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**Palestinian National Authority
Ministry of Local Government**

**Project Draft
"Palestinian Local Government Law"**

December 1994

**PALESTINIAN NATIONAL AUTHORITY -JERICHO AREA
MINISTRY FOR LOCAL GOVERNMENT
LAW FOR THE LOCAL GOVERNMENT**

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Palestinian National Authority
Ministry of Local Government

"Palestinian Local Government Law"

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Preamble

1. The purpose of this law is to deal with local governance and administration in Palestine, to introduce a number of new features in the local structure and approach in an attempt to apply them to the current requirements of the Palestinian social reality.

In general, this law shall be employed to simplify the complex administrative structure and legal regime of local government currently in practice in Palestine. Thus on the one hand, the West Bank and the Gaza Strip will, according to this law, have a unified legal system which shall repeal the legal discrimination that existed between them in the past, i.e. the Egyptian Law in Gaza and the Jordanian Law in the West Bank. On the other hand, it shall introduce a number of revisions in the functions and administrative and institutional structure of local government.

Not only did the previous regimes strengthen the legal discrimination between Gaza and the West Bank, they were also, by relying on the regulations inherited from those imposed by the British Mandate, old and inadequate. They acquire their principles from despotic and centralized concepts that are compatible with the colonialist regime emanating from that mandate. This law however stipulates the need to search for modern local government regulation compatible with the current requirements of the Palestinian society. It shall be based on the principles of democracy and administrative independence.

2. In accordance with this law the local administration in Palestine shall be regulated on two levels: municipal and provincial. The municipality shall be the principal unit in the local administration, and every population concentration with a population exceeding one thousand shall, in itself, constitute a municipality. In principle, all municipalities, regardless of size, shall enjoy the same administrative structure and the same basic powers. The municipality shall be managed by the municipal council and the Mayor who are directly elected by the citizens and shall enjoy legislative and executive powers. In this respect, the content of these two bodies, the council and the Mayor, shall acquire a new form different from that of the past, whether in relation to their election, their jurisdiction, or internal performance style.

The Palestinian provinces are those stipulated in the schedule attached to this law. They shall also include the municipalities stated in this schedule. Provinces shall be established as a binding and coordinating mechanism between the different municipalities lying within its boundaries on one hand and between these municipalities and their policies and the central government and its policies on the other. Provinces shall strive to assist, direct, and supervise the work of the municipalities and ensure that they fulfill the provisions of this law. For this purpose, the position of Governor has been created. The Governor, in his capacity as the head of the provincial council and as the representative of the central government in the province shall take an effective role in the process of linkage and coordination between the municipality and the Palestinian Central Authority.

In addition, this law deals with the possibility of creating new supra-municipal local bodies or institutions where municipalities may participate amongst themselves for the purposes of coordination, administration, and provision of some common services. This may help in reducing the cost and upgrade the level and content of services. On the other hand, the law stipulates the possibility of creating sub-municipal local bodies and institutions for facilitating the administration of small population concentration with less than one thousand residents who may not form an independent municipality and must join in with other small population concentrations to form, to a certain extent, a joint municipality in a decentralized and independent manner.

3. As for the work of the local bodies, this new regulation relies on the bases and principles of democracy and independence, or decentralization in the local administration. In concordance with the principles of democracy, municipalities, provinces, and other local bodies shall take the majority of their decisions,

particularly the most important, through voting and on the basis of majority decision by the municipal or provincial councils, the community commissions or the committee responsible for the administration of the local body. This does not contravene, in fact it is fully compatible with the role the law provides to the heads of these councils and bodies in regard to representation, administration, and political initiative.

In accordance with the principle of administrative independence, local government bodies according to this law, shall have the complete freedom to systematize their functions and make the decisions revolving around the means, form, and the most suitable period to exercise their powers in addition to internally regulate their structures and functions in accordance with the provisions of this law. At the same time, the law establishes the appropriate mechanisms for ensuring the realization of the provisions and objectives of local bodies thoroughly and completely. In this manner, not only where the bases for the complete adherence to the law and the coordination in the exercise of local bodies have been merely established, the law also touches upon the principle of the local bodies' responsibilities in regard to the exercise of their jurisdiction. These all lead to the scrupulous and superintended role of the Palestinian Central Authority which is empowered by this law, and the possibility of monitoring the entire operation, regulations, and decisions of the local bodies and to subject it to the supervision of the Palestinian courts of law.

4. We also find the principles of independence and financial sufficiency provided by this law to be in close harmony with the principle of administrative independence. In accordance with the principle of financial independence, local bodies are in a position to make their private decisions to acquire their own financial resources and the size of these sources, to manage it and regulate the expenses in addition to regulating its own internal financial structure. All of these are within the limits of the provisions of the law. The principle of financial sufficiency is aimed so that local bodies obtain enough resources for the purpose of providing the services required for their citizens. For this purpose the law addresses private and internal resources as well as external resources, such as those coming from the Palestinian Central Authority and aid from other sources -Palestinian or foreign- when it mentions the financial resources of the local bodies.
5. Finally, this law addresses property regulation and tenders to local bodies; the regulation concerning the employees and workers of the local bodies; the treasury regulation and local accounts; and administrative, financial, and judicial inspection

of the local bodies.

On the other hand, this law does not deal with the election regulations for municipalities and Mayors. The particularity of this article and the comprehensiveness of such a regulation suggested that it be dealt with separately in the Local Election Law which is mentioned in many articles of the Local Government Law.

Part One
General Provisions

Article 1

THE PURPOSE OF THE LAW

1. The purpose of this Law is to provide for the provisions concerned with the Palestinian Local Government Regulation.
2. Local government implies the cluster of bodies and institutions responsible for the administration of municipalities, supra-municipalities, and sub-municipalities that are established in accordance with the provisions of this Law.

Article 2

DEFINITIONS

The following terms and concepts expounded in the text of the law shall denote the following:

The Palestinian Central Authority: The institutions of the Palestinian Government.

Security: The collateral which a specific local body may present to the contracting party as stipulated in Article 110 of this Law.

Public Property: The collection of properties belonging to the local body which may not be disposed of and which are designated for the provision of a specific service as stated in Article 69-3.

Property of the local bodies: The collection of properties belonging to the local body which may be exploited and which are neither designated for use or for the provision of a specific service, as specified in Article 69-4.

The Tenders' Committee: The instrument which a local body may create for the purpose of studying and concluding contracts and bids to be implemented as stipulated in Articles 71, 75-6, 76-5.

The Administrative Committee: The instrument of administration which may be created

by small population concentrations whose population is less than one thousand, as stipulated in Articles 61 and 67.

The Committee for Employees and Workers Affairs: The mechanism which may be created by the local bodies for the administration of the affairs of the individuals, workers and employees engaged in serving the local bodies, as stated in Article 79-4.

The Municipal Executive Committee: The administration mechanism which the municipalities with a population exceeding five thousand may establish, as provided for in Article 26.

Member of the Municipal Council: The elected member of the municipal council, as stated in Articles 27, 34 till 39.

Member of the Provincial Council: The member consigned for the membership of the Provincial Council, as stipulated in Articles 47, 55 till 60.

Municipal Council: The body elected to administer the municipality, as provided for primarily in Articles 20, 23, and 24.

Provincial Council: The body for the administration of the province as stipulated in Articles 47 till 50.

Accounts: The process of the registration of all of the local body's financial and economic activities, as provided for in Articles 114 till 116.

Special Taxes: Allotments that may be levied by local agencies as a result of an improvement on the value of a property which resulted from the construction of public projects, or the creation and expansion of public services, as stated in Articles 88-1, 94, and 95.

Administrative Inspection: Inspection and supervision over the local bodies administrative tasks by the Palestinian Central Authority as stated in Articles 121 and 122.

Financial Auditing: Supervision and auditing over the tasks of the local bodies' finances by the Palestinian Central Authority, as stated in Articles 119 and 120.

General Account: General registration for the local bodies' economic and financial activities as stated in Article 116.

The Governor's Representatives: The representatives which the Minister of Local Government may appoint for the purpose of supporting and backing the Governor in the conduct of his duties in specific areas in the province, as stipulated in Articles 47-3, 53, and 55.

Local Bodies: Municipalities, provinces, and other local bodies that are smaller or larger than a single municipality, as stipulated in the articles of this Law.

Local Bodies Smaller than a Municipality: Local bodies that do not reach the level of a municipality and that which may not be established thereto, as stated in Articles 66 till 68.

Local Bodies Larger than a Single Municipality: Supra-municipal bodies that are larger than a single municipality and which may be established pursuant to Articles 61 till 65.

Employee: The individual who works in the service of the local bodies and who is subject to the special regulation stipulated in Articles 80 till 83.

Governor: The position of the head of the provincial administration as stipulated in Articles 47, 48, 50, 51, 52, 55, 57, and 58.

Central Government: The executive instrument in the political administration of Palestine.

Local Government: The body of administrative institutions pertaining to municipalities, provinces, and the other local bodies as stated in the articles of this Law.

Inspection of the Local Bodies: The process of inspecting the financial and administrative affairs of the local bodies as stipulated in Articles 119 till 122.

Supervision: The economic supervision over local bodies as stated in Articles 117 and 118.

Supervisor (Inspector): The individual responsible for the process of supervision and inspection, as stated in Articles 117 and 118.

Ministry of Local Government: The Ministry specialized in the affairs of the local

administration, as stated in Article 9.

Municipality: The principal unit for regulating the Palestinian local administration and territories, as stipulated in part two of this Law.

Possession of the Local Bodies: The collection of properties, dues, and shares belonging to the local bodies, as stated in Article 84.

The Temporary Workers of the Local Bodies: The group of individuals employed temporarily for the service of the local bodies for activities that do not necessitate the employment of employees, as stipulated in Article 85.

The List of Workers and Employees: The list and description of work and employment positions of the local bodies, as stipulated in Article 78.

Residents: The group of people residing within a specific municipal boundaries, as stated in Article 16 till 19.

General Price: The dues which local bodies may levy in return for the private use of public property and services by individuals, as stated in Articles 88, 92, 93, 101, 103.

The Mayor: The position elected to administer the municipalities as stipulated in Articles 20 till 22.

The General Budget: The collection of the local bodies' annual regulations which, according to them, the expected annual revenues, expenses, and the related general provisions may be specified, as stipulated in Articles 104 till 109.

Province: The local government body which consists of a specific group of municipalities lying within a geographic area, as stipulated in Part III of this Law.

Municipal Population Registry: The registry which comprises the entire citizens residing in the municipal area as stated in Article 17.

Resident: The municipal citizen who fulfills the conditions stipulated in Article 28.

Secretary of the Municipal Council: One of the municipal administrative positions

stipulated in Article 28.

The Secretary of the Province: One of the provincial administrative positions stipulated in Article 54.

Financial Assistance: Assistance provided to the local bodies by any other party, Palestinian or foreign, for the purpose of implementing a specific project or for the provision of a specific general service, as provide for in Article 88-1 and 98.

Fees: Dues which a local body may levy in return for the provision of public services, as provided for in Articles 88,92, 93, 101, an 103.

Municipal Area: The geographic area where the municipality's jurisdiction is covered, as stipulated in Article 14.

Treasury: The collection of financial sources belonging to the local body, as stated in Article 111 till 113.

Treasurer: The administrative position in the local body responsible for the treasury of the body as provided for in Article 111.

Internal Taxes: The collection of dues and municipal taxes which the local body may impose on its citizens, as provided for in Articles 88-1, 90 and 91.

Deputy Mayor: The municipal administrative position who carries out the duties stipulated in Article 25.

Article 3

THE STRUCTURE OF THE LOCAL GOVERNMENT

1. Palestinian areas shall be administratively regulated through municipalities and provinces.
2. In accordance with the provisions of this Law, it is permissible to establish local bodies having a scope wider than the scope of a single municipality for the purpose of administering and coordinating the common concerns and services of more than one municipality located within one province. It is also permissible to establish bodies

that are smaller than the scope of a single municipality to administer specific affairs within the boundaries of a municipality.

Article 4

LOCAL GOVERNMENT INSTITUTIONS

1. The responsibility to run the Palestinian municipalities and provinces shall fall on the municipal and provincial councils.
2. The municipal council shall be headed by the Mayor. The members of the municipal council and the Mayor shall be elected , freely and directly, by the citizens residing in the municipality.
3. The governor shall head the provincial council. Provincial councils shall be elected by the municipal councils in each province. The governor shall be appointed by the Palestinian Government.

Article 5

THE SPECIFICATIONS AND JURISDICTIONS OF THE LOCAL BODIES:

1. The municipalities and provinces shall possess a judicial personality of their own and shall have the complete power to act accordingly within the framework of this Law and the body of all other laws. Municipalities and provinces shall have the power to own and assign property, sign contracts, present objections and practice the judicial rights recognized by this Law and by any other Law promulgated by the Palestinian Central Authority.
2. Municipalities and provinces shall enjoy, within the scope of their independence and geographic boundaries, the following:
 - a. The jurisdiction to plan and program their activities.
 - b. The jurisdiction to stipulate their own regulations and to regulate themselves.
 - c. Fiscal and financial jurisdiction.
 - d. The jurisdiction to own and possess.

- e. The jurisdiction to impose fines.
 - f. The jurisdiction to forcefully implement their decisions.
 - g. Their rights and possessions may not be expropriated.
 - h. The legal and legitimate assumption of their decisions and activities.
- 3. The decision of the municipalities and provinces shall be subject to the administrative objections before their institutions. In general, all their actions shall be subject to supervision and scrutiny by the Palestinian courts of law.
 - 4. The provisions stated in the previous paragraphs of this Article shall, in accordance with this Law, also apply to other local bodies.

