ORGANIC LAW OF GEORGIA

LOCAL SELF-GOVERNMENT CODE

Section I

LOCAL SELF-GOVERNMENT

Chapter I - General Provisions

Article 1 - Scope of the Law

This Law defines the legal grounds for exercising local self-governance, powers of local authorities, rules for their establishment and operation, regulates their finances and property, their relations with citizens, with public authorities and with entities under public or private law, and sets forth the rules for carrying out state supervision and direct state administration of the activities of local authorities.

Article 2 - Concept of local self-government

1. Local self-government is the right and ability of citizens of Georgia registered in a self-governing unit to solve, based on the legislation of Georgia, local issues through local authorities elected by them.

2. A local self-governing unit is a municipality. A municipality is a settlement (self-governing city) with administrative boundaries, or an aggregation of settlements (self-governing community) with administrative boundaries and an administrative centre. A municipality shall have elected representative and executive bodies (the 'Municipal Bodies'), a registered population and its own property, budget and revenue. A municipality is an independent legal entity under public law.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 3 - Municipalities - self-governing cities and self-governing communities

1. Self-government shall be exercised in municipalities - in self-governing cities and self-governing communities.

2. A self-governing city is a settlement of an urban category that, under this Law, has been or will be assigned the status of municipality.

3. A self-governing community is an aggregation of several settlements that, under this Law, has been or will be assigned the status of municipality.

Article 4 - Primary territorial unit of settlement of population and an administrative unit of a municipality

1. The primary territorial unit of settlement of population is a settlement that has a name, administrative borders, territory and registered population. The categories of settlement shall be:

a) a village - a settlement the boundaries of which mainly include agricultural land and other natural resources, and the infrastructure of which is essentially focused on carrying out agricultural activities;

b) a small town - a settlement on the territory of which industrial enterprises and/or tourist and resort establishments and/or medical and socio-cultural institutions are located, and which carries out the functions of a local economic and cultural centre. A small town's infrastructure is not essentially focused on carrying out agricultural activities. A settlement may fall within the category of a small town if it is an administrative centre of a self-government unit, or if it has prospects of further economic development and population growth;

c) city- a settlement in the territory of which industrial enterprises and a network of tourist, medical and socio-cultural institutions are located, and which carries out functions of a local economic and cultural centre. A city's infrastructure is not essentially focused on carrying out agricultural activities. A settlement with a registered population of over 5 000 may fall within the category of a city. A settlement with a registered population of less than 5 000 may be assigned the category of a city if it is an administrative centre of a self-governing unit, or if it has prospects of further economic development and population growth, or if, according to Article 3(2) of this Law, it has been defined as a self-governing city.

2. Rules for the establishment and abolition of a settlement, for assigning and changing the respective category to a settlement, also for altering administrative boundaries of a settlement shall be determined by the Government of Georgia.

3. For the optimisation of governance, a municipality may be split into administrative units. The territory of an administrative unit in a self-governing community shall coincide with the territory of one or several settlements. An administrative unit in a self-governing city shall be part of the settlement.

4. Decisions on the establishment and abolition of an administrative unit of a municipality, as well as on the change of boundaries of an administrative

unit of a self-governing city shall, upon recommendation of the Mayor of a municipality, or of at least one third of the members of a municipality Sakrebulo (local assembly), be taken by the municipality Sakrebulo by a majority of the total number of its members.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 5 - Legal grounds and reservations for exercising local self-government

1. Legal grounds for exercising local self-government are the Constitution of Georgia, the European Charter of Local Self-Government, treaties and international agreements of Georgia, this Law, and other legislative and subordinate legislative acts of Georgia.

2. The power of local authorities of Ajara Autonomous Republic shall be determined by the Constitutional Law of Georgia on the Status of the Ajara Autonomous Republic, taking into consideration the provisions of the Organic Law of Georgia on the Approval of the Constitution of Ajara Autonomous Republic and of this Law.

3. The issues related to the exercise of local self-government in the occupied territories of Georgia shall be determined after Georgia regains jurisdiction over the relevant territory.

4. The powers of local authorities shall not apply to free industrial zones.

Article 6 - The right of Georgian citizens to exercise local self-government

1. Citizens of Georgia shall exercise local self-government according to the Constitution of Georgia, the European Charter of Local Self-Government, treaties and international agreements of Georgia, this Law and other normative acts of Georgia.

2. Citizens of Georgia may, in accordance with this Law and electoral legislation, elect and be elected to local authorities, regardless of their race, skin colour, language, gender, religion, political and other beliefs, national, ethnic and social background, origin, material and social status.

Article 7 - Guarantees for the exercise of municipality powers

1. The relationship of state and municipal bodies shall be based on the principle of mutual cooperation.

2. To ensure the exercise of powers of a municipality, public authorities shall provide appropriate legal, financial, economic and organisational conditions.

3. Before deciding issues relating to the powers of a municipality determined by this Law, public authorities shall hold preliminary consultations with those non-entrepreneurial (non-commercial) legal entities that comprise more than half of the municipalities of the country.

4. A municipality may apply to a court to appeal those administrative-legal acts and actions that restrict the exercise of local self-government powers provided for by the legislation of Georgia.

5. The Municipality Sakrebulo may, in accordance with to the legislation of Georgia, file an appeal with the Constitutional Court of Georgia requesting a review of the constitutionality of normative acts in relation to Chapter 7^1 of the Constitution of Georgia. The Municipality Sakrebulo shall adopt the decision to file an appeal with the Constitutional Court of Georgia by a majority of the total number of its members.

6. Unless a Municipality Sakrebulo decides otherwise, the municipality shall be represented before the Common Courts of Georgia and the Constitutional Court of Georgia by the Mayor of the municipality or by a person authorised by him/her.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 8 - Symbols of a municipality

1. A municipality shall have a coat-of-arms and a flag. A municipality may have other symbols as well.

2. The coat-of-arms, flag and other symbols of a municipality, their description and forms of display shall be determined by the Municipality Sakrebulo, based on the approval of and preliminary consultations with the State Council of Heraldry at the Parliament of Georgia. It shall be mandatory to register symbols of a municipality in accordance with the legislation of Georgia.

3. The procedure for using municipality's symbols shall be determined by the normative act of the Government of Georgia.

Article 9 - Working and procedural language of a municipality

The working and procedural language of a municipality shall be the official language of Georgia.

Chapter II - Administrative-Territorial Organisation of Local Self-Government

Article 10 - Establishment and abolition of municipalities; Determination and change of the administrative centre of a municipality

1. The grounds for the establishment or abolition of a municipality shall be:

a) the splitting of a municipality into two or more municipalities;

b) the merging of two or more bordering municipalities into one municipality.

2. The Government of Georgia may, in accordance with this Law and on its own initiative, after having consulted with the Sakrebulo(s) of a municipality (municipalities) and with the population of the municipality (municipalities) concerned, or upon the request of the Sakrebulo(s) of a municipality (municipalities) and after having consulted with the population of the municipality (municipalities) concerned, apply to the Parliament of Georgia with a request to establish or abolish a municipality.

3. In the case of the establishment of a new municipality (municipalities) by splitting a municipality or by merging municipalities, the request of the Sakrebulo(s) of the municipality (municipalities) shall be filed with the relevant governmental commission. The request shall be accompanied by:

a) the justification for splitting a municipality, or for merging municipalities;

b) a list of settlements and the number of inhabitants located in the municipality that is to be established by splitting a municipality or by merging municipalities;

c) the administrative boundaries and a schematic map of the municipality that is to be established by splitting a municipality or by merging municipalities;

d) the name (names) of the municipality (municipalities) that is to be established by splitting a municipality or by merging municipalities;

e) the administrative centre(s) of the self-governing community (communities) that is to be created by splitting a municipality or by merging municipalities;

f) documents containing information on the consultations held with the population of the municipality (municipalities);

g) a written opinion of a municipality Sakrebulo prepared in accordance with Article 12(4) of this Law.

4. Municipality Sakrebulos may apply to the relevant governmental commission with a joint request. The documents stipulated by paragraph 3 of this article shall be attached to the joint request. The text of the joint request and the attached documents shall be approved by the Sakrebulos of these municipalities. The joint request shall be signed by the chairpersons of the Sakrebulos of these municipalities.

5. If a motion on the merging of municipalities has been filed by a municipality Sakrebulo, the relevant governmental commission shall be obliged to hold consultations with the Sakrebulos and population of those municipalities that are to be merged.

6. If a new municipality (municipalities) is (are) established by splitting a municipality or by merging municipalities, the following shall be attached to the recommendation of the Government of Georgia:

a) the justification for splitting a municipality, or for merging municipalities;

b) a list of settlements and the number of inhabitants located in the municipality that is to be established by splitting a municipality or by merging municipalities;

c) the administrative boundaries and a schematic map of the municipality that is to be established by splitting a municipality or by merging municipalities;

d) the name (names) of the municipality (municipalities) that is to be established by splitting a municipality or by merging municipalities;

e) the administrative centre(s) of the self-governing community (communities) that is to be created by splitting a municipality or by merging municipalities;

f) a written opinion of a municipality Sakrebulo (if any) prepared in accordance with Article 12(4) of this Law;

g) documents containing information on the consultations held with the population of the municipality (municipalities) concerned;

h) the request of a municipality Sakrebulo (municipalities), if any.

7. The full name of a self-governing community shall consist of the name of the self-governing community and the common name of the self-governing unit - `Municipality`. The full name of a self-governing city shall consist of the name of the category of the settlement - `City`, of the name of the city and of the common name of the self-governing unit - `Municipality`.

8. A resolution of the Parliament of Georgia on the establishment/abolition of a municipality shall enter into force on the day of calling the regular elections of municipal bodies and the elections in the respective municipality shall be held along with the regular elections of municipal bodies. Until the first meeting of the newly elected Sakrebulo of the said municipality and until the election of the Mayor of the municipality, the powers of the Sakrebulo and Mayor existing before the elections shall apply within the territory of the respective municipality.

9. The Government of Georgia may, in accordance with this Law and on its own initiative, after having consulted with the Sakrebulo and the population of the municipality concerned, or upon the request of the Sakrebulo(s) of the municipality (municipalities) and after having consulted with the population of the municipality (municipalities) concerned, apply to the Parliament of Georgia with a recommendation to change the administrative centre of the municipality (except for a self-governing city). An administrative centre of a municipality shall be determined at the time when the

municipality is established.

10. The request of a municipality Sakrebulo to change the administrative centre of the municipality shall be filed with the respective governmental commission. The request shall be accompanied by:

a) grounds for the change of the administrative centre of the municipality;

b) documents containing information on the consultations held with the population of the municipality;

c) a written opinion of the municipality prepared in accordance with Article 12(4) of this Law.

11. The following shall be attached to the recommendation of the Government of Georgia on the change of the administrative centre of the municipality:

a) grounds for the change of the administrative centre of the municipality;

b) documents containing information on the consultations held with the population of the municipality;

c) a written opinion (if any) of the municipality Sakrebulo prepared in accordance with Article 12(4) of this Law.

12. Decisions on the establishment and abolition of a municipality, as well as on the determination and change of the administrative centre of a municipality shall be taken by the Parliament of Georgia upon the recommendation of the Government of Georgia.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 11 - Changing administrative boundaries of a municipality

1. The Government of Georgia may, in accordance with this Law and on its own initiative, after having consulted with the Sakrebulo(s) and the population of the municipality (municipalities) concerned, or based on the request of the Sakrebulo(s) of a municipality (municipalities) and on the consultations with the population of the municipality (municipalities) concerned, apply to the Parliament of Georgia with a recommendation to change the administrative boundaries of the municipality.

2. The request of the Sakrebulo(s) of a municipality (municipalities) for the change of the administrative boundaries of the municipality shall be filed with the relevant governmental commission. The request shall be accompanied by:

a) justification of the need to change the administrative boundaries of the municipality;

b) new administrative boundaries and a schematic map of the municipality;

c) documents containing information on the consultations held with the population of the municipality (municipalities);

d) a written opinion (if any) of the municipality Sakrebulo prepared in accordance with Article 12(4) of this Law.

3. Municipality Sakrebulos may apply to the relevant governmental commission with a joint request. The documents stipulated by paragraph 3 of this article shall be attached to the joint request. The text of the joint request and the attached documents shall be approved by the Sakrebulos of these municipalities. The joint request shall be signed by the chairpersons of the Sakrebulos of these municipalities.

4. If a request for the change of the administrative boundaries of a municipality has been filed by the municipality Sakrebulo, the relevant governmental commission shall be obliged to hold consultations with the Sakrebulo(s) and population of those municipalities the administrative boundaries of which are to be changed.

5. The following shall be attached to the recommendation of the Government of Georgia on the change of the administrative boundaries of a municipality:

a) justification of the need to change the administrative boundaries of the municipality;

b) new administrative boundaries and a schematic map of the municipality;

c) documents containing information on the consultations held with the population of the municipality (municipalities);

d) a written opinion (if any) of the municipality Sakrebulo prepared in accordance with Article 12(4) of this Law;

e) the request (if any) of the Sakrebulo(s) of the municipality (municipalities)

6. A decision on the change of the administrative boundaries of a municipality shall be taken by the Parliament of Georgia upon the recommendation of the Government of Georgia.

Article 12 - Procedure for holding consultations with a municipality Sakrebulo

1. Proposals for the establishment or abolition of a municipality, for the determination or change of the administrative centre and proposals to change administrative boundaries, as well as the relevant request of the Sakrebulo(s) of municipality (municipalities) shall be prepared by the relevant governmental commission for the review by the Government of Georgia.

2. For the purpose of holding consultations with a municipality Sakrebulo, the relevant governmental commission shall send the documents referred to in Article 10(6)(a-e) and (g-h) and Article 11(5)(a, b and e) of this Law to the Sakrebulo(s) of the municipality (municipalities) concerned. The municipality Sakrebulo shall be obliged to review these documents at the Sakrebulo session and submit its written opinion to the relevant governmental commission not later than 20 days after receiving the documents. Consultations shall not be held with the Sakrebulo(s) of the municipality (municipalities) that filed a request with the relevant governmental commission.

3. If a response from a municipality Sakrebulo is not received during the period specified in paragraph 2 of this article, consultations shall be considered held, and the Government of Georgia shall be entitled to apply to the Parliament of Georgia with the relevant request. In that case, a municipality Sakrebulo shall preserve the right to submit its written opinion directly to the Parliament of Georgia.

4. A written opinion of a municipality Sakrebulo shall be executed in the form of the minutes of a session of the Sakrebulo. The minutes of the session shall include the position of the municipality Sakrebulo with respect to the subject at issue and the opinions expressed during the session.

5. The relevant governmental commission shall ensure the holding of consultations with the population of a municipality (municipalities) on the establishment/abolition of a municipality, on the determination/change of the administrative centre and on the change of administrative boundaries, and if a request is filed by the municipality Sakrebulo the consultations shall be arranged by the municipality concerned.

6. Consultations with the population shall be held in the form of a public discussion with the population of the municipality (municipalities) concerned. Before submitting an issue for review to the Government of Georgia or to the relevant Governmental commission, the relevant governmental commission or municipality shall publish information on the establishment/abolition, on the determination/change of the administrative centre and on the change of the administrative boundaries of the municipality.

7. The publication of the information referred to in paragraph 6 of this article in print media that is distributed across the territory (territories) of the municipality (municipalities) concerned and that is published at least once a week shall be considered as publication of information. Instead of publishing information in the print media, the municipality may publicly announce it.

8. The interested persons may, within 20 days after the information referred to in paragraph 7 of this article is published, provide their opinions to the relevant governmental commission/municipality Sakrebulo. During a public discussion, public meetings may be held with the population of the municipality (municipalities) concerned.

Article 13 - Procedure for appealing a decision to establish or abolish a municipality and to change its administrative boundaries

A decision of the Parliament of Georgia to establish or abolish a municipality, or to change its administrative boundaries, may be appealed in accordance with the legislation of Georgia.

Article 14 - Registration of municipalities

1. For the purpose of uniform record keeping of the general data on municipalities, a systemic collection of the data on municipalities - the Registry of Municipalities shall be formed.

2. A municipality's registration data shall include:

a) the name of the municipality;

b) the names of the settlements included in the self-governing community (by indicating the category of each settlement);

c) the name of the administrative centre of the self-governing community;

d) the date of registration of the municipality as a taxpayer, and the identification code of registration;

e) the administrative boundaries and a schematic map of the municipality.

3. A municipality shall be registered according to the registration data by the National Agency of Public Registry - a legal entity under public law operating under the Ministry of Justice of Georgia, in accordance with the procedure approved by the Minister of Justice of Georgia.

Chapter III - Powers of Municipalities

Article 15 - Types of powers of a municipality

1. Types of powers of a municipality shall be as follows:

a) municipality's own powers;

b) municipality's delegated powers.

2. A municipality's own powers shall be the powers determined under this Law, which the municipality exercises independently and under its own responsibility.

3. A municipality's delegated powers shall be the powers of the state authorities or of the authorities of the autonomous republic that have been

delegated to the municipality in accordance with the law or an agreement concluded under the legislation of Georgia, together with appropriate material and financial resources.

Article 16 - Municipality's own powers

1. A municipality's own powers defined in paragraph 2 of this article shall be exclusive powers. The extent (scope) of a municipality's own powers and the procedure for exercising those powers under this Law shall be determined only based on a legislative act, except when this Law directly refers to the possibility to regulate the exercise of its own powers in accordance with the legislation of Georgia.

2. A municipality's own powers shall be:

a) drafting, discussion and approval the municipal budget, making amendments to the approved budget, hearing and evaluation of a budget report; disposal of budgetary funds, and performance of treasury financial operations and banking transactions according to the legislation of Georgia;

b) management and disposal of property owned by the municipality in accordance with this Law and other legislative and subordinate acts of Georgia;

c) management of local natural resources, including water and forest resources, and land resources owned by the municipality, in accordance with the law;

d) imposition and abolition of local taxes and fees in accordance with the law, determination of their rates within the marginal limits stipulated by law; collection of local fees;

e) spatial and territorial planning of the municipality and determination of related norms and rules of procedure; approval of urban construction documents, including land use master plans, plans for the regulation of development, the rules of procedure for the use and development of the settlement territories;

f) improvement of the municipal territory and development of the appropriate engineering infrastructure; cleaning of streets, parks, public gardens and other public areas in the territory of the municipality, landscaping, and provision of external lighting;

g) municipal waste management;

h) water supply (including technical water supply) and provision of a sewerage system; development of the local melioration system;

i) establishment of early learning, and preschool and educational institutions under the control of a municipality, and ensuring of their operation under the procedure established by the legislation of Georgia;

i^{1}) establishment of extramural educational institutions under the control of a municipality, and ensuring of their operation;

i^{2}) ensuring of the authorisation of early learning, and preschool and educational institutions located in the territory of a municipality under the procedure established by the legislation of Georgia;

j) management of local motor ways and regulation of traffic on local roads; provision of parking lots for vehicles and regulation of parking/stopping rules;

k) issuance of permits for regular carriage of passengers within the municipality's administrative boundaries; organisation of municipal transport services for the population;

l) regulation of street trades, exhibitions, markets and fairs;

m) issuance of construction permits in the territory of the municipality; supervision over the construction in the manner and within the scope stipulated by the legislative acts of Georgia;

n) regulation of issues related to assemblies and demonstrations in accordance with the law;

o) giving names, in accordance with the law, to the geographical features located within the municipality's administrative boundaries, in particular: historically formed districts, the self-governing city's administrative unit, certain areas, micro districts, springs, squares, avenues, highways, streets, lanes, dead ends, drives, embankments, esplanades, boulevards, alleys, public gardens, gardens, parks, forest parks, local forests, cemeteries, pantheons, structures, transport facilities;

p) regulation of the placement of external advertising;

q) determination of the rules for keeping pets, and solution of the issues relating to stray animals;

r) arrangement and maintenance of cemeteries;

s) protection and development of local originality, creative activities and cultural heritage; maintenance, reconstruction and rehabilitation of local cultural monuments; ensuring the functioning of libraries, club-type institutions, cinemas, museums, theatres, exhibition halls and sports and recreation facilities, and the construction of new facilities;

t) development of appropriate infrastructure in local facilities for disabled persons, children and the elderly, including, proper adaptation and equipment of public areas and of municipal transport;

u) provision of a shelter for and registration of the homeless.

3. A municipality may, on its own initiative, solve any issue that, under the legislation of Georgia, does not fall within the powers of any other public authority and that is not prohibited by law.

4. A municipality may carry out activities under the procedure defined in paragraph 3 of this article for facilitation of employment, supporting of agriculture (including agricultural cooperation), and development of tourism, social assistance, and in coordination with a state policy implementing body – for the purpose of healthcare, also for promotion of the development of the youth policy at a local level, promotion of mass sports, for environmental protection, public education, promotion of gender equality, prevention of violence against women and/or domestic violence, protection and support of victims of violence against women and/or domestic violence, maintenance of the archives of local importance, for cultivation of a healthy life style, creation of safe environment for human health, attraction of investments to a municipality's territory, for supporting innovative development, and other purposes.

Organic Law of Georgia No 2995 of 26 December 2014 - website, 12.1.2015

Organic Law of Georgia No 4743 of 19 February 2016 - website, 25.2.2016

Organic Law of Georgia No 5381 of 8 June 2016 – website, 24.6.2016

Organic Law of Georgia No 100 of 16 December 2016 – website, 23.12.2016

Organic Law of Georgia No 508 of 23 March 2017 – website, 27.3.2017

Organic Law of Georgia No 783 of 4 May 2017 – website, 25.5.2017

Article 17 - Procedure and terms for the delegation of powers

1. A central government body or a body of an autonomous republic may delegate to a municipality those powers that could be more efficiently exercised at the local level.

2. Central government bodies or bodies of the autonomous republic may delegate powers to municipalities under a legislative act of Georgia or under the law of the autonomous republic respectively, as well as under an agreement concluded in accordance with the legislation of Georgia or of the autonomous republic, by transferring appropriate material and financial resources.

3. A decision on the delegation of powers of the central government bodies or of the bodies of the autonomous republic under an agreement shall be made by the Government of Georgia/of the autonomous republic. A relevant agreement shall be concluded between the municipality and the ministry concerned/the special-purpose state institution, in compliance with paragraphs 2 and 4 of this article. The agreement shall be signed by the Mayor of the municipality, and shall be approved by the municipality Sakrebulo, by a majority of the total number of Sakrebulo members.

4. A municipality shall be entitled to exercise the delegated powers within the scope prescribed by the legislation of Georgia, as adjusted to local conditions.

5. When delegating powers, the same act shall determine the Ministry/the special-purpose state institution that will be responsible for exercising state sectoral supervision over the exercise of the delegated powers.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Organic Law of Georgia No 1718 of 7 December 2017 – website, 14.12.2017

Article 18 - State standards and technical rules of procedure governing the exercise of a municipality's own and delegated powers

For the purpose of an equal socio-economic development of the country's entire territory, relevant public authorities may, under a relevant normative act, determine state standards and technical rules of procedure governing the exercise of a municipality's own and delegated powers.

Article 19 - Forms and mechanisms for exercising municipal powers

When exercising municipal powers, municipal bodies shall, according to the legislation of Georgia:

a) adopt/issue administrative-legal acts;

b) design, approve and implement respective programmes, strategies, action plans and projects;

c) carry out procurements;

d) enter into agreements;

e) acquire and create the property of a municipality;

f) own and administer their own property, use that property and the property of the State, of the autonomous republic and of other persons;

g) found and manage legal entities under private law;

h) take loans;

i) construct, maintain, rehabilitate, reconstruct and develop relevant infrastructure;

j) introduce and develop innovative technologies and electronic management systems to enhance service quality and efficiency of management;

k) carry out other activities.

Article 20 - Right of a municipality to establish a non-entrepreneurial (non-commercial) legal entity and to join that entity

1. A municipality may, for the coordination of its activities, establish a non-entrepreneurial (non-commercial) legal person and/or join that entity.

2. A non-entrepreneurial (non-commercial) legal entity referred to in paragraph 1 of this article may organise joint activities within the powers of the municipality, take part, on behalf of the municipality, in preliminary discussions and consultations concerning draft laws relating to local self-government, cooperate with public authorities and international unions (associations) of self-governing units, also establish relations with foreign unions (associations) and international organisations operating in the field of local self-government.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 21 - Right of municipalities to organise joint activities

1. For the purpose of efficient exercise of the powers determined by this Law, and for the delivery of quality services to population, municipalities may, according to this Law and other legislative and subordinate acts of Georgia, establish a legal entity under private law as provided for by this Law, or become partners/shareholders/founders of an entrepreneurial legal entity established by a municipality/municipalities, and members of a non-entrepreneurial (non-commercial) legal entity. In cases and in the manner provided for by the laws of Georgia, municipalities may set up a joint service.

2. For the purpose of undertaking joint projects, a municipality may enter into an agreement with another municipality for merging budgetary funds.

3. The decisions stipulated by paragraphs 1 and 2 of this article shall be made by the executive body (bodies) of a municipality (municipalities), with the consent of the Sakrebulo(s) of the municipality (municipalities).

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 22 – Trans-frontier cooperation of municipalities

A municipality may cooperate with foreign self-government authorities in accordance with the European Outline Convention on Trans-frontier Co-operation between Territorial Communities or Authorities, and the legislation of Georgia.

Section II

MUNICIPAL BODIES

Chapter IV - Representative Body of a Municipality

Article 23 - Municipality Sakrebulo

1. A representative body of a municipality shall be a collegiate administrative body - a municipality Sakrebulo.

2. A municipality Sakrebulo shall be elected for 4 years by the citizens of Georgia registered in the territory of the municipality, by direct elections, based on universal and equal suffrage, by secret ballot.

3. The number of members of Sakrebulo of a municipality and a procedure for their election shall be determined by the Organic Law of Georgia - the Elections Code of Georgia..

Article 24 - Powers of a municipality Sakrebulo

1. The powers of a municipality Sakrebulo shall be:

a) in area of administrative-territorial organisation of a municipality, and of the determination of the municipality's identity:

a.a) establishment and abolition of administrative units of a municipality, and determination of their boundaries;

a.b) submission of requests for the establishment/abolition of a municipality, for the determination/change of the administrative centre, and for the change of its administrative boundaries;

a.c) determination of symbols of a municipality (the coat-of-arms, flag and other symbols) according to the legislation of Georgia;

a.d) determination of procedures for the introduction and granting of a municipality's honorary titles and awards;

a.e) giving names to the historically formed districts, certain areas, micro districts, springs, squares, avenues, highways, streets, lanes, dead ends, drives, embankments, esplanades, boulevards, alleys, public gardens, gardens, parks, forest parks, local forests, cemeteries, pantheons, structures, transport facilities;

b) in the area of organisational activities:

b.a) the approval of the Rules of Procedure of a municipality Sakrebulo;

b.b) election and removal from office of the chairperson and deputy chairperson of a municipality Sakrebulo;

b.c) making decisions on the recognition of the powers of a member of a municipality Sakrebulo, and on the early termination of his/her powers;

b.d) setting up of a commission of a municipality Sakrebulo, election or removal from office of the chairperson of the commission, approval of the members of the commission and of its statute, and making changes to them;

b.e) establishment or abolition of an interim working group of a municipality Sakrebulo, approval of the members of the working group and making changes to it;

b.f) approval of the statute and staff list of the Staff of a municipality Sakrebulo;

b.g) appointment of a person authorised to represent a municipality or Sakrebulo before the Constitutional Court of Georgia and the Common Courts in cases provided for in this Law;

b.h) formation of deliberative bodies (a council, committee etc.) and determination of their rules of operation to examine individual issues that fall within its powers, and prepare appropriate reports and recommendations, as well as in cases provided for, and under the procedure established by the legislation of Georgia;

c) in the area of regulation and monitoring of the activities of a municipality's executive bodies:

c.a) monitoring of the activities of a municipality's executive bodies and of their officials, hearing and evaluation of their reports;

c.b) approval of the statutes and staff lists of a City Hall and its structural units according to this Law;

c.c) pass a vote of no confidence against the Mayor of a municipality in the manner stipulated by this Law;

d) in the financial and budget area:

d.a) discussion and approval of a draft budget of a municipality in accordance with this Law and other legislative acts of Georgia, making amendments to the approved budget, monitoring and evaluation of budget execution;

d.b) introduction and abolition of local taxes and fees according to the legislation of Georgia;

d.c) in cases provided for by this Law, approval of the agreements concluded on behalf of a municipality upon recommendation of the Mayor of the municipality, also giving consent to the conclusion of those transactions the value of which exceeds 5% of the municipal budget payables;

d.d) approval of the official remunerations of a municipality Mayor and officials of the municipality Sakrebulo in the amount determined by the Law of Georgia on Remuneration of Labour in Public Institutions;

d.e) determination of the amounts of official remunerations of members of the Staff of a municipality Sakrebulo, and the amounts of official remunerations, upon recommendation of the municipality Mayor, of the officials and other employees of the City Hall in compliance with the Law of Georgia on Remuneration of Labour in Public Institutions;

e) in the area of management and disposal of municipal property:

e.a) upon the recommendation of the Mayor of a municipality, determination of the procedure for the management and disposal of a municipal property, also for disposal of the property of an enterprise established with the participatory interest of over 50%, in accordance with this Law and other legislative and subordinate statutory acts of Georgia;

e.b) (Deleted - 22.7.2015, No 4087);

e.c) determination of the normative price of a non-agricultural land owned by a municipality, and setting out the procedures for the determination of the initial privatisation cost of a municipal property and of the initial rent price;

e.d) approval of the list of municipal property items that are subject to privatisation, and of a privatisation plan, upon the recommendation of the Mayor of a municipality;

e.e) making a decision on the transfer of municipal property to the state free of charge in the manner stipulated by this Law;

e.f) determination of the procedure for the management of the forest and water resources owned by a municipality, according to the legislation of Georgia.

