



Palestinian National Authority

Local Councils Law No. (1) for the year 1997

Article 1

Glossary

As stated in this law, the following phrases and vocabulary will have the following meanings unless otherwise stated.

The Ministry	The Ministry of Local Government
The Minister	The Minister of Local Government
The Local Body	The local government body within a specific geographical and administrative area whether it is a municipal, local, administrative committee or otherwise.
The Council	The Council of the local body including a municipal, a local, rural council, or an administrative, a development committee, or any other Council set up for that purpose in accordance with the provisions of this law comprising a Chairman and elected members.
The Chairman	Chairman of the elected local council
The Member	Member of the elected local council
The Resident	The Palestinian citizen who resides within the jurisdiction of an elected body where he has a permanent place of residence or stable job.
Taxpayer	Any person who is duly indebted to the local body in accordance with the provisions of this law or any other legislation.
The Electoral Law	The 1996 electoral law of the Palestinian local councils.

Article 2

The relationship between the Ministry and the Local Councils

In accordance with the provisions of this law, The Ministry shall carry out the following:

1. Delineate the general policy prescribed for the activities of the Palestinian Local Councils, and to oversee the functions¹. and specialties of these councils, organization affairs of public projects, budgetary activities, administrative, financial and legal oversight, and procedures pertaining to the structure of these councils.
2. Carry out technical and administrative². works related to the organization and regional zoning in Palestine.
3. Develop any regulations or mandates in order to perform its duties which are prescribed in the aforementioned items or per the provisions of this law.

Article 3

The Local Body

1. The local body shall be considered as a financially independent juridical body corporate. Its functions and authorities shall be prescribed in accordance with the provisions of this law.
2. The local body shall be managed by a board of "Council" of Members. The number of the Members shall be

determined in accordance with a regulation issued by The Minister, and endorsed by The Council of Ministers. Its Chairman and Members shall be freely and directly elected in accordance with the law.

Article 4

Local Body Establishment and Abolish

In accordance with the provisions of this law, the structure, formation, and jurisdiction of the Palestinian Local Bodies shall be organized and prescribed in a mandate issued by the Council of Ministers based on a recommendation by the Ministry.

The establishment, abolish, annexation, or separation of any local body, or residential communities or part of them, or establishing a local body for these communities shall be done by a resolution issued by the Council of Ministers based on an endorsement by the Minister, and at the same time without contradicting the provisions of this law.

3. The jurisdiction of the local body area may be expanded or altered by a recommendation from the Council, and by a resolution issued by the Minister.

Article 5

The Minister shall set up a permanent committee composed of no less than seven members of Councils chairmen. The

permanent committee shall resolve any dispute that might arise among the local bodies and/or between the bodies and the Ministry regarding the jurisdiction of these bodies. The committee shall submit its recommendations to the Minister who shall take appropriate decisions in this regard.

Article 6

Election of the Chairman

1. The Chairman shall be elected in free and direct elections in accordance with the provisions of the electoral law.
2. Whomever elected as a Chairman for the Council, shall be fully dedicated. The combination of holding the position of the Council's Chairman and any other position or occupation is not permissible.
3. If engaged in any other job, the Chairman of the local body shall, resign or give up such position within one month as of assuming his duties. Otherwise, his position as a Chairman will be automatically revoked once the period of one month elapses.

Article 7

Election of the Deputy Chairman

1. By secret balloting Members of the Council shall elect a Deputy Chairman of the Council. Election shall depend on the majority vote to select a Deputy Chairman. Thereafter, the Ministry shall be informed of the result.
2. In the event the Deputy Chairman assumes the duties of the Chairman upon

the latter's absence and/or sickness for more than a week, or in case the position of the Chairman has become vacant, an allowance shall be paid to him upon a decision of the Council in accordance with the executive regulations of this law.

Article 8

The New Council's Assumption of its Duties

1. In accordance with the provisions of the electoral law, the elected Chairman and Members of the Council shall assume their duties as soon as the second day of announcing the election results.
2. The new Member who is replacing another one, whose position has become vacant, shall assume his membership responsibilities within two weeks as of the date the position become vacant, and per the Minister's advice to the concerned Chairman of the local body to that effect.

Article 9

The Council's Term

The Council's term shall be four years effective from the date of assuming its duties. The Chairman of the Council shall not be re-elected for more than two consecutive terms.