Article 6

THE INDEPENDENCE OF THE LOCAL BODIES, THEIR RESPONSIBILITIES, THEIR COORDINATION AND COMPLIANCE WITH THE LAW

- 1. Municipalities and Provinces shall function on the bases of the independence principles, responsibility, coordination and full compliance with the Law.
- 2. In accordance with the independence principle, local bodies shall have the full capacity to program their activities, assert the pattern, style, and the appropriate moment to exercise their powers and manage their structures and internal functions in accordance with the provisions of this Law and with any other Law promulgated by the Palestinian Central Authority.
- 3. In accordance with the principle of responsibility, local authorities shall be responsible for their activities before the electorate, before the Palestinian Central Authority, and before the Palestinian courts of law pursuant to this Law or to any other Palestinian law. Individuals or institutions harmed by the action of these bodies may object, before the competent Palestinian courts, against the decisions and actions of the local bodies and authorities and demand compensation thereto.
- 4. In accordance with the principle of coordination, local bodies shall accede, in the exercise of their powers, to coordination when the activities and the provided services

transgress the scope of a single municipality, or if they infringe on the state's concerns in general, or the concerns of any local body in particular, or if these activities and services are complementary and homogeneous. The Palestinian government, the provincial councils, the municipal councils or sub-municipal councils established in accordance with the provisions of this Law.

5. In accordance with the principle of total compliance with the law, all activities of the local bodies shall comply with the provisions of this Law or any other law promulgated by the Palestinian Central Authority as well as to their by-laws. The Palestinian Courts of Law may revoke any decision or by-law promulgated by the local bodies if it was proved that they are in conflict with the provisions of the laws in force.

Article 7

THE LEGAL REGIME OF LOCAL GOVERNANCE

1. Upon the entry of this Law into force, municipalities, provinces, and any other local body established thereto, shall comply with the provisions of this Law, with the provisions of the Local Election Law, with the internal local regulations, and with all other laws and regulations related to local governance which were promulgated or which may be promulgated by the Palestinian Central Authority.
2. Local bodies may organize their structure and their internal work style in accordance with the provisions of this Law and with any other laws promulgated by the Palestinian Central Authority.
3. In all cases, the work of the local bodies shall always be based on the principles of independence, responsibility, coordination, and total compliance with the law, as stipulated in Article 6 above.

Article 8

THE QUALIFICATIONS FOR THE LOCAL BODIES' JURISDICTIONS

1. The jurisdictions of the instruments of the local governance may be either private or transferred by proxy.
2. The local bodies' special powers are those specified in this section of this Law, or in

any other laws promulgated by the Palestinian Central Authority.

3. The powers transferred by proxy are those which the Palestinian Central Authority may transfer to municipalities and provinces to exercise. For their part, municipalities may transfer parts of their special powers to the sub or supra-municipal bodies that are linked to them and which may be established thereto. Municipalities shall not, for their part, transfer the powers transferred to them by the Palestinian Central Authority.
4. The exercise of these transferred powers shall comply with the regulations by which these powers were transferred, and to the complete supervision of the party transferring these powers. It is permissible for the party transferring the powers to withdraw this transfer at any time.

Article 9

THE MINISTRY OF THE LOCAL GOVERNMENT

1. The Palestinian Central Authority shall exercise its powers related to the affairs of local governance which are stipulated in this Law and in any other law through the Ministry of Local Government.
2. The Ministry of Local Government shall take the initiative and the necessary measures to activate local governance and to verify the implementation of the provisions of this Law and other regulations related to local governance. In particular, the Minister of Local Governance shall be responsible for:
 - a. Activating and directing the work of the local bodies and providing the necessary assistance to them.
 - b. Presenting his suggestions in regard to the appointment of governors to the Palestinian President.
 - c. Appointing the governors' representatives and the secretaries of the provinces.
 - d. Coordinating the work of the local bodies.
 - e. Supervising the work of the local bodies and ensuring their compliance with the law.
 - f. Presenting recommendations to the Palestinian Government concerning the necessary penalties against those bodies opposing the provisions of the law.
 - g. Bringing the local bodies that do not respect the law before the Palestinian

courts of law.

- h. Taking the necessary initiatives for improving the legal local governance regulation or the improvement of the provision of services by the local bodies.
- i. Carrying out all activities and other duties stipulated in this Law or in any other Palestinian Law.

PART II : THE MUNICIPALITY

Chapter 1: Specifications, Creation and Termination of Municipalities

Article 10

SPECIFICATIONS OF THE MUNICIPALITY

1. The municipality shall be the principal unit of the administrative organization of the Palestinian territories and the leading political party in directly representing and administering the interests and concerns of the citizens.
2. The Municipality shall enjoy a special corporate status and complete independence in the administration of its affairs and concerns, within the provisions of this Law or any other law promulgated by the Palestinian Central Authority.
3. The elements comprising the municipality are: its geographic area, its population and its political-administrative mechanism.

Article 11

CREATION AND TERMINATION OF MUNICIPALITIES

1. Any population concentration in the Palestinian territories with a population of more than one thousand shall be considered a municipality.
2. Population concentrations with a population of one thousand or less shall merge in order to establish a municipality incorporating, at minimum, the number of citizens stated in the previous paragraph.
3. For the purpose of creating municipalities, the information available at the official population registry or the official population census of the Palestinian Government shall be used. In addition, geographic and economic considerations of the concerned concentrations shall be relied on so that adjoining and homogeneous concentrations will be merged.
4. Every municipality shall belong only to one province.
5. The schedule attached to this Law shows the municipalities which are regarded as officially established once it enters into force and the province where each municipality shall belong to.
6. The creation and termination of municipalities and the alterations in their boundaries

or their names shall be carried out through a law issued by the Palestinian Central Authority.

7. The law by which a certain municipality shall be established on the bases of the merger of population concentrations of one thousand or less, or which according to it, two or more municipalities shall be merged, must indicate the capital of this municipality. It shall also address the possibility of establishing administrative committees in the merged concentrations, the relations between these committees and the municipal council.

Article 12

MERGER OF MUNICIPALITIES

1. The Palestinian Central Authority may take the necessary measures to urge for the merger of municipalities for the purpose of simplifying the administrative structure in Palestine on the bases of geographic, social and economic considerations.
2. Specifically, municipalities may be merged under the following conditions:
 - a. When a geographic entanglement occurs between municipal areas as a result of their civil expansion;
 - b. When each of them individually lack the vital resources necessary to ensure the provision of at least the minimum essential services required by this Law;
 - c. If necessity or social and economic wisdom calls for that.
3. The merger of municipalities shall be carried out through a law promulgated by the Palestinian National Authority.

Article 13

SEPARATION OR DIVISION OF MUNICIPALITIES

1. It is permissible for the Palestinian National Authority to divide a municipality into two or more if urgent considerations having a geographic, residential, economic, or administrative nature necessitated that.

2. Municipalities shall be divided or separated in accordance with a law promulgated for this purpose.

Chapter 2: Precinct of the Municipality

Article 14

PRECINCT OF THE MUNICIPALITY

1. The municipal precinct consists of the district boundaries of the respective municipality where the municipal council extends its jurisdiction over.
2. The precinct of every municipality is comprised of the area it possesses upon the entry of this Law into force. Municipalities created thereafter shall have the precinct specified by a Law issued by the Palestinian Central Authority for that purpose.

Article 15

DISAGREEMENT OVER MUNICIPAL PRECINCTS

1. Disagreements that may arise between two or more municipalities over municipal precincts shall be resolved in accordance with a law promulgated for this purpose by the Palestinian National Authority on recommendation from the Ministry of Local Government.
2. The special recommendation of the Ministry of Local Government concerning the settlement of these disagreements shall contain a well formulated study prepared on the bases of listening to the views of all conflicting parties and on the bases of a detailed appraisal of all relevant and available documents.

Chapter 3: Population of the Municipality

Article 16

THE POPULATION OF THE MUNICIPALITY

1. The Population of the municipality are the group of citizens residing within the municipal boundaries.

2. Every Palestinian or foreign individual residing in the Palestinian territories must be registered in the municipal population registry at the municipality where he resides in. In cases where a citizen resides in more than one municipality concurrently, he must register himself in the municipality where he resides longer every year.
3. Every individual shall acquire the status of an official resident of a specific municipality upon registration in the population registry of that municipality.

Article 17

THE REGISTRY OF MUNICIPAL POPULATION

1. Every municipality shall keep a population registry where all residing citizens are registered in.
2. At least the following information shall be indicated in the municipal population registry:
 - a. The full names of the registered individuals;
 - b. Place and date of birth;
 - c. Nationality;
 - d. Profession;
 - e. Address in the municipal precinct.
3. It is permissible for municipalities to keep a special registry of temporary or transient residents, and of Palestinians residing abroad.
4. The Palestinian Government shall provide municipalities with the necessary instructions on the method to formulate, preserve, and amend this registry.
5. Municipalities shall place the information of this registry under the disposal of the Palestinian Government.

Article 18

RECTIFICATION AND UPDATING OF THE REGISTRY OF MUNICIPAL POPULATION

1. Municipalities must revise their registries every five years in addition to periodically provide for the necessary adjustments.
2. Municipalities must present these registries to the public at least once every two years. In this case, citizens may submit their objections over these registries, exemptions, or false information surfacing herein.
3. The decisions of the municipal authority in this regard may be appealed before the municipal council and, if necessary, before the Palestinian courts of Law.

Article 19

RIGHTS AND DUTIES OF THE RESIDENT CITIZENS

1. The status of an official resident in the municipal precinct is an essential prerequisite for the exercise of political rights on the municipal level.
2. The rights and obligations of the citizens residing in the municipal precinct are, at least, the following:
 - a. The eligibility for voting and for candidacy for the presidency or membership to the municipal council pursuant to the conditions stipulated in the Local Election Law.
 - b. The utilization of and the petition for the provision of public municipal services.
 - c. To submit requests to municipal authorities with requests obtain replies.
 - d. To pay taxes and all other municipal dues pursuant to the provisions of this law or to any other Palestinian Law.

Chapter 4: The Municipal Administration

Section One: Institutional Structure of the Municipality

Article 20

THE MUNICIPAL ADMINISTRATION

1. The administration of the affairs of the municipality shall be assumed by the municipal council and the Mayor.
2. The election of the municipal council on the one hand, and the Mayor, on the other shall be carried by the resident citizens of the municipality through general, free, equal, direct, and secret elections in pursuance with the provisions of the Local Election Law.
3. It is permissible for municipalities to have a Deputy Mayor and a municipal executive committee in concurrence with the provisions of this Law.

Article 21

THE MAYOR

1. The Mayor shall be considered as the principal representative of the municipality and the director and supervisor of the policies of the municipality.
2. The Mayor shall be directly elected by the citizens residing in the municipal precinct through general, free, equal, direct, and secret elections in pursuance with the provisions of the Local Election Law.
3. The appointment of the Mayor shall be for five years. The same person may be elected as a Mayor for only two consecutive terms.

Article 22

DUTIES OF THE MAYOR

The specific duties of the Mayor are:

- a. To administer the policies and administration of the municipality.

- b. To represent the municipality.
- c. To invite the municipal council to convene and to chair the meetings.
- d. To decide, through his vote, when there is an equal vote between the council members.
- e. To validate and promulgate the decisions of the municipal council and secure their implementation.
- f. To appoint a Deputy Mayor from among the elected Municipal Council Members.
- g. To appoint a municipal executive committee from within the elected Municipal Council Members when municipalities have a population exceeding five thousand for assisting him run the affairs of the municipality and implementing its policies.
- h. To activate and inspect municipal activities and services.
- i. To exercise legislative initiative and authenticate ratified decisions.
- j. To recommend administrative decisions to the municipal council and authorize them after their ratification.
- k. To practice his powers as an official superior to the employees and security forces belonging to the municipality.
- l. To exercise his powers in imposing administrative penalties and fines pursuant to the provisions of this Law.
- m. To ratify expenses and authorize payments in accordance to this Law.
- n. To conclude contracts specific to works, services, and installations provided that the value does not exceed 5% of the municipal incomes and the period does not exceed one year and does not require loans that exceed the amount allocated in the annual municipal budget.

- o. To take necessary and quick measures for the purpose of preserving the safety of the citizens during disasters and catastrophes which may endanger the lives of the citizens, notifying as soon as possibly the members of the council and the governor. Once informed, the municipal council is responsible for approving or opposing these measures .
- p. To exercise all other duties and authorities delegated to him by this Law or by any other law promulgated by the Palestinian National Authority.

Article 23

THE MUNICIPAL COUNCIL

1. The municipal council shall be the instrument commissioned to represent the citizens residing in the municipal precinct. The municipal council shall consist of the Mayor and the rest of the elected members.
2. Every municipal council shall consist of a specific number of members based on the population size of the municipality. The number shall be based on the following detailed list:

Population Size	Number of council members
Till 2,000 inhabitants	7
2,001 till 5,000	9
5,001 till 10,000	13
10,001 till 20,000	17
20,001 till 50,000	21
50,001 till 100,000	25

3. Municipalities with a population of more than 100,000 inhabitants will include an additional council member for every additional 100,000 inhabitants.

Article 24

THE FUNCTIONS OF THE MUNICIPAL COUNCIL

1. The municipal council deliberates and ratifies municipal policies, general municipal budget, and the remaining municipal regulations and decisions, as stipulated in this Law or in any other law promulgated by the National Palestinian Authority.
2. The duties of the Municipal Council are:
 - a. To deliberate and ratify municipal policy guidelines.
 - b. To oversee the performance of the Mayor and the municipal executive committee, if existing.
 - c. To approve the establishment, when necessary, of a municipal executive committee appointed by the Mayor in municipalities with a population of more than five thousand inhabitants.
 - d. The establishment, when required, of specialized committees for the purpose of coordinating and facilitating the work of the council.
 - e. To deliberate and ratify the by-laws of the functions and organization of the municipal institutions.
 - f. To deliberate and ratify the general municipal budget, financing plans and resources.
 - g. To deliberate and ratify special measures to resort to lending, when necessary.
 - h. To deliberate and ratify municipal planning schemes.
 - i. To conclude contracts specific to works, services, and installations, when the value of the contract exceeds 5% of the municipal incomes, or if it takes longer than one year to complete, or if it requires resorting to loans that exceed the amount appropriated in the annual budget.
 - j. To deliberate and ratify the approval of responsibilities or jurisdictions transferred to it by another administrative body.
 - k. To deliberate and ratify the transfer of jurisdiction or other duties related to

the municipality to another local administrative bodies.

