

THE PRIME MINISTER

promulgates

the full version of Act No 128/2000 Coll.,  
on Municipalities (the Municipal Order),  
as amended by Act No 273/2001 Coll., Act No 320/2001 Coll., Act No 450/2001 Coll.,  
Act No 311/2002 Coll., and Act No 313/2002 Coll.

ACT  
on Municipalities (the Municipal Order)

The Parliament has enacted the following Act of the Czech Republic:

PART ONE  
THE MUNICIPAL ORDER

CHAPTER I  
GENERAL PROVISIONS

Division 1  
Status of Municipalities

Section 1

A municipality is a basic territorial self-governing community of citizens; it forms a territorial unit which is defined by the borders of the territory of the municipality.

Section 2

(1) A municipality is a public council which has its own property. The municipality acts in legislative relations in its own name and bears responsibility arising from these relations.

(2) A municipality attends to the general development of its territory and to the needs of its citizens; in the fulfilment of its tasks it also protects the public interest.

Section 3

(1) A municipality with at least 3,000 inhabitants shall be a city if the Chairman of the Chamber of the Deputies of the Parliament so stipulates further to a statement by the Government.

(2) Should two or more municipalities merge, whereby at least one of them is a city, the municipality established after such merger shall be a city. Should a city divide into two or more municipalities, the municipality that shall retain the name of the hitherto city or part of the name thereof and have at least 3,000 inhabitants shall be a city.

#### Section 4

(1) The following cities shall be statutory cities: Kladno, České Budějovice, Plzeň, Karlovy Vary, Ústí nad Labem, Liberec, Hradec Králové, Pardubice, Jihlava, Brno, Zlín, Olomouc, Ostrava, Opava, Havířov, Most, Teplice, Karviná and Mladá Boleslav.

(2) The territory of statutory cities may be divided into city districts or city boroughs with their own bodies of self-government.

#### Section 5

(1) A municipality is independently governed by the municipal council; other municipal bodies are the municipal board, the mayor, the municipal office, and special municipal bodies. A city is independently governed by the city council; other city bodies are the city board, the mayor of the city, the city office, and special city bodies.

(2) A statutory city is independently governed by the city council; other bodies of a statutory city are the city board, the Lord Mayor, the city office, and special bodies. The city district of a territorially subdivided statutory city is governed by the council of the city district; other bodies of a city district are the city district board, the mayor of the city district, the city district office, and special bodies of the city district. The city borough of a territorially subdivided statutory city is governed by the council of the city borough; other bodies of a city borough are the city borough board, the mayor of the city borough, the city borough office, and special bodies of the city borough.

(3) A commission, if assigned to perform delegated competence (section 122(2)), is also a body of a municipality, city, statutory city, city district, or city borough.

#### Section 6

repealed

#### Section 7

(1) A municipality attends to its affairs independently (hereinafter referred to as 'independent competence'). State bodies and regional bodies may intervene in independent competence only where required for the protection of the law and only in a manner stipulated by law. The scope of independent competence may only be restricted by law.

(2) A municipal body entrusted with the performance of state administration shall perform such state administration as delegated competence (section 61 et seq.).

#### Section 8

Where a separate law regulates the competence of municipalities and does not specify that a certain competence is the delegated competence of a municipality, such competence shall be independent competence.

#### Section 9

repealed

#### Section 9a

Municipalities shall ensure that financial auditing is conducted in accordance with a separate legal regulation.<sup>2a)</sup>

#### Section 10

A municipality may bestow obligations within the scope of independent competence by adopting a generally binding regulation:

- a) in order to ensure local matters of public order; a municipality may, in particular, specify which activities that might disturb public order in the municipality or contradict good morals or the protection of safety, health or property may be carried out exclusively in locations and a time determined by the generally binding regulation; or a municipality may specify that these activities shall be prohibited in certain public places;
- b) with respect to the organisation, course and ending of sports and cultural events open to the general public, including dances and discotheques, by appointing binding provisions in the scope necessary for ensuring the public order;
- c) in order to ensure the cleanliness of streets and other public places, to protect the environment, greenery in developed areas and other public greenery<sup>3)</sup> (hereinafter referred to as ‘public greenery’) and to use the facilities of the municipality serving for the needs of the public;
- d) where stipulated by a separate Act.

#### Section 11

(1) Under and in the bounds of the law, a municipality may, in the scope of delegated competence, issue municipal ordinances, provided that the municipality is granted such authorisation by law.

(2) A municipality carrying out extended competence<sup>3a)</sup> (section 66) may, under the conditions stipulated in paragraph 1, issue municipal ordinances for an administrative district appointed under a separate legal regulation.

#### Section 12

(1) Generally binding regulations and municipality ordinances (hereinafter referred to as ‘municipal legal regulations’) must be published, which is a condition for the validity of a municipal legal regulation. Publishing shall be carried out in such a manner that the municipal legal regulation shall be displayed on the official notice board of the municipal office (section 112) for a period of 15 days. The date of publication of the municipal legal regulation shall be

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<sup>2a)</sup> Act No 320/2001 Coll., on financial auditing in public administration and on an amendment of certain laws (the Financial Auditing Act).

<sup>3)</sup> Section 3 of Decree No 190/1996 Coll., implementing Act No 265/1992 Coll., on entries of property and other material rights related to real property, as amended by Act No 210/1993 Coll. and Act No 90/1996 Coll., and Act No 344/1992 Coll., on the Property Register of the Czech Republic (the Cadastral Act), as amended by Act No 89/1996 Coll.

<sup>3a)</sup> Act No 314/2002 Coll., on the appointment of municipalities with a delegated municipal office and on the appointment of municipalities with extended competence.

the first day of display on the official notice board. In addition, the municipality may publish the municipal legal regulation in the manner usual in the location.

(2) Unless effect is appointed for a later date, municipal legal regulations enter into effect on the fifteenth day as of publication. In cases of urgent general interest, effect may exceptionally be appointed as of an earlier date, but no earlier than the date of publication.

(3) The ordinances of a municipality carrying out extended competence shall also be published on the official notice board of municipal authorities active in an administrative district of the municipality with extended competence.

(4) A municipality shall keep records of the legal regulations it publishes. The records of legal regulations shall contain the number and name of the legal regulation, the date it was passed, the date it entered into force, the date it entered into effect, and where appropriate the date it expired. Municipal legal regulations shall be labelled with serial numbers. The numerical sequence shall stop at the end of each calendar year.

(5) Municipal regulations and records thereof shall be publicly accessible at the municipal office in the municipality which issued them. An ordinance issued by a municipality with extended competence shall also be publicly accessible at municipal authorities active in an administrative district of the municipality. The municipal office shall send the municipal legal regulation forthwith on publication thereof to the competent regional office and to the Ministry of the Interior should this ministry so request.

### Section 13

(1) Where possible, national and regional authorities shall discuss in advance with a municipality the drafts of measures which affect the competence of the municipality.

(2) National and regional authorities shall provide municipalities, on request and free of charge, with the data and information necessary for the execution of their powers. The same obligation applies to municipalities in relation to national and regional authorities. The protection of data and confidential information in accordance with separate legal regulations<sup>4)</sup> shall not be affected.

3) In exercising its competencies the municipalities are allowed to make use free of charge of information contained in the property register.

### Section 14

(1) Where stipulated by a legal regulation, a municipality shall be obligated to issue certifications and produce reports for the requirements of legal and natural persons.

(2) A municipality shall issue certifications required to exercise rights abroad, even in cases where no legal regulation imposes this obligation but the required information is known to the municipality.

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<sup>4)</sup> E.g. Act No 148/1998 Coll., on the protection of confidential information and on an amendment of related laws, as amended; Act No 101/2000 Coll., on personal data protection and on an amendment of related laws, as amended, and Act No 89/1995 Coll., on the state statistical service, as amended.

## Section 15

repealed

## Division 2 Citizens of a Municipality

## Section 16

(1) A citizen of a municipality is a natural person who  
a) is a citizen of the Czech Republic, and  
b) has a permanent residential address in the municipality.<sup>6)</sup>

(2) A citizen of a municipality who is aged at least 18 years old has the right:  
a) to vote and be elected a member of a municipal council under the conditions stipulated under a separate Act;<sup>7)</sup>  
b) to vote in a local referendum under the conditions stipulated under a separate Act;<sup>8)</sup>  
c) to express opinions on matters discussed at meetings of the municipal council in accordance with the corresponding rules of procedure;  
d) to express opinions on the draft budget of the municipality and on the final accounts of the municipality for the preceding calendar year, either in writing in the stipulated time limit or orally at a meeting of the municipal council;  
e) to peruse the budget of the municipality and the final accounts of the municipality for the preceding calendar year, resolutions and minutes from meetings of the municipal council, and resolutions of the municipal board, committees of the municipal council, and commissions of the municipal board, and to make copies thereof;  
f) to demand that a certain matter be discussed by the municipal board or the municipal council within the scope of independent competence; if an request is signed by at least 0.5 per cent of the citizens of the municipality it must be discussed at a meeting of the municipality within 60 days, or within 90 days in cases where the powers of the municipal council are at issue;  
g) to submit proposals, comments and incentives to the municipal bodies; the municipal bodies shall settle the submitted proposals, comments and incentives without delay, such being within 60 days, or within 90 days in cases where the powers of the municipal council are at issue.

(3) The rights under subsections (2)(c) to (g) shall also apply to a natural person who is at least 18 years old and owns real property on the territory of the municipality.

## Section 17

Where stipulated under an international agreement which is binding for the Czech Republic and which has been promulgated, the rights under section 16 shall also apply to a natural person who is at least 18 years old, is a foreign citizen, and has a permanent residential address in the municipality.

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<sup>6)</sup> Act No 133/2000 Coll., on records of inhabitants and personal identity numbers and on an amendment of related laws (the Inhabitant Records Act).

<sup>7)</sup> Act No 152/1994 Coll., on elections to municipal councils and on an amendment of related laws, in the wording of Act No 247/1995 Coll.

<sup>8)</sup> Act No 298/1992 Coll., on local referenda, in the wording of Act No 152/1994 Coll.

Division 3  
Territory of a Municipality and Changes Thereto

Section 18

- (1) Each part of the territory of the Czech Republic shall be part of a territory of a municipality, unless a separate Act stipulates otherwise.<sup>9)</sup>
- (2) A municipality has one or more cadastral districts.

Section 19

- (1) Two or more neighbouring municipalities may merge by agreement. The territory of the municipality established after the merger shall comprise the territories of the merged municipalities.
- (2) After a merger, the resultant municipality shall bear the name agreed by the merged municipalities. Should the municipalities fail to agree on the name thereof, a decision on the name shall be made by the Ministry of Interior. The approval of the Ministry of the Interior is required for a different name for a merged municipality.
- (3) By agreement, a municipality may be annexed to another neighbouring municipality.
- (4) An agreement on the merging of municipalities or on the annexation of a municipality may be concluded pursuant to a resolution of the councils of the respective municipalities, unless a proposal to hold a local memorandum on this matter<sup>8)</sup> is lodged within 30 days of the publication of this resolution. Should such a proposal be lodged, an agreement on the merging of municipalities or the annexation of a municipality may be concluded only on condition that an affirmative decision is returned in the local referendum which is held in the municipality in which the proposal to hold a memorandum was lodged. The respective municipalities shall inform the regional office of the decisions of their councils, pursuant to which the agreement on the merging of municipalities or on the annexation of a municipality is to be concluded. If a local referendum is held on the merger of municipalities or on the annexation of a municipality, the respective municipalities shall also notify the decision made in the local referendum.
- (5) An agreement on the merging of municipalities or on the annexation of a municipality shall include the following:
- a) the day, month and year as of which the municipalities are merged or as of which the municipality is annexed;
  - b) the name of the municipality and seat of the bodies thereof, if municipalities are merged;
  - c) a specification of the municipal legal regulations which were issued by the municipalities being merged or by the municipality being annexed and which shall remain in force in the entire municipality after the merger or annexation;
  - d) a specification of the cadastral districts of the municipality after the merger or annexation;

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<sup>9)</sup> Act No 222/1999 Coll., on ensuring the defence of the Czech Republic.

e) a specification of the property, including financial assets, other rights and obligations, legal persons and organisational units (branches) of the merged municipalities or the annexed municipality.

(6) The legal successor of the merged or annexed municipalities shall be the municipality established by the merger thereof or the municipality which shall not cease to exist after annexation. This municipality shall become the recipient of tax revenues under a separate Act which under separate legal regulations would otherwise belong to the municipality which has ceased to exist. The property, including financial assets of the municipalities which cease to exist, other rights and obligations of these municipalities, including their rights as founder and establisher of legal persons, and organisational units of these municipalities shall be transferred to the municipality specified in the preceding sentence as of the date the municipalities are merged or a municipality is annexed. The newly established municipality or the municipality which does not cease to exist after annexation shall send a copy of the agreement to the Ministry of Interior, Ministry of Finance, the competent land registry, and the competent revenue office.

## Section 20

(1) A city district or a city borough in a statutory city may be established or dissolved pursuant to a resolution of the city council, unless a proposal to hold a local memorandum on this matter is lodged within 30 days of publication of this resolution. Should such a proposal be lodged, an agreement to establish or dissolve a city district or a city borough may be concluded only on condition that an affirmative decision is returned by such a local referendum held in the territory in which it is proposed to establish or dissolve a city district or a city borough.

(2) A city district or a city borough is an organisational unit of the city.

(3) A city district or a city borough may be annexed to another city district or a city borough under conditions stipulated in subsection (1).

(4) A resolution on the establishment, annexation, or dissolution of a city district or a city borough shall include the formalities specified under section 19(5); however, the name of the city district or city borough to be established, or the name of the city district or a city borough to which another city district or city borough is to be annexed, shall be stated instead of the name of the municipality.

(5) A statutory city shall send a copy of the resolution to the Ministry of Interior, the competent land registry, and the revenue office.

## Section 20a

A new municipality may be established by the separation of part of a municipality or by a change to, or dissolution of, a military zone.<sup>9)</sup>

## Section 21

(1) A part of a municipality wishing to separate from a municipality must have an independent cadastral district adjacent to at least two municipalities or one municipality and a

foreign state and forming an uninterrupted territorial unit; it must have at least 1,000 citizens after separation. The municipality remaining after separation of part thereof shall meet the same conditions. The citizens living in that part of the municipality which intends to separate from the municipality must express their consent to the separation in a local referendum.

(2) In that part of the municipality which intends to separate, the citizens of the municipality shall establish a preparatory committee. The preparatory committee consists of an eligible citizen<sup>10)</sup> and his deputies. Only one preparatory committee may be established. The number of members of the preparatory committee shall be odd and the committee shall consist of no less than three members. Only a citizen of the municipality with permanent residence in that part of the municipality which intends to separate may become a member of the preparatory committee.

(3) The preparatory committee:

- a) proposes the organisation of a local referendum on the separation of a part of the municipality and participates in the preparation and implementation thereof;
- b) participates in the preparation of the proposal to separate part of the municipality;
- c) is a participant in the procedure on the separation of part of the municipality; however, it cannot submit a proposal for the separation of part of the municipality to the regional office<sup>11)</sup>.

(4) The activities of the preparatory committee shall terminate:

- a) as of the date of publication of the results of the local referendum if the citizens express their non-approval of the separation of part of the municipality in the referendum; or
- b) as of the legal effect of the regional office's resolution on the separation of part of the municipality.

## Section 22

(1) The regional office, in the scope of delegated competence, decides on the separation of part of a municipality pursuant to an application from a municipality submitted by a municipality in accordance with the positive result of a local referendum held in that part of the municipality which intends to be separated. Should the municipality fail to submit the application within 30 days as of the date of publication of the results of the local referendum or should the municipality make changes in the application for the separation of part of the municipality which are at variance with the decision made in the local referendum,<sup>8)</sup> any citizen of the municipality may submit the application specified above.

