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Territory of Estonia Administrative Division Act

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RT I 1995, 29, 356

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Amended by the following acts

Passed	Published	Entry into force
29.05.1996	RT I 1996, 42, 808	30.06.1996
24.11.1999	RT I 1999, 93, 833	25.12.1999
28.03.2002	RT I 2002, 34, 207	20.04.2002
28.06.2004	RT I 2004, 56, 399	25.07.2004
08.03.2006	RT I 2006, 14, 111	26.04.2006
16.09.2010	RT I 2010, 72, 543	01.01.2011
27.02.2013	RT I, 19.03.2013, 1	20.03.2013
19.02.2014	RT I, 13.03.2014, 2	23.03.2014, partially 01.01.2015, 01.01.2017 and 01.01.2019
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, 01.07.2014, the titles of ministers substituted on the basis of subsection 107 ³ (4) of the Government of the Republic Act in the wording in force as of 1 July 2014.

Chapter 1 General provisions

§ 1. Purpose of Act

(1) This Act provides the administrative division of the territory of Estonia, the alteration of administrative-territorial organisation, and the bases and procedure for the alteration of boundaries and changes to the names of administrative units.

(2) Issues pertaining to the land, sea and air borders of Estonia are regulated by the State Borders Act.

§ 2. Administrative division of territory of Estonia

(1) The administrative division of the territory of Estonia is the division of the territory of Estonia into counties, rural municipalities and cities.

(2) State administration in counties is carried out by the county governors and government agencies pursuant to law.

(3) Local government administration in rural municipalities and cities is carried out on the bases provided for in §§ 3 and 4 of the Local Government Organisation Act.

(4) Rural municipality districts or city districts may be formed in a rural municipality or city, respectively, pursuant to the procedure provided by law.

§ 2¹. Administrative-territorial organisation

- (1) Administrative-territorial organisation is the division of the territory of Estonia into administrative units.
- (2) An administrative unit is a unit based on administrative division, the status, name and boundaries of which are determined by law and other legislation, and in the territory of which state or local government administration is carried out.

§ 3. List of administrative units

- (1) The list of administrative units shall be approved and amended by the Government of the Republic.
- (2) The list of administrative units and alterations thereto are published in the *Riigi Teataja*.

§ 4. Mapping of boundaries of administrative units

The boundaries of administrative units are entered on the state land cadastre map.

§ 4¹. County borders for purposes of Planning Act

Within the limits of competence provided for in the Planning Act, the county governor shall be entitled to prepare a county-wide spatial plan with regard to both the land and public water bodies, excluding the inland maritime waters and territorial sea.

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

§ 5. Capital

The capital of the Republic of Estonia is Tallinn.

§ 6. Settlement units

- (1) Settlement units are settlements and urban regions.
- (2) A rural municipality is divided into settlements which are villages, small towns, towns and cities without municipal status.
- (3) A city which is an administrative unit is also a settlement within the same boundaries.
- (4) A city may be divided into urban regions.
- (5) The types and names of and division lines between settlement units are determined on the basis of applications from rural municipality and city councils, on the bases of and pursuant to the procedure specified by the Government of the Republic.
 - (51) The inventory of settlement units by counties and rural municipalities and cities belonging thereto, and changes in settlement distribution are established by a regulation of the minister responsible for the area.
[RT I, 29.06.2014, 109 - entry into force 01.07.2014, "the Minister of Regional Affairs" replaced by the words "the minister responsible for the area" in appropriate case form as of 1 July 2014 on the basis of subsection 107³ (4) of the Government of the Republic Act.]
- (6) State operations, including the management of statistics, the organisation of address systems and the maintenance of registers and cadastres, are based on settlement units.
[RT I 2006, 14, 111 - entry into force 26.04.2006]

Chapter 2

Alteration of Administrative-Territorial Organisation and Boundaries and Changes to Names of Administrative Units

§ 7. Bases for alteration of administrative-territorial organisation and boundaries and changes to names of administrative units

- (1) Alteration of administrative-territorial organisation is the formation of a new administrative unit or decreasing the number of existing administrative units.
- (2) For the purposes of this Act, alteration of the boundaries of administrative units shall mean alteration of boundaries in the following cases:
 - 1) assignment of a territorial area belonging to one administrative unit to another administrative unit;
 - 2) alteration of the boundaries of the administrative units according to land readjustment, and building and planning needs.