- l. To deliberate and ratify the list of workers and employees in the service of the municipality, the list of positions within the municipality, salaries, requirements for new workers and employees, in addition to the means of selection and employment.
- m. To employ and dismiss workers and employees in the service of the municipality pursuant to the provisions of this Law.
- n. To determine the salary of the Mayor and, if available, the salaries of the executive committee members and the allowances of the rest of the members in return for their attendance and the performance of their duties.
- o. To determine the allowances of the head and members of the administrative committees in the sub municipal bodies which are located within the municipal precinct in return for the performance of their duties.
- p. To recommend to the Palestinian Central Authority, the establishment of supra municipal bodies.
- q. To recommend to the Palestinian Central Authority the modification of the name of the municipality or the alteration of its territorial boundaries or merger with another municipality.
- r. To ratify the commencement of administrative or juridical cases against individuals or other local bodies in case of dispute.
- s. To exploit its property by either developing it, leasing it, temporarily approve using it, or selling parts of it.
- t. To exercise all other duties and powers stipulated in this Law or in any other law promulgated by the Palestinian National Authority.

Article 25

THE DEPUTY MAYOR

1. The appointment of the Deputy Mayor from among the elected council members, and dismissal thereto, shall be freely carried out by the Mayor .
2. The duties of the deputy Mayor are:
 - a. To assist the Mayor in performing his duties.
 - b. To substitute for the Mayor during his absence, illness, or if the position of the Mayor becomes vacant.
 - c. To perform all other duties delegated to him by the Mayor or the council.

Article 26

THE MUNICIPAL EXECUTIVE COMMITTEE

1. It is permissible for the municipal council in municipalities with a population exceeding five thousand inhabitants to establish a municipal executive committee for the purpose of facilitating the administration and implementation of the municipal policies.
2. The executive committee shall be composed of the Mayor and a number of elected council members provided that their number does not exceed one third of the aggregate council members, and the secretary of the municipal council.
3. The appointment and dismissal of the members of the executive committee shall be, upon the notification of the Municipal Council, carried out by the Mayor. It is permissible for the Council to oppose the appointment of any individual to the executive committee, or to demand from the Mayor to dismiss any of its members if it sees an interest in that.
4. The duties of the municipal executive committee are:
 - a. To assist the Mayor in the conduct of his duties;
 - b. To exercise all other duties delegated to it by the Mayor or by the Municipal Council.

Article 27

THE MEMBERS OF THE MUNICIPAL COUNCIL

1. The members of the council shall be called the Members of the Municipal Council.
2. The Members of the Municipal Council shall be elected directly by the citizens residing in the municipal precinct through general, equal, direct, and secret elections in accordance with the provisions of the Local Elections Law.
3. The period of appointment of the Members of the Municipal Council shall be five years. All Members of the Municipal Council with the exception of the Mayor may be reelected for consecutive terms

Article 28

THE SECRETARY OF THE MUNICIPAL COUNCIL

1. The Municipal Council shall appoint a person competent in legal and administrative matters and experienced in municipal affairs for the position of the Secretary of the Municipal Council.
2. It is not permissible to connect between the position of a Secretary of the Municipal Council and the membership to the Municipal Council or to any other profession.
3. It is permissible for the Secretary of the Municipal Council to attend the meetings of the Municipal Council and the meetings of all municipal committees and to express his views, when requested. It is not permissible for the Secretary of the municipal Council to vote in any of these meetings.
4. The duties of the Secretary of the Municipal Council:
 - a. To administer, under the authority and supervision of the municipal Council and the Mayor, the affairs of the employees and affairs of the municipality.
 - b. To organize, receive, transfer, and handle documents and applications requiring a decision from the Municipal Council.
 - c. To assist the Mayor and the Municipal Council in legal and administrative

aspects and in handling municipal affairs.

- d. To attend the meetings of the Municipal Council and the Executive Committee, when available, and the meetings of the remaining municipal committees and to express his opinion when requested, to oversee the voting process, and to take minutes of these meetings.
- e. To exercise all other duties delegated to him by this Law or by any other municipal ordinance or by any other legislation promulgated by the Palestinian Central Authority.

Section II: Functions of the Municipal Institutions

Article 29

TASKS OF THE MUNICIPAL INSTITUTIONS

- 1. It is permissible for the Municipal Council to function through its convening body or through the committees derived from it.
- 2. The municipal by-laws shall determine, pursuant to this law, the work order of the council and its committees, the method to establish these committees and their content, and the distribution of the executive and legislative jurisdictions among the council and its committees.

Article 30

THE MUNICIPAL COUNCIL'S CONVENING BODY

- 1. The Municipal Council's body shall consist of all of its elected member and the Mayor.
- 2. The council's body shall meet at least twice every month.
- 3. The Municipal Council shall convene at the invitation of the Mayor which shall take place two working days prior to the meeting.
- 4. The invitation for the convening of the council shall contain the session's special

agenda which is to be drafted by the Mayor. It is permissible for the Council Members to present their recommendations to the Mayor regarding the addition of new subjects to the agenda provided they allow sufficient time prior to the meeting.

5. The council may be invited by the Mayor or at the request of at least one fourth of the Council Members to extraordinary meetings, with the special agenda attached thereto.
6. The quorum of the municipal Council shall be half the Council Members plus one.
7. The Mayor shall chair the meetings of the council and administer its deliberations, voting on its decisions, and the maintenance of decorum.
8. The Secretary of the Council shall oversee the establishment of quorum, count votes, and take minutes of the meeting.
9. The council's by-laws shall determine everything related to the structure and method of conducting sessions, to the procedures to be taken beforehand concerning the documents submitted for decision, to order in the council and during sessions, and to the power of the Mayor to set penalties thereto.

Article 31

COMMITTEES OF THE MUNICIPAL COUNCIL

1. It is permissible for the Municipal Council to establish internal working committees consisting of a specific number of its elected members.
2. The formation of committees and the appointment of the members shall be carried out by the council's convening body.
3. Each committee shall be chaired by one of the council members who is elected by the council. The chair shall administer the work of the committee and shall extend the administration of the municipal affairs over this committee.
4. Each committee shall be responsible for one or more duties and powers of the municipality and shall carry out, at least, the following:

- a. To prepare and recommend measures for ratification by the Council which the committee deems necessary in regard to its functions .
- b. To take the essential technical and organizational decisions in relation to its functions for ratification by the Council.
- c. To advance and oversee the decisions of the council or the committee in relation to the functions of the respective committee.
- d. To prepare reports and studies to be presented to the municipal council body.

Article 32

THE DECISIONS OF THE MUNICIPAL COUNCIL

- 1. The municipal council shall make its decisions, by voting, after deliberation. The majority vote of the present members is sufficient for taking decisions, except, pursuant to the provisions of this Law, in cases where the absolute majority is required. In case of a hung vote, the side with the Mayor's vote shall be preponderant.
- 2. Absolute majority, that is half the council members plus one, is required for the following decisions:
 - a. To ratify and amend the by-laws of the municipal council.
 - b. To impose or amend municipal taxes.
 - c. To ratify and set special tax exemptions
 - d. To endorse resorting to private loans that exceed 5% of the municipal incomes.
 - e. To purchase, sell, or allow the usage of municipal property whose value exceeds 5% of municipal income.
 - f. Vote of no confidence against the Mayor or any council member.

- g. To establish decentralized administrative municipal units within the territorial municipal zone.
- h. To request from the Palestinian National Authority to modify the municipal territorial boundaries, or the name of the municipality, or its merger with another municipality.
- i. To request from the Palestinian National Authority to join a municipality or other municipalities in order to form supra municipal for the sake of administering and coordinating common sources and services.
- j. To endorse the transfer of special jurisdictions over sources or services to other local bodies.

Article 33

JURIDICAL FORMS OF THE COUNCILS' DECISIONS

1. The decisions of the Municipal Council or the Mayor shall take the following forms:
 - a. Regulation or decree.
 - b. Decision.
 - c. Agreement.
2. Regulations or decrees are all municipal council decisions that take a legal form with a public or private nature. Regulations having a public nature shall, with the exception of the by-laws pertaining to the organization and function of the council, be called municipal decrees.
3. Decisions are those which terminate or put an end to any administrative file.
4. Agreements are those decisions according to which employees are appointed or dismissed, and the municipal decisions that do not have the attributes of a decision or regulation.
5. The ratification of municipal decrees and the decisions with a public nature require

their submission before the public and before those concerned, in addition, prior to their ratification, the handling of all objections presented thereto.

Section C: Juridical Status of the Members of the municipal Institutions

Article 34

GENERAL STATUS OF THE MEMBERS OF THE MUNICIPAL COUNCIL

1. It is not permissible to mix between Mayorship, membership to the municipal council, or the execution of any other public office whether that office was an elected or appointed one.
2. The Mayor and the members of the council shall, while in office, exempt themselves from their public or private positions and activities they held prior to their election. Accordingly, their previous positions or ranks shall be kept and reserved for them until the termination of their responsibilities as Mayors or members of the council.
3. Members of the municipal council paid in return for conducting their responsibilities as members shall exercise their duties in accordance with the regulation concerning the full commitment to the post and shall accordingly decline from conducting any other profession or job, whether private or public, while in office.
4. It is permissible for Municipal Council Members who are paid allowances only in return for attending the sessions of the council to resume their private profession while in their position.
5. The Mayor and the members of the municipal council, once seizing their positions, shall submit a detailed account of their possessions and incomes in addition to their activities which may conflict with the jurisdiction of the municipality.

Article 35

RIGHTS AND DUTIES OF THE MUNICIPAL COUNCIL MEMBER

1. The duties of the Members of the Municipal Council are:
 - a. To attend all sessions of the council and related committees.

- b. To exercise the responsibilities shouldered on them by the council or the Mayor pursuant to the provisions of the Law.
 - c. To approve and implement the decisions ratified in accordance with the law.
 - d. To maintain public order and to implement the provisions of this Law, the by-laws, and the Palestinian Laws in general.
2. The Rights of the Municipal Council Members:
- a. To attend all the council meetings and the meetings of its committees.
 - b. To explore the administrative applications presented to the Municipality and to obtain the necessary information to fulfill their duties.
 - c. To submit recommendations and to participate in the deliberations that take place in the sessions of the council and its committees.
 - d. To receive allowances specified by the council in return for attending the work of the council and its committees.
 - e. To collect salaries marked for them as Mayor, as Deputy Mayor, or as a member of the Executive Committee pursuant to the provisions of this Law and the council's by-laws.
3. Disgraceful or repetitious bypassing of obligations by the Members of the Municipal Council shall result in prosecuting the violating member before the competent Palestinian courts which may rule to relieve the member temporarily of his post or withdraw his membership from the Council

Article 36

THE DUTY TO ABSTAIN FROM PARTICIPATING

- 1. The Mayor and the remaining Council Members shall refrain from participating in decision making or in deliberation and voting in the following cases:
 - a. If they have a special interest in the content of the decision, or if they have

a direct or indirect link with the individuals or parties effected by the council decision.

- b. If they have a family tie or link till the fourth generation with the individual or party effected by the council decision.
 - c. If they have a close friendly ties or an apparent enmity, or if there are court cases between them and the individuals and parties effected by the council decision.
2. Non compliance with the abstinence obligation stated in the previous paragraph shall deem the council decision null and void when the participation of the violating member was crucial in reaching that decision.

Article 37

THE RESPONSIBILITY OF THE MUNICIPAL COUNCIL MEMBERS

- 1. The Mayor and the Municipal Council Members shall be responsible, legally and civil, for their illegal actions while conducting their duties.
- 2. It is permissible for citizens injured by the illegal actions of the council members to resort to the Palestinian courts of law and to demand the compensation stated thereto.
- 3. It is permissible for the Mayor and the council to penalize any member defying, without a reason, his duties stipulated in this Law. In case the violation was repeated, the municipal council or the mayor shall transfer the issue to the competent courts of law which may penalize the violating member either by imposing a fine, temporarily relieve him of his post, or suspend his membership from the council.

Article 38

PENALTIES AFFECTING MUNICIPAL COUNCIL MEMBERS

- 1. It is permissible to impose the following penalties on the Municipal Council Members in case of violating their legal duties:
 - a. Impugn hte member, publicly or privately.

- b. Dismissal from the council sessions or from its committees.
 - c. Fines.
 - d. To expel or to suspend the temporary membership.
 - e. To permanently withdraw the membership.
2. It is permissible to simultaneously impose the penalties stipulated by the alphabets (a), (b), (c), or (d) of the previous paragraph.
 3. It is permissible for the Mayor, upon the approval of the Municipal Council, or the Municipal Council to impose the penalties stipulated by the alphabets (a), (b), or (c).
 4. The penalties stipulate by the alphabets (d) and (e) may not be imposed except by a competent judicial body pursuant to a complaint submitted by the Mayor or the Municipal Council.

Article 39

END OF TERM OF OFFICE OF THE MUNICIPAL COUNCIL MEMBERS

1. The Municipal Council Members' term of office shall end in the following cases:
 - a. The resignation of the member.
 - b. The expiry of the legal term of office (five years).
 - c. If a competent judicial body rules that.
2. The Local Elections Law shall stipulate the necessary provisions to handle the cases stated in alphabets (a) and (c) of the previous paragraph.