(2) An application for the separation of part of the municipality shall contain:

- a) the day, month and year as of which the part of the municipality is to be separated;
- b) a specification of the territory of newly established municipality after separation of part of the municipality by means of a specification of its cadastral districts, including relevant maps;
- c) the distribution of property, including financial assets, other rights and obligations, legal persons and the organisational units of the municipality;
- d) the number of citizens of the municipality as at the date of submission of the application for the separation of part thereof; and the number of citizens of the municipality in individual parts which are to be separated;

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<sup>10)</sup> Section 11 of Act No 298/1992 Coll.

<sup>11)</sup> Act No 129/2000 Coll., on Regions (Establishment of Regions).



e) the distribution of tax revenues in a proportion based on the number of inhabitants of the original and of the newly established municipality until a percentage is set to determine the share of the newly established municipality in the tax revenues.

(3) If all the conditions stipulated by law are met, the regional office shall approve, by means of a resolution, the municipality's application for the separation of part thereof.

(4) The resolution on the separation of parts of a municipality shall include the formalities specified under subsection (2). The regional office shall send a copy of the resolution to the Ministry of Interior, the Ministry of Finance, the competent land registry, and the revenue office.

(5) Proceedings on the separation of part of a municipality which are terminated by a final and conclusive decision cannot be renewed, and a final and conclusive decision on the separation of part of a municipality cannot be reviewed in administrative proceedings.

(6) After the publication of the results of a local referendum, a municipality shall seek approval of the name of the newly established municipality from the Ministry of the Interior.

### Section 23

(1) Within 3 months of the constituent meeting of the council of a newly established municipality, the hitherto existing municipality shall hand over to the newly established municipality the property which belongs to the latter pursuant to a resolution of the regional office. The hitherto existing and the newly established municipalities shall draw up a written protocol on the hand-over of property. This property, including financial assets, rights and obligations shall be managed until the hand-over by the hitherto existing municipality; nevertheless, the municipality may not dispose of such property for purposes other than for coverage of expenses related to necessary maintenance of the property and operation of organisational units of the newly established municipality, and for the rent for the use of items by the newly established municipality.

(2) The municipal legal regulations which were in force in the territory of the municipality prior to the establishment of the newly established municipality shall apply to the newly established municipality until they are repealed or substituted with new municipal legal regulations.

### Section 24

The merger of municipalities or the annexation of a municipality, city boroughs or city districts may be carried out only as of the beginning of a calendar year or as of the date of elections to councils in municipalities. The separation of a part of a municipality may be carried out only as of the beginning of the calendar year subsequent to the date of elections to councils in municipalities. An application for the separation of part of a municipality must be submitted to the regional office no later than 6 months before the first day of the month in which the elections to councils into municipalities are to be held.

### Section 25

(1) An agreement on the merger of municipalities, an agreement on the annexation of a municipality to another municipality, and a resolution of the regional office on the separation of a part of a municipality shall constitute grounds for the registration of a change in the rights of the respective municipalities to real estate in the property register by insertion of an appropriate entry<sup>12)</sup> therein and for the implementation of a change in the data relating to cadastral districts and boundaries of municipalities in the property register.

(2) A resolution of a city council to establish or dissolve a city district or a city borough, or to append a city district or a city borough to another city district or city borough shall constitute grounds for the registration of a change in the rights of the respective city districts or city boroughs to real estate in the property register by insertion an appropriate entry<sup>12)</sup> therein.

## Section 26

Changes to the boundaries of municipalities which do not result in the merger of municipalities, the annexation of a municipality, or the separation of part of a municipality shall be implemented pursuant to an agreement of the municipalities concerned after discussion with the competent land registry. The municipality shall notify the conclusion of such an agreement to the Ministry of Finance and the revenue office.

## Division 4

Names of Municipalities, Their Parts, Streets and Public Places, the Numbering of Buildings, and the Shields and Ensigns of Municipalities

## Section 27

(1) Each municipality has its own name; the Ministry of the Interior, pursuant to an application of the municipality, gives consent to a change in the name of a municipality.

(2) Parts of municipalities also have their names. A part of a municipality is a registration unit created by buildings with land-registry numbers and registration numbers (section 31) assigned in a single numerical sequence; the registration unit is located in a single uninterrupted territory. The names of parts of municipalities usually originate from the names of municipalities or settlements which ceased to exist or from the names of historically established territories on which these municipalities or settlements are located.

## Section 28

(1) A municipality is entitled to decide on the names of parts of municipality, streets and other public places.

(2) A municipality shall notify the Ministry of the Interior and the competent land registry of the names of newly established parts of a municipality, changes to the names thereof, and the dissolution of parts of municipalities.

## Section 29

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<sup>12)</sup> Section 2(4) of Act No 344/1992 Coll., on the Property Register of the Czech Republic (the Cadastral Act), as amended by Act No 89/1996 Coll.

(1) The name of a municipality, its parts, streets and other public places are always stated in the Czech language. Streets and other public places shall not be named after living persons from public life.

(2) Where a municipality is inhabited by national minorities, the name of the municipality, its parts, streets and other public places, and the labelling of the buildings of state authorities and territorial self-governing units shall also be stated in the language of the national minority on condition that at least 10% of the citizens of the municipality declared themselves members of this nationality during the last census and that at least 40% of adult citizens of the municipality declaring themselves members of this national minority sign requesting such use of their minority language.

### Section 30

The municipality shall label streets and other public places at its own expense. Owners of real property shall be obligated to tolerate the attachment of signs labelling a street or other public place to their property free of charge; they shall not place other signs near these signs labelling a street or other public place. Such labelling shall not be damaged, removed or covered.

### Section 31

(1) A building<sup>13)</sup> must be labelled with a land-registry number, unless stipulated otherwise hereinafter.

(2) Adjoining buildings which are part of one unit (e.g. production halls within one undertaking, garages at houses, small structures) shall not be labelled with separate land-registry numbers.

(3) Constructions intended for individual recreation shall be labelled with registration numbers.

(4) In order to enable easier orientation, the buildings in individual streets and other public places may bear a house number in addition to the land-registry number.

(5) A municipal office shall decide which land-registry, house or registration number shall be assigned to a building. Each land-registry and registration number of any building must be unique within that part of the municipality. Administrative Rules shall not be used for decisions on the labelling of buildings with numbers.

### Section 32

(1) Owners of real property shall be obligated to label their buildings, at their own expense, with numbers specified by the municipal office and to maintain them in a proper condition. The colour and design of numbers shall be specified by the municipal office.

(2) Buildings shall only be renumbered in exceptional cases and where there is good reason for such renumbering. The cost of new numbers shall be covered out of the municipality's

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<sup>13)</sup> Section 3(1)(a)(item 1) of Act No 151/1997 Coll., on property valuations and on amendments to related Acts (the Property Valuation Act).

budget. The municipality shall notify the competent land registry of the renumbering of buildings.

### Section 33

An implementing legal regulation shall stipulate:

- a) the method for the labelling of streets and other public places with names;
- b) the method for the use and location of numbers to label buildings;
- c) the formalities for notifying the renumbering the buildings.

### Section 34

The term ‘public places’ shall mean all squares, streets, marketplaces, pavements, public green areas, parks and other places publicly accessible without restriction, i.e. places serving for public use regardless of the ownership of such places.

### Section 34a

(1) Municipalities may have a municipal shield or ensign.

(2) The Chairman of the Chamber of Deputies of Parliament may confer a shield or ensign on a municipality which has no municipal shield or ensign, at the request of this municipality. The Chairman of the Chamber of Deputies of Parliament may, at the request of a municipality, change a municipal shield or ensign.

(3) Municipalities and the organisational units and legal persons they establish or found may use the shield and ensign of the municipality. Other entities may use the shield of the municipality only with the permission of the municipality.

(4) If a city district or city borough has its own shield or ensign, subsection (3) shall apply to the use thereof.

## CHAPTER II INDEPENDENT COMPETENCE OF A MUNICIPALITY

### Division 1

### Section 35

(1) Included in the independent competence of a municipality are matters which are for the benefit of the municipality and its citizens, unless they are bestowed on regions under the law, or unless they are part of the delegated competence of the bodies of the municipality or part of the competence conferred on administrative authorities under a separate Act in the scope of the performance of state administration, and matters which belong to the scope of the independent competence of the municipality under a separate Act.

(2) The independent competence of a municipality includes, in particular, the matters stipulated under sections 84, 85 and 102, with the exception of the issue of municipal ordinances. In the independent competence in its territorial district, and in accordance with the local conditions and local customs, the municipality also attends to the fostering of conditions

for the development of social care and to the satisfaction of the needs of its citizens. This includes, in particular, meeting the needs for housing, the protection and development of health care, transport and communications, information, education and training, general cultural development, and the protection of public order.

(3) When carrying out independent competence the municipality shall be governed:

- a) by the law when issuing generally binding regulations;
- b) by other legal regulations issued on the basis of the law in other cases.

#### Section 35a

(1) A municipality may establish and set up legal persons and organisational units of a municipality unless the law stipulates to the contrary.

(2) Municipalities may set up a municipal police force. The establishment and activities of the municipal police force are regulated by a separate Act.<sup>13a)</sup>

#### Section 36

(1) A municipality may grant citizenship honoris causa to natural persons who make a significant contribution to the development of the municipality. A citizen honoris causa shall be entitled to express his opinion at meetings of the municipal council in accordance with the rules of procedure of the municipal council.

(2) The municipality may grant the municipal awards.

#### Section 37

The municipalities in which state authorities or regional authorities have their seats shall assist in safeguarding respectable premises for these authorities corresponding to the importance thereof.

### Division 2 Management of a Municipality

#### Section 38

(1) The property of a municipality must be used purposefully and economically in accordance with the municipality's interests and tasks ensuing from its competence as laid down by law. A municipality is obligated to attend to the maintenance and development of its property. The municipality keeps records of its property.<sup>14)</sup>

(2) The property of a municipality must be protected against destruction, damage, theft or misuse. Unless stipulated otherwise by this Act, the municipality shall dispose of the redundant property in accordance with the methods and under the conditions stipulated by separate regulations.<sup>15)</sup>

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<sup>13a)</sup> Act No 553/1991 Coll., on municipal police, as amended.

<sup>14)</sup> E.g. Act No 563/1991 Coll., on accounting, as amended.

<sup>15)</sup> E.g. the Civil Code, the Commercial Code.

(3) A municipality must not provide guarantees for the obligations of natural persons and legal persons, with the exception of

- a) obligations arising under a credit agreement, provided that such finances are intended for an investment implemented with financial support from the central government budget, state funds, or a national fund;
- b) obligations arising under a credit agreement, provided that such finances are intended for an investment into real property owned by the municipality;
- c) those where the founder is the municipality, region, or state;
- d) those in which the interest of the municipality, alone or together with another municipality or other municipalities, or together with a region or regions, or together with the state is more than 50%;
- e) housing associations.

(4) Legal transactions executed in violation of the provisions under subsection (3) shall be null and void from the beginning.

(5) The state shall not provide guarantees for the management or liabilities of a municipality, unless the state assumes such a liability under contract.

(6) A municipality is obligated to protect its property against unauthorised acts and to exercise, in good time, its right to indemnity and its right to confiscate unjust enrichment.

(7) A municipality is obligated to monitor continuously whether debtors meet their obligations duly and in good time, and to ensure that the related ensuing rights are neither barred by the statute of limitation nor extinguished.

### Section 39

(1) The intention of a municipality to sell, exchange or donate real property, or to lease such property or to provide such property as a loan, shall be published by the municipality for a minimum period of 15 days prior to a decision thereon in the bodies of the municipality by displaying such intention on the official notice board of the municipal office so that interested parties may express their opinion and submit offers. The municipality may also publish the intention in the manner usual in that location. Should the municipality fail to publish its intention, the legal transaction shall be considered null and void from its very beginning. The real property shall be identified in the intention by means of information as set forth in a separate Act<sup>15a)</sup> in force as at the date of publication of the intention.

(2) Where property is to be transferred in return for consideration, as a rule the price shall be negotiated at the amount usual in the given location and at the given time, unless the price is regulated by the state. Any derogation from the normal price must be explained.

(3) The provision of subsection (1) shall not apply in the case of the lease of residential units and tomb lots or the lease or loan of municipal property for a period shorter than 30 days, or a lease or loan to a legal person established by the municipality.

### Section 40

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<sup>15a)</sup> Section 5 of Act No 344/1992 Coll., on the Property Register of the Czech Republic (the Cadastral Act), as amended.

repealed

#### Section 41

(1) If the law conditions the validity of a legal transaction of a municipality by the prior publication, approval or consent thereof, the document confirming such legal transaction shall contain a clause confirming that these conditions have been met.

(2) Legal transactions requiring the approval of the municipal council or the municipal board shall be null and void from their very beginning without such approval.

#### Section 42

(1) A municipality with at least 5,000 inhabitants shall have the municipality's finances for the previous year examined by an auditor.

(2) A municipality with fewer than 5,000 inhabitants shall have the municipality's finances for the previous year examined by the regional office or an auditor. The municipality's finances are examined by the regional office in the scope of delegated competence.

(3) A municipality which has the municipality's finances examined by an auditor shall notify the revenue office on this fact forthwith.

(4) For the purposes of examining a municipality's finances, the number of inhabitants as at 1 January of the year for which the municipality's finances are examined is decisive in determining the number of inhabitants in a municipality.

(5) In territorially subdivided statutory cities, the finances of a city district or a city borough shall be examined by the city office of this city. The city office shall examine the finances of a city district or city borough in the scope of delegated competence.

(6) The cost of examinations of the finances of a municipality by an auditor shall be covered by the municipality out of its own budget funds.

#### Section 43

The final accounts of the municipality and the report on the results of the examination of the municipality's finances for the preceding year shall be discussed by the municipal council by 30 June of the following year and measures shall be adopted to remedy the deficiencies.

#### Section 44

The preparation of the budget and the final accounts of a municipality and the management of the funds of such budget shall be governed by a separate Act.

#### Section 45

(1) Should a municipality fail to request an examination of its finances in accordance with Section 42 by 31 January, the revenue office may levy a penalty on the municipality of up to

CZK 100,000 in administrative proceedings and may ensure the examination of the municipality's finances by an auditor at the expense of the liable municipality.

(2) When deciding on the amount of a penalty, the revenue office shall take into account the nature, seriousness, and consequences of the procedure under subsection (1), and the income and expenditure of the municipality's budget.

(3) Proceedings on the imposition of a penalty in accordance with subsection (1) may commence no later than two years as of the date by which the municipality was obliged to apply for an examination of its finances.

(4) The revenue from penalties shall become income of the central government budget.

### Division 3 Co-operation among Municipalities

#### Section 46

(1) Municipalities may co-operate with other municipalities in the performance of their independent competence.

(2) Co-operation among municipalities shall be carried out in particular:

- a) on the basis of an agreement concluded for the purpose of fulfilling a specific task;
- b) on the basis of an agreement on the creation of a voluntary association of municipalities (hereinafter referred to as 'association of municipalities');
- c) by the establishment, by two or more municipalities, of legal persons in accordance with a separate Act.<sup>17)</sup>

#### Section 47

(1) Municipalities may not associate pursuant to regulations on the association of citizens.

(2) The provisions of the Civil Code on the association of legal persons created for a common purpose and on association agreements may not be applied to co-operation among municipalities, unless this Act specifies to the contrary (section 51(3)).

#### Section 48

(1) An agreement between two or more municipalities for the purpose of fulfilling a specific task shall be concluded for a definite or indefinite period. The establishment of a legal person may not be the subject of such an agreement. The agreement must be in writing and must be approved in advance by the municipal councils, otherwise it shall be null and void.