2. The powers of a municipality Sakrebulo also include decision-making for the exercise of other powers of a municipality as provided for by Articles 16 and 17 of this Law, as well as the powers granted to it under this Law, other legislative and subordinate acts of Georgia, and the rules of procedure of the municipality Sakrebulo.

3. If this Law or the legislation of Georgia does not determine a municipal body responsible for the exercise of the municipality's own or delegated powers, those powers shall be exercised by the municipality Sakrebulo, or by the Mayor of the municipality by order of the municipality Sakrebulo.

4. The power of a municipality Sakrebulo that has been directly defined by this Law or by the legislation of Georgia as the power of the municipality Sakrebulo, may not be delegated to any other body or official, unless the law directly provides for the possibility of its delegation.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 4310 of 18 September 2015 - website, 24.9.2015

Organic Law of Georgia No 5070 of 28 April 2016 – website, 13.5.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Organic Law of Georgia No 1837 of 22 December 2017 – website, 29.12.2017

Article 25 - First session of a newly elected municipality Sakrebulo

1. The first session of newly elected municipality Sakrebulos throughout Georgia shall be called by the Central Election Commission of Georgia within 30 days after summing up the final results of the elections. A municipality Sakrebulo shall start its activities if the respective election commission confirms (declares elected) the election of at least two thirds of the total number of members of a newly elected municipality Sakrebulo.

2. The first session of a newly elected municipality Sakrebulo shall be opened if it is attended (there are registered) by more than half of the total number of members of the newly elected municipality Sakrebulo. The first session of a newly elected municipality Sakrebulo shall be opened by the chairperson of the respective election commission. Before the election of the chairperson of a municipality Sakrebulo, the sessions of a newly elected municipality Sakrebulo shall be chaired by the most senior member of the municipality Sakrebulo.

3. The first session of a newly elected municipality Sakrebulo shall be considered held if the number of the municipality Sakrebulo members whose powers have been recognised by the municipality Sakrebulo is at least two thirds of the total number of the members of the municipality Sakrebulo. From that moment, the powers of the previous Sakrebulo shall be terminated.

4. If the number of members of a municipality Sakrebulo whose powers have been recognised by the municipality Sakrebulo is less than two thirds of the total number of the municipality Sakrebulo members, the session of the municipality Sakrebulo shall be terminated. In that case, the next session of a newly elected municipality Sakrebulo shall be convened by the Central Election Commission within 10 days after the day when it becomes possible to raise before the municipality Sakrebulo a question of recognising powers of as many persons as are necessary to make two thirds of the municipality Sakrebulo.

5. If the powers of the required number of members of the municipality Sakrebulo are not recognised within the time limit referred to in paragraph 4 of this article, repeat elections shall be called.

Article 26 - Rules of operation of a municipality Sakrebulo

1. Regular sessions of a municipality Sakrebulo shall be convened by the chairperson of the Sakrebulo at least once in a month.

2. An extraordinary session of a municipality Sakrebulo shall be convened:

a) upon the proposal of the Mayor of the municipality;

b) upon the initiative of the chairperson of the municipality Sakrebulo;

c) upon a written request of at least one third of the members on the current list of the municipality Sakrebulo;

d) upon the proposal of a faction of the municipality Sakrebulo;

e) upon the request of at least one percent of the total number of voters registered in the territory of the municipality.

3. Within a week after a request (proposal) to convene an extraordinary session of a municipality Sakrebulo is submitted, the chairperson of the Sakrebulo shall convene an extraordinary session. If the chairperson of the municipality Sakrebulo fails to convene an extraordinary session within a week, the Sakrebulo shall be authorised to meet.

4. It shall be the responsibility of the Staff of the municipality Sakrebulo to notify Sakrebulo members of the convening of an extraordinary session of Sakrebulo in accordance with the rules of procedure of the Sakrebulo. If the chairperson of the municipality Sakrebulo fails to appear at the extraordinary session, the session shall be chaired by the deputy chairperson of Sakrebulo, and in his/her absence, by the most senior member of the Sakrebulo who is present at the session.

5. A session of a municipality Sakrebulo shall be duly constituted if it is attended by more than half of the total number of Sakrebulo members.

6. A municipality Sakrebulo shall make decisions by an open ballot. A secret ballot shall be held only when decisions concern the election of a person to a position, the removal of a person from office and the passing of a vote of no confidence.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 27 - Bureau of a municipality Sakrebulo

1. The Bureau of a municipality Sakrebulo shall consist of the Sakrebulo chairperson, his/her deputy (deputies), and of Sakrebulo commissions and factions.

2. The Bureau of a municipality Sakrebulo shall:

a) draft the agenda of a municipality Sakrebulo sessions, prepare working plans and working programmes of the municipality Sakrebulo;

b) coordinate the activities of the commissions and interim working groups of the municipality Sakrebulo;

c) discuss the conclusions and proposals of the commissions and interim working groups of the municipality Sakrebulo with respect to draft administrative-legal acts to be presented at the session of the municipality Sakrebulo;

d) hear the reports of the municipality officials;

e) exercise other powers granted to it under this Law and the rules of procedure of the municipality Sakrebulo.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 28 - Commission of a municipality Sakrebulo

1. Commissions shall be set up in a municipality Sakrebulo to prepare issues in advance, to facilitate the implementation of decisions, and to monitor the activities of the City Hall, its structural units and legal entities established by the municipality. The number of commissions must not exceed 5.

2. The chairperson of a commission of a municipality Sakrebulo shall be elected from among the Sakrebulo members. The members of a commission of a municipality Sakrebulo shall be approved by the municipality Sakrebulo upon the recommendation of the chairperson of the commission concerned, and in proportion to the number of representatives of the municipality Sakrebulo factions and the number of those Sakrebulo members that are not members of any faction. Only municipality Sakrebulo members may become members of a commission of a municipality Sakrebulo. Under the rules of procedure of a municipality Sakrebulo, any other person may also be invited to work in a commission of the municipality Sakrebulo, either temporarily or for the term of office of the commission.

3. The procedure for setting up municipality Sakrebulo commissions and the rules of their operation shall be determined by the rules of procedure of the municipality Sakrebulo, in accordance with the legislation of Georgia.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 29 - Interim working group of a municipality Sakrebulo

1. In order to examine individual issues, a municipality Sakrebulo may set up interim working groups.

2. The head and members of the interim working group of a municipality Sakrebulo shall be elected by the municipality Sakrebulo from among its members for the term of office of the working group, which shall not exceed 3 months. The term of office of the interim working group may be extended several times by one month. The total term of office of an interim working group shall not exceed 6 months.

3. Municipality Sakrebulo members shall be included in the interim working group of a municipality Sakrebulo in proportion to the number of representations of Sakrebulo factions and the number of the Sakrebulo members who are not members of any faction. Under the rules of procedure of a municipality Sakrebulo, any other person may also be invited, with a deliberative vote, to work as a member of an interim working group for the term of office of the working group.

4. The rules of procedure of an interim working group of a municipality Sakrebulo shall be determined by the rules of procedure of the municipality Sakrebulo.

Article 30 - Municipality Sakrebulo factions

1. Members of a municipality Sakrebulo may be members of a faction of the municipality Sakrebulo.

2. Members of the same political party may join only the same faction (such factions may be set up by members of two or more political parties). A non-partisan member of a municipality Sakrebulo elected upon the nomination of an electoral bloc may join a faction established by any of the parties united under this electoral bloc. A non-partisan member of a municipality Sakrebulo elected upon the nomination of a party participating in the elections may join a faction only together with the members of this party.

3. The members of a municipality Sakrebulo who intend to set up a faction shall develop a political platform and charter of the faction. An association

of Sakrebulo members shall acquire the status of a faction from the moment of its registration. The procedure for setting up a faction, the rules of its operation and its powers shall be determined by the rules of procedure of the municipality Sakrebulo.

4. The number of the members of a faction shall not be less than 3.

5. A member of a municipality Sakrebulo may join only one faction.

6. A faction may be set up both on a partisan and non-partisan basis.

7. It shall be prohibited to create factions based on national, religious, professional, personal or territorial (place of residence) characteristics.

Article 31 - Staff of a municipality Sakrebulo

1. The organisational support for the activities of a municipality Sakrebulo shall be provided by the Staff of the municipality Sakrebulo.

2. The head of the Staff of a municipality Sakrebulo and the employees of the Staff shall be appointed to or removed from office by the chairperson of the municipality Sakrebulo in accordance with the legislation of Georgia.

Article 32 - Officials of a municipality Sakrebulo

Officials of a municipality Sakrebulo are:

a) a chairperson of the municipality Sakrebulo;

b) a deputy chairperson of the municipality Sakrebulo;

c) a chairperson of a commission of the municipality Sakrebulo;

d) a chairperson of a faction of the municipality Sakrebulo;

e) a deputy chairperson of a faction of the municipality Sakrebulo.

Organic Law of Georgia No 1774 of 15 December 2017 – website, 25.12.2017

Article 33 - Chairperson of a municipality Sakrebulo

1. The chairperson of a municipality Sakrebulo shall be elected by the municipality Sakrebulo from among its members by more than half of the total number of the Sakrebulo members, for the term of office of the municipality Sakrebulo.

2. A candidate for chairperson of a municipality Sakrebulo may be nominated by not less than 3 members of the municipality Sakrebulo.

3. After the candidates for chairperson of a municipality Sakrebulo are nominated, the chairperson of the Sakrebulo session shall announce the list of candidates and ask for the candidates' consent to be voted for the position of chairperson of the Sakrebulo. The chairperson of the session shall draft a unified list of candidates according to the order of their nomination.

4. If only one candidate participated in the elections of the chairperson of a municipality Sakrebulo and he/she failed to obtain the required number of votes, repeat elections shall be held.

5. If two candidates participated in the elections of the chairperson of a municipality Sakrebulo and both of them failed to obtain the required number of votes, the candidate who obtained the majority of votes shall be voted on again. If this candidate fails again to obtain the required number of votes, repeat elections shall be held. If the vote is tied at the time of the voting, repeat elections shall be held.

6. If more than two candidates participated in the elections of the chairperson of a municipality Sakrebulo and neither of them obtained the required number of votes, a second round of elections shall be held for the two candidates who obtained the most votes. If the vote is tied in the second round, repeat elections shall be held. If neither candidate obtains the required number of votes, the candidate who obtained the most votes shall be put to a repeat vote. If this candidate fails again to obtain the required number of votes, repeat elections shall be held. If a candidate who runs in the second round withdraws his/her candidacy, the candidate who has obtained the next highest number of votes shall be voted for instead of that candidate.

7. The candidate for chairperson of a municipality Sakrebulo may withdraw his/her candidacy before each ballot.

8. The same person may be nominated as a candidate for chairperson of a municipality Sakrebulo only twice in succession.

Article 34 - Removal from office of the chairperson of a municipality Sakrebulo, suspension of his/her powers

1. A municipality Sakrebulo may remove from office the chairperson of the municipality Sakrebulo.

2. The question of removing from office the chairperson of a municipality Sakrebulo may be raised in writing before the municipality Sakrebulo by at least one third of the total number of Sakrebulo members. A decision to remove from office the chairperson of a municipality Sakrebulo shall be considered adopted if it is supported by more than half of the members on the current list of the municipality Sakrebulo.

3. If, according to paragraph 2 of this article, a municipality's Sakrebulo does not take a decision to remove the chairperson of the municipality Sakrebulo from the position, it shall be prohibited to repeatedly initiate a procedure for the removal of the chairperson of Sakrebulo within the next 3 months.

4. Powers of the chairperson of municipality Sakrebulo, except as provided for by Article 43 of this Law, shall be suspended for the chairperson of a municipality Sakrebulo in the case defined by Article 56(5) of this Law when performing duties of a Gamgebeli/Mayor.

Organic Law of Georgia No 918 of 1 June 2017 – website, 20.6.2017

Article 35 - Powers of the chairperson of a municipality Sakrebulo

1. The chairperson of a municipality Sakrebulo may:

a) convene, open, chair, lead and declare closed, based on a decision of the municipality Sakrebulo, a session of the municipality Sakrebulo;

b) ensure the observance of order in the session hall during municipality Sakrebulo sessions;

c) ensure compliance with the procedures determined by the legislation of Georgia and the rules of procedure of the municipality Sakrebulo;

d) draft the agenda of the municipality Sakrebulo sessions, a list of persons who intend to deliver speeches on the issues placed on the agenda, determine the order of speakers and give them the floor;

e) put issues to vote and announce results of the voting;

f) coordinate the work of commissions of the municipality Sakrebulo;

g) represent the municipality Sakrebulo within the powers granted to him/her under this Law;

h) upon the recommendation of the chairpersons of the commissions of the municipality Sakrebulo, invite experts and specialists to the municipality Sakrebulo commissions, enter into annul contracts with them;

i) sign resolutions, orders and minutes of the sessions of the municipality Sakreublo;

j) appoint and remove from office employees of the Staff of the municipality Sakrebulo;

k) present a report on the work performed to the municipality Sakrebulo in accordance with the rules of procedure of the municipality Sakrebulo;

l) present for approval to the municipality Sakrebulo the rules of procedure of the municipality Sakrebulo, the statute of commissions and the statute of the Staff of the municipality Sakrebulo;

m) approve the internal regulations and official instructions of the Staff of the municipality Sakrebulo, as well as additional qualification requirements of the employees of the Staff of the municipality Sakrebulo;

n) make decisions on the provision of incentives to employees of the Staff of the municipality Sakrebulo and on the imposition of disciplinary liability on them in accordance with the Law of Georgia on Public Service;

o) make a decision on the registration of a person as a lobbyist in the municipality Sakrebulo in accordance with the legislation of Georgia;

p) exercise other powers granted to him/her by this Law, by other legislative and normative acts of Georgia and the rules of procedure of the municipality Sakrebulo;

2. The chairperson of a municipality Sakrebulo shall be accountable to the municipality Sakrebulo.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Article 36 - Deputy chairperson of a municipality Sakrebulo

1. Upon the recommendation of the chairperson of a municipality Sakrebulo, the deputy chairperson of the municipality Sakrebulo shall be elected by the municipality Sakrebulo from among its members by more than half of the members on the current list for the term of office of the municipality Sakrebulo. The chairperson of a municipality Sakrebulo shall have one deputy, or two deputies if the number of constituents of the municipality exceeds 100 000.

2. The functions of the deputy chairperson of a municipality Sakrebulo shall be determined by the rules of procedure of the municipality Sakrebulo.

3. A deputy chairperson of a municipality Sakrebulo shall, in accordance with the Rules of Procedure of the municipality Sakrebulo, perform duties of the chairperson of the municipality Sakrebulo if the chairperson is unable to exercise his/her powers, he/she resigns or is removed from the office, or when his/her powers of the chairperson of municipality Sakrebulo are suspended or terminated.

3^1. If the chairperson of a municipality Sakrebulo has two deputies or a deputy/deputies of the chairperson of a municipality Sakrebulo has/have not been elected, the issue regarding performance of the duties of the chairperson of a municipality Sakrebulo in cases provided for in paragraph 3 of this article shall be regulated under the procedure determined by the Rules of Procedure of the municipality Sakrebulo.

4. A municipality Sakrebulo may remove from office a deputy chairperson of the municipality Sakrebulo. The question of removing from office a deputy chairperson of a municipality Sakrebulo may be raised in writing before the municipality Sakrebulo by the chairperson of the municipality Sakrebulo and by at least one fifth of the members on the current list of the municipalitySakrebulo. A decision to remove a deputy chairperson of a municipality Sakrebulo shall be considered adopted if it is supported by more than half of the members on the current list of the municipality Sakrebulo.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 918 of 1 June 2017 – website, 20.6.2017

Article 37 - Chairperson of a commission of a municipality Sakrebulo

1. The chairperson of a municipality Sakrebulo commission shall be elected by the municipality Sakrebulo from among its members by more than half of the members on the current list for the term of office of the municipality Sakrebulo. A candidate for the chairperson of a commission of a municipality Sakrebulo may be nominated by one fifth of the members on the current list of the municipality Sakrebulo and by a faction of the municipality Sakrebulo.

2. The chairperson of a commission of a municipality Sakrebulo shall:

a) convene, open, chair and lead the sessions of the commission;

b) ensure compliance with the procedures determined by the legislation of Georgia, the rules of procedure of the municipality Sakrebulo and the statute of the municipality commission;

c) draft the agenda of the sessions of the commission, a list of persons who intend to deliver speeches on the issues placed on the agenda, and determine the order of speakers and give them the floor in accordance with the rules of procedure of the municipality Sakrebulo and the statute of the commission;

d) put issues to a vote and announce the results of voting;

e) sign the minutes of sessions of the commission;

f) act on behalf of the commission;

g) be accountable to the municipality Sakrebulo;

h) exercise other powers granted to him/her by the legislation of Georgia, the rules of procedure of the municipality Sakrebulo and by the statute of the commission of the municipality Sakrebulo.

3. A municipality Sakrebulo may remove from office the chairperson of the municipality Sakrebulo. The question of removal from office of the chairperson of a Sakrebulo commission may be raised in writing before the municipality Sakrebulo by at least one firth of the members on the current list of the municipality Sakrebulo, by more than half of the members of the commission concerned and by the chairperson of the municipality Sakrebulo. A decision to remove the chairperson of a municipality Sakrebulo commission shall be considered adopted if it is supported by more than half of the members on the current list of the municipality Sakrebulo.

Article 38 - Chairperson of a faction of a municipality Sakrebulo and deputy chairperson of a faction

1. A faction of a municipality Sakrebulo shall be headed by the chairperson of the faction.

2. The chairperson of a faction of a municipality Sakrebulo shall have one deputy; and if there are nine or more than nine members in a faction, the chairperson of the faction may, except for the chairperson of a faction of the Tbilisi city municipality Sakrebulo, have one more deputy.

3. The chairperson of a faction of the Tbilisi city municipality Sakrebulo shall have one deputy. Furthermore, the chairperson of a faction of the Tbilisi city municipality Sakrebulo may not have more than three deputies.

4. The procedure for electing the chairperson of a faction of a municipality Sakrebulo and a deputy chairperson of the faction, and their powers shall be determined by the statute of the faction of the municipality Sakrebulo.

Organic Law of Georgia No 1774 of 15 December 2017 – website, 25.12.2017

Article 39 - Incompatibility of offices of an official of a municipality Sakrebulo

The issues relating to the incompatibility of offices of an official of a municipality Sakrebulo shall be regulated by the Law of Georgia on Conflicts of Interest and Corruption in Public Institutions.

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Article 40 - Status of a municipality Sakrebulo member

1. The status of a member of a municipality Sakrebulo shall be his/her legal status determined by law, which includes the powers, responsibility, rules of activities and guarantees of a member of a municipality Sakrebulo.

2. A citizen of Georgia who, by the day of the voting, has attained the age of 21, may be elected as a member of a municipality Sakrebulo.

3. A member of a municipality Sakrebulo shall enjoy a free mandate and he/she may not be recalled. A member of a municipality Sakrebulo, while performing his/her duties, shall not be restricted by the regulations and instructions of his/her constituents and of the political party that nominated him/her.

4. It shall be prohibited to transfer the powers of a member of a municipality Sakrebulo to any other person.

5. A free mandate shall not discharge a member of a municipality Sakrebulo from the duty to work with the constituents, and from the associated responsibility as prescribed by the legislation of Georgia and the rules of procedure of the municipality Sakrebulo.

6. The term of office of a member of a municipality Sakrebulo shall start on the day when his/her powers are recognised, and end upon the first meeting of a newly elected municipality Sakrebulo, or upon the early termination of his/her powers.

7. The powers, rules of activity and guarantees of a member of a municipality Sakrebulo shall be determined by this Law and the rules of procedure of the municipality Sakrebulo.

8. A member of a municipality Sakrebulo shall be obliged to be a member of at least one of the commissions of the municipality Sakrebulo. A member of a municipality Sakrebulo may, at the same time, be a member of any other commission, but of not more than two commissions in total.

9. The employer of a member of a municipality Sakrebulo may not restrict the right of the member of the municipality Sakrebulo to participate in the work of the municipality Sakrebulo, its commissions, factions and interim working groups. A labour contract that contains an agreement that restricts the employee's right on the above grounds shall be null and void. A person may not be dismissed from his/her job, transferred to a lower-paid job, or otherwise discriminated against on the above grounds.

Article 41 - Remuneration of the work of a member of a municipality Sakrebulo

1. A member of a municipality Sakrebulo shall exercise his/her powers without abandoning his/her work, and free of charge. Only the work of the officials of a municipality Sakrebulo shall be remunerated.

2. The amount of the official remuneration of a chairperson of a municipality Sakrebulo shall be determined in accordance with the Law of Georgia on Remuneration of Labour in Public Institutions.

3. The procedure for the reimbursement of costs associated with the exercise of powers by a member of a municipality Sakrebulo who is not an official of the municipality Sakrebulo shall be determined by resolution of the municipality Sakrebulo, and the costs of business trips of members of a municipality Sakrebulo shall be reimbursed according to the rules determined for the reimbursement of travel costs of a public employee as prescribed by the legislation of Georgia.

4. It shall be prohibited to reimburse the costs of a member of a municipality Sakrebulo in the form of a monetary reward and a salary supplement.

Organic Law of Georgia No 2820 of 28 November 2014 - website, 3.12.2014

Organic Law of Georgia No 1837 of 22 December 2017 – website, 29.12.2017

Article 42 - Incompatibility of offices of a member of a municipality Sakrebulo

A member of a municipality Sakrebulo may not:

a) be a member of any other representative body;

b) hold a position of an official stipulated by the Law of Georgia on the Incompatibility of the Position in Public Service and on the Corruption, except for the position of an official of the Sakrebulo of a municipality;

c) hold an office to which a person is elected, appointed or approved by the Parliament of Georgia;

d) hold an office to which a person is appointed by the President of Georgia or by the Prime Minister of Georgia;

e) hold an office to which a person is elected, appointed or approved by the highest representative bodies of Abkhazia and Ajara Autonomous Republics;

f) work in judicial and prosecuting bodies, the State Audit Service, in the Ministry of Internal Affairs and in the Ministry of Defence, and within the system of State Security Service of Georgia;

g) act as an officer of the Election Administration of Georgia;

h) work in a public agency that, under the legislation of Georgia, exercises state supervision over local authorities;

i) work in the Staff of a municipality Sakrebulo and in a City Hall;

j) take part in the management of a municipal enterprise (enterprises) (serve as a director, deputy director, member of a supervisory board or of a board of directors, etc.), or act as a director or deputy director of an establishment financed from the budget of the respective municipality;

k) work in the public service of another country.

Organic Law of Georgia No 3971 of 8 July 2015 – website, 15.7.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 43 - Early termination and suspension of powers of a member of a municipality Sakrebulo

1. The powers of a member of a municipality Sakrebulo shall be prematurely terminated if:

a) he/she resigns;

b) a judgement of conviction of a court of the final instance has entered into force against him/her, or the period for appealing a judgement of conviction of a court to the court of a higher instance has expired;

c) the court declares him/her missing or dead or recognises as a beneficiary of support, unless otherwise determined under the court decision;

d) the member loses the citizenship of Georgia;

e) he/she has not participated, without a valid reason, in the work of the municipality Sakrebulo for 6 consecutive months;

f) the member has occupied a position referred to in Article 42 of this Law that is incompatible with the status of a member of a municipality Sakrebulo;

g) the member has died.

2. The powers of an official of a municipality Sakrebulo shall be prematurely terminated if he/she occupies a position or carries out activities that are incompatible with the office as stipulated by the Law of Georgia on the Conflict of Interest and Corruption in Public Institutions.

3. A municipality Sakrebulo shall take into consideration the information on the facts referred to in paragraph 1 of this article, except for the cases provided for by paragraphs (e and f) of the same article and include them in the minutes of the Sakrebulo sessions.

4. In cases provided for by paragraph 3 of this article, the powers of a member/official of a municipality Sakrebulo shall be prematurely terminated from the day following the occurrence of the relevant act. A member of a municipality Sakrebulo shall notify of his/her resignation in writing to the chairperson of the municipality Sakrebulo. The day following the day of registration of the relevant application shall be considered to be the moment of termination of his/her powers.

5. If a member/official of a municipality Sakrebulo does not participate in the work of the municipality Sakrebulo or breaches the requirements for the incompatibility of offices as determined by this Law for 6 consecutive months, the relevant commission of the municipality Sakrebulo shall, in accordance with the procedure determined by the rules of procedure of the municipality Sakrebulo, find out the reason of absence, or check/request information to establish the incompatibility of offices. If it has been confirmed that the member/official was absent without valid reasons or he/she is in breach of the requirements for the incompatibility of offices, the relevant commission of the municipality Sakrebulo shall prepare a conclusion and present it at the nearest session of the Sakrebulo, which shall make a decision for the early termination of powers of the member/official of the municipality Sakrebulo. That decision shall enter into force on the day following the expiration of the relevant period (6 months)/the occurrence of the act of the incompatibility of offices.

6. The powers of a member of a municipality Sakrebulo shall be suspended if a court remands him/her to custody or imposes an administrative arrest as an administrative penalty. The period of suspension of powers shall be determined by the term of remand detention or the administrative arrest.

7. If a criminal prosecution is terminated on exonerative grounds, the remand detention is revoked or a court delivers a judgement of innocence:

a) the powers of a member of the municipality Sakrebulo shall be restored, unless the term of office of the municipality Sakrebulo that the person is a member of, has expired, and the official of the municipality Sakrebulo has been paid the lost salary;

b) the period of detention or arrest of a member of a municipality Sakrebulo shall be included in the total period of service as a member of the municipality Sakrebulo if the term of office of the municipality Sakrebulo the member of which this person was, has expired, and the official of the municipality Sakrebulo will be paid the lost salary.

Organic Law of Georgia No 3401 of 20 March, 2015 - website, 31.3.2015

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Article 44 - Forms of activities of a member of a municipality Sakrebulo

The forms of activities of a member of a municipality Sakrebulo shall include:

a) participation in the sessions of a municipality Sakrebulo;

b) drafting and initiation of decisions of a municipality Sakrebulo;

c) participation in the work of the commissions, factions and interim working groups of a municipality Sakrebulo;

d) address questions to the bodies/officials accountable to the municipality Sakrebulo;

e) meeting with constituents, reviewing their letters, proposals and complaints;

f) other forms determined by the legislation of Georgia.

Article 45 - General powers and obligations of a member of a municipality Sakrebulo

1. A member of a municipality Sakrebulo may:

a) address a question to a body accountable to the municipality Sakrebulo, the Mayor of the municipality, or any other official and receive a reply. The relevant body and official shall be obliged to respond to questions of a member of a municipality Sakrebulo within a week. This time limit may be extended for not more than 10 days in agreement with the person addressing the question;

b) meet, without delay, with the officials who are accountable to the municipality Sakrebulo;

c) directly participate in the discussion of issues raised by him/her;

d) use any information as provided for by the legislation of Georgia that is required for the exercise of his/her powers;

e) request, in the prescribed manner, appropriate information and the provision of organisational and technical services from the Staff of the municipality Sakrebulo;

f) submit a draft administrative-legal act of the municipality Sakrebulo, except for the cases provided for by this Law;

g) submit a proposal on the issuance of an administrative-legal act of the municipality Sakrebulo.

2. A municipality Sakrebulo shall be obliged to review issues initiated for consideration at a session of a municipality Sakrebulo based on paragraph 1(f) of this article.

3. During the discussion of all the issues that fall within the authority of the municipality Sakrebulo, a member of the municipality Sakrebulo shall have a right to vote. A member of a municipality Sakrebulo shall have a deliberative vote when participating in the work of a body of a municipality Sakrebulo of which he/she is not a member.

4. A member of a municipality Sakrebulo shall be obliged:

a) to ensure the compliance with the Constitution of Georgia and with the laws;

b) meet with citizens in accordance with the rules of procedure of the municipality Sakrebulo;

c) participate in the sessions of the municipality Sakrebulo and in the work of commissions of the municipality Sakrebulo;

d) not disclose or use for personal purposes information the confidentiality of which is protected under the legislation of Georgia.

