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**F. CLIFTON WHITE RESOURCE CENTER  
INTERNATIONAL FOUNDATION FOR ELECTION SYSTEMS**

**Summary Description of the Division of Powers Between  
Municipalities and State Local Executive Authorities**

**November 2002**

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## FOREWORD

### **On “Division of Powers between Municipalities and State Local Authorities” Book prepared by International Foundation for Election Systems**

Powers of municipalities in the Azerbaijan Republic are regulated by the special Law of the Azerbaijan Republic “On Status of Municipalities”. The amendments adopted at the Referendum of August 24, 2002 read: “Principles of the status of municipalities shall be regulated by the present Constitution, and regulations on municipal elections shall be determined by the Law”.

Taking into account such an amendment, composition of municipal powers shall be scrutinized in two significant sources:

*First*, the Constitution of the Azerbaijan Republic with the amendments adopted August 24, 2002;

*Second*, The Azerbaijan Republic Law “On Status of Municipalities”.

Nowadays, it is possible to clearly understand the complete picture of existing municipalities by taking into account the fact that Azerbaijan has been a party to the “Charter On Local Governance” of the Council of Europe (Strasburg, 1985) since December 2001, and that municipalities have attained a number of additional powers through legislation and relevant presidential decrees.

However, this is not all. The implicit strategy of the Azerbaijan Republic is to gradually delegate to municipalities political, economic and social authorities, which historically have been accumulated in hands of state local bodies, and the properties, financial resources and liabilities necessary to implement these powers and responsibilities.

Powers of the state local authorities are determined by the President of Azerbaijan in accordance with the Constitution of the Azerbaijan Republic. The Regulations approved by President Heydar Aliyev are still in legal force. All the state local authorities of the country act within the framework of powers provided for in these Regulations.

Although the responsibilities of both municipalities and state local bodies are clearly indicated in the Constitution, as well as in laws and decrees, most people still try to describe the issue as an unsolved problem.

Of course, people may have numerous grounds to view the matter, which is unclear to them, as a problem. We think, the major reason for this lack of clarity is the deficiency in in-depth study and understanding of the relevant documents discussed here.

So, there is still great demand commenting on and clarifying the essence and list of responsibilities of municipalities, which are a newly established structure in Azerbaijan and have some specific peculiarities, using simplified and easy-to-understand tables. This work continues to foster municipal education.

I consider it a duty and a privilege to emphasize the special attention, constructive help and care that IFES, being an international institution, has provided in respect to the process of establishing the municipal structure in Azerbaijan.

IFES and its Azerbaijan Office are the best assistants and benevolent advisors to the Permanent Commission on Regional Issues, which is the first of its kind in the history of the

Parliament (Milli Majlis) of Azerbaijan. IFES has submitted useful comments on the most significant laws adopted since 1998, as well as on draft laws "On Status of Municipalities", "On Rules for Elections to Municipalities", "On Territories and Lands of Municipalities", "On Local Public Opinion Survey", etc, and provided great technical assistance. IFES activities in the area of municipal education should be particularly emphasized.

The book named "Legal Framework of Municipalities in the Azerbaijan Republic" published by IFES in cooperation with our Commission in 3000 copies and presented to all municipalities free of charge provides constructive help to development of the local democracy.

I appreciate the "Basic Description of the Division of Powers between Municipalities and Local Executive Authorities" book produced by the IFES staff as a valuable present to our citizens interested in municipal governance.

I hope, that these materials will be helpful in several aspects and they will:

- 1) Destroy the wrong opinions concerning the so-called "unclear division of powers" between municipalities and local executive authorities, and provide a true view of the matter;
- 2) Facilitate the resolution of issues concerning the priority of powers to be delegated to municipalities;
- 3) Assist in selecting optimal solutions for issues regarding reasonable regulation of the cooperation between municipalities and local executive authorities when drafting new laws.

Of course, the division of powers discussed in the book can be improved and a number of amendments made. However, we consider the book adequate as it is the first initiative of its kind and has brought the relationship between IFES and the commission closer. We have considered the fact, that the information in the book will be further improved when publishing new books from the "Municipal Library" series, which will be very helpful to strengthening municipal institutions in Azerbaijan.

I express my gratitude to all those who did hard work and produced this book. I do believe that this nice initiative will be continued.