(3) The Government of the Republic shall initiate the alteration of the administrative-territorial organisation of counties.

(4) The Government of the Republic or the councils concerned shall initiate the alteration of the administrative-territorial organisation, and changes to the boundaries and names of rural municipalities and cities. The alteration of the administrative-territorial organisation may be initiated if as a result of the alteration the local government to be formed would comprise administrative territories with common boundaries.
[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(4¹) The alteration of the administrative-territorial organisation may be initiated with regard to local governments located on the islands also in case as a result of the alteration the local government to be formed would comprise administrative territories without common boundaries. The alteration of the administrative-territorial organisation of the non-adjacent rural municipalities and cities shall not bring about negative effect on the circumstances provided for in subsection (5) of this section.
[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(5) The following circumstances shall be considered upon initiation of the alteration of administrative-territorial organisation:

- 1) historical reason;
 - 2) effect on living conditions;
 - 3) sense of cohesion of residents;
 - 4) effect on the quality of provision of public services;
 - 5) effect on administrative efficiency;
 - 6) effect on demographic situation;
 - 7) effect on the organisation of transport and communications;
 - 8) effect on enterprise environment;
 - 9) effect on education situation;
 - 10) organisational functioning of local government as common service area.
- [RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(6) The costs related to the alteration of administrative-territorial organisation, boundaries or change of names of administrative units initiated by the Government of the Republic shall be covered from the state budget pursuant to the procedure established on the basis of subsection 58 (3) of the State Budget Act from the funds prescribed for such purposes to the extent and pursuant to the procedure determined by the Government of the Republic, except upon alteration of administrative-territorial procedure in which case the grant intended to cover for the costs related to the alteration shall be allocated from the state budget based on the Promotion of Local Government Merger Act.
[RT I, 13.03.2014, 2 - entry into force 23.03.2014]

(7) The local government council which initiates the alteration of administrative-territorial organisation and boundaries of an administrative unit shall establish the extent and procedure for determination of the opinion of residents on such issue, taking account of the following principles:

- 1) in case of alteration of administrative-territorial organisation, the opinion of the residents is obtained in all local governments concerned;
- 2) in case of assignment of a territorial area belonging to one administrative unit to another administrative unit, the opinion of the residents is obtained in the territorial area concerned by settlement unit;
- 3) in case of alteration of the boundaries of the administrative unit according to land readjustment, building and planning needs, the opinion of the residents is generally not obtained; if necessary, only the opinion of the residents concerned is obtained;
- 4) in addition to the above-mentioned principles, the opinion of such owners of immovables and owners of dwellings as movables located within the territory of the rural municipality or city may be obtained who are not residents of such rural municipality or city.

(8) The Government of the Republic shall establish the extent and procedure for determining the opinion of residents on the alteration of administrative-territorial organisation and boundaries of an administrative unit initiated by the Government of the Republic in adherence to the principles set forth in clauses (7) 1) and 2) of this section.
[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 7¹. Decisions on alteration of administrative-territorial organisation and boundaries and changes to names of administrative units, and alteration of placement in counties and status of rural municipalities and cities

(1) The Riigikogu shall decide on the alteration of the administrative-territorial organisation of counties.

(2) Alteration of the administrative-territorial organisation of rural municipalities and cities shall be decided by the Government of the Republic.

(3) Alteration of the boundaries of administrative units shall be decided by the Government of the Republic. Adjustment of the boundaries of administrative units on the basis of land readjustment, building and planning needs shall be decided by government agencies authorised by the Government of the Republic.