Chapter Five

The Jurisdiction of the Municipality

Article 40

THE JURISDICTION OF THE MUNICIPALITY

1. It is permissible for the Municipality to take, within the scope of the provisions of this Law, the decisions it deems necessary for the provision of vital services to the citizens and which satisfy their basic needs.
2. In accordance with the provisions of this Law, the municipality shall enjoy the following powers:
 - a. Structural planning.
 - b. To build, improve, and maintain roads, fields, and public parks.
 - c. To maintain security in public places.
 - d. To regulate traffic of vehicles and individuals in public places.
 - e. To supply water.
 - f. Sewage and sanitary disposal.
 - g. Public lighting.
 - h. To collect and treat liquid and solid waste.
 - i. Civil defence during disasters.
 - j. Avoid fires and fire fighting.
 - k. To protect industrial and commercial installations and private and public buildings.
 - l. Internal public transport.
 - m. Elementary education.
 - n. Historic artifacts and local art.

- o. Sport and cultural locations and activities.
 - p. Tourism.
 - q. Environmental protection.
 - r. Public health and sanitation.
 - s. Primary health care.
 - t. Burial grounds and burial services.
 - u. Protection and care of the elderly and the destitute.
 - v. Public baths.
 - w. Social services.
3. The Provincial Council shall ensure that the vital services stated in the previous paragraph are provided, at least at the minimum level, by the municipal council to the area falling under its jurisdiction. For this purpose, the Provincial Councils shall provide aid and the necessary technical and financial assistance to the municipal councils with limited resources and capacities.
4. Each municipal council shall provide, at least, the following essential services to its citizens:
- a. Water supply.
 - b. Public lighting.
 - c. Public sewage and waste water disposal.
 - d. Public sanitation and waste collection.
 - e. Build, improve, and develop public roads.

- f. Planning and structural zoning.
- g. General safety.
- h. Burial grounds and burial services.

Article 41

JOINT DELIVERY OF MUNICIPAL SERVICES

1. Municipalities may merger and establish joint bodies among them for the purpose of providing as much services as possible to their citizens, to upgrade their standard, and to reduce their cost.
2. These mergers may take a temporary or permanent form.
3. The establishment and organization of these mergers shall be in accordance with the provisions of this Law.

Chapter Six

The Supervision Over Municipal Activities and Objections Against Them

Article 42

OBJECTIONS AGAINST THE DECISIONS OF THE MUNICIPAL COUNCIL

1. Objections against the decisions of the municipal council or the mayor may be carried out by individuals or parties directly effected by them before the Municipal Council within fifteen days after the decision was taken. The Council must reply to the objection within one month of the submission of the objection.
2. Individuals or parties directly effected by a Municipal Council decision may appeal concerning the objection before the competent Palestinian courts of law.
3. The competent court shall rule either to sustain the decision of the Municipal Council or to repeal it, in addition to impose, if necessary, the specified compensations.

Article 43

CONTROL OVER THE LEGALITY OF MUNICIPAL ACTIVITIES

1. The Governor shall request the concerned Mayor to reconsider his activities or decisions if he observed that the municipal activities and decisions within the province are in conflict with the existing legitimacy.
2. In case serious violations occur, or in case the municipality insists on its violations even after the Governor's request as stated in the previous paragraph, the Governor must suspend the transgressing decisions and submit them before the Palestinian courts for review.
3. Unless it already issued its ruling concerning the matter, the competent court shall either issue its ruling of maintaining the suspension decision taken by the governor, or repeal it within three months.
4. In case the Municipality neglected to implement its legal obligations, the Governor must request the concerned mayor to implement that commitment. If the Mayor ignored to do so within a period of one month, the Governor shall submit this to the competent Palestinian courts.
5. The competent court shall take its decision concerning that negligence. If it endorsed the presence of negligence, it shall compel the concerned municipality to implement the neglected matter and, if necessary, determine the civil and criminal burden thereto.

CHAPTER THREE

THE PROVINCE

SECTION ONE:

THE CREATION, CHARACTERISTICS AND AIM OF THE PROVINCE

ARTICLE 44

THE PROVINCE

1. The province is the local governance body constituted of a group of municipalities located in a certain geographical area. The area of the province extends throughout the total areas of municipalities located in it.
2. The province enjoys a special judicial status and the adequate capability to achieve its proposes.

Article 45

CREATION AND TERMINATION OF PROVINCES

1. Provinces may be created, unified, and terminated through a law promulgated by the Palestinian Central Authority. This also applies to changing the name of provinces, transferring their capitals, or modifying their territorial borders.
2. The formation of provinces shall be based on historical, geographical, social, and economic considerations, and on the necessity of improving the attainment of resources, and on the provision of services for the citizens residing in the municipalities belonging to each of them.
3. The provinces stated in the annex of this law, which displays the capital of each of them and the municipalities located within their territories, are considered established

when this law enters into force.

Article 46

AIMS AND JURISDICTION OF THE PROVINCE

The objectives and jurisdiction of the province are:

- a. To provide services that are beyond the boundaries of each municipality falling within its territory.
- b. To coordinate resources and services of municipalities located within its territory.
- c. To provide resources and facilitate the provision of municipal services for those needy municipalities within its territory.
- d. To provide help and technical, legal, and financial assistance to municipalities within its territory.
- e. To coordinate the policies of each of the municipalities falling within its territory with the policies of the Palestinian Central Government.
- f. To supervise municipality work, to investigate its fulfillment of its existing legitimacy, and the completion of its objectives specified in this law.

SECTION TWO:

THE ADMINISTRATIVE STRUCTURE OF THE PROVINCE

Article 47

PROVINCE ADMINISTRATION

1. The administration of the province lies on the shoulders of the Governor and Provincial Council.
2. The Provincial Council consists of representatives from all municipalities located

within the province territory, in addition to the Governor.

3. The Provincial Secretary shall assist the Governor in realizing his responsibilities and shall, whenever required, represent and substitute him and his representatives if they exist .

PART ONE: THE PROVINCIAL COUNCIL

Article 48

THE PROVINCIAL COUNCIL

1. The Provincial Council shall be considered as the representative body of the municipalities located within the provincial territory.
2. The members of the Provincial Council shall be appointed by the province's Municipal Councils.
3. Each municipality, according to its by-laws, shall appoint one of its council members to represent the municipality in the Provincial Council.
4. The Governor shall head the Provincial Council and administer its work.
5. The headquarter of the Provincial Council shall be in the municipality determined to be the provincial capital.

Article 49

THE RESPONSIBILITIES OF THE PROVINCIAL COUNCIL

The responsibilities of the Provincial Council are:

- a. To determine the fundamental and principal elements for coordinating the work of municipalities located within the provincial territory.
- b. To determine its special internal by-laws.
- c. To determine the system of funding and the main budget of the province.

- d. To determine investment plans for projects and services in the province.
- e. To conduct contracts of work, services, and installations.
- f. To provide the resources and facilitate providing municipality services for those needed municipalities within the province territory.
- g. To provide help and technical, legal, and financial assistance to municipalities within the province territory.
- h. To manage the province properties.
- i. To notify the central government, through the Governor, of the province requirements, and to provide suggestions to it on work and investment plans in the province territory.
- j. To approve the temporary merger of municipalities in order to provide certain services, or to conduct joint projects serving public interest.
- k. To solve disputes on jurisdiction between two or more municipalities in the province.
- l. To determine the list of workers and employees in the service of the province, the list of responsibilities within the province, salaries, and requirements of new employees in addition to methods of selection and employment.
- m. To perform all other responsibilities delegated by this law or by any other law promulgated by the Palestinian Central Government.

Article 50

THE FUNCTIONS OF THE PROVINCIAL COUNCIL

- 1. The Provincial Council functions either as an convening body or through committees branched of it.
- 2. The Provincial Council body consists of all members appointed by the province's municipal councils, in addition to the Governed and the Provincial Secretary.

3. The Provincial Council has to convene at least once a month. The Council is invited to convene by the Governor within a period of at least two days before the meeting of the council. The invitation shall include the meeting's agenda, devised by the Governor. The municipal representatives may provide the Governor with their suggestions for inclusion in the agenda, discuss it for ratification by the Provincial Council or the committee branched out of it.
4. The Provincial Council may be invited to hold exceptional or extraordinary meetings at the request of the Governor or at the request of four Council Members attached herewith the agenda.
5. Unless half the number of its members plus one are present, the Provincial Council quorum will not be complete.
6. The Provincial Council decides through majority-vote, that is half of the present votes plus one.

Another possibility for this paragraph.6. The Provincial Council shall make its decisions according to the majority vote of municipalities present in the meeting. For this purpose, each municipality shall have a certain number of votes in the Provincial Council according to the population count of that municipality as stated in the following list:

<u>POPULATION</u>	<u>NUMBER OF VOTES</u>
Up to 10,000	1
10,000 to 20,000	2
20,000 to 50,000	3
50,001 to 100,000	5
more than 100,000	7

7. The Governor heads all Council meetings, administers discussions, voting, and maintains order and decprum.
8. The Provincial Secretary monitors the quorum in the Provincial Council meetings, and counts votes in addition to recording the meetings minutes.
9. The Provincial Council by-laws shall limit anything related to the form and method

of conducting the meetings, the procedures to be followed in advance regarding the documents submitted for a decision in the meetings, decorum in the Council and during its sessions, and the Governor's jurisdiction of imposing penalties related thereto.

PART TWO:

GOVERNOR, GOVERNOR REPRESENTATIVES, AND PROVINCIAL SECRETARY

Article 51

GOVERNOR

1. The Governor is the permanent representative of the Palestinian central government in the province, who administers the central government offices and services in the province, and coordinates the work of municipalities amongst each other and with the activities of the central government.
2. The Governor shall be appointed by the President of Palestine, by a mandate from the Minister of Local Governance.

Article 52

THE RESPONSIBILITIES OF THE GOVERNOR

1. The responsibilities of the Governor, as a permanent representative of the central government in the province are:
 - a. The administration of the central government offices and services in the province.
 - b. To guarantee the rights and freedoms of the citizens, and to maintain security and public order in the province.
 - c. To administer the Palestinian security forces and apparatus within the province territory.
 - d. To practice his jurisdiction of imposing administrative penalties delegated to him by the Palestinian Law.

- e. To administer and coordinate the civil defense services within the province territory.
 - f. To practice the remaining responsibilities and jurisdictions, in this field, delegated to him by this law or any other law promulgated by the Palestinian central authority.
2. The responsibilities of the Governor, as the Provincial Council Head, are:
- a. The administration of administrative matters in the province.
 - b. To invite the Provincial Council to convene and to head its sessions.
 - c. To provide suggestions and initiatives for the Council, within the realm of his jurisdiction.
 - d. To administer, activate, and monitor the projects and services provided by the province.
 - e. To coordinate the municipalities works with that of the central government .
 - f. To coordinate the works of municipalities amongst themselves.
 - g. To investigate the implementation of the Provincial Council decisions.
 - h. To monitor the works of municipalities and their compliance with the existing legitimacy, and to practice jurisprudential and administrative responsibilities whenever necessary.
 - i. To notify the central government of the province's requirements, and to submit recommendations in regard to the work and investment plans in the province territory.
 - j. To practice the remaining responsibilities and jurisdictions, in this field, which are delegated to him by this law or by any other law promulgated by the Palestinian central government.

Article 53

THE REPRESENTATIVES OF THE GOVERNOR

1. The Minister of Local Governance may appoint representatives for him in certain areas of the province if he finds it necessary, and in order to strengthen the Governor's responsibilities in administration, coordination, and supervision.
2. The representatives of the Governor are appointed and dismissed by the Minister of Local Governance at the advice of the Governor.
3. The representatives of the Governor shall follow the instructions made by him and shall assist him in the fulfillment of his responsibilities.

Article 54

PROVINCIAL SECRETARY

1. The Provincial Secretary is the primary and direct assistant of the Governor in conducting his responsibilities.
2. The Provincial Secretary shall be appointed and dismissed by the Minister of Local Governance at the advice of the Governor.
3. The responsibilities of the Provincial Secretary, as the Governor's secretary, are:
 - a. Dealing and following up on all documents presented to the Governor for his decision.
 - b. To represent and substitute the Governor whenever needed.
 - c. To practice all other responsibilities delegated to him by the Governor or by any law promulgated by the Palestinian central government.
4. The responsibilities of the Provincial Secretary, as the Provincial Council Secretary, are:
 - a. To monitor the completion of the quorum in the Provincial Council sessions, and count votes in addition to recording the minutes of those sessions.

- b. To distribute the invitations of the Provincial Council sessions to all its members.
- c. To receive, deal, and follow up on documents presented to the Council for a decision, and to send it to all Council members.
- d. To practice any other responsibilities delegated to him by this law or by any other law promulgated by the Palestinian central government.

PART THREE: THE LEGAL CHARACTERISTICS OF THE PROVINCIAL COUNCIL MEMBERS

Article 55

THE GENERAL CHARACTERISTICS OF THE PROVINCIAL COUNCIL MEMBERS

- 1. The position of the Governor, the Governor's representative, and the Governor's Secretary shall not be added to any other position or vocation, be it public or private.
- 2. The membership of the Provincial Council shall follow the same special conditions of the Municipal Council membership.
- 3. The Governor, the Governor's representatives and the Governor's Secretary, shall, while in office, be free of their activities or positions, whether public or private, they had prior to their appointment. Hence, their previous positions and the rank they occupied shall be kept for them until the end of their stated responsibilities.
- 4. The Governor, Governor's representatives and Governor's Secretary, shall receive a salary based on the performance of their responsibilities. Accordingly, they shall exercise those responsibilities under total discharge of any other practice, work, or vocation, be it public or private, while in office.
- 5. The Governor, Governor's representatives and Governor's Secretary, upon receiving their positions, shall provide a detailed statement of their properties and incomes, in addition to their activities that may be in conflict with the jurisdiction of the province. They shall provide this statement against upon leaving their positions with a clarification for any changes. These statements shall be kept in a special file in the

Provincial Council where all members of the Council and the Palestinian Courts of law may view.