5. A member of a municipality Sakrebulo may not use the powers granted to him/her by law, or related opportunities for personal purposes. A member of a municipality Sakrebulo shall, during a session of the municipality Sakrebulo, refrain from participation in the decision-making and voting that concerns an issue with respect to which he/she has personal interest, or if there are other circumstances that may affect the decision on the matter.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 46 - Exercise of powers by a member of a municipality Sakrebulo during the Sakrebulo sessions

1. During a session of a municipality Sakrebulo, a member of the municipality Sakrebulo may:

a) raise issues for discussion;

b) present remarks and proposals on all issues falling within the powers of the municipality Sakrebulo;

c) participate in the debates, put questions to the speaker and to the chairperson of the session of the municipality Sakrebulo, receive and evaluate responses;

d) present citizens' letters and applications to the municipality Sakrebulo;

e) express his/her opinion on the bodies to be established by the municipality Sakrebulo, and on the candidacy of the officials who are elected, appointed or approved by the municipality Sakrebulo or whose appointment is subject to the municipality Sakrebulo's consent;

f) participate in the discussion of a draft municipal budget and of the issue of making amendments to the budget;

g) exercise other powers granted to him/her under this Law and the rules of procedure of the municipality Sakrebulo.

2. The procedural issues related to the exercise of their powers by Sakrebulo members during municipality Sakrebulo sessions shall be determined by the rules of procedure of the municipality Sakrebulo.

Article 47 - Interaction of members of a municipality Sakrebulo with their constituents

The interaction of a member of a municipality Sakrebulo with his/her constituents shall include:

a) the implementation of activities determined by the legislation of Georgia to protect the rights, freedoms and interests of the constituents;

b) reception of citizens;

c) cooperation with public and local authorities, public organisations and political unions;

d) provision of information to the constituents about the work performed.

Chapter V – Executive Body of a Municipality

Article 48 - Mayor

1. The executive body and the highest official of a municipality shall be the Mayor. The Mayor shall represent a municipality and ensure the exercise of the powers of the municipality in compliance with this Law, other legislative and subordinate acts of Georgia and the normative acts of the relevant municipality.

2. The Mayor shall be accountable to the municipality Sakrebulo and to the population.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 49 - Election of the Mayor

1. The Mayor shall be elected for a 4-year term, in a direct election, based on universal and equal suffrage, by a secret ballot, in the manner prescribed by the Organic Law of Georgia- the Elections Code of Georgia.

2. A citizen of Georgia with the right to vote from the age of 25 who has resided in Georgia for at least 5 years may be elected as the Mayor.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 50 – City Hall

A City Hall is an institution subordinated to the executive body of the municipality, which ensures the exercise of powers of the Mayor. The City Hall shall be headed by the Mayor. The City Hall shall consist of structural units. A structural unit of a City Hall shall, within the scope of powers determined by the respective statute, ensure the performance of the assignments of the municipality Sakrebulo and of the Mayor. A structural unit of a City Hall may have sub-divisions that are determined by the statute and the staff list of the respective structural unit of the City Hall.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 51 - Casting a vote of no confidence against the Mayor

1. The procedure for casting a vote of no confidence against the Mayor may be initiated based on a written initiative of more than half of the members on the current list of the municipality Sakrebulo, or of at least 20% of the total number of constituents registered in the territory of the municipality proposing a vote of no confidence against the Mayor.

2. If the initiative proposing a vote of no confidence against the Mayor comes from the constituents, an action group shall be formed consisting of at least 10 members. The list of the action group shall include the names, surnames, places of residence and places of registration of each member. The initiative proposing a vote of no confidence against the Mayor shall be specifically formulated by the action group. The relevant initiative application shall be filed with the municipality Sakrebulo.

3. The application and the composition of the action group shall be registered by the Staff of the municipality Sakrebulo, which, according to Article 12(7) of this Law, shall ensure publication of the information.

4. A certificate of registration shall be given to the action group within 3 working days after the application for registration. An application for registration may be refused if the requirements of this Law have been violated.

5. An action group may, within 2 days after having been denied registration, appeal the refusal to the relevant district (city) court. The court shall review the case and deliver a decision within 5 days. The decision of a district (city) court may be appealed to a court of appeal within 2 days. The court of appeal shall deliver a decision within 5 days. The decision of a court of appeal shall be final and it may not be appealed.

6. An action group shall start collecting signatures from the day of receipt of a certificate of registration. The signatures shall be collected on a sheet of paper the format of which has been determined by the municipality Sakrebulo. Each such sheet of paper shall be signed by not more than 50 citizens. The citizens shall themselves put down their names, surnames, the year of birth, the number of their identification card, place of registration and the date of signature. Each sheet containing the above data shall be signed by the person responsible for collecting signatures. He/she shall indicate his/her address on the sheet. The signature of the responsible person shall be endorsed by a notary office or by a duly authorised person of the Staff of the Sakrebulo. If the Sakrebulo has not determined the relevant form of the sheet, the action group shall ensure the collection of signatures in compliance with the requirements provided in this paragraph.

7. The action group shall, not later than one month after the registration of the application, submit to the chairperson of the municipality Sakrebulo an application for initiating a vote of no confidence against the Mayor, as well as the attached signatures that confirm that the initiative is supported by at least 20% of the total number of the constituents registered in the territory of the municipality.

8. A decision to present or refuse to present, according to paragraph 7 of this article, the initiative for review at the municipality Sakrebulo session, shall be taken by the chairperson of the Sakrebulo within 15 days after the registration of the application. The presentation of an initiative for review at a Sakrebulo session may be denied if the requirements of this article have been violated. The refusal of the chairperson of the Sakrebulo may be appealed according to paragraph 5 of this article.

9. The chairperson of the municipality Sakrebulo shall ensure the presentation of the initiative for review at a Sakrebulo session according to paragraph 7 of this article, not later than 20 days after the registration of the application. If a court finds the refusal of the Sakrebulo chairperson to take further actions with respect to the initiative as unlawful, the Sakrebulo shall review the initiative within 5 days after the court delivers a final decision.

10. The initiative of members of a municipality Sakrebulo shall be reviewed not later than 10 days after it has been presented. A vote of no confidence against the Mayor shall be considered passed if the initiative is supported by at least two thirds of the members on the current list of the Sakrebulo. Passing of a vote of no confidence against the Mayor shall result in the termination of his/her powers.

11. If a municipality Sakrebulo does not pass a vote of no confidence against the Mayor, a repeat vote of no confidence may not be taken within the next 6 months.

12. The procedure of a vote of no confidence against the Mayor may not be intiated and the vote of no confidence may not be taken within 6 months after the election of the Mayor, as well as during the last one year of the term of office of the Gamgebeli/Mayor.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 52 - Officials of City Hall

1. The officials of a City Hall shall be:

a) the Mayor;

b) the First Deputy Mayor;

c) the Deputy Mayor;

d) the head of a structural unit of the City Hall.

2. The number of officials of a City Hall (including the Mayor) must not exceed 13.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 53 - Remuneration of the officials and other employees of a City Hall

1. The amount of the official remuneration of a Mayor shall be determined in compliance with the Law of Georgia on Remuneration of Labour in Public Institutions.

2. The amounts of the official remunerations of officials and other employees of a City Hall shall, upon recommendation of the Mayor, be determined by a municipality Sakrebulo in compliance with the Law of Georgia on Remuneration of Labour in Public Institutions.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Organic Law of Georgia No 1837 of 22 December 2017 – website, 29.12.2017

Article 54 - Powers of the Mayor

1. The Mayor shall:

a) in the area of the organisational activities of the City Hall:

a.a) provide general management and coordination of the activities of the structural units of the City Hall;

a.b) submit for approval to the Sakrebulo the statute and the staff list of the Mayor, as well as the statutes of the structural units of the City Hall;

a.c) appoint or remove from office the officials of the City Hall;

a.d) appoint or remove from office employees of the City Hall;

a.e) allocate functions to the employees of the City Hall, give assignments to the officials of the City Hall and hear their reports on work performed;

a.f) under the procedure established by the statute of the City Hall, delegate powers to the officials of the City Hall, except for powers stipulated by subparagraphs (a.a-a.c, b.a-b.c, d.j, e.f and e.g) of this paragraph, as well as for powers that require approval or consent of the Sakrebulo under this Law; delegate powers to the officials or other officers of the City Hall in cases provided for by law/in the agreement on delegation of powers;

a.g) make decisions on granting incentives to officers of the Gamgeoba/City Hall, and imposing measures of disciplinary liability on public servants, in accordance with the Law of Georgia on Public Service;

a.h) approve the internal regulations and official instructions of the City Hall, as well as additional qualification requirements of the officers of the City Hall;

b) in the area of interaction with the municipality Sakrebulo:

b.a) report to the Sakrebulo, at least once in a year, on work performed, in accordance with the rules of procedure of the municipality Sakrebulo, as well present a special report at the request of at least one quarter of the Sakrebulo members;

b.b) according to this Law, draft and submit for approval to the Sakrebulo administrative-legal acts;

b.c) apply to the chairperson of the Sakrebulo with a proposal to convene an extraordinary session of the Sakrebulo, raise an additional issue to be reviewed during a regular session of the Sakrebulo, attend open and closed sessions of the Sakrebulo and of its commissions;

b.d) ensure the execution of the administrative-legal acts adopted by the Sakrebulo;

c) in the financial-budgetary area:

c.a) draft and present for approval to the Sakrebulo a municipal budget and amendments to the budget; ensure, within his/her powers, the execution of the approved budget;

c.b) submit for approval to the Sakrebulo a report on the execution of the budget for the reporting year;

c.c) according to the Budget Code of Georgia, deliver a decision on the allocationof funds between the articles and codes of the budgetary classification of a spending entity, without making amendments to the approved budget of a municipality, in the manner prescribed by Sakrebulo;

c.d) submit for approval to the Sakrebulo draft resolutions for the imposition, change and abolition of the local taxes and fees determined by law;

c.e) on behalf of the municipality and with the approval of the Sakrebulo, take loans in accordance with this Law and other legislative acts of Georgia;

c.f) not later than by February, submit to the Sakrebulo a report on the procurements performed in the previous year according to the procurement plan; perform procurement according to the legislation of Georgia;

d) in the area of management and disposal of the municipal property:

d.a) make decisions on the management and disposal of municipal property in the manner determined by this Law and by the Sakrebulo;

d.b) with the approval of the Sakrebulo, make decisions: on the establishment, reorganisation and liquidation of a relevant legal person under private law; on the participation in the establishment of and joining a legal person under private law in accordance with this Law; on the acquisition of shares of an entrepreneur legal entity;

d.c) in cases provided for by this Law, make a decision, with the approval of the Sakrebulo, to transfer the municipality's movable property by direct transfer, with the right to use with or without consideration, conditionally or unconditionally;

d.d) with the approval of the Sakrebulo, make a decision to transfer immovable property by direct transfer, with the right to use with or without consideration, conditionally or unconditionally;

d.e) with the approval of the Sakrebulo, may make a decision to discharge the buyer of municipal property/the person who has received the right to use/manage the municipal property, from the penalty imposed/to be imposed for the violation of obligations assumed under the respective agreement;

d.f) with the approval of the Sakrebulo, make a decision to discharge the recipient of privatised property and/or of property transferred with the right to use, from the obligation to perform the condition(s) relating to that property, except for the conditions related to the performance of financial and investment obligations;

d.g) in accordance with this Law, make decisions, with the approval of the Sakrebulo, on the alienation of the core (not alienated) assets of the municipality;

d.h) ensure the maintenance, construction, reconstruction and restoration of the municipal property;

d.i) submit for approval to the Sakrebulo a list of municipal property items that are subject to privatisation, and a privatisation plan;

d.j) monitor the use by physical and legal persons of municipal property transferred to them with the right to use, and compliance with the rules for the use of the property;

d.k) in the case of disposal of municipal property in the form of an auction with conditions, monitor compliance by physical and legal persons with the respective conditions;

e) in other areas of executive activities:

e.a) sign contracts and agreements entered into on behalf of the municipality;

e.b) represent and act on behalf of the municipality in official relationships, grant representative powers on behalf of the municipality, including authority (power of attorney), except for the cases provided for by this Law;

e.c) within the powers of the municipality, ensure the preparation of relevant socio-economic development and other programmes, strategies and plans, their submission for approval to the Sakrebulo, and their implementation;

e.d) draft and submit for approval to the Sakrebulo documents relating to spatial and territorial planning of the municipality;

e.e) issue individual administrative acts within his/her powers;

e.f) set up consultative bodies – councils and working groups to examine individual issues that fall within his/her powers, as well as to prepare relevant conclusions and recommendations;

e.f[1]) in the case provided for by law and/or for exercising delegated powers (including for making an appropriate decision), set up commissions, whose powers and rules of operation are determined under law/an agreement on the delegation of powers and/or by a subordinate normative act issued according to the law;

e.g) grant honorary titles and awards of the municipality;

e.h) ensure the exercise of other powers of the municipality specified in Articles 16 and 17 of this Law, in accordance with this Law, other legislative and subordinate acts of Georgia and as prescribed by the Sakrebulo;

e.i) exercise other powers prescribed by this Law, by the statute of the City Hall and by the administrative-legal acts of the Sakrebulo.

2. The Mayor may appoint a representative of the Mayor in an administrative unit of the municipality. The power of a representative of the Mayor shall be determined by the statute of the City Hall.

3. A Sakrebulo member may not interfere with the activities of the Mayor when the latter makes a decision on a personal issue.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 5142 of 27 May 2016 – website, 4.6.2016

Organic Law of Georgia No 5160 of 3 June 2016 – website, 17.6.2016

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 55 - Incompatibility of the office of Mayor

Issues related to the incompatibility of the office of Mayor shall be regulated according to the Law of Georgia on Conflicts of Interest and Corruption in a Public Institution.

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 56 - Grounds for suspension and termination of powers of the Mayor

1. The grounds for suspension of powers of the Mayor shall be:

a) the imposition of remand detention as a measure of restraint by a court;

b) the imposition of an administrative arrest as an administrative penalty by a court;

c) the entry into force of a judgement of conviction, unless the period stipulated by the legislation of Georgia for the appeal before a court of a higher instance has expired;

d) leave of absence;

e) temporary disability;

f) nomination as a candidate in the Presidential elections or in the elections of representative bodies, unless otherwise defined by law;

g) any other cases of suspension of powers (according to or based on the law).

2. The grounds for termination of powers of the Mayor shall be:

a) expiration of the term of office;

b) relief from duty based on the personal application;

c) the entry into force of a judgement of conviction of a court of final instance, or the expiration of the time limit for appealing the final judgement of conviction to a court of a higher instance;

d) death;

e) recognition by a court as missing, dead or recipient of support, unless otherwise determined by the court's decision;

f) termination of the citizenship of Georgia;

g) the occupation of a position or the performance of the activities incompatible with the official stipulated by the Law of Georgia on Conflict of Interests and Corruption in Public Institutions;

h) passing of a vote of no confidence by the municipality Sakrebulo;

i) the cases provided for by Chapter XVIII of this Law.

3. In cases provided for by paragraph 1(a-e) of this article, the period of suspension of powers of the Mayor shall be determined, respectively, according to the term of remand detention or the term of administrative arrest, the time limit for filing an appeal with a court of a higher instance, the period of the leave and the period of temporary disability. In cases provided for by paragraph 1(f) of this article, the period of suspension of the power of the Mayor shall be determined according to the period starting from the registration by the election commission of the Mayor as a candidate up to the moment when the results of the elections are summed up.

4. A municipality Sakrebulo shall take into consideration the information on the facts referred to in paragraphs 1 and 2 of this article, except for cases stipulated by paragraph 2(g-i) of this article, and include it in the minutes of the Sakrebulo session. The powers of the Mayor shall be suspended/terminated on the day following the day of the occurrence of the relevant act. The Mayor shall resign from office before the Sakrebulo. In that case, the powers of the Mayor shall be terminated from the day following the registration of the statement of resignation. The Sakrebulo shall make a decision on the incompatibility of offices according to Article 43(5) of this Law.

5. If powers of the Mayor are suspended or terminated, his/her duties until powers of the Mayor are restored or a new Mayor is elected shall be performed by the First Deputy Mayor; if the First Deputy Mayor has not been appointed, the duties of the Mayor shall be performed by a deputy Mayor, and if the Mayor has two or more than two deputies, his/her duties shall be performed by the oldest deputy Mayor. If the First Deputy Mayor or a deputy Mayor has not been appointed, the duties of the Mayor until powers of the Mayor are restored or a new Mayor is elected shall be performed by the chairperson of a municipality Sakrebulo. If the powers of the Mayor are suspended on the ground provided for in paragraph 1(d) or (e) of this article, the duties of the Mayor shall be performed by his/her First Deputy, and if the First Deputy Mayor is absent from the position or he/she is unable to perform his/her duties, the duties of the Mayor shall be performed by a deputy Mayor.

6. If a criminal prosecution is terminated on exonerative grounds, the remand detention is revoked or a court delivers a judgement of innocence:

a) the powers of Mayor shall be restored to the Mayor, unless his/her term of office has expired, and he/she shall be paid the lost salary according to the legislation of Georgia.

b) the period of detention or arrest of the Mayor shall be included in the total term of office of the Mayor, if his/her term of office has expired, and he/she shall be paid the lost salary.

7. The lawfullness of a decision of a municipality Sakrebulo on the early termination of the powers of the Mayor may be appealed to the respective district (city) court within 2 days after the decision has been made. The court shall review the case and deliver a decision within 2 days. The decision of the district (city) court may, within 2 days, be appealed to a court of appeal. The court of appeal shall review the case and deliver a decision within 2 days. The decision of a court of appeal shall be final and it may not be appealed.

8. If powers of the Mayor are prematurely terminated, extraordinary Mayoral elections shall be called by decree of the Central Election Commission of Georgia under the procedure established by the Organic Law of Georgia – Elections Code of Georgia.

9. If the powers of the Mayor are prematurely terminated, the term of office of the newly elected Mayor shall be determined according to the term of office of the Sakrebulo.

10. Extraordinary Mayoral elections shall not be held in the year of regular elections of local self-government bodies.

Organic Law of Georgia No 3401 of 20 March, 2015 - website, 31.3.2015

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Organic Law of Georgia No 918 of 1 June 2017 – website, 20.6.2017

Organic Law of Georgia No 1275 of 26 July 2017 – website, 29.7.2017

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 57 - First Deputy and Deputy (Deputies) of the Mayor

1. The Mayor has the First Deputy and a deputy (deputies) to be appointed to or removed from office by the Mayor.

2. In a self-governing city, the position of a vice mayor may be determined instead of the first deputy mayor under the statute of the City Hall. The official status of a vice mayor shall be equal to the official status of the first deputy mayor.

3. The First Deputy/Deputy (Deputies) of the Mayor shall, according to the allocation of functions, manage the sectors that fall within the powers of the City Hall, as well as organise and monitor the implementation of administrative-legal acts and instructions of the Mayor of the municipality, and according to the statutes of the Mayor, issue individual administrative-legal acts within his/her powers.

4. Powers of the First Deputy and of a deputy (deputies) of the Mayor shall be determined by the statute of the City Hall.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 58 - Incompatibility of offices of the First Deputy Mayor and of a Deputy Mayor

Issues related to the incompatibility of offices of the First Deputy and of a deputy Mayor shall be regulated according to the Law of Georgia on Conflicts of Interest and Corruption in a Public Institution.

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 59 - Suspension and termination of powers of officials of a City Hall

1. Powers of the first deputy and of a deputy Mayor shall be suspended when there are relevant grounds under Article 56(1) of this Law, and their powers shall be terminated when there are relevant grounds under Article 56(2)(a-g) of this Law. The powers of the first deputy and of a deputy Mayor shall also be terminated when a new Mayor is elected (starts exercising his/her powers).

2. Powers of the first deputy and of a deputy Mayor shall also be terminated when the Mayor removes them from offices.

3. Issues related to the termination of powers of the first deputy and of a deputy Mayor shall be regulated only by this Law and the relevant resolution adopted by the municipality Sakrebulo under this Law.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 60 - Head of a structural unit of a City Hall

1. The head of a structural unit of a City Hall shall be a public servant who is appointed to and removed from office by the Mayor in accordance with the Law of Georgia on Public Service.

2. The head of a structural unit of a City Hall shall:

a) manage the activities of the structural unit and be responsible for the performance of the tasks and functions imposed on that unit;

b) allocate functions to the officers of the structural unit;

c) submit to the Mayor proposals on the personnel matters of the structural unit, or on the provision of incentives, imposition of disciplinary liability, or on leaves, business trips and professional development of the employees of the structural unit in accordance with the Law of Georgia on Public Service;

d) define procedures, forms and methods for organising and planning the activities of the structural unit; official duties of the officers of the structural unit;

e) submit to the Mayor issues, proposals, conclusions and recommendations prepared by the structural unit;

f) periodically submit to the Mayor a report on the work performed by the structural unit;

g) issue individual administrative-legal acts within his/her powers in accordance with the statute of the City Hall;

h) be accountable to the Mayor.

3. An official supervision over the activities of a structural unit of a City Hall shall be carried out by the Mayor.

4. The issues relating to the incompatibility of offices, as well as to the suspension and termination of powers of the head of a structural unit of a Mayor shall be regulated according to Articles 58 and 59 of this Law.

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Decision No 3/5/626 of the Constitutional Court of Georgia of 17 October 2017 – website, 26.10.2017

Chapter VI - Administrative-legal Acts of Municipal Bodies and Officials

Article 61 - Administrative-legal Acts of Municipal Bodies and Officials

1. Within the powers granted under the legislation of Georgia, a municipality Sakrebulo and municipality officials shall issue relevant administrative-legal acts.

2. A Sakrebulo resolution is a normative administrative-legal act of a municipality Sakrebulo, and a Sakrebulo decree is an individual administrative-legal act.

3. Individual administrative-legal acts of officials of a municipality shall be:

a) an order of the Mayor;

b) a decree of the Tbilisi Municipal Government;

c) an order of the chairperson of a municipality Sakrebulo;

d) an order of the first deputy Mayor, an order of a deputy Mayor;

e) an order of the head of a structural unit of a City Hall;

f) an order of the Gamgebeli of a district of the Tbilisi Municipality.

3^1) An officer of a City Hall may issue an individual administrative-legal act – an order in the case provided for in Article 54(1)(a.f) of this Law.

3^2) When conducting activities under law or an agreement on delegation of powers, commissions specified in Article 54(1)(e.f^1) and Article 73(2)(v^1) of this Law shall be authorised to issue an individual administrative-legal act – a decree.

4. A municipality Sakrebulo shall adopt an administrative-legal act by a majority of votes of the Sakrebulo members attending the session, but by at least one third of the members on the current list of the Sakrebulo, unless otherwise provided for by this Law.

5. Unless a municipality Sakrebulo makes a different decision, during legal proceedings relating to the lawfulness of an administrative-legal act or any other issue, the municipality shall be represented before a court by the Mayor of the municipality.

6. Procedures for drafting, adopting, publishing, operation, registration and systematisation of administrative-legal acts of a municipality shall be determined by the General Administrative Code of Georgia, the Law of Georgia on Normative Acts, the statutes of municipal bodies and by other normative acts.

Organic Law of Georgia No 5142 of 27 May 2016 – website, 4.6.2016

Organic Law of Georgia No 5160 of 3 June 2016 – website, 17.6.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 62 - Appealing administrative-legal acts of a municipality

1. Administrative-legal acts of municipal bodies, officials and other officers, as well as of commissions specified in Article 54(1)(e.f[1]) and Article 73(2)(v[1]) of this Law shall be appealed to a court under the procedure established by this Law and other laws of Georgia.

2. Individual administrative-legal acts of an official of a City Hall (except for the Mayor) and of any other officer shall be appealed to the Mayor and further to a court under the procedure established by law.

3. If an administrative-legal act of an executive body of a municipality, of an official or another officer of a City Hall contravenes a normative administrative-legal act of a municipality Sakrebulo and/or the legislation of Georgia, the Sakrebulo shall, by majority of members on the current list, adopt a decision to appeal it to a court. In that case, the Sakrebulo shall be represented before the court by a person designated by the Sakrebulo, or designated by the chairperson of the Sakrebulo on the instruction of the Sakrebulo, and the executive body of a municipality/City Hall shall be represented before a court by a person designated by the Mayor.

Organic Law of Georgia No 5142 of 27 May 2016 – website, 4.6.2016

Organic Law of Georgia No 5160 of 3 June 2016 – website, 17.6.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Section III

THE CAPITAL OF GEORGIA – TBILISI

Chapter VII - Status of the Capital of Georgia

Article 63 – The capital of Georgia and its status

1. The Capital of Georgia - Tbilisi is a self-governing city.

2. The status of the Municipality of Tbilisi City (`Tbilisi`) as the Capital of Georgia shall mean the special legal status of Tbilisi, which, in the state and local interests, ensures the government of Tbilisi through local authorities.

3. Unless otherwise provided for by this Section, the legal and economic basis of Tbilisi as a municipality, the powers and rules of operation of the municipality and its bodies/officials, as well as the structure and rules for the organisation of the municipal bodies shall be determined by the provisions defined for a municipality under the relevant Chapters of this Law.

Article 64 - Own powers of Tbilisi

Own powers of Tbilisi include:

a) powers provided for by Article 16 of this Law;

b) providing emergency aid;

c) giving names to a natural or anthropogenic geo-information unit, to Tbilisi administrative units, to a historically formed district, planning area, certain zone, micro district, any other territorial unit, mountain, hill, ravine, river, lake, spring, square, avenue, highway, street, lane, dead end, drive, embankment, esplanade, boulevard, alley, public garden, garden, park, forest park, forest, city cemetery, pantheon, buildings, transport facilities located within the established administrative boundaries of the Capital of Georgia;

d) (deleted - 26.12.2014, No 2995);

e) cleaning and utilisation of sewage;

f) powers provided for by the Law of Georgia on Special Protection of the Green Planting and the State Forest Fund within the Tbilisi City Limits and the Adjacent Areas.

Organic Law of Georgia No 2995 of 26 December 2014 - website, 12.1.2015

Organic Law of Georgia No 620 of 6 April 2016 – website, 21.4.2017

Article 65 - Local self-government bodies of Tbilisi

Local self-government in Tbilisi shall be exercised through a representative body of Tbilisi – the Tbilisi Sakrebulo, and a system of executive bodies of Tbilisi – the Tbilisi City Hall.

Article 66 - Administrative units of Tbilisi

1. The territory of Tbilisi is divided into administrative units. An administrative unit of Tbilisi is a district. An administrative unit of Tbilisi is not a self-governing unit.

2. Resolutions on the establishment or abolition of Tbilisi administrative units, on the establishment and change of their borders shall, upon the recommendation of the Mayor of Tbilisi or of at least of one third of Tbilisi Sakrebulo members, be passed by the Tbilisi Sakrebulo, by a majority of the total number of Sakrebulo members.

Chapter VIII - Representative Body of Tbilisi

Article 67 - Tbilisi Sakrebulo

The Tbilisi Sakrebulo is a representative body of Tbilisi. The number of Tbilisi Sakrebulo members and the procedure for the election of the members shall be determined by the Organic Law of Georgia - the Election Code of Georgia.

Article 68 - Powers of the Tbilisi Sakrebulo

1. The powers of the Tbilisi Sakrebulo, except for the powers of the municipality Sakrebulo provided for under this Law, shall also include:

a) monitoring the officials of the Government of Tbilisi;

b) in cases provided for by this Law, giving consent to the Government of Tbilisi to take loans, in accordance with the legislation of Georgia;

c) giving names to a natural or anthropogenic geo-information unit, to Tbilisi administrative units, to a historically formed district, planning area, certain zone, micro district, any other territorial unit, mountain, hill, ravine, river, lake, spring, square, avenue, highway, street, lane, dead end, drive, embankment, esplanade, boulevard, alley, public garden, garden, park, forest park, forest, city cemetery, pantheon, buildings, transport facilities located within the established administrative boundaries of the Capital of Georgia;

d) making decisions, upon the recommendation of the Government of Tbilisi, on the establishment, reorganisation and liquidation of a legal entity under public law, as well as on the approval of its statute in accordance with the legislation of Georgia;

e) in cases provided for by this Law, approving, upon the recommendation of the Government of Tbilisi, agreements entered into on behalf of the municipality, also giving consent to enter into a transaction, the value of which exceeds 5% of the payables of the municipal budget;

f) determining, upon the recommendation of the Government of Tbilisi, procedures for the management and disposal of municipal property, as well as of the property of an enterprise established with more than 50% participatory interest, in accordance with this Law, other legislative and subordinate acts of Georgia;

g) (deleted - 22.7.2015, No 4087);

h) (deleted - 8.7.2015, No 3977);

i) giving consent to the appointment of a member of the Government of Tbilisi to a certain position, in the manner prescribed by this Law;

j) making decisions on the exercise of the powers provided for by Articles 16, 17 and 64 of this Law;

k) exercising other powers provided for by this Law, other legislative and subordinate acts of Georgia and the rules of procedure of the relevant municipality Sakrebulo.

2. If this Law or the legislation of Georgia does not determine a municipal body responsible for the exercise of the municipality's own or delegated powers, those powers shall be exercised by the Tbilisi Sakrebulo, or upon the instructions of Tbilisi Sakrebulo, by the Tbilisi City Hall/Government of Tbilisi.