(4) Changes to the names of administrative units shall be decided by the Government of the Republic.

(5) Alteration of the inclusion of rural municipalities and cities in counties shall be decided by the Government of the Republic.

(6) Alteration of the status of rural municipalities and cities shall be decided by the Government of the Republic.

[RT I 1996, 42, 808 - entry into force 30.06.1996]

§ 8. Alteration of administrative-territorial organisation and boundaries of administrative units of rural municipalities and cities initiated by Government of the Republic

(1) The Government of the Republic shall initiate, by an order, the alteration of administrative-territorial organisation or boundaries not later than one year before the local government council elections by making, through the county governor, a corresponding proposal to the council of the rural municipality or city concerned (hereinafter *council*). The proposal shall set out a term not shorter than three months for submitting opinions on the issue. The proposal is deemed to be accepted if a response is not received by such term.

(2) The Government of the Republic shall annex to the proposal:

- 1) an explanatory memorandum justifying the need for the alteration of administrative-territorial organisation or boundaries;
- 2) a map together with a description of the boundaries, in the case of alteration of administrative-territorial organisation;
- 3) a map of the territorial area concerned together with a description of the boundaries, in the case of alteration of boundaries.

(3) Upon receiving the proposal of the Government of the Republic specified in subsection (1) of this section, the council shall:

- 1) submit to the county governor a reasoned opinion prepared in the form of a resolution concerning the proposal of the Government of the Republic by the date specified in the proposal;
- 2) agree, at least four months before the regular council elections, with other councils concerned upon the settlement of any organisational, budgetary or other issues related to proprietary rights and obligations as well as issues concerning the preparation of the statutes of the new local government and making any other necessary amendments to legislation likely to arise in the context of alteration of the administrative-territorial organisation or boundaries;
- 3) conduct, in cooperation with other councils concerned, the election activities provided in the Local Government Council Election Act (RT I 2002, 36, 220; 57, 355; 63, 387; 68, 407; 72, correction notice; RT III 2002, 22, 251; RT I 2003, 90, 601; 2004, 6, 32) at least 120 days before the election of the new council.

(4) Upon receiving the proposal of the Government of the Republic specified in subsection (1) of this section, the county governor shall:

- 1) submit the proposal of the Government of the Republic on alteration of administrative-territorial organisation or boundaries to the councils concerned immediately after receiving the proposal;
- 2) submit the opinion of the council together with the documentation arising from subsection (3) of this section, including his or her own opinion on the matter, to the Ministry of the Interior within ten days after receiving the resolutions of the councils concerned;
- 3) advise the councils concerned in the entry into agreements and settlement of contested issues related to the alteration of administrative-territorial organisation or boundaries.

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

(5) The Ministry of the Interior has the right, in relation to implementation of the order of the Government of the Republic specified in subsection (1) of this section, to request other actions, explanations and materials from the county governor.

[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 8¹. Alteration of boundaries of rural municipality or city on initiative of council

(1) A council requesting the alteration of boundaries shall submit a proposal to the other councils concerned in the form of a resolution.

(2) The councils which receive such proposal shall, within two months of receiving the proposal, present a resolution concerning their agreement or refusal to initiate the alteration of boundaries to the council which made the proposal. A resolution to refuse to initiate the alteration of boundaries shall be justified.

(3) The resolutions specified in subsections (1) and (2) shall be forwarded to the county governor and the Ministry of the Interior within ten days after receipt thereof.

(3¹) The county governor shall advise the councils concerned in the entry into agreements and settlement of contested issues related to the alteration of boundaries.
[RT I, 19.03.2013, 1 - entry into force 20.03.2013]

(4) The Ministry of the Interior has the right to make a proposal to the councils concerned to submit an application for alteration of boundaries to another local government if, taking account of the circumstances provided in subsection 7 (5) of this Act, expedience exists for altering the boundaries thereof.

(5) If a council concerned does not agree to the alteration of boundaries or considers the settlement of issues to be insufficient, the corresponding procedure is terminated.