***PROF. DR. ZAHID GARALOV***

***DEPUTY OF MILLI MAJLIS OF THE AZERBAIJAN REPUBLIC  
CHAIRMAN OF PERMANENT COMMISSION ON REGIONAL ISSUES***

***November 2, 2002***

## Introduction

In accordance with the Constitution of the Republic of Azerbaijan, a new institution of local self-governance in the form of municipalities has been recently established. Unlike the State governing system, municipalities are not State institutions. They possess a State-like set of powers, including the presence of a detached administration, power that extends over all persons within a specific territory, establishment and collection of taxes, and development of their own budget.

While recent laws grant municipalities broad responsibilities to address problems in the field of social, economic and environmental affairs beyond the scope of the State programs, very few citizens today understand the role of municipalities in Azerbaijan, their daily activities, or the benefits of various municipal development programs.

First of all, municipalities are associated with a community of citizens within a certain territory functioning through democratically elected representatives of citizens, which allows the population to participate in the management of local issues within the overall State policy. A municipality is a tool of self-governance that plays the role of "local" government to a considerable extent.

Municipalities are mainly recognized as a self-constituted association of citizens, a means by which people participate in governing the affairs of their community through representative institutions. As an instrument for self-governance, municipalities set up mechanisms through which local residents can undertake chosen community activities, which play a role in the administrative extensions of the government at the local level.

Municipal institutions principally exist to decentralize governmental management systems and mobilize civil society for community-based solutions to public problems. Municipalities are allotted a wide range of responsibilities by relevant legislative acts to deal with different issues within their territories that are outside control of the relevant State programs.

The Parliament of the Republic of Azerbaijan developed and adopted a number of fundamental normative documents regulating the activity of municipalities. Laws on the status of municipalities, on municipal services, on municipal land management, on management of water resources and other legislative acts constitute the full range of rights and duties of municipalities.

In 1999, the first municipal elections were conducted and nearly 23,000 citizens of the Republic of Azerbaijan were elected as councilors of municipalities. Among these elected councilors of municipalities, there can be representatives of ruling and opposition political parties and independents.

Over 2,650 municipalities are registered in Azerbaijan. The administrative and territorial division of districts, settlements, cities and city districts serve as the basis for municipal territorial division.

Despite the fact that the municipalities have been in existence for more than three years, there are numerous unresolved problems related to their functioning. Lack of understanding and a poor image of the municipality's powers by the citizens, as well as by many municipal councilors, make it difficult for these municipalities to function. Furthermore, actual gaps and contradictions in the legislation create grounds for confusion.

The laws governing state local executive authorities and municipalities sometimes overlap. In addition to duplication there are uncertainties and ambiguities. IFES has not attempted to interpret this lack of clarity but has reproduced the law as it is. These issues need addressing in future law amendments.

This booklet provides a summary description of the division of responsibilities between municipalities and state local executive authorities.

## STATE LOCAL EXECUTIVE AUTHORITIES

Local Executive Authorities<sup>1</sup> are the part of state executive organs performing state executive duties within certain territories;

Heads of Local Executive Authorities are appointed by and are solely subordinate to the President of the Azerbaijan Republic.

## MUNICIPALITIES

Municipalities are a form of local self-governance functioning within defined areas throughout Azerbaijan. Municipalities are not part of state organs;

Municipalities are collective organs consisting of elected councilors responsible to their electors.

### Organizational Chart

A Local Executive Authority consists of the following: (1) a Head of the Local Executive Authority, appointed by the President of the Azerbaijan Republic; (2) an Executive Office of the Head of the Local Executive Authority, appointed by the Head; (3) Management Divisions of Local Executive Authorities; and (4) a Council under the Local Executive Authority.

The Head of a Local Executive Authority is responsible for the following: (1) the performance and supervision of the duties of Local Executive Authority, (2) day-to-day management of its Executive Office, and (3) reporting to the President of the Azerbaijan Republic. The activity of the Head of the Local Executive Authority is primarily based on resolutions, orders, and instructions of the President of the Republic of Azerbaijan and other superior state authorities.

A municipality consists of the following: (1) a chairman, (2) municipal councilors, (3) permanent and other commissions, and (4) an executive body.

Additionally, citizens' meetings as a part of self-governance may exist within the framework of municipal government. However, such meetings can take place only if the municipal population is less than 500 people.<sup>2</sup> Decisions adopted pursuant to such meetings can have local normative features and could, therefore, be considered binding within the municipal territory.