(2) The agreement must include:

- a) a definition of the parties to the agreement;
- b) a specification of the subject and scope of the agreement;
- c) the rights and obligations of individual parties to the agreement;

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<sup>17)</sup> The Commercial Code.



- d) where construction is the subject of the agreement, the manner of use of the structure after the construction thereof;
- e) the method for repudiation of the agreement by the parties and settlement of their property shares.

(3) The property acquired by the performance of joint activities by municipalities pursuant to the agreement under subsections (1) and (2) shall be co-owned by all parties to this agreement. The shares in the property acquired by the performance of joint activities shall be equal, unless the agreement stipulates otherwise.

(4) The parties to the agreement shall be bound jointly and severally with respect to liabilities towards third parties, unless the agreement stipulates otherwise.

### Association of Municipalities

#### Section 49

(1) Municipalities are entitled to be members of an association of municipalities for the purpose of the protection and promotion of their common interests.

(2) Municipalities may establish associations of municipalities and enter already existing associations of municipalities. Only municipalities may be members of an association of municipalities.

(3) An association of municipalities is a legal person.

#### Section 50

(1) The subject of activity of an association of municipalities may be, in particular, the following:

- a) tasks in the field of education, welfare, health care, the arts, fire prevention, public order, environmental protection, tourism, and animal welfare;
- b) ensuring the cleanliness of a municipality, management of public greenery and public lighting, collection and removal of municipal waste and the safe processing, recovery or disposal thereof, water supplies, wastewater drainage and treatment;
- c) implementing, extending and improving networks of technical amenities underground services and systems of public passenger transport in order to ensure a transport service within the given territory;
- d) tasks in the field of air protection, tasks related to the conversion of heating or water heating using solid fuels to the use of environmentally friendly sources of thermal energy in residential and other buildings which are in the property of municipalities;
- e) the operation of quarries, sand quarries and equipment for mining and processing mineral resources;
- f) management of the property of municipalities, in particular local roads, forests, the housing fund and housing stock, sports and cultural facilities, and other facilities managed by municipalities.

(2) Articles of association shall constitute an appendix to an agreement on the establishment of an association of municipalities and shall include:

- a) the name and registered office of members of the association of municipalities;

- b) the name and registered office of the association of municipalities and the subject of its activity;
- c) the bodies of the association of municipalities, the method for the establishment thereof, their competence, and their decision-making methods;
- d) the property of members of the association of municipalities which constitutes a contribution to the association of municipalities;
- e) the sources of income of the association of municipalities;
- f) the rights and obligations of members of the association of municipalities;
- g) the method for the distribution of profit, and the share of members in covering any loss of the association of municipalities;
- h) the conditions on acceding to the association of municipalities and seceding therefrom, including the method for the settlement of property relations;
- i) the content and scope of supervision over the association of municipalities carried out by the municipalities which established the association of municipalities.

### Section 51

- (1) The draft agreement pursuant to Section 46(2)(a) and (b) shall be binding for a municipality from the date the draft agreement is approved by the municipal council until the date appointed for the adoption of the draft agreement, unless another municipality to which the draft agreement is addressed rejects the draft agreement within the time limit specified for the adoption of the draft.
- (2) The agreement pursuant to section 46(2)(a) and (b) shall become effective as of the date the draft agreement is adopted by all parties, unless the agreement stipulates otherwise.
- (3) A separate Act<sup>18)</sup> shall apply to the legal capacity, registration, winding-up and dissolution of the association of municipalities.

### Section 52

The adult citizens of municipalities which are members of an association of municipalities shall be entitled to:

- a) participate in meetings of a body of the association of municipalities and inspect the minutes of this body's meetings;
- b) submit proposals in writing to a body of the association of municipalities;
- c) express opinions on the draft budget of the association of municipalities and on the final accounts of the association of municipalities for the previous year, either in writing or orally at a meeting of a body of the association of municipalities.

### Section 53

- (1) An association of municipalities shall have the finances of the association for the preceding calendar year examined by an auditor.
- (2) The costs of an examination of the association's finances by an auditor shall be covered by the association of municipalities out of its budget.

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<sup>18)</sup> Sections 20i and 20j of the Civil Code.

(3) The provisions of Sections 43 and 45 shall apply mutatis mutandis to an association of municipalities.

#### Section 54

##### Co-operation with Legal and Natural Persons

The provisions of the Civil Code on an association of legal persons created for a common purpose and on association agreements may be applied to co-operation between municipalities and legal and natural persons in civil-law relations.

#### Division 4

##### Co-operation with Municipalities from Other Countries

#### Section 55

(1) Municipalities may co-operate with municipalities from other countries and they may be members of international associations of local bodies.

(2) Municipalities may conclude co-operation agreements with municipalities from other countries.

(3) Associations of municipalities may conclude co-operation agreements with associations of municipalities of other countries. The subject of co-operation may only be activities which are the subject of activities of the association of municipalities which concluded the co-operation agreement.

(4) The agreement under subsections (2) and (3) must be made in writing and must be approved in advance by the municipal council, otherwise the agreement shall be considered null and void. The agreement must include:

- a) the names and registered offices of the parties to the agreement;
- b) the subject of co-operation and the method used for the financing thereof;
- c) the bodies and the method for the establishment thereof;
- d) the period for which the agreement is concluded.

(5) A legal person may be established pursuant to a co-operation agreement under subsections (2) and (3) only if an international agreement approved by Parliament and binding for the Czech Republic permits.

(6) The approval of the Ministry of the Interior, after prior discussion with the Ministry of Foreign Affairs, shall be required for a co-operation agreement under subsections (2) and (3), pursuant to which a legal person is to be established or membership of an already existing legal person is to be established. The agreement cannot enter into effect unless it has been granted such approval. Such approval may be refused only if the agreement contradicts the law or an international agreement approved and promulgated by Parliament and binding for the Czech Republic.

#### Division 5

##### Administrative Offences

## Sections 56 and 57

repealed

## Section 58

(1) A municipality may impose a penalty of up to CZK 10,000 on legal persons or natural persons who are entrepreneurs and

a) refuse to tolerate the attachment of signs labelling a street or other public place to their property free of charge or place other signs near the these signs labelling a street or other public place;

b) intentionally damage, remove or cover a sign labelling a street or other public place, or

c) do not label their building with numbers stipulated by the municipal office.

(2) A municipality may impose a penalty of up to CZK 100,000 on persons specified in subsection (1) who fail to maintain cleanliness and order on the land they use or own to the extent that the appearance of the municipality is disrupted.

(3) A municipality may impose a penalty of up to CZK 200,000 on persons specified in subsection (1) who pollute a public place, harm the environment in the municipality, or discard items outside specifically reserved places.

(4) A municipality may impose a penalty of up to CZK 200,000 on persons specified in subsection (1) who breach any obligation stipulated by a municipal legal regulation.

(5) When setting the amount of the penalty under subsections (1) to (4), a municipality shall take into consideration in particular the nature, seriousness, duration, and consequences of the unlawful conduct.

## Section 59

(1) Proceedings on the imposition of a penalty may be commenced within one year of the date a body of the municipality learned of a breach of duty, but no later than 2 years as of the date the breach of duty occurred.

(2) A penalty may not be imposed in accordance with Section 58 if the law specified higher sanctions for breaches of obligations specified in Section 58.

(3) The imposition of a penalty pursuant to Section 58 shall not relieve the person on whom the penalty has been imposed of the obligation to remedy the defective conditions in the time limit set by the municipality with consideration for the circumstances of the case.

(4) The period over which criminal proceedings or hearings of an administrative delict take place under a separate Act for the same action shall not be included in the time limit under subsection (1).

## Division 6

### Elections to Councils in Municipalities and Local Referenda

## Section 60

Elections to councils in municipalities and local referenda shall be governed by separate Acts.<sup>7), 8)</sup>

### CHAPTER III DELEGATED COMPETENCE

#### Section 61

(1) Delegated competence in matters stipulated by separate Acts shall be

- a) carried out, in the basic scope delegated to a municipality, by the municipality's bodies stipulated under this or another Act or pursuant to this Act; in this case the territory of the municipality is an administrative district;
- b) carried out, in the scope of an authorised municipal office (section 64), by this office;
- c) carried out, in the scope of the municipal office of a municipality with extended competence (section 66), by this office.

(2) When carrying out delegated competence, the bodies of a municipality shall be governed:

- a) by Acts and other legal regulations issued pursuant to the law when issuing municipal ordinances;
- b) in other cases also
  1. by government resolutions and directives of central administration authorities; these government resolutions and directives of central administration authorities may not impose obligations on the bodies of municipalities, unless these obligations are stipulated by the law. A condition for the validity of directives of central administration bodies shall be the publication thereof in the Government Journal for Regional and Municipal Bodies;
  2. by draft measures or a decision of a regional office made in accordance with a separate Act<sup>18a)</sup> in the scope of inspections of the performance of delegated competence.

(3) The regional office shall provide methodological and expert assistance to the bodies of municipalities in the matters specified in subsection (2).

#### Section 62

Municipalities shall receive subsidies from the central government budget for the fulfilment of tasks within the scope of delegated competence.

#### Section 63

- (1) Municipalities whose bodies carry out delegated competence in the same administrative district of a municipality with extended competence may conclude a public-law agreement whereby the bodies of one municipality shall carry out delegated competence or part of the delegated competence for the bodies of another municipality (other municipalities) which is (which are) party to the public-law agreement. Delegated competence assigned to the bodies of only certain municipalities under the law cannot be the subject of a public-law agreement. The consent of the regional office is required to conclude a public-law agreement.

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<sup>18a)</sup> Section 93g (h) and Section 93h of Act No 129/2000 Coll., on regions (the Establishment of Regions), as amended.

(2) A public-law agreement must contain:

- a) a specification of the parties to the agreement;
- b) a specification of the scope of delegated competence which the bodies of a municipality will carry out for the bodies of another municipality (other municipalities); and
- c) the method for the coverage of costs connected with the performance of delegated competence under subparagraph c).

#### Authorised Municipal Office

##### Section 64

(1) For the purposes of carrying out delegated competence, the municipal office which, in addition to the delegated competence under Section 61(1)(a), carries out, in the scope assigned to this municipal office under separate Acts, delegated competence in an administrative district appointed by an implementing legal regulation, shall be labelled as an 'authorised municipal office' in Acts and other legal regulations, and/or in procedural acts and actions under Section 61(2)(b).

(2) A separate Act<sup>18b)</sup> shall specify municipalities with an authorised municipal office.

##### Section 65

(1) Should a body of a municipality fail to observe an obligation under Section 7(2), the regional office shall decide that the delegated competence or part of the delegated competence shall be carried out for this municipality by the authorised municipal office in whose administrative district the municipality belongs. The regional office shall also decide on the transfer of subsidies for the performance of delegated competence. The regional office shall issue decisions in the scope of delegated competence; Administrative Rules shall not apply to the issue of such decisions.

(2) Decisions of a regional office in accordance with subsection (1) shall be published for a minimum period of 15 days on the official notice board of the municipal office of the municipality whose body has failed to observe the obligation under Section 7(2).

##### Section 66

(1) For the purposes of carrying out delegated competence, the municipal office which, in addition to the delegated competence under Section 61(1)(a) and in addition to the delegated competence under Section 64, carries out, in the scope assigned to this municipal office under separate Acts, delegated competence in an administrative district appointed by an implementing legal regulation, shall be labelled as a 'municipal office with extended competence' in Acts and other legal regulations, and/or in procedural acts and actions under Section 61(2)(b).

(2) A separate Act<sup>18c)</sup> shall specify municipalities with extended competence.

##### Section 66a

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<sup>18b)</sup> Schedule No 1 to Act No 314/2002 Coll.

<sup>18c)</sup> Schedule No 2 to Act No 314/2002 Coll.

(1) Municipalities with extended competence whose bodies carry out delegated competence in an administrative district of a single regional office may conclude a public-law agreement whereby the municipal office of one municipality with extended competence shall carry out delegated competence or part of the delegated competence for the municipal office of another municipality (other municipalities) with extended competence which is (which are) party to the public-law agreement. The conclusion of a public-law agreement is subject to approval from the Ministry of the Interior, which shall issue approval after discussion with the materially competent Ministry or other materially competent central administration office.

(2) A public-law agreement must contain:

- a) a specification of the parties to the agreement;
- b) the duration of the agreement;
- c) a specification of the scope of delegated competence which a municipality with extended competence will carry out for another municipality with extended competence; and
- d) the method for the coverage of costs connected with the performance of delegated competence under subparagraph c).

#### Section 66b

(1) Should the municipal office of a municipality with extended competence fail to observe an obligation under Section 7(2), the Ministry of the Interior, after discussion with the materially competent Ministry or other materially competent central administration office, shall decide that the delegated competence or part of the delegated competence shall be carried out for this municipal office by another municipal office of a municipality with extended competence. The Ministry of the Interior shall issue this decision within 60 days of the date it learned of the breach of the obligation under the first sentence of this subsection. The Ministry of the Interior shall also decide on the transfer of subsidies for the performance of delegated competence. Administrative Rules shall not apply to the issue of such decisions.

(2) Decisions of the Ministry of the Interior in accordance with subsection (1) shall be published for a minimum period of 15 days on the official notice board of the municipal office with extended competence which has failed to observe the obligation under Section 7(2), and on the official notice boards of municipal authorities in its administrative district. Decisions of the Ministry of the Interior under subsection (1) shall be published in the Regional Journal of Legal Regulations.

(3) Pursuant to a proposal from a municipality with an authorised municipal office, and on the recommendation of the regional office, and after discussion with the relevant municipality with extended competence, the Ministry of the Interior may decide to delegate a certain scope of the performance of state administration of a municipality with extended competence to a municipality with an authorised municipal office. The municipality shall submit this request by 15 January of the calendar year. The decision of the Ministry of the Interior may enter into force only as of 1 January of the calendar year. The Ministry of the Interior shall also decide on the transfer of subsidies for the performance of delegated competence. Administrative Rules shall not apply to the issue of such decisions.

(4) Decisions of the Ministry of the Interior in accordance with subsection (3) shall be published for a minimum period of 15 days on the official notice board of the authorised

municipal office and on the official notice boards of municipal authorities in its administrative district. These decisions shall also be published in the Regional Journal of Legal Regulations.

Joint Provisions for Public-Law Agreements  
(sections 63 and 66a)

Section 66c

(1) Public-law agreements shall be concluded in writing and shall comply with Acts and other legal regulations.

(2) A public-law agreement is concluded on the day the decision of the competent public administration office on the granting of approval for the conclusion thereof enters into force.

(3) The provisions of the Civil Code shall apply *mutatis mutandis* to the conclusion of public-law agreements, with the exception of provisions on the invalidity of legal transactions and possibility of challenging legal transactions, provisions on withdrawal from an agreement, and provisions on a change in the person of a debtor or creditor, provided that legal succession is not at issue, and provisions on recompense.

Section 66d

(1) A public-law agreement may only be amended by written agreement of the municipalities who are party to the public-law agreement. The conclusion of such an agreement to amend a public-law agreement is subject to the consent of the public administration office competent to grant permission for the conclusion of a public-law agreement; the provisions of Section 66c(2) shall apply *mutatis mutandis*.

(2) A public-law agreement which has been concluded in violation of legal regulations or which subsequently becomes a violation of legal regulations shall be repealed by the public administration office competent to grant permission for the conclusion of the public-law agreement; a public-law agreement under Section 63 may also be repealed by the Ministry of the Interior.

(3) Disputes arising from public-law agreements shall be settled by the public administration office competent to grant permission for the conclusion of the public-law agreement.

(4) Appeals may not be lodged against decisions issued in accordance with subsections (2) and (3).