3. The powers of the Tbilisi Sakrebulo that have been directly determined by this Law or by the legislation of Georgia as powers of the Tbilisi Sakrebulo, may not be transferred to any other body or official, unless the law directly provides for the possibility of its delegation.

4. The powers provided for by Article 24(1)(e.d) of this Law shall not apply to the Tbilisi Sakrebulo.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 69 - Convening an extraordinary session of the Tbilisi Sakrebulo

1. The procedure for convening an extraordinary session of the Tbilisi Sakrebulo is determined by Article 26 of this Law (except for paragraph 2(e)), taking into consideration the procedure determined by paragraph 2 of this article.

2. An extraordinary session of the Tbilisi Sakrebulo shall be convened at the request of not less than 10 000 constituents registered in Tbilsi.

Article 70 - Commissions of the Tbilisi Sakrebulo

The Tbilisi Sakrebulo shall have not more than 11 commissions; the commissions shall be established in accordance with this Law.

Article 71 - Deputy Chairpersons of Tbilisi Sakrebulo

1. The Chairperson of Tbilisi Sakrebulo may have the first deputy and deputies.

2. In the absence of the Chairperson of Tbilisi Sakrebulo, the First Deputy Chairperson or one of the Deputy Chairpersons shall perform his/her duties upon the instructions of the Chairperson.

3. If the chairperson of Tbilisi Sakrebulo resigns or is removed from the office, or his/her powers of the chairperson of Tbilisi Sakrebulo are suspended in the case provided for in Article 34(4) of this Law, and when his/her powers under Article 43 of this Law are suspended or terminated, the duties of the chairperson of Tbilisi Sakrebulo shall be imposed upon one of his/her deputies under the procedure determined by the Rules of Procedure of Tbilisi Sakrebulo. If none of the deputy chairpersons of Tbilisi Sakrebulo is elected, the issue regarding the performance of the duties of the chairperson of Tbilisi Sakrebulo shall be regulated under the procedure determined by the Rules of Procedure of Tbilisi Sakrebulo.

Organic Law of Georgia No 918 of 1 June 2017 – website, 20.6.2017

Chapter IX - System of the Executive Bodies of Tbilisi

Article 72 – The Tbilisi City Hall

1. The Tbilisi City Hall (Tbilisi Mayor, the Government of Tbilisi, structural units of the Tbilisi City Hall and Gamgeobas of Tbilisi districts) constitute the system of the executive bodies of Tbilisi and ensure the exercise of executive and administrative functions of Tbilisi.

2. The officials of the Tbilisi City Hall shall be: the Tbilisi Mayor, First Deputy Mayor (Vice Mayor) and Deputy Mayor of Tbilisi, Head of a Structural Unit of the Tbilisi City Hall, and Gamgebeli of a district of Tbilisi. The quantitative restriction determined under Article 52(2) of this Law for the officials of the Tbilisi City Hall shall not apply to the Tbilisi City Hall.

3. The structure and rules of operation of the Tbilisi City Hall shall be determined by the statute of the Tbilisi City Hall. Unless this Law or the legislation of Georgia determine the executive body of Tbilisi responsible for the exercise of specific powers, the powers shall be separated according to the statute of the Tbilisi City Hall.

Article 73 - Tbilisi Mayor

1. The highest executive body of Tbilisi – the Tbilisi Mayor shall be the head of the Government of Tbilisi. The Mayor of Tbilisi shall be elected in direct elections, for a 4-year term. The procedure for the election of the Mayor of Tbilisi shall be determined by the Organic Law of Georgia - the Election Code of Georgia.

2. The Mayor of Tbilisi shall:

a) be responsible for the general management and coordination of the activities of the Tbilisi City Hall;

b) manage the activities of the Government of Tbilisi, and assign functions to his/her deputies;

c) chair the sessions of the Government of Tbilisi;

d) draft and submit for approval administrative-legal acts to the Tbilisi Sakrebulo;

e) submit for approval to the Tbilisi Sakrebulo draft budgets and amendments to the budget of Tbilisi, and budget performance reports;

f) sign individual administrative-legal acts of the Government of Tbilisi;

g) within the powers of the municipality, ensure the submission for approval to the Tbilisi Sakrebulo relevant socio-economic development and other programmes, strategies and plans;

h) submit for approval to the Tbilisi Sakrebulo documents relating to the spatial and territorial planning of the municipality;

i) issue individual administrative-legal acts;

j) sign contracts and agreements concluded on behalf of the municipality and the Government of Tbilisi, and carry out procurements according to the legislation of Georgia;

k) represent Tbilisi and its Government, act on their behalf in official relationships, carry out any other representative functions, assign representative powers on behalf of the municipality, including credentials (powers of attorney), except for the cases provided for by this Law;

l) submit for approval to the Tbilisi Sakrebulo the statutes of the Tbilisi City Hall and statutes of the structural units of the Tbilisi City Hall, standard statutes of the Gamgeobas of Tbilisi districts and of their structural units, as well as the staff lists of the Tbilisi City Hall and Gamgeobas of Tbilisi districts;

m) under this Law, appoint and dismiss the officials of the Tbilisi City Hall; appoint and dismiss other public servants of the Tbilisi City Hall in the manner prescribed by the Law of Georgia on Public Service, except for the cases provided for by Article 82(3)(b) of this Law;

n) submit for approval to the Tbilisi Sakrebulo the amount of remuneration of the officials and employees of the Tbilisi City Hall;

o) assign functions to the employees of the Tbilisi City Hall; give assignments to the officials of the Tbilisi City Hall and hear their reports on the work performed;

p) in the manner prescribed by the statute of the Tbilisi City Hall, delegate powers to the officials of the Tbilisi City Hall, except for the powers provided for by sub-paragraphs (a, b) and (s-v) of this paragraph, as well as for the powers that, under this Law, require the approval or consent of the Tbilisi Sakrebulo;

q) in the manner prescribed by the Law of Georgia on Public Service, make decisions on granting incentives to the officers of the Tbilsii City Hall, and on the imposition of disciplinary measures on public servants;

r) approve the internal regulations and official instructions of the Tbilisi City Hall as well as additional qualification requirements for the officers of the Tbilsi City Hall;

s) in the manner prescribed by the rules of procedure of the Tbilisi Sakrebulo, submit a report to the Tbilisi Sakrebulo at least once in a year, on the work performed by the Government of Tbilisi and by him/her, as well an extraordinary report at the request of at least a quarter of the Tbilisi Sakrebulo members;

t) propose to the Chairperson of the Tbilisi Sakrebulo that he/she convene an extraordinary session of the Sakrebulo; raise additional questions to be discussed at an extraordinary session of the Sakrebulo; be entitled to attend open and closed sessions of the Sakrebulo and of the commissions of the Sakrebulo;

u) grant honorary titles and awards of the municipality;

v) set up advisory bodies - commissions, councils and working groups - to examine individual issues that fall within his/her powers;

v^1) in the case provided for by law and/or for exercising delegated powers (including for making an appropriate decision), set up commissions, whose powers and rules of operation are determined under law/an agreement on the delegation of powers and/or by a subordinate normative act issued according to the law;

w) exercise other powers prescribed by this Law and by administrative-legal acts of the Tbilisi Sakrebulo.

3. The Mayor of Tbilisi shall be responsible to and shall lay down his/her powers before the Tbilisi Sakrebulo and the population of Tbilisi.

4. The issues relating to the casting of a vote of no confidence, to the incompatibility of offices, as well as to the suspension and termination of the powers of the Mayor of Tbilisi, shall be determined according to Articles 51, 55 and 56 of this Law.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 5142 of 27 May 2016 – website, 4.6.2016

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Article 74 - Government of Tbilisi

1. The Government of Tbilisi (`the Government`) is a collegiate executive body that, within the powers determined by the legislation of Georgia, ensures the execution of the decisions of the Tbilisi Sakrebulo.

2. The Government shall be composed of the Tbilisi Mayor, First Deputy Mayor (Vice Mayor) and Deputy Mayors of Tbilisi, of the heads of the structural units of the Tbilisi City Hall (except for the heads of the structural units operating within the system of the Tbilisi City Hall and responsible for exercising monitoring and supervision), and of Gamgebelis of the districts of Tbilisi.

3. The sessions of the Government shall be chaired by the Mayor of Tbilisi, or by the First Deputy Mayor (Vice Mayor) or by one of the Deputy Mayors of Tbilisi upon the instructions of the Mayor of Tbilisi.

4. The session of the Government shall be duly constituted if it is attended by more than half of the total number of its members. Decisions shall be adopted by a majority of the persons attending the session of the Government.

5. The structure, powers and rule of operation of the Government shall be determined by this Law, the statute of the Tbilisi City Hall and the regulations of the Government.

Article 75 - Powers of the Government

The Government shall:

a) in the area of organisational activities:

a.a) coordinate the operation of the structural units of the Tbilisi City Hall and of Gamgeobas of the districts of Tbilisi;

a.b) give instructions to the members of the Government for preparing and deciding issues that fall within its powers;

a.c) prepare and submit for approval to the Sakrebulo draft rules of procedure of the Government and amendments thereto;

a.d) for the purpose of examining individual issues falling within its powers and for drawing relevant conclusions and making recommendations, set up commissions, councils and other advisory bodies;

b) in the area of interaction with the Tbilisi Sakrebulo:

b.a) according to this Law, prepare and submit for approval to the Tbilisi Sakrebulo draft administrative-legal acts;

b.b) ensure the execution of the administrative-legal acts adopted by the Tbilisi Sakrebulo;

c) in the financial-budgetary area:

c.a) prepare and discuss a draft budget of Tbilisi; ensure, within his/her authority, the execution of the approved budget; if necessary, draft proposals on making amendments to the budget, prepare a report on the performance of the budget, and ensure its publicity;

c.b) according to the Budget Code of Georgia, make a decision, in the manner prescribed by the Tbilisi Sakrebulo, and without making amendments to the approved budget of Tbilisi, on the allocation of funds between the articles and codes of a budgetary classification of a spending institution;

c.c) on behalf of the municipality and with the consent of the Tbilsii Sakrebulo, borrow funds in the manner prescribed by this Law and other legislative acts of Georgia;

c.d) submit for approval to the Tbilsi Sakrebulo draft resolutions for the imposition, change and abolition of local taxes and fees determined by law;

c.e) not later than February, submit to the Tbilisi Sakrebulo a report on the procurements carried out in the previous year according to the procurement plan;

c.f) if necessary, approve the procedure for the implementation of the programmes approved under the Tbilisi budget;

d) in the area of management and disposal of municipal property:

d.a) make decisions on the management and disposal of municipal property in the manner determined by this Law and by the Tbilisi Sakrebulo;

d.b) with the consent of the Tbilsi Sakrebulo, make decisions: on the establishment, reorganisation and liquidation of a relevant legal person under private law; on the participation in and joining the establishment of a legal person under private law in accordance with this Law; on the acquisition of shares of an entrepreneur legal entity;

d.b^{1}) approve the charters (statutes) of entrepreneurial and non-entrepreneurial (non-commercial) legal entities under private law; appoint and dismiss the heads of legal entities under private law, and monitor their activities; make decisions on the transfer of financial resources and movable property into the ownership of non-entrepreneurial (non-commercial) legal persons established by the Government;

d.c) submit for approval to the Tbilisi Sakrebulo proposals on the establishment, reorganisation and liquidation of legal entities under public law, as well as charters (statutes) of those entities;

d.d) (deleted - 8.7.2015, No 3977);

d.e) (deleted - 8.7.2015, No 3977);

d.f) with the consent of the Tbilisi Sakrebulo, be authorised to make decisions on the discharge of a buyer of municipal property or of a person who received the right to use/manage the municipal property, from the penalty imposed/to be imposed for the violation of obligations assumed under the respective agreement;

d.g) submit to the Tbilisi Sakrebulo for decision a proposal for the change or cancellation of conditions associated with the privatised property of Tbilisi transferred to a purchaser, or with the property of Tbilisi transferred with a right to use or with a right of management to a recipient;

d.h) according to this Law, make decisions, with the consent of the Tbilisi Sakrebulo, on the alienation of the core (undisposed) municipal assets;

d.i) ensure the maintenance, construction, reconstruction and restoration of municipal property;

d.j) (deleted - 8.7.2015, No 3977);

d.k) in the manner prescribed by this Law and by the Tbilisi Sakrebulo, monitor the performance by the purchaser of privatised property of Tbilisi, by the recipient of the property of Tbilisi transferred with the right to use or with the right of management, of the term(s)/obligation(s) envisaged under a contract of privatisation, or a contract for transferring property with the right to use or management and/or compliance with the rules for using the said

property;

d.l) (deleted - 8.7.2015, No 3977);

e) in other areas of executive activities:

e.a) within the powers of the municipality, ensure the drafting and implementation of relevant socio-economic and other programmes, strategies and plans;

e.b) prepare documents relating to the spatial and territorial planning of the municipality;

e.c) submit for approval to the Tbilisi Sakrebulo the amount of fees for granting a permit for local regular urban carriage of passengers, as well as the rules for holding a competition for granting the permit and the rules for paying the permit fee;

e.d) for the purpose of local regular urban carriage of passengers within the administrative boundaries of the Capital of Georgia, determine and submit for approval to the Tbilisi Sakrebulo the traffic routes for buses (M_2 and M_3 categories);

e.e) determine and submit for approval to the Tbilisi Sakrebulo the traffic routes for buses (M_2 and M_3 categories) entering the Capital of Georgia during the internal regular carriage of passengers within the territory of Georgia;

e.f) issue a permit for local regular urban carriage of passengers;

e.g) prepare and submit for approval to the Tbilisi Sakrebulo the procedure for the electronic issuance of a construction permit, and for familiarisation with individual administrative-legal acts;

e.h) within its powers, issue individual administrative-legal acts;

e.i) ensure the exercise of other municipal powers provided for by Articles 16, 17 and 64 of this Law, in the manner prescribed by the legislation of Georgia and by the Tbilisi Sakrebulo;

e.j) exercise other powers prescribed by the Statute of the Tbilisi City Hall, by the rules of procedure of the Government and by the administrative-legal acts of the Tbilisi Sakrebulo, as well as other powers within its authority as provided for by the legislation of Georgia.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 76 - First Deputy Mayor (Vice Mayor) and Deputy Mayors of Tbilisi

1. The Mayor of Tbilisi shall have a First Deputy Mayor (Vice Mayor) and Deputy Mayors.

2. The First Deputy Mayor (Vice Mayor) and Deputy Mayors shall be appointed by the Mayor of Tbilisi with the consent of the Tbilisi Sakrebulo. A decision on the removal from office of the First Deputy Mayor (Vice Mayor) and Deputy Mayors of Tbilisi shall be taken by the Mayor of Tbilisi.

3. The Tbilisi Sakrebulo shall give its consent to the appointment of the First Deputy (Vice Mayor) of Tbilisi Mayor and of Deputy Mayors of Tbilisi by a majority of Sakrebulo members attending the Sakrebulo session, but at least one third of the total number of Sakrebulo members. If consent is not given by the Tbilisi Sakrebulo, the Tbilisi Mayor may, within 10 days, nominate the same or a new candidate. If the Tbilisi Sakrebulo fails again to give its consent, Tbilisi Mayor may appoint acting First Mayor (Vice Mayor) of Tbilisi and Deputy Mayors of Tbilisi for not longer than a 3-month term.

4. If, under the procedure prescribed by paragraph 3 of this article, the Tbilisi Sakrebulo does not give its consent to the Mayor of Tbilisi to appoint the First Deputy Mayor (Vice Mayor)/Deputy Mayor of Tbilisi, the Mayor of Tbilisi shall be obliged to present, within the next 3 months, to the Tbilisi Sakrebulo a new candidate for the First Deputy Mayor (Vice Mayor)/Deputy Mayor of Tbilisi. In that case, the procedure provided for by paragraph 3 of this article shall apply. If the Tbilisi Sakrebulo does not give its consent, a person who, under paragraph 3 of this article, has once already acted as the First Deputy (Vice Mayor) of Tbilisi/Deputy Mayor of Tbilisi, may not be appointed again as the acting First Deputy (Vice Mayor) of Tbilisi/Deputy Mayor of Tbilisi.

5. The procedures referred to in paragraphs 3 and 4 of this article shall continue until the First Deputy (Vice Mayor) of Tbilisi and Deputy Mayors of Tbilisi are appointed.

6. The Deputy Mayor of Tbilisi shall, according to the allocated functions, manage the sectors falling within the powers of the executive bodies of Tbilisi; organise and monitor the execution of decisions of the Tbilisi Sakrebulo, of the Mayor and of the Government of Tbilisi; issue individual administrative-legal acts within his/her powers; exercise other powers provided for by the Statute of the Tbilisi City Hall and by the rules of procedure of the Government of Tbilisi.

7. Issues relating to the incompatibility of office of Deputy Mayors of Tbilisi, to the suspension and termination of their powers, shall be determined according to Articles 58 and 59 of this Law.

Article 77 - Structural units of the Tbilisi City Hall

1. The structural units of the Tbilisi City Hall shall be established in the manner prescribed by this Law, in accordance with the Statute of the Tbilisi City Hall or relevant amendments to that Statute in order to ensure the management of the socio-economic fields falling within the powers of the

Government and the operation of the Tbilisi City Hall.

2. The head of a structural unit of the Tbilisi City Hall shall be appointed by the Mayor of Tbilisi with the consent of the Tbilisi Sakrebulo. A decision on the removal from office of the head of a structural unit of the Tbilisi City Hall shall be taken by the Mayor of Tbilisi. The head of a structural unit of the Tbilisi City Hall shall be responsible and shall lay down his/her powers before the Mayor of Tbilisi.

3. Issues relating to the appointment, to the incompatibility of offices and to the suspension or termination of the head of a structural unit of the Tbilisi City Hall shall be decided according to Articles 76, 58 and 59 of this Law.

4. The head of a structural unit of the Tbilisi City Hall shall, within his/her powers, issue individual administrative-legal acts. The powers of a structural unit of Tbilisi City Hall and of the head of the structural unit, as well as the sub-units of the structural unit shall be determined by the statute of the Tbilisi City Hall and by the statute of the structural unit and the respective staff list.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Article 78 - Financial control and supervision of the bodies of Tbilisi

1. The operation of the bodies of Tbilisi shall be subject to internal audit and inspection according to the Law of Georgia on the Internal State Financial Control, and under the Statute of the Tbilisi City Hall.

2. The Head of the Internal Audit Service of Tbilisi City Hall shall be elected by the Tbilisi Sakrebulo, by a majority of the total number of Sakrebulo members, for the term of office of the Tbilisi Sakrebulo. The procedure for his/her election shall, under this Law, be determined by the rules of procedure of the Tbilisi Sakrebulo.

Article 79 - Establishment of a legal entity under public law

1. The head of a legal entity under public law established by Tbilisi shall be appointed or dismissed by the Government.

2. A legal entity under public law established under a normative administrative-legal act of Tbilisi, shall be an organisation separate from public and local authorities, which, under the supervision of the Government, independently carries out socio-economic, educational, cultural and/or any other activities determined by the Government.

3. The Tbilisi Sakrebulo may, upon the recommendation of the Government, establish a legal entity under public law for the purpose of ensuring the issuance of construction permits, the preparation of the city urban development concept and the conduct of the relevant study and production of recommendations with respect to the city spatial-territorial planning, the organisation of the privatisation of property and the transfer of property with the right to use, as well as for any other purposes. Decisions on the reorganisation or liquidation of a legal entity under public law of Tbilisi shall be taken by the Tbilisi Sakrebulo upon the recommendation of the Government.

4. The Tbilisi Sakrebulo may, upon the Government's proposal, set for a legal entity under public law the amount of fees for the performance of activities stipulated under its charter (statute), including the provision of services and/or expedited services, as well as services relating to the expedited issuance of construction permits.

5. A legal entity under public law founded by Tbilisi shall be entitled to carry out activities provided for by the relevant law and/or its statute (charter).

6. The Government may submit for approval to the Tbilisi Sakrebulo the procedure and conditions for the conduct of administrative proceedings through the electronic document management system, for the issuance of an administrative-legal act and for the familiarisation with such acts.

7. Movable property shall be transferred to a legal entity under public law established by Tbilisi with the right to use or with the right of ownership, and immovable property shall be transferred with the right to use, in the manner prescribed by this Law. A decision on the transfer of movable property to a legal entity under public law established by Tbilisi shall be made by the Government.

8. A legal entity under public law shall be entitled to transfer to Tbilisi free of charge property that it owns.

9. With the consent of the Tbilisi Sakrebulo, a legal entity under public law may transfer its own property with the right to use in the manner prescribed by Chapter XV of this Law and the legislation of Georgia.

10. The procedure for managing a legal entity under public law established by Tbilisi shall be determined by the statute (charter) of that legal entity under public law.

11. Decisions taken by a legal entity under public law established by Tbilisi may be appealed to the Mayor of Tbilisi, in the manner prescribed by the legislation of Georgia.

12. In the case of liquidation of a legal entity under public law established by Tbilisi, the property remaining after the liquidation shall be transferred to the ownership of Tbilisi.

Law of Georgia No 2820 of 28 November 2014 - website, 3.12.2014

Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Chapter X - Territorial Body of the Tbilisi City Hall - Gamgeoba of a District of Tbilisi

Article 80 - Gamgeoba of a district of Tbilisi

1. A territorial body of the Tbilisi City Hall - Gamgeoba of a district of Tbilisi (`District Gamgeoba`) shall be established in an administrative unit of Tbilisi - a district.

2. A District Gamgeoba shall consist of structural units. The structure and powers of a District Gamgeoba shall be determined by a standard statute of a District Gamgeoba.

3. The staff list, amounts of remuneration and a standard statute of a District Gamgeoba shall be approved by the Tbilisi Sakrebulo upon recommendation of the Mayor of Tbilisi.

4. The head of a District Gamgeoba shall be the Gamgebeli of a District of Tbilisi ('District Gamgebeli'). A District Gamgebeli shall be appointed by the Mayor of Tbilisi with the consent of the Tbilisi Sakrebulo. A decision on the removal from office of a District Gamgebeli shall be made by the Mayor of Tbilisi.

5. The issues relating to the appointment, incompatibility of offices and to the suspension and termination of a District Gamgebeli's term of office shall be decided according to Articles 76, 58 and 59 of this Law.

Article 81 - Officials of a District Gamgeoba

1. Officials of a district Gamgeoba shall be:

a) the District Gamgebeli;

b) the District Deputy Gamgebeli;

c) the Head of a structural unit of the District Gamgeoba.

2. A District Deputy Gamgebeli and the Head of a structural unit of a District Gamgeoba shall be appointed or dismissed by the District Gamgebeli under the Law of Georgia on Public Service.

Article 82 - District Gamgebeli

1. A District Gamgebeli shall direct the activities of the Gamgeoba, ensure the management of the district, and coordinate the execution of decisions of the Mayor and of the Government of Tbilisi.

2. A District Gamgebeli shall, by virtue of his/her position, be a member of the Government.

3. A District Gamgebeli shall:

a) assign functions to the employees of the District Gamgeoba; give assignments to the officials of the District Gamgeoba, and hear their reports of the work performed;

b) in the manner prescribed by the Law of Georgia on Public Service, appoint or dismiss officials and other employees of the District Gamgeoba;

c) ensure the execution of the administrative-legal acts, programmes and projects adopted by the Tbilisi Sakrebulo;

d) submit a budget statement to the respective structural unit of the Tbilisi City Hall;

e) sign contracts and agreements entered into on behalf of the District Gamgeoba; represent the Gamgeoba and act on its behalf in official relationships; carry out other representative functions, perform procurement according to the legislation of Georgia and the normative acts of Tbilisi;

f) within his/her powers, issue individual administrative-legal acts;

g) participate in the preparation of the document on the priorities of the Capital of Georgia, and of a draft budget of Tbilisi;

h) be responsible for making payments according to the allocations provided for by the Tbilisi budget for the district;

i) prepare information on the performance of the allocations provided for by the Tbilisi budget, and submit it to the respective structural unit of the Tbilisi City Hall;

j) exercise other powers stipulated by this Law and the statute of the Tbilisi City Hall.

4. A District Gamgebeli shall be responsible to and lay down his/her powers before the Mayor of Tbilisi.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 83 - Deputy District Gamgebelis

1. A District Gamgebeli may have not more than 3 deputies.

2. A Deputy District Gamgebelis shall manage the sectors falling within the powers of the District Gamgeoba according to the functions assigned by the District Gamgebeli; draft and submit to the District Gamgebeli proposals on the activities to be carried out in the relevant sectors; organise and monitor the execution of the decisions of the District Gamgebeli.

3. In the absence of the District Gamgebeli, or if the District Gamgebeli is temporarily unable to perform his/her duties, one of the Deputy District Gamgebelis shall, upon the instructions of the Gamgebeli, act as the District Gamgebeli.

Article 84 - Structural units of a District Gamgeoba

1. Structural units of a District Gamgeoba shall, according to the respective fields, carry out administrative-legal acts of the Tbilisi Sakrebulo, of the Mayor and the Government of Tbilisi, and of a District Gamgebeli, and within their powers, manage different sectors relating to rendering services to the population.

2. The functions of a structural unit of a District Gamgeoba shall, according to the statute of the District Gamgeoba, be determined under a standard statute of the respective structural unit, which, upon the recommendation of the Mayor of Tbilisi, shall be approved by the Tbilisi Sakrebulo.

3. The activities of a structural unit of a District Gamgeoba shall be directed by the head of that structural unit.

Section IV

PARTICIPATION OF CITIZENS IN THE EXERCISE OF LOCAL SELF-GOVERNMENT

Chapter XI - Participation of Citizens n the Exercise of Local Self-Government

Article 85 - Guarantees and forms of participation of citizens in the exercise of local self-government

1. To ensure the participation of citizens in the exercise of local self-government, municipal bodies and officials of the municipal bodies shall be obliged to provide organisational and material and technical conditions for receiving and meeting citizens, for ensuring their participation in the activities of the municipal bodies, including sessions of collegiate public institutions, and transparent decision-making.

2. Any person may, within the scope and in the manner determined by this Law, and by other legislative and subordinate acts of Georgia, and by normative administrative-legal acts of a municipality Sakrebulo, participate in the exercise of local self-government using, without any limitation, the forms of citizen participation.

3. To ensure citizen participation in the exercise of local self-government, a municipality may incorporate relevant programmes in the municipal budget.

4. The forms of citizen participation in the exercise of local self-government shall be:

a) a general Assembly of a settlement;

b) a petition;

c) the council of civil advisors;

d) participation in the sessions of the municipality Sakrebulo and the sessions of its commission;

e) hearing reports on the work performed by the Mayor of the municipality and by a member of the municipality Sakrebulo.

5. In addition to the forms of citizen participation in the exercise of local self-government, a municipality may, under the relevant administrative-legal act, determine other forms of citizen participation in local self-government that do not contravene the legislation of Georgia.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 85^1 - Access to information

1. To ensure citizen participation in the exercise of local self-government, municipal bodies shall be obliged to take measures to inform the population of the municipality of their activities and on the possibility of citizens to participate in the exercise of local self-government.

2. Issues relating to the publicity of the activities of municipal bodies and institutions, as well as of legal entities under private law financed from the municipal budget, including the publicity of a session of a collegiate body, as well as issues related to the release of public information, shall be

regulated by this Law, other legislative and subordinate acts of Georgia, and by the resolutions of the municipality Sakrebulo adopted on their basis.

3. Municipal bodies shall be obliged to publish adopted administrative-legal acts, their draft versions and other public information in cases and in the manner determined by the legislation of Georgia. Municipal bodies shall also, in accordance with the authority determined by this Law, be obliged to publish and/or publicly announce:

a) minutes of the sessions of the municipality Sakrebulo, its commission and bureau, as well as the minutes of the Government sessions, within 10 days after the relevant session is held;

b) minutes of the sessions of a council of civil advisors, within 10 days after the relevant session is held;

c) minutes of the general Assembly of a settlement, within 10 days after the City Hall receives the relevant minutes or their copy.

d) information on the agenda and the date, time and place of holding a general Assembly of a settlement, according to this Law;

e) a report of the execution of a municipal budget for the reporting year, within 10 days after it is submitted to the municipality Sakrebulo;

f) a draft municipal budget;

g) a list of municipal objects that are subject to privatisation, within 10 days after its approval by the municipality Sakrebulo;

h) a plan for the privatisation of municipal property, within 10 days after its approval;

i) reports on the work performed by the Mayor of a municipality and by a Sakrebulo member of the municipality provided for by this Law, within 10 days after the respective report is submitted;

j) a petition, within 10 days after its registration;

k) a written initiative provided for by Article 51(1) of this Law, within 10 days after its registration;

4. The information referred to in paragraph 3 of this article shall be published and/or publicly announced according to Articles 56 and 57 of the General Administrative Code of Georgia, and/or be published proactively.