The Chairman of a municipality is elected from among the councilors of the municipality. A chairman is considered elected if more than half of municipal councilors voted for him/her. The basic role of the Chairman is to do the following: (1) conduct day-to-day management of the municipality, (2) deal with various administrative issues, including convening meetings of municipal councilors, (3) establish the municipal executive organ and managing its activity, and (4) sign the municipality's resolutions and decisions.<sup>3</sup> The term of office of the chairman is regulated by the charter/internal rules of the municipality.

Municipal councilors are elected for a term of five years and are responsible for performance of their respective municipality's activity

<sup>1</sup> Regulations *On Local State Executive Authorities* as approved the President Decree No.138, June 16, 1999.

<sup>2</sup> Article 28 of Law No.698-IQ *On Status of Municipalities*, July 2, 1999

<sup>3</sup> Article 19 of Law No.698-IQ *On Status of Municipalities*, dated July 2, 1999

through regular meetings. Municipal councilors are representatives of the population of a municipal territory through which they conduct self-governance. The municipal councilors have the following rights: (1) to initiate and suggest issues to be discussed at the councilors' meetings or by the municipality's executive body, (2) to suggest amendments, remarks or notes to decisions or drafts discussed or adopted, (3) to make enquires of state or municipal agencies, authorities, organs, etc. In addition, municipal councilors may participate in the work of permanent or other commissions of the municipality as a commission councilor, expert or observer with a consultative vote. Municipal councilors must hold meetings with their electors and consider their complaints and requests.<sup>4</sup> If a municipal councilor's main or permanent work place is the municipality, wages and compensation to this municipal councilor are payable from the municipal budget.

The Council under the Head of the Local Executive Authority is a permanent advisory organ, consisting of the Head of the Local Executive Authority, his/her deputies, directors of Local Executive Authority Managing Divisions and other services. Decisions made by the Council must consultative in nature. As a rule, significant issues requiring collective solutions are primarily discussed at the Council.

Permanent and other commissions are established by municipalities to handle tasks assigned to it. These commissions are usually established for preliminary consideration and elaboration of new solutions within their competence. These commissions can also assist to implement decisions of the municipality and supervise the activity of municipal organizations and enterprises.<sup>5</sup>

For instance, to resolve a problem in the social sphere, a municipality may establish a commission for social development. It should be noted that this commission could also operate on a permanent basis. Then, the commission identifies the existing social problems that exist in the municipal area, which may be, for example, poor conditions of municipal roads. The commission would then elaborate a plan for resolving this problem, which would be put up for discussion at the next municipal council meeting. In addition, a municipality may also involve other commissions in this project. For instance, a budget and finance commission would consider the financial aspects of the repair of the municipal roads. Depending on the goals and

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<sup>4</sup> Article 20 of Law No.698-IQ *On Status of Municipalities*, July 2, 1999 and Articles 4, 5, 7 and 9 of Law No.863 *On Status of Municipal Councilor*, dated April 18, 2000.

<sup>5</sup> Article 17 of Law No.698-IQ *On Status of Municipalities* and Article 2 of Regulations '*On Permanent and Other Commissions of Municipalities* as approved by Law No.859 of April 14, 2000.



role of the commission, it may involve relevant experts as well as the municipal councilors and the population of the municipal area.

The Executive Office is established to undertake delegated management over the activity of the Local Executive Authority and its internal structures.

Managing Divisions are established to handle various issues within the competence of the Local Executive Authorities and subordinate to the Apparatus (Office) of the Local Executive Authority.

A municipality may also have an executive organ headed by the chairman of the municipality, made up of heads of executive departments and their officials, and formed in accordance with the procedures described in the municipality's charter. The main function of the executive organ is to administer the activities of the municipality.<sup>6</sup> Departments, such as those responsible for taxes, accounting, and human resources may be created within the structure of the executive organ.

### General Activities

A Local Executive Authority is responsible for implementing State programs.

A municipality is responsible for performing local programs not covered by State programs.

The Government of the Azerbaijan Republic has elaborated the State program for the development of the Republic in all fields of State functions on the basis of main principles established in the Constitution.<sup>7</sup> This State program should be considered as the State's strategy for the country's development. The package of legislative acts, drafted and adopted by the Parliament, establishes the legal foundation for the implementation of the State program. State executive authorities directly implement the State program. In order to efficiently carry out the program, the implementation process is divided into stages and sub-programs. Each of the units in the State governmental structure is, therefore, authorized to implement or supervise the implementation of their respective sub-programs within the defined field and period. The Local Executive Authority, as a unit of the State governing structure, is also authorized to undertake certain tasks arising from the State program.