Section 66e

(1) Decisions of the competent public administration authorities under Section 66c(2) and Section 66d shall be issued in administrative proceedings in accordance with the Administrative Rules. Where a regional office is competent to issue such decisions, it shall carry out this activity in the scope of delegated competence.



(2) A municipality may file an action with a court against a final and conclusive decision specified in subsection (1).<sup>18d)</sup>

(3) A municipality which is party to a public-law agreement shall publish this public-law agreement forthwith on conclusion thereof on its official notice board for a minimum period of 15 days. The concluded public-law agreement shall also be published in the Regional Journal of Legal Regulations. The same procedure shall apply accordingly for changes to a concluded public-law agreement or for the cancellation of a public-law agreement.

(4) A concluded public-law agreement must be publicly accessible at the municipal office of a municipality which is party to the public-law agreement.

## CHAPTER IV BODIES OF A MUNICIPALITY

### Division 1 Municipal Council

#### Section 67

A municipal council shall consist of members of the municipal council whose number for each term of office shall be determined by the municipal council in accordance with this Act not later than 85 days before the polling day; in the event of new elections<sup>19)</sup> this limit may be shortened by a maximum of one third.

#### Section 68

(1) When determining the number of members of the municipal council, the municipal council shall consider, in particular, the number of inhabitants and the area of the territorial district. The number of members shall be determined in such manner that the municipal council in a municipality, city, city district, city borough of

up to 500 inhabitants	shall consist of	5 to 15 members
over 500 and up to 3,000 inhabitants		7 to 15 members
over 3,000 and up to 10,000 inhabitants		11 to 25 members
over 10,000 and up to 50,000 inhabitants		15 to 35 members
over 50,000 and up to 150,000 inhabitants		25 to 45 members
over 150,000 inhabitants		35 to 55 members.

(2) The number of members of the municipal council which is to be elected shall be published on the official notice board of the municipal office no later than 2 days after this number is set. In addition, the number of members of the municipal council may be published in the manner usual in the location.

(3) The number of inhabitants of a municipality as at 1 January of the year in which the elections are to take place shall be decisive in determining the number of members of the municipal council.

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<sup>18d)</sup> Act No 150/2002 Coll., Rules of Administrative Procedure.

<sup>19)</sup> Section 57 of Act No 152/1994 Coll.

(4) Unless specified to the contrary by the municipal office, the number of members of the municipal council to be elected shall correspond to the number of members of the municipal council in the term of office currently ending.

#### Section 69

(1) The mandate of a member of a municipal council shall commence on his appointment; the appointment is made on completion of the election.

(2) A member of the municipal council shall take the oath at the beginning of the first meeting of the municipal council in which he participates after being elected, the oath being of the following wording: 'I declare loyalty to the Czech Republic. I solemnly and sincerely affirm that I shall hold my office conscientiously, in the interests of the municipality (city) and its citizens, and that I shall abide by the Constitution and laws of the Czech Republic.'

(3) A member of the municipal council takes the oath before the municipal council by pronouncing the words: 'I affirm'. The act of taking the oath shall be confirmed by the member of the municipal council with his signature.

(4) A member of the municipal council executes his mandate in person and in accordance with his oath and he shall not be bound by any orders.

#### Section 70

The office of a member of a municipal council is a public office. The rights of a member of a municipal council related to stemming from his employment or similar relationship may not be reduced due to the holding of his office.

#### Section 71

(1) The members of a municipal council who are released on a long-term basis<sup>21)</sup> in order to perform their office and members of a municipal council who were not in an employment relationship before being elected members of the municipal council but who perform the office to the same extent as members of the municipal council released on a long-term basis (hereinafter referred to as 'released member of the municipal council') shall receive remuneration from the municipality for performing the office of a released member of the municipal council pursuant to this Act. Remuneration shall be paid from the municipality budget.

(2) Remuneration shall mean a monetary contribution granted by the municipality to released members of the municipal council for the performance of their office; however, contributions provided in relation to the performance of their office pursuant to separate legal regulations, such as travel expenses, shall not be considered remuneration.

(3) Remuneration under subsection (1) shall be:

- a) monthly remuneration;
- b) additional remuneration;
- c) remuneration granted at the end of the term of office.

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<sup>21)</sup> Section 124(2) of the Labour Code.

(4) Other members of the municipal council who are not specified under subsection (1) (hereinafter referred to as ‘non-released members of the municipal council’), if they are in an employment relationship, shall be granted leave by their employer with a salary compensation for performance of their office<sup>22)</sup>; the extent of the time required for performing the office shall be determined in individual cases by the municipality. The salary compensation, including social security premiums and the contribution to the government employment policy, shall be transferred by the municipality to the employer in accordance with a separate regulation.<sup>23)</sup> The non-released members of the municipal council who are not in an employment or similar relationship shall receive a lump sum from the municipality as compensation for loss of earnings in relation to the performance of their office; the amount of the lump sum shall be determined by the municipal council for the respective calendar year.

## Section 72

Non-released members of the municipal council may be granted monthly remuneration and additional remuneration for the performance of their office. The maximum amount of remuneration shall be determined by an implementing legal regulation.

## Section 73

(1) Monthly remuneration shall be a monetary contribution supplied monthly according to the kind of office performed and the according to the number of inhabitants of a municipality, in an amount and under the conditions stipulated by an implementing legal regulation. The monthly remuneration consists of a fixed amount determined in accordance with the kind of office performed and an additional amount depending on the number of inhabitants of the municipality. When determining the volume of the additional amount depending on the number of inhabitants of the municipality, the number of inhabitants of the municipality who have a permanent residential address in the municipality as of 1 January of the respective calendar year shall be decisive. The number of inhabitants of the municipality is rounded up to the nearest hundred.

(2) Monthly remuneration for released members of the municipal council in municipalities with extended competence, in municipalities with an authorised municipal office, in municipalities with a registry office,<sup>23a)</sup> and in municipalities with a building office<sup>23b)</sup> shall be increased by an amount stipulated by an implementing legal regulation.

(3) If a member of a municipal council does not perform his office due to illness, quarantine, pregnancy or care for a child up to the age of three years old, this member shall not be entitled to receive monthly remuneration. A member of a municipal council shall inform the mayor or vice-mayor of the municipality forthwith of these reasons and the estimated duration thereof.

## Section 74

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<sup>22)</sup> Section 124 of the Labour Code.

<sup>23)</sup> Section 17 of Government Decree No 108/1994 Coll., implementing the Labour Code and several other Acts.

<sup>23a)</sup> Section 2(1)(a) of Act No 301/2000 Coll., on registers, given names, and surnames and on an amendment to related Acts.

<sup>23b)</sup> Section 117(1) and (2) of Act No 50/1976 Coll., on area planning and building rules (the Building Act), as amended.

Additional remuneration shall be a monetary consideration provided to members of a municipal council under the conditions and at the amount stipulated by implementing legal regulations.

#### Section 75

(1) A released member of a municipal council or a non-released member of a municipal council, on condition that the non-released member of a municipal council performs the office of mayor, who is entitled to receive monthly remuneration as at the date elections to the municipal council are held shall be entitled to receive such remuneration for a period of three months as of the date the elections to the municipal council are held, unless his entitlement to monthly remuneration is re-established.

(2) If the current mayor exercises powers under Section 107(1) until the constituent meeting of a new municipal council is held, he shall be entitled to monthly remuneration at the existing amount.

(3) A member of a municipal council who exercises the powers under Section 107(2) shall be entitled to monthly remuneration at the same amount as that due to the mayor under an implementing legal regulation.

(4) A released member of a municipal council or a non-released member of a municipal council who have held the office of mayor, for which they are entitled to receive monthly remuneration, and whose mandate expires prior to the date of elections to the municipal council, may be provided with this remuneration for three months as of the date of expiry of the mandate.

(5) A released member of a municipal council or a non-released member of a municipal council who have held the office of mayor, for which they are entitled to receive monthly remuneration, and from which office they have been recalled or resigned, may be provided with this remuneration for three months as of the date of resignation or recall from this office.

#### Section 76

The legal regulations effective for the salaries of municipality employees and the Labour Code shall apply to the maturity and payment of remuneration for members of a municipal council and to payment deductions. For these purposes, the remuneration of members of a municipal council shall be considered the salary of employees of the municipality in an employment relationship; the municipality shall be considered the employer and members of the municipal council shall be considered employees.

#### Section 77

(1) Remuneration shall be provided to released members of a municipal council as of the date of their election or appointment to their office for which they are entitled to remuneration.

(2) Remuneration shall be provided to non-released members of a municipal council as of the date appointed by the municipal council.

(3) In cases of concurrent performance of several offices

- a) a released member of a municipal council shall be entitled to monthly remuneration pertaining to the office for which the highest remuneration is provided;
- b) a non-released member of a municipal council may be provided with monthly remuneration up to the total sum of all remuneration for the individual offices.

#### Section 78

In relation to the performance of an office, a member of the municipal council shall be entitled to reimbursement of travel expenses at the amount and under the conditions stipulated by legal regulations in force for employees in an employment relationship.<sup>26)</sup>

#### Section 79

(1) A released member of a municipal council shall be entitled to leave under this Act of five weeks in a calendar year.

(2) If the term of office of a released member of a municipal council does not cover an entire calendar year, he shall be entitled to a proportional part of the leave, i.e. for every calendar month inclusive of the performance of his office he shall be entitled to one twelfth of the leave set for the calendar year.

(3) Monthly remuneration under this Act shall be payable during periods of leave.

(4) A municipality shall also provide a released member of a municipal council with that part of leave not taken prior to his release for the performance of a public office. Should a released member of a municipal office not take all his due leave prior to the expiry of the period of his release to perform a public office, this leave shall be granted by the employer which released this member of the municipal office.

(5) Should a released member of a municipal council be unable to take all or part of his due leave during the corresponding calendar year, this entitlement to leave shall be carried forward to the next calendar year. In this case, a released member of a council may also request the municipality for the compensation of monthly remuneration for non-taken leave.

#### Sections 80 and 81

repealed

#### Section 82

Members of a municipal council, in the performance of their office, have the right:

- a) to submit proposals for discussion to the municipal council, municipal board, committees, and commissions;
- b) to make enquiries, comments, suggestions, and incentives in relation to the municipal board and its members, the chairpersons of committees, statutory bodies of legal persons established by the municipality, and the managers of institutions receiving contributions from the central government budget and of organisational units which have been established or set up by the municipality; written replies shall be forthcoming within 30 days;

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<sup>26)</sup> E.g. Act No 119/1992 Coll., on the reimbursement of travel expenses, as amended.

c) to request from municipality employees assigned to the municipal office, and from employees of legal persons established or set up by the municipality, information on matters related to the performance of the office of these members of the municipal council; this information shall be provided within 30 days.

### Section 83

(1) A member of a municipal council shall be obligated to attend meetings of the municipal council, or meetings of other bodies of the municipality if he is a member thereof, to fulfil the tasks imposed on him by these bodies, to promote the interests of the citizens of the municipality, and to act and behave in such manner that the reputation of his office is not compromised.

(2) Where circumstances dictate that the participation of a member of a municipal council in discussions and decision-making in a certain matter in the bodies of the municipality might constitute an advantage or injury for the member concerned or for a person close to him, for a natural or legal person represented by this member pursuant to the law or power of attorney (conflict of interests), the member concerned shall be obligated to communicate this fact before the start of the meeting of the municipal body which is to discuss the matter. This municipal body shall decide whether there is good reason to exclude the member concerned from discussions and decision-making in this matter.

## Division 2 Powers of the Municipal Council

### Section 84

(1) A municipal council shall make decisions in the scope of the independent competence of the municipality (section 35(1)).

(2) A municipal council reserves the right:

- a) to approve the programme for the development of municipality;
- b) to approve the land use plan of the municipality and the regulation plan<sup>28)</sup> and to announce binding parts thereof in a generally binding regulation;
- c) to approve the municipality budget and the final accounts of the municipality;
- d) to establish permanent and temporary monetary funds of the municipality;
- e) to establish or wind up institutions receiving contributions from the central government budget and organisational units of the municipality, and to approve their memoranda of association;
- f) to make decisions on the establishment or the winding-up of legal persons, to approve the founding agreements, founder's deeds, memoranda of association and articles of association thereof, to make decisions on participation in already established legal persons;<sup>29)</sup>
- g) to delegate municipality representatives, except for Section 102(2)(c), to general meetings of companies in which the municipality has an ownership interest;
- h) to propose municipality representatives for other bodies of companies in which the municipality has an ownership interest and to propose the recall thereof;

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<sup>28)</sup> Sections 10 and 11 of Act No 50/1976 on area planning and building rules (the Building Act), as amended.

<sup>29)</sup> E.g. Sections 110 and 163 of the Commercial Code, Section 4 of Act No 248/1995 Coll., on benevolent societies and on an amendment to related Acts, Section 3 of Act No 227/1997 Coll., on foundations and endowment funds and on an amendment to related Acts (the Foundations and Endowment Funds Act).

- i) to publish generally binding regulations of the municipality;
- j) to make decisions on the announcement of a local referendum;
- k) to propose changes to cadastral territories within the municipality, to approve agreements on changes to the boundaries of the municipality and on the merger of municipalities;
- l) to determine the number of members of the municipal board;
- m) to elect the mayor, vice-mayors and other members of the municipal board (boardlors) from among the members of the municipal council and to recall them from their office;
- n) to determine the offices for which members of the municipal council will be released;
- o) to establish and abolish committees, to elect their chairpersons and other members, and to recall them from their office;
- p) to elect the mayor, vice-mayors and other members of the municipal board (boardlors) and to recall them from their office; to set the number of members of the municipal board and the number of members of the municipal council released on a long-term basis, to establish and abolish committees, to elect their chairpersons and other members and to recall them from their office;
- r) to set the amount of remuneration for non-released members of the municipal council;
- s) to establish and abolish a municipal police force;
- t) to make decisions on the co-operation of the municipality with other municipalities and on the form of this co-operation;
- u) to make decisions on the establishment and on the names of parts of the municipality, on the names of streets and other public places;
- v) to grant and withdraw citizenship honoris causa and awards of the municipality;
- x) to appoint principles for the provision of the reimbursement of travel expenses to members of the municipal council;
- y) to make decisions on monetary considerations provided to natural persons who are not members of the municipal council for their performance of the office of committee members.

(3) If a municipal board is not established, the ordinances of the municipality are issued by the municipal council.

(4) The municipal council may reserve other rights in the independent competence of the municipality with the exception of the rights reserved for the municipal board under Section 102(2).

(5) The municipal council makes decisions on the revoking of resolutions of the municipal board if resolutions are submitted to the municipal council for a decision under Section 105(1).

## Section 85

The municipal council also reserves the right to make decisions on the following transactions affecting property rights:

- a) the acquisition and transfer of real property, including the issue of real estate under separate Acts, the transfer of residential units and non-residential premises from the property of the municipality;
- b) the provision of material gifts worth more than CZK 20,000 and financial gifts in an amount exceeding CZK 20,000 to natural persons or legal persons in a single calendar year;
- c) the provision of grants of more than CZK 50,000 in individual cases to civil associations, humanitarian organisations, and other natural or legal persons active in the field of young persons, physical education and sport, social services, family support, fire prevention, the arts,

education and science, health care, anti-drug activities, crime prevention, and environmental protection.

- d) the conclusion of an agreement on association and the provision of assets in accordance with an agreement of association to which the municipality is party;
- e) monetary and non-monetary investments into legal persons;
- f) the waiving of a right to, and the waiving of, an account receivable of more than CZK 20,000;
- g) a pledge of movable assets or rights of a value of more than CZK 20,000;
- h) agreements on instalments with a maturity of more than 18 months;
- i) the assignment of an account receivable of more than CZK 20,000;
- j) the conclusion of an agreement on the acceptance and provision of a credit or a loan, on the granting of a subsidy, on the take-over of a debt, on the take-over of a guarantee obligation, on the assignment of an obligation and an agreement of association;
- k) a pledge of immovable assets;
- l) the issue of municipal bonds.