5. A municipality Sakrebulo may, by a relevant decision, extend the list of information stipulated by paragraph 3 of this article that is subject to mandatory publication, and/or public announcement, and/or proactive publication.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 85^2 - General Assembly of a settlement

1. A general Assembly of a settlement (`the General Assembly`) shall be a form of citizen participation in the self-organisation of the population of a village/small town/city, and in the exercise of local self-government that ensures active engagement of the constituents registered in the relevant settlement in the discussion and solution of those issues that are important to that settlement and municipality, and in the process of initiation of the above issues before the municipal bodies.

2. The name of the General Assembly shall consist of the name of the category of the respective settlement (village/small town/city), of the name of the settlement and a common name ('general assembly').

3. Members of the General Assembly shall be the constituents registered in the respective settlement. The owner of the immovable property in the territory of the relevant settlement, and any other adult person residing in that settlement may also participate in the General Assembly with a deliberative vote.

4. This Law defines the powers of the General Assembly, the procedure for its convening and operation for a settlement where the number of registered constituents does not exceed 2 000.

5. In the case of a settlement where the number of registered constituents exceeds 500, a procedure for convocation of the General Assembly in individual areas of the settlement on a stage-by-stage basis may be introduced. The procedure for holding the General Assembly in certain parts of a settlement and its rules of operation shall be determined by the municipality Sakrebulo, according to Article 85^5(6).

6. In a settlement where the number of registered constituents exceeds 2 000, the municipality Sakrebulo may, in accordance with paragraph 5 of this article, determine, by a resolution of the municipality Sakrebulo, the powers of the General Assembly, the procedure for its convening and operation, also create several General Assemblies in that settlement, and taking into account this Law, determine their powers, names and rules of operation.

7. In order to carry out and promote its activities, the General Assembly may elect the Chairperson from among its members. A candidate for Chairperson of the General Assembly may be nominated by not less than 5% of the members of the General Assembly concerned.

8. The Chairperson of the General Assembly shall preside over the General Assembly, ensure the submission of its decisions to the appropriate municipal bodies, and also perform individual assignments of the General Assembly.

9. The term of office of the Chairperson of the General Assembly shall last until the next meeting of the General Assembly. The powers of the Chairperson of the General Assembly shall be automatically extended if the next General Assembly does not elect a new Chairperson of the General Assembly. The powers of the Chairperson of the General Assembly may be automatically extended not more than 5 times in succession.

10. Men and women shall have equal opportunity to participate in the work of the General Assembly.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 85^3 - Powers of a General Assembly of a settlement

1. The General Assembly may:

a) discuss socio-economic issues important to the settlement, and draft relevant proposals for their submission to municipal bodies;

b) discuss the projects to be implemented in the settlement before they are included in the municipal budget, and submit reasonable remarks and proposals to the municipal bodies;

c) discuss the ongoing and implemented projects of the municipality, and draft relevant remarks and proposals for submission to the municipal bodies;

d) organise the involvement of the local population in the resolution of issues important for the settlement, in particular, in the cleaning of the territory of the settlement, in charity activities, in the repair and maintenance of local infrastructure, and also in such fields that do not contravene the legislation of Georgia, and if necessary, apply for aid to municipal bodies;

e) make a decision on filing a petition to the municipality Sakrebulo;

f) at the initiative of the Mayor of the municipality, discuss issues relating to the establishment and change of the boundaries of the settlement, and draft respective proposals;

g) upon the recommendation of the relevant municipal body, discuss the question of including the property located in the territory of the settlement in the list of the municipal facilities subject to privatisation, and submit its remarks to the respective municipal body;

h) discuss issues initiated at the General Assembly by the Mayor of the municipality;

i) within its powers, give assignments to the Chairperson of the General Assembly;

j) exercise other powers prescribed by this Law and by the respective resolutions of the municipality Sakrebulo.

2. A proposal, remark, assignment adopted as a result of discussion of an issue at the General Assembly shall have a form of a decision of the General Assembly and shall be recorded in its minutes.

3. A decision of the General Assembly shall be submitted to the respective municipal bodies for further action as provided for by Article 85^5(5) of this Law. Municipal bodies shall be obliged to discuss a decision of the General Assembly and provide a reasoned response on the outcomes of the discussion to the relevant members or the Chairperson of the General Assembly within the time limits prescribed by this Law and by the General Administrative Code of Georgia.

4. Municipal bodies shall be obliged to ensure the submission for discussion to the General Assembly of issues provided for by paragraph 1(b) and (f) of this article.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 85^4 - Procedure for convening the General Assembly of a settlement

1. The General Assembly may be convened by:

a) at least 5% of the constituents registered in the relevant settlement;

b) the Mayor of the municipality – on his/her own initiative or upon the motion of the municipality Sakrebulo;

c) the Chair of the General Assembly.

2. In cases stipulated by paragraph 1(a) of this article, an initiative group composed of at least 3 constituents registered in the respective settlement shall be established for the initiation of the calling of the General Assembly. The initiative group shall submit an application to the Mayor of the municipality for the registration of the initiative to convene the General Assembly. The application shall include the name, surname, address, contact phone details (if any) of a member of the initiative group. The application shall be accompanied by copies of the identity documents of the members of the initiative group, and the agenda of the General Assembly. The issues included in the agenda of the General Assembly shall be specifically formulated by the initiative group.

3. The composition of the initiative group and the initiative to convene the General Assembly shall be registered by the City Hall. A certificate of registration of the initiative shall be issued to the initiative group by the Mayor of the municipality, or by an officer authorised by the Mayor, within 3 work days after filing the application.

4. The information on the composition of the initiative group and on the registration of the initiative to convene the General Assembly, as well as the

agenda of the General Assembly shall be published according to Article 85 (4) of this Law.

5. Registration may be refused if the requirements of this Law have not been met, and/or if the discussion of, and decision-making on, the issues included in the agenda of the General Assembly do not fall within the powers of the municipality or of the General Assembly.

6. A member of the initiative group may appeal the refusal of the Mayor of the municipality, or of the officer duly authorised by the Mayor, to register the initiative according to the General Administrative Code of Georgia.

7. From the day of receiving the certificate of registration, the initiative group shall start drafting a list of the constituents who desire to initiate the convening of the General Assembly. The list shall include the name, surname, birth date (day, month and year), and the personal identity number of a citizen of Georgia, place of registration and signature of the constituent registered in the relevant settlement. Each sheet of the list shall be signed by a member of the initiative group.

8. Not later than 1 month after the day of receipt of a certificate of registration, the initiative group shall submit to the Mayor of the municipality an application for the convening of the General Assembly. The application shall indicate the date, time and place of the convening of the General Assembly (within the territory of the settlement). The application shall be accompanied by the signatures of at least 5% of the constituents registered in the settlement; the signatures shall be collected in the manner prescribed by paragraph 7 of this article.

9. The day of the convening of the General Assembly shall not earlier than the 15th day from the day of filing the application provided for by paragraph 8 of this article.

10. The General Assembly shall be authorised to meet in the case of receipt of a certificate of registration of the information on the date, time and place of convening the General Assembly. A certificate of registration shall be issued by the Mayor of the municipality, or by an officer authorised by him/her, within 5 working days after the application is submitted. Registration may be refused if the requirements of this Law have not been met. A refusal of the Mayor of the municipality or of an officer authorised by him/her to register the application may be appealed according to paragraph 6 of this article.

11. Information on the agenda and date, time and place of convening of the General Assembly shall, according to Article 85^1(4) of this Law, be published within 3 days after the registration of the information.

12. In cases provided for by paragraph 1(c) of this article, the initiative to convene the General Assembly shall not require registration by the City Hall. In that case, information on the agenda and date, time and place of convening of the General Assembly shall be registered in the manner prescribed by paragraphs 8-11 of this article, except for the procedure for submitting a list of constituents who desire to initiate the convening of the General Assembly.

13. The Mayor of a municipality may initiate the convening of the General Assembly in compliance with the requirements of paragraphs 4, 9 and 11 of this article. The municipality Sakrebulo shall define the procedure for convening the General Assembly by the Mayor of the municipality upon the request of the municipality Sakrebulo. The Mayor of a municipality may not include in the agenda of the General Assembly the election of the Chair of the General Assembly.

14. In a settlement where the Chair of the General Assembly has been elected, the Mayor of the municipality shall be obliged to ensure, on his/her own initiative, the convening of the General Assembly at least twice a year.

15. The General Assembly shall be convened, and the information referred to in paragraph 11 of this article shall be disseminated in the respective settlement by the City Hall and the initiative group, as well as by the Chair of the General Assembly (if any).

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 85^5 - Rules of operation of the General Assembly of a settlement

1. The General Assembly shall be duly constituted if it is attended by at least 20% of its members. The registration of the members of the General Assembly attending the General Assembly shall be organised by the initiative group and/or by the authorised officer of the City Hall, and/or by members of the General Assembly. At registration, the name, surname, birth date (day, month and year), personal identity number of a citizen of Georgia, place of registration and signature of a member of the General Assembly shall be indicated.

2. If the General Assembly is convened on the grounds referred to in Article 85^4(1)(a) of this Law, its activities shall be directed by a member of the initiative group whose signature is indicated first in the application, and in his/her absence, by any other member of the initiative group, or with the consent of the initiative group, by the authorised officer of the City Hall. If the General Assembly is convened on the grounds referred to in Article 85^4 (1)(b) of this Law, its activities shall be directed by the authorised officer of the City Hall. In a settlement where the Chair of the General Assembly has been elected, the General Assembly activities shall be directed by the Chair of the General Assembly.

3. Minutes of the General Assembly shall be drafted by the secretary of the General Assembly. If the General Assembly is convened on the grounds referred to in Article 85^4(1)(a) of this Law, the functions of the secretary of the General Assembly shall be performed by a member of the initiative group, and if the General Assembly is convened under Article 85^4(1)(b) of this Law, then by the authorised officer of the City Hall. In a settlement where the Chair of the General Assembly has been elected, the functions of the secretary of the General Assembly shall be performed by the Chair of the General Assembly or by the duly authorised person.

4. The General Assembly shall adopt decisions by a majority of votes of its members present at the General Assembly. The voting shall, as a rule, be held by raising hands. The members of the General Assembly shall be notified of the form of voting by the person specified in paragraph 2 of this article. By decision of the General Assembly, another form of voting may be established. When the General Assembly is held on a stage-by-stage basis

in individual parts of a settlement, all votes of the members of the General Assembly present shall be summed up, unless otherwise provided for by the resolution of a municipality Sakrebulo stipulated by paragraph 6 of this article.

5. Minutes of the General Assembly shall be drafted at the General Assembly. The minutes of the General Assembly shall indicate the date and place of holding the General Assembly, the number of the minutes, issues discussed by the General Assembly, and decisions taken, as well as the number of members of the General Assembly present, and if necessary, any other information. The minutes of the General Assembly shall be signed by the persons determined by paragraphs 2 and 3 of this article. A copy of the minutes of the General Assembly shall, within 7 days after the holding of the General Assembly, be submitted to the City Hall by the person determined by paragraph 2 of this article.

6. The municipality Sakrebulo shall, under a resolution, approve the standard statute of the General Assembly. The standard statute of the General Assembly and this Law shall regulate other issues relating to the convening of the General Assembly, the procedure for holding the General Assembly in certain parts of a settlement, for initiating issues, for their discussion and voting at the General Assembly, the rights and obligations of the secretary and the Chair of the General Assembly, and the procedure for the election of the Chair of the General Assembly. According to this Law and any other legislative and normative acts of Georgia, a standard statute of the General Assembly may also determine any other issues relating to the activities of the General Assembly.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 86 - Petition

1. A petition may be filed by the following entities:

a) at least 1% of the constituents registered in the territory of a municipality;

b) the General Assembly.

2. A municipality Sakrebulo may grant the right to file a petition to a lesser number of constituents registered in the territory of the municipality.

3. By decision of the General Assembly, a petition shall, on behalf of the General Assembly, be filed by the Electee of and/or by a person authorised by the General Assembly.

4. A petition shall be drafted and filed to the attention of the chairperson of the municipality Sakrebulo. The following documents may be submitted in the form of a petition:

a) a draft normative administrative-legal act;

b) basic principles or specific proposals of a draft normative administrative-legal act that is to be prepared;

c) based on problems common to a municipality and/or to a settlement, a request for the examination, discussion and solution of respective issues at a session of the municipality Sakrebulo.

5. A petition shall include:

a) the text of the application;

b) the name, surname, address, contact phone (if any) and a copy of the identity card of a citizen of Georgia of the speaker(s) (not more than three) of the entity who files the petition;

c) the date of filing the petition;

d) in cases provided for by paragraph 1(a) of this article, a list of the constituents filing the petition who are registered in the territory of the respective municipality;

e) in cases provided for by paragraph 4(a) of this article, a draft normative administrative-legal act, and in cases provided for by paragraph 4(b) of this article, basic principles or specific proposals of a normative administrative-legal act that is to be drafted;

f) in cases provided for by paragraph 4(c) of this article, a specifically formulated request and respective substantiation.

6. The list of the constituents filing a petition who are registered in the territory of the respective municipality shall include the following details: the name, surname, birth date (day, month and year), and personal identity number of a citizen of Georgia, place of registration and signature of a constituent registered in the territory of the respective municipality.

7. A petition shall be registered by the Staff of the municipality Sakrebulo. It shall ensure that the petition is published according to Article of 85^1(4) this Law.

8. The speaker(s) of the entity filing a petition shall be given a certificate of registration of the petition within 3 working days after applying for its registration. Registration may be refused if the requirements of this Law have not been met, and/or if the decision-making on the issue indicated in the petition does not fall within the powers of the municipality.

9. The speaker(s) of the entity filing a petition may appeal the refusal to register a petition to a court, in accordance with the legislation of Georgia.

10. A municipality Sakrebulo shall discuss a petition provided for by paragraph 4(a) of this article and make a respective decision in accordance with the procedure determined by this Law and the rules of procedure of the municipality Sakrebulo for adopting a resolution of a municipality Sakrebulo.

11. A petition provided for by paragraph 4(b) or (c) of this article shall, by decision of the bureau of a municipality Sakrebulo, within 7 days after its registration, be submitted for examination to the respective commission of the municipality Sakrebulo, or to the municipality Sakrebulo with a proposal to set up a working group of the municipality Sakrebulo, or this petition shall be submitted for discussion to the Mayor of the municipality according to the jurisdiction. Within a month after the bureau of a municipality Sakrebulo forwards a petition, the municipality Sakrebulo shall make a decision on the expediency of setting up a working group of the municipality Sakrebulo for the purpose of examining the petition, or forward the petition to the respective commission of the municipality Sakrebulo.

12. The commission or the working group of a municipality Sakrebulo shall, within 15 days after receiving a petition in the manner prescribed by paragraph 11 of this article, discuss the petition and make one of the following decisions:

a) to consider it reasonable to prepare a draft resolution of the municipality Sakrebulo in accordance with the petition;

b) to examine the petition provided for by paragraph 4(c) of this article, and to submit it for review to the session of the municipality Sakrebulo;

c) to consider it unreasonable to discuss the petition.

13. The entity who filed the petition shall be notified of the decisions provided for by paragraphs 11 and 12 of this article within 5 days after their adoption.

14. In the case of a decision provided for by paragraph 12(a) of this article, a draft normative administrative-legal act shall be submitted for discussion to a municipality Sakrebulo session within a month after the decision has been made. The municipality Sakrebulo shall discuss the relevant draft resolution in accordance with the procedure determined by this Law and by the rules of procedure of the municipality Sakrebulo for adopting a resolution of a municipality Sakrebulo.

15. In the case of a decision provided for by paragraph 12(b) of this article, a conclusion on the petition shall be prepared within a month after the decision has been made, and the petition, along with the conclusion, shall be submitted for discussion to a session of a municipality Sakrebulo. The municipality Sakrebulo shall make a decision on the petition within one month.

16. A decision provided for by paragraph 12(c) of this article shall, be submitted to the municipality Sakrebulo within 15 days after the decision is made. The municipality Sakrebulo shall take the relevant information into consideration, or disagree with the decision of the respective commission or working group of the municipality Sakrebulo and make another, relevant decision.

17. By decision of a municipality Sakrebulo, the time limits prescribed by paragraphs 14 and 15 of this article may be extended for one month.

18. The Mayor of a municipality shall review a petition forwarded, according to the jurisdiction, by the bureau of the municipality Sakrebulo, and inform the municipality Sakrebulo and the entity filing the petition of the outcomes of the review within a month after accepting the petition for review. This period may be extended by one month with the consent of the bureau of the municipality Sakrebulo.

19. A petition shall be presented before the session of a municipality Sakrebulo/commission or working group of a municipality Sakrebulo by a speaker(s) of the entity filing the petition. The speaker(s) shall, according to Article 87(4) of this Law, participate, with a deliberative vote, in the session of the municipality Sakrebulo/commission or working group of the municipality Sakrebulo.

20. In cases provided for by paragraph 18 of this article, a municipality Sakrebulo shall be entitled to request the Mayor of the municipality to submit in person to the municipality Sakrebulo session a report on the results of the review of the petition, or to provide additional information regarding the petition.

21. After discussing a petition, a municipality Sakrebulo shall, within 10 days after making the respective decision, notify the entity filing the petition of the decision, except for the case provided for by paragraph 22 of this article.

22. If a petition has been filed by the General Assembly, the relevant employees of the municipal bodies concerned shall submit in person to the General Assembly information on the outcomes of the discussion of the petition within a month after the decision is made, and/or to the Chair of the General Assembly, within 10 days after the decision is made.

23. Any other procedures relating to the registration of a petition, to the checking of signatures and to the discussion of a petition shall, according to this article, be determined by the rules of procedure of a municipality Sakrebulo.

24. A municipality Sakrebulo may, taking into account the provisions of this article, determine by a resolution of the municipality Sakrebulo the procedure for submitting a petition electronically.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 86^1 - Council of civil advisors

1. A council of civil advisors shall be a deliberative body of the Mayor of a municipality/Gamgebeli of a district. The council of civil advisors shall be composed of the representatives of entrepreneurial legal entities, of NGOs and of the municipality population. Under this Law, the composition of the council of civil advisors shall be approved by the Mayor of a municipality/ Gamgebeli of a district. The council of civil advisors shall be composed of at least 10 members.

2. The number of representatives of one gender in a council of civil advisors shall be at least one third of the total number of its members. A council of civil advisors shall not be authorised if the requirement of this paragraph has not been met.

3. The Mayor of a municipality shall submit for review to the board of civil advisors, which is approved by him/her, a draft municipal budget, documents relating to the municipality spatial planning, proposals on giving names to the municipality geographical features, as well as other significant draft administrative-legal acts, and infrastructural and social projects. Other powers of the board of civil advisors approved by the Mayor of the municipality and the rules of its operation shall be determined by the statute of the council of civil advisors, which shall be approved by the Mayor of the municipality.

4. The powers and rules of operation of the council of civil advisors approved by a District Gamgebeli shall be determined by the statute of the council of civil advisors, which shall be approved by the District Gamgebeli.

5. A decision of the council of civil advisors shall be recorded in the minutes of the session of the council of civil advisors. A council of civil advisors shall meet at least once in three months.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 87 - Participation in the sessions of a municipality Sakrebulo and in the sessions of its commission

1. The sessions of a municipality Sakrebulo and of a commission of the Sakrebulo, as well as the sessions of the Government shall be public, except for the cases provided for by the legislation of Georgia.

2. Anyone may, without any prior notification and/or prior permission, attend the sessions of a municipality Sakrebulo and the sessions of its commission.

3. Seats shall be allocated in a session hall for persons who wish to attend open sessions of a municipality Sakrebulo and the sessions of its commission. If the number of persons wishing to attend a session exceeds the number of seats available in the session hall, the Staff of the municipality Sakrebulo shall be obliged to use all available technical means that will allow the persons who wish to attend the session to listen to the session.

4. Persons wishing to attend the open sessions of a municipality Sakrebulo and of its commission, may, without a prior permission, but only in the case of the consent of the chairperson of the session, put questions to the speaker and co-speaker, make clarifications, statements and provide information in the manner prescribed by the rules of procedure of the municipality Sakrebulo.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 88 - Hearing reports on the work performed by a municipality Mayor and by a municipality Sakrebulo member

1. At least once a year and not later than 1 November, the Mayor of a municipality and a member of a municipality Sakrebulo shall, under the respective resolution of the municipality Sakrebulo, hold public meetings with the constituents of the municipality and deliver a report to them on the work performed and answer questions put by the municipality constituents during the discussion of the report.

2. A constituent registered in the territory of a municipality may, without any limitation, attend the discussion of the public report of the Mayor and of a member of the municipality Sakrebulo.

3. Relevant municipal bodies shall be obliged to ensure the publication of reports, provided for by this Law, on the work performed by the Mayor of the municipality and by a member of the municipality Sakrebulo.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Section V

MUNICIPAL BUDGET AND ECONOMIC BASICS

Chapter XII - Municipal Budget

Article 89 - Municipal Budget

1. A municipal budget is a combination of receivables, payables and changes to the balance approved by the municipality Sakrebulo and used for the purpose of performing the functions and obligations of the municipality.

2. The procedure for drafting, submitting, discussing, adopting, amending, executing, reporting and monitoring a municipal budget shall be determined by this Law, the Budget Code of Georgia and other normative acts.

Article 90 - Independence of a municipal budget

1. A municipal budget shall be independent from the budgets of other municipalities, as well as from the budgets of the autonomous republics and of the State.

2. The independence of a municipal budget shall be ensured by its own receipts and by the power to independently determine the payables for the exercise of its own powers.

Article 91 - Discussion and approval of a draft municipal budget

1. Not later than 15 November of each year, the Mayor of a municipality shall submit a draft budget of the municipality for the next year, along with the attached materials, to the municipality Sakrebulo, in accordance with this Law and the Budget Code of Georgia.

2. The municipality Sakrebulo shall publish a draft municipal budget for public comment within 5 days after it has been submitted.

3. A municipality Sakrebulo shall publicly discuss a draft budget, and before the beginning of a new budgetary year, adopt a decision, by a majority of the the members on the current list, on the approval of the draft municipal budget.

4. If there are any comments, the Municipality Sakrebulo shall, not later than 25 November, return the draft budget with the attached comments to the Mayor of the municipality.

5. Not later than 10 December, the Mayor of the municipality shall submit the same or the modified version of the draft budget to the municipality Sakrebulo.

6. During the discussion of a draft budget by the municipality Sakrebulo, the draft budget may be amended only in agreement with the Mayor of the municipality.

7. If the municipality Sakrebulo does not approve the revised version of the draft budget submitted by the Mayor of the municipality, or the original version of a draft budget, in the case where the Mayor does not approve the comments of the Sakrebulo, the Municipality Sakrebulo may, with three fifths of the members on the current list, approve the draft budget initiated by a faction of the municipality Sakrebulo or by at least one third of the members on the current list of the municipality Sakrebulo. This draft version shall reflect only the comments, or part of the comments, submitted by the Sakrebulo to the Mayor in accordance with paragraph 4 of this article.

8. If a draft municipal budget is not approved before the beginning of the planning year, the Mayor of the municipality may allocate sums every month for each priority in an amount that does not exceed one twelfth of the amount of allocations of the previous budget year. If a draft municipal budget is not approved within 3 months after the beginning of a new budget year, the Government of Georgia shall, in the manner prescribed by this Law, prematurely terminate the powers of the Sakrebulo and of the Mayor of the municipality.

9. An annual budget shall be published and shall be available to the public.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 92 - Receivables of a municipal budget

1. The receipts of a municipal budget shall be a combination of the monetary funds received in the budget during a reporting period:

a) revenues;

b) non-financial assets (funds received from transactions performed with non-financial assets);

c) financial assets (funds received from transactions performed with financial assets, except for the use of the balance);

d) liabilities (funds received after undertaking liabilities);

2. The receipts of a municipal budget shall include its own receipts and transferred funds.

3. A municipality may, within its powers, use its own receipts at its discretion.

4. The transferred funds of a municipal budget include capital transfers, special transfers and targeted transfers, loans and the grants obtained according to the Law of Georgia on Grants.

5. Revenues of a municipal budget shall be administered in the manner prescribed by the legislation of Georgia.

Article 93 - Determination of local taxes and fees and a procedure for their administration

1. The amount (rate) of local taxes shall be determined by the municipality Sakrebulo in the manner prescribed by law.

2. The amount (rate) of local fees shall be determined by the municipality Sakrebulo.

3. Local taxes shall be administered by tax authorities. The collection of funds receivable from other revenues established by the legislation of Georgia or from transactions performed with non-financial assets shall be performed by the relevant agencies, unless otherwise provided for by the legislation of Georgia.

4. It shall be prohibited to introduce any payment, tariff, or any other fees for educational and catering services in public early learning, and pre-school and educational institutions located in the territory of a municipality and under the control of the municipality.

Organic Law of Georgia No 5381 of 8 June 2016 – website, 24.6.2016

Organic Law of Georgia No 508 of 23 March 2017 – website, 27.3.2017

Article 94 - Types of a transfer to be allocated for a municipal budget

Types of transfer to be allocated for a municipal budget shall be:

a) equalisation transfers;

b) capital transfers;

c) targeted transfers;

d) special transfers.

Organic Law of Georgia No 2587of 30 July 2014 - website, 11.8.2014

Article 95 - Equalisation transfer

1. An equalisation transfer is an amount allocated for a municipal budget from the state budget of Georgia.

2. The purpose of an equalisation transfer is the equalisation of different financial capabilities of municipalities, taking into consideration their economic potential.

3. A municipality shall use the revenues received from an equalisation transfer in its own discretion, for the purpose of exercising its powers.

4. The procedure and formula for the calculation of an equalisation transfer that is to be allocated from the state budget of Georgia to the municipalities, as well as the equalisation ratios shall be established by the Budgetary Code of Georgia.

Article 96 - Capital transfers

1. A capital transfer shall be allocated for the implementation of capital projects. A capital transfer is financial aid rendered between the state budget, the republican budget of the autonomous republic and the budget of self-governing units that is related to the growth of non-financial assets of the recipient of the transfer. A municipality may allocate a capital transfer only if it serves the goals of the municipality allocating the transfer, within its own powers determined by the legislation of Georgia.

2. In cases provided for by paragraph 1 of this article, a self-governing entity may apply to the Government/Ministries of Georgia, and/or to the Government/Ministries of the autonomous republic of Georgia and request the allocation of financial aid in the form of a capital transfer. The request shall include the grounds for requesting the allocation of a capital transfer and the amount of the transfer.

3. A capital transfer from the state budget to the budget of the autonomous republic shall be allocated in accordance with the procedure determined by paragraph 2 of this article.

4. In the case referred to in paragraph 1 of this article, a proposal of a self-governing entity for the allocation of a capital transfer may be submitted to any other self-governing unit.

Organic Law of Georgia No 2587 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 2936 of 12 December 2014 - website, 24.12.2014

Article 97 - Targeted transfers

1. A targeted transfer shall be transferred from one budget to another for the financial support of the delegated power.

2. A targeted transfer may be transferred:

a) from the state budget of Georgia to a municipal budget;

b) from the budget of the autonomous republic to the relevant municipal budget.

Article 98 - Special transfers

1. A special transfer shall be allocated to eliminate the consequences (damage) of natural calamities, of ecological and other disasters, of wars, outbreaks

and other contingencies, as well as to carry out other activities. A special transfer is financial aid rendered between the state budget, the republican budget of the autonomous republic and the budget of self-governing units. A municipality may allocate a transfer only if it serves the goals of the allocating municipality within its own powers determined by the legislation of Georgia.

2. In cases provided for by paragraph 1 of this article, a self-governing unit may apply to the Government/Ministries of Georgia, and/or to the Government/Ministries of the autonomous republic of Georgia and request the allocation of financial aid in the form of a special transfer. The request shall include the grounds for requesting the allocation of a special transfer and the amount of the transfer.

3. A special transfer from the state budget to the budget of an autonomous republic shall be allocated under the procedure determined by paragraph 2 of this article.

4. In the case referred to in paragraph 1 of this article, a proposal of a self-governing entity for the allocation of a special transfer may be submitted to any other self-governing entity.

5. A proposal for the allocation of a special transfer may be submitted only if the reserve fund of the respective municipal budget is not sufficient to finance the activities provided for by paragraph 1 of this article.

Organic Law of Georgia No 2587 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 2936 of 12 December 2014 - website, 24.12.2014

Article 99 - Reserve fund of a municipal budget

1. A reserve fund shall be created to finance any payables unforeseen in a municipal budget. The volume of the reserve fund shall not exceed 2% of the total volume of allocations provided for by the annual budget.

2. Funds from the reserve fund of a municipal budget shall be allocated by the respective structural unit of the City Hall based on the decision of the Mayor of the municipality, which contains information on the amount and purpose of the funds.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 100 - Borrowing funds and obtaining a grant by a municipality

1. To carry out capital investments, a municipality may, within its powers and in its own name, and by permission of the Government of Georgia, borrow funds/undertake a loan liability from a legal entity in the manner and amount prescribed by the legislation of Georgia.