Article 56

THE RIGHTS AND RESPONSIBILITIES OF THE PROVINCIAL COUNCIL MEMBERS

1. The responsibilities of the Provincial Council members are:
 - a. To attend all meetings of the Provincial Council and committees branched of it.
 - b. To practice all responsibilities delegated to them by the Provincial Council, according to the provisions of this law.
 - c. To accept and execute the legal decisions of the Council.
 - d. To maintain order and implement the regulations stated in this law, in the by-laws of the Council, and in the Palestinian Law in general.
2. The rights of the Provincial Council members are:
 - a. To attend all meetings of the Provincial Council and committees branched of it.
 - b. To view the administrative papers presented to the Provincial Council, and to acquire sufficient information in order to implement their responsibilities.
 - c. To provide recommendations and participate in discussions of the sessions of the Council and its committees.
 - d. To receive allowances specified by the council in return for attending the work of the council and its committees.

Article 57

THE OBLIGATION OF THE PROVINCIAL COUNCIL MEMBERS TO ABSTAIN FROM PARTICIPATING

1. The Governor and the rest of the Provincial Council members shall abstain from participating in decision-making, discussions, or in voting in the following cases:
 - a. If they have a special interest in the content of the decision, or if they have a direct or indirect link with the individuals or parties effected by the council decision.
 - b. If they have a family tie or link till the fourth generation with the individual or party effected by the council decision.
 - c. If they have a close friendly ties or an apparent enmity, or if there are court cases between them and the individuals and parties effected by the council decision.
2. Non compliance with the abstinence obligation stated in the previous paragraph shall deem the council decision null and void when the participation of the violating member was crucial in reaching that decision.

Article 58

THE RESPONSIBILITY OF THE PROVINCIAL COUNCIL MEMBERS

1. The Governor and the Provincial Council members are responsible, civilly and criminally, for their illegal actions while exercising their responsibilities.
2. The citizens, harmed by the illegal actions of the Council Members, shall have the right to go to the Palestinian courts of law and demand an adequate compensation.
3. It is permissible for the Governor and the council to penalize any member defying, without a reason, his duties stipulated in this Law. In case the violation was repeated, the provincial council or the Governor shall transfer the issue to the competent courts of law which may penalize the violating member either by imposing a fine, temporarily relieve him of his post, or suspend his membership from the council.
4. In case the Governor violates his duties by not implementing them in the required manner, he shall be immediately relieved from his post by the central government. The Provincial Council members, and the citizens in general, may file a complaint

against the Governor in the competent courts of law, who could deprive him from his civil right of exercising the position of the Governor.

Article 59

PENALTIES ON PROVINCIAL COUNCIL MEMBERS

1. The following penalties shall be imposed on the members of the Provincial Council in case they violate their legal responsibilities:
 - a. Condemnation, publicly or privately.
 - b. Dismissal from a session of the Council or a committee of it.
 - c. Financial penalty.
 - d. Temporary relieve of membership.
 - e. Permanent withdrawal of Provincial Council membership.
2. The penalties, stated in a, b, c, d, and e in the above paragraph, may be imposed jointly.
3. The penalties, stated in paragraphs a, b, and c, by the Provincial Council or by the Governor with the approval of the Council.
4. The penalties, stated as d and e, shall not be imposed except by a decision by a competent judicial body, and that in accordance with a complaint submitted by the Provincial Council or the Governor.

Article 60

End of Term of Office of the Provincial Council Members

1. The Provincial Council Members' term of office shall end in the following cases:
 - a. The resignation of the member.

- b. The expiry of the legal term of office (five years).
 - c. If replaced by another member from the municipal council he represents as a result of a decision by that council.
 - d. If a competent judicial body rules that.
2. In case any of the situations stipulated in alphabets (a), (c) or (d) of the previous paragraph occur, the member shall be immediately replaced by another member appointed by the concerned municipal council

Part Four
Other Local Agencies

Chapter One:
Leagues of Permanent Municipalities

Article 61

SUPRA MUNICIPAL BODIES

1. Municipalities may participate among themselves to permanently form, within the confines of a single district, local administrative units that are larger than a single municipality for the purpose of better allocation of resources and for the improvement of the level of services provided to the citizens through the joint administration and coordination of these services and concerns.
2. The establishment and termination of these agencies shall be carried out in accordance with the provisions of this Law.

Article 62

**THE ESTABLISHMENT AND TERMINATION OF PERMANENT LOCAL AGENCIES
THAT ARE LARGER THAN A SINGLE MUNICIPALITY**

1. These agencies shall be established on the bases of a merger or association between two or more neighboring municipalities belonging to the same district. This shall be implemented without setting a time frame for this association.
2. The municipalities desiring to form such agencies must:
 - a. Belong to the same district.
 - b. Have common district boundaries amongst themselves.

- c. Have similar needs and geographic, economic, and social conditions.
 - d. Aspire to indefinitely maintain this association.
- 3. The establishment of such local agencies shall be subject to endorsement through a Law issued by the Palestinian Central Authority.
- 4. The initiative to establish such agencies shall stem from:
 - a. Two or more concerned municipal councils.
 - b. The district council which the municipalities participating in the agency are part of.
 - c. The Central Palestinian Government.
- 5. The Law by which these agencies shall be established shall specify, at least, the following issues:
 - a. The municipalities participating in the agency.
 - b. The participating municipal services and authorities subject to it.
 - c. The agency's resources.
 - d. The means for its funding.
 - e. The structure, functions, and headquarters of its administrative institutions.
 - e. The rights and obligations of the municipalities included in the agency.
 - f. The method of dissolution and the legal consequences thereto.

Article 63

**THE STRUCTURE AND FUNCTIONS OF THE PERMANENT LOCAL AGENCIES
THAT ARE LAREGER THAN A SINGLE MUNICIPALITY**

1. These permanent local agencies shall function on the bases of planning, coordinating, and administering the services and resources handed to them by the joint municipalities.
2. These permanent agencies shall establish their own special administrative setup which shall consist of representatives of all participating municipalities elected by the concerned municipalities. Each setup shall be headed by one of the representative municipal members elected by the rest of the members.
3. These agencies shall place their special by-laws in accordance with the Law establishing it.
4. These agencies shall act in concordance with the provisions stated in this Law, in the law establishing them, in their special by-laws, and, in general, with all Palestinian laws of pertinence.

Article 64

THE FUNCTIONS OF THE PERMANENT SUPRA MUNICIPAL AGENCIES

1. The functions of the permanent local agencies of this kind shall be those specified by the law establishing it.
2. The minimum level for the duties of these agencies shall be:
 - a. The coordination and administration of the municipal resources and services placed under their control by the participating municipalities.
 - b. Performing general projects securing public interest for the participating municipalities.
 - c. Allocating their private budget, organizing their funding sources, and installing investment plans.
3. These agencies shall coordinate their activities with the district council and they shall not interfere or negatively influence the duties of the district in coordination and service provision.

4. It is not permissible for the permanent local agencies or their bodies to infringe on the concerns and interests of another municipality.

Chapter Two:
The League of Temporary Municipalities

Article 65

THE LEAGUE OF TEMPORARY MUNICIPALITIES

1. Municipalities may merge for a definite period for the purpose of providing emergency services, erecting specific projects for the common good, or for the acquisition of supplies.
2. Temporary leagues shall be ratified by the concerned district council.
3. The regulation issued by the district which establishes these leagues shall, at least, identify the following matters:
 - a. The partner municipalities.
 - b. The type of supplies it desires to receive through this league, the projects intended for construction, or the emergency services desired for provision and the time period required for that.
 - c. The different resources allocated under the control of the league.
 - d. The funding method.
 - e. The structure, functions, and headquarters of its administrative institutions.
 - f. The rights and obligations of the participating municipalities.
 - g. The legal consequences resulting from the breach of the bases and objectives of the league.

4. These leagues shall coordinate their activities with the district council and it is not permissible to interfere or negatively influence the duties of the district in the coordination and provision of services.
5. It is not permissible for the league of the temporary municipalities or its bodies to infringe on the interests and concerns of another municipality.

Chapter Three

Local Agencies that are Smaller than Municipalities

Article 66

POPULATION CONCENTRATIONS SMALLER THAN MUNICIPALITIES

1. Population concentrations with a population not exceeding four thousand inhabitants may not form independent municipalities. Small concentrations with a population of one thousand or less and which are incorporated within a specific municipality comprised of one concentration may establish a permanent committees to run their affairs. This shall be conducted within the framework of the municipalities connected with them.
2. The administrative committees of the concentrations smaller than municipalities shall consist, at maximum, of five members who elect a committee head from among themselves.
3. The administrative committees of the concentrations smaller than municipalities shall be directly elected by the residents of the concentration at the same time municipal elections are held.
4. The committees and heads of the small residential concentrations shall abide by the decisions of the municipal councils and the Mayor connected to it..
5. The Mayor and municipal council which consist of more than one small population concentration shall listen to the committees of these concentrations prior to making

any decision or issuing any regulation concerning thereto.

Article 67

THE FUNCTIONS OF THE ADMINISTRATIVE COMMITTEES OF THE POPULATION CONCENTRATIONS SMALLER THAN A MUNICIPALITY

1. Within the general legal framework of the municipal duties, the administrative committees of the small population concentrations may conduct the following functions:
 - a. The implementation of decisions and regulations issued by the municipal council and their directors.
 - b. Formulation of their own by-laws.
 - c. Ratification of their budget and funding methods in accordance with the general municipal estimates.
 - d. Ratification of their own funding and loan resources, at the consent of the municipal councils.
 - e. Ratification of the partial zoning scheme within the boundaries of the municipality's general zoning scheme.
 - f. The approval and implementation of the duties delegated to them by the municipal councils.
 - g. To employ workers and employees to administer and provide the services related to them.
 - h. To specify allowances for the Mayor and the members of the committee in return for their work. These allowances are subject to the approval of the municipal council.
 - i. To take the necessary juridical actions against other individuals and parties in case of dispute.

- j. To handle their own properties with the consent of the municipal council.
 - k. To exercise all other functions delegated to them by this Law or any other law issued by the Palestinian Central Authority.
2. The duties of the committees administering the small population concentrations may comprise any other functions or services belonging to the municipalities and that in accordance with the provisions of this Law. In all cases, the conduct of these duties shall be contingent on the approval of the municipal council and in full coordination with the municipal activities.

Article 68

DECENTRALIZED MUNICIPAL UNITS

- 1. The municipal council in municipalities with a population of one hundred thousand or more may establish administrative units to be under its jurisdiction for the purpose of administering and regulating specific sections in the municipal zone.
- 2. These administrative units may be established in large suburbs or in population concentrations separated from the center and which require special treatment, or in the entire municipal area.
- 3. The establishment of the decentralized administrative units require the approval of at least half the municipal Council members plus one.
- 4. The affairs of these units shall be managed by one of the elected council members in addition to at least five citizens residing in the area of that unit who shall be appointed by the council.
- 5. The municipal regulation establishing these decentralized administrative units shall identify at least the following aspects:
 - a. The unit's geographic area.
 - b. The structure, function, and headquarter of its administrative bodies.
 - c. Its jurisdiction.

- d. The resources allocated to it.
- e. The source of financing.

Part Five
The Property and Contracts of the Local Agencies

Chapter One:
The Property of the Local Agency

Article 69

BEQUESTS AND PUBLIC PROPERTY

1. The property of the local agencies consists of a variety of property, shares, and entitlement.
2. The property of the local agency may be public property or bequests.
3. Public property may be regarded as those directly related to public use or service. This public property may not be managed, confiscated, or appropriated due to....
4. Bequests are the property not directly intended merely for public use or service and shall abide by the provisions of the specific civil law and may be freely managed by the local agencies.
5. The amendment of the legal nature of the property of the local agencies is not permissible unless approved by at least two third of the concerned municipal or district councils.

Chapter Two:
The Contracts Concluded by the Local Agencies

Article 70

THE JURISDICTION OF THE LOCAL AGENCIES IN CONCLUDING CONTRACTS

1. Within the framework of their jurisdiction, local agencies may conclude contracts intended for the public interest and which do not contravene with the existing legitimacy.
2. The contracts concluded by the local agencies shall abide by the provisions stated in this Law, and alternatively, with the provisions stated in the general civil law.
3. The purpose of the contracts concluded by the local agencies is the acquisition and management of property, the provision of services, and the attainment of supplies.

Article 71

THE JURISDICTION TO CONCLUDE CONTRACTS

1. The jurisdiction to conclude contracts, pursuant to this Law, shall be delegated to the following:
 - a. The Municipal Council and Mayors.
 - b. The Provincial Councils and Governors.
 - c. The Administrative Committees and the Administrative Directors of the other Local Administrative Bodies.
2. It is permissible for the local bodies to establish, within their own internal structure, special committees to conclude contracts consisting of the chairman of the council or the concerned body in addition to the Secretary and two to three members of the council or the administrative committee.

3. The committees for the conclusion of contracts shall examine the available information and the presented documents. They shall prepare studies and necessary reports so that the council or the concerned administrative committee could make a decision.
4. The council or the local administrative committees may delegate the committee responsible for concluding contracts to sign in their name and on their behalf.

Article 72

THE LEGAL REPORT REGARDING CONTRACTS

1. A special legal report shall be prepared for every contract the local agency intends to conclude. This report shall be prepared by the agency's secretary or by the agency's legal council attaching to it the signature of the secretary.
2. The secretary's legal report shall not be deemed binding but may be used in any juridical case presented against the legitimacy of the concluded contract.

Article 73

THE LEGAL NATURE OF THE CONTRACT

All contract concluded by the local agency shall be hand written and shall fulfill all the legal conditions stated in the general civil law concerning contracts.

