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## Tax & Legal News

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#### I. The New Code of the Administrative Procedures of the Republic of Albania

The Albanian Parliament has recently passed the law no. 44/2015, dated April 30, 2015 "The Code of the Administrative Procedures of the Republic of Albania" ("New Code").

The New Code shall enter into force, and thus abrogate the current Code of Administrative Procedures, one year after its publication with the Official Gazette (i.e. publication date: May 28, 2015).

The main scope of this legal reform is the approximation with the *aquis communautaire* and the best relevant practices applicable in the EU member countries.

Beside this, the key mission being attributed to such reform is the improvement of the efficiency of the law governing the administrative procedures in Albania.

To this effect, the novelties laid down in the New Code serve as a starting point for a dynamic process aiming the unification of the administrative procedures, including setting up of new legal institutes/norms compliant with European standards.

The novelties of the New Code include, inter alia:

- reorganization of its structure with the aim to facilitate the reading and interpretation of its provisions.
- coverage of all different legal forms of the acts governing the relationships between the public bodies and the citizens. In this view, the New Code sets out that the will of the administration shall not be



manifested solely by means of the "traditional" decision/act.

The categories of the administrative actions set forth under the New Code are, *inter alia*:

- the Administrative Act, representing the "classic" form of administration may be verbal, in writing, electronic or other and might have one of the following forms:
  - a. Individual Administrative Act,
  - b. Collective Administrative Act,
  - c. Guarantee Act (i.e. representing and individual act through which the public body might guarantee in advance the issuance of a certain individual act on a later date, if this is provided for under a special law).
- (ii) the Normative Sublegal Act
- (iii) the Administrative Contract, that is regulated under a special chapter of the New Code, where among others is regulated the :
  - a. Substituting Contract, as a contract to be entered between the public authority and a party, in the cases when the public interest is better achieved by means of a contract than through the traditional administrative act.
  - b. Administrative Contract between public bodies;
  - c. Amendment, termination or withdrawal from the Administrative Contract, providing for the damage relief for any damage incurred by the other part.

Another novelty is the introduction of the reconciliation process between the parties involved in an administrative proceeding. The official of the public body in charge for the dispute resolution makes the necessary efforts to reconcile the disputing parties. The reconciliation process is not applied in cases when it may damage the public interest or the legitimate interest of third parties.

## II. Amendments to the Law on Organization and Functioning of the Local Government

On April 02, 2015 the Albanian Parliament passed the law no. 30/2015, which amends law no. 8652/2000 "On Organization and Functioning of the Local Government" as amended.

The amendment of the law 8562/2000 came as a natural result of the administrative and territorial reform in the Republic of Albania, concluded with the approval of the law no. 115/2014 "On the Administrative and Territorial Division of Local Government Units in the Republic of Albania". The later was approved by the Albanian Parliament on July 31, 2014 and entered into force on September 16, 2014, following its publication in the Official Gazette. The law brought significant changes to the administrative and territorial division of the local government units in Albania providing for the division of the country only into 12 districts and 61 municipalities. The previous sub-division of municipalities in "communes" was abolished and this local government unit is now referred to as "administrative subdivision" of the municipality.

In compliance with the territorial and administrative reorganization, with the amendments to the law 8652/2000 the legislator abolishes the local government unit "commune", giving thus to the municipalities the role of a key basic local government unit.

With the reform becoming effective (i.e. following June 21, 2015 administrative elections) the number of local governmental units undergoes to a drastic decrease, from actual 373 to 61 units.

Law 30/2015 indicates the municipality as the basic level of governmental unit and the district constituting the second level of local governmental unit.

According to the definition provided by the legislator, the municipality represents an administrative and territorial entity composed by several administrative subdivisions (cities and villages) having in common historical, traditional, economic and social connections. On the other hand the district includes within several municipalities assembled together in virtue of the geographical, historical, economic, joint interests as well as by traditional connections.

Although the local governmental unit's competences and organizational chart remains quite the same, a crucial novelty that marks the reform is the introduction of the administrator's position.

Based on the provisions of law 30/2015, the administrative subdivision of each municipality is managed by an administrator appointed by the major. The administrator *inter alia* has the authority to examine the administrative contraventions.

The appointment and consequent power to dismiss the administrators given to the major is another development

brought by the law 30/2015, resulting in increase of his competences.

The administrative subdivision within the municipality is entrusted, among others with the following competences:

- (i) to serve as office for all administrative procedures provided by the municipality;
- to oversee the territory and inform the appropriate body within the municipality on violation of the law provisions;
- (iii) to administer the public areas, markets, parks, etc., should the municipality council delegates such competencies to the administrative unit;
- (iv) to prepare and propose to the major the investment plan for its territory and to, following approval, oversee its application;
- (v) to perform all functions delegated by the major and the municipality council.

As conclusion, the reform introduced by the legislator with the law 30/2015, aims to simplify and make more efficient the local governmental units. Setting up larger entities entails more budget allocated, larger infrastructures and investments to manage, hence will result in increased responsibilities and duties for the local governmental units.

Time would be of essence in showing whether the local administration will be able to manage efficiently the enhanced competences.

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