(6) If the rural municipalities or city governments agree to initiate the alteration of boundaries, each rural municipality or city government concerned shall guarantee:

- 1) conduct of necessary research;
- 2) preparation of amendment of statutes and other legislation arising from alteration of boundaries;
- 3) settlement of any organisational, budgetary and other issues concerning proprietary obligations and rights resulting from the alteration of boundaries;
- 4) transparency and communication to the public of the negotiation process;
- 5) obtaining the opinion of the residents of the territorial area concerned by settlement unit.

(7) The council concerned shall adopt a resolution concerning the application for alteration of boundaries after resolving all the issues specified in subsection (6) of this section.

(8) Upon alteration of boundaries, the councils concerned shall submit to the county governor:

- 1) the council resolution on the application for altering boundaries;
- 2) an explanatory memorandum which shall provide reason for the need to alter the current boundaries, and the size (area) of and number of permanent residents in the territorial area to be transferred from the composition of one local government to another;
- 3) the cadastral map (prepared on a scale of 1:10 000 for rural municipalities and on a scale of 1:2000 for cities and other densely populated areas) of the rural municipality or city, alteration of the boundaries of which is applied for, indicating both the current and proposed boundaries together with the alterations to the boundaries and a description of the proposed boundaries together with the co-ordinates of the boundary points;
- 4) information on determining the opinion of the residents of the rural municipality or city confirmed by the council which also sets out the time and place of the poll, number of adult permanent residents within the local government, number of residents who provided their opinion and results of the poll;
- 5) the results of conducted research;
- 6) a resolution of the council on amendment of the statutes and other legislation arising from alteration of boundaries;
- 7) a resolution of the council on settlement of any organisational, budgetary and other issues concerning proprietary obligations and rights resulting from the alteration of boundaries;
- 8) proposals and objections presented to the council together with a statement which sets out the dates of receipt of such proposals and objections, and the identity of the persons submitting them, and the result of the council's review thereof. If the council forwards the issue for resolution to the rural municipality or city government, agency or official concerned, the outcome of such act shall also be indicated in the certificate.

(9) If the alteration of boundaries of a rural municipality or city results in the alteration of the boundaries of counties, documentation and maps shall be submitted to all the county governors concerned.

(10) The resolution of a council concerning an application for the alteration of boundaries shall be made public not later than on the date of submission thereof to the county governor. In the event of assignment of the territory of one administrative unit to another administrative unit, the resolution of the council and the necessary documentation shall be submitted to the county governor not later than six months before the date of regular local government council elections.

(11) A county governor shall submit an application for the alteration of boundaries together with required documentation and his or her opinion to the Ministry of the Interior within ten days after receipt thereof.

(12) Interested persons may appeal against a resolution of a council on the alteration of boundaries and settlement of issues pertaining thereto with the county governor or the Government of the Republic within two months after submission of such resolution to the county governor of the location of the council.

(13) The Ministry of the Interior has the right to request additional information needed for review or expert assessment of the proposals or objections from the county governor and councils concerned.
[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 9. Alteration of administrative-territorial organisation of rural municipality or city on initiative of council

(1) A council requesting the alteration of administrative-territorial organisation shall submit a proposal in the form of a resolution for the commencement of negotiations regarding the alteration of administrative-territorial organisation to the other councils concerned.

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

(2) The councils which receive such proposal shall, within two months of receiving the proposal, present a resolution concerning their agreement or refusal to commence negotiations regarding the alteration of administrative-territorial organisation to the council which made the proposal. A resolution to refuse to commence negotiations regarding the alteration of administrative-territorial organisation shall be justified.

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

(3) The resolutions specified in subsections (1) and (2) shall be forwarded to the county governor and the Ministry of the Interior within ten days after receipt thereof.

(3¹) The county governor shall advise the councils concerned in the entry into agreements and settlement of contested issues related to the alteration of administrative-territorial organisation.