#### Section 86

repealed

#### Section 87

A resolution of the municipal council, or a decision or vote, shall be deemed valid if a majority of all members of the municipal council vote for this resolution, decision or vote.

#### Section 88

repealed

#### Section 89

(1) If the municipal council fails to meet in such manner that it has a quorum for a period of more than six months, the Ministry of the Interior shall dissolve it. The municipality may file an action against this decision at a court.

(2) Should the municipal council or any other body of a municipality fail to act in accordance with a decision adopted in a local referendum, held in a matter in the independent competence of the municipality, the director of the regional office shall call on the municipal council to take remedial action within two months. Should the municipal council fail to remedy the situation, the regional office shall inform the Ministry of the Interior of this fact, and the Ministry of the Interior shall dissolve the municipal council. The municipality may file an action against this decision at a court.

(3) Before a new municipal council is elected, or an administrator of the municipality pursuant to Section 98 is appointed, the municipal board shall exercise its powers under Section 102(2) and (3). If a municipal board has not elected, the mayor shall exercise his powers under Section 107(1). If a mayor has not been elected, another member of the municipal council, delegated by the municipal council, shall exercise these powers.

#### Section 90



If the number of members of a municipal council decreases by more than one half or to fewer than five members and if the municipal council cannot be completed by substitute members, the municipal office shall communicate this fact forthwith to the regional office. In this case the municipal council cannot make decisions on the matters under Sections 84 and 85.

#### Section 91

(1) The constituent meeting of a newly elected municipal council shall be convened by the existing mayor in such manner that the meeting is held within 15 days of the date the results of the elections are announced; or within 15 days of the legal force of a court ruling on a complaint against the issue of a certificate of election by a member of a municipal council in the municipality.<sup>31)</sup> The constituent meeting is usually chaired by the oldest member of the municipal council until a mayor or vice-mayor is elected. The constituent meeting of the municipal council shall elect a mayor and vice-mayor and other members of the municipal board.

(2) Should the constituent meeting of a newly elected municipal council not be convened within the time limit specified in subsection (1), the director of the regional office shall convene the constituent meeting.

#### Section 92

(1) A municipal council shall meet as necessary, at least once every three months. Meetings of the municipal council are held in the territorial district of the municipality. Meetings of the municipal council are convened and usually chaired by the mayor. The mayor shall be obligated to convene a meeting of the municipal council if at least one third of the members of the municipal council, or the regional commissioner, so request. The meeting of the municipal council shall be held within 21 days of the date when the request is delivered to the municipal office.

(2) Should the mayor fail to convene a meeting of the municipal council pursuant to subsection (1), the vice-mayor or any other member of the municipal council, if appropriate, shall do so.

(3) The municipal council shall have a quorum if a majority of all its members are present. If, at the opening of the meeting of the municipal council or during the meeting, a majority of all its members are not present, the person chairing the meeting shall close the meeting of the municipal council. A compensatory meeting shall be held within 15 days and shall be convened in the manner stipulated under subsection (1) or (2).

#### Section 93

(1) The municipal office shall announce the place, time and proposed agenda of the prepared meeting of the municipal council. The announcement shall be published on the official notice board of the municipal office for at least seven days prior to the meeting of the municipal council; in addition, the announcement thereof may be published in the manner usual in the location.

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<sup>31)</sup> Section 59 of Act No 152/1994 Coll.

(2) Meetings of the municipal council are open to the public.

(3) Should a member of the government or a representative authorised by a member of the government, a senator, a member of parliament, or a representative of bodies of the region ask to speak at a meeting of the municipal council, he must be given the floor.

#### Section 94

(1) Members of the municipal council, municipal board and committees shall be entitled to submit proposals for inclusion on the agenda of a prepared meeting of the municipal council.

(2) The municipal council shall decide on the inclusion of proposals on the agenda of the meeting of the municipal council which are submitted during the meeting.

#### Section 95

(1) Minutes are taken on the course of the meeting of the municipal council which are signed by the mayor or vice-mayor and appointed verifiers. The minutes shall always state the number of members of the municipal council present at the meeting, the approved agenda of the meeting of the municipal council, and the course and results of voting and resolutions adopted.

(2) The minutes, which must be drawn up within ten days of the end of the meeting, must be filed and available for perusal at the municipal office. Decisions on the objections of a member of the municipal council in respect of the minutes shall be made at the next meeting of the municipal council.

#### Section 96

The municipal council shall issue rules of procedure which shall include details concerning meetings of the municipal council.

#### Section 97

The municipality shall notify citizens of the activities of the municipal bodies at meetings of the municipal council and in any other manner which is usual in the location.

#### Section 98

(1) The director of the regional office shall appoint an administrator of the municipality from the ranks of the employees of the region assigned to the regional office

a) if announced elections are not held in a municipality due to a lack of candidates for members of the municipal council or due to the fact that no district electoral commission has been not established;<sup>32)</sup>

b) if the municipal council is dissolved in accordance with section 89;

c) if the mandate for all members of the municipal council expires and substitute members do not assume the vacant mandates;

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<sup>32)</sup> Section 22(1) of Act No 152/1994 Coll.

- d) if a mayor is not elected within six months of the constituent meeting or of the date the mayor is recalled or resigns;
- e) if the merger of municipalities or the separation of part of a municipality takes place as at the beginning of the calendar year.

(2) The administrator of the municipality shall ensure the performance of delegated competence, in the case of municipalities where no secretary of the municipal office has been appointed, and of tasks in the scope of independent competence in accordance with section 84(2)(c) and section 102(2) and (3). The administrator of the municipality is in charge of the municipal office. In the case of municipalities where the position of secretary of the municipal office has been established (section 110), the secretary is subordinate to the administrator of the municipality.

(3) The administrator of the municipality remains an employee of the region. Personal expenses related to the performance of the position of administrator of the municipality shall be covered by the region.

(4) The director of the regional office shall inspect the activities of the administrator of the municipality.

(5) The activity of the administrator of the municipality shall terminate as of the date of the constituent meeting of the municipal council (section 91) or as of the date of election of the mayor. The administrator of the municipality shall report on the performance of his office and on the state of the finances and property of the municipality at the constituent meeting of the municipal council.

### Division 3 Municipal Board

#### Section 99

(1) The municipal board is the executive body of a municipality within the scope of independent competence and is accountable to the municipal council for its activities. Unless stipulated otherwise by law, the municipal board may not make decisions within the scope of delegated competence.

(2) Unless stipulated otherwise by this Act (section 102(4)), the powers of the municipal board shall be exercised by the mayor in a municipality in which no municipal board has been established.

(3) The municipal board consists of the mayor, the vice-mayor(vice-chairpersons) and other members of the board elected from the ranks of the members of the municipal council. The number of members of the municipal board shall be odd and shall be a minimum of five and a maximum of eleven members; the number of members of the municipal board shall not be more than one third of the number of members of the municipal council. A municipal board shall not be elected in municipalities in which the municipal council has fewer than 15 members.

(4) If a mayor or vice-mayor is recalled from his office or resigns, he shall also cease to be a member of the municipal board.

## Section 100

(1) If, during a term of office, the number of members of the municipal board falls below five and at the next meeting of the municipal council the number of members of the municipal board is not replaced so that there are at least five members, the powers of the municipal board shall be exercised as of this moment by the municipal council, which may delegate some or all of the decision-making related to affairs under section 102(2) and (3) to the mayor.

(2) If, during a term of office, the number of members of the municipal council falls below eleven and the vacated mandates are not occupied by substitute members, the activity of the municipal board shall terminate as of the thirtieth day after the vacation of the mandates in the municipal council.

(3) If, during a term of office, the number of members of the municipal board is more than one third of the number of members of the municipal council, and the number of members of the municipal council does not fall below 11, the municipal board shall continue to carry out its activities.

## Section 101

(1) The municipal board meets as necessary; its meetings are closed to the public. The municipal board may invite another member of the municipal council and other persons to discuss individual items on the agenda.

(2) The municipal board has a quorum if a majority of its members are present; the approval of a majority of all members of the municipal board is required for a resolution or decision to be deemed valid.

(3) Minutes are taken on the course of meetings of the municipal board, which are signed by the mayor together with the vice-mayor or another member of the board. The minutes shall always state the number of members of the municipal board present at the meeting, the approved agenda of the meeting of the municipal board, the course and results of voting and resolutions adopted. The minutes must be drawn up within 7 days of the meeting. Decisions on the objections of a member of the municipal board in respect of the minutes shall be made at the next meeting of the municipal board. Minutes from the meeting of the municipal board must be filed and available for perusal by members of the municipal council at the municipal office.

(4) The municipal board shall issue rules of procedure, which shall appoint details relating to meetings of the municipal board.

## Section 102

(1) The municipal board prepares proposals for meetings of the municipal council and ensures the fulfilment of resolutions adopted by the municipal council.

(2) The municipal board reserves the right:

- a) to ensure financial management of the municipality in accordance with the approved budget, to implement budgetary measures in the scope set by the municipal council;
- b) to carry out the tasks of a founder or establisher in relation to legal persons and organisational units founded or established by the municipal council, with the exception of municipal police force, pursuant to separate Acts, unless these rights are reserved for the municipal council (section 84(2));
- c) to make decisions in the affairs of the municipality as the sole shareholder of a company;
- d) to issue municipal ordinances;
- e) to discuss and find solutions to proposals, comments and suggestions, and incentives submitted thereto by members of the municipal council or committees of the municipal board;
- f) to set the distribution of powers at the municipal office, to establish and abolish departments and divisions of the municipal office (section 109(2));
- g) to appoint and recall heads of departments at the municipal office, based on proposals by the secretary of the municipal office, in accordance with a separate Act;<sup>32a)</sup>
- h) to establish and dissolve, as necessary, commissions of the municipal board (hereinafter referred to as ‘commissions’); to appoint and recall their chairpersons and members;
- i) to inspect the fulfilment of tasks by the municipal office and commissions within the scope of independent competence of the municipality;
- j) to set the total number of employees of a municipality at the municipal office and in organisational units of the municipality;
- k) to levy fines in matters in the scope of independent competence of the municipality (section 58); the municipal board may delegate in full or in part this competence to the respective department of the municipal office;
- l) to examine, based on instigation, the measures adopted by the municipal office within the scope of independent competence and by commissions;
- m) to make decisions on the conclusion of leases and loan agreements; the municipal board may delegate in full or in part this competence to the respective department of the municipal office or to an institution of the municipality receiving contributions from the central government budget;
- n) to stipulate rules for the receipt and settlement of petitions and complaints;
- o) to approve the organisational rules of the municipal office;
- p) to carry out tasks laid down by a separate Act.

(3) The municipal board shall ensure decision-making in other matters belonging to the scope of independent competence of the municipality, unless these matters are reserved for the municipal council or unless the municipal council reserves these matters of its own accord. The municipal board cannot delegate decision-making in matters under subsection (2) to the mayor or the municipal office, with the exception of those affairs specified in subsection (2)(k) and (m).

(4) In municipalities where the powers of the municipal board are exercised by the mayor (section 99(2)), the municipal council also reserves the right to make decisions in matters stipulated under subsection (2)(c)(d)(f)(j) and (l).

(5) If the municipal board is recalled as an entire body, and a new municipal board is not elected at the same time, the current municipal board shall exercise its powers until the election of a new municipal board.

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<sup>32a)</sup> Act No 312/2002 Coll., on the officials of territorial self-governing units and on an amendment to related Acts.

Division 4  
Mayor of a Municipality

Section 103

- (1) A mayor of a municipality represents the municipality in external affairs.
- (2) The municipal council elects the mayor and vice-mayor (vice-mayors) from among its members. The mayor and vice-mayors must be citizens of the Czech Republic. They are accountable to the municipal council for the performance of their office.
- (3) With the approval of the director of the regional office, the mayor may appoint and recall the secretary of the municipal office in accordance with a separate Act<sup>32a)</sup> and specify his salary in accordance with separate regulations;<sup>33)</sup> the appointment and recalling of the secretary without the approval of the director of the regional office shall be null and void.
- (4) The mayor of a municipality
- a) shall be responsible for the timely ordering of the audit of the municipality's finances for the past calendar year (section 42);
  - b) shall carry out the tasks of an employer pursuant to separate regulations, conclude and terminate employment relations with municipality employees and set their salary pursuant to separate regulations<sup>33)</sup>, unless there is a secretary of a municipal office in the municipality; the mayor shall appoint and recall heads of departments and set their salary only if a municipal board is not established;
  - c) may delegate a commission to carry out delegated competence in certain matters after discussion thereof with the director of the regional office;
  - d) may request the co-operation of the Police Force of the Czech Republic when organising local matters of public order;
  - e) shall be responsible for notifying the public of the municipality's activities;<sup>34)</sup>
  - f) shall ensure the performance of delegated competence in municipalities where there is no secretary of the municipal office;
  - g) shall make decisions on affairs in the scope of the municipality's independent competence
  - h) shall carry out other tasks stipulated by this Act and other separate Acts;
  - i) shall perform analogous tasks as the statutory body of an employer in accordance with separate legal regulations in relation to released members of the council and the secretary of the municipal office.
- (5) The mayor shall convene and as a rule shall chair meetings of the municipal council and the municipal board, and shall sign, together with the verifiers, the minutes from meetings of the municipal council and minutes from meetings of the municipal board.
- (6) If the mayor is recalled or resigns from his office and no new mayor is elected at the same time, the vice-chairperson, appointed by the municipal council to represent the chairperson, shall exercise the due powers of a mayor until the election of a new mayor (section 104(1)). If the municipal council fails to appoint a vice-mayor to represent the chairperson, or if the vice-mayor is recalled or resigns from his office at the same time as the

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<sup>33)</sup> Act No 143/1992 Coll.

Government Decree No 253/1992 Coll., on the salary relationships of employees of state administration authorities, certain other bodies and municipalities, as amended.

<sup>34)</sup> Act No 106/1999 Coll., on free access to information.

chairperson, the municipal council shall delegate one of the members of the municipal council to exercise the due powers of a chairperson.

#### Section 104

(1) A vice-mayor shall deputise for a chairperson. A municipal council may elect more than one vice-mayor and authorise them to carry out certain tasks. The vice-mayor appointed by the municipal council shall deputise for the mayor when the mayor is absent or during periods in which the mayor does not perform his office.

(2) The chairperson, together with the vice-chairperson, shall sign municipal legal regulations.

#### Section 105

(1) The mayor shall suspend the enforcement of a resolution of the municipal board if he considers it incorrect. The mayor shall present the matter to the next meeting of the municipal council for a decision (section 84(5)).

(2) The mayor shall send resolutions, decisions, and other measures of municipal bodies should the director of the regional office so request. The mayor shall also send them to the Ministry of the Interior should the Ministry of the Interior so request.

#### Section 106

(1) In the cases stipulated by separate Acts, the mayor shall establish special bodies of the municipality for the purpose of performing delegated competence, and appoint and recall the members thereof. In the cases stipulated by separate Acts, a special body of a municipality with extended competence shall carry out state administration for a administrative district of the municipality with extended competence.

(2) Unless a separate Act specifies to the contrary, only a person who proves particular professional eligibility in the field of delegated competence, for the purpose of which a separate body has been established, may be placed in charge of such a separate body of the municipality. In order to demonstrate the particular professional eligibility of a person in charge of a separate body of the municipality, the provisions of separate legal regulations governing such proof for officials of territorial self-governing units shall apply *mutatis mutandis*.