Article 10

Resignation

1. The Chairman of the Council may submit his written resignation letter listing the reasons. However, the resignation shall not be considered final unless approved by the Council and endorsed by the Minister within a week as of the date of the Council's decision.
2. A Member of the Council may submit his resignation letter to the Council. However, the resignation shall not be considered final unless approved by the Council, and the Minister notified within one week as of the date of the Council's decision.
3. The majority of the Council's Members (half + 1) may resign collectively by submitting a letter listing their reasons to the Chairman. However, the resignation shall not go into effect before the endorsement of the Minister within one week as of submitting the resignation.
4. (A)- In such cases as stated above, the Council shall convene an emergency session within two days as of date submitting the resignation to look into the resignation and act upon it in accordance with the provisions of this law.
(B)- In the event the Minister fails to respond within the fixed period as stated above, the resignation would go automatically and legally into effect.

Article 11

Vacancy of the Chairman's position

1. (A)- The position of a Chairman of a local body shall become vacant in the event that he becomes unable to perform his responsibilities or becomes legally disqualified to carry out his duties in

accordance with a final verdict of a Palestinian court of law.

(B)- In the event of death and/or resignation.

2. In the event the position of the Chairman becomes vacant as stipulated in paragraph (1) as stated above, the provisions of article (55) of the electoral law shall apply, provided that the remaining period of the Council is not less than six months.
3. In the event the provisions of the previous paragraph come into effect, the term of the Chairman shall be the remaining period of the tenure of the Council.

Article 12

Vacancy of the Position of a Council Member

1. The position of a Council Member becomes vacant if he resigns and/or passes away or if he becomes legally disqualified to assume his responsibilities in accordance with a conclusive verdict issued by a concerned Palestinian Court.

2. In the event a position of one Member becomes vacant in accordance with paragraph (1) above, the provision of article (56) of the electoral law shall be implemented.

3. (A)- In the event more than half of the Members positions become vacant at one point, new elections shall be conducted within one month of announcing the vacancies to elect new Members for the whole Council in accordance with the provision of paragraph (5) of article (56) of the electoral law, provided that the

remaining tenure of the Council shall not be less than one year.

(B)- In the event the remaining period of the term of the Council is less than one year, the positions would be filled by applying provision of paragraph (3) of article (56) of the electoral law.

(C)- In all above cases, the term of the Members shall be as per the remaining period of the tenure of the Council.

Article 13

Revoking and Restoring Membership

1. The Chairman of the Council is lawfully liable to lose his membership, and his position shall be considered vacant in any of the following scenarios:

A) If he absents himself for three consecutive sessions without having an excuse acceptable by the Council.

B) If he assumes any act versus the Council in the event he is a lawyer, expert, and/or empowered agent or if he carries out any action against the Council utilizing his Membership for his own personal interest.

C) If he or someone representing him, signs an agreement with the Council whereby he

becomes a beneficiary of such an agreement. However, he could be a participant in a public shareholders corporation benefiting from an agreement signed with the Council as long as he is not a Member in its board of directors, or holds no administrative or otherwise position, such as being an employee or agent in it.

D) In the event he loses any of the required qualifications in accordance with this law and the articles of the electoral law, or in accordance with regulations issued in accordance with such provisions.

E) If he carries out any action in violation of the stated jurisdiction, responsibilities and duties as stated in this law.

2. The Council should notify the Minister of revoking the membership of the Chairman or any other Member within a week of revoking the membership.

3. A Member whose membership has been revoked in accordance with provision (1) of this article, can appeal to the Minister within 15 days as of the revocation, with justifications to keep him in position. The Minister's decision in this case is final and unappealable, and the revocation of the Membership shall be announced in local dailies.

Article 14

As long as there is no contradiction with the provisions of this law, all procedures taken by the Council before revoking the membership of one or more Members of the Council shall be considered as legal as long as they have been taken within the limits and authorities legally vested in it.

Article 15

Functions, Authorities and Powers of the Council

In accordance with the provisions of this law and/or any other legislation, the local body shall assume the following functions, authorities, and responsibilities within the regional boundaries falling under its jurisdiction. The Council is entitled to assume these responsibilities directly through its staff, and/or to entrust some of these responsibilities and duties to contractors and/or to authorize other professional bodies/persons of doing it for a period of three years. The Council is also entitled to authorize others to carry out such responsibilities for more than three years contingent upon the Minister's approval.

The Council may issue laws, or necessary executive regulations to regulate the function of the local body and to secure its interests and requirements.