2. The total amount of the loan borrowed by a municipality shall not exceed 10% of the average annual own revenues of the municipality for the previous 3 budget years. If Tbilisi borrows a loan, the loan servicing amount (principal and interest) to be covered annually shall not exceed 5% of its own revenues of the annual budget of Tbilisi. The property owned by the municipality may not be used as a means to secure the claim.

3. A municipality may borrow funds in an amount that exceeds the amount determined by paragraph 2 of this article only from public authorities and from a legal entity under public law that is controlled by public authorities.

4. The decision of a municipality to stand as a surety or to provide any other guarantees in favour of another person shall also require the permission of the Government of Georgia.

5. To exercise its own powers, a municipality may, with the permission of the Government of Georgia, receive a grant in the manner prescribed by law. To obtain permission to receive a grant, the executive body of the municipality shall file a request with the Government of Georgia. A permission of the Government of Georgia shall not be required if:

a) a grant is received based on a treaty of Georgia ratified by the Parliament of Georgia;

b) a grant is allocated by a ministry of Georgia or the relevant legal entity under public law provided for by the Law of Georgia on Grants;

c) the recipient of the grant is Tbilisi.

6. A permission of the Government of Georgia shall be issued by a resolution of the Government of Georgia.

7. The decisions provided for by paragraphs 1, 4 and 5 of this paragraph shall, on behalf of a municipality and with the prior consent of the municipality Sakrebulo, be taken and the relevant agreement shall be entered into by the executive body of the municipality in the manner and on conditions prescribed by this article.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 101 - Payables of a municipal budget

1. The payables of a municipal budget are a set of monetary funds to be allocated from the budget during a reporting period:

a) expenditures;

b) non-financial assets (funds directed to transactions performed with non-financial assets);

c) financial assets (funds directed to transactions performed with financial assets, except for the accumulation of the balance);

d) liabilities (funds directed to coverage of the main part of liabilities).

2. A municipality shall direct at least 1% of the total amount of budgetary allocations, intended for remuneration, to the professional development of its officers.

Organic Law of Georgia No 4386 of 27 October 2015 – website, 11.11.2015

Organic Law of Georgia No 165 of 21 December 2016 – website, 28.12.2016

Article 102 - Independence when determining the directions of the payables

A municipality shall independently determine the directions of the payables to be financed for exercise of the powers stipulated by this Law.

Article 103 - Compensation of revenues

A decision taken by the highest public authorities of Georgia, as well as by the public authorities of the Abkhazia and Ajara Autonomous Republics, which, during the year of the adoption of the decision, increases the volume of budgetary payables of a municipality, or reduces the municipality revenues, shall be compensated from the state budget of Georgia or from the budget of the autonomous republic.

Chapter XIII – Municipal Property

Article 104 - Scope of the Chapter

1. This Chapter defines the categories of municipal property, the procedure for its creation, and property rights (except for natural resources the use, ownership and disposal of which are regulated under the legislation of Georgia), as well as legal, economic and organisational grounds and basic terms for the privatisation and transfer of municipal property with the right to use.

2. This Chapter shall not apply to:

a) goods/services purchased through a procurement procedure, provided that the purpose of the procurement was the further allocation, distribution or any other disposal of the purchased goods/services;

b) the cases provided for by Article 10^1(3)(e) of the Law of Georgia on Public Procurement;

c) the alienation or any other disposal of the useful parts and materials obtained as a result of reconstruction, repair, dismantling or liquidation of municipal-owned buildings that have been transferred for use to the central government of Georgia, or to the Abkhazia and Ajara Autonomous Republics, or to municipalities or legal entities under public law, provided that the above alienation or disposal is performed by the above authority or legal entity under public law to cover, in full or in part, the costs of reconstruction, repair, dismantling or liquidation of said buildings;

d) the cases stipulated by the relevant legal act of the Government of Georgia, which are related to the gratuitous transfer to lawful users by a municipality's executive body of a non-privatised residential and non-residential (isolated and non-isolated) area that is subject to the transfer to lawful users.

3. The alienation or any other disposal of the useful parts and materials obtained as a result of reconstruction, repair, dismantling or liquidation of municipal-owned buildings that have been transferred for use to the central government of Georgia, or to the Abkhazia and Ajara Autonomous Republics, or to municipalities or legal entities under public law shall be carried out by the said entity or the legal entity under public law, in the manner and on the conditions determined by the Government of Georgia, to cover, in full or in part, the costs of reconstruction, repair, dismantling or liquidation of the above buildings.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 105 - Definition of terms

For the purposes of this Law, the terms used herein shall have the following meanings:

a) disposal - privatisation of municipal property, transfer of property with a right to use, transfer with a right of management, or gratuitous transfer of ownership or of the right to use to the State, an autonomous republic, a legal entity under private law of the relevant municipality (municipalities), or to a legal entity under public law established by Tbilisi;

b) privatisation - transfer of ownership of municipal property to a physical and/or legal person in the form and manner prescribed by this Law, except for the cases stipulated by Articles 75(d.b^1) and 79, 106^1 and 108;

c) transfer with a right to use - transfer of municipal property to a physical person, to a legal entity under public and/or private law with a right to use,

in the manner prescribed by this Law;

d) transfer with a right of management - transfer of municipal-owned interests and shares to a physical and/or legal person in the manner prescribed by this Law;

e) initial cost of disposal - the initial cost of transferring municipal property with a right of privatisation, enjoyment or management;

f) (deleted - 22.7.2015, No 4087);

g) recognised foreign stock exchange - a stock exchange included in the list of stock exchanges recognised by the National Bank of Georgia under the legislation of Georgia.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 106 - Municipal property

1. Municipal property shall be all items and non-material goods owned by a municipality in accordance with the legislation of Georgia.

2. Municipal property shall include:

a) the property assigned to a municipality by law;

b) the property transferred by the State to the ownership of a municipality;

c) the property transferred by an autonomous republic to the ownership of the relevant municipality;

d) the property that has been created, acquired or registered by a municipality according to the legislation of Georgia.

3. Municipal property shall be divided into two categories - core (undisposed) assets and additional property.

4. Core (undisposed) assets shall be the basis for the exercise of the powers of a municipality. Core assets may be used only for carrying out public functions and for the exercise of the powers of a municipality.

5. Additional property shall be the property that is not part of the core (not alienated) assets, and that may be used by a municipality in the manner prescribed by the legislation of Georgia.

6. The list of the types of the core (undisposed) assets that are to be transferred by the State to municipalities shall be approved by the Government of Georgia upon the recommendation of the Ministry of Economy and Sustainable Development of Georgia.

7. It shall be prohibited to alienate the core (undisposed) assets of a municipality, except for cases stipulated by Article 121 of this Law. Additional property may be alienated in the manner prescribed by this Law and by other legislative and subordinate normative acts of Georgia.

Article 106^1 - Legal person under private law of a municipality (municipalities)

1. A municipality may, exclusively within the scope of its powers, establish a joint stock company, a limited liability company, and a non-entrepreneurial (non-commercial) legal entity under the legislation of Georgia. A municipality may also become a partner/shareholder/member of a joint stock company, a limited liability company, and a non-entrepreneurial (non-commercial) legal entity. A municipality is a founder/partner/shareholder/member of a legal entity under private law.

2. To carry out joint activities, municipalities may, according to this Law and any other legislative and subordinate acts of Georgia, jointly establish a joint stock company, a limited liability company, a non-entrepreneurial (non-commercial) legal entity, or become partners/shareholders/founders of joint stock companies and limited liability companies, and members of non-entrepreneurial (non-commercial) legal entities established by other persons, including by a municipality/municipalities.

3. Paragraphs 7, 13 and 15 of this article shall apply only to the enterprise of a municipality/municipalities in which the participatory interest of the municipality/municipalities exceed 50%, as well as to a non-entrepreneurial (non-commercial) legal entity established by a municipality/municipalities, and to the non-entrepreneurial (non-commercial) legal entity the member(s) of which is (are) only a municipality/municipalities, except for the legal entity provided for by Article 20 of this Law. Issues relating to the property of any other enterprise or non-entrepreneurial (non-commercial) legal entity of a municipality/municipalities shall be determined by the statute (charter) of the respective legal entity under private law. This article shall not apply to non-entrepreneurial (non-commercial) legal entities established according to Article 20 of this Law. Issues relating to the activities of said legal entity shall be determined by its statute (charter).

4. A decision on the establishment, reorganisation and liquidation of a legal person under private law, or on the acquisition of interest/shares of a joint stock company or of a limited liability company, or on joining a non-entrepreneurial (non-commercial) legal entity shall be taken by the executive body of the municipality with the consent of the municipality Sakrebulo. The municipality Sakrebulo shall approve the reasonableness of taking the decision referred to in this paragraph, which does not mean the approval of the application for registration and of the enclosed documents provided for by the legislation of Georgia.

5. The powers of a partner/share holder of an enterprise of a municipality /municipalities shall be exercised by the respective executive body/bodies of the municipality/municipalities. A municipality executive body as a partner/share holder, shall be entitled to make a decision on making changes to the capital of an enterprise of the municipality/municipalities, including on contributing interest, shares, and monetary funds, on the transfer of property

with the right to use/with the right of ownership to an enterprise of the municipality/municipalities. The municipality executive body shall also be entitled to approve the statute (charter) of the respective legal person and exercise any other powers of a partner/shareholder as provided for by the legislation of Georgia. In an enterprise of a municipality in which the participatory interest of the respective municipality does not exceed 50%, the respective executive body of the municipality shall participate as a partner/shareholder in the making of the decision referred to in this paragraph. In that case, a decision shall be taken according to the statute (charter) of the respective enterprise.

6. The powers of the founder of a non-entrepreneurial (non-commercial) legal person of a municipality (municipalities) shall be exercised by the respective executive body (bodies) of the municipality (municipalities). A municipality's executive body, as a founder/member, shall be entitled to make decisions on the transfer of financial resources and movable property with the right to use/with the right of ownership to a non-entrepreneurial (non-commercial) legal entity of a municipality/municipalities, on the transfer of immovable property for use, approve the statute (charter) of the respective legal entity, and exercise any other powers prescribed by the legislation of Georgia. In the case of a non-entrepreneurial (non-commercial) legal entity of a municipality where one of the founders/members is a respective municipality, the respective executive body of a municipality shall participate as a founder/member in the making of the decision referred to in this paragraph. In that case, a decision shall be taken according to the statute (charter) of the respective legal entity.

7. The fixed assets of a legal entity under private law of a municipality/municipalities, except for the alienation of property according to paragraph 11 of this article, and for the property acquired/obtained in cases stipulated by Articles 104(2-3) and 118(2) of this Law, shall be alienated thorough a public or electronic auction.

8. The fixed assets of a legal entity under private law of a municipality/municipalities shall be transferred with a right to use through an auction or by way of direct disposal. The fixed assets may be transferred with a right to use by way of direct disposal with or without charge, conditionally or unconditionally.

9. The property of a legal person under private law of a municipality/municipalities may be transferred without an auction, with a right to use, free of charge, for not more than a 2-year term, except for the cases stipulated by paragraph 11 of this article.

10. The rules for the alienation or transfer with a right to use of fixed assets of a legal entity under private law of a municipality, the rules for the determination of the initial cost of property, of the cost and of the initial cost of rent during the transfer of property with a right to use, as well as the rules of payment, shall be approved by the municipality Sakrebulo, with a resolution, upon recommendation of the Mayor of the municipality, taking into consideration the rules for the privatisation of municipal property, for the transfer of property with a right to use and with a right of management, as well as the rules for the determination of the initial cost of privatisation during the privatisation of property, rules for the determination of the cost and initial cost of rent during the transfer of property with a right to use and rules of payment.

11. The property of a legal entity under private law of a municipality/municipalities may be transferred without an auction, with a right to use, to the respective municipality, to public authorities and to the bodies of the autonomous republics, to another municipality, to a legal entity under public law (except for political parties), to a non-entrepreneurial (non-commercial) legal entity established by a municipality/municipalities, to an enterprise in which more than 50% of the participatory interest or shares are owned by a municipality/municipalities, or to a legal entity under private law established by this legal entity under private law. The property of a legal entity under private law of a municipality/municipalities may be transferred without an auction to the ownership of a relevant municipality/municipalities. A decision on the transfer of the property of a legal entity under private law of a municipality/municipalities with a right to use shall, under this paragraph, be taken by the municipality's executive body, as the founder/partner/shareholder/member of the legal entity, according to this Law and the statute (charter) of the respective legal entity.

12. A decision to alienate or transfer with a right to use of the fixed assets of a legal entity under private law of a municipality/municipalities shall, under this paragraph, be taken by the municipality's executive body, as the founder/partner/shareholder/member of the legal entity, according to this Law and the statute (charter) of the respective legal entity. When alienating the property of a non-entrepreneurial (non-commercial) legal entity of a municipality/municipalities, the requirement of Article 36 of the Civil Code of Georgia shall be observed, except for the case stipulated by paragraph 11 of this Law.

13. A decision on the appointment/dismissal of a person authorised to manage/represent a legal entity under private law of a municipality/municipalities shall, according to the statute (charter) of the respective legal entity, be taken by the municipality's executive body as the founder/partner/share holder/member of the legal entity under private law.

14. The municipality Sakrebulo may, upon the recommendation of the municipality's executive body, regulate, according to other legislative and subordinate acts of Georgia, other issues relating to the management of the property of a legal entity under private law of a municipality that need to be regulated by a normative act.

15. A municipality Sakrebulo may include in its rules of procedure a procedure for submitting a report on the work performed by a person authorised to manage a legal entity under private law of the municipality.

16. Other issues relating to the management of property, financing, control, appointment of the executives of a legal entity under private law of a municipality provided for by paragraph 2 of this article, including the procedure for decision-making by the founders/partners/shareholders/members which is not regulated under this Law, shall be regulated by an agreement (statute/charter) of the founders/partners/shareholders/members.

17. The powers of an executive body of Tbilisi prescribed by this article, except for the cases stipulated by paragraphs 4 and 13 of this article, may also be exercised by the respective legal person under public law of Tbilisi in cases and in the manner provided for by the statute (charter) of this legal entity under public law.

Organic Law of Georgia No 4087 of 22 July 2015 – website, 4.8.2015

Organic Law of Georgia No 100 of 16 December 2016 – website, 23.12.2016

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 107 - Property assigned to a municipality under this Law

1. Under this Law, the following property existing in the territory of a municipality shall be assigned to the municipality:

a) local roads and their sections, streets, underground and overground crossings, pavements, traffic lights, street lightings, squares, public gardens, boulevards, fountains, parks, green plantings and coast-protecting structures;

b) non-agricultural land, except for:

b.a) privately owned land;

b.b) the land to which public property, and the property created with the State's participation, is fixed;

b.c) the land subject to the fixation to the property (public property and the property created with the State's participation) determined by sub-paragraph (b.b) of this paragraph in the manner prescribed by the legislation of Georgia;

c) the land fixed to the municipal-owned facilities, including the facilities stipulated by sub-paragraph (a) of this paragraph;

d) local forests and water resources;

e) agricultural land, except for cases provided for by paragraph 2 of this article.

2. The following agricultural land shall not be considered as the property of a municipality:

a) the agricultural land, including pastures, that has been registered as private or state property;

b) the non-registered agricultural land for which an application for registration as state property has been filed in the manner prescribed by paragraph 3 of this article, except for cases provided for by paragraph 4 of this article;

c) the non-registered agricultural land existing in the territory of a municipality;

d) the routes for driving cattle;

e) the agricultural land located in a 500m long borderland;

f) the land of state reserves, natural monuments, national parks and sanctuaries;

g) the land designated for historical, cultural, natural and religious monuments of state importance;

h) the land of the state forest fund;

i) the land transferred in the form of usufruct or with a right to use to the institutions and legal entities under public law financed from the state budget and from the budget of an autonomous republic of Georgia;

j) the land of the state water fund.

3. Unless otherwise provided for by law, a municipality's property right with respect to unregistered agricultural land that is located in its territory shall arise based on the application, in the prescribed manner, to the respective registering agency and the registration of the rights, which shall not deprive the State of its right to register the unregistered agricultural land as public property.

4. If the State and a municipality simultaneously apply to the respective registering agency for the registration of the same land or part of that land, the application that has been registered earlier shall be satisfied. If the applications have been filed on the same day, the application of a municipality shall be satisfied.

Organic Law of Georgia No 5160 of 3 June 2016 – website, 17.6.2016

Article 108 - Transfer of property owned by a municipality to the State and/or to an autonomous republic free of charge

1. The municipal-owned property, including non-agricultural land, agricultural land (with or without buildings), as well as interest/shares (except for the core (undisposed) assets required for the exercise of the municipality's own powers) shall be transferred free of charge to State ownership based on the substantiated application of the property administrator provided for by the Law of Georgia on State Property. The above property shall be transferred free of charge into the ownership of an autonomous republic by decision of the municipality Sakrebulo based on the application of the government of the autonomous republic, and in the case of Tbilisi, by decision of the Tbilisi Government.

2. A reasoned decision, either positive or negative, on the request provided for by paragraph 1 of this article shall be taken by a municipality Sakrebulo, or by the Government, in the case of Tbilisi. The person filing the request shall be notified in writing of the relevant decision not later than 45 days after it has been filed. If the authorised body fails to make a decision within 45 days after the request has been filed, the property requested shall be considered transferred into the ownership of the State and/or of an autonomous republic, and shall be registered as the property of the State and/or the autonomous republic.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 109 - Right to municipal property

1. A municipality shall be independent in exercising its property rights.

2. When exercising property rights, municipal bodies shall be obliged to protect the lawful interests both of the municipality and of the owner.

Article 110 - Basic principles for the exercise of property rights by a municipality

1. Municipal bodies shall exercise property rights on behalf of the municipality.

2. Municipal property may be located both inside and outside the territory of the municipality.

3. Municipal bodies shall exercise property rights on the property owned by the municipality by taking into consideration the interests of the population, in the manner prescribed by the legislation of Georgia.

Chapter XIV - Creation of Municipal Property

Article 111 - Sources for the creation of municipal property

Municipal property shall be created:

a) by the transfer of the state-owned property;

b) by funds allocated from its own budget;

c) as a result of occurrences that, under the legislation of Georgia, are related to the arising of civil law consequences;

d) by creating, acquiring, as well as by gratuitously receiving property and/or the work performed in accordance with the legislation of Georgia.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 112 - Transfer of State-owned property into the ownership of a municipality

The State shall, in the manner prescribed by Article 113 of this Law, transfer to a municipality the property that is required for the exercise by the municipality of its own powers as determined by this Law.

Article 113 - Gratuitous transfer of the state-owned property to the ownership of a municipality

1. State-owned property shall be transferred to the ownership of a municipality by a property administrator based on a justified request of the Mayor of the municipality.

2. The property administrator shall make a reasoned decision on the request made by the body referred to in paragraph 1 of this article, and inform the applicant in writing of the decision within 45 days after the request has been filed. A decision of a property administrator to transfer the main (undisposed) immovable property shall, within 10 days after it has been taken, be referred for approval to the Government of Georgia. If the Government of Georgia fails to make a decision within 45 days, the requested property shall be considered transferred to the ownership of the applicant.

3. If the property is used by more than one municipality, it shall be transferred to the ownership of the municipality in the territory of which that property is located. The procedures for the use and maintenance of such property shall be determined by an agreement, which shall be signed by the municipalities that use the property.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 114 - Registration of property transferred by the State to the ownership of a municipality

1. Property transferred by the State to the ownership of a municipality shall be registered with the Public Registry, in accordance with the legislation of Georgia, based on an individual administrative-legal act of the property administrator, within 60 days after completion of the procedures determined by Article 113 of this Law.

2. The registration details of the property registered with the Public Registry, the amendments and adjustments to the registration details shall be public and be published in the manner prescribed by the legislation of Georgia.

Chapter XV - Privatisation and Transfer of Municipal Property with the Right to Use

Article 115 - Regulation of the privatisation and transfer of municipal property with the right to use and with the right of management and special cases of determination of the initial price of privatisation

1. The rules for the privatisation and transfer of municipal property with the right to use and with the right of management, as well as the rules for determining the privatisation cost and the initial price of privatisation during the privatisation of property, or the rent cost and the initial rent cost during the transfer of property with the right to use, also the rules of payment, shall be determined by the Government of Georgia in accordance with this Law.

2. When privatising the property of Tbilisi in the form of an auction with conditions, in the cases provided for by an ordinance of the Government of Georgia, the price of the initial privatisation of property may be less than its market price by decision of the Government of Tbilisi made with the approval of the Tbilisi Sakrebulo.

3. The rules determined by paragraphs 1 and 2 of this article shall not apply to the privatisation of interests or shares or to the privatisation of shares represented by certificates directly or through brokers, by public or private offer, on a foreign recognised stock exchange or in any other form of offer that is corresponding to the practice applicable at the time on international capital markets.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4310 of 18 September 2015 - website, 24.9.2015

Article 116 - Representative of a municipality during the disposal of property

1. When privatising and transferring municipal property with the right to use or with the right of management or when disposing that property in any other manner, the municipality may act through its representative (trustee).

2. When privatising and transferring the property of Tbilisi with the right to use or with the right of management or when disposing of that property in any other manner, also when monitoring the performance of relevant contractual obligations, the Government may act through its representative (trustee), or through a legal entity under public law established by Tbilisi for that purpose.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 117 - Purchaser of municipal property

1. When privatising municipal property (except for the privatisation of agricultural land owned by the municipality), the purchaser of the property may be a physical or legal person or an association of such persons in the property of which the participatory interest of the municipality or of the public authorities of Georgia is less than 25%.

2. The purchaser of municipal-owned agricultural land may be a person determined by law.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 118 - Forms of privatisation of municipal property

1. Municipal property may be privatised in the form of a public or electronic auction, and the property of Tbilisi may, in addition to the above forms, be privatised in the form of a direct disposal, exchange or competitive selection, except for the cases provided for by paragraphs 2 and 3 of this article.

2. Upon the occurrence of an insured event, in the cases provided for by an insurance contract, the user of municipal-owned property shall transfer movable property into the ownership of the insurer in exchange for reimbursement of the value of that property by the insurer, or in exchange of the transfer of a undamaged property that is identical to the damaged property, under the terms determined by the insurance contract.

3. Immovable property confiscated according to the Code of Administrative Offences of Georgia shall be disposed of in the manner determined by the Sakrebulo.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 118^1 - Procedure for the privatisation of the property of Tbilisi

1. A decision to privatise the property of Tbilisi in the form of a direct disposal or direct disposal based on a competitive selection shall be taken by the Government with the consent of the Tbilisi Sakrebulo, in the manner prescribed by this Law and by the Tbilisi Sakrebulo.

2. The property of Tbilisi may be privatised in the form of a direct disposal or a direct disposal based on competitive selection at a charge, conditionally or unconditionally.

3. The Government shall make a decision to privatise immovable property, interest and shares of Tbilisi in the form of a direct disposal and/or a direct disposal based on competitive selection, and determine the contractual terms only with the consent of the Tbilisi Sakrebulo. The property, interest and shares of Tbilisi shall be privatised in the form of a direct disposal, and/or a direct disposal based on competitive selection through a representative (trustee) designated by the Government, or through a legal entity under public law established by Tbilisi for that purpose, which, on behalf of the Government, shall conclude an agreement within 3 months after the Tbilisi Sakrebulo gives its consent.

4. A decision to privatise movable property of Tbilisi in the form of a direct disposal and/or a direct disposal based on a competitive selection shall be made, and the contractual terms shall be determined by the Government, with the consent of the Tbilisi Sakrebulo. Upon the consent of the Tbilisi

Sakrebulo, an agreement shall be concluded, on behalf of the Government, by a representative (trustee) designated by the Government, or by a legal entity under public law established by Tbilisi for this purpose.

5. The Government may, with the consent of the Tbilisi Sakrebulo, transfer the property of Tbilisi into the ownership of a physical person and/or of a legal entity under private law, in exchange for the transfer of any other property into the ownership of Tbilisi (exchange). A decision on that issue shall be made by the Government with the approval of the Tbilisi Sakrebulo. The property of Tbilisi shall be transferred (exchanged) into ownership in exchange for any other property through a representative (trustee) designated by the Government, or through a legal entity under public law established by Tbilisi for that purpose, who, on behalf of the Government, shall conclude an agreement within 3 months after the Tbilisi Sakrebulo gives its consent.

6. The property of Tbilisi shall be transferred with the ownership right through a representative (trustee) designated by the Government, or through a legal entity under public law established by Tbilisi for that purpose, who, on behalf of the Government, shall transfer the property of Tbilisi into ownership.

7. The property of Tbilisi, if privatised, shall be privatised in the form of a public or electronic auction in the manner prescribed by Article 119 of this Law.

8. To perform the privatisation obligations, the purchaser of the property of Tbilisi may not encumber the acquired property with mortgage or lien without the consent of the representative (trustee) designated by the Government, or of the legal entity under public law established by Tbilisi for that purpose.

9. The privatisation of the property of Tbilisi shall be subject to the procedures prescribed by Article 120 of this Law.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 118^2 - Special terms of privatisation of municipal-owned immovable property

1. If investment obligations have been prescribed as the term for privatisation of municipal-owned immovable property, during the privatisation of that property in the form of direct disposal, the purchaser shall, from the moment of the consent of the Tbilisi Sakrebulo up to the entering into of an agreement, or in the case of an auction, within a month after the conduct of the auction, provide an unconditional and irrevocable bank guarantee with the value of at least 10% of the investment obligations the validity of which shall be at least 4 months longer than the period of performance of the investment obligations. A decision on reduction of the amount of an unconditional and irrevocable bank guarantee indicated in this paragraph shall be taken, with the consent of a municipality Sakrebulo, by the municipality executive body, and in the case of Tbilisi, by its Government.

2. An unconditional and irrevocable bank guarantee shall, during its validity, ensure the satisfaction of the claim of the liquidated damages assessed as a result of the failure of the purchaser to perform its obligations.

3. In the case of reduction of the amount of an unconditional and irrevocable bank guarantee, the purchaser shall be obliged to restore the amount up to the full amount within a month.

4. If a person disposing of municipal-owned immovable property repudiates an agreement due to the failure of the purchaser to perform the obligations, the amount of the unconditional and irrevocable bank guarantee shall be fully transferred to the relevant budget.

5. If an agreement concluded for the purpose of privatisation of municipal-owned immovable property is unilaterally repudiated due to the violation of the privatisation terms, the privatised property shall be returned to the ownership of the municipality, and the mortgage right(s) of a third person(s) registered on that property shall be annulled, provided that, before encumbering that property, the relevant information on the privatisation obligation(s) is registered in the record of the Public Registry on the immovable property. In addition, the purchaser shall not be reimbursed for the amounts paid and the costs incurred.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 119 - Announcing and organising an auction

1. Information on the privatisation of municipal property in the form of a public auction shall, in the case of Tbilisi, be published on the website of the auctioneer - an entity conducting the auction, in local or other printed publications and on the website www.eauction.ge, and in the case of any other municipality, in local or other printed publications and on the website www.eauction.ge.

2. Municipal property may be disposed of in the form of an electronic auction. Information on the privatisation of municipal property in the form of an auction shall be published and the bidding shall take place on the website www.eauction.ge.

2^1. Information on the privatisation of the property of Tbilisi in the form of an auction shall be published on the website of the auctioneer and on the website www.eauction.ge, and the bidding shall take place on the website of the auctioneer and/or on the website www.eauction.ge.

3. The purpose of the disposal of municipal property in the form of an auction shall be to grant the right of ownership/right to use to an auction participant who, during the bidding process, offers the highest price to the entity disposing of the municipal property. If an auction is announced with certain conditions, the purpose of the disposal of the municipal property shall be to grant the right of ownership/right to use to an auction participant who assumes the obligation to meet the conditions and offers, during the bidding, the highest price to the entity disposing of the municipal property.

4. To participate in an auction, an interested person shall provide an unconditional and irrevocable bank guarantee of the amount preliminarily determined by the authorised body, or pay a deposit. The freezing of funds available in the bank account of the interested person shall be considered equivalent to the payment of a deposit. These funds shall be transferred to the auctioneer as soon as the owner of the funds wins the auction, or in the case of violation of the procedure and terms of that auction determined by this Law.

5. A person intending to participate in an auction shall submit an application to the auctioneer. By submitting an application, the applicant confirms that he/she has familiarised him/herself with the procedure and terms of the auction. The application shall include information on the participant of the auction, the name of the municipal property, the number and price of the lot, and other information.

6. The results of an auction shall be cancelled if the winner of the auction:

a) fails to pay the price within the period determined by this Law;

b) refuses to sign a contract of purchase.

7. In cases provided for by paragraph 6 of this article, the amount of the unconditional and irrevocable bank guarantee provided by the winner of the auction shall be transferred in full to the relevant account, and the deposit paid shall not be refunded to the participant of the auction.

8. Except for the cases provided for by paragraph 7 of this article, the amount of the unconditional and irrevocable bank guarantee/deposit shall also be transferred in full to the relevant budget if the participant of the auction has violated the procedure and/or terms of the auction determined by a normative act.

9. If the authorised body annuls the decision taken on the disposal of property, the amount of the deposit paid shall be refunded to the participants in the auction.