(3) The provisions of subsection (2) shall not relate to cases where the mayor is in charge of a separate body of the municipality in accordance with the provisions of a separate Act.

#### Section 107

(1) In the period between the elections to the municipal council and the constituent meeting of the newly elected municipal council, the existing mayor shall:

- a) ensure the performance of delegated competence in municipalities where there is no secretary of the municipal office;
- b) exercise the powers under section 102(2)(a), (b), (e), (h), (i), and (l), section 102(3), and section 103(4), with the exception of the implementation of budgetary measures;

c) take receipt of declarations of the solemnisation of marriage.<sup>34a)</sup>

(2) Should a municipal council fail to elect a mayor at its constituent meeting, the hitherto mayor shall exercise the powers under subsection (1) provided that he is a member of the council. If the hitherto chairman is not a member of the municipal council, the municipal council shall authorise one of the members of the municipal council to exercise such powers.

(3) Should the newly elected municipal council fail to elect a mayor within six months of the constituent meeting, the procedure under Section 98 shall apply.

#### Section 108

(1) The mayor shall have the right to use a pendant shield on important occasions and at civil ceremonies. The pendant shield has the large state coat-of-arms in the centre and the wording 'The Czech Republic' is displayed on the circumference thereof.

(2) The municipal board may stipulate the cases in which this shield may be used by other member of the municipal council or secretary of the municipal office.

(3) The mayor of a statutory city shall have the right to use the insignia of the mayor's office on important occasions and at civil ceremonies.

#### Division 5 Municipal Office

#### Section 109

(1) The municipal office consists of a chairperson, vice-mayor (vice-chairpersons), secretary of the municipal office, if this position is established, and employees of the municipality assigned to the municipal office. A mayor is the head of the municipal office.

(2) The municipal board may establish departments and divisions for individual sections of activities of the municipal office in which the employees of the municipality assigned to the municipal office are incorporated.

(3) The municipal office

a) within the scope of its independent competence:

1. shall fulfil the tasks bestowed on it by the municipal council or municipal board;

2. shall assist in the activities of committees and commissions;

b) shall carry out delegated competence in accordance with section 61(1)(a), with the exception of matters which are in the competence of another body of the municipality;

c) shall make decisions on the provision of information to applicants pursuant to a separate Act.<sup>34)</sup>

#### Section 110

(1) The position of secretary of a municipal office, who is an employee of the municipality, shall be established in municipalities with an authorised municipal office and in

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<sup>34a)</sup> Section 4 of Act No 94/1963 Coll., on the family, as amended.



municipalities with extended competence. Other municipalities may establish the position of secretary of the municipal office.

(2) A secretary of a municipal office shall be accountable to the mayor for the fulfilment of the tasks of the municipal office within the scope of independent and delegated competence.

(3) If the position of secretary of a municipal office is not established or if no secretary of a municipal office is appointed, the tasks of this secretary shall be carried out by the chairperson.

(4) A secretary of a municipal office:

a) shall ensure the performance of delegated competence, with the exception of matters which are delegated under the law to the municipal board or a separate body of the municipality;

b) shall carry out the tasks required of the secretary by the municipal council, municipal board, or mayor;

c) shall set the salary of all employees assigned to the municipal office pursuant to separate legal regulations<sup>33</sup>;

d) shall fulfil the tasks of the statutory body of an employer, pursuant to separate legal regulations, in relation to the employees of the municipality assigned to the municipal office;

e) shall issue the filing rules, the plan for the safe destruction of official documents, and the employment guidelines of the municipal office, and other internal guidelines of the municipal office, unless issued by the municipal board.

(5) The secretary of the municipal office shall attend meetings of the municipal council and municipal board and shall be entitled to cast an advisory vote.

(6) The secretary of the municipal office may not hold offices in political parties and/or political movements.

## Section 111

(1) All documents produced by a municipal body in the scope of the independent competence of the municipality shall be marked in the heading with words ‘The municipality of’ (‘city of’) and the name of the municipality or city, with a specification of the body which produced the document.

(2) All documents produced by a municipal body in the scope of the delegated competence of the municipality, with the exception of municipal ordinances, shall be marked in the heading with words ‘The municipal office of’ (‘The city office of’) and the name of the municipality or city.

(3) If documents are produced by departments of a municipal (city) office, the name of the department which produced the document shall be stated below the heading. Should a separate Act stipulate other labelling for a department, this label shall be given.

(4) If documents are produced by separate bodies, the heading shall state ‘The municipality of’ (‘city of’), the name of the municipality or city, and, below the heading, the name of the separate body which produced the document.

(5) Municipalities may use the municipal stamp in cases where the use of the official stamp with the small state coat-of-arms is not required under a separate Act.<sup>34b)</sup>

#### Section 112

The municipal office shall set up an official notice board, which shall be located in a place which must be publicly accessible 24 hours a day. As a matter of principle, the official notice board shall be placed on the building in which the municipal office has its seat.

#### Sections 113 to 116

repealed

### CHAPTER V BODIES OF A MUNICIPAL COUNCIL AND MUNICIPAL BOARD

#### Committees Section 117

(1) A municipal council may establish committees as its initiative and controlling bodies. Committees shall submit their opinions and proposals to the municipal council.

(2) A municipal council shall establish a financial and controlling committee.

(3) If, based on the last census, at least 10% of citizens living in the territorial district of a municipality declare themselves to be of a nationality other than Czech nationality, the municipality shall establish a committee for national minorities. The members of this committee shall also be representatives of national minorities if they are so delegated by a union established pursuant to a separate Act.<sup>36)</sup> The members of national minorities shall constitute at least half of all members of the committee.

(4) The mayor of a committee shall always be a member of the municipal council; this provision shall not apply to the mayor of a colony committee (section 120).

#### Section 118

(1) A committee shall carry out the tasks delegated to it by the municipal council. A committee shall be accountable to the municipal council for its activities.

(2) The number of members of a committee shall always be odd. The committee shall meet as required. The resolutions of the committee shall be drawn up in writing and signed by the mayor of the committee.

(3) A resolution of a committee shall be considered valid if a majority of all members of the committee agree with it.

#### Section 119

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<sup>34b)</sup> Act No 352/2001 Coll., on the use of the state symbols of the Czech Republic and on an amendment to related Acts.

<sup>36)</sup> Act No 83/1990 Coll., on civil associations, as amended.

(1) Financial and controlling committees shall consist of no fewer than three members. The mayor or vice-mayor of a city, the secretary of the municipal office, or persons performing budgetary and accounting work at the municipal office may not be members of these committees.

(2) The financial committee shall:

- a) conduct inspections of the management of the property and financial assets of the municipality;
- b) carry out other tasks delegated to it by the municipal council.

(3) The controlling committee shall:

- a) inspect the fulfilment of the resolutions of the municipal council and the municipal board, if established;
- b) inspect the observance of legal regulations by other committees and by the municipal office in the scope of independent competence;
- c) carry out other inspection tasks delegated to it by the municipal council.

(4) The committee shall draw up inspection reports, which shall include the subject of inspection, the defects ascertained, and proposals of measures to eliminate defects. These reports shall be signed by a member of the committee and by the employee whose activities were a subject of inspection.

(5) The committee shall submit reports to the municipal council; a statement from the body, or employees, if appropriate, whose activities were a subject of inspection shall be attached to the report.

## Section 120

(1) A municipal council may establish colony committees in parts of the municipality. The colony committee shall consist of no fewer than three members. The number of members of the colony committee shall be set by the municipal council.

(2) The citizens of a municipality who have a permanent residential address in that part of the municipality for which the colony committee is established and who are appointed by the municipal council shall be members of the colony committee.

(3) The municipal council shall elect a mayor of the colony committee from among the members thereof.

## Section 121

(1) The colony committee shall be entitled:

- a) to submit proposals relating to the development of the relevant part of the municipality and the municipality budget to the municipal council, municipal board and committees;
- b) to express opinions on proposals submitted to the municipal council and municipal board for a decision, provided that these proposals refer to the relevant part of the municipality;
- c) to express opinion on the comments, suggestions, and incentives submitted to bodies of the municipality by citizens of the municipality with a permanent residential address in the relevant part of the municipality.

(2) If the mayor of the colony committee asks to speak at a meeting of the municipal council, he must be given the floor.

## Section 122 Commissions

(1) A municipal council may establish commissions as initiative and advisory bodies. Commissions shall submit their opinions and proposals to the municipal board.

(2) A commission shall also be an executive body if it is delegated with the performance of delegated competence pursuant to Section 103(4)(c).

(3) Unless a separate Act specifies to the contrary, only a person who proves particular professional eligibility in the field of the delegated competence assigned to a commission may be appointed the mayor of that commission. In order to demonstrate the particular professional eligibility of a mayor of a commission, the provisions of separate legal regulations governing such proof for officials of territorial self-governing units shall apply *mutatis mutandis*.

(4) The commissions shall pass resolutions by a majority of votes of all its members.

(5) The commission shall be accountable for its activities to the municipal board; the commission shall be accountable to the mayor in matters concerning the performance of delegated competence in the authorised scope.

## CHAPTER VI SUPERVISION

### Division 1

#### Supervision of the Performance of the Independent Competence of a Municipality

### Section 123

(1) The regional office, in the scope of delegated competence, and the Ministry of the Interior shall supervise the performance of the independent competence of municipalities.<sup>36b)</sup> Supervision shall be conducted *ex post* and the compliance of generally binding regulations of the municipality with laws, and the compliance of resolutions, decisions, and other measures of the bodies of a municipality with laws and other legal regulations, shall be inspected.

(2) When conducting supervision, the regional office shall be entitled:

- a) to request from a municipality the provision of information, necessary for conducting supervision, within set time limits;
- b) to propose to the municipality a change to or the repeal of any unlawful generally binding regulations of the municipality, decisions, or other measures of its bodies;
- c) to request from a municipality the fulfilment of a task bestowed on the municipality under the law; should the municipality fail to fulfil a task required of it under the law, and should the municipality fail to remedy this situation even after warning from the regional office, the

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<sup>36b)</sup> Section 69a of Act No 129/2000 Coll., on regions (the establishment of regions), as amended.

Ministry of the Interior shall arrange, at the proposal of the regional office, the compensatory performance of the task at the expense of the municipality, provided that another party can carry out the task not performed by the municipality; in warranted cases the regional office may refrain from seeking reimbursement of expenses.

#### Section 124

(1) Should a generally binding regulation of a municipality contradict the law, the regional office shall call on the municipality to take remedial action. Should the municipality fail to take remedial action within 30 days of delivery of such invitation, the regional office shall propose to the Ministry of the Interior that the effect of the relevant generally binding regulation be suspended. The regional office shall inform the mayor about this proposal.

(2) The Ministry of the Interior shall examine the proposal submitted by the regional office, and if the Ministry of the Interior finds that the relevant generally binding regulation of the municipality contradicts the law, it shall decide to suspend the effect thereof. The Ministry of the Interior shall suspend the effect of a generally binding regulation of a municipality if this regulation contradicts the law without the need for a proposal in this respect from the regional office if no such proposal is submitted within 30 days of the date of effect of the relevant generally binding regulation of the municipality. A decision of the Ministry of the Interior on the suspension of the effect of a generally binding regulation enters into force on delivery of the written copy of this decision to the municipal office.

(3) The Ministry of the Interior shall submit a proposal for the repeal of a generally binding regulation to the Constitutional Court within 15 days of the suspension of the effect of this generally binding regulation. If the Constitutional Court refuses the proposal, dismisses the proposal, or stops proceedings, the decision of the Ministry of the Interior on the suspension of the effect of the relevant generally binding regulation expires on the date the decision of the Constitutional Court enters into force.

(4) Should the relevant body of a municipality take remedial action prior to the decision of the Constitutional Court on the proposal under subsection (3), the Ministry of the Interior shall cancel its decision on the suspension of the effect of the relevant generally binding regulation within 15 days of delivery of the resolution of the relevant body of the municipality on remedial action to the Ministry of the Interior.

#### Section 124a

(1) If a resolution, decision, or measure of a body of a municipality in the scope of independent competence contradicts the law or another legal regulation and is not a generally binding regulation, the regional office shall call on the municipality to take remedial action. Should the municipality fail to take remedial action within 30 days of delivery of such invitation, the regional office shall propose to the Ministry of the Interior that the effect of the relevant resolution, decision, or measure of the body of the municipality be suspended. The regional office shall inform the mayor about this proposal.

(2) The Ministry of the Interior shall examine the proposal submitted by the regional office, and if the Ministry of the Interior finds that the relevant resolution, decision, or measure of the body of the municipality in the scope of independent competence contradicts the law, it shall decide to suspend the enforcement thereof. The Ministry of the Interior shall suspend the

enforcement of a resolution, decision, or measure of the body of a municipality in the scope of independent competence if this resolution, decision, or measure contradicts the law without the need for a proposal in this respect from the regional office if no such proposal is submitted within 30 days of the date of approval of the relevant resolution, decision, or measure by the relevant body of the municipality.

(3) If no appeal is lodged against the decision of the Ministry of the Interior under subsection (2), the Minister of the Interior shall submit a proposal for the repeal of the resolution, decision, or other measure of the body of the municipality to the competent court within 15 days of the expiry of the time limit for the submission of an appeal. If an appeal is lodged against the decision of the Ministry of the Interior under subsection (2), the Minister of the Interior shall submit such proposal to the court within 15 days of the date of the decision on the appeal. If the court refuses the proposal, the decision of the Ministry of the Interior on the suspension of the enforcement of the relevant resolution, decision, or other measure expires on the date the decision of the court enters into force.

(4) Should the relevant body of a municipality take remedial action prior to the decision of the court on the proposal under subsection (3), the Ministry of the Interior shall cancel its decision on the suspension of the effect of the relevant resolution, decision, or other measure of the body of the municipality within 15 days of delivery of the resolution of the relevant body of the municipality on remedial action to the Ministry of the Interior.

(5) The provisions of subsections (1), (2) and (3) shall not apply in cases where the legal regulations of civil, commercial, or labour law have been breached.

## Section 125

(1) Should the Ministry of the Interior suspend the effect of a generally binding regulation or the enforcement of a resolution, decision, or other measure of a municipality in the scope of independent competence, the municipality shall publish this decision of the Ministry of the Interior forthwith on the official notice board of the municipal office for a period of 15 days.<sup>38)</sup>

(2) A resolution by which the Constitutional Court repeals a generally binding regulation of the municipality, or a decision by which a court repeals a resolution, decision, or other measure of a body of a municipality in the scope of independent competence, shall be published by the municipality forthwith on the official notice board of the municipal office for a period of 15 days. In the same manner, the municipality shall display a decision of the Ministry of the Interior on the cancellation of the decision to suspend the effect of a generally binding regulation of the municipality or the enforcement of a resolution, decision, or other measure of a body of the municipality, a decision of the Constitutional Court pursuant to which the force of a decision to suspend the effect of a generally binding regulation of the municipality is revoked, or a decision of a court pursuant to which the force of a decision to suspend the enforcement of a resolution, decision, or other measure of the municipality in the scope of independent competence is revoked.

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<sup>38)</sup> Part Five, Chapter Two of Act No 99/1963 Coll., Rules of Civil Procedure, as amended.

Division 2  
Supervision of the Performance of the Delegated Competence of a Municipality

Section 126

(1) The Ministry of the Interior and the regional office, in the scope of delegated competence, supervise the performance of the delegated competence of municipalities. Supervision shall be performed *ex post* and the compliance of ordinances of the municipality with laws, and the compliance of resolutions, decisions, and other measures of the bodies of a municipality with laws and other legal regulations, or, within their bounds, compliance with government regulations or the directives of central administration authorities, shall be inspected.

