Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

12 June 2009 [shall come into force on 1 July 2009];

20 December 2012 [shall come into force on 23 January 2013].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Reorganisation of District Governments**

**Chapter I**

**General Provisions**

**Section 1.**This Law prescribes the procedures for the reorganisation of district governments in order to ensure the completion of the administrative and territorial reform of local governments. During reorganisation, the local governments and planning regions shall take over the functions, authorities, property, financial resources, rights and obligations of the local government of the respective district in accordance with this Law, the plan for reorganisation of district government (hereinafter – the reorganisation plan), and other legal acts in order to ensure the continuity and succession of local government work.

**Section 2.**The powers of a district council shall cease on 1 July 2009.

**Section 3.**The Ministry of Regional Development and Local Governments (hereinafter – the responsible ministry) shall monitor the compliance with this Law and other legal acts in the reorganisation of district governments.

**Chapter II**

**Reorganisation Plan**

**Section 4.**(1) A district council shall adopt the reorganisation plan by 31 December 2008, providing therein for the transfer of all the authorities, property, financial resources, rights and obligations to local governments and planning regions. Only such authorities, property, financial resources, rights and obligations shall be transferred to a planning region which, in accordance with law, are related to the transfer of the functions of a district government to the respective planning region.

(2) If one municipality is established in the territory of a district, the reorganisation plan shall be developed only for the transfer of such authorities, property, financial resources, rights and obligations to a planning region which, in accordance with law, are related to the transfer of the functions of a district government to the respective planning region.

**Section 5.**(1) A district council shall adopt the reorganisation plan upon reaching agreement of members thereof. If members of the district council are unable to reach an agreement and even only one member thereof has an objection, the plan shall be adopted by voting. In such case the plan shall be adopted if more than half of the council members who represent not less than 75 per cent of the total number of residents of district governments according to the data of the Population Register has voted for it.

(2) More than half of the chairpersons of such local governments represented in the district which form a municipality after the administrative and territorial reform of local governments in accordance with the provisions of administrative territorial division, or a chairperson of local government representing a newly established city may agree to the reorganisation plan and vote for it at large but not agree that the respective municipality or the newly established city takes over the authorities, property, financial resources, rights and obligations of an individual district government.

(3) A district council may amend the reorganisation plan until 1 June 2009 in compliance with the provisions of this Section and on the basis of an opinion of the responsible ministry regarding conformity of the plan with the requirements of legal acts.

**Section 6.**(1) A district council shall send the reorganisation plan to the responsible ministry within five working days after approval thereof. The responsible ministry shall assess the conformity of the reorganisation plan with the requirements of legal acts.

(2) A district government shall publish the reorganisation plan on its website. The responsible ministry shall publish the received reorganisation plans on its website.

**Section 7.**(1) If a district council does not adopt the reorganisation plan, the Cabinet shall issue regulations regarding reorganisation of the respective district government.

(2) If the district council has not intended the transfer of all the authorities, property, financial resources, rights and obligations of the district government in the reorganisation plan or this plan is otherwise in contradiction with the requirements of legal acts, the Cabinet shall issue regulations regarding reorganisation of the respective district government in order to eliminate the deficiencies detected in the plan.

(3) If the district council has adopted the reorganisation plan in accordance with the procedures specified by law, however the chairpersons of the local governments referred to in Section 5, Paragraph two of this Law do not agree to taking over individual authorities, property, financial resources, rights and obligations, the Cabinet shall decide to whom the respective authority, property, financial resources, rights and obligations shall be transferred.

(4) If after 1 July 2009 the reorganisation plan is not adequately executed and thus the performance of the functions of the local government is endangered and public interests may be affected, the Cabinet may take decisions regarding the necessary amendments to the reorganisation plan and issue respective regulations.

**Chapter III**

**Execution of the Reorganisation Plan**

**Section 8.**Execution of the reorganisation plan shall be commenced no sooner than 1 March 2009. Execution of the plan shall be terminated not later than until 31 December 2009.

**Section 9.**If one municipality is formed in the district territory, then, upon termination of the powers of the district council, the district government as a legal person governed by public law shall cease to exist and the respective municipality government shall take over the authorities, property, financial resources, rights and obligations of the district government, except for such authorities, property, financial resources, rights and obligations which are taken over by the planning region.