10. If the municipal property sold at auction is not disposed of, a decision to dispose of that property at auction with a changed initial price and/or terms shall be considered a repeat auction. The initial price of property during the repeat auction may be reduced up to 50%, and if the property is not sold even at such a reduced price, the price may be further reduced.

11. If the municipal property is not disposed of at auction, the entity disposing of the property may decide to dispose of that property with the same terms in the form of an extended auction.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 120 - Conclusion and cancellation of a transaction on the privatisation of municipal property

1. In the case of privatisation of municipal property in the form of an auction, the winning big confirmation report shall be considered to be a promise of the administrative body.

2. A winning bid confirmation report shall include the basic terms for the privatisation of the municipal property and the rights and obligations of the parties. A contract of purchase shall be entered into based on this report.

3. After the full price of the acquired municipal property has been paid, and/or after the conditions of the auction are met, the purchaser of the property shall be given an ownership certificate.

4. The limitation period for filing a claim on any disputable issue relating to the privatised municipal property shall be 3 years.

5. The question of cancellation of a transaction on the privatisation of municipal property shall be decided in the manner stipulated by the legislation of Georgia.

6. When the encumbered property is transferred into the ownership of a person holding the right to claim that property due to the failure to satisfy the secured claim during the conditional transfer of a municipal property into the ownership, or when a municipal property is sold in the manner stipulated by the Civil Code of Georgia (regardless of the form of sale) or the Law of Georgia on Enforcement Proceedings, the privatisation obligations assumed by the purchaser of the property to the municipality, and the relevant contractual rights and obligations shall be fully transferred to a new and each subsequent purchaser, provided that, before encumbering the property, relevant information on the privatisation obligation(s) is registered in the record on that property with the body responsible for registering the claims and rights.

7. When an agreement is unilaterally repudiated due to the violation of the privatisation terms stipulated by the relevant agreement that has been entered into for the purpose of privatisation of a municipal property, the privatised property shall be returned to the ownership of the municipality, and the right(s) of the third person(s) registered on that property shall be annulled, if, before encumbering the above property, relevant information concerning the privatisation obligation(s) is registered in Public Registry in the record on the claims and rights. In addition, the municipality shall not reimburse the purchaser of the property the amount paid and the costs incurred.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 121 - Procedure for alienating fixed (undisposed) municipal property

1. Fixed (undisposed) municipal property may be alienated with the consent of a municipality Sakrebulo only if that property has lost its functional purpose.

2. The Mayor of a municipality shall submit substantiated proposals for the alienation of fixed (undisposed) municipal property, along with all necessary documents, to the relevant Sakrebulo.

3. A municipality Sakrebulo shall adopt a resolution with the approval of the Mayor of the municipality on the alienation of the fixed (undisposed) municipal property by at least two thirds of its members on the current list.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 122 - Forms and procedure for transferring municipal property with the right to use

1. When transferring municipal property with the right to use, the following forms stipulated by the Civil Code of Georgia may be used:

a) superficies;

b) usufruct;

c) tenancy;

d) rent;

e) lending;

f) any other forms of use provided for in the Civil Code of Georgia.

1^1. This article, except for its paragraph 1, shall not apply to Tbilisi.

2. An agreement on the transfer of a municipal property with the right to use shall be entered into between a municipality executive body and the interested person.

3. A decision of a municipality executive body (an individual administrative-legal act) on the transfer of a municipal property with the right to use shall be equal to the agreement provided for by paragraph 2 of this article once the interested person familiarises him/herself with that decision.

4. Municipal property shall be transferred with the right to use in the form of an auction or by way of direct disposal. A decision on the transfer of municipal property in the form of an auction shall be taken by the municipality executive body. A decision on the gratuitous transfer of municipal property with the right to use by way of a direct disposal shall be taken by a municipality executive body, with the consent of the municipality Sakrebulo.

5. Municipal property may be transferred with the right to use by way of direct disposal, with or without charge, conditionally or unconditionally. Municipal property may be transferred free of charge with the right to use for not longer than 2 years, except for the cases stipulated in paragraph 6 of this article.

6. A municipality executive body may transfer, without an auction, municipal property in the form of free superficies, free usufrukt and lending, to public authorities and to the bodies of the autonomous republics, to another municipality, to a legal entity under public law (except for political parties), to a non-entrepreneurial (non-commercial) legal entity established by a municipality/municipalities, to an enterprise in which the municipality/municipalities holds more than 50% of the participatory interest or shares, or to a legal entity under private law established by this legal entity under private law.

7. The user of a municipal property who does not hold a document that certifies the lawful use of that property, and who uses that property for entrepreneurial activities (commercial purposes), shall, according to a written request of the owner of the property or of the owner's representative (trustee), be obliged to pay to the municipal budget the cost of the transfer of the property in the ownership, according to the market price of the property within the period in question (based on an expert opinion/audit report), for the entire period of the use of the property, starting from the moment of registration of the ownership right of the municipality with the Public Registry. The measures prescribed by the legislation of Georgia shall be taken with respect to the above property.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 122^1 - Forms and procedure for the transfer of property of Tbilisi with the right to use

1. When transferring property of Tbilisi with the right to use, the forms of use stipulated by Article 122(1) of this Law shall apply.

2. The property of Tbilisi shall be transferred with the right to use in the form of an auction or by way of direct disposal.

3. The property of Tbilisi shall be transferred in the form of an auction through a representative (trustee) designated by the Government, or through a legal entity under public law established by Tbilisi for that purpose, which, on behalf of the Government, shall transfer the property of Tbilisi for use.

4. A decision to transfer property of Tbilisi by way of direct disposal to a legal person under public law established by Tbilisi, to an enterprise operating with a 100% participatory interest of Tbilisi, and/or to a non-entrepreneurial (non-commercial) legal entity under private law established by Tbilisi shall be taken by a representative (trustee) designated by the Government, or by a legal entity under public law established by Tbilisi for that purpose, which shall, on behalf of the Government, transfer the property of Tbilisi for use.

5. A decision to transfer property of Tbilisi with the right to use by way of direct disposal to public authorities and to bodies of the autonomous republics, to any other municipalities, legal entities under public law (except for political parties), to non-entrepreneurial (non-commercial) legal entities established by the State, and to enterprises operating with a 100% participatory interest of the State, as well as to the enterprises of Tbilisi in which the participatory interest of Tbilisi is less than 100%, shall, with the consent of the Government, be made by a representative (trustee) designated by the Government, or by a legal entity under public law established by Tbilisi for that purpose, which shall, on behalf of the Government, transfer the property of Tbilisi for use.

6. A decision to transfer property of Tbilisi to physical and legal persons (except for the legal persons provided for by paragraphs 4 and 5 of this Article)

with the right to use by way of direct disposal shall be taken by the Government with the consent of the Tbilisi Sakrebulo. Based on the approval of the Tbilisi Sakrebulo, a representative (trustee) designated by the Government, or a legal entity under public law established by Tbilisi for that purpose, shall, on behalf of the Government, transfer the property of Tbilisi for use.

7. A Government's decision to transfer property of Tbilisi with the right to use (an individual administrative-legal act) shall be equal to an agreement once the interested person familiarises him/herself with it.

8. The property of Tbilisi may be transferred with the right to use by way of direct disposal with or without a charge, conditionally or unconditionally. The property of Tbilisi may be transferred with the right to use free of charge for not longer than a 2-year term, except for the cases stipulated by paragraph 9 of this article.

9. The property of Tbilisi may, in the manner prescribed by paragraphs 1 and 4-7 of this article, be transferred in the form of free superficies, free usufruct or lending, with the right to use, by way of direct disposal to public authorities and to bodies of the autonomous republics, to legal entities under public law (except for political parties), the non-entrepreneurial (non-commercial) legal entities established by a municipality and to an enterprise operating with a 100% participatory interest of a municipality, as well as to physical persons and/or to a legal entity under private law on the conditions of carrying out investments in the property, and of bearing the costs.

10. A user of the property of Tbilisi who does not hold a document certifying the lawful use of that property, and who uses the property for entrepreneurial activities (commercial purposes), shall, according to a written request of a representative (trustee) of the owner of the property, or of the legal entity under public law established by Tbilisi for that purpose, pay to the budget of Tbilisi the cost of the transfer of the property for use, according to the market price of the property at the given time (based on an expert/audit report), for the entire period of the use of the property starting from the registration of the ownership right of Tbilisi with the Public Registry. The measures stipulated by the legislation of Georgia shall be taken with respect to the above property.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Organic Law of Georgia No 4310 of 18 September 2015 - website, 24.9.2015

Article 123 - Transfer of property with the right to use to a municipality for the exercise of delegated powers

1. The State shall transfer to the ownership of a municipality property that the municipality needs for exercising its delegated powers. The property that is to be transferred with a right to use shall be determined and the right to use shall be granted according to this Law and the agreement on the delegated powers.

2. The property transferred to a municipality for exercising its delegated powers shall remain in the ownership of the State.

3. The terms for the use of the property transferred to a municipality shall be determined by an agreement on the transfer of property with the right to use.

Article 124 - Municipal-owned intangible assets

Municipal-owned intangible assets shall include interests and shares, as well as all the claims and rights that may be transferred to another person or that are intended to create a material good for their owner, and/or for authorising the owner to claim anything from any other person.

Organic Law of Georgia No 4087 of 22 July 2015 – website, 4.8.2015

Article 125 - Forms of disposal of interests and shares

The forms of disposal of interest and shares include:

a) the privatisation of interests and shares;

b) the transfer of interests and shares with the right of management.

Article 126 - Types of an auction of interests and shares

There are two types of auction of interests and shares: unconditional and conditional.

Article 126^1 - The procedure for privatisation of Tbilisi-owned interests or shares or of shares represented by certificates, directly or through brokers, through public or private offer, in any other form of offer that is corresponding to the practice applicable on a foreign recognised stock exchange, or on international capital markets at the given moment

1. The privatisation of Tbilisi-owned interests or shares or of shares represented by certificates, directly or through brokers, through public or private offer, in any other form of offer that corresponds to the practices applicable on a foreign recognised stock exchange or on international capital markets at the given moment shall be conducted by the Government, with the consent of the Tbilisi Sakrebulo.

2. The Government shall determine the time suitable for the privatisation of Tbilisi-owned interests or shares or shares represented by certificates directly or through brokers, through public or private offer, in any other form of offer that corresponds to the practices applicable on a foreign recognised stock exchange, or on international capital markets at the given time, and shall draft relevant documents, and also carry out other actions provided for by the legislation of Georgia.

3. A substantiated proposal of the Government that includes the general terms for the privatisation of Tbilisi-owned interests or shares or shares represented by certificates, including the form, time limits and other essential terms of privatisation, shall, along with draft documents, be submitted for approval to the Tbilisi Sakrebulo.

4. The Government, based on the consent of the Tbilisi Sakrebulo, shall make a decision to privatise the interests or shares or shares represented by certificates directly or through mediators, through public or private offer, in any other form of offer that corresponds to the practices applicable on the foreign recognised stock exchange, or on international capital markets at the given time.

5. When making the decision referred to in paragraph 1 of this article, the Government shall prescribe specific terms for privatisation, including:

a) the quantitative or percentage indicators of the interests or shares subject to privatisation, or the maximum and/or minimum limit(s) of that indicator;

b) the price of privatisation of interests or shares or of the shares represented by certificates (in the case of public offer - the initial price of privatisation) and procedure and terms of payment;

c) according to the schedule, the key time frames required for the completion of privatisation, for entering into relevant agreements, other terms for the acquisition of ownership rights of interests and shares or of shares represented by certificates, based on which, the Government will offer the interests or shares or shares represented by certificates directly or through mediators, through public or private offer, in any other form that corresponds to the practices applicable on a foreign recognised stock exchange, or on international capital markets at the given time and will carry out the related actions.

6. When making a decision to privatise shares represented by certificates, the Government may, by a decree, impose any restrictions or obligations (including the obligation to inform the public in advance of the issues referred to in the Governmental decree) relating to the voting or other rights connected with the shares represented by certificates.

7. In the case of privatisation of Tbilisi-owned interests or shares or shares represented by certificates, directly or through mediators, through public or private offer, in any other form of offer that is corresponding to the practice applicable on the foreign recognised stock exchanges, or on international capital markets at the given time, the body conducting the privatisation shall enter into relevant agreement(s), the price of privatisation shall be paid and the ownership right for the interests and shares or shares represented by certificates shall be transferred in the manner and within the period determined by the decree of the Government.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 127 - Transfer of municipality-owned interests and shares with the right of management

1. Municipality-owned interests and shares shall be transferred with the right of management in the form of an auction, and in the case of Tbilisi, in the form of an auction, direct disposal or a direct disposal based on competitive selection.

2. The interests and shares owned by Tbilisi shall be transferred with the right of management in the form of an auction, through a representative (trustee) designated by the Government, or through a legal entity under public law established by Tbilisi for that purpose, which, on behalf of the Government, shall transfer, at auction, the interests and shares of Tbilisi with the right of management.

3. A decision on the transfer, with the right of management, of the interests and shares of Tbilisi by way of direct disposal to a legal person under public law established by Tbilisi, to an enterprise operating with a 100% participatory interest of Tbilisi, and/or to a non-entrepreneurial (non-commercial) legal entity under private law established by Tbilisi, shall be taken by a representative (trustee) designated by the Government, or by a legal entity under public law established by Tbilisi for that purpose, which shall, on behalf of the Government, transfer, by way of direct disposal, the interests and shares of Tbilisi with the right of management.

4. A decision to transfer, with the right of management, the interests and shares of Tbilisi by way of direct disposal to public authorities and to bodies of the autonomous republics, to other municipalities, to legal entities under public law (except for political parties), to non-entrepreneurial (non-commercial) legal entities established by the State, and/or to enterprises operating with a 100% participatory interest of the State, as well as to the enterprises of Tbilisi in which Tbilisi holds less than 100% participatory interest, shall, with the consent of the Government, be taken by a representative (trustee) designated by the Government, or by a legal entity under public law established by Tbilisi for that purpose, which shall, on behalf of the Government, transfer the interests and shares with the right of management.

5. A decision to transfer the interests and shares owned by Tbilisi to physical persons and legal entities (except for the legal entities provided for by paragraphs 3 and 4 of this Article) with the right of management, by way of direct disposal, shall be taken by the government, which shall submit the decision for approval to the Tbilisi Sakrebulo. Upon the consent of the Tbilisi Sakrebulo, a representative (trustee) designated by the Government, or the legal entity under public law established by Tbilisi for that purpose, shall, on behalf of the Government, transfer the interests and shares with the right of management.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 127^1 - Disposal of the municipal-owned claims and rights

1. The municipal-owned claims and rights shall be privatised in the form of an auction, and in the case of Tbilisi, in the form of an auction, in the form of a direct sale or a direct sale based on competitive selection.

2. Caims and rights owned by Tbilisi shall be privatised in the form of direct sale or a direct sale based on competitive selection, in the manner prescribed by Article 118^1(3) of this Law.

3. When privatising claims and rights owned by Tbilisi, special conditions stipulated by Article 118^2 of this Law shall apply.

4. When privatising claims and rights owned by Tbilisi in the form of an auction, a representative (trustee) of the municipality or the legal entity under public law established by Tbilisi for that purpose, may issue, in writing and/or electronically, a confirmation of winning the auction.

5. In the case of a conditional transfer of municipal-owned claims and rights, the purchaser of the property may not encumber the acquired claims and rights with a lien without the consent of the executive body of the municipality, or of the representative (trustee) of the municipality, and in the case of Tbilisi, without the approval of the representative (trustee) of Tbilisi, or of the legal entity under public law established for that purpose by Tbilisi.

6. Article 120(6-7) of this Law shall apply to the conditional transfer of municipal-owned claims and rights into the ownership, taking into consideration its specificities.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 127^2 - Changing or cancelling, at the request of the purchaser or recipient, condition(s) relating to the privatised property of Tbilisi, or to the property of Tbilisi transferred with a right to use or with a right of management

1. A purchaser of Tbilisi-owned property or a recipient of the the right to use or manage the property of Tbilisi, may apply to the Government with a reasonable request to change or cancel the condition(s) of privatisation, or of the condition(s) of transfer of property for use or management.

2. The Government shall review the application, and taking into consideration public and private interests, shall, in the case of reasonable necessity, submit to the Tbilisi Sakrebulo for decision the proposal for the change or cancellation of a condition(s) (except for the financial and investment condition(s)) relating to the privatised property of Tbilisi or to the property transferred with the right of use or management.

3. The Government shall submit to Tbilisi Sakrebulo for decision a proposal to change or cancel an investment condition or a proposal for the change of a financial condition associated with the property of Tbilisi that has been privatised or transferred with the right of use or management by way of direct disposal.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 128 - Amounts received from the disposal of municipal property

The authorised body shall transfer funds received from the disposal of municipal property to the relevant municipal budget.

Section VI

STATE SUPERVISION AND AUDIT OF THE ACTIVITIES OF MUNICIPAL BODIES

DIRECT STATE GOVERNANCE

Chapter XVI - State Supervision of the Activities of Municipal Bodies

Article 129 - Concept and types of state supervision

1. State supervision is an activity carried out by executive authorities that is intended to ensure the lawfulness of the activities of municipal bodies, and proper exercise of delegated powers.

2. Types of state supervision are: legal supervision and sectoral supervision.

3. Legal supervision shall be exercised to ensure compliance of normative administrative-legal acts of a municipality Sakrebulo with the legislation of Georgia.

4. Sectoral supervision shall ensure the lawful and proper exercise of delegated powers by a municipality.

Article 130 - Bodies of legal supervision and sectoral supervision

1. Legal supervision over the activities of municipal bodies shall be exercised by the Prime Minister of Georgia.

2. The body responsible for supervising the exercise by a municipality of the powers delegated to it shall be the relevant ministry/the special-purpose state institution powers of which were delegated in accordance with the law or an agreement entered into based on the legislation of Georgia.

3. The body responsible for exercising state supervision over the activities of municipal bodies in the Ajara Autonomous Republic shall be determined by an ordinance of the Government of Georgia.

Organic Law of Georgia No 1718 of 7 December 2017 – website, 14.12.2017

Article 131 - Procedure and principle for exercising state supervision

1. State supervision shall be exercised in the manner and within the scope prescribed by the Constitution of Georgia, the European Charter of Local Self-Government and this Law. No other normative act of Georgia may determine any other procedure or scope for exercising state supervision.

2. State supervision shall be exercised in compliance with the principle of proportionality.

3. The damage caused to a municipality as a result of state supervision measures taken in violation of the principle of proportionality shall be indemnified in the manner prescribed by the legislation of Georgia.

Article 132 - Legal supervision

1. Legal supervision shall be exercised with respect to a normative administrative-legal act adopted by a municipality Sakrebulo.

2. The Government of Georgia may, by a normative act, determine a list of normative administrative-legal acts that may be adopted by a municipality Sakrebulo within the scope of the municipality's own powers and that are not subject to legal supervision.

3. The legal supervision authority shall conduct an expert assessment of a normative administrative-legal act published in the Legislative Herald of Georgia, and submit the legal opinion to the body adopting that act. The legal supervision authority shall draft a legal opinion and submit it to a municipality Sakrebulo not later than 15 days after the publication of the relevant normative administrative-legal act. The legal opinion of the legal supervision authority shall indicate the provisions that the normative administrative-legal act adopted by a municipality Sakrebulo contravenes. A legal opinion shall not be an administrative-legal act and no administrative proceedings stipulated by the General Administrative Code of Georgia shall apply to it.

4. An expert assessment of a normative administrative-legal act adopted by a municipality Sakrebulo within the scope of the municipality's delegated powers shall be conducted in coordination with sectoral supervision authority. The legal supervision authority shall submit a normative administrative-legal act adopted by a municipality Sakrebulo within the scope of the municipality's delegated power, or part of that act that regulates issues relating to the exercise of the delegated powers, to the relevant sectoral supervision authority within 3 working days after its receipt, so that the latter can provide its comments on the lawfulness of the act. The sectoral supervision authority shall provide its opinion not later than 5 working days after receiving the relevant application. Otherwise, the legal supervision authority shall be entitled to provide a legal opinion. A final decision on the contents of the legal opinion shall be taken by the legal supervision authority.

5. In the case of a negative legal opinion, a municipality Sakrebulo shall, within 15 working days after receiving the opinion, send to the legal supervision authority a reasoned written refusal or a normative administrative-legal act amending or repealing the given normative administrative-legal act.

6. If the legal opinion provided for by paragraph 5 of this article is not taken into consideration by a municipality Sakrebulo, or in the case of a reasoned written refusal, the legal supervision authority may, after the relevant time limit expires, or not later than 15 working days after receiving a reasoned written response, apply to a court requesting annulment of the normative administrative-legal act.

7. The legal supervision body shall be entitled to take into consideration and recognise as satisfactory the reasoned written refusal of a municipality Sakrebulo submitted according to paragraph 5 of this article.

8. If a normative administrative-legal act of a municipality Sakrebulo contravenes the provisions of the Constitution of Georgia, or causes substantial and irreversible damage to citizen Constitutional rights and freedoms, the legal supervision body may, without adhering to the time limits prescribed by paragraph 5 of this article, immediately apply to a court for annulment of the normative administrative-legal act.

9. A municipality may appeal a court decision on the annulment of a normative administrative-legal act or part of it to a court of higher instance in the manner provided for by law.

Article 133 - Sectoral supervision

1. Sectoral supervision shall be exercised over individual administrative-legal acts adopted/issued within the scope of delegated powers by a municipal body/official, and over the actions of a municipal body.

2. When performing state supervision over the exercise of delegated powers, the sectoral supervision authority may:

a) request documents or information;

a^1) issue recommendatory instructions;

b) suspend or annul an individual administrative-legal act of a municipal body/official;

c) substitute the local self-government.

Article 134 - Requesting documents and information

1. The state supervision authority may request from a municipal body/official any official document and information required for the exercise of state supervision, including legal acts and administrative proceeding materials.

2. A municipality shall be obliged to submit the requested documents and information to the state supervision authority within not later than 10 working days.

Article 134[1] - Recommendatory instructions

1. The sectoral supervision authority shall be entitled to provide recommendatory instructions to a municipality so that the municipality can properly exercise the delegated powers.

2. The recommendatory instructions shall not restrict the right of a municipality to ensure the exercise of the delegated powers taking into consideration local conditions.

Organic Law of Georgia No 3605 of 8 May 2015 - website, 15.5.2015

Article 135 - Suspension and annulment of an administrative-legal act

1. The sectoral supervision authority shall be entitled to examine the legality and appropriateness of an individual administrative-legal act adopted/issued by a municipal body/official within the delegated powers and requested under Article 134 of this Law, and provide binding instructions to the municipality.

2. In order to ensure the proper exercise of delegated powers, an individual administrative-legal act of a municipal body/official may be annulled on the grounds of inappropriateness if it does not comply with the instructions of the state supervision authority. A decision on the annulment of an act on the grounds of inappropriateness shall be substantiated.

3. If a municipality does not follow the instructions of the state supervision authority within 15 working days after their receipt, the state supervision authority shall annul the individual administrative-legal act adopted/issued within the scope of the delegated powers by the municipal body/official.

4. If an individual administrative-legal of a municipal body/official contravenes the provisions of the Constitution of Georgia, substantially and irreversibly damages citizen Constitutional rights and freedoms, or leads to irrational use and misuse of the public property and budgetary resources, the sectoral supervision authority shall be entitled to immediately suspend the relevant individual administrative-legal act without issuing binding instructions.

5. Within 10 work days after the suspension of an individual administrative-legal act, a municipal body/official shall send to the state supervision authority a reasoned written refusal or an adopted/issued individual administrative-legal act amending or annulling the individual administrative-legal act.

6. After the time limits prescribed by paragraph 5 expire, the relevant state supervisory body shall annul an individual administrative-legal act, or annul its decision on the suspension.

7. It shall be prohibited to annul, by way of state supervision, an individual administrative-legal act of a municipal body/official that has been adopted/issued to regulate labour legal relations based on the Law of Georgia on Public Service or the Organic Law of Georgia on the Labour Code of Georgia.

8. A municipality may appeal the legality of a decision of the state supervision authority on the annulment of an individual administrative-legal act or part of it to a court, in the manner prescribed by the legislation of Georgia.

9. Supervision, under this article, over the lawfulness and appropriateness of an individual administrative-legal act adopted/issued by a municipal body/official within the delegated powers shall be exercised only under the relevant legislative act of Georgia on the delegation of powers, or by the relevant law of an autonomous republic, or in cases provided for by the agreement referred to in Article 17(3) of this Law.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 136 - Substitution of local self-government

1. If a municipality Sakrebulo does not perform the statutory obligation to adopt a normative administrative-legal act within the scope of its delegated powers, the sectoral supervision authority shall be entitled to give the Sakrebulo binding instructions on the performance of the above obligation.

2. A municipality Sakrebulo shall be obliged to fulfil the instructions of the state supervision authority within 30 days after their receipt.

3. If, within the time limits prescribed by paragraph 2 of this article, a municipality Sakrebulo fails to fulfil the instructions of the state supervision authority, the latter shall issue a relevant normative administrative-legal act that shall be valid until the municipality Sakrebulo adopts an appropriate normative administrative-legal act.

4. If the relevant municipal body improperly performs or fails to perform the powers delegated to the municipality under this Law, the relevant state supervision authority may request that municipal body to perform this obligation, give it mandatory instructions and allow a reasonable period of at least 15 working days for remedying the situation These time limits may be extended by a reasoned request of the relevant body of the municipality, with the approval of the relevant state supervision authority.

5. A municipal body/official shall, according to the request of the state supervision body, periodically provide information on the measures taken.

6. If, in order to remedy the situation, the sectoral supervision body, after the expiration of the period determined by paragraph 4 of this article, determines that the municipality continues taking improper measures, or does not take them at all, or the situation cannot be remedied, the sectoral supervision authority shall be entitled to propose to the Government of Georgia to substitute the local self-government. A decision on the substitution of the local self-government in the relevant municipality shall be made, by an ordinance, by the Government of Georgia. The ordinance of the Government of Georgia shall determine a provisional procedure for the exercise of relevant delegated powers during the substitution of the local self-government, including the duration of the substitution, the administrative body/official responsible for the exercise of the relevant delegated powers, as well as any other measures required for the exercise of the delegated powers. The costs associated with the substitution of the local self-government shall be borne by the relevant municipality. The costs shall be reimbursed by deducting them from the amount of the targeted transfer. Local self-government may not be substituted under this paragraph if the requirement of Article 17(2) has been violated.

7. Local self-government substitution may be used only once, or as a provisional measure, for not more than a year. It shall be prohibited to substitute local self-government during the first and last 6 months of office of a municipality Sakrebulo.

8. A municipality may appeal to a court the lawfulness of the relevant decision on the substitution of the local self-government.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Article 137 - Legal consultation

1. A municipality Sakrebulo may apply in writing to the legal supervisory authority for legal consultation.

2. The written application for legal consultation shall be accompanied by a draft normative administrative-legal act and an explanatory note.

3. Within 15 days after receiving a written application, the legal supervisory authority shall prepare and send to the municipality Sakrebulo a legal opinion on the lawfulness of the draft normative administrative-legal act that is to be adopted. If a legal deficiency is found in a draft normative administrative-legal act, the legal opinion shall include the name of the normative act that the draft contravenes, as well as recommendations for the elimination of the legal deficiencies.

4. A legal opinion of the legal supervision body shall be recommendatory in nature.

Article 138 - Publicity of the activities of the state supervision authority

1. Before 1 February every year, the state supervision authority shall be obliged to draft and publish in the Legislative Herald of Georgia an official report on the work performed during the calendar year in the area of supervision.

2. The official report of the state supervision authority shall include statistical information on the draft normative acts submitted for consultation to the relevant supervision authority, on the individual administrative-legal acts requested by it, a full list of the administrative-legal acts suspended, appealed and annulled during the supervision, also information on the decisions delivered by a court with regard to the appeals of the state supervision authority. The procedure and form of drafting an official report of the state supervision authority shall be approved by the Government of Georgia.

3. Within 15 days after drafting an official report, the state supervision authority shall be obliged to submit it to the Government of Georgia and the Parliament of Georgia.

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

CHAPTER XVII - Audit of the Activities of Municipal Bodies

Article 139 - Ensuring the lawfulness and efficiency of the activities of municipal bodies

To ensure the lawfulness and efficiency of the activities of municipal bodies, the following shall be performed under the legislation of Georgia:

a) a state audit;

b) an independent audit;

c) an internal audit.

Article 140 - State audit, independent audit and internal audit of the activities of municipal bodies

1. A state audit of the activities of municipal bodies shall be carried out by the State Audit Service within the scope of powers determined by the Law of

Georgia on the State Audit Service.

2. By decision of a municipality Sakrebulo, an auditor invited under the legislation of Georgia, shall, not more than once in a year, carry out an independent audit of the activities of municipal bodies. A Sakrebulo shall carry out an independent audit at the request of at least one third of the members on the current list. A report and opinion of an independent auditor shall be submitted to the Sakrebulo, to the State Audit Service and shall be published.