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

(4) The Ministry of the Interior has the right to make a proposal to the councils concerned to submit an application for alteration of administrative-territorial organisation to another local government if, taking account of the circumstances provided in subsection 7 (5) of this Act, good reason exists for altering the administrative-territorial organisation thereof.

(5) If a council concerned does not agree to the alteration of administrative-territorial organisation or considers the settlement of issues to be insufficient, the corresponding procedure is terminated with regard to this rural municipality or city.

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

(6) If the rural municipalities or city governments agree to initiate the alteration of administrative-territorial organisation, each rural municipality or city government concerned shall guarantee:

- 1) conduct of necessary research;
- 2) transparency and communication to the public of the negotiation process;
- 3) ascertaining the opinion of the residents of the rural municipality or city.

(7) The council concerned shall adopt a resolution concerning the application for alteration of administrative-territorial organisation after resolving all the issues specified in subsection (6) of this section.

(8) Resolutions reached by consensus on the formation of electoral districts, voting districts, electoral committees and voting district committees and on the number of council members shall be adopted by the local government bodies concerned pursuant to the procedure provided for in the Local Government Council Election Act, according to the administrative-territorial organisation applied for. Such resolutions are deemed to enter into force on the date of entry into force of the regulation of the Government of the Republic on the alteration of administrative-territorial organisation.

(9) Upon alteration of the administrative-territorial organisation, the council concerned shall submit to the county governor:

- 1) the resolution of the council on the application for alteration of the administrative-territorial organisation;
- 2) the resolutions specified in subsection (8) of this section;
- 3) information on determining the opinion of the residents of the rural municipality or city which is confirmed by the council;
- 4) the results of conducted research;
- 5) the proposals and objections submitted to the council concerned;
- 6) a resolution on approval of the merger agreement and annexes thereto, and the merger agreement within ten days after adoption of the resolution.

(10) If the alteration of administrative-territorial organisation results in the alteration of the boundaries of an administrative unit, documentation concerning the boundaries shall be submitted in adherence to subsection 81 (8) and § 9¹ of this Act.

(11) If the alteration of the administrative-territorial organisation results in the alteration of the boundaries of counties, documentation and maps shall be submitted to all the county governors concerned.

(12) The resolution of a council concerning an application for the alteration of the administrative-territorial organisation shall be made public not later than on the date of submission thereof to the county governor. In the case of alteration of the administrative-territorial organisation, the council resolution shall be submitted, together with required documentation, to the county governor not later than six months before the date of the regular elections of the council.

(13) A county governor shall submit an application for the alteration of administrative-territorial organisation together with required documentation and his or her opinion to the Ministry of the Interior within ten days after receipt thereof.

(14) The Ministry of the Interior has the right to request additional information needed for review or expert assessment of the proposals or objections from the county governor and councils concerned.
[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 9¹. Merger agreement

(1) In the case of merger of local governments, the councils of the merging local governments shall arrange for the preparation of a merger agreement which shall provide:

- 1) the name and status of the local government, and use of insignia;
- 2) the amendment of statutes and other legislation arising from the alteration of administrative-territorial organisation;
- 3) the validity of legislation (until the entry into force of new legislation, current legislation shall remain in force in the territory of establishment thereof);
- 4) the validity of development plans;
- 5) the issues related to the structure and employees of administrative agencies and agencies administered thereby;
- 6) the settlement of possible organisational, budgetary and other issues concerning proprietary obligations and rights resulting from the alteration of administrative-territorial organisation;
- 7) the term of the merger agreement;
- 8) other issues considered necessary.

(2) The following shall be appended to the merger agreement:

- 1) an explanatory memorandum which shall set out the need and justification for the alteration of administrative-territorial organisation, the size of the territory (area) and number of permanent residents;
- 2) audited annual reports of the rural municipalities or cities which have decided to alter their administrative-territorial organisation;
- 3) the map of the merging local government on a scale of 1:50 000 which sets out the current boundaries of the local governments applying for merger, and the boundary of the new merged local government. If the local governments are not merging in their entirety or the merger results in the merging of a territorial area of a local government, a description of the boundaries shall be annexed to the map, indicating the geographical coordinates of the section of the boundary which, compared to the former boundary of the local government, will be altered.