**Section 10.**(1) If at least two municipalities are formed in the district territory, then, after termination of the powers of the district council and in order to ensure gradual transfer of the authorities, property, financial resources, rights and obligations of the district government, the district government shall continue to exist as a legal person governed by public law until the transfer or termination of the authorities, property, financial resources, rights and obligations thereof, but not later than until 31 December 2009.

(2) The district council shall determine in the reorganisation plan which council of the municipality government established in the territory of the former district after 1 July 2009 will co-ordinate the execution of the reorganisation plan, ensure the continuity of activity of the legal person referred to in Paragraph one of this Section, and perform other duties specified in legal acts.

(3) Reorganisation of the district government shall be monitored by the Commission for Monitoring of District Government Reorganisation to which local governments in the district delegate one representative from each. The Commission for Monitoring of District Government Reorganisation shall monitor the process of execution of the reorganisation plan and use of the budget of the district government in accordance with the procedures stipulated by the Cabinet.

**Section 11.**Operation of a district government as a legal person governed by public law shall be considered terminated from 31 December 2009 on the basis of this Law.

**Chapter IV**

**Activities Involving Financial Resources and Property**

**Section 12.**(1) From the date of coming into force of this Law until the date of transfer of the respective property, the immovable property of a district government may be leased for a time period longer than one year, alienated, pledged, encumbered with property or obligation rights only with an approval of the Cabinet.

(2) If immovable property is alienated, the income obtained as a result of alienation shall be directed for financing investment projects of district government, financial aid projects of European Union funds and foreign countries, reimbursement of loans of the district government, fulfilment of long-term liabilities or the provision of implementation of the reorganisation plan.

**Section 13.**(1) Expenditure of reorganisation of a district government in 2009 shall be financed from the budget of the district government. If reorganisation of the district government requires additional resources, the Cabinet shall take the decision regarding granting thereof.

(2) If at least two municipalities are formed in the territory of the district, the decision regarding amendments to the division of the financing to institutions or measures in the budget approved by the district government from 1 July 2009 till 31 December 2009 shall be taken in accordance with the procedures stipulated by the Cabinet.

**Section 14.**(1) If at least two municipalities are formed in the territory of the district, the open accounts of the district council or district government in the Treasury and credit institutions as well as the registration number in the Taxpayer Register shall be preserved until 31 December 2009.

(2) If one municipality is formed in the territory of the district, from 1 July 2009 the full amount of financial resources intended for the district government from the State budget (earmarked grants and grants, including grants from the local government equalisation fund) shall be transferred to the account indicated by the local government of the respective municipality.

**Section 15.**(1) If one municipality is formed in the territory of a district, the budgets of financial year of the municipality government and district government shall be joined, adopting a new budget of the financial year within one month from the day of commencement of activities of the municipality. A municipality shall ensure the submission of reports to the Treasury and other authorities in accordance with the procedures specified in legal acts.

(2) If at least two municipalities are formed in the territory of the district, the municipality government specified in Section 10, Paragraph two of this Law shall ensure that reports of the district government are submitted to the Treasury and other authorities in accordance with the procedures specified in legal acts.

[*12 June 2009*]

**Chapter V**

**Provision of Performance of the Functions**

**Section 16.**Authorities of district government (both until and after the transfer to the local government or planning region) shall ensure the performance of the functions of the former district government in the territory of the district until 31 December 2009 if the local governments have not decided otherwise.

**Section 17.**After 31 December 2009, a local government which does not have the authority necessary for the performance of the functions of the former district government shall co-operate with the local government which has taken over the respective authority in accordance with the procedures specified in legal acts.

**Chapter VI**

**Other Provisions**

**Section 18.**The Cabinet shall, by 1 September 2008, determine the procedures for the development, amendment, and execution of the reorganisation plan, the content of the plan, and the most important guidelines of the division of the authorities, property, financial resources, rights and obligations of the district government, and also the procedures for amending the budget of the district government in the second half of 2009.

[*12 June 2009*]

**Transitional Provisions**

1. The Cabinet shall perform the assessment of the administrative and territorial reform and, by 1 October 2013, submit to the *Saeima* an opinion where the possibilities of decentralising functions of direct State administration in relation to local governments have been assessed.

[*20 December 2012*]

2. [20 December 2012]

3. Cabinet Regulation No. 713 of 2 September 2008, Procedures for the Reorganisation of a District Government, shall be in force until 1 May 2010.

[*12 June 2009*]

The Law shall come into force on the day following the proclamation thereof.

The Law has been adopted by the *Saeima* on 19 June 2008.

President V. Zatlers

Rīga, 9 July 2008