(2) When conducting supervision, the regional office shall be entitled:

- a) to request from a municipality the provision of information, necessary for conducting supervision, within set time limits;
- b) to propose to the municipality changes to or the repeal of any unlawful ordinance, decision, or measure of the bodies of the municipality, within a set time limit.

Section 127

(1) Should a municipal ordinance contradict the law, the provisions of section 124 shall apply *mutatis mutandis*.

(2) The provisions of section 125 shall apply *mutatis mutandis* to the publication of decisions concerning the suspension of the effect or the repeal of a municipal ordinance.

(3) Measures of bodies of a municipality in the scope of delegated competence different from those specified in subsection (1), which contradict the law, other legal regulation, or, in their limits, a government resolution or directive of a central administration office, shall be repealed by the regional office unless the body which issued the measure takes remedial action within the time limit stipulated by the regional office.

(4) Measures of the regional office under subsection (3) shall be displayed by the municipality forthwith on the official notice board of the municipal office for a period of 15 days.

Division 3  
Common Provisions on Supervision

Section 128

The facts stated under section 124(2), (3) and (4), section 124a(2), (3) and (4), and Section 127(1) and (3) may also be published by the municipality in the manner usual in the location.

Section 129

The provisions of Divisions 1 and 2 shall not apply to decisions issued by the bodies of a municipality in accordance with Administrative Rules and in accordance with the Tax and Charge Administration Act.

CHAPTER VII

## STATUTORY CITIES

### Section 130

Territorially subdivided statutory cities shall govern their internal relations in matters of the administration of the city by means of by-laws, issued in the form of a generally binding regulation of a municipality. In the by-laws the following in particular are appointed:

- a) a list of individual city districts and city boroughs and a specification of their territories;
- b) the powers of the city bodies in the scope of independent and delegated competence;
- c) the powers of the bodies of city districts and city boroughs in the scope of independent and delegated competence;
- d) mutual co-operation between the bodies of the city and the bodies of city districts and city boroughs;
- e) the sources of financial income of city districts and city boroughs and types of expenditure related to the fulfilment of tasks in the scope of independent and delegated competence;
- f) the manner used for discussion of the drafts of generally binding regulations and ordinances of the city with the city districts and city boroughs and the manner used for the publication thereof in city districts and city boroughs;
- g) the manner used for the discussion of the land use planning documentation of the city and the development programme of the city with the city districts and city boroughs;
- h) the property of the city which is entrusted to city districts and city boroughs and the extent of the authorisation of city districts and city boroughs to manage this property and exercise the related rights;
- i) the extent of the authorisation of city districts and city boroughs to found, establish and wind up legal persons and organisational units;
- j) other matters as stipulated by this or a separate Act.

### Section 131

Under its by-laws, a statutory city may entrust, in particular, the following matters in the scope of independent competence to a city district or a city borough:

- a) approval of the development programme of the city district or city borough;
- b) decision-making on property law transactions specified under Section 133(1);
- c) the establishment of permanent and temporary funds of a city district and city borough;
- d) the levying of penalties pursuant to section 58;
- e) the performance of the position of employer in relation to employees assigned to the office of the city district or the office of the city borough, or to an organisational unit of the city district or city borough.

### Section 132

(1) An item entrusted to a city district or city borough may be removed from the ownership of a statutory city for purposes for which property may be expropriated under a separate legal regulation<sup>39a)</sup> or with the consent of the city district or city borough.

(2) An item entrusted to a city district or city borough may also be removed from the ownership of a statutory city if, in the management of such item, the city district or city

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<sup>39a)</sup> Section 108(2) of Act No 50/1976 Coll., on area planning and building rules (the Building Act), as amended.



borough breaches legal regulations and fails to take remedial action in a time limit set by the statutory city, which must be of no fewer than 60 days.

(3) The council of a statutory city shall make decisions on the removal of an item from the ownership of the statutory city which has been entrusted to a city district or city borough [section 130(h)].

### Section 133

(1) Under its by-laws, a statutory city may entrust, in particular, the decision-making on the following transactions affecting property rights to a city district or city borough:

- a) the transfer and pledge of real property, including the issue of real estate pursuant to separate Acts from the property of the city entrusted to a city district or city borough;
- b) the transfer and pledge of movable assets and rights;
- c) the assignment of accounts receivable;
- d) the waiving of a right to, and the waiving of, an account receivable;
- e) the conclusion of an agreement on the acceptance and provision of a credit or a loan, on the granting of a subsidy, on the take-over of a debt, on the take-over of a guarantee obligation, on the assignment of an obligation and an agreement of association;
- f) monetary and non-monetary investments into legal persons;
- g) ownership interests in the business activities of other legal persons;
- h) agreements on instalments;
- i) the conclusion of leases and loan agreements;
- j) the provision of material gifts and financial gifts to natural persons and legal persons;
- k) the provision of grants to civil associations, humanitarian organisations, and other natural or legal persons active in the field of young persons, physical education and sport, social services, fire prevention, the arts, education and science, health care, anti-drug activities, crime prevention, and environmental protection.

### Section 134

(1) City districts and city boroughs shall act on behalf of a statutory city in the matters entrusted to them by the law and, in the limits of the law, by the by-laws.

(2) City districts and city boroughs may not issue generally binding legal regulations or ordinances.

### Section 135

Resolutions of the city council and city board in matters not entrusted by the law or by-laws to a city district or city borough shall be binding for the bodies of city districts or city boroughs.

### Section 136

(1) The secretary of the city office shall appoint and recall the administrator of a city district or city borough.

(2) The administrator of the city, city district and city borough shall carry out the tasks of an administrator of a municipality pursuant to Section 98.

## Section 137

The city council may exercise the power to dissolve the council of a city district or city borough in accordance with section 89.

## Section 138

repealed

## Section 139

(1) The bodies of statutory cities shall perform delegated competence, which is entrusted under the law to authorised municipal authorities and the municipal authorities of municipalities with extended competence.

(2) Bodies of city districts and city boroughs shall perform delegated competence which, under separate Acts, is carried out by bodies of municipalities. A statutory city may specify, by means of by-laws, the city districts and city boroughs whose bodies shall carry out some or all of the delegated competence entrusted, pursuant to separate Acts, to authorised municipal authorities, or the delegated competence entrusted, pursuant to separate Acts, to the municipal authorities of municipalities with extended competence.

(3) Where expedient, under its by-laws a statutory city, with the approval of a city district or city borough, may reserve some activities in the scope of the delegated competence of the bodies of municipalities to the city office, or the statutory city may specify that some of the competence shall be carried out by the bodies of other city districts or city boroughs.

(4) In the performance of delegated competence, city districts and city boroughs shall be administrative districts; they shall be obliged to ensure the performance of delegated competence. City districts and city boroughs shall receive a subsidy, from the budget of the statutory city, for the performance of delegated competence.

(5) Decisions of the bodies of city districts and city boroughs issued in administrative proceedings shall be examined by the city office, unless this competence has been entrusted to a separate body of the city or unless a separate Act specifies to the contrary.

## Section 140

(1) In a statutory city, the position of vice-mayor (vice-chairpersons) shall be carried out by the deputy mayor (deputy mayors).

(2) In a statutory city, the position of secretary of the city office, who is an employee of the city, shall be established. The secretary of the city office shall be appointed and recalled by the mayor, with the approval of the director of the regional office, and the secretary's salary shall be defined pursuant to separate regulations. The appointment and recalling of the secretary of the city office without the approval of the director of the regional office shall be null and void.

(3) In city boroughs and city districts whose bodies have been entrusted in full or in part with delegated competence which, under separate Acts, is performed by authorised municipal

authorities, or whose bodies have been entrusted in full or in part with delegated competence which, under separate Acts, is performed by municipal authorities with extended competence, the position of secretary of the office of a city district or secretary of the office of a city borough shall be established. The secretary of the office of a city district or secretary of the office of a city borough shall be appointed and recalled by the mayor with the approval of the secretary of the city office. The appointment and recalling of a secretary of the office of a city district or city borough without the approval of the secretary of the city office shall be null and void.

#### Section 141

(1) All documents produced by a body of a statutory city in the scope of the independent competence of this city shall be marked in the heading with the words ‘The statutory city of’ and the name of the city and the body which produced the document; if the body concerned is a body of a city district or city borough, the heading shall include the words ‘The city district of’ or ‘The city borough of’ and the name of the city, the city district or city borough, and the body which produced the document.

(2) All documents produced by a body of a statutory city in the scope of the delegated competence of this city, with the exception of city ordinances, shall be marked in the heading with the words ‘The city office of’ and the name of the city and the department which produced the document; in the case of a body of a city district or city borough, the heading shall include the words ‘The office of the city district of’ or ‘The office of the city borough of’ and the name of the city, the city district or city borough, and the department which produced the document. Should a separate Act stipulate other labelling for a department, this label shall be given.

(3) If documents are produced by a separate body of a statutory city, the heading shall state ‘The statutory city of’ and the name of the city and the name of the specific body which produced the document; if the body concerned is a separate body of a city district or city borough, the heading shall also include the name of the city district or city borough.

(4) A statutory city, city district, or city borough of a territorially subdivided statutory city may use its own stamp in cases where the use of the official stamp with the small state coat-of-arms is not required under a separate Act.<sup>34b)</sup> The stamp has the coat-of-arms of the statutory city or city district or city borough in the centre and the full name of the city, city district, or city borough is displayed on the circumference thereof.

#### Section 142

(1) Municipal districts and municipal boroughs of territorially subdivided statutory cities may have their own shield or ensign.

(2) The Chairman of the Chamber of Deputies of Parliament may confer a shield or ensign on a city district or city borough which has no shield or ensign, at the request of this city district or city borough. The Chairman of the Chamber of Deputies of Parliament may, at the request of a city district or city borough, change a municipal shield or ensign.

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<sup>34b)</sup> Act No 352/2001 Coll., on the use of the state symbols of the Czech Republic and on an amendment to related Acts.

### Section 143

The enforcement of a resolution, decision, or other measure of a body of a city district or city borough in the scope of independent competence which contradicts the law or any other legal regulation shall be suspended by the city office. A decision on the suspension of the enforcement of a resolution, decision, or other measure of a body of a city district or city borough in the scope of independent competence shall enter into effect on the date of delivery of such written decision on suspension to the city district or city borough. Should the relevant body of the city district or city borough fail to take remedial action within three months of suspension of the enforcement of the resolution, decision, or other measure, the city council shall repeal it.<sup>40)</sup>

### Section 144

The enforcement of a resolution, decision, or other measure of a body of a city district or city borough in the scope of delegated competence which contradicts the law or any other legal regulation, or a government resolution or directives of central administration authorities, shall be suspended by the city office. If the relevant body of the city district or city borough fails to take remedial action in a time limit set by the city office, which shall not be shorter than 30 days, the city office shall repeal the resolution, decision, or other measure. The decision on the suspension of the enforcement of resolution, decision, or other measure, and the decision on the repeal thereof, shall enter into effect on the date of delivery of such written decision to the office of the city district or the office of the city borough.

### Section 145

(1) The provisions of Administrative Rules shall not apply to the proceedings under sections 137, 143, and 144.

(2) The provisions of 143 and 144 shall not apply to the decision-making processes of bodies of a city district or city borough in accordance with Administrative Rules and in proceedings on the administration of taxes and charges.<sup>39)</sup>

### Section 146

Unless stipulated otherwise by this Chapter, the provisions of other chapters of this Act shall apply to statutory cities, their city districts and city boroughs.

## PART TWO JOINT AND TRANSITORY PROVISIONS

### Section 147

(1) The Act on Administrative Procedure shall apply to the decision-making of a municipality:

- a) in the matters pursuant to sections 58 and 59;
- b) on rights and obligations of legal and natural persons in the scope of delegated competence, unless stipulated otherwise by a separate Act.

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<sup>40)</sup> Section 69 of Act No 129/2000 Coll.

<sup>39)</sup> Act No 337/1992 Coll., on the administration of taxes and charges, as amended.

(2) When reviewing decisions under subsection (1)(a), an administrative body may either repeal a decision only, or repeal a decision and return it for new discussion.

(3) A municipality shall levy and exact penalties pursuant to a separate Act.<sup>39)</sup> The yield from penalties imposed by a municipality shall be the income of the municipality, unless stipulated otherwise by a separate Act.

(4) Decisions of the bodies of the cities of Brno, Ostrava and Plzeň issued in the course of administrative proceedings shall be reviewed by the respective regional office. The proceedings on reviews of decisions<sup>16)</sup> of the bodies of these cities which are in progress at the respective central administration authorities and are not completed as of the effective day of this provision shall be completed according to existing regulations.

#### Section 148

Circumstances indicating the need to exclude an employee assigned to a municipal office from negotiations and decision-making in matters in administrative proceedings shall be communicated to the head of the department of the municipal office; in those municipalities where no department of the municipal office has been established, these circumstances shall be communicated to the mayor. Circumstances indicating the need to exclude the head of the department of the municipal office from negotiations and decision-making shall be communicated to the secretary of the municipal office; this notification shall be communicated to the mayor in cases of municipalities where there is no secretary of the municipal office. In the case of a member of a commission or a separate body, the notification shall be communicated to the mayor. The body or the employee to whom the circumstances indicating the need for exclusion relate, shall make a decision on unfair prejudice; this body or employee shall adopt necessary measures to ensure the continuation of proceedings should the employee or member of a body be excluded due to unfair prejudice.

#### Section 149

The municipal bodies shall themselves enforce the administrative decisions they issue, unless a petition is filed for the judicial enforcement of a decision.

#### Section 150

This Act shall not apply to the City of Prague.

#### Section 151

(1) Under this Act, 'municipalities' shall be understood to be regional self-governing units which are municipalities as at the effective date of this Act.

(2) Under this Act, 'cities' shall be understood to be municipalities which are cities as at the effective date of this Act.

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<sup>16)</sup> Act No 71/1967 Coll., on administrative proceedings (Administrative Rules), in the wording of Act No 29/2000 Coll.

(3) If legal regulations use the term ‘municipal council’ and ‘municipal board’, these terms shall mean the ‘council of a municipality’ and the ‘board of a municipality’, respectively.

(4) Under this Act, ‘associations of municipalities’ shall mean voluntary associations of municipalities which are voluntary associations of municipalities as at the effective date of this Act.

(5) Under this Act, ‘associations of municipalities’ shall also mean special-interest groups of legal persons established exclusively by municipalities pursuant to sections 20f et seq. of the Civil Code which shall meet the conditions stipulated under sections 50 and 51 of this Act before 31 December 2001.

## Section 152

(1) The provisions of Section 8 of this Act shall apply to separate Acts in force as at the effective date of this Act after 1 January 2003.

(2) Municipalities whose records of municipal legal regulations do not comply with the provisions of this Act shall ensure that their records of municipal legal regulations comply with this Act by the end of 2003.

(3) The numbering of buildings carried out in accordance with regulations in force before the effective date of this Act shall remain in force henceforward.

(4) A municipality shall register candidates for an examination of specific professional eligibility within three months as of the effective date of this Act if the candidate already carries out activity which may only be performed after proving specific professional eligibility, and has not yet produced proof of specific professional eligibility (section 113 et seq.). This time limit shall not include maternity leave, sick leave, basic (compensatory) military service, civil service, or any period over which a person is released in order to hold a public office.

(5) Specific professional eligibility verified by an examination pursuant to legal regulations in force between 24 November 1990 and the effective date of this Act<sup>41)</sup> shall be considered specific professional eligibility proven under this Act.

(5) Statutory cities whose by-laws do not comply with the provisions of this Act shall harmonise their by-laws with this Act by the end of 2001. The provisions of existing by-laws shall apply in the scope of independent and delegated competence until the effective date of the new by-laws.