The Government's State program does not cover all areas of public life. Consequently, the activities of Local Executive Authorities cannot always cover all needs of the population. Therefore, one of the roles of a municipality is to fill any possible gaps in the State program, in order to meet the population's needs at the local level.

A Local Executive Authority is responsible for the following:

A municipality is responsible for the following:

Elaborating and implementing development programs for cities and regions in the social, economic and environment fields. This may include

Elaborating and implementing social, economic, and environmental programs at the local level.<sup>8</sup> These programs should respond to

<sup>6</sup> Article 18 of the Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

<sup>7</sup> *Constitution of the Republic of Azerbaijan*, November 12, 1995.

<sup>8</sup> Article 144 of the *Constitution of the Republic of Azerbaijan*, November 12, 1995 and Articles 4, 5 and 6 of the Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

the general development of urban or rural areas or specific tasks such as the development of city infrastructure (e.g., roads, telecommunication, etc.).

Establishing service divisions as separate legal entities. These units are created to perform tasks to meet the needs of the population within the territory governed by the Local Executive Authorities, in particularly through housing and community services. Given that no private organizations operate in this field, this service is mostly available through the agencies of the Local Executive Authority.

Elaborating and implementing projects and plans for the development of cities and/or regions. These specific programs are aimed at performing the concrete tasks. For example, the construction of additional roads or demolition of derelict buildings during the construction of a residential complex.

Performing other tasks ordered by the President of the Azerbaijan Republic.

specific local community needs and aspirations. For example, they may include the construction of a park by the municipality at the request of the population.

Establishing legal entities to engage in various activities, including commercial activities, in order to meet the goals<sup>9</sup> of the municipality or municipal community. Enterprises can be established in order to render services to municipal population or to make profits, which are aimed at satisfying the financial needs of the municipality. Under special tax regimes, as may be established in municipal acts, these enterprises may enjoy tax benefits that would allow a reduction in the cost of production as well as increasing the quality of services rendered.<sup>10</sup> In comparison with the state owned enterprises rendering low quality services or expensive services of private businesses, municipal enterprises may successfully fill the middle niche. For example, most of the housing-communal services currently rendered by agencies of the Local Executive Authorities tend to be provided by the municipal enterprises instead;

Performing other tasks as may be required within the framework of self-governance to meet the needs of the citizens.

### Land Related Issues

A Local Executive Authority is responsible for the following:

Selling, leasing, and conducting other transactions of state land plots allocated within its authority.

Developing a plan for use of state land plots.

A municipality is responsible for the following:

Selling, leasing, and conducting other transactions of land plots allocated within its authority.<sup>11</sup>

Developing and implementing a master plan for the use of municipal land plots and for

<sup>9</sup> Article 34 of the Law No.689-IQ *On Status of Municipalities*, dated July 2, 1999.

<sup>10</sup> Article 10.2 of Law No.244-IIQ *On Local (Municipal) Taxes and Payments*, December 27, 2001.

<sup>11</sup> Article 4 of Law No.160-IIQ *On Management of Municipal Lands*, June 29, 2001.

	construction work on municipal territories.
Establishing prices for land plots in accordance with relevant legislation.	Establishing prices of land plots in accordance with relevant legislation; <sup>12</sup>
Developing programs for the improvement and irrigation of land plots in the territories of cities and regions within the framework of the State program.	Developing programs for the improvement and irrigation of land plots in the municipal areas.
Ensuring protection and control over the use of water facilities. Developing and maintaining hygienic and sanitary standards.	Ensuring protection and control over the use of water facilities. Developing and maintaining hygienic and sanitary measures. <sup>13</sup>
Supervising environmental impact of construction areas.	
Performing other tasks ordered by the President of the Azerbaijan Republic.	Other issues established in accordance with the legislation.

### **Transportation and Traffic Issues**

A Local Executive Authority is responsible for the following:	A municipality is responsible for the following:
Developing urban and regional development plans.	Constructing, developing and maintaining local roads and transportation infrastructure. <sup>14</sup>
Initiating construction of facilities related to social and production infrastructure;	
Developing schemes and schedules of local public transportation systems, and licensing public transportation activity.	Developing and maintaining local transportation sector and selling fuel products.
Performing other tasks ordered by the President of the Azerbaijan Republic.	Performing other tasks as may be required within the framework of self-governance to meet the needs of the citizens.