Henceforth are the responsibilities and duties of the local Councils:

1- Town and Streets Planning

Planning of town, pavement, cancellation and adjustment of streets and setting up sidewalks, catering for cleaning, maintenance, lighting, naming and numbering, landscaping of buildings, and prohibiting violations, and instructing owner of lands to fence the lands adjacent to streets.

2- Buildings and Construction Permits

To control the construction of buildings, demolition and renovations, installment of lifts, and setting up of shelters, in addition to issuing permits to carry out the said activities including specifying locations and shape of constructions, as well as acreage of lands involved and finally to identify and secure healthy standards in all relevant cases.

3- Water Supply

To supply residents with potable water and water for other uses and to define the specifications of its accessories such as meters, pipes, and regulates distribution, subscription, prices, and to prevent the pollution of natural water resources such as springs, wells, streams, etc.

4- Power Supply

To supply residents with electricity and determine prices and rates for consumption and subscription within the maximum limit specified by the Ministry.

5- Sewage

To set up, manage, and control sewage lines and public lavatories.

6- Public Markets

To establish public markets and regulate its functions by specifying the

merchandise that can be transacted in it and specifying those types of merchandise that can not be transacted outside these markets.

7- Crafts and Industry

To regulate, control and monitor the industry and crafts business by specifying their locations, and to control those which might cause disturbance or any health hazards.

8- Hygiene

Garbage and waste collection from streets, houses, stores, and public facilities, and to set up a system of waste disposal.

9- Public Health Monitoring

a- to take all necessary precaution measures to secure public health and prevent epidemics.

b- To monitor houses and other installations to ensure the proper and regular disposal of its garbage and to ensure the hygiene of sanitary ware at public stores, and take all necessary actions to exterminate mosquitoes, plagues and other insects, i.e. mice and rats ...etc.

c- To establish and regulate the function of slaughtering houses and to examine poultry and animals set for slaughtering and taking all necessary actions to prevent being afflicted in addition to setting up places of selling it and disposing its remains.

d- To monitor bread, vegetables, meat, fish and other food supplies and take all necessary actions to prevent any fraud and to dispose the spoiled materials if any, and to specify prices and alleviate inflation of prices in cooperation with concerned governmental bodies.

e- To establish and monitor first aid facilities, health centers, hospitals and other health institutions.

10- Public Stores

To regulate and monitor restaurants, coffee-shops, clubs, playgrounds, theaters, cinemas and other recreational facilities and to specify the business hours, and collecting the fees of entry tickets.

11- Public Parks

To establish, regulate, and monitor public parks, gardens, squares, and open swimming areas in pools, lakes, and beaches.

12- Precautions Against Flood, Blazes, Natural Disasters, and Others

To take necessary precautions against blazes, floods and other natural disasters, as well as monitor fuel, flammable material, and provide relief to victims afflicted with natural disasters.

13- Sports and Cultural Institutions

To establish museums, public libraries, schools, cultural, social, sports, and

musical clubs in cooperation with concerned governmental bodies.

14- Sea and Land Transport

To establish and regulate proper stands for public transport within the jurisdiction of the local body and to monitor its function, and the function of ships, boats and other means of sea transport which operate in the territorial jurisdiction of the local body, in coordination with the concerned governmental bodies.

15- Peddlers, Vendors, and Shades

To regulate and monitor the works of vendors, peddlers, porters, shades, and stands.

16- Weights and Scales

To regulate, monitor, and seal weights, scales, and standards, as well as weight merchandise sold in wholesale at public markets.

17- Advertisements

To control and regulate advertisements, signs, and commercial boards.

18- Demolition of Buildings

To demolish the buildings, feared to collapse, or those causing hazards, or spreading bad smell upon warning its owners.

19- Remnant of Roads

To sell remnants of roads previously expropriated for public purposes and/or utilize them.

20- Begging

To ban begging and set up institutions that would cater for the needy people and monitor the

collection of donations at public facilities.

21- Cemeteries

Construct cemeteries and specify their locations and specifications, in addition to, regulating burial and funerals, and to cater for the sanctity of the cemeteries in coordination with concerned governmental bodies.

22- Hotels

To monitor and regulate the function of hotels and public inns.

23- Pack-animals

To regulate and monitor the usage of pack animals for transport and alike activities, and to regulate a pack-animal market, exclusively for such a purpose, and to prohibit selling outside such markets.

24- Dogs

To regulate the raising of such animals, and to issue proper licenses for such a purpose, in addition to getting rid of the dangerous and stray ones.

