementation of Chapter 8 of this Act

In case of rural municipality districts or city districts formed on the basis of Chapter 8 of this Act and in case of representative bodies created in rural municipality districts or city districts for representing the interests of their residents, which have been formed on the basis of the rural municipality or city statutes before 1 June 2016, the version of this Act in force on 1 June 2016 may be applied until the time of announcement of the results of the municipal council elections in 2017.

[RT I, 21.06.2016, 1 – entry into force 01.07.2016]

§ 70⁴. Specification for application of subsection 3 of § 6¹ and subsection 1 of § 37¹ of this Act

(1) Municipal councils must decide on granting the function of planning the development of the county to the co-operation body specified in subsection 3 of § 6¹ of this Act no later than on 1 February 2018.

(1¹) If the co-operation body designated under subsections 2 and 3 of § 6¹ of this Act no longer meets the requirements specified in subsection 3 of the same section or if a new co-operation body has been nominated, the rural municipality governments and city governments shall inform the Ministry of Regional Affairs and Agriculture about a decision on the termination of the activities of a co-operation body and change of the co-operation body, and send a joint notice together with respective municipal council resolutions of local authorities by the 1st day of August of the current year. The duties specified in subsection 1 of § 61 of this Act can be performed via the new co-operation body from the beginning of the subsequent calendar year.

[RT I, 30.06.2023, 1 – entry into force 01.07.2023]

(1²) In the event specified in subsection 1¹ of this section, the former co-operation body shall perform the duties specified in subsection 1 of § 6¹ of this Act until the end of the calendar year.

[RT I, 12.12.2018, 2 – entry into force 22.12.2018]

(1³) If the rural municipality governments and city governments have not given notice about a decision on the change of a co-operation body by the 1st day of August of the current year, the duties specified in subsection 1 of § 6¹ of this Act shall be performed by the former co-operation body until the end of the subsequent calendar year.

[RT I, 12.12.2018, 2 – entry into force 22.12.2018]

(2) Local authorities must adopt the county development strategy specified in subsection 1 of § 37⁴ of this Act no later than on 15 January 2019.

(3) Until the entry into force of the strategy specified in subsection 2 of this section, the county development strategy established earlier by an order of the county governor shall be force.
[RT I, 04.07.2017, 2 – entry into force 01.01.2018]

§ 70⁵. Specifications for application of the restriction on acting as member of revision committee

Subsections 2² and 2³ of § 48 of this Act shall be applied as of the date of announcement of the results of the regular municipal council elections in 2021.
[RT I, 05.02.2019, 2 – entry into force 15.02.2019]

§ 70⁶. Specifications for adoption of development plan and budget strategy

In 2020, the development plan and the budget strategy shall comprise at least four coming years as at 1 December.
[RT I, 10.07.2020, 5 – entry into force 20.07.2020]

§ 70⁷. Specification for application of clause 1² of subsection 2 of § 19 of this Act

A municipal council member who works at an administrative agency of the same rural municipality or city based on an employment contract as at 20 July 2021, shall notify the rural municipality or city secretary within three working days after said date, whether he or she wishes to participate in the work of the municipal council or continue working at the administrative agency of the same rural municipality or city based on an employment contract. If the person wishes to continue working at the administrative agency or does not notify within said term that he or she, his or her authority as a municipal council member is suspended.
[RT I, 25.06.2021, 1 – entry into force 20.07.2021]

§ 71. Statutes of local authorities

The statutes of local authorities 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 municipal council formed as a result of the next municipal council 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]

§ 72². Election of chairmen and deputy chairmen of municipal council committees

The requirements provided for in subsections 1¹–1³ of § 47 of this Act shall apply in the election of the chairmen and deputy chairmen of the municipal council committees and the formation of the compositions of the committees as of the date of announcement of the results of the regular municipal council elections in 2017.
[RT I, 19.12.2014, 2 – entry into force 16.10.2017]

§ 72³. Member of *Riigikogu* serving on municipal council

A member of the *Riigikogu* may perform the duties of the member of a rural municipality or city council as of the date of announcement of the results of the regular municipal council elections in 2017.
[RT I, 21.06.2016, 16 – entry into force 16.10.2017]

§ 72⁴. Member of the European Parliament serving on municipal council

A Member of the European Parliament may perform the duties of the member of a rural municipality or city council as of the date of announcement of the results of the regular municipal council elections in 2021.
[RT I, 25.06.2021, 3 – entry into force 18.10.2021]

§ 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.