(3) If a local government plans to use the merger grant specified in subsection (6) 1) of the Promotion of Local Government Merger Act for the financing of investments, a justification for making the investments related to the alteration of administrative-territorial organisation together with a corresponding budget shall be annexed to the merger agreement.

(4) The merger agreement together with its annexes shall be displayed for public examination, the public shall be granted an opportunity to examine such documents and a term, which shall not be shorter than three weeks after the beginning of the public display, shall be set for submission of proposals and objections on the matter.

(5) The proposals and objections presented to the council together with a certificate which sets out the dates of receipt and the persons submitting such proposals and objections, and the result of the review thereof by the council shall be annexed to the merger agreement.

(6) The merger agreement and annexes thereto shall be approved by a resolution of the council concerned. If alteration of the administrative-territorial organisation results in the alteration of the boundaries of an administrative unit, the merger agreement and annexes thereto shall also be approved by the council of the rural municipality or city whose boundaries are to be altered. If the council of the rural municipality or city whose boundaries are to be altered does not approve the merger agreement, the procedure of alteration of the boundaries of the rural municipality or city shall be terminated.

(7) The merger agreement together with the annexes thereto shall be published at the website of the rural municipality or city after approval thereof by the councils concerned. The merger agreement shall be published in the *Riigi Teataja*.

[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 10. Implementation of alteration of administrative-territorial organisation

(1) A regulation of the Government of the Republic on the alteration of administrative-territorial organisation enters into force on the day following publication thereof in the *Riigi Teataja* but not later than ninety days prior to the date of regular local government council elections. Local government council elections and necessary

election activities shall be carried out pursuant to the Local Government Council Election Act and on the basis of the administrative-territorial organisation to be established by a corresponding regulation.

(2) The alteration of administrative-territorial organisation and the alteration of the list of administrative units of rural municipalities and cities resulting therefrom enter into force on the date of announcement of the results of the local government council elections which are held pursuant to the administrative-territorial organisation being established.

(3) Councils concerned may assume proprietary obligations which are not covered by the budget of the current year only by consensus, from the date of entry into force of the regulation issued by the Government of the Republic concerning the alteration of administrative-territorial organisation until the date of announcement of election results.

(4) The merger agreement entered into on the basis of § 9¹ of this Act and agreements reached between the former councils concerning the settlement of the issues provided by clause 8 (3) 2) of this Act shall enter into force as of the date of announcement of the results of the council elections.

[RT I 2004, 56, 399 - entry into force 25.07.2004]

§ 11. Alteration of rural municipality district and city district boundaries

(1) Initiation of an alteration of boundaries of a rural municipality or city district is carried out pursuant to the procedure for formation of rural municipality and city districts prescribed by the Local Government Organisation Act.

(2) Councils shall decide on the alteration of rural municipality and city district boundaries.

§ 12. Changes to names of administrative units

(1) Local government councils shall adopt reasoned resolutions on applications for changes to names of rural municipalities and cities.

(2) The council concerned shall submit to the county governor:

- 1) the resolution of the council on an application for a change of name;
- 2) an explanatory memorandum justifying the need to change the name based on local historical, geographical, natural and other conditions, and considering the wishes of the residents of the corresponding rural municipality or city.

(3) The county governor shall submit the resolution and documentation provided for in subsection (2) of this section together with his or her opinion to the Ministry of the Interior within one month after receipt of the resolution.

(4) A rural municipality or city shall not be given the name of another municipality or city.

§ 13. Changes to name of rural municipality or city district

(1) Initiation of a change to the name of a rural municipality or city district is carried out pursuant to the procedure for formation of rural municipality and city districts prescribed by the Local Government Organisation Act.

(2) Councils shall decide on a change to the name of a rural municipality or city district.