25- Budget

To approve the annual budget proposal and final accounting report, as well as staffing before being sent to the Ministry for final endorsement.

26- Administration of the Local Council Property and Funds

To administer the local council property funds, and to construct the required premises in it, and/or rent, mortgage them for a period not more than three years, and to accept donations and contributions.

27- Other Functions

To carry out any other functions and or duties as per this law or any other relevant legislation.

B) Authorizing the Council to set up regulations

- 1- Contingent to the Minister's approval, the Council is authorized to set up regulations to enable it to carry out any duty and/or to execute any power as stated above. Such regulation may include any fees, taxes, revenues, fines, expenditures or violations' tickets.
- 2- In the event any other governmental body is carrying out any of the above mentioned tasks specified in paragraph (A), it should coordinate with the Ministry which, in turn, shall seek the opinion of the local Council, when developing all legislation, regulations, and arrangements to regulate and monitor such work.

C) The Joint Services Council

- 1- Under the approval of the concerned local bodies, the Minister is entitled to establish a Joint Services Council for adjacently located local Councils.
- 2- Under the provisions of this law and in coordination with the concerned local body, the Minister would issue the necessary regulations to establish the Joint Services Councils to cooperate in the following areas:
 - a. To identify the functions and powers of the Joint Services Council in the management and operation of joint projects.
 - b. To specify the number of representative Members named by the various local

bodies and to state the way of appointing the Chairman of the Joint Services Council.

- c. To collect taxes, revenues, fees and rents on joint projects carried out by the Council and to specify ways of collecting and distributing of such fees. However, taxes revenues and fees should not exceed the specified limits.
- d. Personnel and supplies.
- e. Specifying the rates that local bodies would contribute in financing the Joint Services Council, as well as preparing and endorsing its budget.
- f. To liquidate the activities, rights and obligations of the Joint Services Council upon its dissolution.

Article 16

Powers and Responsibilities of the Chairman

- a- To call the Council to convene in specified times and to set up the agenda and to communicate it to the Members. The Chairman shall also head the sessions and run them in pursuit order.
- b- To represent the Council in signing rent, mortgage, borrowing, tenders, quotations, contracting, sales, purchase agreements in accordance with standing procedures.
- c- To represent the local Council before the conferences and meetings held at official bodies.
- d- To safeguard the rights of the local body and to legally defend its interests.
- e- The Chairman is the executive head of the local Council and is the supervisor of all relevant departments in this capacity; the Chairman shall also assume control over the staff with all relevant powers vested in him as a supervisor.
- f- To adhere to, and to execute the decisions of the Council.
- g- To monitor and control the revenues and the expenditure of the local Council and to carry out any other assignments as may be stated by law.
- h- The Chairman may delegate some of his authorities and

responsibilities to his deputy or to any other Member.

Article 17

Powers of the Deputy Chairman

Shall assume all of the Chairman's responsibilities and powers in the absence of the Chairman or in the event the position of the Chairman becomes vacant in accordance with the law.

Article 18

Powers of the Executive Secretary of the Local Council

An Executive Secretary shall be appointed upon a decision by the Council in accordance with the regulations related to the staff of the local bodies.

Article 19

Placement of Staff

- 1- Staff of the local Council shall be appointed, and positions shall be created and/or cancelled, and salaries could be increased or decreased by stating such activities in the annual budget.
- 2- Staff regulations:
In accordance with the provisions of the Palestinian Civil Service Law and its executive regulations, the Minister would issue staff regulations for the local bodies. Such regulations (staff regulations) shall specify the duties, grading, method of appointment, promotion, termination, vacations, and disciplinary action. The staff regulations shall also identify medical care, insurance, pensions and providing allowances such as travel allowances and dispatching of staff on study missions, and any other affairs related to them.

The immovable property of the local body shall be registered under its name. Such property shall not be sold, replaced, donated, mortgaged and/or rented for a period more than three years unless so decided by the Council and endorsed by the Minister.

Article 21

Loans

The local Council is authorized to borrow funds from any party upon the approval of the Ministry. In the event, such a process requires the guarantee of the executive authority, the Cabinet should be consulted and its approval obtained to carry out such a process.

Financial Affairs

Article 20

Property

Article 22

Revenues

The revenues of the local body shall come from the following:

- a- Taxes, fees and fines as prescribed by law or under any other relevant legislation, issued in accordance with any other law or regulations, which calls for collecting taxes, fees, or fines by the local bodies.
- b- Donations, contributions and aids approved by the Council.
- c- The quota “budget” assigned by the Executive Authority to the Local Body.