3. An internal audit of the activities of the executive body of a municipality and of the City Hall shall be carried out according to the Law of Georgia on the Public Internal Financial Control and the statute of the City Hall. The subjects responsible for carrying out internal audits shall be designated by the Sakrebulo under the statute of the City Hall.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Chapter XVIII – Direct State Governance; Dismissal of a Sakrebulo and Suspension of Its Activities; Premature Termination of Powers of a Sakrebulo and of the Mayor

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 141 – Dismissal of a Sakrebulo and suspension of its activities

1. A Sakrebulo shall be dismissed or its activities shall be suspended in cases provided for by Article 73(1)(j) of the Constitution of Georgia if the actions of the representative body endanger the sovereignty, territorial integrity of the state or the exercise of the Constitutional powers by public authorities.

2. The President of Georgia shall, upon recommendation of the Government of Georgia and with the consent of the Parliament of Georgia, issue a decree dismissing a Sakrebulo or suspending its activities.

3. Dismissal of a Sakrebulo or suspension of its activities shall respectively result in termination or suspension of powers of the Mayor.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 142 - Premature termination of powers of a Sakrebulo and of the Mayor

1. The powers of Sakrebulo shall be terminated prematurely if:

a) the number of Sakrebulo members is reduced by more than half;

b) within 3 months after the beginning of a new budgetary year, the Sakrebulo fails to approve the municipal budget that has been drafted in the manner prescribed by the legislation of Georgia;

c) the Sakrebulo fails to meet for 6 consecutive months.

2. Powers of a Mayor shall be prematurely terminated in the case provided for in paragraph 1(b) of this article. The Government of Georgia shall, by an ordinance, make a decision on the early termination of the powers of a Sakrebulo or the Mayor.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 143 - Introduction of direct state governance

1. A decision to introduce direct state governance shall be made by the Government of Georgia.

2. Direct state governance shall be exercised by a trustee appointed by the Government or a collegiate body - the ad hoc administration, or an official authorised under this Law.

3. The grounds for the introduction of direct state governance shall be:

a) dismissal of the Sakrebulo or suspension of its activities;

b) early termination of the powers of the Sakrebulo in cases stipulated by Article 142(1) of this Law.

4. When introducing direct state governance, a municipal budget shall be approved, by an ordinance, by the Government of Georgia upon the recommendation of the official/body exercising direct state governance.

Article 144 - Exercising direct state governance

1. When a Sakrebulo is dismissed or its operation is suspended, direct state governance shall be exercised by a trustee of the Government appointed by the Government of Georgia, or by a collegiate body - the ad hoc administration.

2. Upon early termination of the powers of a Sakrebulo based on Article 142(1)(a and c) of this Law, direct state governance shall be exercised by the current Mayor, and in the case provided for by Article 142(1)(b) of this Law, when the powers of the Mayor are terminated, the Government of Georgia shall task the current Mayor with the exercise of the powers of the trustee of the Government until the election of a new Mayor.

3. The official/body exercising direct state governance, shall exercise the municipality's own and delegated powers. The additional powers of this official/body and the procedure for exercising direct state governance shall be determined by the relevant statute that is approved by the Government of Georgia by an ordinance. The exercise of direct state governance shall, in the manner prescribed by an ordinance of the Government of Georgia, be supervised by the Government of Georgia or by the ministry authorised by the Government of Georgia.

4. The lawfulness of the decisions on the dismissal, suspension and early termination of the powers of municipal bodies may be appealed to a court according to the legislation of Georgia.

5. The decisions provided for by paragraph 4 of this article may be appealed by at least a quarter of the members of a Sakrebulo that has been dismissed, or the powers of which have been suspended or terminated, or by the Mayor of the respective municipality.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 145 - Time limits for exercising direct state governance

1. Direct state governance shall be exercised up to the day when the powers of the municipal bodies elected as a result of local by-elections are recognised. If less than a year is left from the moment of early termination of the powers of municipal bodies to regular elections, direct state governance shall be exercised up to the day when the powers of the municipal bodies elected as a result of regular elections are recognised.

2. In cases stipulated by this Chapter, if a Sakrebulo and the Mayor are dismissed or their powers are prematurely terminated, the Sakrebulo and the Mayor shall be elected for the period until the regular elections of local self-government bodies.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Section VII

REGIONAL ADVISORY COUNCIL

CHAPTER XIX - Status and Powers of Regional Advisory Councils

Article 146 - Status of a Regional Advisory Council

1. A Regional Advisory Council is an advisory body of municipalities and it operates under a state trustee - Governor; it shall be established and shall operate in the manner prescribed by this Law.

2. The purpose of the Regional Advisory Council is to ensure that the interests of the municipality are represented and considered in the planning and implementation of the development of the territory falling within the powers of the state trustee- Governor.

Article 147 - Composition of the Regional Advisory Council

The state trustee – the Governor, and Mayors, Chairpersons and Deputy Chairpersons of the Sakrebulos of all appropriate municipalities shall, by virtue of their positions, be members of the Regional Advisory Board.

Organic Law of Georgia No 2820 of 28 November 2014 - website, 3.12.2014

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 148 - Powers of the Regional Advisory Council

The powers of the Regional Advisory Council shall include:

a) discussing projects and programmes to be carried out by the State in the relevant territory upon the recommendation of the state trustee - Governor, as well as their cost estimates;

b) discussing the socio-economic development strategy for the territory falling within the powers of the State trustee - Governor;

c) making recommendations for the state trustee - Governor in the planning and implementation of the development of the relevant territory.

Article 149 - Rules of operation of the Regional Advisory Council

1. The first session of the Regional Advisory Council shall be held within 60 days after the results of the local elections are officially declared.

2. Sessions of the Regional Advisory Council shall be convened and chaired by the state trustee - Governor. The Regional Advisory Council shall meet at least once every 3 months. The rules of operation of the Regional Advisory Council shall be determined by its statute. The statute of the Regional Advisory Council shall, with the consent of the Regional Advisory Council, be approved by the state trustee - Governor.

3. A session of the Regional Advisory Council shall be duly constituted if it is attended by more than half of its members.

4. A session of the Regional Advisory Council shall be recorded in the minutes of the session.

5. The Regional Advisory Council shall adopt recommendations by a majority of the members on its current list.

6. The operation of the Regional Advisory Council shall be organised by the administration of the state trustee - Governor.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 2820 of 28 November 2014 - website, 3.12.2014

Section VIII

TRANSITIONAL AND FINAL PROVISIONS

Chapter XX – Transitional Provisions

Article 150 - Local elections and term of office of local self-government bodies

1. The regular local elections of 2014, except for the municipalities abolished under Article 152 of this Law, shall be held in the municipalities and self-governing cities existing as of 1 January 2013, as well as in self-governing cities determined by Article 151(1) of this Law and new municipalities established under Article 152 of this Law.

2. During the regular local elections of 2014 the Sakrebulos and Gamgebelis/Mayors of the relevant municipalities shall be elected in accordance with this Law.

3. After the regular elections of local self-government bodies in 2014, the next regular elections of local self-government bodies shall be held in October 2017. The regular elections of local self-government bodies in 2017 shall be called 60 days before the elections by the President of Georgia with the counter signature of the Prime Minister of Georgia. The term of office of the Sakrebulo elected in 2014 shall expire when the powers of the appropriate Sakrebulo elected as a result of the regular Sakrebulo elections in 2017 are recognised. The term of office of a Gamgebeli/Mayor elected in 2014 shall expire upon the term of office of a respective Mayor elected as a result of the regular Mayoral elections in 2017 take effect.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 151 - Self-governing cities and administrative centres of municipalities

1. The status of self-governing city has been assigned, by virtue of the Organic Law of Georgia of 2005 on Local Self-Government, and shall be assigned, by virtue of this Law, to the following cities: Tbilisi, Rustavi, Kutaisi, Poti and Batumi.

2. An administrative centre of a municipality (except for a self-governing city) shall be the administrative centre of the municipality existing before the regular local elections of 2014.

3. Administrative centrer of a municipality established under Article 152 of this Law shall be determined according to Article 10 of this Law.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 152 - Territorial optimisation of municipalities

1. The State Commission for Regional Development of Georgia established under Ordinance No 297 of the Government of Georgia of 28 September 2010 on the Approval of the Statute of the State Commission for Regional Development of Georgia ('the State Commission') shall:

a) within a month after this Law is published, design criteria for the territorial optimisation of municipalities;

b) based on the criteria for territorial optimisation of municipalities developed according to sub-paragraph (a) of this paragraph with respect to granting the status of a self-governing city to settlements that fall within the category of a city (Telavi, Ozurgeti, Zugdidi, Gori, Ambrolauri, Mtskheta and Akhaltsikhe), within 3 months after the publication of this Law, draft and submit to the Government of Georgia proposals for the establishment of new self-governing communities;

c) after the completion of the works provided for by sub-paragraph (b) of this paragraph, draft proposals for the territorial optimisation of other municipalities, and not later than a year before the regular local elections of 2017, submit to the Government of Georgia proposals on the splitting of those municipalities;

2. While drafting the proposals provided for by the paragraph 1(b-c) of this article, the State Commission shall be guided by the criteria developed according to paragraph 1(a) of the same article, and the requirements of Article 10 of this Law.

3. Taking into consideration the proposals drafted based on the paragraph 1(b-c) of this article, the Government of Georgia shall, in the manner prescribed by Article 10 of this Law, apply to the Parliament of Georgia with a recommendation to establish or abolish municipalities. The issue of separating the relevant municipalities in connection with granting of the status of a self-governing city under paragraph 1(b) of this article to the settlements falling within the category of a city (Telavi, Ozurgeti, Zugdidi, Gori, Ambrolauri, Mtskheta and Akhaltsikhe) shall be initiated in the Parliament of Georgia within 15 days after the application of the State Commission.

4. (Deleted – 26.7.2017, No 1251).

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 153 - Measures to be implemented with regard to the entry into force of the Law

1. The State Commission shall prepare a provisional procedure for drafting budgets of the new municipalities established based on Article 152 of this Law, as well as for the allocation of budgetary receipts and payables; the procedure shall be in place up to the end of 2014, the Commission shall also develop the procedure for the allocation of property and liabilities among those municipalities.

2. The draft administrative-legal acts stipulated by paragraph 1 of this article shall be submitted for approval to the Government of Georgia not later than 31 May 2014.

3. In those self-governing units as a result of the abolition of which new municipalities are established under Articles 151 and 152 of this Law, an interim working group shall be set up before 1 May 2014 according to paragraph 1 of this article. The interim working group shall, based on the procedures approved by the Government of Georgia, ensure the drafting of proposals for the distribution of property and liabilities between municipalities and their submission to the Sakrebulo for approval. The Sakrebulo of the relevant municipality shall deliver a decision not later than by the regular elections of 2014.

4. To ensure immediate reflection of the budgetary receipts in the budgets of the new municipalities, the Ministry of Finance of Georgia shall take relevant measures until1 June 2014.

5. The first session of the Sakrebulo of a municipality elected at the regular local elections or 2014 shall be convened by the Central Election Commission of Georgia, within 30 days after summing up the final results of the elections.

6. Before 1 January 2014, the Ministry of Finance of Georgia and the Ministry of Regional Development and Infrastructure of Georgia shall ensure preparation of a provisional procedure for drafting the budgets for the period following the regular elections of 2014 of the municipalities established under Article 152 of this Law and its submission for approval to the Government of Georgia. The powers of the Sakrebulo of an existing municipality shall be terminated upon the first meeting of the newly elected Sakrebulo or of one of the Sakrebulos of the new municipalities established in the territory of the municipality.

7. Before 1 January 2018, municipalities shall ensure implementation of appropriate measures with regard to the optimisation of a joint stock company, a limited liability company, and a non-entrepreneurial (non-commercial) legal entity that fail to meet the requirements under Article 106^1(1) of this Law.

Organic Law of Georgia No 100 of 16 December 2016 - website, 23.12.2016

Article 154 - Separation of receipts between budgets

1. Before 1 September 2014, the Government of Georgia shall submit for review to the Parliament of Georgia a draft Law on the Amendments to the Budgetary Code of Georgia, which determines the separation of receipts between the state budget of Georgia, the republican budget of Abkhazia and Ajara Autonomous Republics and the municipal budgets according to percentage figures.

2. The draft law stipulated by paragraph 1 of this article will determine the proportion of and mechanism for the allocation of income tax between the budgets of different levels.

3. The Ministry of Finance of Georgia shall ensure the drafting of the draft law stipulated by this article.

Organic Law of Georgia No 2936 of 12 December 2014 - website, 24.12.2014

Article 155 - Determination of the total amount of non-financial assets

1. The percentage of the total volume of growth of non-financial assets in the total amount of the budgetary payables of the municipality planned for the same budgetary year shall not be less than the analogous annual average indicator of the 3 years preceding the planning year. In that case, the financial resources received/to be received by the municipality within a year in the form of targeted, special and capital transfers shall not be taken into consideration.

1 . Paragraph 1 of this article shall apply to legal relationships arising after 1 January 2015.

2. In cases provided for by this Law, if the requirements of paragraph 1 of this article apply to the municipalities established as a result of splitting of a municipality, the average indicator of the budgetary payables of the 3 years preceding the planning year shall be calculated using the data of the municipality that existed before the splitting.

3. A Municipality may only use the increased financial resources gained on the basis of an annual increase of forecast indicators (volume) of its own receivables included in the municipality budget (a positive difference between the own receivables included in the municipality budget for the planning budget year and the own receivables included in the approved municipality budget for the preceding year) to finance the payables connected with the increase of non-financial assets, except for funds necessary to provide care and maintenance, and operation of new infrastructure facilities (roads, sports and education institutions, and other facilities).

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 5566 of 24 June 2016 - website, 11.7.2016

Article 155^1 – Measures and restrictions to be implemented for adhering to the limits of macroeconomic indicators determined under the legislation of Georgia

The Parliament of Georgia may, for adhering to the maximum limits of macroeconomic indicators determined under the Organic Law of Georgia on Economic Freedom, set limits by the Law of Georgia on the State Budget with respect to the major indicators of budgets of local self-governing units.

Organic Law of Georgia No 100 of 16 December 2016 - website, 23.12.2016

Article 156 - Provisional procedures for the determination of the number of public servants in the local self-government and for the reimbursement of the costs of members of a municipality Sakrebulo

1. The number of public servants in a local self-government provided for by the staff lists of the public servants of the Gamgeoba/City Hall and Sakrebulo shall be at least 30 units. In those municipalities where the number of constituents is less than 45 000, the number of public servants shall not exceed a sum calculated by adding the minimum number of public servants (30 staffing positions) to the product of the number of majoritarian districts determined by the relevant Sakrebulo for the 2014 local elections and the ratio of 3.2, and to1 staffing position for each 450 constituents registered in the self-governing unit. In the municipalities where the number of constituents is more than 45 000, the number of public servants shall not exceed a sum that is calculated by adding the minimum number of public servants (30 staffing positions), to the product of the number of majoritarian districts determined by the relevant Sakrebulo for the 2014 local elections and the ratio of 2.3, and to 1 staffing position for each 500 constituents registered in the self-governing entity.

2. The number of persons in a municipality employed under labour contracts shall be determined in accordance with the Law of Georgia on Remuneration of Labour in Public Institutions.

2^1. The number of persons in a municipality employed under labour contracts during the period from 1 July 2017 to 31 December 2017 may only exceed the limited number permitted by paragraph 2 of this article when persons on the staff list before 1 July 2017 are employed under labour contracts.

2^2. Considering paragraph 2^1 of this article, the total number of persons on the staff list of a municipality Gamgeoba/City Hall and the Office of Sakrebulo, and persons employed under labour contracts during the period from 1 July 2017 to 31 December 2017 shall not exceed the sum of the limited numbers permitted by paragraphs 1 and 2 of this article.

3. The remuneration costs for the public servants of Gamgeoba/City Hall and Sakrebulo may not exceed 25% of the costs provided for by the budget of the municipality.

4. Paragraphs 1-3 of this article shall not apply to the self-governing city Tbilisi, as well as to the municipalities of Akhalgori, Eredvi, Kurti, Tighvi and Azhara.

5. According to Article 41(3), the monthly amount of the reimbursable costs for the member of a municipality Sakrebulo who is not an official of the municipality Sakrebulo, shall not exceed 15% of the maximum amount of the salary of the chairperson of that municipality Sakrebulo. The costs of business trips shall not be included in the monthly amount of reimbursable costs. The above restriction shall not apply to members of the Tbilisi Sakrebulo.

Organic Law of Georgia No 2820 of 28 November 2014 - website, 3.12.2014

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Organic Law of Georgia No 1837 of 22 December 2017 – website, 29.12.2017

Article 157 - Training of public servants of local self-government

The Ministry of Regional Development and Infrastructure of Georgia shall draft proposals for developing a system of continuous training of public servants of local self-government, and submit them for review to the Government of Georgia not later than 1 May 2014.

Article 158 - Logistical support of newly established municipalities

1. The accommodation (if necessary, transfer of relevant buildings, construction of new buildings, repair and rehabilitation of municipal-owned buildings) and logistical support of the bodies of the municipalities established under Article 152 of this Law shall be provided by the Government of Georgia.

2. To perform the work provided for by paragraph 1 of this article, relevant activities works shall, by decision of the Government of Georgia, be carried out by the Ministry of Regional Development and Infrastructure, the Ministry of Finance and the Ministry of Economy and Sustainable Development of Georgia, within their competencies.

Article 159 - Ensuring the development of infrastructure in the territory of a municipality

To ensure the exercise by a municipality of its powers, on the initiative of the municipality and upon the instructions of the Government of Georgia, the relevant public agency shall be entitled to implement infrastructure projects that are necessary for the exercise by the municipality of its powers.

Article 160 - Ensuring the preparation of cartographic materials for the determination of administration boundaries of municipalities

The Ministry of Justice shall:

a) before 31 December 2017, submit to the Government of Georgia for approval, the procedure for determining the administrative boundaries of the Municipalities;

b) before 1 June 2014, submit for approval to the Government of Georgia, the relevant state target programme for the purpose determined by sub-paragraph (a) of the same article.

Organic Law of Georgia No 1251 of 26 July 2017 – website, 29.7.2017

Article 161 - Validity of legal acts during the transitional period

1. Before the bodies of the municipalities established under Article 151(1) and 152 adopt relevant normative acts, the administrative-legal acts of those self-governing units after the splitting in which the new municipalities were established, shall apply across the administrative territories of these municipalities.

2. Before the Tbilisi Sakrebulo adopts relevant normative acts, the normative acts of the Tbilisi City Hall and of the Government of Tbilisi shall retain their force.

Article 162 - Time frames for the transfer of agricultural land to municipalities

The Ministry of Justice of Georgia, the Ministry of Regional Development and Infrastructure of Georgia, the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Finance of Georgia shall, before 1 January 2017, draft and submit for approval to the Government of Georgia relevant schedules and procedures for the time frames of the transfer of agricultural land to municipalities.

Article 163 - Terms for the exercise of powers relating to the provision of water supply and sewerage services by a municipality

1. Within the powers stipulated by Article 16(2)(h) of this Law, a municipality shall provide water supply and sewerage services through appropriate licensed entities under private law in the settlements where the relevant licensed provider does not deliver the above services.

2. The terms of legal relations between a municipality, the Georgian National Energy and Water Supply Regulatory Commission and providers represented by entities under private law shall be determined by the relevant legislative act, within the powers stipulated by Article 16(2)(h) of this Law.

3. The draft legislative act determined by paragraph 2 of this article shall, before 1 July 2015, be prepared by the Ministry of Regional Development and Infrastructure, and be submitted to the Parliament of Georgia by the Government of Georgia.

Organic Law of Georgia No 2589 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 2973 of 25 December 2014 - website, 30.12.2014

Article 163^1 - Interim procedure for ensuring fire safety and protection of populations and territory in emergency situations in municipalities

1. Before 10 January 2015, a municipality shall be responsible for ensuring fire safety and protection of the population and territory in emergency

situations. These powers shall be exercised by a municipality as its own powers, in accordance with the legislation of Georgia.

2. The powers prescribed by paragraph 1 of this article shall be exercised in municipalities split according to the Resolution No 2205-IIS of 4 April 2014 of the Parliament of Georgia on the Splitting of Municipalities and on the Establishment of Self-Governing Communities - Municipalities only by the relevant self-governing city within the administrative boundaries of the municipality abolished as a result of the splitting.

3. The servants working in the relevant structural unit/ structural sub-unit of the municipality that exercises the powers prescribed by paragraph 1 of this article shall not be subject to the limitation of the number of municipal servants provided for by Article 156(1) of this Law. The quantitative limitation of the officials provided for by Article 52(2) of this Law shall not apply to the head of the relevant structural unit of a municipality. ***(Shall apply to the legal relations arising from 3 July 2014)***

Organic Law of Georgia No 2585 of 30 July 2014 - website, 11.8.2014

Article 163[2] - Procedure for changing or cancelling the purchase of the property of Tbilisi, privatised in the form of an auction, for the recipient of the property of Tbilisi transferred with the right to use or with the right of management the condition(s) relating to that property

The Government may apply to the Tbilisi Sakrebulo to change or cancel the purchase of the property of Tbilisi, privatised in the form of an auction, for the recipient of the property of Tbilisi transferred with the right to use or with the right of management of the condition(s) relating to that property if the property of Tbilisi was privatised, transferred with the right to use or with the right of management before 31 December 2013.

Organic Law of Georgia No 3977 of 8 July 2015 – website, 20.7.2015

Article 164 - Exercising local self-government in the occupied territories of Georgia

1. The local authorities established in the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara as a result of the 2006 elections of local representative bodies, including Gamgeobas and territorial bodies of self-governing units, shall exercise their powers before Georgia regains its jurisdiction over these territories, and before local authorities are established in those territories in the manner prescribed by the legislation of Georgia.

2. Unless otherwise provided for by this article, the powers of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara, the structure of their bodies, powers and the rules of operation shall be determined by this Law. The powers of a territorial body of a self-governing unit shall, according to paragraph 3 of this article, be determined by the statute of a municipality Gamgeoba. Sakrebulos of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara may not establish new territorial bodies of self-governing units, and the Gamgebelis of the same municipalities may not appoint their representatives.

3. The bodies of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara may, in the territories of other municipalities where internally displaced persons – IDPs are settled, who permanently resided in the territories of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara, carry out only those activities within the scope of their own and delegated powers that directly relate to the provision of aid to these persons before they return to their permanent place of residence, and to the improvement of their social and living conditions, as well as to the powers delegated by the State to the municipalities under the Organic Law of Georgia on Citizenship of Georgia, Law of Georgia on Military Duty and Military Service and the Law of Georgia on Military Reserve Service.

4. When appointing or dismissing the Gamgebelis of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara, the rules for the appointment and removal of the chairperson of a municipal Sakrebulo provided for by Articles 33 and 34 of this Law shall apply, unless other procedures have been provided for by this article.

5. A decision on the appointment or removal of the Gamgebelis of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara shall be made by a majority of the votes of persons attending the session of the Sakrebulo of the relevant municipality, but with not less than one third of the members on the current list of the municipality Sakrebulo. A candidate for Gamgebeli may be a member of the Sakrebulo of the relevant municipality, except for an official of the municipality Sakrebulo, or a citizen of Georgia who has attained the age of 25 and has electoral rights, and who has resided in Georgia for at least 5 years and who, for the last 2 years before the calling of the elections, has permanently resided in Georgia and is an internally displaced person from the relevant municipality.

5[1]. A session of the Sakrebulos of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara shall be duly constituted if it is attended by a majority of the members on the current list of the Sakrebulo. A municipality Sakrebulo shall adopt a decision by a majority of the votes of the persons attending the session, but with at least one third of the members on the current list of of the municipal Sakrebulo.

6. The powers of a municipal Sakrebulo member shall be suspended if he/she is elected as the Gamgebeli of the municipality. The powers of a Sakrebulo member shall be restored to that person upon the termination of the powers of Gamgebeli from the day following the occurrence of the relevant fact, which the municipal Sakrebulo shall take into consideration and record in the minutes.

7. After this article enters into force, a municipal Sakrebulo shall be authorised to elect a new Gamgebeli. In other cases, the term of office of the relevant official of a municipality shall be extended for the term determined by paragraph 1 of this article, or until the election of the municipal Gamgebeli according to paragraph 5 of this article.

8. The grounds for termination of powers stipulated by Article 56(2)(h) shall not apply to the Gamgebelis of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara. ***(Shall apply to legal relationships arising from 3 July 2014)***

9. The grounds for the termination of powers of a municipal Sakrebulo stipulated by Article 142(1)(a) shall not apply to the Sakrebulos of the municipalities of Akhalgori, Eredvi, Kurta, Tighva and Azhara.

10. For municipalities provided for in this article, the equalisation transfer specified in Article 94 of this Law may be defined under a different procedure, by the Law of Georgia on the State Budget.

Organic Law of Georgia No 2585 of 30 July 2014 - website, 11.8.2014

Organic Law of Georgia No 4087 of 22 July 2015 - website, 4.8.2015

Organic Law of Georgia No 5142 of 27 May 2016 – website, 4.6.2016

Organic Law of Georgia No 100 of 16 December 2016 - website, 23.12.2016

Article 165 - Measures to be taken in relation to the entry into force of the Law

1. The Government of Georgia shall:

a) before 1 July 2014, ensure the approval of the procedure for giving names to the geographical features located within the administrative boundaries of a municipality;

b) before 1 June 2014, ensure the determination of the procedures for the establishment and use of the coat-of-arms, banner and other symbols of a municipality based on preliminary consultations with the Council of Heraldry under the Parliament of Georgia;

c) before 1 June 2014, ensure the determination of the procedures for the privatisation and transfer of a municipal property with the right to use and with the right of management, of the initial price of privatisation during the privatisation of property, of the rent cost and initial rent cost during the transfer of property with the right to use, as well as of the procedures of payment;

d) before 1 January 2015 draft a law on the additional forms of citizen participation in the exercise of local self-governance and submit it to the Parliament of Georgia;

e) before 1 January 2016, draft a law for the purpose of determination of local natural resources, including water and land resources and submit it to the Parliament of Georgia.

2. The Government of Georgia shall, before 1 July 2015, ensure the drafting of the relevant legislative amendments required for the full separation of state and municipal powers, also, if necessary, the determination of the relevant areas for the delegation of powers to a municipality, and the submission of draft legislative acts to the Parliament of Georgia.

3. The Ministry of Justice of Georgia shall, before 1 July 2014, ensure the approval of the procedure for registering municipalities according to the registration data, and for updating and publishing registration data.

4. The Sakrebulos of municipalities shall, within 6 months after the official announcement of the results of the regular local elections of 2014, ensure the compliance of their normative acts with this Law.

Organic Law of Georgia No 2973 of 25 December 2014 - website, 30.12.2014

Chapter XXI - Final Provisions

Article 166 - Normative acts repealed in connection with the entry of the Law into force

1. The following shall be repealed from the day of the official announcement of the results of the 2014 local elections):

a) Organic Law of Georgia on Local Self-Government (Legislative Herald of Georgia, No 2, 9.1.2006, Article 12);

b) Law of Georgia on the State Supervision over the Activities of Local Authorities (Legislative Herald of Georgia, No 22, 19.6.2007, Article 194);

c) Law of Georgia on the Capital of Georgia – Tbilisi (Parliamentary Gazette, No 11-12, 14.3.1998, p. 42);

d) Law of Georgia on the Property of a Local Self-Governing Unit of Georgia, No 15, 19.4.2005, Art. 101).

2. From the day of entry of this Law into force, Articles 11, 12 and 14 of the Organic Law of Georgia on Local Self-Government (Legislative Herald of Georgia, No 2, 9.1.2006, Art.12).

3. From the day of repealing the legislative acts stipulated by paragraph 1 of this article, the subordinate normative administrative-legal acts published based on these repealed acts shall retain their legal effect until those acts are repealed by the authorised bodies in the manner prescribed by the legislation of Georgia.

Article 167 - Procedure for the entry of the Law into force

1. This Law, except for Articles 1-3, paragraphs 1 and 3 of Article 4, Articles 5-9, 14-149, 151, 155-156, 161 and 163 shall enter into force upon publication.

2. Articles 1-3, paragraphs 1 and 3 of Article 4, Articles 5-9 and 14-100, Article 101(1), Articles 102-149, 151, 155, 161 and 163 shall enter into force on the day of the official announcement of the results of the regular local elections of 2014.

3. Paragraphs 1 and 4 of Article 156 of this Law shall enter into force on the 120th day after the official announcement of the results of the regular local elections of 2014.

4. Article 156(2 and 3) and Article 101(2) of this Law shall enter into force from 1 January 2015.

5. Article 155(1 and 2) and Article 156 of this Law shall be valid until 1 January 2019, and Article 155(3) and Article 159 of this Law shall be valid until 1 January 2021.

Organic Law of Georgia No 5566 of 24 June 2016 – website, 11.7.2016

Organic Law of Georgia No 1718 of 7 December 2017 – website, 14.12.2017

President of Georgia **Giorgi Margvelashvili**

Kutaisi

5 February 2014

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