Article 74

METHODS OF CONCLUDING CONTRACTS

The contracts concluded by the local agencies shall be conducted either through tenders or through direct contracting.

Article 75

TENDERS

1. Tenders are the method through which announcements are made stating the local agency's need to conclude a specific contract and requests the submission of bids by

those concerned to attain the contract. The contract shall be granted to the party presenting the best offer in every respect. The best offer is that which:

- a. Collects the minimum price in return for the implementation of the project, or provision of the service, or the provision of supplies.
 - b. Offers the best guarantees in regard to the technical and professional aspects and in regard to their safety and practicality.
 - c. Provides the best technical and professional guarantees and guarantees regarding honesty and efficiency.
2. Provided that its cost does not exceed 1% of the revenues of the local agency as shown in the budget, public tenders shall be employed in all cases when making contracts for the implementation of the projects.
3. The following conditions shall be met in all bids:
 - a. The bid shall be announced in the space designated for announcements in the institution, in the Official Gazette, and in the media. This announcement shall entail the basic or public contract conditions.
 - b. Without any exception, any party or individual, may present his offer and participate in the bid provided that he meets the minimum level of conditions stated in the announcement.
4. The local agencies may compel the participants in the bid to present a minimum level of technical, financial, or professional guarantees as a principal condition to accept their offers.
5. The offers presented for participation in the tender shall entail, at least, the following:
 - a. A technical report about the contract material;
 - b. A financial report about the cost or price.
6. All offers shall be subject to a legal report from the secretary of the agency and to

the review of the Special Committee for Contracts or to the agency making a decision about the contract.

7. The agency concluding the contract shall rely on the bases and principles stated in this Law and shall place the acquiescence of public interest as its main objective.

Article 76

DIRECT CONTRACTING

1. Direct contracting shall be the means by which the contract shall be awarded to the individual or party selected by the concerned local agency in a free and justified manner.
2. Direct contracting shall not be employed except in the following cases:
 - a. Such contracts whose cost shall not exceed 1% of the revenues of the concerned local agency as shown in the budget;
 - b. In cases of necessity and insistence;
 - c. Such contracts that require to be awarded to specific individuals or parties due to their technological, professional, technical, or security conditions;
 - d. Such contracts that require the conduct of research, studies, experiments, or innovations;
 - e. In cases where a public tender was announced and no offers were presented.
3. In the cases stated in paragraphs (a) or (b) above, the local agency, the owner of the contract, shall inspect, if possible, the price or cost from at least three individuals or parties prior to awarding any contract. After selecting the individual or party for the contract, the concerned local agency shall determine the fair price with him, and shall hold all the details of the form of the contract.
4. The local agencies may directly demand from the contracting parties assurances or financial guarantees for the purpose of the accurate implementation of the contracts.

5. Direct contract projects shall be subject to a legal report by the secretary of the concerned local agency, and shall be ratified by the agency specialized for the contract matters or by the body responsible for this agency.
6. The agency concluding the contract shall rely on the bases and principles stated in this Law and shall place the acquiescence of public interest as its main objective.

Part Six
Employees and Workers of the Local Agencies

Chapter One:
General Provisions

Article 77

EMPLOYEES AND WORKERS OF THE LOCAL AGENCIES

1. The employees and workers of the local agencies are a group of individuals employed by these agencies to carry out administrative and executive functions and do not hold a post or a position having a representative or electoral nature.
2. The group of employees in the local agencies consists of employees and workers, whether permanent or temporary.

Article 78

THE EMPLOYEES AND WORKERS LISTS

1. The different local agencies' councils and administrative committees shall periodically formulate and modify their employees and workers lists and that in accordance with the needs of each.
2. The employees and workers lists shall identify the ranks and different job descriptions in addition to the salary scale, defining the posts to be filled by employees, and those specific for permanent and temporary workers.

Article 79

THE EMPLOYEES AND WORKERS LEGAL SYSTEM

1. The employment and ranking of the employees and workers in the local agencies shall comply with the provisions of this Law and the related by-laws.
2. The by-laws of the specialized local agencies, or of those related to the cadre of the employees and workers and in accordance with the provisions of this Law, shall

determine at least the following aspects:

- a. The regulations for selecting, employing, promoting and dismissing the employees and workers.
 - b. Work conditions.
 - c. Wage regulations.
 - d. Holidays and absence from work.
 - e. Regulations for pensions and allowances.
 - f. Regulations for internal penalties.
 - g. The bodies responsible for the administration of the affairs of the employees and workers.
3. For the purpose of administering the affairs of workers, the different local agencies may establish a special committee called the Employees and Workers Affairs Committee comprised of members of the council or the concerned administration committee which shall exercise the authorities and responsibilities delegated to them by the special by-laws in this aspect.

Chapter Two: Local Agencies' Employees

Article 80

LOCAL AGENCIES' EMPLOYEES

1. The employees in the local agencies are the individuals employed in this category by these agencies by way of open public invitation.
2. The following posts shall always be filled up by employees and not by a local agency

workers:

- a. The municipal council secretary, the district council secretary, and the secretary of the other local agencies administration bodies.
- b. The treasurer or keeper of the municipal council, the treasurer or keeper of the district council, and the treasurer or keeper of the other local agencies administration bodies.
- c. The general inspector of the municipal council, the general inspector of the district council, and the general inspector of the other local agencies administration bodies.
- d. The municipality engineer and the district engineer.
- e. The doctor in charge of health services, if available.
- f. The veterinarian in charge, if available.

Article 81

PUBLIC INVITATION FOR STAFF EMPLOYMENT

1. The public invitation for employment shall be announced by publishing it in the official gazette, on the announcement boards at the local agency's headquarters, and in the media.
2. This invitation shall specify the vacant posts, the required qualifications, educational background required from applicants, professional experience, in addition to the tests that should be passed.
3. A special committee composed of the head of the local agency, the initiator of the invitation or the individual delegated by him, the agency secretary , and two other members from the council or the agency administration committee in addition to an expert specialized in the subject matter of the vacant cost shall test the applicants and take a decisions regarding employment.
4. The invitation shall be public. The deliberations of the committee stated in the

previous paragraph of this article shall be confidential, even though each member of this committee shall produce his own report specific for each of the individuals applying for the post .

Article 82

THE CONTINUATION OF THE EMPLOYEES IN THEIR POSITIONS

1. Employees of the local agency shall occupy their employment positions within one month at the most from the decision for their employment.
2. The local agency employee shall occupy his post permanently and without time constraints. The employee may not be dismissed except in the following situations:
 - a. In accordance with the employees free decision and at any time.
 - b. In accordance with his retirement at the age of sixty five .
 - c. In accordance with the decision of the majority of half of the council members or the administrative committee plus one taken because of the employment agency needs or because of imposing a serious penalty on the employee.
 - d. In accordance with a decision of a specialized judicial body.

Article 83

THE SPECIAL CASES FOR FREEING THE EMPLOYEES FROM THEIR DUTIES.

1. The local agencies employee wishing to run for local or general elections or who has been appointed by the central Palestinian Government for the position of minister or governor or for any other position shall temporary hold his employment duties.
2. In this situation he shall submit a request in this regard to the agency council or its administrative committee for its aproval.
3. The position of the employee who was granted a special leave permit from his duties shall be kept till the conclusion of the post that he was elected or appointed to. In this

situation the position shall be covered by a temporary work permit.

Chapter 3

Workers of the local agencies :

Article 84

THE PERMANENT WORKERS OF THE LOCAL AGENCIES

1. The local agencies may employ workers on a permanent bases to cover for such services that do not require the employment of employees.
2. The employees and workers lists authorized by the concerned local authority shall determine the needs of that agency for permanent workers and the vacant post for that.
3. The employment of permanent workers shall be carried out in practice by way of public announcement for vacant posts and the invitation to submit applications for them. In special circumstances, and if the available post necessitates special requirements, the local agency may resort to direct employment to cover the vacant post.
4. For the purpose of employing permanent workers the local agencies may formulate a specialized committee comprised of members from the council or the administrative committee to study the submitted applications and for allocating the vacant posts.
5. The council or the administrative committee or the specialized employment committee in the local agency may dismiss a permanent worker from the agency in accordance with the service requirements or if the worker did not carry out his duties in the proper manner or if a serious penalty was imposed on him in accordance with the decision of a competent judicial body.

Article 85

TEMPORARY WORKERS OF THE LOCAL AGENCIES

1. Local agencies may employ temporary workers to carry out temporary services and employments which do not require the employment of permanent employees or workers .
2. Permanent workers shall be employed for a specific time period or in order to carry out a specific work or service. The termination of the specified time period or the conclusion of the implementation of the specific task or service shall mean, in it self, the termination of the work period.
3. The concerned local agency may break the employment contract of the temporary worker prior to the termination of its time period, or the conclusion of the specified task or service in accordance with the service requirements, or if the worker did not carry out his duties in the proper manner, or if a serious penalty was imposed on him in accordance with the decision of a competent judicial body.
4. The employees and workers lists authorized by the concerned local authority shall determine the needs of that agency for permanent workers and the vacant posts for that.
5. The employment of temporary workers shall follow the regulation specific for permanent workers, with the exception of the aspects set forth in the previous paragraph of this article.

Part Seven
The Financial System of the Local Agencies and its Funds

Chapter One
General Provisions

Article 86

THE PRINCIPLES OF THE FINANCIAL SYSTEM OF THE LOCAL AGENCIES

1. Local agencies shall function on the basis of the financial independence principle, financial sufficiency, and the balance between revenues and expenses.
2. In accordance with the financial independence principle, the local agencies shall have the full jurisdiction to manage its private financial affairs by:
 - a. Taking decisions over the size of its financial incomes and the means for attaining it.
 - b. Making decisions over the management of its expenses and the handling of its other financial and material incomes.
 - c. By setting up bylaws specific for the structure and organization of the agency from a financial aspects and that in accordance with the provisions of this Law or any other law promulgated by the Palestinian Central Authority.
3. In accordance with the principle of financial sufficiency, the local agencies shall obtain the sufficient incomes to guarantee the provision of public services to its citizens in a practical manner. Accordingly the local agencies shall rely on the organization of its financial structure on the incomes set forth in this Law, whether these revenues where internal incomes specific for each agency or revenues provided by the central government.
4. In accordance with the principle of the balance between revenues and expenses the local authorities shall determine the size of its expenses in relation to the size of the

revenues avoiding as much as possible falling into a general deficit . In accordance with this principle also, local agencies shall as much as possible, work on dropping the cost of each service particularly on the recipients of that service striving for applying the financial burden on the actual cost on that service.

Article 87

THE LEGAL SYSTEM FOR THE FUNDS OF THE LOCAL AGENCIES

1. The financial system and the funding of the local agencies shall follow the provisions of this Law and the bylaws it promulgates for this purpose and to the provisions that are issued in general over this article by the Palestinian Central Authority.
2. The financial organizational structure of the local agencies shall apply on the size and description of any local agency whether municipality or district or any other agency.
3. The Palestinian Central Government shall assured of the consummation by the local agencies of the laws , regulations and the established legitimacy in regard to its financial system and funding through the instruments set forth in this Law.

Chapter 2

Funding the local agencies

Section 1 : Funding the municipalities

Article 88

REVENUES FOR FUNDING MUNICIPALITIES

1. Revenues for funding the municipalities may come from the following sources:
 - a. Revenues from its private property, donations and bequests.
 - b. Internal municipal taxes.
 - c. Fees from general municipal services.

- d. The general crises imposed on the use of public services and properties by individuals.
 - e. Special levies from improving the value of private property which results from developmental work or the provision and expansion of public services.
 - f. Municipal shares from the Palestinian Central Authority Taxes.
 - g. Tax increases imposed on the Palestinian Central Authority taxes by the municipalities.
 - h. Special financial assistance for the erection of projects and the implementation of specific services.
 - i. Loans whether from the private or public sector.
 - j. Administrative fines and violations.
2. The content of each of the resources mentioned in the previous paragraph shall be as provided by the following articles of this Law.

Article 89

REVENUES FROM THE MUNICIPALITIES' PRIVATE PROPERTY, DONATIONS AND BEQUESTS.

- 1. In accordance with the provisions of this Law, municipalities may possess private property which consists of such property existing with it at the time it enters into force, and those which it may acquire in the future either through donation, or bequests.
- 2. The rents, interests, and benefits produced by these moveable and immovable goods of the municipal bequests and the free disposition of them are sources for financial incomes for the municipalities.

Article 90

OWN TAXES

- 1. Municipalities may choose and establish their own taxes and the tax rate within the

framework of possible taxes established in paragraph 2 below.

2. The following are possible municipal taxes to be established:
 - a. Tax on ownership, possession, or use and on rents and annual benefits produced by rural goods such as rural land, rural buildings, stone and sand pits, fountains, water streams or canals, etc.
 - b. Tax on ownership, possession, or use, and on rents and annual benefits produced by urban goods, such as urban land, buildings or departments in urban areas or in areas submitted to urbanization. Urban area is meant to be any consolidated built-up area, or any area with paved access and streets, water supply, sewage, electricity, and public lighting.
 - c. Tax on agricultural or forestry activities, cattle and fisheries.
 - d. Tax on commercial or industrial activities, such as commerce, industry, construction, transport, bars, hotels, etc.
 - e. Tax on independent professional or artistic activities, such as doctors, dentists, lawyers, independent workers, painters, musicians, actors, etc.
 - f. Tax on the opening or using of premises for commercial, industrial, professional, or artistic activities.
 - g. Tax on works, installing, or building.
 - h. Tax on increased value of real estate for transfers of title by means of purchasing or selling, donation, legacy, or inheritance.
 - i. Tax on vehicles of mechanical or animal traction.
 - j. Tax on petrol consumption by vehicles of mechanical traction.
 - k. Tax on static and mobile publicity in public ways or on municipal property; and

1. **Luxury tax:** For this purpose luxury shall mean the ownership, use, or purchase or sale of buildings or departments of some specific or superior measures; the ownership or use of more than one building or department; the ownership or purchase or sale of mechanical vehicles of some superior or specific power, the ownership or purchase or sale of jewelry or artistic goods; the ownership or purchase or sale of recreational vessels; some social or recreational activities, such as societal fees or entrance fees to public spectacles; high standard hotel and restaurant services; selling and consumption of alcoholic beverages, tobacco, etc.