Chapter 3 Final provisions

§ 14. Designation of boundaries of administrative units

(1) The boundaries of administrative units shall be designated pursuant to the procedure established by the Government of the Republic.

(2) The road designation system of the boundaries of administrative units and the procedure for the implementation thereof shall be established by the minister responsible for the area.

[RT I 2006, 14, 111 - entry into force 26.04.2006]

[RT I, 29.06.2014, 109 - entry into force 01.07.2014, "the Minister of Economic Affairs and Communications" replaced by the words "the minister responsible for the area" in appropriate case form as of 1 July 2014 on the basis of subsection 10⁷ (4) of the Government of the Republic Act".]

§ 14¹. Implementing provisions

(1) If the Government of the Republic has not issued the regulation specified in subsection 10 (1) of this Act concerning a local government who wishes to initiate alteration of the administrative-territorial organisation,

such local government shall send the documentation related to the administrative-territorial organisation to the Ministry of the Interior and the county governor within ten days after the entry into force of the Promotion of Local Government Merger Act, and enter into a merger agreement in compliance with § 9¹ of this Act.

(2) Except in the case specified in subsection (3) of this section, no new budget for the local government formed as the result of a merger shall be passed for the period beginning on the date of announcement of the results of the council elections of the local government formed as the result of alteration of administrative-territorial organisation and ending at the end of the budgetary year. The merged local governments shall continue performance of their budgets which were passed separately.

(3) The council may pass the budget of a local government formed as the result of alteration of the administrative-territorial organisation by the year of merger if the results of the council elections of the local government formed as the result of alteration of the administrative-territorial organisation are announced not later than on 28 February. Budget sections contained in the draft budget being reviewed by the councils of the merged local governments shall be consolidated line-by-line and the transactions between the merged local governments shall be eliminated.

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

(4) The requirements towards proposals for amending the draft budget provided for in subsection 23 (1) of the Local Government Financial Management Act shall not apply to amendments specified in subsection (3) of this section.

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

(5) If the results of the council elections of the local government formed as the result of alteration of administrative-territorial organisation are announced after 1 October, the council of the local government formed as the result of merger shall approve the budget strategy within 60 days after the date of announcement of the results of the council elections.

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

(6) In the case specified in subsection (2) of this section, the submission of the information specified in subsection 30 (1) of the Local Government Financial Management Act by the merged local governments shall be continued separately until the end of the budgetary year. If subsection (3) of this section was followed when passing the budget, the relevant information shall be submitted with regard to the local government formed as the result of merger at the first opportunity after the consolidation of the budgets.

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

(7) The explanatory memorandum appended to the first budget of the local government formed as the result of merger shall provide comparable figures by the consolidation of the relevant figures of the merged local governments for the previous budgetary year, eliminating the figures recording the transactions between the local governments.

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

(8) The annual report for the year of merger shall be prepared pursuant to § 29 of the Local Government Financial Management Act separately for each of the merged local governments. If subsection (3) of this section was followed when passing the budget, the annual report for the year of merger shall be prepared with regard to the local government formed as the result of merger. The first annual report of the local government formed as the result of merger shall provide the comparable figures for the preceding financial year by consolidation of the relevant figures of the merged local governments for the previous financial year, eliminating the figures recording the transactions between the merged local governments.

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

(9) The local government formed as the result of merger may display the figures specified in clauses 29 (4) 2) and 3) of the Local Government Financial Management Act by the merged local governments separately until the end of the financial year when the merged local governments prepared the annual reports separately.

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

(10) The procedure for eliminating the risk of a difficult financial situation initiated on the basis of the Local Government Financial Management Act shall terminate as of the beginning of the budgetary year when the budget of the local government formed as the result of merger becomes effective.

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

§ 15.–§ 16.[Omitted from this text.]

§ 17. Entry into force of clauses 16 1) and 3)–6) of this Act

Clauses 16 1) and 3)–6) of this Act enter into force on 1 September 1995.