## PART THREE FINAL PROVISIONS

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<sup>41)</sup> Decree No 51/1998 Coll., stipulating prerequisites for holding of offices requiring specific professional eligibility at district authorities and municipal authorities (Decree on Specific Professional Eligibility), in the wording of Decree No 121/1999 Coll., Regulation of the Ministry of the Interior and Ministry of the Environment of 31 May 1989 Ref. No LK-7696/89-529, on specific professional eligibility of employees of national committees for the performance of certain activities, as published in Volume 3/1989 of the Government Journal for National Committees and referred to in Volume 17/1989 Coll.

### Section 153

- (1) The Government shall issue an order to implement sections 72, 73 and 74.
- (2) The Ministry of the Interior shall issue regulations to implement section 33.

### Section 154

The following shall be repealed:

1. Act No 367/1990 Coll., on municipalities (the Municipal Order).
2. Act No 302/1992 Coll., changing and amending Act No 367/1990 Coll., on municipalities (the Municipal Order), as amended by Act No 439/1991 Coll., Act No 485/1991 Coll. and Act No 553/1991 Coll.

### Section 155

This Act shall enter into effect as of the date of elections to the councils of regions in 2000, with the exception of the provision of Section 147(4), which shall enter into effect as of 1 January 2001.

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Act No 273/2001 Coll., on the rights of members of national minorities and on an amendment to related Acts, entered into effect on the date of promulgation thereof (2 August 2001).

Act No 320/2001 Coll., on financial auditing in public administration and on an amendment to related Acts (the Financial Auditing Act), entered into effect on 1 January 2002.

Act No 450/2001 Coll., amending Act No 128/2000 Coll., on municipalities (the Municipal Order), as amended, Act No 129/2000 Coll., on regions (Establishment of Regions), as amended, Act No 131/2000 Coll., on the City of Prague, as amended, Act No 250/2000 Coll., on the budgetary rules of territorial budgets, in the wording of Act No 320/2001 Coll., Act No 218/2000 Coll., on budgetary rules and on an amendment to related legislation (Budgetary Rules), as amended, and Act No 101/2000 Coll., on personal data protection and on an amendment to certain Acts, as amended, entered into effect on the date of promulgation thereof (31 December 2001).

Act No 311/2002 Coll., amending Act No 553/1991 Coll., on the Municipal Police Force, as amended, and on an amendment to other Acts, entered into effect on 1 January 2003.

Act No 313/2002 Coll., amending Act No 128/2000 Coll., on municipalities (the Municipal Order), as amended, entered into effect on 1 January 2003, with the exception of the provisions of sections 3, 49, and 76 to 119, which entered into effect on the date of promulgation thereof (12 July 2002).

Prime Minister:  
Spidla, in his own hand

314  
ACT  
of 13 June 2002

on the appointment of municipalities with an authorised municipal office and on the  
appointment of municipalities with extended competence

The Parliament has enacted the following Act of the Czech Republic:

Section 1

Municipalities with an authorised municipal office<sup>1)</sup> are stipulated in Schedule No 1 to this Act.

Section 2

(1) Municipalities with extended competence<sup>2)</sup> are stipulated in Schedule No 2 to this Act.

(2) The municipalities of Černošice and Brandýs nad Labem-Stará Boleslav shall establish the offices of their municipal office in the City of Prague. The municipality of Nýřany shall establish the offices of its municipal office in Plzeň. The municipality of Šlapanice shall establish the offices of its municipal office in Brno.

Section 3

The Ministry of the Interior shall stipulate under a regulation

- a) the administrative districts of municipalities with an authorised municipal office;
- b) the administrative districts of municipalities with extended competence.

Section 4

(1) The municipalities under section 2 shall be entitled to a financial subsidy<sup>3)</sup> intended for the reimbursement of costs connected with the preparations for the performance of state administration in a total volume of CZK 1.2 billion for 2002 and in a total volume of CZK 1.4 billion for 2003.

(2) The municipalities under section 2 shall receive an amount set as an equal share of the approved volume funds less the costs under subsection (3). This provision shall not apply to municipalities which shall make long-term use of administrative buildings owned by the state, or to which this property shall be conveyed, for the extended performance of state administration.

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<sup>1)</sup> Section 64 of Act No 128/2000 Coll., on municipalities (the Municipal Order), in the wording of Act No 313/2002 Coll.

<sup>2)</sup> Section 66 of Act No 128/2000 Coll., in the wording of Act No 313/2002 Coll.

<sup>3)</sup> Section 7(1)(r) of Act No 218/2000 Coll., on budgetary rules and on an amendment to certain related Acts (Budgetary Rules)



(3) CZK 100 million of the sum of CZK 1.2 billion specified in subsection (1) for 2002 and CZK 100 million of the sum of CZK 1.4 billion for 2003 shall be intended for a complete system of administrative and transport records, including safe communication connections and technical facilities, which the Ministry of the Interior shall arrange for all municipalities under section 2.

#### Section 5

This Act enters into effect on 1 January 2003, with the exception of the provisions of section 4, which enter into effect on the date of promulgation hereof.

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Havel, in his own hand  
pp Rychetsky, in his own hand

243/2000 Coll.  
ACT  
of 29 June 2000

on the budget revenue of certain taxes for territorial self-governing units and some state funds  
(Act on the Budget Use of Taxes)

Amendment: 492/2000 Coll.

Amendment: 483/2001 Coll.

The Parliament has enacted the following Act of the Czech Republic:

Section 1  
Subject of Regulation

This Act regulates the budget use of value added tax, excise duty, income tax, real estate tax, and road tax.

Section 2  
Basic Terms

For the purposes of this Act

- a) 'national gross tax revenue' shall mean financial assets collected in the course of the budget year<sup>1)</sup> by the tax administrator, less refunds; the national gross tax revenue shall not include amounts collected in penalties and amounts used to reimburse the cost of tax proceedings;<sup>2)</sup>
- b) 'revenue' shall mean part of the gross tax revenue under subparagraph (a) recorded as the payable tax liability;<sup>3)</sup>
- c) 'recipient' shall mean a municipality, region, the National Transport Infrastructure Fund;<sup>4)</sup>
- d) 'amount intended for transfer' shall mean the difference between the tax income of the recipient and the amount of the tax income transferred to the recipient in total since the beginning of the budget year.

Section 3  
Tax Income of Regional Budgets

(1) The tax income of the budgets of individual regions shall comprise:

- a) corporate income tax in cases where the taxpayer is the respective region, with the exception of tax collected by deduction in accordance with a special rate;
- b) a share of 3.1% of the national gross revenue from value added tax;
- c) a share of 3.1% of the national gross revenue from the tax (advance tax payments) on personal income from employment and emoluments thereof, paid by the employer as the registered taxpayer, with the exception of personal income tax collected by deduction in accordance with a special rate;

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<sup>1)</sup> Section 2 of Act No 218/2000 Coll., on budgetary rules and on an amendment to certain related Acts (Budgetary Rules).

<sup>2)</sup> Section 59(6) of Act No 337/1992 Coll., on the administration of taxes and charges, as amended.

<sup>3)</sup> Section 96a(1) of Act No 337/1992 Coll., as amended.

<sup>4)</sup> Act No 104/2000 Coll., on the State Transport Infrastructure Fund and on an amendment to Act No 171/1991 Coll., on the competence of bodies of the Czech Republic in cases of the transfer of state property to other persons and on the National Property Fund of the Czech Republic, as amended.

- d) a share of 3.1% of the national gross revenue from personal income tax collected by deduction in accordance with a special rate;
- e) a share of 3.1% of 60% of the national gross revenue from the tax (advance tax payments) on personal income, less the revenues specified under subparagraphs (c) and (d);
- f) a share of 3.1% of the national gross revenue from corporate income tax, with the exception of the revenues specified in subparagraph (a) and in section 4(1)(h).

(2) Each region shall contribute to the percentage of the national gross tax revenue under subsection (1)(b) to (f) at the percentage specified in Schedule No 1 hereto.

(3) The payment of the difference between tax assessed or additionally assessed for a region by the tax administrator and tax declared by the region in a return or additional return, or tax accessions, shall not be deemed part of the tax income under subsection 1(a).<sup>4a)</sup>

#### Section 4 Tax Income of Municipal Budgets

(1) The tax income of the budgets of municipalities shall comprise:

- a) real estate tax revenue; the recipient is the municipality on whose territory the real estate is situated;
- b) a share of 20.59% of the national gross revenue from value added tax;
- c) a share of 20.59% of the national gross revenue from the tax (advance tax payments) on personal income from employment and emoluments thereof, paid by the employer as the registered taxpayer in accordance with the Income Tax Act;
- d) a share of 20.59% of the national gross revenue from the tax (advance tax payments) on personal income collected by deduction in accordance with a special rate, with the exception of the revenues specified under subparagraph (c);
- e) a share of 20.59% of 60% of the national gross revenue from the tax (advance tax payments) on personal income, less the revenues specified under subparagraphs (c) and (d);
- f) a share of 20.59% of the national gross revenue from corporate income tax, with the exception of the revenues specified in subparagraph (h) and in section 3(1)(a);
- g) 30% of the revenue from advance payments<sup>5)</sup> of personal income tax from natural persons with a permanent residential address in the territory of the municipality as at the payment due date, and of the revenue from the tax (settlement and additionally declared or additionally assessed tax) on the income of natural persons with a permanent residential address in the territory of the municipality as at the last day of the fiscal period to which the tax liability relates, with the exception of tax (advance tax payments) collected by deduction in accordance with a special rate<sup>6)</sup>, and with the exception of tax (advance tax payments) on income from employment and emoluments thereof<sup>7)</sup> deducted or paid by the registered taxpayer. For the purposes of this Act, 'permanent residential address' shall mean the place where a natural person permanently resides;
- h) corporate income tax in cases where the taxpayer is the respective municipality, with the exception of tax collected by deduction in accordance with a special rate;
- i) a share of 1.5% of the national gross revenue from the tax (advance tax payments) on personal income from employment and emoluments thereof, paid by the employer as the

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<sup>4a)</sup> Section 58 of Act No 337/1992, as amended.

<sup>5)</sup> Section 38a of Act No 586/1992 Coll., on income tax, as amended.

<sup>6)</sup> Section 36 of Act No 586/1992 Coll., on income tax, as amended.

<sup>7)</sup> Section 6 of Act No 586/1992 Coll., on income tax, as amended.

8) Section 46 of Act No 337/1992 Coll., as amended.

registered income taxpayer, with the exception of personal income tax collected by deduction in accordance with a special rate.

(2) Each municipality shall contribute to the percentage of the national gross tax revenue under subsection (1)(b) to (f) with a set percentage. This percentage shall be announced by the Ministry of Finance in agreement with the Czech Statistical Office in the form of a regulation issued every year with effect as of 1 September of the current year, such being at an amount corresponding to a proportion of the multiple of the number of inhabitants of a municipality in relation to the total number of inhabitants of the Czech Republic as at 1 January of the current year and the coefficient of the size category of the municipality in relation to the sum of these multiples of all municipalities in the Czech Republic. The coefficients of the size categories of municipalities are specified in Schedule No 2 hereto.

(3) The payment of the difference between tax assessed or additionally assessed for a municipality by the tax administrator and tax declared by the municipality in a return or additional return, or tax accessions, shall not be deemed part of the tax income under subsection 1(h).

(4) Each municipality shall contribute to the percentage of the national gross tax revenue under subsection (1)(i) with a set percentage. This percentage shall be announced by the Ministry of Finance in the form of a regulation issued every year with effect as of 1 September of the current year, such being at an amount corresponding to a proportion of the number of inhabitants in a municipality, as reported in an appendix to the statement of tax on income from employment and emoluments thereof under a separate legal regulation,<sup>9a)</sup> in relation to the number of employees thus reported in the individual municipalities of the Czech Republic as at 1 December of the preceding calendar year.

## Section 5

### Tax Income of the National Transport Infrastructure Fund

The tax income of the National Transport Infrastructure Fund shall comprise:

- a) national gross revenue from road tax;
- b) 20% of the national gross revenue from excise duty on hydrocarbon fuels and lubricants.

## Section 6

### Transfer of Tax Income

(1) The tax administrator shall transfer tax income intended for the recipient at least once a month of the amount intended for transfer is more than CZK 500. The amount intended for transfer is rounded down to the nearest hundred crowns on transfer.

(2) In the final month of the budget year, the tax administrator shall transfer the amount intended for transfer to the recipient, even if this amount is less than CZK 500, in such manner that the deadline for payments as set by the bank managing the accounts of the tax administrator can be used, and so that this amount is cleared to the recipient's account in the same budget year.

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<sup>9a)</sup> Act No 586/1992 Coll., as amended.

(3) In the period from the beginning of the budget year until the date the regulation under section 4(2) for this budget year enters into effect, the percentages set under the current regulation shall be used for transfers. The total amounts transferred to recipients in the said period shall be carried to account with subsequent transfers of tax income.

(4) The tax administrator shall proceed in accordance with subsections (1) and (2) mutatis mutandis in the case of transfers of tax income not specified in section 1 which are intended for the recipients under separate Acts.

#### Section 7 Transitory Provisions

(1) Tax income to which municipalities are entitled under hitherto legal regulations and which have not been transferred by 31 December 2000 shall be transferred to the budgets of municipalities in accordance with hitherto legal regulations.

(2) The percentage by which each municipality shall contribute to the said percentage of the national gross revenue under section 4(1)(b) to (f) shall be published by the Ministry of the Interior in the form of a regulation for the first time with effect as of 1 January 2001, such being by means of the proportion of the number of inhabitants of a municipality in relation to the total number of inhabitants of the Czech Republic as at 1 January 2000 and the coefficient of the size category of the municipality in relation to the sum of these multiples of all municipalities in the Czech Republic.

#### Section 8 Effect

This Act enters into effect on 1 January 2001.

Klaus, in his own hand  
Havel, in his own hand  
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Schedule

repealed

Schedule 1

Region	Percentage
Prague	5.026663
Středočesko	11.836032
Jihočesko	8.386498
Plzeňsko	7.256508
Karlovarsko	3.729188
Ústecko	8.530216
Liberecko	5.022286
Královéhradecko	6.230239
Pardubicko	5.311547

Vysočina	7.099474
Jihomoravsko	10.005734
Olomoucko	6.606500
Zlínsko	5.302314
Moravskoslezsko	9.656801
Czech Republic (total)	100.000000

## Schedule 2

Municipalities with a number of inhabitants*) From – To	Coefficients of the size category of municipalities
Up to 100 inhabitants	0.4213
101-200 inhabitants	0.5370
201-300 inhabitants	0.5630
301-1500 inhabitants	0.5881
1501-5000 inhabitants	0.5977
5001-10000 inhabitants	0.6150
10001-20000 inhabitants	0.7016
20001-30000 inhabitants	0.7102
30001-40000 inhabitants	0.7449
40001-50000 inhabitants	0.8142
50001-100000 inhabitants	0.8487
100001-150000 inhabitants	1.0393
150001 or more inhabitants	1.6715
City of Prague	2.7611

\*) The number of inhabitants is determined by the total number of inhabitants of the Czech Republic processed by the Czech Statistical Office as at 1 January of the current year.

### Selected provisions of amendments

#### Article II of Act No 483/2001 Coll. Transitory Provisions Relating to Part One

(1) Tax income to which municipalities are entitled under hitherto legal regulations as at 31 December 2001 and which have not been transferred by 31 December 2001 shall be transferred to the budgets of municipalities in accordance with hitherto legal regulations.

(2) The percentage by which each municipality shall contribute to the percentage of the national gross revenue under section 4(1)(i) of Act No 243/2000 Coll., on the budget revenue of certain taxes for territorial self-governing units and some state funds (Act on the Budget Use of Taxes), in the wording of this Act, shall be published by the Ministry of the Interior in the form of a regulation for the first time with effect as of 1 January 2002.