Article 91

LOCAL REGIMES OF OWN TAXES

1. **Municipal ordinances may choose and establish their own taxes from among the list contained in paragraph 2 of Article 90 above. Municipal ordinances may also establish new taxes by means of mixing some the taxes mentioned in this Article.**
2. **The establishment of own municipal taxes shall be submitted to the following rules.**
 - a. **The establishment of own municipal taxes shall be coordinated with the financial structure of the Palestinian Central Authority and must be systematically integrated with it;**
 - b. **It shall avoid as much as possible double taxation;**
 - c. **It shall not impose taxes on goods located outside the municipal precinct;**
 - d. **It shall not impose taxes on activities done, rents originated, or facts which took place outside the municipal precincts;**
 - e. **The taxes imposed shall not be an obstacle for the free circulation of persons, goods, services, or capitals along the Palestinian territories;**
 - f. **The establishment of fiscal benefits can only be done through the general norms that rule the relevant taxes. The establishing of fiscal benefits for specific persons shall be the exception and shall require its approval by the votes of half plus one of the municipal council member in each case.**

3. The juridical provisions ruling the municipal taxes shall establish clearly and for each tax the following:
 - a. the fact submitted to taxation;
 - b. the base for the tax, the tax rate, and the rest of the elements of the tax;
 - c. the person subject to the tax;
 - d. possible exemptions, reductions or benefits;
 - e. period cover by the tax, and periods to declare and to pay;
 - f. form of the tax declaration; and
 - g. juridical regime of infractions and sanctions.

Article 92

RATES AND CHARGES FOR USING OF PUBLIC SERVICES OR PUBLIC GOODS

1. Municipalities may charge rates and prices for the private using of municipal public services or public goods.
2. Municipalities may charge rates and prices for the following public services:
 - a. Using of municipal ways for any kind of commercial activity or giving of private services;
 - b. Transit of cattle on municipal ways;
 - c. Street parking of vehicles of mechanical or animal traction;
 - d. Entrance to private parking and garages from the street;
 - e. Permits for parking and using of motor vehicles for private or for public service, such as cars, taxis, buses, trucks, etc.;

- f. Permits for construction or works;
- g. Security inspections of buildings and industrial, or commercial premises;
- h. Sanitary inspections;
- i. Provision of sanitary services, such as disinfection, clearing of rats, protection against insect pests, disposal of contaminating products, etc.
- j. Fire prevention and extinguishing services;
- k. Medical and sanitary attention in municipal centers, using of municipal ambulances, etc.;
- l. Utilization of municipal premises such as nurseries, residences and old or poor people's homes;
- m. Municipal baths and public lavatories;
- n. Municipal cemeteries and funeral services;
- o. Water supply;
- p. Sewage and drainage;
- q. Collection and disposal of waste from private homes, commercial and industrial installations;
- r. Municipal slaughterhouses and markets;
- s. Municipal schools;
- t. Entry to municipal museums and historic places;
- u. Special security services for privately organized public events or spectacles;
- v. Issuance of municipal documents, certifications, licenses, etc.

Article 93

LEGAL REGIME OF RATES AND CHARGES

1. Rates and charges shall be established and ruled by Municipal Ordinances. The juridical provisions ruling the municipal rates and charges shall clearly establish the following:
 - a. The kind of service submitted to the municipal rate or charge;
 - b. The lists of rates and charges to be applied;
 - c. The person subject to the rate or charge;
2. Rates and charges must be public and may be revised at any moment by the Municipal Council.
3. Payment of rates and charges does not exclude the imposition of special assessments for the establishing or enlargement of the relevant municipal services.

Article 94

SPECIAL ASSESSMENTS

1. Municipalities may impose special assessments for the increase of value of private goods as a result of public works or the establishing or enlargement of public services.
2. Special assessments could be imposed in the case of public works or the establishing or enlargement of the following services:
 - a. Opening, paving, or improving streets and squares;
 - b. Constructing of reservoirs and water conduction;
 - c. Sewers and drains;
 - d. Installing of public lighting system;

- e. Burying or improvement of the electric lines or gas networks;
- f. Establishing or improving the fire service;
- g. Installing water purifying plants;
- h. Installing of plants for solid waste disposal;
- i. Land draining;
- j. Planting of trees and plants, or making of parks and gardens;
- k. Land levelling, building up of containing walls, and removing of brush or other natural obstacles; and
- l. Any other work or service that could fall under this concept.

Article 95

LEGAL REGIME OF SPECIAL ASSESSMENTS

- 1. The person subject to the special assessments is the owner of the good benefitted by the works done or by the established or enlarged public service.
- 2. The Municipality may charge the persons subject to the assessment for the whole or part of the price of the works done or of the established or enlarged public service.
- 3. The amount of the special assessments shall be based on the total cost of the works done or of the established or enlarged public service.
- 4. The distribution of the part of the total cost of the works or the services that the Municipality wants to charge to the beneficiaries shall take into account the degree of benefit obtained by each of them. The degree of benefit obtained by the beneficiaries shall be calculated taking into account aspects such as:
 - a. The volume or measures of the benefitted property;
 - b. The intensity of the use by the beneficiary of the work or the service;

- c. The quotas or tax rates to which the benefitted good is submitted; and
 - d. Any other element considered substantial for this purpose.
5. Special assessments may only be charged once for the same object, although paying by installments must be possible.

Article 96

SHARE OF THE PALESTINIAN CENTRAL AUTHORITY'S TAXES

1. Municipalities may have a share of the revenue obtained by the Palestinian Central Authority from its own taxes.
2. The right to have a share of the Central Authority's taxes and the volume of this quota shall be established and ruled on an annual basis by the Law for the General Budget of Palestine.
3. This share may be established on the total amount of the revenue from all the Central Authority's taxes, or only on the revenue from some of them.
4. The share of Municipalities of the revenue obtained by the Palestinian Central Authority from its own taxes shall be different for each Municipality, taking into account elements such as their population, geographical extension, own resources, or services provided.

Article 97

SURCHARGE ON THE PALESTINIAN CENTRAL AUTHORITY'S TAXES

1. Municipalities may impose surcharges on the Palestinian Central Authority's own taxes, if such a provision is established by a Central Authority's Law.
2. The Law of the Palestinian Central Authority authorizing the establishing of municipal surcharges shall rule, at least, the following aspects:
 - a. Taxes that may be submitted to surcharges;
 - b. Taxes' elements submitted to surcharges;

- c. Maximum limit of the surcharge percentage to be imposed by the Municipality;
 - d. Municipalities allowed to impose surcharges; and
 - e. Time period for the enforcement of this municipal financing system.
3. The Municipal Councils of the relevant Municipalities shall decide the Palestinian Central Authority's taxes on which they are going to impose the surcharge and the percentage of this surcharge, which shall be within the limits established by the Central Authority's Law authorizing the surcharge.
 4. The Palestinian Central Authority shall transfer annually to the relevant Municipalities the amount of money which corresponds to each of them, in accordance with the total revenue and with the surcharge percentage established by each Municipalities.

Article 98

GRANTS AND SUBSIDIES FOR SPECIFIC PUBLIC WORKS OR PUBLIC SERVICES

1. Municipalities may receive grants and subsidies for specific public works or public services from either the Palestinian Central Authority or any public Palestinian or foreign institutions.
2. The receiving Municipalities shall use these funds only for the established public works or services, and shall report to the subsidizing institution about the spending of those funds.
3. The subsidizing institution may check that the funds have been used for the established works or services and, if that were not the case, it may demand the return of the money granted and the pertinent compensation.
4. Any demand of subsidies made to a foreign institution or the granted of them shall be communicated to the Palestinian Central Authority, which may oppose to it on the grounds of the national interest.

Article 99

PRIVATE OR PUBLIC CREDIT

1. Municipalities may use credit in order to finance their works or services, following the approval of the Municipal Council.
2. The credit to finance municipal works or services can be obtained by means of:
 - a. Issuing municipal public debt; or
 - b. Contracting public or private loans.
3. The issuing of public debt needs the approval of the central government and shall be subject to the norms established by the Palestinian Central Authority on this matter.
4. The contracting of credit by the Municipalities shall need the approval of the central government when it exceeds 5% of the annual liquid revenue for current operations of the Municipality. No credit operation shall exceed, or be capable of exceeding, 30% of the annual liquid revenue of the Municipality.
5. The credit operations contracted with foreign institution shall need the previous approval of the Palestinian central government.
6. The Palestinian central government approval of municipal issuing of public debt or contracting of credits shall take into account the economic situation of the Municipality, the purpose of this financing, the terms to pay, and the rest of the conditions of the credit operation.

Article 100

FINES AND ADMINISTRATIVE SANCTIONS

1. Municipalities may impose fines and administrative sanctions for any violation of the municipal rules and decisions.
2. Every punishable conduct and the corresponding fine or administrative sanction shall be previously and formally established in the relevant municipal norm.

Section B: Financing of Provinces

Article 101

FINANCIAL INCOME SOURCES OF THE PROVINCES

1. The financial income sources of the Provinces may be the following:
 - a. Incomes produced by their own patrimony, donation, legacy, or inheritance;
 - b. Rates for the general provision of provincial public services;
 - c. Charges for private use of provincial public goods or services;
 - d. Special assessments for the increase of value of private goods produced by provincial public works or by the establishing or enlargement of public services;
 - e. Share of Palestinian Central Authority's taxes;
 - f. Share of municipal taxes;
 - g. Surcharges on Palestinian Central Authority's taxes;
 - h. Surcharges on municipal taxes;
 - i. Subsidies for specific public works or public services;
 - j. Private or public credit operations; and
 - k. Fines and administrative sanctions.
2. The content of each one of the income sources listed in this Article shall be the same as that of the similar income sources listed in the Articles above for the financing of the Municipalities.

Section C: Financing of supra-municipal bodies

Article 102

FINANCIAL INCOME SOURCES OF SUPRA-MUNICIPAL BODIES

1. The financial income sources of the supra-municipal bodies may be the following:
 - a. Share of Palestinian Central Authority's taxes;
 - b. Share of municipal taxes;
 - c. Surcharges on Palestinian Central Authority's taxes;
 - d. Surcharge on municipal taxes of the comprised Municipalities;
 - e. Subsidies for specific public works or public service; and
 - f. Private or public credit operations.
2. The content of each one of the income sources listed in this Article shall be the same as that of the similar income sources listed in the Article shall be the same as that of the similar income sources listed in the Articles above for the financing of the Municipalities.

Section D: Financing of infra-municipal bodies

Article 103

FINANCIAL INCOME SOURCES OF INFRA-MUNICIPAL BODIES

1. The financial income sources of the infra-municipal bodies may be the following:
 - a. Incomes produced by their own patrimony, donation, legacy, or inheritance;
 - b. Rates for the general provision of public services;

- c. Charges for private use of public goods or services;
 - d. Special assessments for the increase of value of private goods produced by public works or by the establishing or enlargement of public services;
 - e. Share of the taxes of the Municipality to which they belong;
 - f. Grants and subsidies for specific public works or public services;
 - g. Private credit operations; and
 - h. Fines and administrative sanctions.
2. The content of each one of the income sources listed in this Article shall be the same as that of the similar income sources listed in the Article above for the financing of the Municipalities.

Chapter 3:

The Budget of the Local Bodies

Article 104

THE GENERAL LEGAL SYSTEM OF THE BUDGETS OF THE LOCAL BODIES

1. Local bodies shall prepare and approve their own general annual budgets which include the expected aggregate revenues and the drafted expenses.
2. The annual general budget shall be approved by the local body's council or its administrative committee prior to the beginning of the fiscal year of that budget. In case the annual general budget was not approved prior to the first day of the year, last years budget shall be regarded as if it was extended till the ratification of the new budget.
3. The jurisdiction to initiate the draft budget proposal shall be to the chairman of the concerned local body who shall present it to the council or to the administrative committee prior to the thirty first of October of each year. The secretary and auditor

of the budget shall present their report about the proposed budget.

4. It is not permissible to approve the annual budget of the local body if it contained a deficit from the beginning. The drafted aggregate expenses shall be compatible with the anticipated aggregate revenues of the fiscal year.
5. The annual budget shall be published in the official gazette upon its approval. Copies of it shall be forwarded to the governor of the province of the local bodies.
6. The budgets of the local bodies shall enter into force on the first of January of each year, or if not ratified by then, on the next day of its official publication.

Article 105

THE CONTENT OF THE BUDGETS OF THE LOCAL BODIES

1. The general budget shall be organized in accordance with the following structure:
 - a. The chapter on revenues shall contain the aggregate estimates of all financial revenues the local body is expecting to collect during the fiscal year, demonstrating clearly and in detail local taxes and the anticipated income sources.
 - b. The chapter on expenditures shall contain the different essential commitments for reimbursement of loans and dues and the remaining fixed expenses outstanding on the local body during the fiscal year. It shall also include the estimated expenditures for the planned projects and activities. It is not permissible unequivocally to dispense these expenditures with insufficient estimates nor to exceed its normal cost.
 - c. The budget shall also include the regulations essential for its proper and precise implementation whether in relation to acquiring revenues or disbursement. These regulations shall also allude to the possibility of transferring the financial amounts from one chapter of the budget or the regulation to another pursuant to the provisions of this Law.