### **Housing, Trade and Services Issues**

A Local Executive Authority is responsible for the following:	A municipality is responsible for the following:
Managing and maintaining state housing funds, urban communal facilities, and road facilities.	Constructing, managing, and maintaining municipal housing funds. <sup>15</sup>
Supervising urban and regional trade, public catering, consumer services; protecting	Developing and maintaining trade, public catering, and consumer services at the local

<sup>12</sup> Article 10 of Law No.160-IIQ *On Management of Municipal Lands*, June 29, 2001.

<sup>13</sup> Articles 4, 23 and 24 of Law No.160-IIQ *On Management of Municipal Lands*, June 29, 2001.

<sup>14</sup> Articles 4.2 and 5 of the Law No. 689-IQ *On Status of Municipalities*, July 2, 1999.

<sup>15</sup> Article 4.2 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

consumers' rights; promoting development of other consumer services; and providing citizens with apartments and other housing and community services.

Maintaining the electrical, water pipeline, heating, and gas supply infrastructures.

Implementing urban and regional development plans.

Performing other tasks as may be ordered by the President of the Azerbaijan Republic.

level.

Developing and maintaining water pipelines and sewage systems, as well as water facilities within municipal areas.<sup>16</sup>

Performing other tasks as may be required within the framework of self-governance to meet the needs of the citizens.

### **Architectural and Protection of Historic Monuments**

A Local Executive Authority is responsible for the following:

Registering architectural projects and designs.

Issuing permits for construction and building works projects on the sites of historical and architectural monuments, and performing other issues related to protection of historical and architectural monuments.

Performing other tasks as may be ordered by the President of the Azerbaijan Republic.

A municipality is responsible for the following:

Maintaining historic and architectural monuments within municipal areas.<sup>17</sup>

Performing other tasks as may be required within the framework of self-governance to meet the needs of the citizens.

### **Issues Related to Social and Cultural Services**

A Local Executive Authority is responsible for the following:

Carrying out the general management of bodies responsible for education, culture, healthcare, social security, sport and physical education under city and regional authority.

Creating the condition necessary for raising children and youth, and taking necessary measures to develop their abilities and provide

A municipality is responsible for the following:

Developing and maintaining programs in the sphere of education, healthcare, culture, social security, sport and physical education.<sup>18</sup>

Creating the conditions necessary conditions for raising children and youth, and taking necessary measures to develop their abilities

<sup>16</sup> Article 4.2. of the Law No.689-IQ and Articles 7,8, 19 and 20 of Law No.159-IIQ *On Water Economy of Municipalities*, June 29, 2001.

<sup>17</sup> Article 4.2 of Law No.689-IQ *On Status of Municipalities*, dated July 2, 1999.

<sup>18</sup> Article 4 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

career-guidance.

Rendering assistance to pre-school, extracurricular education and school-related institutions; organizations targeting children and adolescents; and scientific and research organizations.

Establishing the general education fund for regional, city and city districts using its own resources, public education institutional network development planning, and ensuring compulsory general secondary education.

Establishing socio-cultural, sport and physical education facilities and organizing their activities, including creating better conditions for gymnastics and sport in residential areas and public resorts in accordance with the legislation.

Rendering health care to the population, which includes perpetrating and approving a program on the prevention of diseases and the strengthening of public health and environmental restoration in accordance with established rules.

Performing other tasks as may be ordered by the President of the Azerbaijan Republic.

and provide career-guidance.

Developing and maintaining programs on assistance to pre-school and extracurricular education activities; organizations targeting children and adolescents; scientific and research organizations; and schools within municipal areas.

Providing aid to orphans, sick, elderly, and uncared for populations, and assisting talented children within municipal areas.

Assisting in the development of physical education and sports programs within municipal areas.

Establishing socio-cultural, sport and physical education facilities and organizing their activities, including creating better conditions for gymnastics and sport in residential areas and public resorts in accordance with the legislation.

Assisting unemployed populations within municipal areas and providing social security programs that are in addition to those provided for in State programs.

Performing other tasks as may be required within the framework of self-governance to meet the needs of the citizens.