Article 23

Property and Land (Real Estate) Taxation

Tax shall be collected within the areas of the local bodies in accordance with the real estate taxation law, through a process of appraising, petition, collection, exemption and fines as per prevailing and applicable rules and regulations.

Article 24

Commission on Auctions

1. The local body shall also collect taxes from a buyer of movable property sold at auctions within the jurisdiction of the concerned local

body. The rate of such a tax is 3% of the real value of the sold property.

2. All transactions at auctions shall be carried out through middlemen appointed by the Council to carry out such a function. Commission fees shall be quoted by the local body at the beginning of each fiscal year through public auction.

Article 25

Fees and Fines on Road Transport

The local body shall be given 50% of fees and fines collected under the transport law within the jurisdiction of the local body. Such revenues consist of fees collected for licensing vehicles, and traffic tickets, ...etc.

Article 26

Distribution of Local Body’s Revenues Collected by the Executive Authority

- 1- Revenues collected by the Executive Authority shall be registered by the Ministry of Finance under the revenues of the local body as stated under the provisions of law.
- 2- At least 50% of these revenues would be distributed to the local bodies from which they have been collected. The distribution of the remnant of the revenues on the local bodies shall be decided upon by the Cabinet as per recommendations of the Minister in light of the following considerations:

A- Number of residents of the local body.

- B- The ratio of its participation in collecting the revenue.
 - C- Whether it has a special or particular status.
 - D- Whether it is entrusted of carrying out duties beyond the local scale.
- 3- The Council of Ministers may upon a recommendation from the Minister, allocate a prior of these revenues as financial aids to the Councils and to the Joint Services Councils, to enable them execute vital and important projects which require assistance.

Article 27

Collection of Local Body Revenues

- 1- A person is charged with taxes or fees as of the beginning of the subsequent fiscal year of his owning or disposing a real estate or occupying it in case he is renting it.
- 2- In the event an amount of money is due to the local body in accordance with the law, and has not been paid within fifteen days from the due date, then the Chairman shall warn him in writing, listing all relevant details so as to be paid within 15 days as of date of the notification.
- 3- The warning shall be delivered to the taxpayer by hand. In the event he fails to receive it or rejects the warning, the warning shall be considered as valid as long as it has been sent to the last known residence of the taxpayer, or sent by registered mail at his last known address.
- 4- A taxpayer can appeal against the warning at the concerned court of law during the specified period of 15 days as stated under provision 2 of this article contingent upon setting the required sum or by submitting acceptable guarantees before the court pending a verdict unless he has been exempted of the court fees because of poverty.
- 5- **Sequestration of Movable Property**
In the event due taxes are not being settled during the specified period as stated under provision (2) of this article, the Chairman shall decide to sequester and sell belongings of the taxpayer at a value sufficient to settle the due sum. A collector shall receive a notice signed by the Chairman and stamped by the official seal of the local body ordering him to execute the collection.
- 6- A. Upon receiving the memo, the collector shall be accompanied by a policeman, if he deems necessary, and would enter the taxpayer's property (workplace or land) and would sequester whatever he deems sufficient from his movable property to pay off for the required debt and the sequestration expenses.

B. The Council shall keep the sequestered property for a period of ten days. Thereafter, the Council can sell the property at an auction unless the taxpayer settles all due sums and expenses.
- 7- **Respite**
A. The Chairman is authorized, if reasonably convinced, to extend the sequestration period

- of the property which has been sequestered.
- B. The sequestered property can be sold in whole or part, before the specified period under provision (a) elapses for fear of decay and/or decrease of value. Such a decision can be taken by consent of the taxpayer or upon an order of the Chairman.
- 8- The following property shall be excluded from either sequestration and or selling:
- a. Necessary clothing, beds, linen of the taxpayer and his family.
 - b. Necessary kitchen appliances of the taxpayer and his family.
 - c. Books, tools, machinery and all other supplies needed to carry out the taxpayer's profession, provided that the value of such equipment does not exceed five folds of the value of taxes.
 - d. Food supplies for the taxpayer and his family for a period of three months. In the event the taxpayer is a farmer, seeds used by him to plant his land shall also be excluded.
 - e. In the event the taxpayer is a farmer, two animals of the following shall be excluded: camels, mules, donkeys, horses, goats, sheep.
 - f. Fodder for the two excluded animals that would be sufficient for three months.
 - g. Uniform of governmental officials.
 - h. Garments and all other types of clothing and equipment used for prayers.
 - i. The government share of the crops whether harvested or not.
 - j. Right of demanding compensation.
 - k. Right of personal service.
 - l. Right of future expense.
 - m. Movable and immovable governmental property.
 - n. Checks, bonds and money orders unless so stated under the memo because of bankruptcy of the taxpayer, or in the event, such valuables became un-transferable or negotiable.
 - o. All installations belonging to the Local Councils, municipalities and/or public premises i.e. and buildings which belongs to hospitals constructed for public interest.
- 9- In the event any person experience injustice as a result of sequestration, he can file a case against the Council requesting to restore the confiscated items, its value, or to cancel the sequestration, together with or without demanding compensation for damages.
- 10- Collection through the Department of Execution
The Chairman can collect the due sums of the local body through the Department of Execution, in the manner followed in collecting normal debts which have final verdict, instead of collecting them per the provisions of this article, if he deems that more