Article 106

THE VALIDITY OF THE LOCAL BODIES' GENERAL BUDGETS

1. The validity of the budgets of the local bodies shall extend only for one fiscal year.
2. It is not permissible to extend the validity of the budget till after the end of the fiscal year unless the new budget was not approved by the first day of the new year as stipulated in paragraph (2) of Article 104.
3. It is not permissible to make commitments on the account of the budget's chapters except those concluded during the fiscal year of that particular budget. In particular it is permissible to:
 - a. Recognize in the current budget the loans and commitments arising from previous years.
 - b. If specific disbursement commitments will extend after the current fiscal year.
4. It is permissible to extend the disbursement obligations till after the end of the current fiscal year in the following situations:
 - a. When the commitment is an investment plan or project which, due to its size, requires funding for more than a year provided that its implementation begins during the current fiscal year.
 - b. If payment of the entire expenses of that obligation during that fiscal year contradicts with the vital economic interests of the local body.
 - c. If the obligation, due to its nature, requires periodic funding for more than a year, such as the provision of constant services, rents, maintenance, supplies, etc.
5. All planned and unimplemented commitments shall be canceled at the end of the fiscal year. It is permissible to include the surpluses of the previous fiscal year in the annual budget of the next year.
6. The deficit occurring as a result of exceeding the estimated expenditure in a particular

year shall be covered, as much as possible, by the budget of the next annual budget.

Article 107

BUDGETARY PLANNING FOR MORE THAN A YEAR

1. It is permissible for local bodies to draft special investment plans intended for specific projects or services that exceeds the scope of one fiscal year. In all cases, it is not permissible for these projects to exceed five years.
2. The investment projects intended for more than one year shall be approved by the body's council or by its administrative committee.
3. The long term investment projects which extend for more than one fiscal year shall be attached as an annex to the general budget. The financial planning of these projects shall include, at least, the following facets:
 - a. The total value of the investment project which shall be allocated over the years required for implementation.
 - b. The aggregate value of the anticipated revenues which shall be allocated over the years required for implementation.
 - c. The credit process essential for completing the funding and requirements of the project.

Article 108

THE REGULATIONS OF THE EXTRAORDINARY EXPENDITURES OF THE LOCAL BODIES

1. In urgent cases, it is permissible for the local bodies to approve extraordinary expenses that exceed the budget estimates for the purpose of conducting specific activities, or the provision of particular services, or for the purpose of rapidly acquiring supplies.
2. It is not permissible for any body except the local body's council or its administrative committee to approve such extraordinary expense.

3. Falling into a budget deficit when deciding for extraordinary expenses shall be avoided as much as possible. Accordingly, the funding of these expenses shall be carried in the following means:
 - a. By using the surplus of the previous budget.
 - b. By transferring amounts from one chapter of the budget to another without effecting the services belonging to the chapter where the allocations are taken.
 - c. By increasing the collection of revenues.
4. It is not permissible to acquire loans to fund extraordinary expenses except:
 - a. If the amount of the loan does not exceed 5% of the ordinary revenues of the local body.
 - b. If the aggregate debts and obligations of the local body, including the extraordinary expenses, do not exceed 25% of the body's ordinary revenues.
 - c. If these measures shall end prior to the termination of the term of office of the council or the administrative committee in charge of the decision.

Article 109

THE TRANSFER OF ALLOCATIONS WITHIN THE DIFFERENT CHAPTERS OF THE GENERAL BUDGET

1. It is permissible for the local body to transfer allocations within the different chapters of the budget after the approval of the general budget and only in compelling situations.
2. It is not permissible to transfer allocations from one chapter of the budget to another except in the following serious cases:
 - a. If it comes from extraordinary expenses approved during that specific fiscal year.
 - b. If it comes from chapters added earlier through a previous transfer of allocations.

- c. If it results in an increase in a chapter previously sliced as a result of a transfer of its allocations.

Article 110

PROVIDING GUARANTEES FOR LOAN OPERATIONS

1. If it so desires, local bodies may provide guarantees for loan operations to the party they are contacting with in order to facilitate the projects and services falling under their jurisdiction.
2. It is not permissible for the loan value guaranteed by the local body to exceed the value which the local body may encounter in case it directly funded this project or service.
3. Loan guarantees by the local body shall comply with the same regulations and restrictions applied for obtaining loans by the local bodies as stipulated in the Law.
4. The local body guaranteeing a loan on behalf of an agency cooperating with it to implement the project or provide services falling under its jurisdiction shall be considered responsible, in the second degree, for settling the loan.

Chapter Four

The Treasury and Accounts of the Local Bodies

Section One: The Treasury of the local Bodies

Article 11

THE TREASURY OF THE LOCAL BODIES

1. The treasury of the local bodies shall consist of the existing financial resources, whether these were shares, money, or outstanding debts.
2. The treasury of the local bodies shall comply with the provisions stipulated in this Law, their pertaining by-laws, and with any other law or regulation promulgated for

this purpose by the Palestinian National Authority.

3. The treasury of the local body shall be administered by a treasurer or the treasurer of the agency.

Article 112

THE DUTIES OF THE TREASURY OF THE LOCAL BODY

The treasury of the local body shall conduct, at least, the following duties:

- a. Collect the agencies monies and pay its obligations.
- b. Administer all monies and financial notes resulting from the activities and work of the local body.
- c. Periodically distribute, in the proper manner, the financial assets for the purpose of fulfilling the local body's obligations.
- d. Face the obligations in the guarantees available by the local body.
- e. Carry out the general accounts of the agency.
- f. Conduct all duties delegated to it by law or which may result from the activities detailed above.

Article 113

THE OPERATIONS OF THE TREASURY OF THE LOCAL BODY

1. Local bodies shall set by-laws special to the collection and administration of funds pursuant to the provisions of this law.
2. Local bodies may make contract with exchange institutions, private or public, so that the latter will conduct the affairs of the treasury of the local body. It may also keep specific liquid assets for petty cash.
3. Local bodies may make contract with exchange institutions, public or private, for the purpose of covering deficit in its treasury's liquid assets resulting from discrepancies

between the date of its obligations and its resources.

4. It is permissible for local bodies to acquire an interest on the temporary surplus in the treasury by guaranteed liquid economic investments.

Chapter Two

Accounts on the Local Bodies

Article 114

ACCOUNTS OF THE LOCAL BODIES

1. Local bodies shall conduct precise and detailed accounts for their properties and all financial operation whether they were money, property, shares, or outstanding debts or obligations.
2. The accounts of local bodies shall comply with the provisions of this law, with their related by-laws, or with any other law or regulation promulgated for this purpose by the Palestinian National Authority.
3. The accounts of the local bodies shall be administered by the agency's account.

Article 115

ACCOUNTING MECHANISMS OF THE LOCAL BODIES

The accounts of the local bodies shall be carried out in accounting books, records and statements in accordance with the most suitable technical means. In all cases, local bodies must have the following accounting books and records:

- a. A list of inventory of properties and dues.
- b. A record of revenues and premiums.
- c. A record of shares and monetary notes.
- d. A record of daily incomes.
- f. A record of daily expenditures.

Article 116

GENERAL ACCOUNT OF THE LOCAL BODIES

1. Each local body shall, at the end of the fiscal year, draft its own general account including all economic transactions conducted by the agency during that year.
2. The general account shall include the following chapters.
 - a. A review of the general financial situation.
 - b. Total accounts.
 - c. Annual funding structure.
 - d. Settlement of the general budget.
 - e. The condition of dues in favor of the local body and the commitments it shall handle from previous budgets.
 - f. The condition of the treasury.
 - g. The condition of public debts.
3. Local bodies with a population not exceeding 50,000 may draft a general simplified account pursuant to the instructions issued by the finance ministry of the central Palestinian government.
4. The chairman of the local body shall present the agency's general account before the finance ministry via the Governor of the province which the local body belongs to, prior to the 31 of May of each year.

Chapter Five

Financial Auditing of the Local Bodies

Article 117

FINANCIAL AUDITING OF LOCAL BODIES

1. All economic activities of the local bodies shall be subjected to prior and internal financial auditing and inspection by the inspection and auditing officials of these agencies.
2. The auditing of local bodies shall comply with the provisions of this law and with any other law promulgated by the Palestinian National Authority in this regard.
3. The responsibility for internal auditing of the local bodies shall fall over the internal auditor of each of these agencies.

Article 118

THE CONTENT OF THE INTERNAL AUDITING OF LOCAL BODIES

1. The internal auditing of local bodies shall comprise the following aspects:
 - a. Prior monitoring and the issuance of necessary reports over each activity, document, or transaction which may result from dues in favor of the agency, or as a result of obligations against it, or as a result of any monetary transaction.
 - b. Prior monitoring and the establishment of reports on any order for the payment of specific amounts from the treasury of the local body.
 - c. Prior monitoring and the establishment of reports over any payments from the treasury of the local body.
 - d. Prior monitoring and actual verification in addition to reporting of any investments conducted by the local body.
 - e. Prior monitoring and verification over the proper utilization of assistance obtained by the local body in addition to reporting it.
2. The report of the local body's auditor shall be requested before conducting any activity or function or prior to making any decision by the local body.
3. The auditor shall submit a written report. This may be positive or negative. If the report was negative because of formal or material reasons, the auditor shall submit

his objections in writing and in detail.

4. The negative report of the auditor shall not hinder the implementation of the activity or the economic procedure by the local body. However, its implementation shall require unambiguous and clear approval and signature of the chairman of the local body. In this respect, the auditor shall be exempted from any responsibility as a result of this measure.
5. Prior inspection and auditing is not required in the following procedures:
 - a. The expenditure of the depleted or consumed material.
 - b. Elementary supplies.
 - c. Periodic or consecutive expenditures provided that the basic contract by which these expenses resulted from are subject to inspection and auditing.

Part Eight

Financial and Administrative Auditing Over Local Agencies

Chapter One

Financial Auditing Over Local Agencies

Article 119

FINANCIAL AUDITING OVER LOCAL AGENCIES

1. All economic bodies of the local agencies shall be subject to external financial auditing carried by the Palestinian Central Authority through its auditing bodies.
2. Financial auditing of the local agency shall be carried out by supervising and overseeing its general accounts, and all its financial documents and records requested by the central auditing mechanisms. This shall be carried out according to the norms of procedures adopted for auditing by the Palestinian Central Authority.

3. The local agencies shall cooperate with the Palestinian Central Authority inspectors and shall provide them with all the necessary documents and records essential for the conduct of their duties.
4. The financial auditing of the local agency shall comply with the provisions of this Law and any other law or regulation promulgated by the Palestinian Central Authority for this purpose.

Article 120

THE OBJECTIVE OF THE FINANCIAL AUDITING OF THE LOCAL AGENCIES

1. The principal objective for the financial and economic auditing of the local agencies is the provision of information to the Palestinian Central Authority and to the local agencies themselves on the following matters:
 - a. The pertinence of the applied process, documents and financial and accounting records.
 - b. The consummation of all regulations over the financial and accounting procedures.
 - c. The degree of quality for the fulfillment of the set objectives.
2. After the conclusion of the audit, the inspection instruments of the Palestinian Central Authority shall submit a written report over the auditing and forward a copy of it to the inspected local agency and another copy to the central authority, attaching to it the claims and evidences presented by the concerned local agency.
3. The results of this report may be:
 - a. Presenting recommendations to the local agency.
 - b. Compelling it to correct the breaches and violations discovered during the inspection.
 - c. Imposing administrative penalties on those in charge at the local agency.

- d. Begin litigation to identify and pursue those determined to be the responsible offenders.

Chapter Two:

Administrative Auditing of the Local Agencies

1. All administrative bodies of the local agencies shall be subject to inspection by the administrative inspection offices of the Palestinian Central Authority.
2. The administrative inspection of the local agency shall be managed through observing its headquarters and its services and all the essential administrative documents and records.
3. The local agencies shall cooperate with the Palestinian Central Authority inspectors and shall provide them with all the documents and records essential for the conduct of their duties.
4. The administrative inspection of the local agency shall comply with the provisions of this Law and any other law or regulation promulgated by the Palestinian Central Authority for this purpose.

Article 122

THE OBJECTIVE OF THE ADMINISTRATIVE INSPECTION OF THE LOCAL AGENCIES

1. The principal objective for the administrative inspection of the local agencies is to improve their structure, internal operations, and services. The central inspection offices shall present reports to the concerned local agencies and to the Palestinian Central Authority on the following matters:
 - a. The consummation of all of the agency' special regulations.
 - b. The degree of quality for the fulfillment of the set objectives.
2. After the conclusion of the inspection, the inspection instruments of the Palestinian

Central Authority shall submit a written report over the inspection and forward a copy of it to the inspected local agency and another to the central authority, attaching to it the claims and evidences presented by the concerned local agency.

3. The results of this report may be:
 - a. Presenting recommendations to the local agency.
 - b. Compelling it to correct the breaches and violations discovered during the inspection.
 - c. Imposing administrative penalties on those in charge, the politicians and administrators, at the local agency.
 - d. Begin litigation to identify and pursue those determined to be the responsible offenders.

Part Nine
Concluding Provisions

Transitional Provision

Until the conception of the Palestinian Government and the Palestinian Council or Parliament officially, all notions present in this Law which alluded to the central government and the Palestinian Central Authority shall be referred to the Palestinian Authority which was an outcome of the Declaration of Principles, signed in Washington on 13 September 1993, and the Cairo Agreement, signed on 4 July 1994.

Annulment Provision

At the entry of force of the provisions of this force, all the provisions of the following Laws and regulations shall be deemed void" "Municipal Regulation, Number 1, for the year 1934"; "Village Council Regulation, Number 32 for the year 1944"; "Village Council Law, Number 29, for the year 1954"; "Municipal Law, Number 29, for the year 1955"; "The *Mukhtars*' Law, Number 52, for the year 1958"; in addition to all other laws and regulations concerning local governance which are in conflict with the provisions of this Law.