### **Protection of Human Rights and Other Related Issues**

A Local Executive Authority is responsible for the following:

Controlling the implementation of the Constitution of the Republic of Azerbaijan, Laws of the Republic of Azerbaijan, decrees of the President of the Republic of Azerbaijan, other normative and legal acts within its authority and on the relevant territory; taking measures to protect the rights and freedoms of citizens; and facilitating the work of the courts and prosecutorial and other judicial bodies.

Receiving information from relevant sources on maintaining public order, addressing crime, and ensuring the protection of citizens' rights, freedoms and legal interests in the relevant territory.

A municipality is responsible for the following:

Assisting in the conscription of citizens to active service, organizing and conducting periodical military training and basic military drills in accordance with legislation.

Issuing permits to conduct meetings, assemblies, demonstrations, street processions and pickets.

Receiving citizens, considering their applications, suggestions and complaints in the manner and within the period established by legislation, taking measures on these issues within its authority, and carrying out relevant activities through its subordinate enterprises, establishments and organizations within its authority.

Receiving citizens, considering their applications, suggestions and complaints in the manner and within the period established by legislation,, following up issues within its authority, and carrying out relevant activities through its subordinate enterprises, establishments and organizations within its authority.<sup>19</sup>

In the case of natural disasters or other extreme situations, taking necessary measures for ensuring the functioning of enterprises, establishments and organizations, protecting state and private property, maintaining public order, protecting citizens' health and rights, and preservation of public and private property.

### Financing and Budgeting

The prime sources of funding for Local Executive Authorities are allocations, subsidies and donations from the State Budget. Other sources of funding include non-budgetary contributions, credits and loans.

The prime sources of funding for a municipality are monetary assets receivable from taxes and other payments within municipal areas.

These payments include land and property tax payable by individuals residing in municipal areas, royalties on the extraction of natural resources, and tax on the profits of municipal enterprises and organizations.<sup>20</sup>

Other financial sources for the municipal budget include fees payable for street advertisement stands, resort and hotel duties, parking fees, and other taxes and payments as may be adopted within the municipal area.<sup>21</sup>

Donations and subsidies from the State Budget as well as any contributions, loans or credits accumulated in special non-budgetary funds are also allowed as financial sources for the

<sup>19</sup> Article 30 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

<sup>20</sup> Article 43. Ibidem. Article 7 of Law No.772-IQ *On Financial Basis of Municipalities*, December 7, 1999 and Articles 4.1.3 and 8 of the *Tax Code of the Republic of Azerbaijan* as approved by Law No.905-IQ of July 11, 2000, and Article 8 of Law No.244-IIQ *On Local (Municipal) Taxes and Payments*, December 27, 2001.

<sup>21</sup> Article 9 of the Law No.244-IIQ *On Local (Municipal) Taxes and Payments*, December 27, 2001.

municipal budget;<sup>22</sup>

State property assigned to a Local Executive Authority includes assets allocated from the State Budget, assets of particular funds, state housing and residential funds, engineering, communications and infrastructure facilities, water pipelines, sewage systems, transportation facilities, land plots, natural areas, non-residential funds, enterprises, and other institutions aimed at promoting consumer services, and serving social and cultural purposes.

Municipal property shall include property granted by the State, those received as a result of activities of a municipality, and from other sources, which may include housing and community funds, social and cultural facilities, public facilities, land plots, engineering and communications, and infrastructure facilities, among others.<sup>23</sup>

### Resolutions and Orders

A Local Executive Authority is entitled to issue resolutions and orders including legislative acts within its competence.

A municipality is entitled to issue local acts and orders within its competence;

Resolutions and orders of a Local Executive Authority is binding to all legal entities and individuals located and residing in the territory of the Local Executive Authority.

Local acts and orders of a municipality are binding to all legal entities and individuals located and residing in the municipal areas.<sup>24</sup>

Resolutions and orders of a Local Executive Authority may be repealed by the President of the Azerbaijan Republic and the Constitutional Court of the Azerbaijan Republic.

Local acts and orders of municipalities may be only repealed by a court decision.<sup>25</sup>

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<sup>22</sup> Article 7.1 of Law No. 772-IQ *On Financial Basis of Municipalities*, December 7, 1999.

<sup>23</sup> Article 33 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

<sup>24</sup> Article 48 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.

<sup>25</sup> Article 50 of Law No.689-IQ *On Status of Municipalities*, July 2, 1999.