appropriate and far effective for the public interest.

11- Withholding of Salaries

In the event the taxpayer is an employee with a fixed salary, the due sum could be collected by withholding one fourth of his salary. In such a scenario, the Chairman should resort to this method to collect the due sums before restoring to procedures stated under provisions (4, 5) of this article.

12- Collection of Revenues Collected by the Executive Authority

The provisions of this article shall not be applicable to the fees and taxes which have been stipulated in this law or in any other law or legislation, that is collected by the Executive Authority to the benefit of the local bodies.

13- The collection of revenues shall be carried out by the Council or by the Executive Authority or by a contractor or otherwise in accordance with the provisions of the law.

Article 28

Deductions

- A. Upon the approval of the Ministry, the Local Council may deduct and/or decrease the value of revenues and/or fees imposed on the taxpayer, or to cancel it due to poverty in realization of justice.
- B. Upon the approval of the Ministry, the Council may impose fines and/or give incentives.

Article 29

Registration of Immovable Property

All registration transactions of immovable properties should be contingent upon presenting a certificate proving payment of taxes to the Local Body.

Article 30

Fund

The fund of the local body constitutes of all moneys collected under the provisions of this law and/or any other relevant legislation. Expenditures and expenses are paid from the fund as decided by the Council. No sums are to be paid from the fund unless it is allocated in the budget of the current year, or unless the Council decides to pay it, provided that the Minister endorses such payment.

Article 31

Budget

- 1- The Local Body shall have an annual budget which will be implemented after being approved by the Council and ratified by the Minister. Appendixes may be attached to the budget in the same manner.
- 2- The annual budget shall be submitted during the last four months of the year and two months before the commencement of the subsequent fiscal year. Expenditures shall not exceed the amount budgeted in the previous year until the new budget is endorsed.

- 3- Allotments could be moved from one section to another or from one item to another by a decision of the Council and the approval of the Minister.

Article 32

Final Account

The Chairman shall submit a final account report of the past year within the first two months of the subsequent year. Such an account should be sent to the Minister for approval following the endorsement of the Council.

Article 33

Financial System

Without prejudice to the provisions of this law, the Minister shall issue a financial system, which regulates the necessary procedures to manage and maintain the fund of the local body to include methods of payment, receipt, book keeping, accounting, auditing, and preparation of the annual budget and the final account.

Article 34

Pursuant to the provisions of this law, the Minister shall issue a system for the local bodies regulating the procurement of supplies, tendering, bidding and all other relevant activities. Such system shall cover the methods of purchasing, entering, maintaining, and disposal of supplies. Further, it shall cover procedures related to bids, tenders, quotations, auctions,

contracting, and other issues related to the works of the Local Body.

Article 35

Control

All financial, legal, administrative documents, inventory, and activities of the local bodies shall be audited and reviewed by efficient and specialized auditors commissioned by the Ministry or by the Administrative and Financial Auditing Bureau.

Article 36

Annual Report

The Chairman of the local body shall prepare an annual report demonstrating all activities carried out throughout the past year. A copy of this report shall be sent to the Minister together with the remarks of the Council.

General & Transitional Provisions

Article 37

Local bodies existing before this law goes into effect shall remain in place, and shall be considered in compliance with the requirements.

Article 38

All taxes and other revenues due before this law comes into effect shall remain valid and due as if under the provisions of this law.

Article 39

All laws contradicting the provisions of this law are hereby invalid and null.

Article 40

All concerned parties are to implement and execute this law once it is published in the official gazette.